

For Immediate Release:

Consolidated Financial Statements for Fiscal 2005



Company name: **Mizuho Financial Group, Inc. ("MHFG")**

Stock code number: 8411

Stock Exchanges: Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)

URL: <http://www.mizuho-fg.co.jp/english/>

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

Representative: Name: Terunobu Maeda
Title: President & CEO

For inquiry: Name: Mamoru Kishida
Title: General Manager, Accounting Department
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Meeting of Board of Directors for Financial Results: May 22, 2006

Trading Accounts : Established

US GAAP : Not applied

1. Financial Highlights for Fiscal 2005 (for the fiscal year ended March 31, 2006)

(1) Consolidated Operating Results

Amounts less than one million yen are rounded down.

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
Fiscal 2005	3,557,549	17.1	921,069	40.1	649,903	3.6
Fiscal 2004	3,039,186	(5.0)	657,459	(26.7)	627,383	54.2

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock	Net Income on Equity	Ordinary Profits to Total Assets	Ordinary Profits to Ordinary Income
	¥	¥	%	%	%
Fiscal 2005	55,157.15	46,234.51	26.3	0.6	25.9
Fiscal 2004	54,625.61	37,719.13	54.4	0.5	21.6

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

Fiscal 2005 ¥9,161 million, Fiscal 2004 ¥1,429 million

2. Average outstanding shares of common stock (consolidated basis) :

Fiscal 2005 11,172,246 shares, Fiscal 2004 10,790,947 shares

3. Change in accounting method: Yes

4. Percentage figures in Ordinary Income, Ordinary Profits and Net Income represent changes in the respective accounts compared with the previous fiscal 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 Capital Adequacy Ratio (BIS)
	¥ million	¥ million	%	¥	%
Fiscal 2005	149,612,794	4,804,993	3.2	274,906.95	11.59 *
Fiscal 2004	143,076,236	3,905,726	2.7	131,016.16	11.91

Note: Outstanding shares of common stock at the end of the fiscal year (consolidated basis) :

As of March 31, 2006 11,607,970 shares, As of March 31, 2005 10,845,801 shares

* Preliminary

(3) Conditions of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the fiscal year
	¥ million	¥ million	¥ million	¥ million
Fiscal 2005	(1,669,128)	(99,262)	(446,671)	3,387,929
Fiscal 2004	4,418,011	(3,788,105)	(557,729)	5,602,062

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

Number of consolidated subsidiaries: 130, Number of non-consolidated subsidiaries under the equity method: -,

Number of affiliates under the equity method: 19

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

(Consolidation) Newly consolidated: 21, Excluded: 9, (Equity Method) Newly applied: 1, Excluded: 2

2. Earnings Estimates for Fiscal 2006 (for the fiscal year ending March 31, 2007)

	Ordinary Income	Ordinary Profits	Net Income
	¥ million	¥ million	¥ million
First Half of Fiscal 2006	1,900,000	500,000	340,000
Fiscal 2006	3,800,000	1,120,000	720,000

Reference: Net Income per Share of Common Stock (Fiscal 2006 estimate): ¥59,147.68

*The above estimates are forward-looking statements that are based on our current expectations and are subject to significant risks and uncertainties. Actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in overall economic conditions, changes in market rates of interest, declines in the value of equity securities or real estate, the deterioration of the quality of loans to certain borrowers and industry sectors, the effect of new legislation or government directives and fluctuations in foreign currency exchange rates. We disclaim any obligation to update or revise the forward-looking statements, except as may be required by the rules of the Tokyo Stock Exchange and any applicable laws and regulations.

Number of Shares

	Fiscal 2005		Fiscal 2004	
	Average Outstanding Shares	Year-end Outstanding Shares	Average Outstanding Shares	Year-end Outstanding Shares
Common Stock	11,172,246	11,607,970	10,790,947	10,845,801
First Series Class I Preferred Stock	-	-	13,742	-
Second Series Class II Preferred Stock	25,232	-	97,356	61,400
Third Series Class III Preferred Stock	41,095	-	100,000	100,000
Fourth Series Class IV Preferred Stock	150,000	150,000	150,000	150,000
Sixth Series Class VI Preferred Stock	150,000	150,000	150,000	150,000
Seventh Series Class VII Preferred Stock	66,438	-	125,000	125,000
Eighth Series Class VIII Preferred Stock	24,369	-	120,500	59,300
Ninth Series Class IX Preferred Stock	-	-	75,298	-
Tenth Series Class X Preferred Stock	57,534	-	140,000	140,000
Eleventh Series Class XI Preferred Stock	943,740	943,740	943,740	943,740
Twelfth Series Class XII Preferred Stock	-	-	3,947	-
Thirteenth Series Class XIII Preferred Stock	36,690	36,690	36,690	36,690

Notes: 1. Minimum number of shares for trading for common and preferred stock : 1 share

2. Treasury stock is excluded from the number of outstanding shares.

3. Decrease in stocks below is due to repurchase and cancellation.

	Cancellation		Repurchase & Cancellation	
	Number of Shares	Acquisition Cost (¥million)	Number of Shares	Acquisition Cost (¥million)
Second Series Class II Preferred Stock	38,600	60,524	61,400	115,292
Third Series Class III Preferred Stock	-	-	100,000	187,578
Seventh Series Class VII Preferred Stock	-	-	125,000	250,735
Eighth Series Class VIII Preferred Stock	65,700	148,784	59,300	156,376
Ninth Series Class IX Preferred Stock	33,000	50,650	-	-
Tenth Series Class X Preferred Stock	-	-	140,000	233,706

Formulae for indices - Financial Highlights for Fiscal 2005

Net Income per Share of Common Stock

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

Diluted Net Income per Share of Common Stock

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

Net Income on Equity

$$\frac{\text{Net Income} - \text{Amount Not Available to Common Shareholders (*1)}}{[(\text{Total Shareholders' Equity (beginning)} - \text{Outstanding Shares of Preferred Stock (beginning)} \times \text{Issued Price}) + (\text{Total Shareholders' Equity (fiscal year-end)} - \text{Outstanding Shares of Preferred Stock (fiscal year-end)} \times \text{Issued Price})] / 2} \times 100$$

Total Shareholders' Equity to Total Assets

$$\frac{\text{Total Shareholders' Equity (fiscal year-end)}}{\text{Total Liabilities (fiscal year-end)} + \text{Minority Interests (fiscal year-end)} + \text{Total Shareholders' Equity (fiscal year-end)}} \times 100$$

Shareholders' Equity per Share of Common Stock

$$\frac{\text{Shareholders' Equity (fiscal year-end)} - \text{Deduction from Shareholders' Equity (*4)}}{\text{Outstanding Shares of Common Stock (fiscal year-end)} (*2)}$$

Formula for index - Earnings Estimates for Fiscal 2006

Net Income per Share of Common Stock (Fiscal 2006 estimate)

$$\frac{\text{Net Income (estimate)} - \text{Cash Dividends on Preferred Stock (estimate)}}{\text{Outstanding Shares of Common Stock (fiscal year-end)} (*2)}$$

*1 Dividends on Preferred Stock and others.

*2 Treasury Stock is excluded from outstanding shares of stock.

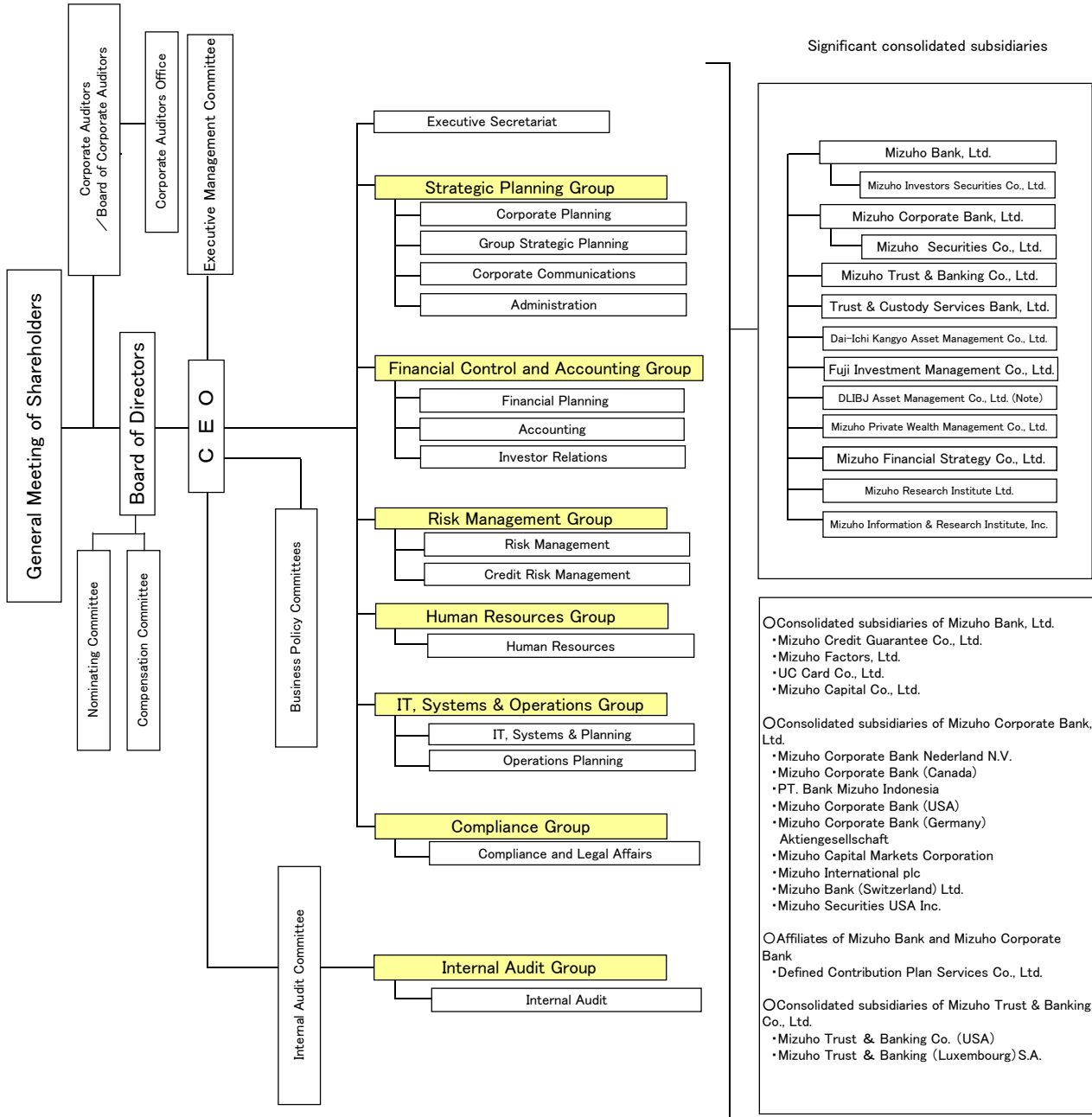
*3 Increasing Shares of Common Stock for Dilutive Securities is calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the fiscal year in accordance with accounting standards. That is, all dilutive convertible securities, including those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

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

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 March 31, 2006)



(Note) DLIBJ Asset Management Co., Ltd. is an affiliate of MHFG.

