

Selected Financial Information

regarding Deferred Taxes

First Half of Fiscal 2003



Mizuho Financial Group, Inc.

Deferred Taxes

1. Change in Deferred Tax Assets, etc.

Consolidated

	September 30, 2003		March 31, 2003
		Change	
Net Deferred Tax Assets (A)	1,656.4	(469.5)	2,125.9
(Reference)			
Tier I (B)	3,792.9	297.4	3,495.4
(A)/(B) (%)	43.6	(17.2)	60.8

Non-consolidated

Mizuho Bank

	September 30, 2003		March 31, 2003
		Change	
Total Deferred Tax Assets (A)	1,340.6	48.1	1,292.5
Total Deferred Tax Liabilities (B)	(234.5)	(78.0)	(156.5)
(A) + (B)	1,106.0	(29.9)	1,136.0
Valuation Allowance	(305.8)	(83.7)	(222.1)
Net Deferred Tax Assets (C)	800.1	(113.6)	913.8
(Reference)			
Tier I (D)	1,626.0	(35.9)	1,661.9
(C)/(D) (%)	49.2	(5.7)	54.9

Mizuho Corporate Bank

Total Deferred Tax Assets (A)	2,105.6	(125.7)	2,231.4
Total Deferred Tax Liabilities (B)	(238.0)	(186.3)	(51.6)
(A) + (B)	1,867.6	(312.0)	2,179.7
Valuation Allowance	(1,129.6)	(14.3)	(1,115.2)
Net Deferred Tax Assets (C)	738.0	(326.4)	1,064.4
(Reference)			
Tier I (D)	2,091.4	349.8	1,741.5
(C)/(D) (%)	35.2	(25.9)	61.1

Aggregated Figures of the Two Banks

Total Deferred Tax Assets (A)	3,446.3	(77.5)	3,523.9
Total Deferred Tax Liabilities (B)	(472.6)	(264.3)	(208.2)
(A) + (B)	2,973.7	(341.9)	3,315.7
Valuation Allowance	(1,435.5)	(98.1)	(1,337.4)
Net Deferred Tax Assets (C)	1,538.2	(440.0)	1,978.3
(Reference)			
Tier I (D)	3,717.4	313.9	3,403.5
(C)/(D) (%)	41.3	(16.8)	58.1

2. Estimation of Deferred Tax Assets, etc.

Non-Consolidated Calculation Policy

Recoverability of Deferred Tax Assets is basically assessed based on future taxable income derived from future profitability, considering that Mizuho Bank and Mizuho Corporate Bank's fundamental profitability enabled the two banks to consistently report an appropriate level of Net Business Profits in previous periods. Mizuho Bank and Mizuho Corporate Bank's loss carry-forwards and future deductible temporary differences in the past were resulted from nonrecurring special causes e.g. losses from extraordinary and significant waiver of claims due to the crash of the bubble economy, acceleration of disposal of problem loans and stock holdings in accordance with government policy to promptly stabilize the financial system under the long deflationary depression, and the restructuring of businesses to meet the severe management environment. Since the two banks could have reported positive taxable income every year except for the losses from these special factors, the conditions under the provisory clause of 5. (1) of "Audit Guideline for Considering Recoverability of Deferred Tax Assets (JICPA Audit Committee Report No.66) have been fulfilled. Period for future taxable income considered in the assessment is five years.

(Reference) Past results of taxable income (loss)

(Billions of yen)

	Mizuho Bank	Mizuho Corporate Bank
First Half of Fiscal 2003 (estimate)	170.0	230.0
Fiscal 2002	(976.5)	(2,326.9)
Fiscal 2001	(408.0)	(185.0)
Fiscal 2000	89.1	127.2
Fiscal 1999	177.1	226.0
Fiscal 1998	97.1	(199.6)

(Notes)

1. Figures from Fiscal 1998 to Fiscal 2002 are taxable income (tax loss) amounts per the final corporation tax returns before deducting tax losses carried forward from prior years. Subsequent amendments have not been reflected.
2. Figures for First Half of Fiscal 2003 are estimates of taxable income before deducting tax losses carried forward from prior years for the interim period.
3. Above figures are those before deducting losses due to nonrecurring special reasons stipulated in Section 5. of JICPA Audit Committee Report No.66.
If these nonrecurring factors are excluded, positive taxable income would have been recorded in each term.
4. Figures for the periods before the Corporate Split and Merger are those of the legally surviving banks.

