

For Immediate Release:

November 22, 2004

Consolidated Financial Statements for the First Half of Fiscal 2004

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: 5-5 Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

Representative: Name: Terunobu Maeda
Title: President & CEO

For inquiry: Name: Tsunenori Suzuki
Title: General Manager, Accounting Department
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Meeting of Board of Directors for Financial Results: November 22, 2004

Trading Accounts : Established

US GAAP : Not applied



1. Financial Highlights for the First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)

(1) Consolidated Operating Results

Amounts less than one million yen are rounded down.

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
First Half of Fiscal 2004	1,467,994	(15.8)	298,671	(40.9)	233,941	(8.4)
First Half of Fiscal 2003	1,743,165	—	505,442	—	255,397	—
Fiscal 2003	3,200,626	(6.9)	896,486	—	406,982	—

	Net Income per Share of Common Stock		Diluted Net Income per Share of Common Stock	
	¥	¥	¥	¥
First Half of Fiscal 2004	21,706.24		14,175.69	
First Half of Fiscal 2003	26,320.47		12,301.30	
Fiscal 2003	36,153.27		18,754.94	

Notes: 1. Equity in Earnings from Investments in Affiliates:

First Half of Fiscal 2004 ¥2,017 million, First Half of Fiscal 2003 ¥1,203 million, Fiscal 2003 ¥1,761 million

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

First Half of Fiscal 2004 10,777,620 shares, First Half of Fiscal 2003 9,703,377 shares, Fiscal 2003 10,096,240 shares

3. Change in Accounting Method: Yes

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 2004	139,327,169	3,537,597	2.5	77,567.15	11.86(*)
First Half of Fiscal 2003	135,484,694	3,274,737	2.4	29,072.86	10.63
Fiscal 2003	137,750,091	3,644,396	2.6	61,980.34	11.35

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

First Half of Fiscal 2004 10,780,558 shares, First Half of Fiscal 2003 10,136,857 shares, Fiscal 2003 10,769,480 shares

* 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 2004	(880,211)	(539,594)	(334,085)	3,775,619
First Half of Fiscal 2003	3,033,795	(3,592,128)	(161,729)	6,327,649
Fiscal 2003	6,014,942	(7,402,213)	(130,994)	5,529,664

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

Number of Consolidated Subsidiaries: 121, Number of Non-consolidated Subsidiaries Accounted for by the Equity Method: 0

Number of Affiliates Accounted for by the Equity Method: 22

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

(Consolidation) Newly Consolidated: 3, Excluded: 0, (Equity Method) Newly Applied: 1, Excluded: 7

2. Consolidated Earnings Estimates for Fiscal 2004 (from April 1, 2004 to March 31, 2005)

	Ordinary Income	Ordinary Profits	Net Income
	¥ million	¥ million	¥ million
Fiscal 2004	2,900,000	610,000	440,000

Reference: Net Income per Share of Common Stock (Fiscal 2004 estimate): ¥37,163.85

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 2004		First Half of Fiscal 2003		Fiscal 2003	
	Average Shares	Outstanding Shares at the End of Term	Average Shares	Outstanding Shares at the End of Term	Average Shares	Outstanding Shares at the End of Term
Common Stock	10,777,620	10,780,558	9,703,377	10,136,857	10,096,240	10,769,480
First series Preferred Stock (Class I)	27,409	0	33,000	33,000	33,000	33,000
Second series Preferred Stock (Class II)	100,000	100,000	100,000	100,000	100,000	100,000
Third series Preferred Stock (Class III)	100,000	100,000	100,000	100,000	100,000	100,000
Fourth series Preferred Stock (Class IV)	150,000	150,000	150,000	150,000	150,000	150,000
Sixth series Preferred Stock (Class VI)	150,000	150,000	150,000	150,000	150,000	150,000
Seventh series Preferred Stock (Class VII)	125,000	125,000	125,000	125,000	125,000	125,000
Eighth series Preferred Stock (Class VIII)	125,000	125,000	125,000	125,000	125,000	125,000
Ninth series Preferred Stock (Class IX)	121,874	33,000	140,000	140,000	140,000	140,000
Tenth series Preferred Stock (Class X)	140,000	140,000	140,000	140,000	140,000	140,000
Eleventh series Preferred Stock (Class XI)	943,740	943,740	943,740	943,740	943,740	943,740
Twelfth series Preferred Stock (Class XI)	4,910	4,700	81,544	50,600	53,535	5,500
Thirteenth series Preferred Stock (Class XIII)	36,690	36,690	36,690	36,690	36,690	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 800 shares of Twelfth series Preferred Stock (Class XI).

4. Decrease in First series Preferred Stock (Class I) and Ninth series Preferred Stock (Class IX) is due to repurchase and retirement of these stocks.

First series Preferred Stock (Class I) 33,000 shares ¥59,489 million

Ninth series Preferred Stock (Class IX) 107,000 shares ¥180,482 million

Formulae for indices - Financial Highlights for the First Half of Fiscal 2004

○ Net Income per Share of Common Stock

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

○ Diluted Net Income per Share of Common Stock

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

○ Total Shareholders' Equity to Total Assets

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

○ Shareholders' Equity per Share of Common Stock

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

Formula for index - Fiscal 2004 estimate

○ Net Income per Share of Common Stock (Fiscal 2004 estimate)

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

*1 Dividends on Preferred Stock and other.

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

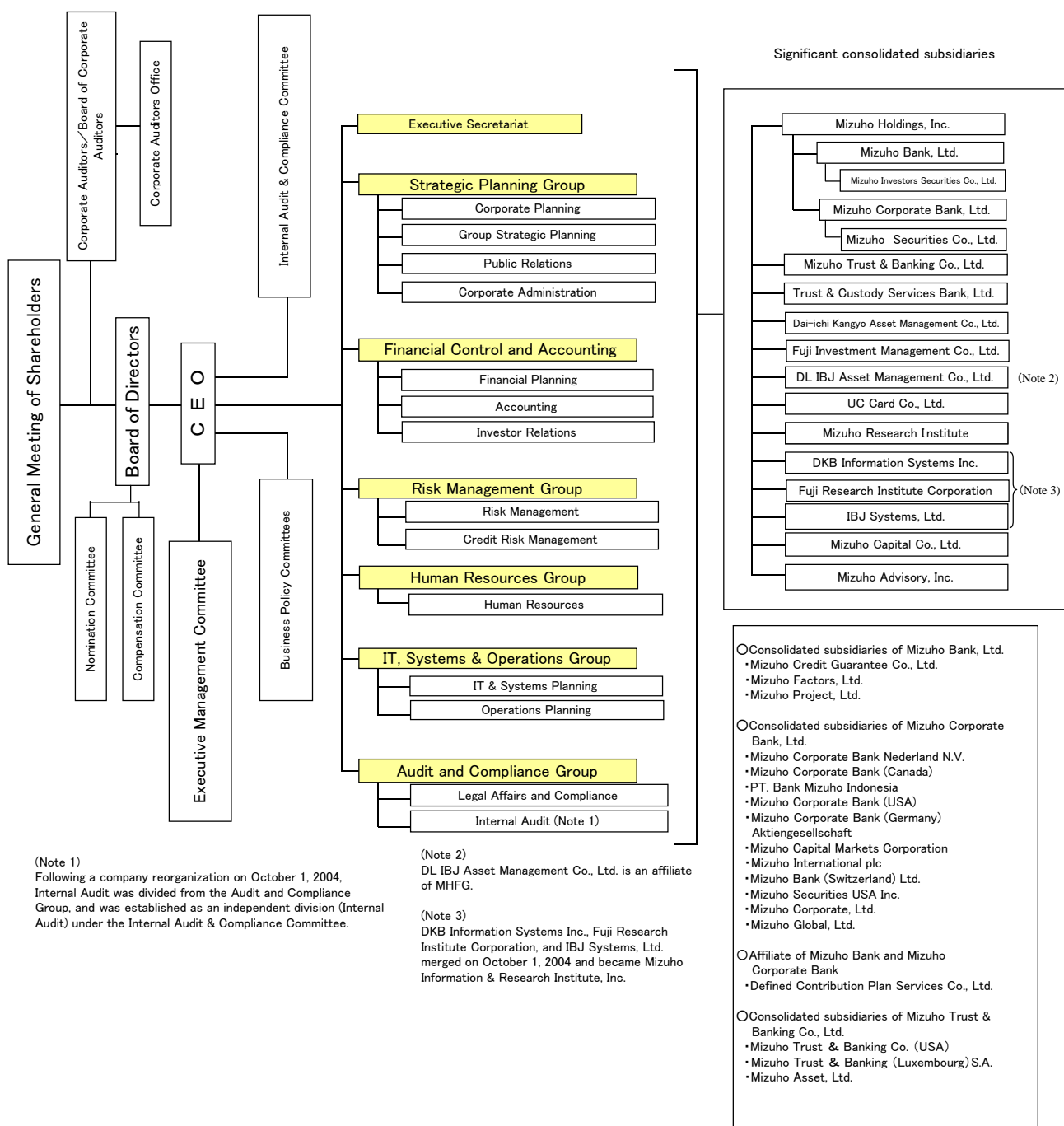
*3 Increasing Shares of Common Stock for Dilutive Securities is calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the term, in accordance with accounting standards. That is, all dilutive convertible securities, including those before 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 (the "Group") is composed of Mizuho Financial Group, Inc. ("MHFG") and its affiliates. The Group provides various financial services, principally banking services, together with securities business, trust and asset management services among others.