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

Company Name	Location	Main Business	Ownership Percentage %	Listed Stock Exchanges
Mizuho Trust & Banking Co., Ltd.	Chuo-Ku, Tokyo	Trust and Banking Business	69.9 <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)

Italic figures of Ownership Percentage 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 enhancing its financial strength.

(3) Policy regarding lowering of the minimum investment amount of MHFG's Common Stock

With regard to lowering of the minimum investment amount of MHFG's common stock, we do not believe that it needs to take any action at this time, after taking into account such factors as the stock price, number of shareholders, liquidity of common stock and cost-effectiveness. However, we will continue to consider this matter in an appropriate manner, taking into account other factors such as investors' needs.

(4) Management's Benchmark

Since MHFG will be able to maintain a sufficient capital adequacy ratio after the repayment of all public funds, we intend to fully repay the remaining public funds as promptly as possible during FY2006.

(5) Management's Medium/Long-term Targets and Issues to be Resolved

MHFG aims to realize full-scale improvement of profitability and solid financial base by steadily promoting the "Channel to Discovery" Plan, the business strategy launched in April 2005, to win the support of our customers, which is the key concept of this business strategy. At the same time, we intend to establish more solid management structure by further enhancing internal control systems.

Business Portfolio Strategy (Please refer to "Management Structure of Mizuho Financial Group, Inc." on page 1-8)

(The Global Corporate Group)

MHCB will work to expand its business globally providing its customers with services with competitive strength at a global level, including not just loans but sophisticated financial products, integrating the financial service strengths of the entire group to provide total solutions on a global basis to meet customers' needs. MHCB will aggressively engage in cross-border business opportunities, such as arranging overseas syndicated loan transactions for investors in the expanding domestic syndicated loan markets through an organization and system newly designed and arranged to respond to our customers' global needs. Furthermore, MHCB will enhance our network of overseas bases and begin accelerating towards a fully-fledged development effort to become a leading global bank.

MHSC will aim to become a market leader in securities and investment banking business offering a wide range of integrated financial products and services, as well as intensively pursuing group synergy by actively promoting mutual collaboration within the group. It will increase and maintain a steady market presence in the equities and fixed income divisions, by further expanding its underwriting share. MHSC also intends to expand business operations in the investment banking division dealing with M&As and structured finance and others.

(The Global Retail Group)

MHBK will strengthen its sales channels and engage in developing new products in the areas of consulting and loans to individuals in an effort to improve further profitability in the individual customer market. As for the Mizuho Mileage Club, it will work to improve its merchantability by enhancing collaboration with affiliated partners in other business categories, etc. By developing a new type of branches which specializes in providing services to individual customers, it will build a network capable of responding to their various needs. Furthermore, the bank will further strengthen security measures, by introducing a biometric authentication system (finger vein pattern authentication) for ATM transactions, etc.

In the Small and Medium-sized Enterprises (“SME”) market, MHBK will aim to increase non-interest income by promoting its solutions businesses and aggressively building up solid loan assets by mobilizing more staff to specialize in new loans.

Through such efforts to expand and improve its business, the bank intends to build long-lasting relationships with its customers based on trust and establish a stable profit base.

(The Global Asset & Wealth Management Group)

MHTB plans to embark on various new types of trust business as it develops new products and reinforces its consulting strengths on the back of regulatory easing, including revision of the Trust Business Law. MHTB plans to expand its market share by employing a trust agency system and further strengthening business collaborations with the group companies and thereby aim to be the trust bank most relied upon by customers.

Mizuho Private Wealth Management Co., Ltd., as a fully-fledged private banking company, aims to establish long-term relationships with customers by providing optimal products and services at the highest levels in a comprehensive and integrated manner in response to all different types of customer needs.

Corporate Management Strategy

MHFG continues to aim to apply for a listing on the New York Stock Exchange (“NYSE”), to enhance its Corporate Social Responsibility (“CSR”) activities and to strengthen its branding strategy for its corporate management strategy.

MHFG aims for early realization of a listing on the NYSE, to secure the transparency of our corporate governance and to improve on the credibility already shown on us by our investors, by establishing a structure to provide investors with disclosure based on U.S. generally-accepted accounting principles, which are deemed to be one of the global standards, as well as disclosure based on Japanese generally-accepted accounting principles. MHFG also continues to establish disclosure and internal control practices in compliance with the U.S. Sarbanes-Oxley Act which is recognized as the strictest standard in the world today.

In promoting CSR, MHFG will particularly emphasize and focus on five different themes—engagement with environmental issues, support for promoting financial education, enhancement of corporate governance, implementation of highly-responsive communications and promoting a unified approach as a group—which are significant themes in order for Mizuho Group to coexist and develop with the community. In supporting financial education, we will carry out joint research in financial education with Tokyo Gakugei University to

make an adequate and extensive contribution to primary, secondary and higher education and thus generously return the fruits of these efforts to society. We will communicate more frequently with our customers and shareholders, as well as the local community, business partners, government organizations and other stakeholders, and make full use of the Group's management resources in an effort to provide solutions to multidisciplinary problems, including social and environmental issues.

As for strengthening our branding strategy, MHFG will strive to increase market penetration of the brand slogan, "Channel to Discovery." In addition, all senior executives and employees will share the strengths and objectives of the Group embodied in the expression "enterprising, open, and leading-edge" and put these words into practice to become "a financial partner that helps customers shape their future and achieve their dreams."

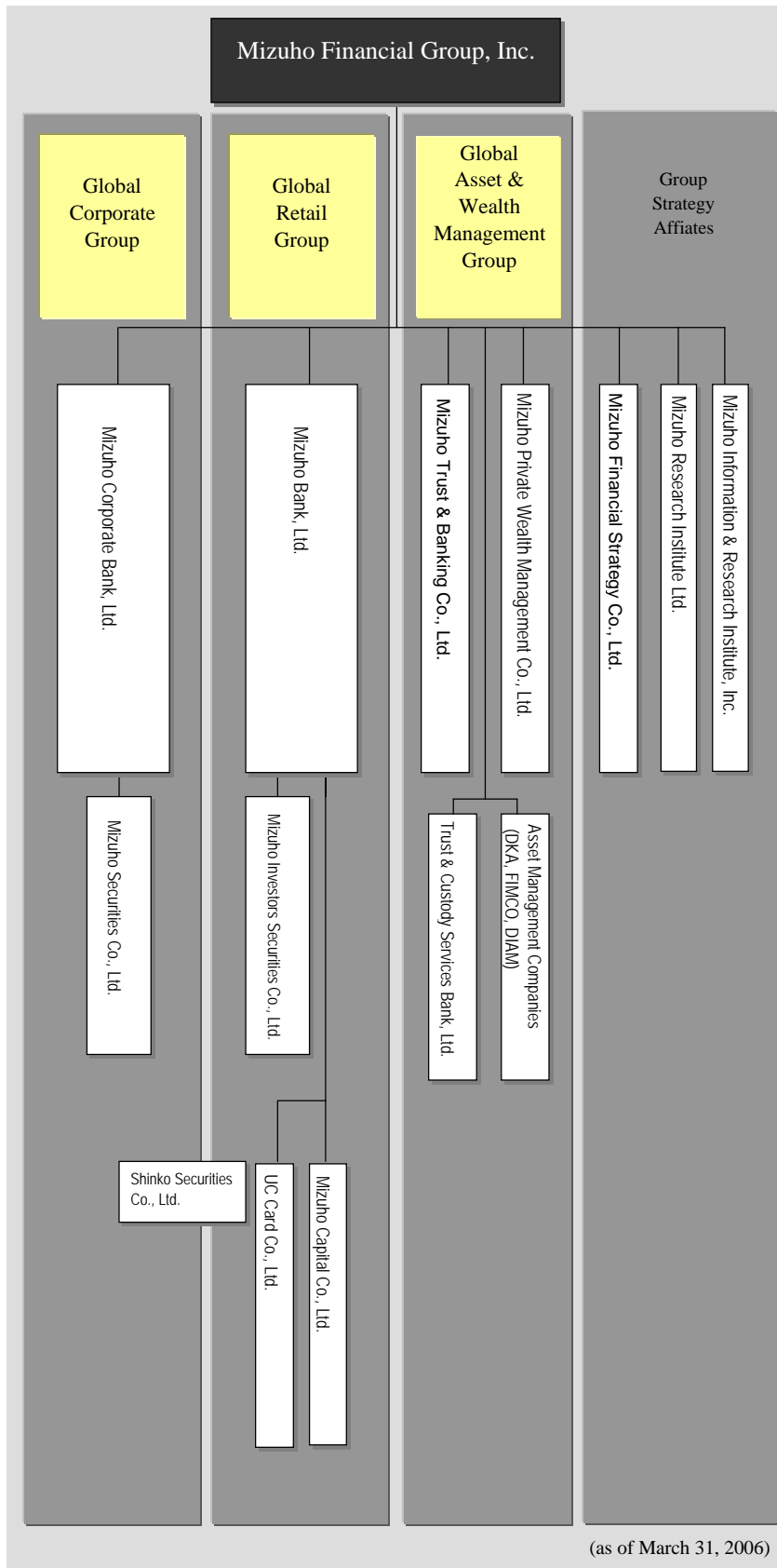
The Group will steadily implement its business portfolio as well as corporate management strategies and continue to work to establish a stable profit base backed by customer support. MHFG's Retained Earnings (except for Appropriated Reserve) amounted to 822.9 billion yen as of March 31, 2006, and our capital adequacy ratio will be sustained at a sufficient level even after repayment of public funds, so we aim for an early repayment of the remaining 600.0 billion yen in public funds within the current fiscal year.

