

For Immediate Release:

**Consolidated Financial Statements for the First Half of Fiscal 2003**

Company name: **Mizuho Financial Group, Inc. ("MHFG")**  
 Stock code number: 8411  
 URL: <http://www.mizuho-fg.co.jp/english/>  
 Stock Exchanges: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)  
 Address: 6-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8208, Japan  
 Representative: Name: Terunobu Maeda  
 Title: President & CEO  
 For inquiry: Name: Tsunenori Suzuki  
 Title: General Manager, Accounting Department  
 Phone: 03-5224-2030  
 Meeting of Board of Directors for Financial Results: November 25, 2003  
 Trading Accounts : Established  
 US GAAP : Not applied

**1. Financial Highlights for the First Half of Fiscal 2003 (from April 1, 2003 to September 30, 2003)****(1) Consolidated Operating Results**

Amounts less than one million yen are rounded down.

	Ordinary Income		Ordinary Profits (Loss)		Net Income (Loss)	
	¥million	%	¥million	%	¥million	%
First Half of Fiscal 2003	1,743,165		505,442		255,397	
First Half of Fiscal 2002						
Fiscal 2002	3,435,997		(2,130,547)		(2,377,172)	

	Net Income (Loss) per Share of Common Stock	Diluted Net Income per Share of Common Stock
	¥	¥
First Half of Fiscal 2003	26,320.47	12,301.30
First Half of Fiscal 2002		
Fiscal 2002	(254,524.66)	

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

First Half of Fiscal 2003 ¥1,203million, First Half of Fiscal 2002 — million, Fiscal 2002 ¥(3,491)million

2. Average Outstanding Shares of Common Stock (consolidated basis) :

First Half of Fiscal 2003 9,703,377shares, First Half of Fiscal 2002 —shares, Fiscal 2002 9,426,668shares

3. Change in Accounting Method: None

4. Percentages on the above table represent changes of Ordinary 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 2003	135,484,694	3,274,737	2.4	29,072.86	10.63(*)
First Half of Fiscal 2002					
Fiscal 2002	134,032,747	2,861,066	2.1	(20,376.72)	9.53

Note: 1. Outstanding Shares of Common Stock at the End of Term (consolidated basis) :

First Half of Fiscal 2003 10,136,857shares, First Half of Fiscal 2002 —shares, Fiscal 2002 9,423,040shares

\* Preliminary

**(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 the End of Term
	¥million	¥million	¥million	¥million
First Half of Fiscal 2003	3,033,795	(3,592,128)	(161,729)	6,327,649
First Half of Fiscal 2002				
Fiscal 2002	(2,196,162)	(206,336)	(394,021)	7,048,505

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

Number of Consolidated Subsidiaries: 125, Number of Non-consolidated Subsidiaries Accounted for by the Equity Method: 0

Number of Affiliates Accounted for by the Equity Method: 29

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

(Consolidation) Newly Consolidated: 6, Excluded: 19, (Equity Method) Newly Applied: 0, Excluded: 4

**2. Consolidated Earnings Estimates for Fiscal 2003 (from April 1, 2003 to March 31, 2004)**

	Ordinary Income	Ordinary Profits	Net Income
	¥million	¥million	¥million
Fiscal 2003	3,300,000	800,000	360,000

Reference: Net Income per Share of Common Stock (Fiscal 2003 estimate): ¥32,362.51

Above estimates are 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 these estimates, depending on future events.

## Number of Shares

	First Half of Fiscal 2003		Fiscal 2002	
	Average Shares	Outstanding Shares at the End of Term	Average Shares	Outstanding Shares at the End of Term
Common Stock	9,703,377	10,136,857	9,426,668	9,423,040
First series Preferred Stock (Class I)	33,000	33,000	7,951	33,000
Second series Preferred Stock (Class II)	100,000	100,000	24,096	100,000
Third series Preferred Stock (Class III)	100,000	100,000	24,096	100,000
Fourth series Preferred Stock (Class IV)	150,000	150,000	36,144	150,000
Sixth series Preferred Stock (Class VI)	150,000	150,000	36,144	150,000
Seventh series Preferred Stock (Class VII)	125,000	125,000	30,120	125,000
Eighth series Preferred Stock (Class VIII)	125,000	125,000	30,120	125,000
Ninth series Preferred Stock (Class IX)	140,000	140,000	33,734	140,000
Tenth series Preferred Stock (Class X)	140,000	140,000	33,734	140,000
Eleventh series Preferred Stock (Class XI)	943,740	943,740	34,111	943,740
Twelfth series Preferred Stock (Class XI)	81,544	50,600	3,668	101,500
Thirteenth series Preferred Stock (Class XIII)	36,690	36,690	1,326	36,690

- Note: 1. Minimum Shares for Trading for Common and Preferred Stock : 1 share  
2. Treasury Stock is excluded from Number of Common Stock.  
3. Increase in Number of Common Stock is due to the conversion of 50,900 shares of Twelfth series Preferred Stock (Class XI).

**Formulae for indices - Financial Highlights for the First Half of Fiscal 2003**

Net Income per Share of Common Stock

$$\frac{\text{Net Income - Amount Not Available to Common Shareholders (*1)}}{\text{Average Outstanding Shares of Common Stock During the Term (*2)}}$$

Diluted Net Income per Share of Common Stock

$$\frac{\text{Net Income - Amount Not Available to Common Shareholders (*1) + Adjustments}}{\text{Average Outstanding Shares of Common Stock During the Term (*2) + Increasing Shares of Common Stock for Dilutive Securities (*3)}}$$

Total Shareholders' Equity to Total Assets

$$\frac{\text{Total Shareholders' Equity (at the End of Term)}}{\text{Total Debt + Stock held by Minority Shareholders + Shareholders' Equity (at the End of Term)}}$$

Shareholders' Equity per Share of Common Stock

$$\frac{\text{Shareholders' Equity at the End of Term - Deduction from Shareholders' Equity (*4)}}{\text{Outstanding Shares of Common Stock at the End of Term (*2)}}$$

**Formula for index - Fiscal 2003 estimate**

Net Income per Share of Common Stock (Fiscal 2003 estimate)

$$\frac{\text{Net Income (estimate) - Dividends on Preferred Stock (estimate)}}{\text{Average Outstanding Shares of Common Stock During the Term (*2)}}$$

\*1 Dividends on Preferred Stock and other.

\*2 Treasury Stock is excluded from shares of Common Stock.

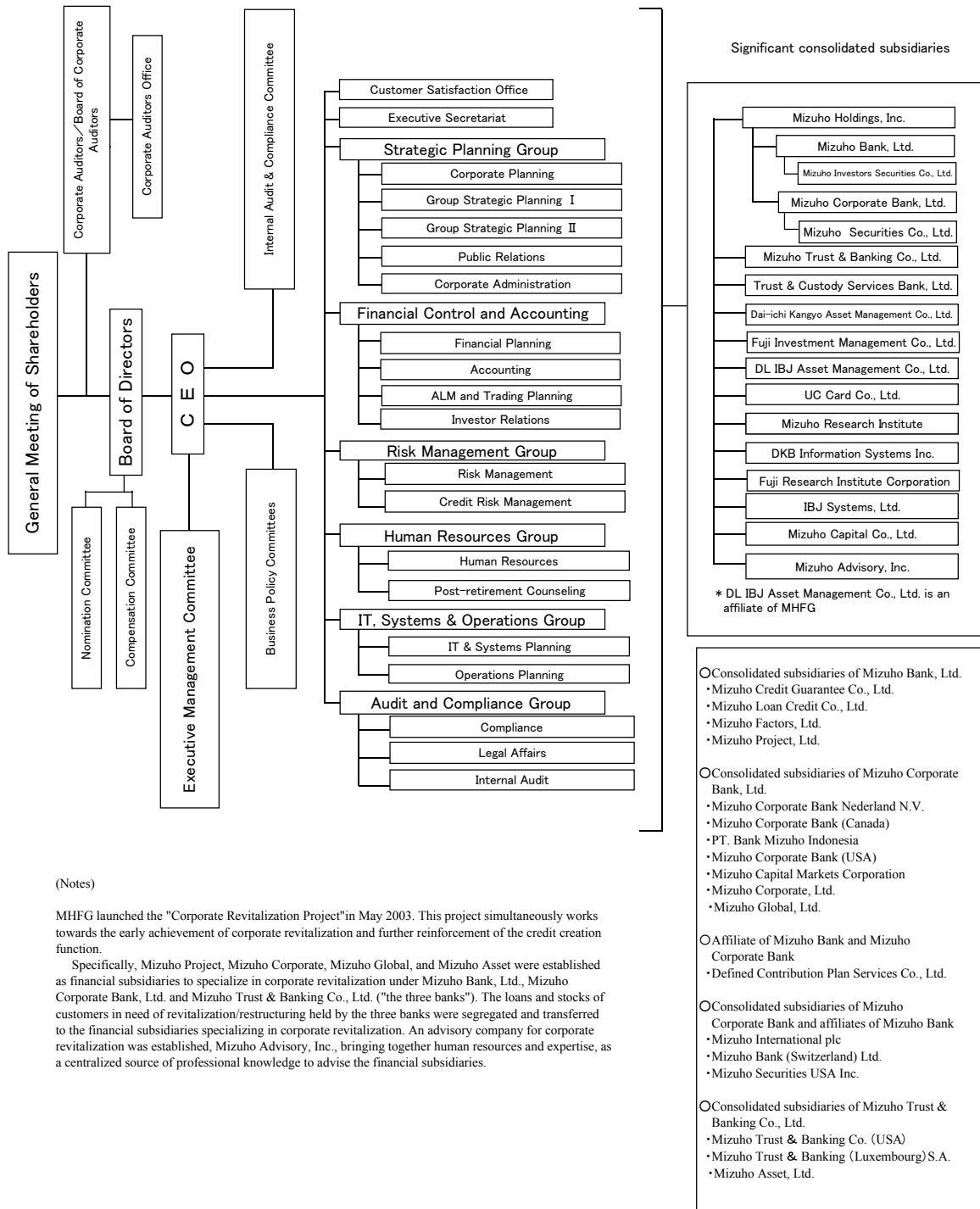
\*3 Increasing Shares of Common Stock for Dilutive Securities is calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the term, in accordance with accounting standards. That is, all dilutive convertible securities, including those before the conversion period, are assumed to be converted at the price calculated based on market price at the beginning of the term.