(as of September 30, 2004)



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 Services, Banking Business	74.9 <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)

Ownership Percentage figures in italics denote percentage of interest held by subsidiaries

2. MANAGEMENT POLICY

(1) Principal Management Policy

MHFG pursues its goals of being held in high regard by its shareholders and the financial markets as Japan's leading comprehensive financial services group on the basis of the three fundamental management philosophies below that form the foundation of the Group's management strategies and decision-making process.

- a) To provide the highest level of comprehensive financial services to our customers and clients
- b) To provide an attractive, inspiring workplace for our employees where each can demonstrate their rich individuality and ability to meet their respective challenges.
- c) To enable each group company to demonstrate to the utmost its own particular characteristics and strengths in its respective business field and function.

(2) Policy on Profit Distribution

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

(3) Management's Benchmark

MHFG aims to achieve the targets outlined in the "Business Revitalization Plan", drastically improve its profitability, promptly repay public funds and steadily increase its retained earnings.

(4) Management's Medium/Long-term Targets

In order to achieve its management targets, subsidiaries of MHFG will enhance even further their expertise and accelerate implementation of the various business strategies outlined below, using their enormous customer base and the various characteristics of the Group to the full.

Our retail wing, Mizuho Bank, Ltd. ("MHBK"), which covers individuals and small- and medium-sized corporations, will take advantage of its position supported by its nationwide network and enormous customer base. It will consolidate its competitive edge by bringing forward cost reductions well ahead of schedule, speed up its decision-making process and develop business strategies better suited to the needs of each customer segmentation.

Our wholesale banking wing, Mizuho Corporate Bank, Ltd. ("MHCB") will break away from the conventional business model that is dependent on asset volume, so that it can quickly realize a business formula centered on a market-oriented indirect financing model and solution-banking business, strengthening its profit and financial base at the same time.

Mizuho Securities Co., Ltd. ("MHSC") and Mizuho Trust & Banking Co., Ltd. ("MHTB") will lead the other securities and trust banking arms of the Group in strengthening further their capabilities in their respective strategic business areas, and actively pursue synergies with other group companies.

(5) Issues to be Resolved

This fiscal year marks the final year of the "Corporate Revitalization Project", and full deposit guarantee will be removed on April 1, 2005. We are calling fiscal 2004 "A Year of Proving the True Value of Mizuho". MHFG has already shown significant improvement in its financial soundness and plans to improve further by entering into a new phase in management strategies for enhancing future top-line growth. MHFG's subsidiaries will

accelerate their strategies according to their respective customer sectors and specific business areas, and simultaneously strengthen coordination among group members to take full advantage of Mizuho as a group and to increase rapidly MHFG's profitability.

For individual customers, MHBK aims to consolidate its position as the market leader in consulting services and personal loan business, putting an emphasis on investment in management resources, increasing the number of Housing Loan Centers and the number of financial consultancy and financial advisory positions, etc.

Additionally, it continues to offer even better credit card services with the launch in August 2004 of the new Mizuho Mileage Club membership service, and agreement to work on integrating its credit card business with Credit Saison's "Saison Card". MHBK also aims to offer a broader line of unsecured loan products in cooperation with Orient Corporation.

In the small- and medium- sized corporate market, it will make further efforts to meet its customers' funding needs by reviewing the screening process for loan applications etc. and increasing the scope of its "Business Finance Center" network offering smaller corporate customers tailor-made funding information and advice. MHBK aims to push harder to secure a position as the top bank in providing business solutions and lending.

Our wholesale banking wing, MHCB will strengthen its advisory-type solution business, offering M&A advisory services, syndicated loan arrangement, CMS and other various services and solutions which the Group has to offer to resolve our customers' business issues and increase their values. In order to do this, MHCB will work to expand its business by broadening the syndication loan market by increasing the number of transactions, developing new ranges of investors, and developing our loan trading activities, thus enlarging the primary market while establishing and developing the secondary market, etc. Thus we will demonstrate Mizuho's increasing strengths in each type of product and service. MHCB will use its massive customer base to the full in sales and trading operations and ALM business, too, offering a broad lineup of derivative products to satisfy customers' financial and business risk control requirements.

MHTB aims to increase the profitability of the asset management division by strengthening further business ties with MHBK and MHCB and by investing resources in developing businesses such as real estate, securitization and private banking, etc. MHSC will aim to be the market leader in securities and investment banking and to achieve a drastic increase in profitability by the continuing arrangement of management infrastructure and increasing our client base by forming strategic business alliances with other companies etc., mainly in securities-related business.

At the same time as pursuing this profit expansion strategy, MHFG has accelerated cost structure reforms, with the consolidation of branches and the efficient deployment of staff and reductions in IT-related costs after the completion of system consolidation. Combined expenses for MHBK and MHCB, including revitalization subsidiaries, will be reduced to a projected ¥700.0 billion in fiscal 2006 through a "nothing is sacred" cost reduction program. System integration of MHBK has started from July 2004 and to complete this integration safely and robustly will be the highest priority issue for the Group.

Additionally, although our financial stability is steadily improving, through our "Mizuho Business Revitalization Plan" we have already succeeded in achieving targets ahead of time, one specific example being halving our non-performing loan balance as compared with the balance at the end of September 2002, six months ahead of schedule. We will continue our efforts to reduce further our non-performing loans and the risk from our stock portfolio.

(6) Corporate Governance Policy and Current Implementation Status

Corporate Governance Policy

MHFG has been working to achieve a streamlined and speedy management structure while strengthening its corporate governance by inviting outside directors to join our board and establishing an advisory board. We continue our efforts to make management transparent and efficient through 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.

The above management philosophy is the basic policy for forming management strategies and all activities relating to the business decisions MHFG makes. The Group also established the "MHFG Code of Ethics" which is a set of common values and ethical principles shared by the employees of the Group.

Social Responsibility and Public Mission:

We are acutely conscious at all times of our social responsibilities and public mission as Japan's leading comprehensive financial services group. We therefore work to ensure that we observe all laws and regulations, and pursue corporate activities in a fair and honest manner that conforms to the norms accepted by society.

Putting Our Customers First:

We put our customers first, and always offer the best service possible. We believe that being trusted by our customers is the basis of the trust of our shareholders, society and all other stakeholders

Strict Compliance with Laws, Regulations and Internal Rules:

We are committed to strict observance of all laws and regulations pursuing our business in a fair and honest manner in conformance with the norms accepted by society. We also strive to respect the laws and customs of all countries as a global financial services group.

Respect for Human Rights:

We respect the human rights of our customers, corporate officers and employees and society at large and strive to achieve a corporate culture which promotes humans rights.

Disavowal of Anti-Social Elements:

We firmly state our opposition to the activities of any entity that threatens the rule of law and public order or safety.

Current Implementation Status

1. Status regarding corporate governance structure as it affects management decision-making, implementation and supervision, etc.

a) Organization

MHFG 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 strengthen further 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 opinion. 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. Business Policy Committees were established to discuss cross-sectional issues.

The Internal Audit & Compliance Committee fulfills an internal audit function under the President & CEO. The committee discusses and determines important matters concerning internal audit and compliance on the basis of the basic policy determined by the board and reports all decisions made by the committee to the board. (Note 1)

External experts in their field (consisting at present of one lawyer and one CPA) are also on the committee to strengthen the specialist nature and impartiality of the committee.

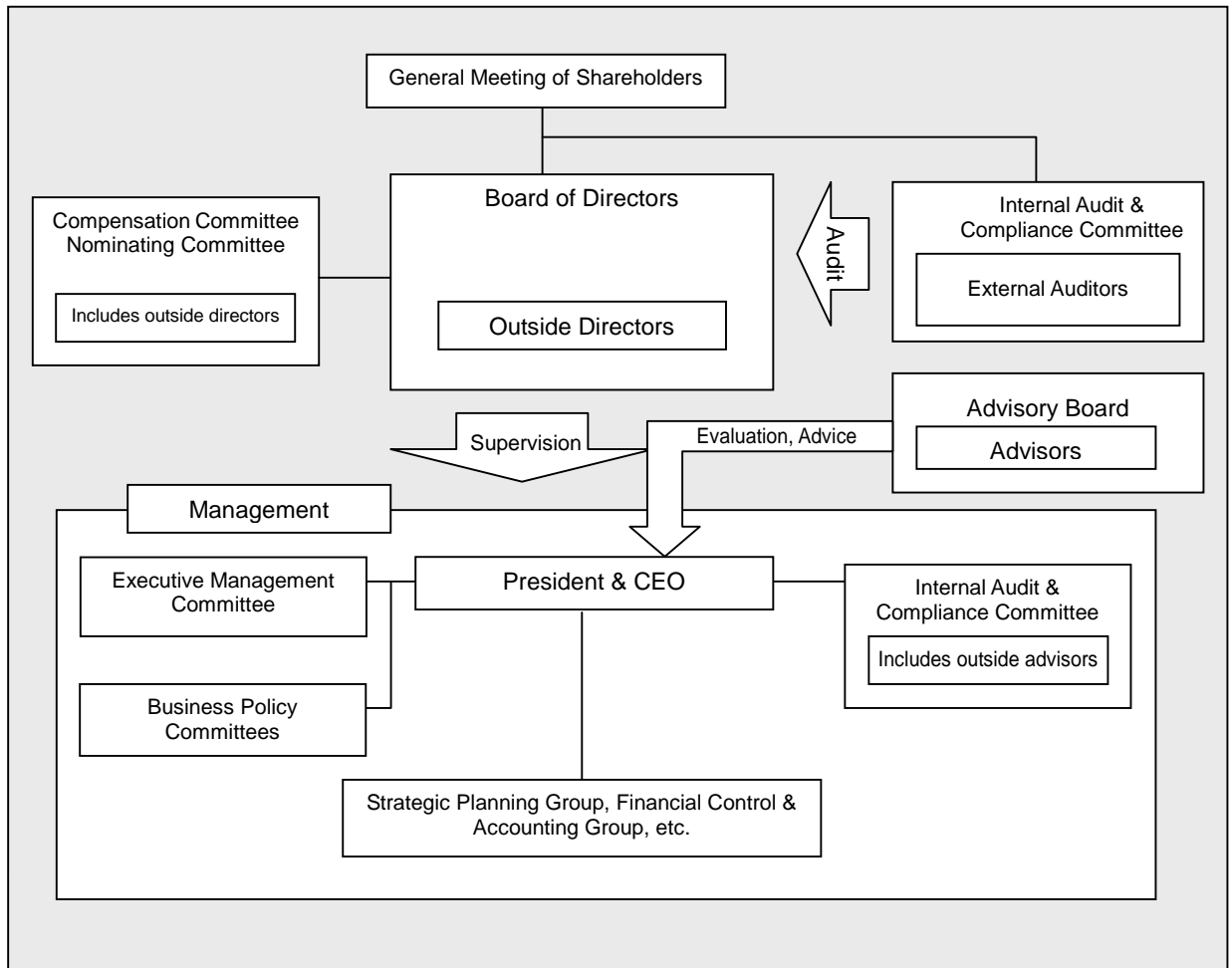
MHFG has also established an advisory board of outside experts that will offer objective evaluations and advice from an independent standpoint, aiming for a more open style of management.