As a holding company, MHFG will fulfill its appropriate management control functions through planning a portfolio strategy for group businesses, promoting synergies among group companies, and enhancing risk management, compliance, and internal controls. Henceforth, we aim to achieve strong results through our endeavors to grapple steadily with the management issues of the entire group.

Specifically, spurred on by the growing importance of personal data management, MHFG continues to further strengthen our information management systems through group management controls, including related regulations and organization of staff in charge, and also taking into consideration employing external authentication in information security management. In addition, in our ongoing work to strengthen further our internal control systems, we will maintain systems to ensure and strengthen compliance by all executives and employees of the Group with all applicable laws and regulations leading to improve internal control over the disclosure of information.

MHFG will make every effort to improve further our corporate value by steadily promoting the "Channel to Discovery" Plan to enhance our competitiveness and profitability and to increase further our corporate value as well as by fulfilling our social responsibility and public mission.

Management Structure of Mizuho Financial Group, Inc.



Global Corporate Group:

The Global Corporate Group provides highly specialized and cutting-edge products and services by leveraging our comprehensive financial capability, with close cooperation between the global corporate banking sector and the wholesale securities sector in response to the needs of large and global corporations.

Global Retail Group:

The Global Retail Group provides top-level products and services on a global scale, with close cooperation with leading domestic and international companies in response to the diversified and globalized needs of individuals as well as SMEs and middle market corporations in Japan.

Global Asset & Wealth Management Group:

The Global Asset & Wealth Management Group provides top-level products and services on a global scale in response to the diversified and advanced customers' needs in the business areas of trust and custody, and private banking.

Group Strategy Affiliates

- Mizuho Financial Strategy Co., Ltd.: An advisory company for financial institutions regarding corporate management and corporate revitalization.
- Mizuho Research Institute Ltd.: A think tank.
- Mizuho Information & Research, Inc.: An IT-related company.

3. CONSOLIDATED RESULTS OF OPERATIONS

(1) Results of Operations

(a) Financial and Economic Environment

Looking back over the economic conditions in the fiscal year ended March 31, 2006, the overall trend for the global economy was improving as a whole, mainly due to a strong economy in the U.S. and China. The Japanese economy showed steady growth due to the recovery in capital expenditure and personal consumption against a backdrop of a steady improvement in corporate performance. Consumer prices shifted moderately upwards with a rise in domestic corporate goods prices due to a stronger global commodity markets for products. To that end, the Bank of Japan lifted its quantitative easing policy in March 2006.

As for the Japanese financial markets, stock-prices continued to rise in view of the improvement in corporate performance. There was an upward turn in long-term interest rates in response to expectations of a move away from deflation and a lifting of the quantitative easing policy.

In the financial sector, most of the financial issues to be dealt with, such as the disposal of NPLs and so on, had been cleared up by the end of the fiscal year. There was an acceleration of activity in the areas of strategic business alliances. Financial regulatory easing continued with the revision of the bank agency system etc. In the prevailing economic environment, a financial institution's ability to secure a competitive edge over its rivals and to consolidate profitability even further are likely to become ever more important.

(b) Outline of Results

MHFG has shifted into a new phase of management strategy, based on a new group business strategy called the "Channel to Discovery" Plan and has focused on increasing top-line profits as well as maintaining the financial soundness of the Group at a high level. As a result, Consolidated Net Income for fiscal 2005 was ¥649.9 billion, increasing by ¥22.5 billion from the previous fiscal year.

Consolidated Gross Profits: Consolidated Gross Profits for fiscal 2005 were ¥2,002.4 billion, increasing by ¥9.3 billion from the previous fiscal year. Net Interest Income was ¥1,062.6 billion, decreasing by ¥43.7 billion from the previous fiscal year resulting from the decrease in loan margins and in the average balance of domestic Loans and Bills Discounted caused by increasingly fierce competition among domestic lenders and other factors. Net Fee and Commission Income was ¥555.9 billion, increasing by ¥83.3 billion from the previous fiscal year. This was as a result of increases in fee income related to investment trusts and individual annuities, fees related to our solutions business and fees and commissions from overseas business, etc. Net Trading Income was ¥204.9 billion, increasing by ¥39.8 billion from the previous fiscal year while Net Other Operating Income was ¥100.0 billion, decreasing by ¥85.6 billion from the previous fiscal year. This decrease was as a result of disposition of Unrealized Losses on our bonds portfolio of ¥138.5 billion in the second half of fiscal 2005, in light of such factors as current trends in domestic and U.S. interest rates. Excluding this disposition of losses, Consolidated Gross Profits for fiscal 2005 have increased by 7.4% from the previous fiscal year.

General and Administrative Expenses: General and Administrative Expenses for fiscal 2005 amounted to

¥1,095.2 billion, increasing by ¥3.8 billion from the previous fiscal year. This includes the effect of the decrease of “Base Expenses” which are mainly IT-related due to the completion of Mizuho Bank’s IT systems integration, while there was an initial outlay relating to “Strategy Expenses” in responding to measures to increase top-line profits, as well as an increase in expenses associated with an expansion of business operations of securities subsidiaries.

Credit-related Costs: Credit-related Costs for fiscal 2005 actually showed a gain of ¥53.2 billion, showing significant improvement of ¥147.1 billion from the previous fiscal year. This was mainly due to a decrease in costs related to write-offs with the near-completion of the removal of problem assets from the balance sheet and as a result of reversal of reserves with the strengthening of the Group’s asset quality.

Net Gains related to Stocks and Equity in Income from Investments in Affiliates and Other: With the continuing progress in decreasing our stock holdings to alleviate the risk of stock holdings, as well as the effective credit and alternative investments (stock-related) which were made as part of an attempt at diversification of profit sources of market-related income, Net Gains related to Stocks amounted to ¥231.5 billion (including Gains on Disposition of Investments in Subsidiary of ¥42.4 billion), increasing by ¥21.1 billion from the previous fiscal year.

Equity in Income from Investments in Affiliates amounted to ¥9.1 billion, increasing by ¥7.7 billion from the previous fiscal year as a result of a strong business performance by our affiliates under equity method.

In addition to the disposal of the loss of ¥138.5 billion stated above, we reviewed the bond portfolio and recognized losses from sales of ¥85.3 billion to mitigate the risk of rising interest rates in the first half of fiscal 2005.

Ordinary Profits: After reflecting the above, Ordinary Profits was ¥921.0 billion, increasing by ¥263.6 billion from the previous fiscal year.

Extraordinary Gains and Losses: Net Extraordinary Gains (Losses) amounted to a gain of ¥59.0 billion, decreasing by ¥226.5 billion from the previous fiscal year. This was mainly due to the effect of a special factor (recording Extraordinary Gains, after a ruling in support of a petition for rescission of a correction notice from the Tokyo Regional Taxation Bureau) which occurred in the previous fiscal year.

Tax Expenses and Minority Interests in Net Income: Income Taxes - Current amounted to ¥64.0 billion, and Income Taxes - Deferred amounted to ¥185.0 billion.

Minority Interests in Net Income amounted to ¥81.1 billion.

Net Income: After reflecting the above, Net Income amounted to ¥649.9 billion, increasing by ¥22.5 billion from the previous fiscal year.

Year-end Dividends: Reflecting the positive performance of this fiscal year, MHFG plans to pay year-end dividends of ¥4,000 per share of common stock. MHFG also plans to pay dividends on preferred stocks as prescribed.

(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 Profits before excluding inter-segment Ordinary Profits was 77.1 % for banking business, 18.2 % for securities business and 4.5 % for other.

Segments of operations by geographic area are Japan, Americas, Europe and Asia/Oceania. Ordinary Income from International Operations of ¥833.2 billion accounts for 23.4 % of Consolidated Ordinary Income of ¥3,557.5 billion.

(d) Estimates for the Fiscal 2006 (for the year ending March 31, 2007)

Earnings Estimates: As for earnings estimates for fiscal 2006, we estimate Ordinary Income of ¥3,800.0 billion, Ordinary Profits of ¥1,120.0 billion and Net Income of ¥720.0 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 Forecast: MHFG forecasts payment of year-end dividends of ¥4,000 per share of common stock. MHFG also forecast payment of dividends on preferred stocks as prescribed.

(2) Financial Conditions

(a) Assets, Liabilities and Shareholders' Equity

Consolidated total assets as of March 31, 2006 amounted to ¥149,612.7 billion, increasing by ¥6,536.5 billion from the end of the previous fiscal year.

Securities were ¥37,702.9 billion, increasing by ¥1,655.9 billion from the end of the previous fiscal year. This reflected mainly an increase in non-Japanese bonds.

The balance of Loans and Bills Discounted amounted to ¥65,408.6 billion, increasing by ¥2,491.3 billion from the end of the previous fiscal year. This was due to the fact that since fiscal 2004, the balance of Loans and Bills Discounted in overseas has been increasing after the declining trend bottomed out and that the balance of Loans and Bills Discounted for domestic SME and individual customers also has been increasing.

With respect to Non-Performing Loans, further efforts to improve MHFG's financial soundness resulted in a consolidated balance of Disclosed Claims under the Financial Reconstruction Law amounting to ¥1,087.5 billion, decreasing by ¥499.5 billion from the end of the previous fiscal year.

Net Deferred Tax Assets were ¥295.7 billion, decreasing by ¥707.1 billion from the end of the previous fiscal year as a result of recording taxable income and the increased amount of Unrealized Gains on Other Securities, with the continued conservative strict assessment of asset recoverability.

Deposits amounted to ¥73,007.9 billion, increasing by ¥3,508.4 billion from the end of the previous fiscal year. Negotiable Certificates of Deposits amounted to ¥9,359.1 billion, decreasing by ¥1,509.3 billion from the end of the previous fiscal year.

(b) Cash Flows

Cash Flow from Operating Activities was ¥(1,669.1) billion. Cash Flow from Investing Activities was ¥(99.2) billion as a result of acquisition of securities, etc. and Cash Flow from Financing Activities was ¥(446.6) billion as a result of repurchasing Treasury Stocks, etc.