\*4 Issue amount of Preferred Stock, dividends on Preferred Stock and other.

# 1. Organization structure of Mizuho Financial Group

Mizuho Financial Group is composed of Mizuho Financial Group, Inc. (“MHFG”) and its affiliates. Mizuho Financial Group provides various financial services, principally banking services, together with securities business, trust and asset management services among others.

(as of September 30, 2003 )



(Notes)

MHFG launched the "Corporate Revitalization Project" in May 2003. This project simultaneously works towards the early achievement of corporate revitalization and further reinforcement of the credit creation function.

Specifically, Mizuho Project, Mizuho Corporate, Mizuho Global, and Mizuho Asset were established as financial subsidiaries to specialize in corporate revitalization under Mizuho Bank, Ltd., Mizuho Corporate Bank, Ltd. and Mizuho Trust & Banking Co., Ltd. ("the three banks"). The loans and stocks of customers in need of revitalization/restructuring held by the three banks were segregated and transferred to the financial subsidiaries specializing in corporate revitalization. An advisory company for corporate revitalization was established, Mizuho Advisory, Inc., bringing together human resources and expertise, as a centralized source of professional knowledge to advise the financial subsidiaries.

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 Trust & Banking Co., Ltd.	Chuo-Ku, Tokyo	Trust and Banking Business	79.4 <i>0.2</i>	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
Mizuho Investors Securities Co., Ltd.	Chuo-Ku, Tokyo	Securities Business	66.8 <i>66.8</i>	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Nagoya Stock Exchange (First Section)

Italic figures of Ownership Percentage denote percentage of interest held by subsidiaries

( Reference ) Changes of Consolidated Subsidiaries and Affiliates

1 . Consolidated Subsidiaries

	March 31, 2003	Increase/Decrease	September 30, 2003
Mizuho Financial Group, Inc.	138	+6 ----- (19)	125
Mizuho Holdings, Inc.	93	+6 ----- (19)	80
Mizuho Bank	22	+3 ----- 0	25
Mizuho Corporate Bank	67	+3 ----- (18)	52

2 . Affiliates Accounted for by the Equity Method

	March 31, 2003	Increase (Decrease)	September 30, 2003
Mizuho Financial Group, Inc.	33	0 ----- (4)	29
Mizuho Holdings, Inc.	28	+4 ----- (4)	28
Mizuho Bank	9	+2 ----- (1)	10
Mizuho Corporate Bank	24	+3 ----- (4)	23

## **2. Management Policies**

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

Mizuho Financial Group (the Group) was launched on April 1, 2002 with the start of Mizuho Bank, Limited (MHBK), whose main customers are individuals, domestic corporations and local public organizations and Mizuho Corporate Bank, Limited (MHCB), whose main customers are large corporations, financial institutions and their group companies, public organizations (national government entities) and overseas customers.

In addition, the Group's second tier subsidiaries, Mizuho Securities Co., Ltd. (MHSC) and Mizuho Trust & Banking Co., Ltd. (MHTB), became directly owned subsidiaries of Mizuho Holdings, Inc. (MHHD). As a result of this, the Group launched its new business structure with the four companies referred to above at the core of the Group.

In November 2002, in response to an increasingly severe economic climate, the Group announced the "Change & Speed-Up Program," to change and accelerate the deployment of business strategies, accelerate cost structure reforms, and strengthen corporate governance and reinforce a merit-based system. In March 2003, the Group implemented a "Business Reorganization," completely reorganizing its group management structure. Specific action under the "Business Reorganization" was the direct management by Mizuho Financial Group, Inc. (MHFG) of strategic subsidiaries such as the group's credit card company and the asset management subsidiaries in addition to the banking and securities subsidiaries.

We launched the "Corporate Revitalization Project" during this interim fiscal term. In order to achieve corporate revitalization, loans and stocks of customers in need of revitalization/restructuring held by MHBK, MHCB and MHTB were transferred to financial subsidiaries established to specialize in corporate revitalization according to the characteristics of each bank and its customers. The subsidiaries are Mizuho Corporate, Mizuho Global, Mizuho Project and Mizuho Asset. The necessary personnel resources were brought together by transferring the organizations of the banks engaged in corporate revitalization to the new financial subsidiaries, and the three banks focusing on banking business centered on the fund intermediation function to support customers by providing a stable supply of high-quality funds, simultaneously working for an early achievement of our corporate customers' revitalization and a further reinforcement of our credit creation function. We established Mizuho Advisory as an advisory company to provide our financial subsidiaries for corporate revitalization with pertinent advice. It brought together human resources and expertise that were formerly dispersed throughout the group, along with the expertise of the Development Bank of Japan, which is a governmental financial institution, and foreign financial institutions. With the advisory company providing professional advice to the financial subsidiaries swiftly and accurately, we intend to expedite all our efforts to complete revitalization of customers in a time frame of three years.

In this way, by reorganizing the Group's management structure and creating the structure for the swift implementation of corporate revitalization, we will further evolve Mizuho's business model and reinforce the ability of each bank in the Group to provide the financing expectations set forth in each of their respective core markets, realize synergy benefits within the Group to the fullest and offer reliably and quickly a full range of specialized financial services that meet our customers' financial needs.

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

#### **(a) Basic Policy regarding cash dividends**

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

#### **(b) Estimate of dividend for fiscal 2003**

By taking into account the financial estimates of this fiscal period, cash dividend for Common Stocks for fiscal 2003 is estimated to be ¥3,000 per share, which is the same as May 2003 estimate. Dividends for each series of preferred stocks are scheduled to be paid out accordingly.

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

We modified our "Business Revitalization Plan" in September 2003 to enhance our competitiveness

and maintain a high level of profitability by pushing forward with the speedy and certain implementation of the measures outlined in our “Change and Speed-up Program” announced in November, 2002.

At the same time as pursuing this profit expansion strategy, while aggressively pursuing synergy benefits, MHFG, MHBK and MHCB will accelerate cost structure reforms, actively reviewing personnel-related and general expenses. Specific examples are the bringing forward of staff reductions and branch amalgamations. We plan to make steady and sweeping reductions in expenses each term for MHFG, MHHD, MHBK and MHCB totaling ¥190 billion over a 4-year period from fiscal 2002 with a fiscal 2006 target in the ¥700 billion range.

During fiscal 2002 we have proactively accelerated the final disposal of Non-Performing Loans (NPLs). We have significantly increased the level of loan-loss reserves against the risk of future deterioration of assets. As a result, the aggregated credit related costs for MHBK, MHCB and MHTB amounted to ¥2,095.2 billion for fiscal 2002. Management will continue to accelerate the final disposal of NPLs and is determined to halve the existing balance of NPLs by the end of fiscal 2004.

In order to meet the profit targets laid down in our “Business Revitalization Plan,” our retail wing, MHBK, which covers both individual and small- and medium-sized customers, will take advantage of its dominant position supported by both its nationwide and convenient network and enormous customer base. It will use these to build a competitive customer-segmented business structure, reinforcing our housing loan, foreign currency deposits, assets under management and personal pension and insurance plan etc. business for the individual customer market, and also to pursue active solutions in areas such as unsecured loans and supporting venture businesses for the domestic small- and medium-sized enterprise market.

MHBK will also enhance cost competitiveness by bringing forward branch consolidation and staff reductions. Its aim is the early achievement of a target expense ratio (ratio of expenses to total gross profits) in the 40% range.

Our wholesale banking wing, MHCB will break away from the conventional business model that is dependent on asset volume so that it can quickly realize a market-oriented indirect financing model. Through the maximum reallocation of managerial resources to strategic businesses such as syndication business, in which it already has the largest share of the Japanese domestic syndicated loan market of any Japanese bank, and financial products business, it will provide its customers with high value-added products with the most advanced financial technology. MHCB has set 50% as its target ratio of non-interest income to total gross profits.

MHSC, MHTB and other arms of MHFG will further strengthen their capabilities in their respective strategic business areas, and actively pursue synergies with other group companies.

During fiscal 2002, we developed the Mizuho business model. We have positioned fiscal 2003 as a year of achievement for Mizuho. We have already achieved net income in excess of our target during the first half of fiscal 2003, and we are set to achieve the target laid down in the “Business Revitalization Plan.” We plan to resume dividend payment on common stock for fiscal 2003.

Mizuho Financial Group will continue to make every effort to improve service to its customers ensuring the competitiveness and profitability appropriate to the financial group with the largest customer base in Japan.

#### **(4) Our corporate governance policy and current implementation status**

(Our corporate governance policy)

The Group has been working to create a management structure that is slim and speedy, and is consolidating its corporate governance with the addition of outside directors and the establishment of an advisory board, etc.

We continue to aim for an accountable and efficient management structure built on corporate governance, with strict observance of all laws and regulations, pursuing our business activities in a fair and honest manner in conformance with the norms accepted by society.

(Current implementation status)

(a) Status regarding corporate governance structure as it affects management decision-making, execution and supervision, etc.

The Group has adopted the holding company structure to ensure that it has the flexible and mobile management structure necessary to cope with the changing economic environment, split for legal purposes between the customer sector and the business function sector so that group companies can

further strengthen their capabilities in their respective strategic business areas, meeting the needs of their customers and increasing corporate value to its fullest extent.