(Note 1)

In order to ensure the independence of the internal audit function from the audited sections (strengthening the system of checks and balances), on October 1, the internal audit function was separated from the sections which it had hitherto audited and was placed under the control of the Internal Audit & Compliance Committee. In addition, the compliance function was separated from the Internal Audit & Compliance Committee, with the establishment of a new Compliance Committee.

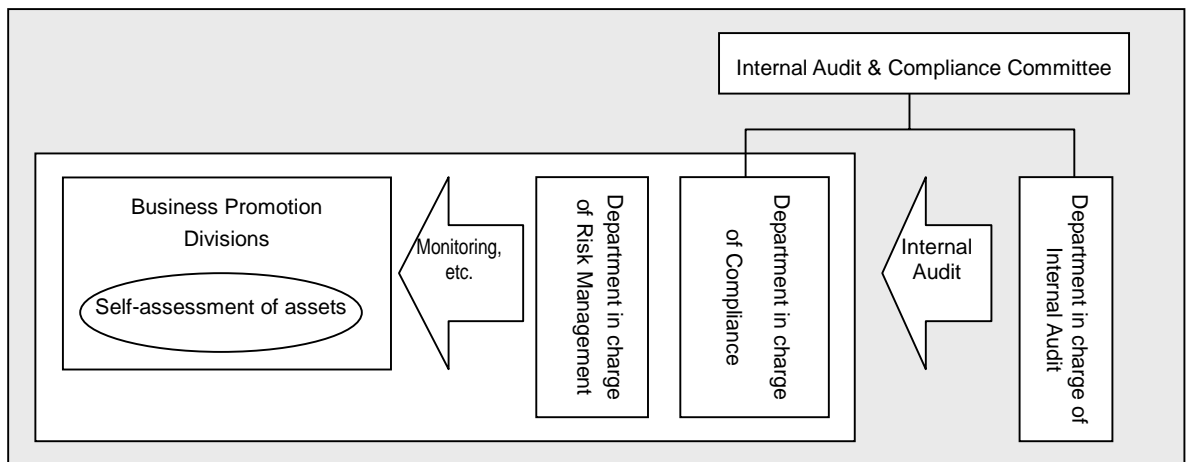
External experts in their field (consisting at present of one lawyer and one CPA) are also on the Compliance Committee as special committee members to strengthen the specialist nature and impartiality of the committee.

MHFG's Corporate Governance Structure



MHFG has also established Internal Audit & Compliance Committees separate from the business promotion divisions to ensure the independence of the internal audit divisions and that the internal audit and compliance organization is reasonable, adequate and effective.

MHFG's Framework of Operations and Audit and Internal Control Framework



2. Summary of related party transactions between MHFG and outside corporate auditors and outside directors

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

3. Summary of progress over the past six months by the company in working to ensure the full application of corporate governance

Thirteen board meetings were convened during the past six months, and various important matters affecting the management of MHFG and its subsidiaries were decided.

The Nominating Committee was convened once 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 three times, to deliberate and report to the Board of Directors 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.

In addition to the above, senior management of MHFG actively participated in investor relations activities such as the regular semi-annual presentations of financial results to analysts and investors both in Japan and overseas so that investors can deepen their understanding of MHFG's business strategy and financial position and exchanged opinions directly with institutional investors.

3. CONSOLIDATED RESULTS OF OPERATIONS

(1) Results of Operations

(a) Financial and Economic Environment

Looking back over the economic conditions during the last six months, the overall trend for the global economy was one of improvement, in spite of unfounded fears both of a dampening effect on the U.S. economy from the rise in oil prices and of a slowdown in growth in the Chinese economy arising from the government tightening the economy. Although export decreased, the Japanese economy maintained its recovery by improving commercial performance and employment.

As for the Japanese financial markets, there was a slight weakening of stock prices arising from a possible slowdown in the economy with the rise in oil prices. Long-term interest rates rose during the first quarter, but returned to their level at the beginning of the interim fiscal term with a possible slowdown in the economy. It was against this background that the Bank of Japan continued its monetary easing policy.

Financial institutions saw the imminent financial closure of the disposal of problem loans, etc. with a flurry of reorganizations and new alliances. Financial deregulation continued with the lifting of the ban on banks' carrying out securities business, etc. These changes in the financial environment mean that financial institutions must consider important issues such as how to secure a competitive edge and strengthen profitability.

(b) Outline of Results

During the previous fiscal year before last, we took action for management reform and achieved our targets including the reorganization of our corporate structure, execution of measures to resolve all major financial issues, raising new capital, etc. Last fiscal year was the "Year of Achievement" for Mizuho, and all employees worked together to strengthen Mizuho's comprehensive financial services, basis of profitability, and financial soundness.

For MHFG, fiscal 2004 is "A Year of Proving the True Value of Mizuho" and aim to further increase corporate value and maximize the Group's total strength. With decreasing Credit Related Costs as a result of cleaning up financial issues, MHFG was able to establish a sound revenue base. As a result, we recorded Consolidated Ordinary Profits for the first half of fiscal 2004 of ¥298.6 billion and Consolidated Net Profits of ¥233.9 billion, exceeding the original estimates of ¥140.0 billion.

Consolidated Gross Profits: Consolidated Gross Profits for the first half of fiscal 2004 was ¥961.2 billion, a decrease of ¥136.1 billion from the corresponding interim period of fiscal 2003. Although Fee and Commission Income increased as a result of emphasizing noninterest income, Other Operating Income and Net Trading Income decreased due to unfavorable Net Gains Related to Bonds which reflected market conditions.

Net Interest Income was ¥564.5 billion, decreasing by ¥20.5 billion from the corresponding interim period of fiscal 2003. Net Fee and Commission Income was ¥215.1 billion, increasing by ¥18.7 billion from the corresponding interim period of fiscal 2003. This was as a result of increases in fees from loan syndication-related business, etc. The ratio of the total of Net Fiduciary Income and Net Fee and Commission Income to Consolidated Gross Profits increased by 4.8 % from the corresponding interim period of fiscal 2003. Net Trading Income was ¥70.0 billion, decreasing by ¥59.1 billion from the corresponding interim period of fiscal 2003. Net Other

Operating Income was ¥84.7 billion, decreasing by ¥75.1 billion from the corresponding interim period of fiscal 2003.

General and Administrative Expenses: General and Administrative Expenses for the first half of fiscal 2004 amounted to ¥563.0 billion, decreasing by ¥9.1 billion from the corresponding interim period of fiscal 2003. This was as a result of an even more thorough review of personnel and administrative expenses. Personnel Expenses amounted to ¥260.5 billion, a decrease of ¥12.8 billion from the corresponding interim period of fiscal 2003, resulting from a decrease in Expenses related to Employee Retirement Benefits, etc. Administrative expenses amounted to ¥271.6 billion, decreasing by ¥1.5 billion from the corresponding interim period of fiscal 2003. This was as a result of the ongoing consolidation of branches, etc. Income Taxes were ¥30.8 billion, increasing by ¥5.2 billion from the corresponding interim period of fiscal 2003. This was by way of the effect of the enterprise taxes imposed through external standards taxation beginning this fiscal year.

Expenses Related to Portfolio Problem and Provision for General Reserve for Possible Losses on Loans:

As a result of the reduction in the amount of reserves for possible losses on loans in line with the steady progress made in business revitalization and the improvement in performance of client companies etc. in the first half of fiscal 2004, the total of Expenses Related to Portfolio Problem and Provision for General Reserve for Possible Losses on Loans recorded a gain of ¥29.9 billion, decreasing sharply by ¥195.5 billion from the corresponding interim period of fiscal 2003.

Net Profits Related to Stocks and Other Securities and Equity in Income from Investments in Affiliates:

Net Profits Related to Stocks and Other Securities amounted to ¥80.1 billion. This was as a result of ongoing efforts to decrease stock holdings.

Equity in Income from Investments in Affiliates amounted to ¥2.0 billion, increasing by ¥0.8 billion from the corresponding interim period of fiscal 2003.

Ordinary Profits: After reflecting the above, Ordinary Profit was ¥298.6 billion, decreasing by ¥206.7 billion from the corresponding interim period of fiscal 2003. This was mainly a result of a decrease in Consolidated Gross Profits of ¥136.1 billion and a decrease in Net Profits Related to Stocks and Other Securities of ¥39.4 billion.