As a result, Cash and Cash Equivalents as of March 31, 2006 was ¥3,387.9 billion.

(c) Consolidated Capital Adequacy Ratio (Preliminary)

While MHFG repurchased and cancelled public funds of preferred shares amounting to ¥692.9 billion (¥616.4 billion on an issued-price basis) in August 2005, and ¥250.7 billion (¥250.0 billion on an issued-price basis) in October 2005, we aimed for a strengthening of the capital base, by steadily accumulating the retained earnings accompanied with the record of Net Income of ¥649.9 billion, by a global offering of MHFG shares in the possession of our subsidiary (¥531.6 billion in total amount), and by issuing preferred securities (approximately ¥140 billion).

Furthermore, positively influenced by the increase of unrealized gains on securities and other factors, Consolidated capital as of the end of the fiscal 2005 amounted to ¥8,993.2 billion, increasing by ¥973.0 billion from the end of the previous fiscal year.

The Risk-adjusted Assets balance was ¥77,534.5 billion, increasing by ¥10,209.5 billion from the end of the previous fiscal year due to the increase in assets and further efforts to expand top-line profits after entering into the new phase in our management strategies.

As a result, the Consolidated Capital Adequacy Ratio (BIS) decreased by 0.32% from the end of the previous fiscal year to 11.59%.

March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006
10.56%	9.53%	11.35%	11.91%	11.59%

*Figure for March 31, 2002 is that of Mizuho Holdings, Inc. (consolidated basis).

(3) Major risk factors related to MHFG's business and results of operations

Major risk factors related to MHFG's business and results of operations which may have material impact on investors' judgments are as follows: (The followings are based on the information which is available at this moment. Actual factors may differ materially from these factors, depending on future events).

- Risks relating to disposal of problem loans, etc.
- Risk of price fluctuation affecting our assets
- Risks arising from lowering of BIS capital adequacy ratio
- Risks arising from downgrade of MHFG's credit ratings
- Risks arising from funding difficulties
- Risks accompanying MHFG's business strategy and business operations
- Risks arising from changes in the financial business environment.

BASIS FOR PRESENTATION AND PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

a) Number of consolidated subsidiaries: 130

Names of principal companies:

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

During the fiscal year, Mizuho Private Wealth Management Co., Ltd. and other 20 companies were newly consolidated on their establishment and so on.

During the fiscal year, Mizuho Project, Ltd. and 8 other companies were excluded from the scope of consolidation as the result of merger and so on.

b) Non-consolidated subsidiaries

Name of principal company:

Mizuho Advisory, Inc.

Non-consolidated subsidiaries are excluded from the scope of consolidation because they do not have such a material effect as to hinder the rational assessment of the financial position and business performance of the corporate group in terms of Total Assets, Ordinary Income, Net Income (the amounts corresponding to MHFG's equity position), and Retained Earnings (the amounts corresponding to MHFG's equity position) when excluded from the scope of consolidation.

2. Application of the Equity Method

a) Number of affiliates under the equity method: 19

Names of principal companies:

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

During the fiscal year, Japan Energy Investment, Inc. was newly included in the scope of the equity method on its establishment.

During the fiscal year, TVC Finance Company Limited and one other company were excluded from the scope of the equity method as a result of liquidation and so on.

b) Non-consolidated subsidiaries and affiliates not under the equity method:

Names of principal companies:

Mizuho Advisory, Inc.
Hanto Real Estate Management Co., Ltd.

The equity method was not applied to the above non-consolidated subsidiaries and affiliates because their Net Income (the amounts corresponding to MHFG's equity position), and Retained Earnings (the amounts corresponding to MHFG's equity position) do not have such a material effect on MHFG's consolidated financial statements when excluded from the scope of companies under the equity method.

3. Balance Sheet Dates of Consolidated Subsidiaries

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

September 30	:	1 company
October 31	:	1 company
December 31	:	48 companies
March 31	:	61 companies
The day before the last business day of June	:	19 companies

b) Consolidated subsidiaries whose balance sheet date falls on September 30, October 31 and the day before the last business day of June were consolidated based on their assumed financial statements as of December 31. Other consolidated subsidiaries were consolidated based on their financial statements as of their respective balance sheet dates.

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

4. Evaluation of Consolidated Subsidiaries' Assets and Liabilities

Assets and liabilities of consolidated subsidiaries are valued at fair value at the respective date of acquisition.

5. Amortization of Consolidation Differences

As a rule, consolidation differences are amortized over a period of 20 years under the straight-line method. If the amount has no material impact on MHFG's consolidated financial statements, the entire difference amount is amortized in the period of occurrence.

6. Consolidated Statement of Retained Earnings

The Consolidated Statement of Retained Earnings is prepared based on the appropriation of retained earnings confirmed during the fiscal year.

Consolidated Balance Sheet

As of March 31, 2006

Mizuho Financial Group, Inc.

(Millions of yen)

Assets		
Cash and Due from Banks	¥	5,016,216
Call Loans and Bills Purchased		938,435
Receivables under Resale Agreements		5,976,043
Guarantee Deposits Paid under Securities Borrowing Transactions		8,643,570
Other Debt Purchased		2,476,132
Trading Assets		10,007,149
Money Held in Trust		49,898
Securities		37,702,957
Loans and Bills Discounted		65,408,672
Foreign Exchange Assets		809,205
Other Assets		6,463,242
Premises and Equipment		955,888
Deferred Debenture Charges		267
Deferred Tax Assets		423,572
Customers' Liabilities for Acceptances and Guarantees		5,556,929
Reserves for Possible Losses on Loans		(814,178)
Reserve for Possible Losses on Investments		(1,208)
Total Assets	¥	149,612,794
Liabilities		
Deposits		73,007,994
Negotiable Certificates of Deposit		9,359,131
Debentures		6,606,305
Call Money and Bills Sold		9,466,054
Payables under Repurchase Agreements		10,079,585
Guarantee Deposits Received under Securities Lending Transactions		7,301,540
Commercial Paper		50,000
Trading Liabilities		7,880,634
Borrowed Money		2,768,811
Foreign Exchange Liabilities		389,638
Short-term Bonds		1,385,100
Bonds and Notes		2,488,498
Due to Trust Accounts		1,354,889
Other Liabilities		5,382,931
Reserve for Bonus Payments		35,374
Reserve for Employee Retirement Benefits		38,616
Reserve for Contingencies		45,567
Reserves under Special Law		2,352
Deferred Tax Liabilities		127,847
Deferred Tax Liabilities for Revaluation Reserve for Land		120,873
Acceptances and Guarantees		5,556,929
Total Liabilities		143,448,677
Minority Interests		
Minority Interests		1,359,122
Shareholders' Equity		
Common Stock and Preferred Stock		1,540,965
Capital Surplus		411,160
Retained Earnings		1,498,143
Revaluation Reserve for Land, net of Taxes		170,384
Net Unrealized Gains on Other Securities, net of Taxes		1,279,216
Foreign Currency Translation Adjustments		(48,062)
Treasury Stock		(46,814)
Total Shareholders' Equity		4,804,993
Total Liabilities, Minority Interests and Total Shareholders' Equity	¥	149,612,794

NOTES TO CONSOLIDATED BALANCE SHEET

1. Amounts less than one million yen are rounded down.
2. 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 consolidated balance sheet.
Securities and other short-term credit instruments held for trading purposes are stated at fair value at the 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 consolidated balance sheet date.
3. Bonds held to maturity are stated at amortized cost (straight-line method), determined by the moving average method. Investments in non-consolidated subsidiaries and affiliates, which are not under the equity method, are stated at acquisition cost, determined by the moving average method. Regarding Other Securities, Japanese stocks with a quoted market price are stated at fair value, determined based on the average quoted market price over the month preceding the consolidated balance sheet date, others which have readily determinable fair value are stated at fair value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method) and securities which do not have readily determinable fair value are stated at acquisition cost or amortized cost as determined by the moving average method. The net unrealized gains on Other Securities are included directly in Shareholders' Equity, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method and other.
4. Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as given in Note 3.
5. Derivative transactions (other than transactions for trading purposes) are valued at fair value.
6. Depreciation of buildings is computed mainly by the straight-line method, and that of equipment is computed mainly by the declining-balance method with the following range of useful lives.

Buildings	3 years to 50 years
Equipment	2 years to 20 years
7. Development costs for internally-used software are capitalized and amortized under the straight-line method over their estimated useful lives of mainly five years, as determined by MHFG and consolidated subsidiaries.
8. Bond issuance costs are expensed as incurred. Bond discounts are capitalized and amortized under the straight-line method over the term of the bond.
9. Deferred Debenture Charges are amortized as follows:
 - (1) Debenture discounts are amortized over the term of the debenture.
 - (2) Debenture issuance costs are amortized over the term of the debentures, up to the maximum period permitted under the Enforcement Regulations of the Commercial Code of Japan.
10. 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 consolidated balance sheet date, with the exception of the investments in non-consolidated subsidiaries and affiliates not under

the equity method, which are translated at historical exchange rates.

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

11. Reserves for Possible Losses on Loans of major domestic consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and provisions. For credit extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Commercial Code or other similar laws (“Bankrupt Obligors”), and to obligors that are effectively in similar conditions (“Substantially Bankrupt Obligors”), reserves are maintained at the amounts of claims net of direct write-offs described in the below and expected amounts recoverable from the disposal of collateral and the amounts recoverable under guarantees. For credit extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt (“Intensive Control Obligor”), reserves are maintained at the amounts deemed necessary based on overall solvency analyses of the amounts of claims net of expected amounts recoverable from the disposal of collateral and the amounts recoverable under guarantees. For credit extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 28 below) and others, if the exposure to an obligor 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, under which method the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted using 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, reserves are provided for the losses estimated for each individual loan. For credit extended to other obligors, reserves are maintained at rates derived from historical credit loss experience, etc. Reserves for Possible Losses on Loans to Restructuring Countries are maintained in order to cover possible losses based on analyses of the political and economic climates of the countries. All credit is assessed by each credit origination department, and the results of the assessments are verified and examined by the independent examination department. Reserves for Possible Losses on Loans are provided for on the basis of such verified assessments. In the case of loans to Bankrupt Obligors and Substantially Bankrupt Obligors, which are collateralized or guaranteed by a third party, 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 written off against the respective loan balances. The total directly written-off amounts were ¥805,616million. Other consolidated subsidiaries provide the amount necessary to cover the loan losses based upon past experience for general claims and the estimation for each individual loan for other claims.
12. Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other relevant factors concerning the investee company.
13. Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the fiscal year, based on the estimated future payments.
14. Reserve for Employee Retirement Benefits, which is provided for future pension payments to employees, is recorded as the required amount based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Prior service cost and unrecognized actuarial gains (losses) are recognized mainly as follows:

Prior service cost (Gains on plan amendment): Recognized as income or expenses in the period of occurrence.