MHFG's board of directors consists of eight members, who determine important matters pertaining to the management policy of MHFG and its group companies, and monitor the directors and executive officers. Two of the directors are outside directors independent of the day-to-day management of the company. Their participation serves to strengthen the management and monitoring functions of the board of directors. MHFG has introduced the executive officer system in order to separate managerial decision-making and its implementation, and to clarify levels of authority and responsibility.

In order to ensure transparency and impartiality in matters of personnel movements affecting the board of directors and directors' compensation, a Nomination Committee and a Compensation Committee made up of directors including outside directors has been established to advise the board of directors on these matters.

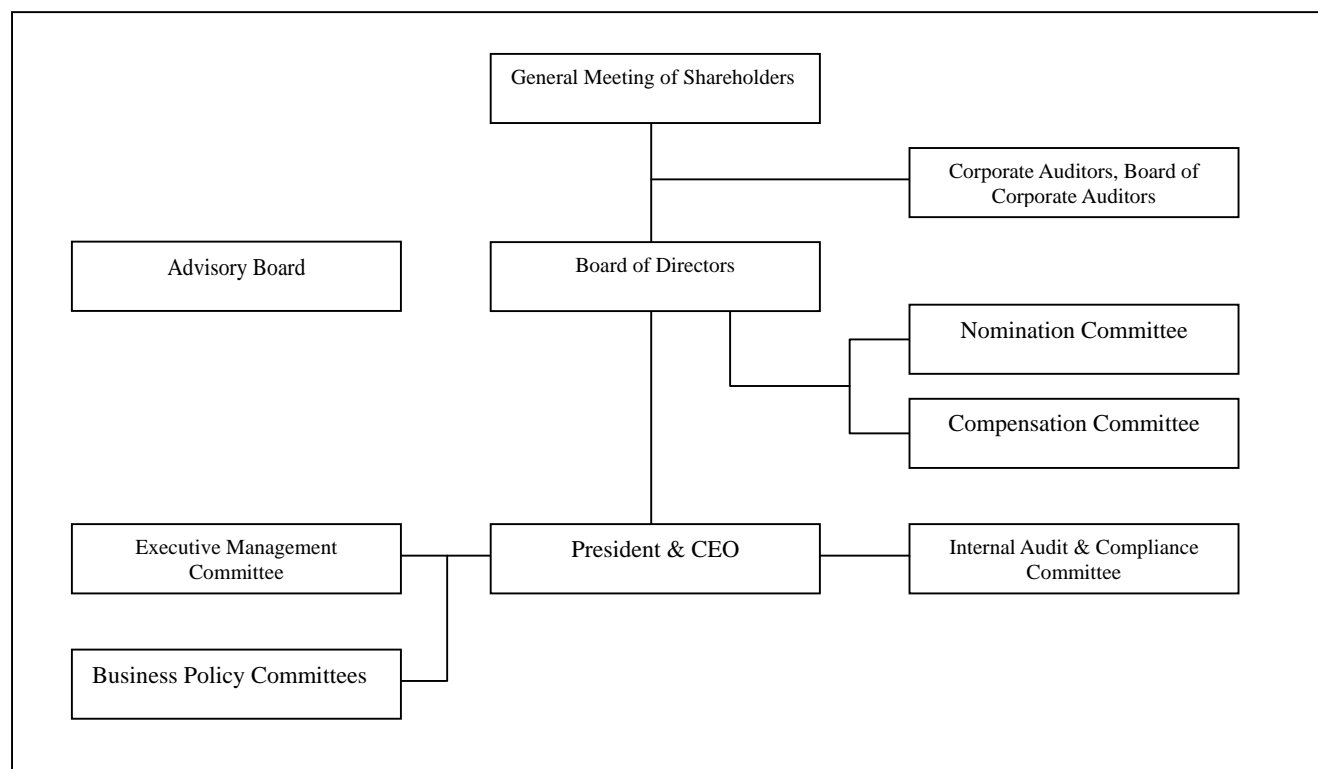
The board of corporate auditors comprises five corporate auditors, who check that the directors carry out their duties in an appropriate manner by taking part in board meetings and giving their opinions. Three of the five auditors are outside auditors.

In respect of the execution of duties, the President & CEO manages MHFG according to the fundamental management policies determined by the board of directors. The Executive Management Committee was established to serve as an advisory body for the President & CEO and discusses important matters concerning the execution of business operations.

The Internal Audit & Compliance Committee has been established to fulfill an internal audit function under the chairmanship of the President & CEO by checking whether operational execution is appropriate from the viewpoint of compliance and audit. Outside experts in their fields (consisting at present of one lawyer and one CPA) are also on the committee to strengthen the specialist nature and impartiality of the committee.

MHFG has also established an advisory board of outside experts that will offer objective evaluations and advice from an independent standpoint, aiming for an opener style of management.

*Management Structure of Mizuho Financial Group, Inc.*



(b) Details of personal relations between the company and the company's outside directors and outside auditors, capital-related matters, transaction-related matters and other conflicts of interest

There are no conflicts of interest to note between MHFG and its outside directors and its outside auditors.

(c) Summary of the past six month's progress by the company in working to ensure the full application of corporate governance

19 board meetings were convened during the six months in question, and various important matters affecting the management of MHFG and its subsidiaries were decided. The Nominating Committee was convened to review candidates for directorships, after which the Committee reported to the board with its recommendations.

The Board of Corporate Auditors determines auditing policy and planning, and MHFG's Corporate Auditors monitor operational execution by directors by attending board meetings and expressing their views.

MHFG's Internal Audit & Compliance Committee was convened twice, to deliberate and report on important matters affecting compliance and internal audit.

Two meetings of the advisory board of outside experts were convened to offer objective evaluations and advice from an independent standpoint on the Group's business strategy.



### 3. Consolidated Results of Operations

#### (1) Results of Operations

##### (a) For the First Half of Fiscal 2003 (from April 1, 2003 to September 30, 2003)

(Note) Increases/decreases noted in Outline of Results below indicate comparisons with Mizuho Holdings, Inc. Consolidated Financial Statements for the First Half of Fiscal 2002

#### *Financial and Economic Environment*

Looking back over the economic conditions during the last six months, the U.S. economy experienced a recovery trend with improvement in capital expenditure and consumer spending supported by monetary ease and large-scale tax reduction, etc. The Asian economy continued to recover due to increase in exports, etc. In contrast, the European economy was stagnant in the face of a continuing decline in exports and capital expenditure, together with decline in consumer spending. Overall, the global economy was on a gentle recovery trend led by U.S. economy with the factors, which put downward pressure on the global economy at the beginning of the fiscal year including the war in Iraq and the SARS epidemic, having been resolved.

In Japan, the economy showed stronger signs of recovery with improvement in corporate income due to increase in export supported by the recovery in the global economy. In contrast, with factors such as prolonged deflation, the lack of growth in consumer spending, and the rapid appreciation of the yen after September, the outlook for the economy remains uncertain.

As for the financial markets, stock prices increased rapidly after May following a sharp decline around the beginning of the fiscal year, and long-term interest rates increased sharply after August reflecting current Japanese economic trends. In June 2003, the Bank of Japan decided on the outright purchase of asset-backed securities as part of its monetary policy, and in September decided to extend the period for purchasing stocks from banks by one year.

The government proceeded on the examination and implementation of specific measures stated in “Program for Financial Revival,” which was launched in October 2002. The establishment of the Industrial Revitalization Corporation of Japan in April 2003 resulted from an awareness of the need for both the public and the private sector to cooperate in promoting corporate and industrial revitalization. Under the severe business environment with continuing high corporate bankruptcy levels, we are steadily expediting final disposals of NPLs, actively involving in corporate revitalization and radically strengthening management infrastructures.

#### *Outline of Results*

Under the above prevalent financial and economic conditions, Consolidated Gross Profits for the first half of fiscal 2003 was ¥1,097.3 billion, a decrease of ¥0.9 billion from the same period last year.

Net Interest Income was ¥ 585.1 billion, decreasing by ¥ 69.4 billion from the corresponding interim period of fiscal 2002, as a result of the weak demand for funds in the domestic market and an overhaul of the investment portfolio etc. Net Fiduciary Income was ¥ 26.8 billion, increasing by ¥ 4.2 billion from the corresponding interim

period of fiscal 2002. Net Fee and Commission Income was ¥ 196.4 billion, increasing by ¥ 15.6 billion from the corresponding interim period of fiscal 2002 as a result of the efforts made to increase fee income. Net Trading Income was ¥ 129.1 billion, increasing by ¥ 5.4 billion from the corresponding interim period of fiscal 2002. Net Other Operating Income was ¥ 159.8 billion, increasing by ¥ 43.1 billion from the corresponding interim period of fiscal 2002 as a result of bond-related income derived from an increase in Net Profits related to Bonds.

General and Administrative Expenses for the first half of fiscal 2002 amounted to ¥ 572.1 billion, decreasing by ¥ 79.3 billion from a radical overhaul of the cost structure and thorough efforts to reduce personnel and administrative expenses.

Credit Related Costs amounted to ¥ 169.5 billion, decreasing by ¥ 141.7 billion from the corresponding interim period of fiscal 2002. Losses on Write-offs of Loans for the first half of fiscal 2003 amounted to ¥ 83.6 billion, a decrease of ¥145.8 billion from the same period last year, as a result of the acceleration of the final disposal of problem loans and an aggressive attitude to provisions against the deterioration of asset quality in fiscal 2002. Provision for Reserves for Possible Losses on Loans amounted to ¥ 80.5 billion, increasing by ¥ 64.8 billion from the corresponding interim period of fiscal 2002 as a result of application of the tougher loan provision standards. Net Profits Related to Stocks and Other Securities amounted to ¥ 119.5 billion, increasing by ¥ 174.8 billion from the corresponding interim period of fiscal 2002, mainly as a result of the aggressive reduction of the securities portfolio as the stock market improved. Equity in Income from Investments in Affiliates for the first half of fiscal 2003 showed an improvement due to improved profitability of affiliates to realize a profit of ¥ 1.2 billion, increasing by ¥ 8.0 billion from the corresponding interim period of fiscal 2002.