Extraordinary Gains and Losses: Net Extraordinary Gains (Losses) amounted to a gain of ¥130.4 billion, increasing by ¥58.7 billion from the corresponding interim period of fiscal 2003. This was due to recording Reversal of Provision for Reserves for Possible Losses on Loans as Extraordinary Gains; and recording Loss on Impairment of Fixed Assets which was applied beginning this fiscal year, together with Amortization of Net Obligation at Date of Initial Application of the New Accounting Standard for Employee Retirement Benefits, etc. as extraordinary losses.

Tax Expenses: Income Tax Expenses - Current amounted to ¥18.9 billion, decreasing by ¥3.1 billion from the corresponding interim period of fiscal 2003 and Income Tax Expenses - Deferred amounted to ¥148.4 billion decreasing by ¥120.1 billion from the corresponding interim period of fiscal 2003.

Net Income: After reflecting the above, Net Income amounted to ¥233.9 billion, decreasing by ¥21.4 billion from

the corresponding interim period of fiscal 2003, but exceeding our original estimates by ¥93.9 billion.

(c) Segment Information

In addition to banking business (banking and trust banking business), MHFG and its consolidated subsidiaries are engaged in securities business and other business (credit card business, investment advisory business and other).

The proportion of these activities accounting for Ordinary Income before excluding inter-segment Ordinary Income was 71.8 % for banking business, 20.7 % for securities business and 7.4 % for other.

Segments of operations by geographic area are Japan, Americas, Europe and Asia/Oceania. Ordinary Income from International Operations of ¥202.8 billion accounts for 13.8 % of Consolidated Ordinary Income of ¥1,467.9 billion.

(d) Estimates for the Fiscal 2004 (for the year ending March 31, 2005)

Earnings Estimates: As for earnings estimates for fiscal 2004, we estimate Ordinary Income of ¥2,900.0 billion, Ordinary Profits of ¥610.0 billion and Net Income of ¥440.0 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 estimates, depending on future events.

Dividend Payment Estimates: MHFG estimates payment of ¥3,500 of annual dividends per share on common stock taking into consideration the earnings estimates for fiscal 2004. MHFG also estimates to pay dividends on preferred stocks as prescribed.

(2) Financial Conditions

(a) Assets, Liabilities and Shareholders' Equity

Loans and Bills Discounted as of September 30, 2004 amounted to ¥64,296.9 billion, decreasing by ¥1,908.8 billion from the end of the previous period as a result of the weak demand for funds and review of portfolio.

With respect to portfolio problem, the Group actively proceeded with the removal of problem loans from the balance sheet and company revitalization, and appropriate credit monitoring to prevent an increase in the problem loan balance. Of Loans, the Non-Accrual, Past Due and Restructured Loans balance amounted to ¥2,249.3 billion, decreasing by ¥931.7 billion and accounting for 3.49% of the total Loans balance, with an improvement of 1.30%.

Loans to Bankrupt Borrowers were ¥133.4 billion, decreasing by ¥44.4 billion, Non-Accrual Delinquent Loans were ¥1,154.1 billion, decreasing by ¥129.8 billion, Loans Past Due for 3 Months or More were ¥32.4 billion, increasing by ¥7.5 billion and Restructured Loans were ¥929.2 billion, decreasing by ¥765.0 billion. Reserves for Possible Losses on Loans amounted to ¥1,360.1 billion, decreasing by ¥490.4 billion from the end of the previous period. The reserve ratio of Non-Accrual, Past Due and Restructured Loans is 60.46%.

Securities were ¥33,267.3 billion, increasing by ¥1,195.7 billion from the end of fiscal 2003. This reflected an increase in Japanese government bonds.

Deferred Tax Assets were ¥1,238.5 billion, decreasing by ¥123.2 billion from the end of fiscal 2003 as a result of recording taxable income.

Deposits and Negotiable Certificates of Deposit amounted to ¥76,049.3 billion, decreasing by ¥1,438.1 billion from the end of the previous period.

(b) Cash Flows

Cash Flow from Operating Activities was ¥(880.2) billion, as a result of decrease in Deposits and Negotiable Certificates of Deposit, etc. Cash Flow from Investing Activities was ¥(539.5) billion as a result of acquisition of securities, etc. and Cash Flow from Financing Activities was ¥(334.0) billion as a result of repurchasing Treasury Stocks, etc.

As a result, Cash and Cash Equivalents as of September 30, 2004 was ¥3,775.6 billion.

(c) Consolidated Capital Adequacy Ratio (Preliminary)

Consolidated qualified capital amounted to ¥7,974.6 billion, increasing by ¥204.6 billion from the end of fiscal 2003 as a result of recording Net Income higher than originally estimated, etc. With the improvement in the financial condition and the raising of qualified capital during the period, we commenced repayment of public funds (preferred stock). We repurchased and cancelled preferred stock of approximately ¥240.0 billion and redeemed ¥225.0 billion of subordinated bonds.

The Risk Asset balance was ¥67,239.4 billion, decreasing by ¥1,184.7 billion from the end of fiscal 2003 due to the continuing efficient management of risk assets, etc. As a result the Consolidated Capital Adequacy Ratio (BIS) increased by 0.51% on the previous period to 11.86 %

March 31, 2002	March 31, 2003	March 31, 2004	September 30, 2004
10.56%	9.53%	11.35%	11.86% (Preliminary)

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

BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

a) Number of consolidated subsidiaries: 121

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, Polaris Principal Finance Co., Ltd. and 2 other companies were newly consolidated on their establishment.

b) Non-consolidated subsidiaries

Name of principal company:

IBJ Australia Bank Limited

Non-consolidated subsidiaries are excluded from the scope of consolidation because they do not have 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

a) Number of affiliates accounted for by the equity method: 22

Names of principal companies:

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

During the interim consolidated fiscal term, Max Investment Advisory Co., Ltd. was newly included to the scope of the equity method on its establishment.

IBJ Leasing Co., Ltd. and 6 other companies were excluded from the scope of the equity method as a result of offering of shares in course of an IPO, etc.

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

Names of principal companies:

IBJ Australia Bank Limited
IBJ Leasing Co., Ltd.
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 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

a) Balance sheet dates of consolidated subsidiaries are as follows:

April 30	:	1 company
June 30	:	41 companies
July 31	:	1 company
September 30	:	64 companies
The day before the last business day of December	:	14 companies

b) 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, 2004. Other consolidated subsidiaries were consolidated based on their assumed 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 their respective interim balance sheet dates and the date of the interim consolidated financial statements.

Consolidated Balance Sheet

As of September 30, 2004

Mizuho Financial Group, Inc.

(Millions of yen)

Assets		Liabilities	
Cash and Due from Banks	5,442,843	Deposits	66,920,815
Call Loans and Bills Purchased	219,257	Negotiable Certificates of Deposit	9,128,500
Receivables Under Resale Agreements	4,114,679	Debentures	8,461,535
Guarantee Deposit Paid under Securities Borrowing Transactions	8,882,518	Call Money and Bills Sold	8,457,918
Other Debt Purchased	806,854	Payables Under Repurchase Agreements	8,301,479
Trading Assets	11,027,377	Guarantee Deposit Received under Securities Lending Transactions	8,445,778
Money Held in Trust	23,612	Commercial Paper	1,257,000
Securities	33,267,393	Trading Liabilities	7,827,309
Loans and Bills Discounted	64,296,977	Borrowed Money	2,054,115
Foreign Exchange Assets	694,628	Foreign Exchange Liabilities	253,841
Other Assets	5,539,225	Short-term Corporate Bonds	180,200
Premises and Equipment	1,086,638	Bonds and Notes	2,378,089
Deferred Debenture Charges	301	Due to Trust Account	1,317,356
Deferred Tax Assets	1,238,533	Other Liabilities	5,275,286
Customers' Liabilities for Acceptances and Guarantees	4,047,681	Reserve for Bonus Payments	27,367
Reserves for Possible Losses on Loans	(1,360,108)	Reserve for Employee Retirement Benefits	34,909
Reserve for Possible Losses on Investments	(1,245)	Reserve for Contingencies	131,341
		Reserve under Special Law	1,603
		Deferred Tax Liabilities	30,064
		Deferred Tax Liabilities for Revaluation Reserve for Land	149,036
		Acceptances and Guarantees	4,047,681
		Total Liabilities	134,681,230
		Minority Interests	
		Minority Interests	1,108,342
		Shareholders' Equity	
		Common Stock and Preferred Stock	1,540,965
		Capital Surplus	1,022,559
		Retained Earnings	636,031
		Revaluation Reserve for Land, net of Taxes	217,971
		Net Unrealized Gains on Other Securities	350,491
		Available for Sale, net of Taxes	
		Foreign Currency Translation Adjustments	(96,156)
		Treasury Common Stock	(134,265)
		Total Shareholders' Equity	3,537,597
Total Assets	139,327,169	Total Liabilities, Minority Interests and Shareholders' Equity	139,327,169

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.
Securities and other short-term credit instruments held for trading purposes are stated at fair value at the interim consolidated balance sheet date. Derivative financial products, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that such transactions were terminated and settled at the interim consolidated balance sheet date.
3. **Securities**
Bonds held to maturity are valued on an amortized cost basis using the moving average method (straight-line method). 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 Available for Sale, 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 losses on Other Securities Available for Sale are booked directly to Shareholders' Equity, net of applicable income taxes after excluding gains and losses as a result of fair-value hedges.
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 declining-balance method. The estimated annual depreciation cost is divided by the number of months used during the fiscal term. The useful lives for buildings and equipment are as follows:

Buildings	3 years to 50 years
Equipment	2 years to 20 years
7. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful lives (primarily 5 years) determined by MHFG and its consolidated subsidiaries.
8. Bond issuance costs are recognized as expenses when incurred.
9. **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.