Unrecognized actuarial gains (losses): Recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the current employees.

On July 1, 2005, certain domestic consolidated subsidiary received approvals for an exemption from payments of benefits related to past employee services in respect of the substitutional portion of their pension funds from the Minister of Health, Labor and Welfare, based on the Law Concerning Defined Benefit Corporate Pension Plans. As a result, ¥1,216 million was included in Extraordinary Gains.

15. Reserve for Contingencies is maintained to provide against possible losses from contingencies, which are not covered by other specific reserves, in off-balance transactions and trust transactions and other. The balance is an estimate of possible future losses, on an individual basis, considered to require a reserve. This reserve is provided in accordance with Article 43 of the Enforcement Regulations of the Commercial Code of Japan.
16. Finance leases of MHFG and domestic consolidated subsidiaries that do not involve the transfer of ownership to the lessee are accounted for as operating leases.
17. Consolidated subsidiaries apply the deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps as hedge accounting methods.
The portfolio hedge for large-volume, small-value financial assets and liabilities of domestic consolidated banking subsidiaries and domestic trust banking subsidiaries is accounted for the method stipulated in “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (the Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No.24).
The effectiveness of hedging activities for the portfolio hedge for large-volume, small-value financial assets and liabilities is assessed by as follows:
 - (i) for hedging activities to offset the market fluctuation risks, bracketing both the hedging instruments, such as interest-rate swaps, and hedged instruments, such as deposits and loans, in the same maturity bucket, and assessing the effectiveness between hedging and hedged instruments.
 - (ii) for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.The effectiveness of the individual hedge is assessed based on the correlation between the fluctuation in the market or cash flows of the hedging instruments and that of the hedged instruments.
Deferred hedge gains/losses recorded on the consolidated balance sheet resulted from the application of the macro-hedge method based on “Tentative Accounting and Auditing Treatment relating to Adoption of Accounting Standards 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 transaction. 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 on the macro-hedges at the end of the fiscal year were ¥363,399 million and ¥357,446 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

hedge is assessed by confirming both the amount for the foreign currency position of the hedging instruments of currency-swap transactions, exchange swap transactions and similar transactions as the method of hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies and the amount for the foreign currency position of the hedged monetary assets and liabilities denominated in foreign currency are equivalent.

In addition to the above methods, these subsidiaries apply the deferred method or the fair-value hedge method to portfolio hedges of the foreign exchange risks associated with investments in overseas subsidiaries and affiliates, and foreign securities (except for bonds) identified as hedged items in advance, 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 income statement or deferred under hedge accounting because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports Nos. 24 and 25.
20. With respect to MHFG and its domestic consolidated subsidiaries, consumption taxes and local consumption taxes are excluded from the transaction amounts.
21. Reserve for Contingent Liabilities from Futures Transactions: ¥83 million
This reserve is maintained pursuant to Article 81 of the Financial Futures Transaction Law.
Reserve for Contingent Liabilities from Securities Transactions: ¥2,268 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 ¥79 million.
23. Accumulated depreciation of Premises and Equipment amounted to ¥729,088 million.
24. The book value of Premises and Equipment adjusted for gains on sales of replaced assets amounted to ¥44,647 million.
25. In addition to Premises and Equipment booked on the balance sheet, certain computers are used on the basis of lease contracts.
26. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥32,821 million and Non-Accrual Delinquent Loans of ¥454,712 million.
Loans to Bankrupt Obligors 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 Enforcement Ordinance (Government Ordinance No. 97, 1965).
Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.
27. Balance of Loans Past Due for 3 Months or More: ¥13,995million.
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.

28. Balance of Restructured Loans: ¥553,373 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.
29. Total balance of Loans to Bankrupt Obligors, Non-accrual Delinquent Loans, Loans Past Due for Three Months or More and Restructured Loans: ¥1,054,903 million.
The amounts given in Notes 26 through 29 are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.
30. In accordance with JICPA Industry Audit Committee Report No. 24, bills discounted are accounted for as financial transactions, although the banking subsidiaries have rights to sell or pledge certain commercial bills and foreign exchange bills bought discounted. The principal amount of these bills amounted to ¥889,999 million.
31. Breakdown of assets pledged as collateral
The following assets were pledged as collateral:
- | | |
|-----------------------------|---------------------|
| Trading Assets: | ¥4,241,579 million |
| Securities: | ¥13,508,075 million |
| Loans and Bills Discounted: | ¥5,524,711 million |
| Other Assets | ¥329 million |
| Premises and Equipment | ¥99 million |
- The following liabilities were collateralized by the above assets:
- | | |
|--|--------------------|
| Deposits: | ¥1,035,947 million |
| Call Money and Bills Sold: | ¥4,837,900 million |
| Payables under Repurchase Agreements: | ¥4,868,827 million |
| Guarantee Deposits Received under Securities Lending Transactions: | ¥6,493,464million |
| Borrowed Money: | ¥1,435,575million |
| Other Liabilities | ¥90 million |
- In addition to the above, the settlement accounts of foreign and domestic exchange transactions or derivatives transactions etc. were collateralized and margins for futures transactions were substituted by Cash and Due from Banks of ¥7,726 million, Trading Assets of ¥535,821 million, Securities of ¥2,725,992 million, and Loans and Bills Discounted of ¥349,759 million.
- None of the assets are pledged as collateral in connection with borrowings by non-consolidated subsidiaries and affiliates.
Premises and Equipment includes guarantee deposits of ¥139,029million, and Other Assets includes collateral pledged for derivatives transactions of ¥342,567 million, margins for futures transactions of ¥72,138 million, and other guarantee deposits of ¥3,261million.
32. The net realized and unrealized gains (losses) from hedging instruments are included in Other Assets as deferred hedge losses. The gross amounts of deferred hedge losses and gains before netting were as follows:
- | | |
|------------------------------|------------------|
| Total Deferred Hedge Losses: | ¥933,378 million |
| Total Deferred Hedge Gains: | ¥629,416 million |
33. In accordance with Land Revaluation Law (Proclamation No.34 dated March 31, 1998), land used for business operations of domestic consolidated banking subsidiaries was revalued. The income tax on the entire excess of revaluation is included in Deferred Tax Liabilities for Revaluation Reserve for Land indicated under Liabilities, and the remainder, net of taxes, is

stated as Revaluation Reserve for Land indicated under Shareholder's Equity

Revaluation Date: March 31, 1998

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

Land used for business operations 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.

The difference at the consolidated balance sheet date between the total fair value of land for business operation purposes, which has been revalued in accordance with Article 10 of the above-mentioned law, and the total book value of the land after such revaluation was ¥186,648 million.

34. Borrowed Money includes subordinated borrowed money of ¥792,011 million.
35. Bonds and Notes include subordinated bonds of ¥2,143,962 million.
36. The principal amounts indemnified for money trusts and loan trusts with contracts guaranteeing the principal, which were entrusted to domestic trust banking subsidiaries, were ¥1,008,955 million and ¥340,605 million, respectively.
37. Net asset per share of common stock : ¥274,906.95
38. Figures for fair value and unrealized gains (losses) on securities are as follows. In addition to "Securities" on the consolidated balance sheet, trading securities, negotiable certificates of deposit ("NCD") and commercial paper and other in "trading assets", NCD in "Cash and Due From Banks", and certain items in "Other Debt Purchased" are also included. The same applies up to and including Note 41.

Trading Securities

Balance of trading securities at the consolidated balance sheet date:

¥7,988,427 million

Unrealized losses recorded on the consolidated income statement:

¥(33,323) million

Bonds Held to Maturity which have fair value:

	Amount on Consolidated BS	Fair Value	Millions of yen Unrealized Gains / Losses		
			Net	Gains	Losses
Japanese Government Bonds	¥1,168,205	¥1,163,791	¥(4,414)	¥96	¥4,510
Japanese Local Government Bonds	51,435	51,081	(354)	-	354
Other	316,508	305,605	(10,902)	-	10,902
Total	¥1,536,148	¥1,520,477	¥(15,671)	¥96	¥15,767

Other Securities which have fair value:

	Acquisition Cost	Amount on Consolidated BS	Millions of yen		
			Unrealized Gains / Losses		
			Net	Gains	Losses
Japanese Stocks	¥2,991,184	¥5,453,564	¥2,462,379	¥2,492,771	¥30,391
Japanese Bonds Total	20,369,983	20,109,359	(260,624)	1,166	261,790
Japanese Government Bonds	19,546,824	19,296,422	(250,402)	280	250,683
Japanese Local Government Bonds	120,980	118,965	(2,014)	479	2,494
Japanese Short-term Bonds	5,383	5,383	0	0	0
Japanese Corporate Bonds	696,795	688,588	(8,206)	406	8,613
Other	6,924,113	6,872,089	(52,023)	82,050	134,074
Total	¥30,285,281	¥32,435,013	¥2,149,732	¥2,575,989	¥426,256

Net Unrealized Losses include ¥51,680 million which was recognized in the income statement by applying the fair-value hedge method. As a result, the base amount to be recorded directly to Shareholders' Equity was ¥2,201,412 million and ¥1,278,781 million of the amount after the following adjustments was included in Net Unrealized Gains on Other Securities, net of Taxes:

Net Unrealized Gains:	¥2,201,412 million
Deferred Tax Assets:	505 million
Less: Deferred Tax Liabilities:	(872,701) million
Less: Amount corresponding to Minority Interests:	(56,004) million
Amount corresponding to Net Unrealized Gains on Other Securities owned by affiliates, which corresponds to the holding shares of their investor companies:	5,570 million
Amount included in Net Unrealized Gains on Other Securities, net of Taxes:	¥1,278,781 million

Certain Other Securities which have fair value are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as the loss for the consolidated fiscal year ("devaluation"). If the fair value (primarily the closing market price at the consolidated balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost) the fair value is taken as the amount recorded unless it is deemed that there is a possibility of a recovery in the fair value. The amount of devaluation for the consolidated fiscal year was ¥3,259 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.