In addition to the above, Gains on Establishment of Employee Retirement Benefit Trusts and other factors contributed to increase Ordinary Profit by ¥383.2 billion from the corresponding interim period of fiscal 2002, recording ¥ 505.4 billion.

Net Extraordinary Profit amounted to ¥ 71.6 billion, increasing by ¥ 94.7 billion from the corresponding interim period of fiscal 2002, due to a tax refund and interest on the refund for the period up to the end of the interim consolidated fiscal term, resulting from a settlement-at-court with the Tokyo Metropolitan Government and the Tokyo Governor, gains on return of substitutional portion of Mizuho Pension Fund, and other.

Income before Income Taxes and Minority Interests amounted to ¥ 577.0 billion after reflecting Net Extraordinary Profit to Consolidated Ordinary Profit, increasing by ¥ 477.9 billion from the corresponding interim period of fiscal 2002.

Income Tax Expenses-Current amounted to ¥ 22.1 billion, increasing by ¥ 6.4 billion from the corresponding interim period of fiscal 2002 and Income Tax Expenses-Deferred amounted to ¥ 268.6 billion increasing by ¥ 255.7 billion from the corresponding interim period of fiscal 2002 reflecting the strict appraisal of deferred tax assets, etc. Minority Interests in Net Income amounted to ¥ 30.9 billion, decreasing by ¥ 0.6 billion.

After reflecting the above, Consolidated Net Income amounted to ¥ 255.3 billion, increasing by ¥ 216.3 billion from the corresponding interim period of fiscal 2002.

### *Segment Information*

In addition to banking business (banking and trust banking business), MHFG and its consolidated subsidiaries are engaged in securities business and other (credit card business, investment advisory business and other). The proportion of these activities accounting for Ordinary Income before excluding inter-segment Ordinary Income was 92.0% for banking business, 6.2% for securities business and 1.6% for other.

Segments of operations by geographic area are Japan, Americas, Europe and Asia/Oceania. Ordinary Income from International Operations of ¥ 252.7 billion accounts for 14.4% of Consolidated Ordinary Income of ¥ 1,743.1 billion.

**(b) Estimates for Fiscal 2003 (from April 1, 2003 to March 31, 2004)**

*Earnings Estimates*

As for earnings estimates for fiscal 2003, we estimate Ordinary Income of ¥ 3,300.0 billion, Ordinary Profit of ¥ 800.0 billion and Net Income of ¥ 360.0 billion on a consolidated basis.

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

*Dividend Payment Estimates*

MHFG estimates payment of ¥ 3,000 of annual dividends per share on common stock taking into consideration the earnings estimates for fiscal 2003. MHFG also estimates to pay dividends on preferred stocks as prescribed.

**(2) Financial Conditions**

*Financial Conditions*

Loans and Bills Discounted as of the end of the first half of fiscal 2003 amounted to ¥ 67,990.1 billion, decreasing by ¥ 1,219.8 billion from the end of fiscal 2002 as a result of the weak demand for funds in the domestic market and an overhaul of the investment portfolio, etc. Of Loans, the Non-Accrual, Past Due and Restructured Loans balance amounted to ¥ 4,334.2 billion, decreasing by ¥ 435.7 billion and accounting for 6.3% of the total Loans balance, an improvement of 0.5%. Loans to Bankrupt Borrowers were ¥ 248.4 billion, decreasing by ¥ 40.2 billion, Non-Accrual Delinquent Loans were ¥ 1,531.9 billion, decreasing by ¥ 66.6 billion, Loans Past Due for 3 Months or More were ¥ 40.5 billion, decreasing by ¥ 10.1 billion and Restructured Loans were ¥ 2,513.3 billion, decreasing by ¥ 318.7 billion. Reserves for Possible Losses on Loans amounted to ¥ 2,181.1 billion, decreasing by ¥ 30.2 billion from the end of fiscal 2002. The reserve ratio of Non-Accrual, Past Due and Restructured Loans is 50.3%. Of loan reserves, General Reserve for Possible Losses on Loans was ¥ 1,512.1 billion, decreasing by ¥ 3.2 billion, Specific Reserve for Possible Losses on Loans was ¥ 658.2 billion, decreasing by ¥ 20.2 billion, and the Reserve for Loans to Restructuring Countries was ¥ 10.6 billion, decreasing by ¥ 6.7 billion.

Deferred Tax Assets were ¥ 1,672.0 billion, decreasing by ¥ 458.1 billion from the end of fiscal 2002 reflecting the increase in Net Unrealized Gains on Other Securities, the decrease in loss carry-forwards and the strict assessment of the recoverability as an asset.

Deposits and Negotiable Certificates of Deposit amounted to ¥ 74,329.7 billion, increasing by ¥ 2,107.1 billion

from the end of fiscal 2002.

Total Shareholders' Equity was ¥ 3,274.7 billion, increasing by ¥ 413.6 billion from the end of fiscal 2002 due to Net Income amounting to ¥ 255.3 billion recorded for the first half of fiscal 2003 and an improvement in Net Unrealized Gains (Losses) on Other Securities, net of Taxes of ¥167.0 billion.

*Cash Flows*

Cash Flow from Operating Activities was ¥ 3,033.7 billion as a result of increase in Deposits and Negotiable Certificates of Deposit, etc. Cash Flow from Investing Activities was ¥(3,592.1) billion as a result of acquisition of securities, etc. and Cash Flow from Financing Activities was ¥(161.7) billion as a result of repayments of subordinated notes and bonds and payments for redemption of notes and bonds with stock option of the domestic trust banking subsidiary.

As a result, Cash and Cash Equivalents as of September 30, 2003 was ¥ 6,327.6 billion.

*Consolidated Capital Adequacy Ratio*

The Consolidated Capital Adequacy Ratio (BIS) has increased by 1.1% since the end of the previous fiscal year to 10.63% due to an increase in equity from recording Net Income for the period and the efficient management of risk assets.

March 31, 2001	March 31, 2002	March 31, 2003	September 30, 2003
11.39%	10.56%	9.53%	10.63% (Preliminary)

\*Figures for and before March 31, 2002 are those of Mizuho Holdings, Inc. (consolidated basis).

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

### (1) Scope of Consolidation

Number of consolidated subsidiaries: 125

Names of principal companies:

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

During the interim consolidated fiscal term, Mizuho Advisory, Inc. and 5 other companies were newly consolidated on their establishment.

During the interim consolidated fiscal term, Chekiang First Bank Ltd. and 18 other companies were excluded as a result of disposal by sale, etc.

Non-consolidated subsidiaries

Name of principal company:

ONKD, Inc.

Non-consolidated subsidiaries are 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 MHFG's equity position), and retained earnings (the amounts corresponding to MHFG's equity position) when excluded from the scope of consolidation.

### (2) Application of the Equity Method

Number of affiliates accounted for by the equity method: 29

Names of principal companies:

The Chiba Kogyo Bank, Ltd.  
Shinko Securities Co., Ltd.  
Japan Mortgage Co., Ltd.  
Fuyo General Lease Co., Ltd.  
IBJ Leasing Co., Ltd.

World Gateway, Inc. and 3 other companies were excluded from the scope of the equity method as a result of liquidation, etc.

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

Names of principal companies:

ONKD, Inc.  
Hanto Real Estate Management Co., Ltd.

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

### (3) Balance Sheet Dates of Consolidated Subsidiaries

Interim balance sheet dates of consolidated subsidiaries are as follows:

April 30	:	1 company
June 30	:	49 companies
July 31	:	1 company
September 30	:	60 companies
The day before the last business day of December	:	14 companies

Consolidated subsidiaries whose interim balance sheet date falls on April 30 and the day before the last business day of December were consolidated based on their assumed financial statements as of June 30, 2003. Other consolidated subsidiaries were consolidated based on their financial statements as of their respective interim balance sheet dates.

The necessary adjustments have been made to the financial statements for any significant transactions that took place between the above interim balance sheet dates and the date of the interim consolidated financial statements.