10. 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.

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

11. 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 the reserve is determined as 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 the 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 ¥1,449,283 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.

12. 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.

13. 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.
14. 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. Unrecognized actuarial gains (losses) are expensed mainly as follows:
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.
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. In order to hedge the interest rate risk associated with various financial assets and liabilities, domestic consolidated banking subsidiaries and domestic trust banking subsidiaries apply either the fair-value hedge method or the deferred method which is stipulated in "Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No.24). The effectiveness of the 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, 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.
Up to the end of the fiscal year ended March 31, 2004 the deferred method has been applied to the hedge of interest rate risk associated with various financial assets and liabilities. In response to the price fluctuations in the bond market effective this interim consolidated fiscal term, the fair-value hedge method has been applied to hedge transactions which eliminates the effect of fluctuations in bond prices for Other Securities Available for Sale so that the effect of hedge transactions will be reflected more fairly in the financial statements. As a result of the application of the fair-value hedge method, Interest Income decreased by ¥716 million, Other Operating Expenses increased by ¥5,109 million and Extraordinary Losses increased by ¥14,412 million, and, as a consequence, Ordinary Profits and Income before Income Taxes and Minority Interests decreased by ¥5,825 million and ¥20,238 million, respectively as compared with the corresponding amounts under the previously applied method. In addition, Other Assets, Other Liabilities, and Net Unrealized Gains on Other Securities Available for Sale, net of Taxes decreased by ¥54,964 million, ¥1,822 million, and ¥32,904 million, respectively. Certain domestic consolidated banking subsidiaries has not yet changed the hedge accounting method in this interim consolidated fiscal term, but are applying the fair-value hedge method gradually.
Deferred hedge gains/losses recorded on the Interim Consolidated Balance Sheet resulted from the application of the macro-hedge method based on "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No.15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using

derivatives. These deferred hedge gains/losses are 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 are ¥1,047,020 million and ¥977,169 million, respectively.

18. Domestic consolidated banking subsidiaries and certain domestic trust banking subsidiaries apply the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities as stipulated in “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Audit Committee Report No.25). The effectiveness of the 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 the hedged item in advance, 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. Inter-company 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 inter-company 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: ¥83 million
This reserve is maintained pursuant to Article 82 of the Financial Futures Transaction Law.
Reserve for Contingent Liabilities from Broking of Securities Transactions: ¥1,519 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 ¥27 million.
23. Accumulated depreciation of Premises and Equipment amounted to ¥695,263 million.
24. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounted to ¥94,718 million.
25. Loans and Bills Discounted include Loans to Bankrupt Borrowers of ¥133,453 million and Non-Accrual Delinquent Loans of ¥1,154,177 million. Of the above loan amounts, ¥3,972 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: ¥32,495 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: ¥929,250 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: ¥2,249,377 million.
Of the above loan amounts, ¥3,972 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. Bills discounted are treated as financial transactions on the basis of JICPA Industry Audit Committee Report No. 24. The banking subsidiaries have rights to sell or pledge the bankers' acceptances, commercial bills, documentary bills and foreign bills bought discounted. The principal amount of these bills amounted to ¥933,855 million.
30. Breakdown of assets pledged as collateral
The following assets have been pledged as collateral:
- | | |
|-----------------------------|---------------------|
| Trading Assets: | ¥6,666,000 million |
| Securities: | ¥10,708,367 million |
| Loans and Bills Discounted: | ¥6,083,643 million |

The following liabilities are collateralized by the above assets:

Deposits:	¥827,617 million
Call Money and Bills Sold:	¥4,603,000million
Payables under Repurchase Agreements:	¥4,774,963 million
Guarantee Deposit Received under Securities Lending Transactions:	¥8,038,492million
Borrowed Money:	¥973,612 million
Other Liabilities:	¥137 million

In addition to the above, Cash and Due from Banks amounting to ¥11,733 million, Trading Assets amounting to ¥200,205 million, Securities amounting to ¥2,362,652 million, and Loans and Bills Discounted amounting to ¥324,147 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 ¥147,506 million and Other Assets include Margin Payments for Futures Transactions of ¥39,627 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 is ¥19,994 million.

31. 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: ¥1,417,299 million
 Total Deferred Hedge Gains: ¥1,225,681 million
32. 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.
33. Borrowed Money includes subordinated borrowed money of ¥711,018 million.
34. Bonds and Notes include subordinated bonds of ¥2,192,773 million.
35. The principal amounts indemnified for money trusts and loan trusts with contracts guaranteeing the principal, which are entrusted to domestic trust banking subsidiaries, are ¥823,052 million and ¥786,395 million, respectively.
36. Net asset per share: ¥77,567.14
37. 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 40.
- Trading Securities*
 Balance of trading securities at the interim consolidated balance sheet date:
 ¥8,828,341 million
 Unrealized gains recorded on the interim consolidated statement of operations:
 ¥21,398 million

Bonds Held to Maturity which have a market price:

	Amount on Interim Consolidated BS	Fair Value	Unrealized Gains / Losses		
			Net	Gains	Losses
Japanese Government Bonds	¥1,117,261	¥1,120,902	¥3,640	¥3,640	-
Japanese Municipal Bonds	53,657	53,897	239	268	28
Other	99,624	101,589	1,965	1,965	-
Total	¥1,270,544	¥1,276,389	¥5,845	¥5,873	¥28

Other Securities Available for Sale which have a market price:

	<i>Millions of yen</i>				
	Cost	Amount on Interim Consolidated BS	Unrealized Gains / Losses		
			Net	Gains	Losses
Japanese Stocks	¥3,128,265	¥3,951,185	¥822,920	¥900,362	¥77,442
Japanese Bonds Total	20,515,621	20,375,533	(140,087)	11,759	151,846
<i>Japanese Government Bonds</i>	<i>19,992,051</i>	<i>19,848,730</i>	<i>(143,321)</i>	<i>6,672</i>	<i>149,994</i>
<i>Japanese Municipal Bonds</i>	<i>121,797</i>	<i>123,660</i>	<i>1,862</i>	<i>2,482</i>	<i>619</i>
<i>Japanese Corporate Bonds</i>	<i>401,772</i>	<i>403,143</i>	<i>1,371</i>	<i>2,604</i>	<i>1,233</i>
Other	4,922,127	4,919,006	(3,121)	35,367	38,489
Total	¥28,566,014	¥29,245,725	¥679,711	¥947,490	¥267,778

¥32,904 million of the above Net Unrealized Gains is reflected in the Statement of Operations by applying the fair-value hedge method. As a result of application of the fair-value hedge method, the amount to be recorded directly to Shareholders' Equity was ¥646,807 million. ¥350,348 million of the amount after adjustments of the following was included in Net Unrealized Gains (Losses) on Other Securities Available for Sale, net of Taxes:

Net Unrealized Gains:	¥646,807 million
Deferred Tax Assets:	297 million
Less: Deferred Tax Liabilities:	(272,275) million
Less: Amount corresponding to Minority Interests:	(25,779) million
Amount corresponding to Net Unrealized Gains on Other Securities Available for Sale owned by affiliates, which corresponds to the holding shares of their investor companies:	1,299 million
Amount included in Net Unrealized Gains on Other Securities Available for Sale, net of Taxes:	¥350,348 million

Certain Other Securities Available for Sale which have a market price is devalued to the market price 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"), if the market price (primarily the closing price on the last day of the interim consolidated fiscal term) has significantly deteriorated compared with the acquisition cost (including amortized cost) unless it is deemed that there is a possibility of a recovery in the market price, the market price is taken as the amount recorded. The amount of devaluation for the interim consolidated fiscal term was ¥8,455 million.

The criteria for determining whether a security's market price has "significantly 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.

38. Other Securities Available for Sale sold during the interim consolidated fiscal term are as follows:

Amount Sold	Gains on Sales	Losses on Sales
¥17,149,502 million	¥170,927 million	¥33,264 million

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

Details	<i>Millions of yen</i>
	Amount on Interim Consolidated BS
<i>Other Securities Available for Sale:</i>	
Unlisted Japanese Stocks (other than OTC stocks)	¥856,136
Private Bonds	1,387,431

40. The redemption schedule by term for Bonds Held to Maturity and Other Securities Available for Sale with maturities is as follows:

	<i>Millions of yen</i>			
	1 year or less	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
Japanese Bonds Total	¥10,681,654	¥7,726,181	¥3,619,157	¥886,891
<i>Japanese Government Bonds</i>	<i>10,489,669</i>	<i>6,358,353</i>	<i>3,342,504</i>	<i>775,464</i>
<i>Japanese Municipal Bonds</i>	<i>2,917</i>	<i>94,812</i>	<i>77,650</i>	<i>10,237</i>
<i>Japanese Corporate Bonds</i>	<i>189,066</i>	<i>1,273,016</i>	<i>199,002</i>	<i>101,190</i>
Other	797,055	2,682,679	806,460	914,663
Total	¥11,478,709	¥10,408,861	¥4,425,618	¥1,801,555

41. Details of Money Held in Trust are as follows:
 For the Purpose of Investing in Securities
 Book value on the interim consolidated balance sheet: ¥23,612 million
 Net Unrealized gains (losses) recognized in the interim consolidated statement of operations: ¥ - million
42. Unsecured lending transactions which allow borrowers to re-sell securities, amounting to ¥23,072 million, are included in Stocks and Other Securities under Securities, and Trading Securities under Trading Assets. Securities lending transactions which do not allow borrowers to re-sell securities, amounting to ¥9 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 at the end of the interim consolidated fiscal term amounted to ¥4,671,706 million, ¥702 million and ¥3,425,973 million, respectively.
43. 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 ¥44,719,011 million. Of this amount, ¥41,053,781 million relates to contracts of which 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.
44. Until the previous fiscal year, for fixed assets whose expected disposable price substantially fell below their book value, the difference between the expected disposal price and the book value were directly depreciated. However, as permitted by "Accounting Standard for Impairment of Fixed Assets" ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" (Business Accounting Council report, August 9, 2002)) and "Guidelines on Implementation of Accounting Standard for Impairment of Fixed Assets" (Guidelines on Implementation of Business Accounting Standard No. 6, October 31, 2003)

effective the consolidated fiscal year beginning April 1, 2004, the impairment accounting in accordance with the above standard and guidelines are applied. As a result, Income before Income Taxes and Minority Interests decreased by ¥36,429 million.