Mizuho Bank

(Billions of yen)

1. Estimate of future taxable income

(Reference)

		Total amount for five years (from October 1, 2003 to September 30, 2008)	First Half of Fiscal 2003	
	Gross Profits	1	5,467.3	506.1
	General and Administrative Expenses	2	(2,613.4)	(293.4)
	Net Business Profits (Excluding Provision for General Reserve for Possible Losses on Loans)	3	2,853.9	212.6
	Credit Related Costs	4	(715.9)	(71.5)
	Income before Income Taxes	5	1,740.4	204.1
	Future Tax Adjustments	6	526.4	
	Taxable Income before Current Temporary Differences	7	2,266.8	
	Effective tax rates	8	38.61% - 40.59%	
	Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences [7 x 8]	9	912.5	>> Equal to Line 25

Notes:

1. Future Tax Adjustments are estimated future book-tax differences under the provisions of the corporation tax law and others.
2. Taxable Income before Current Temporary Differences is an estimate of taxable income before reversal of temporary differences as of September 30, 2003.
3. Effective tax rates are estimated as 38.61% and 40.59% for the second half of fiscal 2003 and for fiscal 2004 and thereafter, respectively.

2. Breakdown of Deferred Tax Assets

September 30, 2003

Reserves for Possible Losses on Loans	10	199.4
Write-down of securities	11	331.4
Unrealized Losses on Other Securities	12	53.1
Reserve for Employee Retirement Benefits	13	-
Loss Carry-forwards	14	485.2
Other	15	271.3
Total Deferred Tax Assets	16	1,340.6
Valuation Allowance	17	(305.8)
Sub Total [16 + 17]	18	1,034.7
Amount related to Retirement Benefits Accounting	19	(153.4)
Unrealized Profits related to Lease Transactions	20	-
Net Unrealized Gains on Other Securities, net of Taxes	21	-
Other	22	(81.1)
Total Deferred Tax Liabilities	23	(234.5)
Net Deferred Tax Assets [16 + 17 + 23]	24	800.1
<i>Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences [9]</i>	<i>25</i>	<i>912.5</i>
<i>Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences</i>	<i>26</i>	<i>(98.1)</i>
<i>Net Unrealized Gains on Other securities, net of taxes [21]</i>	<i>27</i>	<i>-</i>

< Explanation >

Future taxable income was estimated using a more conservative assumption than that used in the business revitalization plan in September 2003, which was "zero growth until fiscal 2004 and economic recovery after fiscal 2005". To put it concretely, as five-year totals, Gross Profits was estimated to be JPY 5,467.3 billion [1], General and Administrative Expenses to be JPY 2,613.4 billion [2] after taking into account a significant reduction of expenses primarily due to consolidation of branches, and Net Business Profits to be JPY 2,853.9 billion [3]. Credit related costs and gains (losses) related to stocks and other securities were estimated based on the business revitalization plan stated above. This led to estimated Income before Income Taxes of JPY 1,740.4 billion [5] and estimated Taxable Income before Current Temporary Differences of JPY 2,266.8 billion [7].

On the other hand, deferred tax assets which are tax deductible in the future, such as Reserves for Possible Losses on Loans, loss carry-forwards and others amount to JPY 1,340.6 billion [16]. However, after considering temporary differences which are not expected to be reversed in the next five years, Valuation Allowance of JPY (305.8) billion [17] was provided, therefore after offsetting deferred tax liabilities of JPY (234.5) billion [23], JPY 800.1 billion [24] of net deferred tax assets was recorded on the balance sheet.

This is within the amount of Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences of JPY 912.5 billion [9], which was calculated based on Taxable Income before Current Temporary Differences for the next five years (JPY 2,266.8 billion [7]) and future effective tax rates. Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences is JPY 98.1 billion [26].

Note: Amount Related to Retirement Benefits Accounting includes deferred tax liabilities related to gains from establishment of retirement benefits trust of JPY (97.1) billion.

Mizuho Corporate Bank

1. Estimate of future taxable income

(Billions of yen)

(Reference)

		Total amount for five years (from October 1, 2003 to September 30, 2008)	First Half of Fiscal 2003
Gross Profits	1	3,215.7	389.8
General and Administrative Expenses	2	(1,036.7)	(106.7)
Net Business Profits (Excluding Provision for General Reserve for Possible Losses on Loans)	3	2,179.0	283.0
Credit Related Costs	4	(420.0)	(10.1)
Income before Income Taxes	5	1,636.8	400.1
Future Tax Adjustments	6	546.1	
Taxable Income before Current Temporary Differences	7	2,182.9	

Effective tax rate	8	37.91% - 40.65%	
Deferred Tax Assets corresponding to Taxable Income before Adjustment (7 x 8)	9	879.2	>> Equal to Line 25

Notes:

1. Future Tax Adjustments are estimated future book-tax differences under the provisions of the corporation tax law and others.
2. Taxable Income before Current Temporary Differences is an estimate of taxable income before reversal of temporary differences as of September 30, 2003.
3. Effective tax rates are estimated as 37.91% and 40.65% for the second half of fiscal 2003 and for fiscal 2004 and thereafter, respectively.