# Consolidated Balance Sheet

As of September 30, 2003

**Mizuho Financial Group, Inc.**

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Cash and Due from Banks	7,012,827	Deposits	65,606,248
Call Loans and Bills Purchased	446,948	Negotiable Certificates of Deposit	8,723,542
Receivables Under Resale Agreements	4,054,119	Debentures	10,705,987
Guarantee Deposit Paid under Securities Borrowing Transactions	7,682,677	Call Money and Bills Sold	9,330,788
Other Debt Purchased	942,770	Payables Under Repurchase Agreements	6,879,857
Trading Assets	9,150,593	Guarantee Deposit Received under Securities Lending Transactions	8,203,716
Money Held in Trust	32,138	Commercial Paper	781,500
Securities	27,156,529	Trading Liabilities	6,527,425
Loans and Bills Discounted	67,990,151	Borrowed Money	1,473,260
Foreign Exchange Assets	730,491	Foreign Exchange Liabilities	229,315
Other Assets	5,318,127	Short-term Corporate Bonds	70,000
Premises and Equipment	1,557,180	Bonds and Notes	2,364,428
Deferred Debenture Charges	765	Due to Trust Account	1,332,829
Deferred Tax Assets	1,672,098	Other Liabilities	4,537,370
Customers' Liabilities for Acceptances and Guarantees	3,923,369	Reserve for Bonus Payments	28,086
Reserves for Possible Losses on Loans	(2,181,117)	Reserve for Employee Retirement Benefits	28,924
Reserve for Possible Losses on Investments	(4,977)	Reserve for Possible Losses on Loans Sold	6,465
		Reserve for Contingencies	142,103
		Reserve under Special Law	1,016
		Deferred Tax Liabilities	15,694
		Deferred Tax Liabilities for Revaluation Reserve for Land	252,417
		Acceptances and Guarantees	3,923,369
		<b>Total Liabilities</b>	<b>131,164,349</b>
		<b>Minority Interests</b>	
		Minority Interests	1,045,607
		<b>Shareholders' Equity</b>	
		Common Stock and Preferred Stock	1,540,965
		Capital Surplus	1,262,267
		Retained Earnings	173,583
		Revaluation Reserve for Land, net of Taxes	369,212
		Net Unrealized Gains on Other Securities, net of Taxes	142,410
		Foreign Currency Translation Adjustments	(79,562)
		Treasury Common Stock	(134,139)
		<b>Total Shareholders' Equity</b>	<b>3,274,737</b>
<b>Total Assets</b>	<b>135,484,694</b>	<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>135,484,694</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 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 Other Securities, Japanese stocks with market prices 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 market prices 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 net unrealized gains (losses) on Other Securities are booked directly to Shareholders' Equity, net of applicable income taxes.
4. Securities which are held as trust assets in Money Held in Trust accounts, mainly for the purpose of investment in securities, are valued on a mark-to-market basis.
5. Derivative transactions (other than transactions for trading purposes) are valued on a mark-to-market basis.
6. **Premises and Equipment**

Depreciation of Buildings is computed mainly by the straight-line method, and that of Equipment is computed mainly by the decline-balance method. The estimated annual depreciation cost is divided by the number of months used during the fiscal term. The general useful life for buildings and equipment is as follows:

Buildings	3-50 years
Equipment	2-20 years
7. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful life (primarily 5 years) determined by MHFG and its consolidated subsidiaries.
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 Enforcement Regulations of the Commercial Code of Japan.
9. **Foreign Currency Items**

Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic banking subsidiaries and domestic trust banking 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 which are not accounted for by the equity method, which are translated at historical exchange rates.



In the previous consolidated fiscal years, the transitional treatment permitted by “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No. 25) was applied to foreign currency transactions. However, effective this interim consolidated fiscal term, in accordance with the basic provisions of JICPA Industry Audit Committee Report No. 25, hedge accounting is applied to currency-swap transactions, exchange swap transactions and similar transactions intended to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency. A summary of the hedge accounting applied in these transactions is described in 18. below.

As a result of the application of hedge accounting, currency-swap transactions and exchange swap transactions, which were accounted for on an accrual basis, are valued at fair value and the net amount of the credit balance and the debt balance are recorded on the balance sheet in Other Assets and Other Liabilities which resulted in an increase of ¥6,771 million and ¥6,714 million, respectively, compared with the corresponding amounts under the previous methods. Additionally, as a result of this change, Ordinary Profit and Income before Income Taxes and Minority Interests both increased by ¥56 million.

In the previous fiscal terms, the net fair value of forward foreign exchange transactions other than those for the above hedging purposes was recorded in Other Assets or Other Liabilities on the balance sheet. However, effective this interim consolidated fiscal term, in accordance with JICPA Industry Audit Committee Report No. 25, the gross of fair value amounts are presented in (i) Trading Account Assets and Trading Account Liabilities as Trading-Related Financial Derivatives and (ii) Other Assets and Other Liabilities as Derivatives other than for Trading on the balance sheet. As a result, Trading Account Assets, Trading Account Liabilities, Other Assets, and Other Liabilities increased by ¥255,687 million, ¥302,896 million, ¥631,019 million, and ¥583,810 million, respectively, compared with the corresponding amounts under the previous methods.

Assets and Liabilities denominated in foreign currencies of consolidated subsidiaries, except for the above transactions, are translated primarily at the exchange rates in effect at each interim balance sheet date.

10. Reserves for Possible Losses on Loans

Reserves for Possible Losses on Loans of 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 claims 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 at 100% of the amount remaining after direct write-offs and 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 claims to obligors which are not currently bankrupt but are likely to become bankrupt (“intensive control obligors”). In this case, the reserve is provided at the amount deemed necessary based on overall solvency analyses, on the amount remaining after deducting the expected amount recoverable from disposal of collateral and amounts under guarantees.

In the case of intensive control obligors and obligors with Restructured Loans as per paragraph 27. below, if the exposure exceeds a certain specific amount, reserves are provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, where reserve is determined at the difference between the book value of the loan and its present value of expected future cash flows discounted by the contractual interest rate before the loan was classified as a restructured loan, and

(ii) if future cash flows of the principal and interest cannot be reasonably estimated, a reserve is provided for the estimated loss amount individually.

In the case of all other claims, a reserve is provided at estimated credit loss rate calculated using the amount of actual credit loss etc. during a specific period in the past.

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 claims 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 claims based on the internal rules. The above Reserves for Possible Losses on Loans are provided based on the results of the review.

For claims to bankrupt obligors and substantially bankrupt obligors 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 amounts directly written-off are ¥ 1,800,706 million.

With respect to the Reserves for Possible Losses on Loans of other consolidated subsidiaries, for normal obligors the amounts deemed necessary are provided in the reserve based on the actual ratio of failure in the past, etc. In the case of intensive control obligors or similar obligors, the expected uncollectible amounts are provided in the reserve after considering the creditworthiness of each claim.

11. Reserve for Possible Losses on Investments

This reserve is provided to cover any future potential losses on investments. 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

This reserve is provided for future pension payments to employees. It is recorded as the amount accrued at the end of the interim consolidated fiscal term, based on the estimated benefit obligation and plan asset amounts at the end of the consolidated fiscal year. Prior service cost and unrecognized actuarial gains (losses) are expensed mainly as follows:

Prior service cost: Expensed in the year in which it arises

Unrecognized actuarial gains (losses) : Recognized as income or expenses starting 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 at the date of amendment of the pension accounting policy, the amount is to be amortized principally over 5 years. For the interim consolidated fiscal term, half of the amount to be amortized during the year is expensed.

On September 25, 2003 MHFG and certain of its domestic consolidated subsidiaries received approvals of an exemption from payments of benefits related to future employee services in respect of the substitutional portion of their pension funds from the Minister of Health, Labor and Welfare, based on the Law Concerning Defined Benefit Corporate Pension Plans. In accordance with the transitional treatment permitted by Paragraph 2 of Article 47 of "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)"(JICPA Accounting Committee Report No.13)", MHFG and certain of its domestic consolidated subsidiaries derecognized the future retirement benefit obligations relating to the substitutional portion of the pension funds and the pension assets on the date of the approvals.

The amount of the substitutional amount of the retirement benefit obligations as of the interim consolidated balance sheet date was ¥213,155 million.

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, taking into account the value of the collateral pledged. This reserve is provided in accordance with Enforcement Article 43 of Regulation of the Commercial Code of Japan.

15. Reserve for Contingencies

This reserve is provided to cover possible losses against contingencies which are not covered by other specific reserves. The balance is an estimation of possible future losses considered necessary to be reserved. This reserve is provided in accordance with Enforcement Regulation Article 43 of the Commercial Code of Japan.

16. MHFG and its domestic consolidated subsidiaries treat finance leases which do not involve the transfer of ownership to the lessee as operating leases.
17. Domestic consolidated banking subsidiaries and domestic trust banking subsidiaries apply the deferred method as a hedge accounting for the interest rate risk accompanying various financial assets and liabilities. In the previous consolidated fiscal terms, as permitted by the transitional treatment in “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No.24), hedge accounting was applied on a macro-hedge basis under which overall interest rate risks inherent in loans, deposits and other instruments were considered controlled on a macro basis using derivatives.  
Effective this interim consolidated fiscal term, the principle provisions of JICPA Industry Audit Committee Report No.24 are applied.  
Under the principle provision, the effectiveness of a fair value hedge is assessed for each of identified (i) group of hedged deposits, loans and similar instruments and (ii) corresponding group of hedging instruments such as interest rate swaps in the same maturity bucket. Also, under the principle provisions, the effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.  
Deferred hedge gains/losses recognized in the previous years under the macro-hedge method will be amortized as interest income or interest expenses over the average remaining maturity of the respective hedging instruments.  
The unamortized amounts of Gross Deferred Hedge Losses and Gross Deferred Hedge Gains under the macro-hedge method at the end of this interim consolidated fiscal term were ¥1,535,710 million and ¥1,460,980 million, respectively.
18. Domestic consolidated banking subsidiaries and domestic trust banking subsidiaries apply the deferred method as a hedge accounting to hedges of foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities. In the previous consolidated fiscal terms, the transitional treatment in JICPA Industry Audit Committee Report No.25 was applied to these transactions. Effective this interim consolidated fiscal term, in accordance with the principle provisions of JICPA Industry Audit Committee Report No.25, hedge accounting is applied to currency-swap transactions, exchange swap transactions and similar transactions intended to hedge risks of borrowing and lending in different currencies by swapping the borrowing currency for the lending currency.  
The effectiveness of the above described currency-swap transactions, exchange swap transactions and similar transactions hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies is assessed based on comparison of foreign currency position of the hedged monetary assets and liabilities and the hedging instruments.  
In addition to the above methods, for portfolio hedges of the foreign exchange risks associated with foreign securities (except for bonds) identified as hedged item in advance, the domestic consolidated banking subsidiaries apply the deferred method and fair-value hedge method, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign securities in foreign currency.
19. Intercompany interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the statement of operations or deferred under hedge accounting because these intercompany derivatives are covered with outside third parties and appropriate hedge operations without subjectivities can be conducted in accordance with JICPA Industry Audit Committee Reports Nos. 24 and 25.

The deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods of consolidated subsidiaries.

20. Consumption Taxes and Local Taxes  
With respect to MHFG and its domestic consolidated subsidiaries, consumption taxes and local taxes are excluded from the transaction amounts.
21. Reserves under Special Laws are recorded as follows:  
Reserve for Contingent Liabilities from Broking of Financial Futures Transactions: ¥74 million  
This reserve is maintained pursuant to Article 82 of the Financial Futures Transaction Law.  
Reserve for Contingent Liabilities from Broking of Securities Transactions: ¥942 million  
This reserve is maintained pursuant to Article 51 of the Securities & Exchange Law.
22. Loans to Directors and Corporate Auditors of MHFG amounted to ¥0 million.
23. Accumulated depreciation of Premises and Equipment amounted to ¥752,746 million.
24. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounted to ¥131,926 million.
25. Loans and Bills Discounted include Loans to Bankrupt Borrowers of ¥248,415 million and Non-Accrual Delinquent Loans of ¥1,531,924 million. Of the above loan amounts, ¥ 9,339 million comprises loans entrusted to the Resolution and Collection Corporation (“RCC”) which leads to removal from the balance sheet.  
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 reason 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 (i) Loans to Bankrupt Borrowers and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.
26. Balance of Loans Past Due for 3 Months or More: ¥40,548 million.  
Loans Past Due for 3 Months or More are 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 which are not included in Loans to Bankrupt Borrowers, or Non-Accrual Delinquent Loans.
27. Balance of Restructured Loans: ¥2,513,337 million.  
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.
28. Total balance of Loans to Bankrupt Borrowers, Non-accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans: ¥4,334,225 million.  
Of the above loan amounts, ¥ 9,339 million comprises loans entrusted to the RCC which leads to removal from the balance sheet.  
The amounts given in paragraphs 25. through 28. are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.
29. The total amount of loan participation, which is accounted for as sales of loans to participants, is ¥1,156,392 million. The above treatment is based on JICPA Accounting Standards

Committee Report No. 3 issued June 1, 1995.

30. Bills discounted are treated as financial transactions on the basis of JICPA Industry Audit Committee Report No. 24. As a result, the banking subsidiaries have rights to sell or pledge certain bankers' acceptances, commercial bills, documentary bills and foreign bills bought discounted. The principal amount of these bills amounted to ¥1,022,662 million.

31. Breakdown of assets pledged as collateral

The following assets have been pledged as collateral:

Call Loans and Bills Purchased	¥6,200 million
Trading Assets:	¥4,452,689 million
Securities:	¥12,755,455 million
Loans and Bills Discounted:	¥4,736,956 million
Premises and Equipment:	¥53 million

The following liabilities are collateralized by the above assets:

Deposits:	¥627,227 million
Call Money and Bills Sold:	¥5,301,400 million
Payables under Repurchase Agreements:	¥4,054,684 million
Pledged Money for Securities Lending Transactions:	¥7,315,723 million
Borrowed Money:	¥357,140 million

In addition to the above, Cash and Due from Banks amounting to ¥ 7,949 million, Trading Assets amounting to ¥27,660 million, Securities amounting to ¥2,106,366 million, Loans and Bills Discounted amounting to ¥396,986 million and Other Debt Purchased amounting to ¥2,000 million are pledged as collateral in connection with foreign exchange settlement transactions, derivatives transactions etc. or as a substitute for margin payments for futures 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 ¥143,540 million and Other Assets include Margin Payments for Futures Transactions of ¥24,683 million.

Bills re-discounted are accounted for as financial transactions on the basis of Industry Audit Committee Report No. 24. The total face value of commercial bills and foreign bills bought as a result of re-discounting: ¥15,911 million.

32. 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:	¥1,912,648 million
Total Deferred Hedge Gains:	¥1,705,748 million

33. 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.

34. Borrowed Money includes subordinated borrowed money of ¥647,260 million.

35. Bonds and Notes include subordinated bonds of ¥2,255,504 million.
36. The principal amounts indemnified for money trusts and loan trusts with contracts guaranteeing the principal, which are entrusted to domestic trust banking subsidiaries, are ¥819,884 million and ¥1,030,946 million, respectively.
37. Net asset per share: ¥29,072.85
38. Figures for the market price and unrealized gains (losses) on securities are as follows. In addition to Securities, Trading Securities, Trading Related Securities, NCDs and Commercial Paper in Trading Assets, NCDs in Cash and Due From Banks, and certain items in Other Debt Purchased are also included. The same applies up to and including paragraph 41.
- Trading Securities  
 Balance of trading securities at the interim consolidated balance sheet date:  
 ¥6,388,669 million  
 Unrealized gains (losses) recorded on the interim consolidated statement of operations:  
 ¥(22,617) 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
Japanese Stocks	3,668,043	4,213,389	545,346	688,705	143,359
Japanese Bonds Total	15,925,242	15,704,978	(220,263)	7,356	227,619
<i>Japanese Government Bonds</i>	<i>15,578,565</i>	<i>15,357,826</i>	<i>(220,738)</i>	<i>3,848</i>	<i>224,587</i>
<i>Japanese Municipal Bonds</i>	<i>89,622</i>	<i>91,306</i>	<i>1,684</i>	<i>2,504</i>	<i>819</i>
<i>Japanese Corporate Bonds</i>	<i>257,055</i>	<i>255,845</i>	<i>(1,209)</i>	<i>1,002</i>	<i>2,212</i>
Other	4,858,998	4,887,394	28,396	51,259	22,862
Total	24,452,284	24,805,762	353,478	747,321	393,842

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

Net Unrealized Losses:	¥353,478 million
Amount corresponding to Deferred Tax Assets:	¥1,769 million
Less: Amount corresponding to Deferred Tax Liabilities:	¥(197,817 million)
Less: Amount corresponding to Minority Interests:	¥ (15,544 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:	¥637 million
Amount included in Net Unrealized Losses on Securities Available for Sale, net of Taxes:	¥142,524 million

Among Other Securities which have a market price, if the market price (as a rule, the closing price on the last day of the interim consolidated fiscal term) has markedly deteriorated against the acquisition cost (including amortized cost) then except in cases where it is deemed that there is a possibility of a recovery in the market price, the market price is taken as the amount recorded on the interim consolidated balance sheet (book value) and the difference between the acquisition cost and the market price is treated as the loss for the interim consolidated fiscal term (“devaluation”). The amount of devaluation for the interim consolidated fiscal term was ¥472 million.

The criteria for determining whether a security’s market price has “markedly deteriorated” are outlined as follows:

Securities whose market price is 50% or less of the acquisition cost

Securities whose market price exceeds 50% but is 70% or less of the acquisition cost and the quoted price maintains a certain level or lower.

39. Other Securities sold during this interim consolidated fiscal term are as follows:

Amount Sold	Gains on Sales	Losses on Sales
¥23,953,563 million	¥335,517 million	¥90,355 million

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

	(Millions of yen)
Details	Amount on Interim Consolidated BS
<hr/>	
<b>Other Securities:</b>	
Unlisted Japanese Stocks (other than OTC stocks)	766,957
Private Bonds	1,103,402

41. The redemption schedule by term for Other Securities with maturities is as follows:

	(Millions of yen)			
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
Japanese Bonds Total	7,344,597	5,389,309	3,879,370	175,103
<i>Japanese Government Bonds</i>	7,105,198	4,426,564	3,701,102	124,960
<i>Japanese Municipal Bonds</i>	3,996	28,450	59,282	11,155
<i>Japanese Corporate Bonds</i>	235,402	934,295	118,985	38,987
Other	621,288	3,175,772	745,605	534,170
Total	7,965,886	8,565,081	4,624,976	709,273

42. Details of Money Held in Trust are as follows:

For the Purpose of Investing in Securities

Book value on the interim consolidated balance sheet:	¥32,138 million
Net Unrealized gains (losses) recognized in the interim consolidated statement of operations:	¥177 million

43. Unsecured lending transactions which allow borrowers to re-sell securities, amounting to ¥18,647 million, are included in Trading Securities under Trading Assets. Securities lending transactions which do not allow borrowers to re-sell securities, amounting to ¥87 million, are included in Japanese Government Bonds under Securities.

In certain transactions subsidiaries have the right to re-sell or re-pledge securities held under securities borrowing agreements, cash-collateralized securities borrowing agreements and securities purchased with resale agreements. Of these, securities re-pledged as collateral, re-sold, and held without being re-pledged or re-sold amounted to ¥4,492,440 million, ¥2,946 million and ¥4,420,010 million, respectively.

44. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which consolidated subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounts to ¥46,150,570 million. Of this amount, ¥42,890,543 million relates to loans where the original contractual term is one year or less, or unconditionally cancelable at any time.

Since many of these contracts expire without the rights exercised, the unutilized balance itself does not necessarily affect future cash flows of MHFG and its consolidated subsidiaries. A provision is included in many of these contracts that entitles the consolidated subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. The consolidated subsidiaries obtain, moreover, real estate or securities as collateral at the time the

contract is entered into, if needed, and subsequently monitor customers' business condition periodically, based on and in accordance with procedures established, and take measures to control credit risks such as amendments to contracts, if needed.

45. Issued or purchased dematerialized commercial paper under the Law Concerning Book-Entry Transfer of Corporate and Other Debt Securities (Law No.75 of 2001) which came into effect on January 6, 2003 are presented in Short-term Corporate Bonds on liability side or in Securities on asset side as short-term corporate bonds purchased.  
Commercial paper issued or purchased in the form of promissory note is included in Commercial Paper on liability side or in Other Debt Purchased on asset side.
  
46. 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 ¥134,819 million from the standpoint of sound financial practice. (Please refer to paragraph 15.)