45. 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 ¥131,173 million from the standpoint of sound financial practice. (Please refer to paragraph 15).

Consolidated Statement of Operations

From April 1, 2004 to September 30, 2004

Mizuho Financial Group, Inc.

(Millions of yen)

Ordinary Income		1,467,994
Interest Income	776,962	
<i>Interest on Loans and Bills Discounted</i>	540,636	
<i>Interest and Dividends on Securities</i>	131,744	
Fiduciary Income	26,776	
Fee and Commission Income	268,036	
Trading Income	70,009	
Other Operating Income	170,938	
Other Income	155,269	
Ordinary Expenses		1,169,323
Interest Expenses	212,383	
<i>Interest on Deposits</i>	48,613	
<i>Interest on Debentures</i>	36,592	
Fee and Commission Expenses	52,858	
Other Operating Expenses	86,205	
General and Administrative Expenses	563,053	
Other Expenses	254,821	
Ordinary Profits		298,671
Extraordinary Gains		207,636
Extraordinary Losses		77,227
Income before Income Taxes and Minority Interests		429,080
Income Taxes:		
Current		18,961
Deferred		148,438
Minority Interests in Net Income		27,739
Net Income		233,941

NOTES TO CONSOLIDATED STATEMENT OF OPERATIONS

1. Amounts less than one million yen are rounded down.
2. Net income per share of Common Stock: ¥21,706.23
3. Diluted net income per share of Common Stock: ¥14,175.69
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 ¥138,368 million.
6. Other Expenses include Losses on Write-offs of Loans of ¥138,409 million and Losses on Devaluation of Stocks and Other Securities of ¥49,523 million.
7. Extraordinary Gains include Net Reversal of Reserves for Possible Losses on Loans of ¥187,236 million.
8. Extraordinary Losses include Loss on Impairment of Fixed Assets of ¥43,510 million, effect of applying fair-value hedge from this interim consolidated fiscal term of ¥14,412 million, and Amortization of Net Obligation at Date of Initial Application of the New Accounting Standard for Employee Retirement Benefits of ¥12,276 million.
9. With the enactment of “Revision of Law regarding Regional Taxation, etc.” (Law No.9 of March 2003) on March 31, 2003, certain basis of the enterprise taxes imposed on banks was changed effective the consolidated fiscal year beginning April 1, 2004 to “added value” and “amount of capital, etc.” As a result, effective this interim consolidated fiscal term, domestic banking subsidiaries, certain domestic trust banking subsidiaries and certain domestic subsidiaries included the enterprise taxes based on “added value” and “amount of capital, etc.” in “General and Administrative Expenses” on the Consolidated Statement of Operations, in accordance with “Practical Treatment of Presentation of External Standards Taxation portion of Enterprise Taxes on the Statement of Operations ” (the Accounting Standards Board of Japan (the “ASBJ”) Report of Practical Issues No. 12).
10. The difference between the recoverable amount and the book value of the following assets was recognized as Loss on Impairment of Fixed Assets in this interim consolidated fiscal term:

<u>Area</u>	<u>Principal purpose of use</u>	<u>Type</u>	<u>Impairment loss (¥ million)</u>
Tokyo Metropolitan Area	Idle assets 78 items Assets to be disposed	Land and premises, etc.	29,594
Other	Branch premises 1 branch Branch premises 5 branches to be closed Idle assets 90 items	Land and premises, etc.	13,916

Certain domestic subsidiaries recognize the estimated unrecoverable amount of their investment in their branch premises as Loss on Impairment of Fixed Assets. For the purposes of identifying impaired assets, assets of an individual branch are grouped as a unit. The relevant domestic subsidiary calculates the recoverable value by measuring value of use, applying a discount rate of 8.8%.

Domestic banking subsidiaries, certain domestic trust banking subsidiaries and certain domestic subsidiaries recognize Loss on Impairment of Fixed Assets for branch premises to be closed, assets to be

disposed, and idle assets. For the purposes of identifying impaired assets in such a case, the individual asset is assessed as a unit. The recoverable amount is calculated based on net realizable value. Net realizable value is calculated based on the valuation by road rating with reasonable adjustments to compensate for sites with long depth, etc. and on the appraisal value, etc., less estimated cost of disposal.

Consolidated Statement of Capital Surplus and Retained Earnings

From April 1, 2004 to September 30, 2004

Mizuho Financial Group, Inc.

(Millions of yen)

Capital Surplus

Balance at April 1, 2004	1,262,526
Increase	16
Gains on Sale of Treasury Stock	16
Decrease	239,982
Retirement of Treasury Stock	239,971
Decrease of amount corresponding to Gains on Sales of Treasury Stock due to decrease of affiliates accounted for by the equity method	11
Balance at September 30, 2004	1,022,559

Retained Earnings

Balance at April 1, 2004	462,594
Increase	247,718
Net Income	233,941
Transfer from Revaluation Reserve for Land, net of Taxes	13,776
Decrease	74,280
Dividends	74,280
Balance at September 30, 2004	636,031

Note Amounts less than one million yen are rounded down.

Consolidated Statement of Cash Flows

From April 1, 2004 to September 30, 2004

Mizuho Financial Group, Inc

(Millions of yen)

I. Cash Flow from Operating Activities	
Income before Income Taxes and Minority Interests	429,080
Depreciation	66,541
Loss on Impairment of Fixed Assets	43,510
Depreciation of Consolidation Differences	(0)
Equity in Earnings from Investments in Affiliates	(2,017)
Decrease in Reserves for Possible Losses on Loans	(490,260)
Increase in Reserve for Possible Losses on Investments	269
Decrease in Reserve for Contingencies	(1,397)
Decrease in Reserve for Bonus Payments	(11,122)
Increase in Reserve for Employee Retirement Benefits	2,929
Interest Income - accrual basis	(776,962)
Interest Expenses - accrual basis	212,383
Gains on Securities	(87,337)
Gains on Money Held in Trust	(317)
Foreign Exchange Losses - Net	144
Gains on Disposal of Premises and Equipment	(8,612)
Net Increase in Trading Assets	(2,940,354)
Net Increase in Trading Liabilities	1,720,131
Net Decrease in Loans and Bills Discounted	2,006,529
Net Decrease in Deposits	(608,621)
Net Decrease in Negotiable Certificates of Deposit	(830,144)
Net Decrease in Debentures	(997,979)
Net Increase in Borrowed Money (excluding Subordinated Borrowed Money)	421,383
Net Increase in Due from Banks (excluding Deposits with Central Banks)	(379,452)
Net Decrease in Call Loans etc.	1,287,354
Net Increase in Guarantee Deposits Paid under Securities Borrowing Transactions	(911,909)
Net Decrease in Call Money etc.	(159,085)
Net Increase in Commercial Paper	419,200
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	283,975
Net Increase in Foreign Exchange Assets	(85,700)
Net Decrease in Foreign Exchange Liabilities	(98,302)
Net Increase in Short-term Corporate Bonds (Liabilities)	200
Net Increase from Issuance or Redemption of Bonds and Note	33,387
Net Decrease in Due to Trust Account	(43,175)
Interest and Dividend Income - cash basis	800,485
Interest Expenses - cash basis	(215,942)
Other	105,503
Subtotal	(815,684)
Income Taxes Paid	(64,526)
Net Cash Used in Operating Activities	(880,211)
II. Cash Flow from Investing Activities	
Payments for Purchase of Securities	(32,976,401)
Proceeds from Sales of Securities	16,209,146
Proceeds from Redemption of Securities	16,210,627
Payments for Increase in Money Held in Trust	(12,571)
Proceeds from Decrease in Money Held in Trust	16,691
Payments for Purchase of Premises and Equipment	(28,045)
Proceeds from Sales of Premises and Equipment	40,959
Net Cash Used in Investing Activities	(539,594)
III. Cash Flow from Financing Activities	
Proceeds from Issuance of Subordinated Borrowed Money	30,000
Repayments of Subordinated Borrowed Money	(41,450)
Proceeds from Issuance of Subordinated Bonds	305,610
Payments for Redemption of Subordinated Bonds	(353,700)
Proceeds from Subscription by Minority Interests	75,010
Dividends Paid	(74,280)
Dividends Paid to Minority Interests	(35,161)
Payments for Purchase of Treasury Stock	(240,157)
Proceeds from Sale of Treasury Stock	44
Net Cash Used in Financing Activities	(334,085)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(153)
V. Net Decrease in Cash and Cash Equivalents	(1,754,044)
VI. Cash and Cash Equivalents at the Beginning of Term	5,529,664
VII. Cash and Cash Equivalents at the End of Term	3,775,619

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:

	<i>Millions of yen</i>
Cash and Due from Banks	5,442,843
Due from banks except for deposits with the central banks	(1,667,223)
Cash and Cash Equivalents	<u>3,775,619</u>