39. Other Securities sold during the consolidated fiscal year are as follows:

Amount Sold	Gains on Sales	Losses on Sales
¥30,689,458 million	¥291,439 million	¥176,343 million

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

Details	Millions of yen
	Amount on Consolidated BS
<i>Other Securities :</i>	
Unlisted stock	¥807,804
Non-publicly offered bonds and other	¥2,018,703

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

	<i>Millions of yen</i>			
	Within 1 year	1-5 years	5-10 years	Over 10 years
Japanese Bonds Total	¥10,842,092	¥7,796,580	¥3,182,434	¥1,526,595
Japanese Government Bonds	10,538,741	5,924,665	2,727,372	1,273,847
Japanese Local Government Bonds	3,575	95,301	68,364	8,781
Japanese Short-term Bonds	5,383	-	-	-
Japanese Corporate Bonds	294,391	1,776,613	386,697	243,966
Other	631,850	3,134,752	1,429,072	3,055,132
Total	¥11,473,942	¥10,931,332	¥4,611,507	¥4,581,728

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

Money Held in Trust for Investment Purposes

Book value: ¥49,313 million

Net Unrealized gains (losses) recognized in the consolidated income statement: ¥310 million

Other Money Held in Trust

Acquisition Cost ¥584 million

Book value ¥584 million

Unrealized gains (losses) : Net ¥ - million

Gains ¥ - million

Losses ¥ - million

43. Unsecured securities loaned that allow borrowers to sell the borrowed securities, amounted to ¥23,862 million, were included in stocks and other in Securities and trading securities in Trading Assets. Securities include lending securities by usage amounted to ¥570 million yen.

A portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral have the right to sell or repledge out of which securities repledged were ¥7,143,008 million, securities re-loaned were ¥255 million, and securities neither repledged nor re-loaned were ¥4,999,963 million, respectively.

44. Overdraft protection on current accounts and contracts for the commitment line for loans are contracts by which consolidated subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥49,246,784 million. Of this amount, ¥42,366,799 million relates to contracts of which the original contractual term is one year or less, or which are unconditionally cancelable at any time.

Since many of these contracts expire without being exercised, the unutilized balance itself does not necessarily affect future cash flows. 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 periodically monitor a customers' business condition, based on and in accordance with established internal procedures, and take measures to control credit risks such as amendments to contracts, if needed.

45. Until the fiscal year ended March 31, 2005, Fiduciary Income was primarily recognized at the end of each trust accounting period. However, effective the fiscal 2005, Fiduciary Income is accrued for the period elapsed with some exceptions, such as not calculated for trust accounting periods, in order to improve the accuracy of earnings reports and continuously provide appropriate information considering present broader disclosure requirements. As a result of this change, Fiduciary Income, Ordinary Profits and Income before Income Taxes and Minority Interests, each increased by ¥2,059 million compared with corresponding amounts under the previously applied method.

46. Projected pension benefit obligation etc. as of the consolidated balance sheet date are as follows:

	<i>Millions of yen</i>
Projected Benefit Obligations	¥ (1,129,260)
<u>Plan Assets (fair value)</u>	<u>1,849,534</u>
Unfunded Retirement Benefit Obligations	720,273
<u>Unrecognized Actuarial Differences</u>	<u>(174,646)</u>
Net Amounts on Consolidated Balance Sheet	¥545,627
Prepaid Pension Cost	584,244
Reserve for Employee Retirement Benefits	(38,616)

47. Effective this fiscal year, Acceptances and Guarantees and Customers' Liabilities for Acceptances and Guarantees include those of certain domestic banking subsidiaries against bonds held by these subsidiaries.

Consolidated Income Statement

From April 1, 2005 to March 31, 2006

Mizuho Financial Group, Inc.

(Millions of yen)

Ordinary Income		¥	3,557,549
Interest Income	¥		1,935,048
Interest on Loans and Bills Discounted			1,071,892
Interest and Dividends on Securities			456,749
Interest on Call Loans and Bills purchased			9,981
Interest on Receivables under Resale Agreements			260,132
Interest on Securities Borrowing Transactions			3,819
Interest on Due from Banks			50,844
Other Interest Income			81,628
Fiduciary Income			78,843
Fee and Commission Income			650,549
Trading Income			211,029
Other Operating Income			354,481
Other Income			327,595
Ordinary Expenses			2,636,480
Interest Expenses			872,403
Interest on Deposits			249,176
Interest on Negotiable Certificates of Deposit			23,908
Interest on Debentures			48,208
Interest on Call Money and Bills Sold			6,402
Interest on Payables under Repurchase Agreements			383,156
Interest on Securities Lending Transactions			24,274
Interest on Commercial Paper			292
Interest on Borrowed Money			23,258
Interest on Short-term Bonds			2,258
Interest on Bonds and Notes			70,048
Other Interest Expenses			41,418
Fee and Commission Expenses			94,614
Trading Expenses			6,088
Other Operating Expenses			254,408
General and Administrative Expenses			1,095,243
Other Expenses			313,722
Ordinary Profits			921,069
Extraordinary Gains			174,616
Gains on Disposal of Premises and Equipment			22,153
Recovery of Written-off Claims			5,342
Reversal of Reserve for Contingent Liabilities from Future Transactions			0
Reversal of Reserves for Possible Losses on Loans			142,249
Other Extraordinary Gains			4,871
Extraordinary Losses			115,543
Losses on Disposal of Premises and Equipment			18,429
Losses on Impairment of Fixed Assets			22,360
Provision for Reserve for Contingent Liabilities from Securities Transactions			543
Other Extraordinary Losses			74,209
Income before Income Taxes and Minority Interests			980,142
Income Taxes:			
Current			64,038
Deferred			185,035
Minority Interests in Net Income			81,164
Net Income		¥	649,903

NOTES TO CONSOLIDATED INCOME STATEMENT

1. Amounts less than one million yen are rounded down.
2. Net income per share of Common Stock: ¥55,157.14
3. Diluted net income per share of Common Stock: ¥46,234.51
4. Income or expenses on trading transactions are recognized on a trade date basis and recorded in Trading Income or Trading Expenses on the consolidated income statement. Trading Income and Trading Expenses include the interest received and the interest paid during the fiscal year, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the fiscal year, and the gains or losses resulting from any change in the value of financial derivative between the beginning and the end of the fiscal year, assuming that they were settled at the end of the fiscal year.
5. Other Income includes gains on sales of stocks of ¥230,470 million and gains on disposition of stock investment in subsidiary of ¥42,437 million.
6. Other Expenses include losses on sales of bonds of ¥85,305 million related to Japanese Government Bonds etc., resulting from revisions of the bond portfolio strategies, losses on write-offs of loans of ¥37,187 million, provision for Reserve for Contingencies of ¥35,459 million, and losses on devaluation of stocks of ¥29,936 million.
7. Other Extraordinary Losses include a loss of ¥40,739 million resulting from the placement of an erroneous order by a certain domestic securities subsidiary, a loss of ¥18,996 million on a decline in the value in use of software used at domestic trust banking subsidiaries as a result of revising system strategies, and an adjustment of ¥14,473 million resulting from a review of the method used to calculate Employee Retirement Benefits at the beginning of the fiscal year.
The losses of domestic trust banking subsidiaries were incurred from an appropriate reduction in the amount of software assets booked on reconsideration of possible significant declines in their value in use arising from a shorter-than-estimated useful life. The reduction was made for long-term use software relevant to the operating of the domestic trust banking subsidiaries, in the process of revision and reorganization of system development and operating systems among consolidated group companies aiming to ensure mobility in system strategies, reflecting a faster trend in the timing of abolition and replacement than originally planned at initial development because of noticeable changes in the operating environment, system technology and system usage environment in the current trust banking sector.
8. The differences between the recoverable amount and the book value of the following assets were recognized as Losses on Impairment of Fixed Assets during the current fiscal year:

Area	Principal purpose of use	Type	Impairment loss (¥ million)
Tokyo Metropolitan Area	Branch premises to be closed	12 branches	Land and premises, etc.
	Idle assets	85 items	
	Assets to be disposed of		
Other	Branch premises to be closed	9 branches	Land and premises, etc.
	Idle assets	105 items	
	Assets to be disposed of		

Domestic banking subsidiaries, a certain domestic trust banking subsidiary and certain domestic subsidiaries recognize Losses on Impairment of Fixed Assets for branch premises to be closed, idle assets and assets to be disposed of. 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, 2005 to March 31, 2006

Mizuho Financial Group, Inc.

(Millions of yen)

Capital Surplus

Balance at the beginning of the fiscal year	1,022,571
Increase	516,262
Gains on Disposition of Treasury Stock	441,972
Increase in Capital Surplus due to mergers of consolidated subsidiaries	74,290
Decrease	1,127,672
Cancellation of Treasury Stock	1,127,672
Balance at the end of the fiscal year	411,160

Retained Earnings

Balance at the beginning of the fiscal year	1,048,530
Increase	675,762
Net Income	649,903
Transfer from Revaluation Reserve for Land, net of Taxes	25,858
Decrease	226,149
Dividends	75,883
Cancellation of Treasury Stock	75,976
Decrease in Retained Earnings due to mergers of consolidated subsidiaries	74,290
Balance at the end of the fiscal year	1,498,143

Note Amounts less than one million yen are rounded down.

Consolidated Statement of Cash Flows

From April 1, 2005 to March 31, 2006

Mizuho Financial Group, Inc.