# Consolidated Statement of Operations

From April 1, 2003 to September 30, 2003

**Mizuho Financial Group, Inc.**

(Millions of yen)

<b>Ordinary Income</b>		1,743,165
Interest Income	823,600	
<i>Interest on Loans and Bills Discounted</i>	602,522	
<i>Interest and Dividends on Securities</i>	148,803	
Fiduciary Income	26,846	
Fee and Commission Income	245,161	
Trading Income	129,113	
Other Operating Income	279,267	
Other Income	239,176	
<b>Ordinary Expenses</b>		1,237,723
Interest Expenses	238,432	
<i>Interest on Deposits</i>	57,479	
<i>Interest on Debentures</i>	49,695	
<i>Amortization of Deferred Debenture Charges</i>	535	
Fee and Commission Expenses	48,760	
Other Operating Expenses	119,398	
General and Administrative Expenses	572,175	
Other Expenses	258,957	
<b>Ordinary Profit</b>		505,442
<b>Extraordinary Gains</b>		124,522
<b>Extraordinary Losses</b>		52,871
<b>Income before Income Taxes and Minority Interests</b>		577,093
<b>Income Taxes:</b>		
<b>Current</b>		22,107
<b>Deferred</b>		268,601
<b>Minority Interests in Net Income</b>		30,987
<b>Net Income</b>		255,397

***Notes to Consolidated Statement of Operations***

1. Amounts less than one million yen are rounded down.
2. Net income per share of Common Stock: ¥26,320.47
3. Diluted Net income per share of Common Stock: ¥12,301.29
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 operations. 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 in this interim consolidated fiscal term and (2) the gains or losses resulting from any change in the value of derivative financial instruments in this 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 ¥151,926 million and Gains on Establishment of Employee Retirement Benefit Trusts of ¥60,532 million.
6. Other Expenses include Losses on Write-offs of Loans of ¥91,393 million and Provision for Reserves for Possible Loan Losses of ¥90,370 million.
7. Extraordinary Gains include a tax refund and interest on the refund for the period up to the end of the interim consolidated fiscal term of ¥58,155 million in total, resulting from a settlement-at-court with the Tokyo Metropolitan Government and the Tokyo Governor over the Tokyo Metropolitan Government's tax on large banks. Also included are gains on return of the substitutional portion of the Mizuho Pension Fund of ¥45,169 million and amortization of prior service cost, etc. of ¥14,426 million.
8. Extraordinary Losses include Losses on Disposal of Premises and Equipment of ¥36,942 million and Amortization of Net Obligation at Date of Initial Application of the New Accounting Standard for Employee Retirement Benefits of ¥15,796 million.
9. In the previous fiscal terms, gains and losses relating to foreign exchange swaps for some of the domestic banking subsidiaries were recorded in gross amounts. However, effective this interim consolidated fiscal term, the net amount of gains and losses are presented on the statements of operations as a result of the application of hedge accounting in accordance with JICPA Industry Audit Committee Report No. 25. As a result, compared to the corresponding amounts under the previously applied method, Interest Income and Interest Expenses, and Ordinary Income and Ordinary Expense decreased by ¥8,036 million, respectively.

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

From April 1, 2003 to September 30, 2003

Mizuho Financial Group, Inc.

(Millions of yen)

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<b>Capital Surplus</b>	
<b>Balance at April 1, 2003</b>	2,599,552
<b>Increase</b>	11
Gains on Sale of Treasury stock	11
<b>Decrease</b>	1,337,295
Transfer to Retained Earnings	1,337,295
<b>Balance at September 30, 2003</b>	1,262,267
<b>Retained Earnings (Deficit)</b>	
<b>Balance at April 1, 2003</b>	(1,404,992)
<b>Increase</b>	1,600,723
Net Income	255,397
Transfer from Capital Surplus	1,337,295
Transfer from Revaluation Reserve for Land, net of Taxes	8,029
<b>Decrease</b>	22,147
Dividends	22,147
<b>Balance at September 30, 2003</b>	173,583

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Note      Amounts less than one million yen are rounded down.

# Consolidated Statement of Cash Flows

From April 1, 2003 to September 30, 2003

Mizuho Financial Group, Inc.

(Millions of yen)

## I. Cash Flow from Operating Activities

Income before Income Taxes and Minority Interests	577,093
Depreciation	69,911
Depreciation of Consolidation Differences	(90)
Equity in Earnings from Investments in Affiliates	(1,203)
Change in Reserves for Possible Losses on Loans	(26,811)
Change in Reserve for Possible Losses on Investments	(178)
Change in Reserve for Possible Losses on Loans Sold	(19,096)
Change in Reserve for Contingencies	978
Change in Reserve for Bonus Payments	(9,247)
Change in Reserve for Employee Retirement Benefits	15,821
Interest Income - accrual basis	(823,600)
Interest Expenses - accrual basis	238,432
Gains on Securities	(252,766)
Gains on Money Held in Trust	(266)
Losses on Foreign Exchange - Net	21,348
Losses on Disposal of Premises and Equipment	35,809
Gains on Establishment of Employee Retirement Benefit Trusts	(60,474)
Change in Trading Assets	822,346
Change in Trading Liabilities	214,478
Change in Loans and Bills Discounted	1,004,473
Change in Deposits	733,150
Change in Negotiable Certificates of Deposit	1,758,753
Change in Debentures	(990,403)
Change in Borrowed Money (excluding Subordinated Borrowed Money)	20,920
Change in Due from Banks (excluding Deposits with Central Banks)	(70,836)
Change in Call Loans etc.	316,395
Change in Guarantee Deposits Paid under Securities Borrowing Transactions	(1,384,955)
Change in Call Money etc.	(3,359,375)
Change in Commercial Paper	154,100
Change in Guarantee Deposits Received under Securities Lending Transactions	4,063,333
Change in Foreign Exchange Assets	(28,425)
Change in Foreign Exchange Liabilities	41,554
Change in Short-term Corporate Bonds (Liabilities)	70,000
Change in Redemption of Bonds and Note	(5,814)
Change in Due to Trust Account	(156,634)
Interest and Dividend Income - cash basis	878,892
Interest Expenses - cash basis	(282,097)
Other	(518,193)
Subtotal	3,047,322
Income Taxes Paid	(13,526)
<b>Net Cash Provided by Operating Activities</b>	<b>3,033,795</b>

## II. Cash Flow from Investing Activities

Payments for Purchase of Securities	(35,053,167)
Proceeds from Sales of Securities	23,700,305
Proceeds from Redemption of Securities	7,712,650
Payments for Increase in Money Held in Trust	(5,117)
Proceeds from Decrease in Money Held in Trust	7,899
Payments for Purchase of Premises and Equipment	(22,572)
Proceeds from Sales of Premises and Equipment	17,157
Proceeds from Sales of Stocks of Subsidiaries (affecting the scope of consolidation)	50,716
<b>Net Cash Used in Investing Activities</b>	<b>(3,592,128)</b>

## III. Cash Flow from Financing Activities

Proceeds from Issuance of Subordinated Borrowed Money	10,109
Repayments of Subordinated Borrowed Money	(10,000)
Proceeds from Issuance of Subordinated Bonds	11,800
Payments for Redemption of Subordinated Bonds, Notes and Bonds with Stock Option	(115,697)
Dividends Paid	(22,147)
Dividends Paid to Minority Interests	(35,758)
Payments for Purchase of Treasury Stock	(35)
<b>Net Cash Used in Financing Activities</b>	<b>(161,729)</b>

**. Effect of Exchange Rate Changes on Cash and Cash Equivalents** (792)

**. Net Decrease in Cash and Cash Equivalents** (720,855)

**. Cash and Cash Equivalents at the Beginning of Year** 7,048,505

**. Cash and Cash Equivalents at the End of Term** 6,327,649

*Notes to Consolidated Statement 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 Sheet.
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:

	(Millions of yen)
Cash and Due from Banks	7,012,827
Due from banks except for deposits with the central banks	(685,178)
Cash and Cash Equivalents	6,327,649

## Segment Information

### 1. Segment Information by Type of Business

For the First Half of Fiscal 2003 (from April 1, 2003 to September 30, 2003) (Millions of yen)

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
Ordinary Income						
(1) Ordinary Income to outside customers	1,525,341	135,275	82,548	1,743,165		1,743,165
(2) Inter-segment Ordinary Income	20,293	15,991	56,952	93,237	( 93,237)	
Total	1,545,635	151,266	139,501	1,836,403	( 93,237)	1,743,165
Ordinary Expenses	1,063,995	118,576	130,635	1,313,207	( 75,484)	1,237,723
Ordinary Profit	481,639	32,690	8,866	523,195	( 17,753)	505,442

Notes: 1. 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. Major components of Type of Business are as follows :

- (1) Banking Business : banking and trust banking business
- (2) Securities Business : securities business
- (3) Other : credit card business, investment advisory business and other

### 2. Segment Information by Geographic Area

For the First Half of Fiscal 2003 (from April 1, 2003 to September 30, 2003) (Millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
Ordinary Income							
(1) Ordinary Income to outside customers	1,490,456	111,348	93,849	47,510	1,743,165		1,743,165
(2) Inter-segment Ordinary Income	134,715	45,404	796	64	180,982	( 180,982)	
Total	1,625,172	156,753	94,646	47,574	1,924,147	( 180,982)	1,743,165
Ordinary Expenses	1,106,796	134,450	93,365	16,966	1,351,579	( 113,856)	1,237,723
Ordinary Profit	518,376	22,302	1,281	30,608	572,568	( 67,125)	505,442

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

(Millions of yen)

Period	Ordinary Income from Overseas Entities	Consolidated Ordinary Income	Ordinary Income from Overseas Entities / Consolidated Ordinary Income
For the First Half of Fiscal 2003 (from April 1, 2003 to September 30, 2003)	252,708	1,743,165	14.4 %

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 Revaluation Gain/Loss of Derivatives Transaction**

(Derivatives) - Current fiscal term

## (1) Interest Rate Related Transactions

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed			
Futures	67,426,576	7,492	7,492
Options	31,552,870	(1,008)	(530)
Over the Counter			
FRAs	54,942,055	(432)	(432)
Swaps	673,910,309	298,094	298,094
Options	20,653,297	3,809	3,594
Total			308,218

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 qualifying for hedge accounting 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

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed			
Futures	43,741	56	56
Options	-	-	-
Over the Counter			
Currency Swaps	20,281,727	(127,795)	(29,186)
Forwards	29,060,036	(108,713)	(108,713)
Options	10,905,090	18,509	56,384
Others	-	-	-
Total			(81,459)

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 qualifying for hedge accounting and the following transactions are excluded from the above table.