2. Breakdown of Deferred Tax Assets

		September 30, 2003
Reserves for Possible Losses on Loans	10	66.5
Write-down of securities	11	675.8
Unrealized Losses on Other Securities	12	-
Reserve for Employee Retirement Benefits	13	-
Loss Carry-forwards	14	1,226.7
Other	15	136.4
Total Deferred Tax Assets	16	2,105.6
Valuation Allowance	17	(1,129.6)
Sub Total [16 + 17]	18	976.0
Amount related to Retirement Benefits Accounting	19	(65.2)
Unrealized Profits related to Lease Transactions	20	-
Net Unrealized Gains on Other Securities, net of Taxes	21	(156.5)
Other	22	(16.2)
Total Deferred Tax Liabilities	23	(238.0)
Net Deferred Tax Assets [16 + 17 + 23]	24	738.0
Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences [9]	25	879.2
Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences [21]	26	-
Net Unrealized Gains on Other securities, net of taxes [21]	27	(156.5)

< Explanation >

Future taxable income was estimated using a more conservative assumption than that used in the business revitalization plan in September 2003, which was "zero growth until fiscal 2004 and economic recovery after fiscal 2005". Gross Profits is estimated to be JPY 3,215.7 billion [1] for a total of five years, primarily due to early realization of the new business model, General and Administrative Expenses to be JPY 1,036.7 billion [2] after taking into account a significant reduction of expenses, and Net Business Profits to be JPY 2,179.0 billion [3].

Credit related costs and gains (losses) related to stocks and other securities were estimated based on the business revitalization plan stated above. This led to estimated Income before Income Taxes of JPY 1,636.8 billion [5] and estimated Taxable Income before Current Temporary Differences of JPY 2,182.9 billion [7].

The amount of Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences is JPY 879.2 billion [9], which was calculated based on Taxable Income before Current Temporary Differences for the next five years (JPY 2,182.9 billion [7]) and future effective tax rates.

On the other hand, deferred tax assets which are tax deductible in the future, such as Reserves for Possible Losses on Loans, loss carry-forwards and others amount to JPY 2,105.6 billion [16]. However, Valuation Allowance of JPY (1,129.6) billion [17] was provided, therefore after offsetting deferred tax liabilities of JPY (238.0) billion [23], JPY 738.0 billion [24] of net deferred tax assets was recorded on the balance sheet.

Note: Amount Related to Retirement Benefits Accounting includes deferred tax liabilities related to gains from establishment of retirement benefits trust of JPY (36.6) billion.

Aggregated Figures of the Two Banks

(Billions of yen)

1. Estimate of future taxable income

		Total amount for five years (from October 1, 2003 to September 30, 2008)		(Reference) First Half of Fiscal 2003
	Gross Profits	1	8,683.0	895.9
	General and Administrative Expenses	2	(3,650.1)	(400.1)
	Net Business Profits (Excluding Provision for General Reserve for Possible Losses on Loans)	3	5,032.9	495.7
	Credit Related Costs	4	(1,135.9)	(81.6)
	Income before Income Taxes	5	3,377.2	604.2
	Future Tax Adjustments	6	1,072.5	
	Taxable Income before Current Temporary Differences	7	4,449.7	

Effective tax rate	8	37.91% - 40.65%	
Deferred Tax Assets corresponding to Taxable Income before Adjustment (7 x 8)	9	1,791.7	>> Equal to Line 25

Notes:

- Future Tax Adjustments are estimated future book-tax differences under the provisions of the corporation tax law and others.
- Taxable Income before Current Temporary Differences is an estimate of taxable income before reversal of temporary differences as of September 30, 2003.

2. Breakdown of Deferred Tax Assets

		September 30, 2003	
	Reserves for Possible Losses on Loans	10	265.9
	Write-down of securities	11	1,007.3
	Unrealized Losses on Other Securities	12	53.1
	Reserve for Employee Retirement Benefits	13	-
	Loss Carry-forwards	14	1,712.0
	Other	15	407.8
	Total Deferred Tax Assets	16	3,446.3
	Valuation Allowance	17	(1,435.5)
	Sub Total [16 + 17]	18	2,010.8
	Amount related to Retirement Benefits Accounting	19	(218.6)
	Unrealized Profits related to Lease Transactions	20	-
	Net Unrealized Gains on Other Securities, net of Taxes	21	(156.5)
	Other	22	(97.3)
	Total Deferred Tax Liabilities	23	(472.6)
	Net Deferred Tax Assets [16 + 17 + 23]	24	1,538.2
	Deferred Tax Assets corresponding to Taxable Income before Current Temporary Differences [9]	25	1,791.7
	Deferred Tax Assets corresponding to Remaining Taxable Income before Current Temporary Differences	26	(98.1)
	Net Unrealized Gains on Other securities, net of taxes [21]	27	(156.5)

Note: Amount Related to Retirement Benefits Accounting includes deferred tax liabilities related to gains from establishment of retirement benefits trust of JPY (133.7) billion.