(Millions of yen)

I. Cash Flow from Operating Activities

Income before Income Taxes and Minority Interests	980,142
Depreciation	119,417
Losses on Impairment of Fixed Assets	22,360
Amortization of Consolidation Differences	68
Equity in Income from Investments in Affiliates	(9,161)
Increase (Decrease) in Reserves for Possible Losses on Loans	(333,202)
Increase (Decrease) in Reserve for Possible Losses on Investments	(5,042)
Increase (Decrease) in Reserve for Contingencies	35,459
Increase (Decrease) in Reserve for Bonus Payments	633
Increase (Decrease) in Reserve for Employee Retirement Benefits	1,330
Interest Income - accrual basis	(1,935,048)
Interest Expenses - accrual basis	872,403
Losses (Gains) on Securities	(39,952)
Losses (Gains) on Money Held in Trust	(437)
Foreign Exchange Losses (Gains) - net	(241,237)
Losses (Gains) on Disposal of Premises and Equipment	(3,723)
Increase (Decrease) in Trading Assets	1,122,067
Increase (Decrease) in Trading Liabilities	(124,224)
Increase (Decrease) in Loans and Bills Discounted	(2,266,529)
Increase (Decrease) in Deposits	3,464,844
Increase (Decrease) in Negotiable Certificates of Deposit	(1,509,370)
Increase (Decrease) in Debentures	(1,188,767)
Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	161,779
Increase (Decrease) in Due from Banks (excluding Due from Central Banks)	(399,103)
Increase (Decrease) in Call Loans etc.	(2,722,165)
Increase (Decrease) in Guarantee Deposits Paid under Securities Borrowing Transactions	36,770
Increase (Decrease) in Call Money etc.	2,552,697
Increase (Decrease) in Commercial Paper	(1,347,200)
Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	(333,495)
Increase (Decrease) in Foreign Exchange Assets	(91,837)
Increase (Decrease) in Foreign Exchange Liabilities	96,563
Increase (Decrease) in Short-term Bonds (Liabilities)	1,124,800
Increase (Decrease) in Bonds and Notes	104,042
Increase (Decrease) in Due to Trust Accounts	(12,680)
Interest and Dividend Income - cash basis	1,940,172
Interest Expenses - cash basis	(879,807)
Other - net	(618,666)
Subtotal	(1,426,099)
Cash Paid in Income Taxes	(243,028)
Net Cash Used in Operating Activities	(1,669,128)

II. Cash Flow from Investing Activities

Payments for Purchase of Securities	(66,512,317)
Proceeds from Sale of Securities	30,852,118
Proceeds from Redemption of Securities	35,572,415
Payments for Increase in Money Held in Trust	(50,347)
Proceeds from Decrease in Money Held in Trust	29,433
Payments for Purchase of Premises and Equipment	(58,263)
Proceeds from Sale of Premises and Equipment	67,722
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	(25)
Net Cash Used in Investing Activities	(99,262)

III. Cash Flow from Financing Activities

Proceeds from Issuance of Subordinated Borrowed Money	278,000
Repayments of Subordinated Borrowed Money	(307,054)
Proceeds from Issuance of Subordinated Bonds	367,177
Payments for Redemption of Subordinated Bonds	(386,515)
Proceeds from Investments in Minority Shareholders	141,857
Dividends Paid	(75,725)
Dividends Paid to Minority Shareholders	(50,478)
Payments for Repurchase of Treasury Stock	(944,321)
Proceeds from Sale of Treasury Stock	530,388
Net Cash Used in Financing Activities	(446,671)

IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalent

928

V. Net Decrease in Cash and Cash Equivalents

(2,214,133)

VI. Cash and Cash Equivalents at the beginning of the fiscal year

5,602,062

VII. Cash and Cash Equivalents at the end of the fiscal year

3,387,929

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 the central banks included in "Cash and Due from Banks" on the Consolidated Balance Sheet.
3. Cash and Cash Equivalents at the balance sheet date 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	5,016,216
Due from banks except for deposits with the central banks	(1,628,286)
Cash and Cash Equivalents	<u>3,387,929</u>

SEGMENT INFORMATION

1. Segment Information by Type of Business

Fiscal 2004 (for the year ended March 31, 2005)

(Millions of yen)

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
I Ordinary Income						
(1) Ordinary Income from outside customers	2,509,411	344,439	185,334	3,039,186	-	3,039,186
(2) Inter-segment Ordinary Income	13,452	27,139	106,538	147,129	(147,129)	-
Total	2,522,864	371,578	291,872	3,186,315	(147,129)	3,039,186
Ordinary Expenses	2,031,898	264,333	228,229	2,524,461	(142,734)	2,381,726
Ordinary Profit	490,965	107,245	63,643	661,854	(4,394)	657,459
II Asset, Depreciation Expense, and Capital Expenditure						
Asset	126,488,096	18,453,700	1,243,822	146,185,618	(3,109,382)	143,076,236
Depreciation Expense	111,499	8,775	9,291	129,567	-	129,567
Capital Expenditure	202,937	12,783	10,871	226,592	-	226,592

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 2005 (for the year ended March 31, 2006)

(Millions of yen)

	Banking Business	Securities Business	Other	Total	Elimination	Consolidated Results
I Ordinary Income						
(1) Ordinary Income from outside customers	2,813,124	558,830	185,594	3,557,549	-	3,557,549
(2) Inter-segment Ordinary Income	24,379	48,741	115,480	188,600	(188,600)	-
Total	2,837,503	607,572	301,075	3,746,150	(188,600)	3,557,549
Ordinary Expenses	2,121,573	438,404	258,502	2,818,479	(181,999)	2,636,480
Ordinary Profit	715,930	169,167	42,572	927,670	(6,601)	921,069
II Asset, Depreciation Expense, and Capital Expenditure						
Asset	132,767,641	19,998,986	1,160,564	153,927,192	(4,314,398)	149,612,794
Depreciation Expense	99,927	9,134	10,355	119,417	-	119,417
Capital Expenditure	154,988	11,302	13,479	179,770	-	179,770

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: investment advisory business and other

2. Segment Information by Geographic Area

Fiscal 2004 (for the year ended March 31, 2005)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
I Ordinary Income							
(1) Ordinary Income from outside customers	2,591,325	197,894	177,012	72,952	3,039,186	-	3,039,186
(2) Inter-segment Ordinary Income	46,268	115,641	19,296	11,724	192,930	(192,930)	-
Total	2,637,593	313,536	196,308	84,677	3,232,116	(192,930)	3,039,186
Ordinary Expenses	2,048,630	246,115	181,478	64,577	2,540,802	(159,076)	2,381,726
Ordinary Profit	588,963	67,420	14,830	20,099	691,313	(33,853)	657,459
II Asset	132,776,520	12,391,021	6,916,115	4,501,289	156,584,945	(13,508,709)	143,076,236

- 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 2005 (for the year ended March 31, 2006)

(Millions of yen)

	Japan	Americas	Europe	Asia/Oceania, excluding Japan	Total	Elimination	Consolidated Results
I Ordinary Income							
(1) Ordinary Income from outside customers	2,724,307	413,195	314,021	106,025	3,557,549	-	3,557,549
(2) Inter-segment Ordinary Income	52,129	118,943	59,183	40,604	270,861	(270,861)	-
Total	2,776,437	532,139	373,205	146,629	3,828,411	(270,861)	3,557,549
Ordinary Expenses	2,014,512	451,753	293,742	113,076	2,873,084	(236,603)	2,636,480
Ordinary Profit	761,925	80,385	79,462	33,552	955,326	(34,257)	921,069
II Asset	134,979,559	13,610,516	10,587,137	5,790,487	164,967,701	(15,354,907)	149,612,794

- Notes: 1. Geographic analyses of the Mizuho Financial Group's operations are presented based on geographic contiguity, similarities in economic activities, and relation of business operations. Ordinary Income and Ordinary Profit/Loss are presented in lieu of Sales and Operating Profit/Loss as is the case for non-financial companies.
2. Americas includes the United States of America and Canada, etc., Europe includes the United Kingdom, etc. and Asia/Oceania includes Hong Kong and the Republic of Singapore, etc.

3. Ordinary Income from Overseas Entities

Fiscal 2004 (for the year ended March 31, 2005)

(Millions of yen)

I Ordinary Income from Overseas Entities	447,860
II Consolidated Ordinary Income	3,039,186
III Ordinary Income from Overseas Entities / Consolidated Ordinary Income (%)	14.7

- 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.

Fiscal 2005 (for the year ended March 31, 2006)

(Millions of yen)

I Ordinary Income from Overseas Entities	833,242
II Consolidated Ordinary Income	3,557,549
III Ordinary Income from Overseas Entities / Consolidated Ordinary Income (%)	23.4

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

MANUFACTURING, ORDER-BOOK AND RETAIL SITUATION

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

MARKET VALUE INFORMATION ON DERIVATIVE TRANSACTIONS

Please refer to EDINET system.

RELATED PARTY TRANSACTIONS

Fiscal 2004 (for the year ended March 31, 2005)

There are no relevant transactions with related parties to report.

Fiscal 2005 (for the year ended March 31, 2006)

There are no relevant transactions with related parties to report.

Comparison of Consolidated Balance Sheets (Selected Items)

Mizuho Financial Group, Inc.

(Millions of yen)

Balance Sheets	March 31, 2006 (A)	March 31, 2005 (B)	Comparison (A - B)
ASSETS			
Cash and Due from Banks	5,016,216	6,808,965	(1,792,749)
Call Loans and Bills Purchased	938,435	397,507	540,928
Receivables under Resale Agreements	5,976,043	5,004,683	971,359
Guarantee Deposit Paid under Securities Borrowing Transactions	8,643,570	8,680,334	(36,764)
Other Debt Purchased	2,476,132	1,007,826	1,468,306
Trading Assets	10,007,149	11,047,601	(1,040,451)
Money Held in Trust	49,898	28,679	21,218
Securities	37,702,957	36,047,035	1,655,921
Loans and Bills Discounted	65,408,672	62,917,336	2,491,335
Foreign Exchanges Assets	809,205	716,907	92,297
Other Assets	6,463,242	5,577,985	885,257
Premises and Equipment	955,888	1,028,082	(72,193)
Deferred Debenture Charges	267	303	(35)
Deferred Tax Assets	423,572	1,036,907	(613,335)
Customers' Liabilities for Acceptances and Guarantees	5,556,929	3,928,176	1,628,753
Reserves for Possible Losses on Loans	(814,178)	(1,146,797)	332,618
Reserve for Possible Losses on Investments	(1,208)	(5,300)	4,091
Total Assets	149,612,794	143,076,236	6,536,557
LIABILITIES			
Deposits	73,007,994	69,499,567	3,508,427
Negotiable Certificates of Deposit	9,359,131	10,868,491	(1,509,360)
Debentures	6,606,305	7,795,073	(1,188,767)
Call Money and Bills Sold	9,466,054	8,359,912	1,106,141
Payables under Repurchase Agreement:	10,079,585	8,357,544	1,722,041
Guarantee Deposit Received under Securities Lending Transactions	7,301,540	7,635,035	(333,495)
Commercial Paper	50,000	1,397,200	(1,347,200)
Trading Liabilities	7,880,634	7,942,784	(62,149)
Borrowed Money	2,768,811	2,634,433	134,377
Foreign Exchanges Liabilities	389,638	292,905	96,733
Short-term Bonds	1,385,100	260,300	1,124,800
Bonds and Notes	2,488,498	2,356,972	131,525
Due to Trust Account	1,354,889	1,367,569	(12,680)
Other Liabilities	5,382,931	5,092,621	290,310
Reserve for Bonus Payments	35,374	34,475	898
Reserve for Employee Retirement Benefits	38,616	37,137	1,479
Reserve for Contingencies	45,567	10,108	35,459
Reserves under Special Laws	2,352	1,834	518
Deferred Tax Liabilities	127,847	34,016	93,830
Deferred Tax Liabilities for Revaluation Reserve for Land	120,873	135,984	(15,111)
Acceptances and Guarantees	5,556,929	3,928,176	1,628,753
Total Liabilities	143,448,677	138,042,144	5,406,532
MINORITY INTERESTS			
Minority Interests	1,359,122	1,128,364	230,758
SHAREHOLDERS' EQUITY			
Total Shareholders' Equity	4,804,993	3,905,726	899,266
Total Liabilities, Minority Interests and Shareholders' Equity	149,612,794	143,076,236	6,536,557