- 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.

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

3 Transactions such as currency forwards and currency options, which had been marked to market, are included in the above table from this fiscal year.

Currency swap transactions which qualify hedge accounting in accordance with "Accounting and Auditing Treatment Relating to Accounting Standards for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No.25) are excluded from the above table.

(Derivatives) - Current fiscal term

(3) Stock-Related Transactions

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed			
Index Futures	160,894	633	633
Index Options	143,725	(354)	977
Over the Counter			
Options	378,833	6,087	3,747
Index Swaps	100	11	11
Forwards	5,563	93	93
Total			5,462

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 qualifying for hedge accounting 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

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Listed			
Futures	2,202,328	(1,054)	(1,054)
Futures Options	121,830	237	(9)
Over the Counter			
Options	701,994	2,410	2,179
Total			1,115

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 qualifying for hedge accounting 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 option pricing models or others.



(Derivatives) - Current fiscal term

(5) Commodity-Related Transactions

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter			
Options	319,806	4,418	4,607
Total			4,607

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 of underlying commodities, terms and others.

3 Underlying commodities are oil, copper, aluminium and others.

(6) Credit Derivatives Transactions

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter			
Credit Derivatives	769,825	47,014	47,014
Total			47,014

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 of underlying assets, terms and others.

(7) Weather Derivatives Transactions

(Millions of Yen)

Type of Transactions	September 30, 2003		
	Contract Amount	Fair Value	Revaluation Gain (Loss)
Over the Counter			
Weather Derivatives (Options)	595	(5)	11
Total			11

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 weather condition, terms and others.

3 Transactions are related to atmospheric temperature and others.

(Reference)

## Comparison of Consolidated Balance Sheets (Selected Items)

**Mizuho Financial Group, Inc.**  
(Millions of yen)

Balance Sheets	September 30, 2003 (A)	September 30, 2002 (B)	Comparison ( A - B )	March 31, 2003 (C)	Comparison ( A - C )
<b>ASSETS</b>					
Cash and Due from Banks	7,012,827	6,326,761	686,066	7,849,717	(836,889)
Call Loans and Bills Purchased	446,948	1,821,161	(1,374,212)	641,908	(194,960)
Receivables Under Resale Agreements	4,054,119	5,110,620	(1,056,501)	3,736,424	317,695
Guarantee Deposit Paid under Securities Borrowing Transactions	7,682,677	4,637,828	3,044,848	6,297,721	1,384,955
Other Debt Purchased	942,770	1,729,902	(787,131)	1,209,540	(266,769)
Trading Assets	9,150,593	9,098,107	52,486	9,919,083	(768,489)
Money Held in Trust	32,138	48,096	(15,957)	33,540	(1,402)
Securities	27,156,529	25,520,325	1,636,203	23,816,574	3,339,954
Loans and Bills Discounted	67,990,151	76,118,242	(8,128,090)	69,210,035	(1,219,883)
Foreign Exchanges Assets	730,491	681,242	49,249	720,519	9,972
Other Assets	5,318,127	4,866,637	451,489	4,904,656	413,470
Premises and Equipment	1,557,180	1,715,324	(158,143)	1,632,851	(75,671)
Deferred Debenture Charges	765	2,021	(1,256)	1,041	(275)
Deferred Tax Assets	1,672,098	2,186,442	(514,343)	2,130,243	(458,144)
Consolidation Differences	-	56,024	(56,024)	-	-
Customers' Liabilities for Acceptances and Guarantees	3,923,369	4,948,881	(1,025,512)	4,145,411	(222,041)
Reserves for Possible Losses on Loans	(2,181,117)	(1,815,665)	(365,452)	(2,211,366)	30,248
Reserve for Possible Losses on Investments	(4,977)	(4,499)	(478)	(5,156)	178
<b>Total Assets</b>	<b>135,484,694</b>	<b>143,047,455</b>	<b>(7,562,761)</b>	<b>134,032,747</b>	<b>1,451,947</b>
<b>LIABILITIES</b>					
Deposits	65,606,248	68,396,196	(2,789,947)	65,257,901	348,347
Negotiable Certificates of Deposit	8,723,542	9,533,567	(810,024)	6,964,740	1,758,801
Debentures	10,705,987	13,783,539	(3,077,552)	11,696,391	(990,403)
Call Money and Bills Sold	9,330,788	10,380,132	(1,049,344)	11,185,809	(1,855,020)
Payables Under Repurchase Agreements	6,879,857	8,494,440	(1,614,583)	8,209,283	(1,329,425)
Guarantee Deposit Received under Securities Lending Transactions	8,203,716	4,099,757	4,103,959	4,140,383	4,063,333
Commercial Paper	781,500	378,125	403,374	627,400	154,100
Trading Liabilities	6,527,425	6,598,423	(70,997)	6,278,262	249,163
Borrowed Money	1,473,260	2,434,959	(961,698)	1,454,826	18,434
Foreign Exchanges Liabilities	229,315	245,629	(16,313)	190,878	38,437
Short-term Corporate Bonds	70,000	-	70,000	-	70,000
Bonds and Notes	2,364,428	2,776,592	(412,163)	2,468,606	(104,177)
Bonds with Stock Option	-	3,599	(3,599)	3,858	(3,858)
Due to Trust Account	1,332,829	1,460,322	(127,493)	1,489,463	(156,634)
Other Liabilities	4,537,370	4,242,000	295,370	5,526,554	(989,184)
Reserve for Bonus Payments	28,086	23,370	4,716	36,969	(8,883)
Reserve for Employee Retirement Benefits	28,924	24,250	4,673	26,562	2,361
Reserve for Possible Losses on Loans Sold	6,465	47,838	(41,373)	25,561	(19,096)
Reserve for Contingencies	142,103	138,700	3,402	141,124	978
Reserves under Special Laws	1,016	768	248	884	132
Deferred Tax Liabilities	15,694	8,089	7,604	4,276	11,418
Deferred Tax Liabilities for Revaluation Reserve for Land	252,417	262,305	(9,887)	258,515	(6,098)
Acceptances and Guarantees	3,923,369	4,948,881	(1,025,512)	4,145,411	(222,041)
<b>Total Liabilities</b>	<b>131,164,349</b>	<b>138,281,492</b>	<b>(7,117,143)</b>	<b>130,133,666</b>	<b>1,030,683</b>
<b>MINORITY INTERESTS</b>					
Minority Interests	1,045,607	1,050,265	(4,657)	1,038,013	7,593
<b>SHAREHOLDERS' EQUITY</b>					
Total Shareholders' Equity	3,274,737	3,715,697	(440,959)	2,861,066	413,670
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>135,484,694</b>	<b>143,047,455</b>	<b>(7,562,761)</b>	<b>134,032,747</b>	<b>1,451,947</b>

Note : Amounts less than one million yen are rounded down.

(Reference)

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

**Mizuho Financial Group, Inc.**  
(Millions of yen)

Statements of Operations	First Half of Fiscal 2003 (A)	First Half of Fiscal 2002 (B)	Comparison (A-B)	Fiscal 2002
Ordinary Income	1,743,165	1,809,113	(65,947)	3,435,997
Interest Income :	823,600	1,085,681	(262,080)	1,991,236
<i>Interest on Loans and Bills Discounted</i>	602,522	765,529	(163,007)	1,433,961
<i>Interest and Dividends on Securities</i>	148,803	177,495	(28,691)	347,927
Fiduciary Income	26,846	22,569	4,276	55,460
Fee and Commission Income	245,161	213,275	31,886	490,182
Trading Income	129,113	123,658	5,454	244,524
Other Operating Income	279,267	183,209	96,057	416,972
Other Income	239,176	180,717	58,458	237,620
Ordinary Expenses	1,237,723	1,686,880	(449,157)	5,566,544
Interest Expenses :	238,432	431,061	(192,629)	734,859
<i>Interest on Deposits</i>	57,479	106,972	(49,492)	181,037
<i>Interest on Debentures</i>	49,695	66,400	(16,704)	117,776
<i>Amortization of Deferred Debenture Charges</i>	535	1,955	(1,420)	3,146
Fee and Commissions Expenses	48,760	32,530	16,229	79,647
Other Operating Expenses	119,398	66,498	52,899	150,217
General and Administrative Expenses	572,175	651,558	(79,383)	1,237,641
Other Expenses	258,957	505,231	(246,274)	3,364,178
Ordinary Profit (Loss)	505,442	122,232	383,210	(2,130,547)
Extraordinary Gains	124,522	3,779	120,743	5,813
Extraordinary Losses	52,871	26,844	26,027	137,438
Income (Loss) before Income Taxes and Minority Interests	577,093	99,167	477,926	(2,262,172)
Income Tax Expenses :				
Current	22,107	15,674	6,432	22,288
Deferred	268,601	12,836	255,765	30,505
Minority Interests in Net Income (Loss)	30,987	31,626	(639)	62,205
Net Income (Loss)	255,397	39,029	216,368	(2,377,172)

Note : Amounts less than one million yen are rounded down.