SEGMENT INFORMATION

1. Segment Information by Type of Business

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
I 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

First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)

(Millions of yen)

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
I Ordinary Income						
(1) Ordinary Income to outside customers	1,219,420	170,451	78,122	1,467,994	—	1,467,994
(2) Inter-segment Ordinary Income	7,427	13,241	50,256	70,925	(70,925)	—
Total	1,226,847	183,693	128,378	1,538,919	(70,925)	1,467,994
Ordinary Expenses	1,009,481	120,947	105,985	1,236,414	(67,091)	1,169,323
Ordinary Profit	217,365	62,745	22,393	302,505	(3,833)	298,671

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

Fiscal 2003 (from April 1, 2003 to March 31, 2004)

(Millions of yen)

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
I Ordinary Income						
(1) Ordinary Income to outside customers	2,752,455	273,290	174,880	3,200,626	—	3,200,626
(2) Inter-segment Ordinary Income	26,740	28,821	115,341	170,903	(170,903)	—
Total	2,779,196	302,111	290,221	3,371,529	(170,903)	3,200,626
Ordinary Expenses	1,953,785	233,057	270,505	2,457,348	(153,208)	2,304,139
Ordinary Profit	825,411	69,054	19,716	914,181	(17,694)	896,486

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

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
I 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. In the previous fiscal years, 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, Ordinary Income and Ordinary Expenses decreased by ¥4,773 million, ¥2,245 million, and ¥1,018 million for Japan, Europe, and Asia/Oceania, excluding Japan, respectively.

First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
I Ordinary Income							
(1) Ordinary Income to outside customers	1,265,151	84,639	85,808	32,394	1,467,994	—	1,467,994
(2) Inter-segment Ordinary Income	25,681	59,226	9,855	6,263	101,025	(101,025)	—
Total	1,290,832	143,866	95,663	38,657	1,569,020	(101,025)	1,467,994
Ordinary Expenses	1,023,979	109,377	89,040	30,566	1,252,963	(83,640)	1,169,323
Ordinary Profit	266,852	34,488	6,622	8,091	316,056	(17,384)	298,671

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.

Fiscal 2003 (from April 1, 2003 to March 31, 2004)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
I Ordinary Income							
(1) Ordinary Income to outside customers	2,760,211	177,703	185,295	77,415	3,200,626	—	3,200,626
(2) Inter-segment Ordinary Income	143,450	89,879	9,557	1,006	243,893	(243,893)	—
Total	2,903,662	267,582	194,852	78,422	3,444,519	(243,893)	3,200,626
Ordinary Expenses	2,063,911	194,577	181,283	38,997	2,478,769	(174,630)	2,304,139
Ordinary Profit	839,751	73,005	13,568	39,424	965,750	(69,263)	896,486

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. In the previous fiscal years, gains and losses relating to foreign exchange swaps for some of the domestic banking subsidiaries

were recorded in gross amounts. However, effective this consolidated fiscal year, 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, Ordinary Income and Ordinary Expenses decreased by ¥6,798 million, ¥4,666 million, and ¥1,789 million for Japan, Europe, and Asia/Oceania, excluding Japan, respectively.

4. Effective this consolidated fiscal year, domestic consolidated banking subsidiaries and domestic trust banking subsidiaries apply hedge accounting to currency-swap transactions, exchange swap transactions and similar transactions in accordance with the principle provisions of JICPA Industry Audit Committee Report No.25.

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, therefore decreasing assets of Japan and Americas by ¥320 million and ¥43 million, respectively, and increasing assets of Europe and Asia/Oceania, excluding Japan by ¥126 million and ¥1,695 million, respectively.

In previous consolidated fiscal years, the net fair value of forward foreign exchange transactions other than those for the above hedging purposes was recorded on the balance sheet, but effective this consolidated fiscal year, the gross of fair value amounts are presented. As a result, assets of Japan, Americas, Europe, and Asia/Oceania, excluding Japan increased by ¥782,767 million, ¥25,964 million, ¥44,623 million, and ¥29,331 million, respectively, compared with the corresponding amounts under the previous methods.

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
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.

(Millions of yen)

Period	Ordinary Income from Overseas Entities	Consolidated Ordinary Income	Ordinary Income from Overseas Entities / Consolidated Ordinary Income
First Half of Fiscal 2004 (from April 1, 2004 to September 30, 2004)	202,843	1,467,994	% 13.8

- 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.

(Millions of yen)

Period	Ordinary Income from Overseas Entities	Consolidated Ordinary Income	Ordinary Income from Overseas Entities / Consolidated Ordinary Income
Fiscal 2003 (from April 1, 2003 to March 31, 2004)	440,414	3,200,626	% 13.7

- 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.”

MARKET VALUE INFORMATION ON DERIVATIVE TRANSACTIONS

Please refer to EDINET system.

Comparison of Consolidated Balance Sheets (Selected Items)

Mizuho Financial Group, Inc.

(Millions of yen)

Balance Sheets	September 30, 2004 (A)	September 30, 2003 (B)	Comparison (A - B)	March 31, 2004 (C)	Comparison (A - C)
ASSETS					
Cash and Due from Banks	5,442,843	7,012,827	(1,569,984)	6,813,510	(1,370,667)
Call Loans and Bills Purchased	219,257	446,948	(227,691)	1,008,716	(789,458)
Receivables Under Resale Agreements	4,114,679	4,054,119	60,559	4,392,105	(277,426)
Guarantee Deposit Paid under Securities Borrowing Transactions	8,882,518	7,682,677	1,199,841	7,970,608	911,909
Other Debt Purchased	806,854	942,770	(135,915)	835,573	(28,718)
Trading Assets	11,027,377	9,150,593	1,876,784	8,016,509	3,010,867
Money Held in Trust	23,612	32,138	(8,526)	27,863	(4,251)
Securities	33,267,393	27,156,529	6,110,864	32,071,624	1,195,768
Loans and Bills Discounted	64,296,977	67,990,151	(3,693,174)	66,205,868	(1,908,891)
Foreign Exchanges Assets	694,628	730,491	(35,863)	608,792	85,835
Other Assets	5,539,225	5,318,127	221,098	5,496,845	42,380
Premises and Equipment	1,086,638	1,557,180	(470,542)	1,143,807	(57,169)
Deferred Debenture Charges	301	765	(464)	446	(145)
Deferred Tax Assets	1,238,533	1,672,098	(433,564)	1,361,766	(123,232)
Customers' Liabilities for Acceptances and Guarantees	4,047,681	3,923,369	124,312	3,647,613	400,068
Reserves for Possible Losses on Loans	(1,360,108)	(2,181,117)	821,009	(1,850,586)	490,478
Reserve for Possible Losses on Investments	(1,245)	(4,977)	3,731	(975)	(269)
Total Assets	139,327,169	135,484,694	3,842,475	137,750,091	1,577,078
LIABILITIES					
Deposits	66,920,815	65,606,248	1,314,566	67,528,830	(608,015)
Negotiable Certificates of Deposit	9,128,500	8,723,542	404,958	9,958,644	(830,144)
Debentures	8,461,535	10,705,987	(2,244,452)	9,459,514	(997,979)
Call Money and Bills Sold	8,457,918	9,330,788	(872,870)	8,680,595	(222,676)
Payables Under Repurchase Agreements	8,301,479	6,879,857	1,421,622	8,031,106	270,372
Guarantee Deposit Received under Securities Lending Transactions	8,445,778	8,203,716	242,061	8,161,802	283,975
Commercial Paper	1,257,000	781,500	475,500	837,800	419,200
Trading Liabilities	7,827,309	6,527,425	1,299,883	6,070,833	1,756,475
Borrowed Money	2,054,115	1,473,260	580,854	1,643,343	410,771
Foreign Exchanges Liabilities	253,841	229,315	24,525	352,136	(98,294)
Short-term Corporate Bonds	180,200	70,000	110,200	180,000	200
Bonds and Notes	2,378,089	2,364,428	13,661	2,359,370	18,719
Due to Trust Account	1,317,356	1,332,829	(15,472)	1,360,532	(43,175)
Other Liabilities	5,275,286	4,537,370	737,916	4,406,174	869,112
Reserve for Bonus Payments	27,367	28,086	(719)	37,917	(10,550)
Reserve for Employee Retirement Benefits	34,909	28,924	5,984	31,979	2,929
Reserve for Possible Losses on Loans Sold	-	6,465	(6,465)	-	-
Reserve for Contingencies	131,341	142,103	(10,761)	132,739	(1,397)
Reserves under Special Laws	1,603	1,016	586	1,372	230
Deferred Tax Liabilities	30,064	15,694	14,369	28,792	1,271
Deferred Tax Liabilities for Revaluation Reserve for Land	149,036	252,417	(103,381)	158,467	(9,431)
Acceptances and Guarantees	4,047,681	3,923,369	124,312	3,647,613	400,068
Total Liabilities	134,681,230	131,164,349	3,516,881	133,069,567	1,611,662
MINORITY INTERESTS					
Minority Interests	1,108,342	1,045,607	62,734	1,036,127	72,214
SHAREHOLDERS' EQUITY					
Total Shareholders' Equity	3,537,597	3,274,737	262,859	3,644,396	(106,798)
Total Liabilities, Minority Interests and Shareholders' Equity	139,327,169	135,484,694	3,842,475	137,750,091	1,577,078

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

Comparison of Consolidated Statements of Operations (Selected Items)

Mizuho Financial Group, Inc.
(Millions of yen)

Statements of Operations	First Half of Fiscal 2004 (A)	First Half of Fiscal 2003 (B)	Comparison (A-B)	Fiscal 2003
Ordinary Income	1,467,994	1,743,165	(275,170)	3,200,626
Interest Income :	776,962	823,600	(46,637)	1,622,704
<i>Interest on Loans and Bills Discounted</i>	540,636	602,522	(61,886)	1,183,736
<i>Interest and Dividends on Securities</i>	131,744	148,803	(17,059)	296,733
Fiduciary Income	26,776	26,846	(69)	62,064
Fee and Commission Income	268,036	245,161	22,874	515,377
Trading Income	70,009	129,113	(59,103)	232,455
Other Operating Income	170,938	279,267	(108,328)	406,481
Other Income	155,269	239,176	(83,906)	361,542
Ordinary Expenses	1,169,323	1,237,723	(68,399)	2,304,139
Interest Expenses :	212,383	238,432	(26,048)	437,703
<i>Interest on Deposits</i>	48,613	57,479	(8,866)	107,294
<i>Interest on Debentures</i>	36,592	49,695	(13,102)	92,744
<i>Amortization of Deferred Debenture Charges</i>	/	535	(535)	/
Fee and Commissions Expenses	52,858	48,760	4,098	88,762
Trading Expenses	-	-	-	651
Other Operating Expenses	86,205	119,398	(33,192)	199,620
General and Administrative Expenses	563,053	572,175	(9,121)	1,125,905
Other Expenses	254,821	258,957	(4,135)	451,496
Ordinary Profits	298,671	505,442	(206,771)	896,486
Extraordinary Gains	207,636	124,522	83,113	142,330
Extraordinary Losses	77,227	52,871	24,355	157,576
Income before Income Taxes and Minority Interests	429,080	577,093	(148,012)	881,240
Income Tax Expenses :				
Current	18,961	22,107	(3,145)	28,055
Deferred	148,438	268,601	(120,163)	387,855
Minority Interests in Net Income	27,739	30,987	(3,248)	58,347
Net Income	233,941	255,397	(21,455)	406,982

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

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

Mizuho Financial Group, Inc.

(Millions of yen)

Statements of Capital Surplus and Retained Earnings	First Half of Fiscal 2004 (A)	First Half of Fiscal 2003 (B)	Comparison (A-B)	Fiscal 2003
CAPITAL SURPLUS				
Balance, beginning of term	1,262,526	2,599,552	(1,337,026)	2,599,552
Increase	16	11	5	269
Decrease	239,982	1,337,295	(1,097,313)	1,337,295
Balance, end of term	1,022,559	1,262,267	(239,707)	1,262,526
RETAINED EARNINGS (DEFICIT)				
Balance, beginning of term	462,594	(1,404,992)	1,867,587	(1,404,992)
Increase	247,718	1,600,723	(1,353,005)	1,889,734
Decrease	74,280	22,147	52,133	22,147
Balance, end of term	636,031	173,583	462,448	462,594

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

Comparison of Consolidated Statements of Cash Flows (Selected Items)

Mizuho Financial Group, Inc.
(Millions of yen)

Statements of Cash Flows	First Half of Fiscal 2004 (A)	First Half of Fiscal 2003 (B)	Comparison (A-B)	Fiscal 2003
I. Cash Flow from Operating Activities				
Income before Income Taxes and Minority Interests	429,080	577,093	(148,012)	881,240
Depreciation	66,541	69,911	(3,370)	139,863
Loss on Impairment of Fixed Assets	43,510	/	43,510	/
Depreciation of Consolidation Differences	(0)	(90)	89	(239)
Equity in Earnings from Investments in Affiliates	(2,017)	(1,203)	(813)	(1,761)
Decrease in Reserves for Possible Losses on Loans	(490,260)	(26,811)	(463,449)	(360,299)
Increase (Decrease) in Reserve for Possible Losses on Investments	269	(178)	448	(4,180)
Decrease in Reserve for Possible Losses on Loans Sold	-	(19,096)	19,096	(25,561)
Increase (Decrease) in Reserve for Contingencies	(1,397)	978	(2,376)	(8,384)
Decrease in Reserve for Bonus Payments	(11,122)	(9,247)	(1,874)	1,105
Increase in Reserve for Employee Retirement Benefits	2,929	15,821	(12,891)	18,876
Interest Income - accrual basis	(776,962)	(823,600)	46,637	(1,622,704)
Interest Expenses - accrual basis	212,383	238,432	(26,048)	437,703
Gains on Securities	(87,337)	(252,766)	165,428	(336,609)
Gains on Money Held in Trust	(317)	(266)	(50)	(417)
Foreign Exchange Losses - Net	144	21,348	(21,204)	10,190
Losses (Gains) on Disposal of Premises and Equipment	(8,612)	35,809	(44,422)	120,592
Gains on Establishment of Employee Retirement Benefit Trusts	-	(60,474)	60,474	(60,677)
Net Decrease (Increase) in Trading Assets	(2,940,354)	822,346	(3,762,700)	1,991,740
Net Increase in Trading Liabilities	1,720,131	214,478	1,505,653	(270,856)
Net Decrease in Loans and Bills Discounted	2,006,529	1,004,473	1,002,056	2,911,383
Net Increase (Decrease) in Deposits	(608,621)	733,150	(1,341,772)	2,614,688
Net Increase (Decrease) in Negotiable Certificates of Deposit	(830,144)	1,758,753	(2,588,898)	2,990,873
Net Decrease in Debentures	(997,979)	(990,403)	(7,575)	(2,236,876)
Net Increase in Borrowed Money (excluding Subordinated Borrowed Money)	421,383	20,920	400,462	100,974
Net Increase in Due from Banks (excluding Deposits with Central Banks)	(379,452)	(70,836)	(308,616)	(648,501)
Net Decrease in Call Loans etc.	1,287,354	316,395	970,958	(485,485)
Net Increase in Guarantee Deposits Paid under Securities Borrowing Transactions	(911,909)	(1,384,955)	473,045	(1,672,887)
Net Decrease in Call Money etc.	(159,085)	(3,359,375)	3,200,290	(2,816,946)
Net Increase in Commercial Paper	419,200	154,100	265,100	210,400
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	283,975	4,063,333	(3,779,358)	4,021,419
Net Increase in Foreign Exchange Assets	(85,700)	(28,425)	(57,274)	93,566
Net Increase (Decrease) in Foreign Exchange Liabilities	(98,302)	41,554	(139,857)	163,902
Net Increase in Short-term Corporate Bonds (Liabilities)	200	70,000	(69,800)	180,000
Net Increase (Decrease) from Issuance or Redemption of Bonds and Note	33,387	(5,814)	39,202	34,078
Net Decrease in Due to Trust Account	(43,175)	(156,634)	113,458	(128,931)
Interest and Dividend Income - cash basis	800,485	878,892	(78,406)	1,664,000
Interest Expenses - cash basis	(215,942)	(282,097)	66,155	(488,800)
Other	105,503	(518,193)	623,697	(1,373,879)
Subtotal	(815,684)	3,047,322	(3,863,007)	6,042,599
Income Taxes Paid	(64,526)	(13,526)	(50,999)	(27,657)
Net Cash Provided by (Used in) Operating Activities	(880,211)	3,033,795	(3,914,007)	6,014,942
II. Cash Flow from Investing Activities				
Payments for Purchase of Securities	(32,976,401)	(35,053,167)	2,076,766	(71,932,830)
Proceeds from Sales of Securities	16,209,146	23,700,305	(7,491,158)	46,486,466
Proceeds from Redemption of Securities	16,210,627	7,712,650	8,497,976	17,704,694
Payments for Increase in Money Held in Trust	(12,571)	(5,117)	(7,454)	(14,899)
Proceeds from Decrease in Money Held in Trust	16,691	7,899	8,791	25,784
Payments for Purchase of Premises and Equipment	(28,045)	(22,572)	(5,472)	(95,971)
Proceeds from Sales of Premises and Equipment	40,959	17,157	23,801	374,085
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	-	-	-	(258)
Proceeds from Sales of Stocks of Subsidiaries (affecting the scope of consolidation)	-	50,716	(50,716)	50,716
Net Cash Used in Investing Activities	(539,594)	(3,592,128)	3,052,534	(7,402,213)
III. Cash Flow from Financing Activities				
Proceeds from Issuance of Subordinated Borrowed Money	30,000	10,109	19,890	90,000
Repayments of Subordinated Borrowed Money	(41,450)	(10,000)	(31,450)	(15,000)
Proceeds from Issuance of Subordinated Bonds	305,610	11,800	293,810	601,406
Payments for Redemption of Subordinated Bonds	(353,700)	/	(353,700)	/
Payments for Redemption of Subordinated Bonds, Notes and Bonds with Stock Option	/	(115,697)	115,697	(731,797)
Proceeds from Subscription by Minority Interests	75,010	-	75,010	-
Dividends Paid	(74,280)	(22,147)	(52,133)	(22,147)
Dividends Paid to Minority Interests	(35,161)	(35,758)	597	(53,497)
Payments for Purchase of Treasury Stock	(240,157)	(35)	(240,121)	(166)
Proceeds from Sale of Treasury Stocks	44	-	44	208
Net Cash Used in Financing Activities	(334,085)	(161,729)	(172,356)	(130,994)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(153)	(792)	639	(381)
V. Net Decrease in Cash and Cash Equivalents	(1,754,044)	(720,855)	(1,033,189)	(1,518,647)
VI. Cash and Cash Equivalents at the Beginning of Term	5,529,664	7,048,505	(1,518,840)	7,048,505
VII. Net Decrease in Cash and Cash Equivalents Resulting from Exclusion of Consolidated Subsidiaries	-	-	-	(193)
VIII. Cash and Cash Equivalents at the End of Term	3,775,619	6,327,649	(2,552,029)	5,529,664

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