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

Comparison of Consolidated Income Statements (Selected Items)

Mizuho Financial Group, Inc
(Millions of yen)

Statements of Operations	Fiscal 2005 (A)	Fiscal 2004 (B)	Comparison (A-B)
Ordinary Income	3,557,549	3,039,186	518,363
Interest Income :	1,935,048	1,584,415	350,633
<i>Interest on Loans and Bills Discounted</i>	<i>1,071,892</i>	<i>1,065,198</i>	<i>6,693</i>
<i>Interest and Dividends on Securities</i>	<i>456,749</i>	<i>290,665</i>	<i>166,083</i>
Fiduciary Income	78,843	63,253	15,590
Fees and Commission Income	650,549	566,120	84,428
Trading Income	211,029	165,059	45,970
Other Operating Income	354,481	341,506	12,975
Other Income	327,595	318,830	8,765
Ordinary Expenses	2,636,480	2,381,726	254,754
Interest Expenses :	872,403	477,983	394,420
<i>Interest on Deposits</i>	<i>249,176</i>	<i>119,202</i>	<i>129,974</i>
<i>Interest on Debentures</i>	<i>48,208</i>	<i>68,669</i>	<i>(20,460)</i>
Fees and Commissions Expenses	94,614	93,492	1,121
Trading Expenses	6,088	—	6,088
Other Operating Expenses	254,408	155,781	98,627
General and Administrative Expenses	1,095,243	1,091,348	3,895
Other Expenses	313,722	563,121	(249,398)
Ordinary Profits	921,069	657,459	263,609
Extraordinary Gains	174,616	416,467	(241,851)
Extraordinary Losses	115,543	130,868	(15,324)
Income before Income Taxes and Minority Interests	980,142	943,059	37,083
Income Tax Expenses :			
Current	64,038	41,045	22,992
Refund	—	21,228	(21,228)
Deferred	185,035	235,227	(50,192)
Minority Interests in Net Income	81,164	60,630	20,533
Net Income	649,903	627,383	22,520

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	Fiscal 2005 (A)	Fiscal 2004 (B)	Comparison (A-B)
CAPITAL SURPLUS			
Balance at the beginning of the fiscal year	1,022,571	1,262,526	(239,954)
Increase	516,262	28	516,234
Decrease	1,127,672	239,982	887,690
Balance at the end of the fiscal year	411,160	1,022,571	(611,410)
RETAINED EARNINGS			
Balance at the beginning of the fiscal year	1,048,530	462,594	585,936
Increase	675,762	660,216	15,545
Decrease	226,149	74,280	151,868
Balance at the end of the fiscal year	1,498,143	1,048,530	449,612

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	Fiscal 2005 (A)	Fiscal 2004 (B)	Comparison (A-B)
I. Cash Flow from Operating Activities			
Income before Income Taxes and Minority Interests	980,142	943,059	37,083
Depreciation	119,417	129,567	(10,149)
Losses on Impairment of Fixed Assets	22,360	67,143	(44,782)
Amortization of Consolidation Differences	68	426	(357)
Equity in Income from Investments in Affiliates	(9,161)	(1,429)	(7,731)
Increase (Decrease) in Reserves for Possible Losses on Loans	(333,202)	(703,361)	370,159
Increase (Decrease) in Reserve for Possible Losses on Investments	(5,042)	4,324	(9,367)
Increase (Decrease) in Reserve for Contingencies	35,459	(122,631)	158,090
Increase (Decrease) in Reserve for Bonus Payments	633	(4,157)	4,790
Increase (Decrease) in Reserve for Employee Retirement Benefits	1,330	5,143	(3,812)
Interest Income - accrual basis	(1,935,048)	(1,584,415)	(350,633)
Interest Expenses - accrual basis	872,403	477,983	394,420
Losses (Gains) on Securities	(39,952)	(243,429)	203,477
Losses (Gains) on Money Held in Trust	(437)	(306)	(131)
Foreign Exchange Losses (Gains) - net	(241,237)	6,646	(247,884)
Losses (Gains) on Disposal of Premises and Equipment	(3,723)	(5,334)	1,610
Decrease (Increase) in Trading Assets	1,122,067	(2,982,338)	4,104,406
Increase(Decrease) in Trading Liabilities	(124,224)	1,848,161	(1,972,385)
Decrease (Increase) in Loans and Bills Discounted	(2,266,529)	3,334,370	(5,600,900)
Increase(Decrease) in Deposits	3,464,844	1,964,015	1,500,829
Increase(Decrease) in Negotiable Certificates of Deposit	(1,509,370)	909,848	(2,419,218)
Increase(Decrease) in Debentures	(1,188,767)	(1,664,440)	475,673
Increase(Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	161,779	877,030	(715,250)
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)	(399,103)	81,198	(480,301)
Decrease (Increase) in Call Loans etc.	(2,722,165)	(16,245)	(2,705,920)
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	36,770	(709,725)	746,496
Increase(Decrease) in Call Money etc.	2,552,697	(164,974)	2,717,672
Increase(Decrease) in Commercial Paper	(1,347,200)	559,400	(1,906,600)
Increase(Decrease) in Guarantee Deposits Received under Securities Lending Transactions	(333,495)	(526,766)	193,271
Decrease (Increase) in Foreign Exchange Assets	(91,837)	(107,737)	15,900
Increase(Decrease) in Foreign Exchange Liabilities	96,563	(59,235)	155,798
Increase(Decrease) in Short-term Bonds (Liabilities)	1,124,800	80,300	1,044,500
Increase(Decrease) in Bonds and Notes	104,042	86,320	17,722
Increase(Decrease) in Due to Trust Accounts	(12,680)	7,037	(19,717)
Interest and Dividend Income - cash basis	1,940,172	1,622,787	317,384
Interest Expenses - cash basis	(879,807)	(458,667)	(421,140)
Other-net	(618,666)	905,750	(1,524,416)
Subtotal	(1,426,099)	4,555,314	(5,981,414)
Cash Paid in Income Taxes	(243,028)	(137,303)	(105,725)
Net Cash Provided by (Used in) Operating Activities	(1,669,128)	4,418,011	(6,087,139)
II. Cash Flow from Investing Activities			
Payments for Purchase of Securities	(66,512,317)	(69,640,865)	3,128,548
Proceeds from Sale of Securities	30,852,118	34,321,694	(3,469,575)
Proceeds from Redemption of Securities	35,572,415	31,505,073	4,067,342
Payments for Increase in Money Held in Trust	(50,347)	(19,605)	(30,742)
Proceeds from Decrease in Money Held in Trust	29,433	19,104	10,329
Payments for Purchase of Premises and Equipment	(58,263)	(71,486)	13,222
Proceeds from Sale of Premises and Equipment	67,722	98,715	(30,992)
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	(25)	(734)	709
Net Cash Used in Investing Activities	(99,262)	(3,788,105)	3,688,842
III. Cash Flow from Financing Activities			
Proceeds from Issuance of Subordinated Borrowed Money	278,000	140,000	138,000
Repayments of Subordinated Borrowed Money	(307,054)	(41,914)	(265,140)
Proceeds from Issuance of Subordinated Bonds	367,177	462,674	(95,496)
Payments for Redemption of Subordinated Bonds	(386,515)	(570,886)	184,370
Proceeds from Investments in Minority Shareholders	141,857	75,010	66,847
Dividends Paid	(75,725)	(74,280)	(1,444)
Dividends Paid to Minority Shareholders	(50,478)	(47,915)	(2,562)
Payments for Repurchase of Treasury Stock	(944,321)	(500,476)	(443,844)
Proceeds from Sale of Treasury Stock	530,388	60	530,328
Net Cash Used in Financing Activities	(446,671)	(557,729)	111,057
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	928	220	708
V. Net Increase (Decrease) in Cash and Cash Equivalents	(2,214,133)	72,397	(2,286,531)
VI. Cash and Cash Equivalents at the beginning of the fiscal year	5,602,062	5,529,664	72,397
VII. Cash and Cash Equivalents at the end of the fiscal year	3,387,929	5,602,062	(2,214,133)

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

(Reference)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

From April 1, 2005 to March 31, 2006

Mizuho Financial Group, Inc.
(Millions of yen)

	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Revaluation Reserve for Land, net of Taxes	Net Unrealized Gains on Other Securities, net of Taxes	Foreign Currency Translation Adjustments	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2005	¥ 1,540,965	¥ 1,022,571	¥ 1,048,530	¥ 198,945	¥ 538,027	¥ (48,757)	¥ (394,555)	¥ 3,905,726
Change during the period								
Repurchase of Treasury Stock	-	-	-	-	-	-	(944,321)	(944,321)
Disposition of Treasury Stock	-	441,972	-	-	-	-	88,416	530,388
Cancellation of Treasury Stock	-	(1,127,672)	(75,976)	-	-	-	1,203,648	-
Merger	-	74,290	(74,290)	-	-	-	-	-
Transfer from Revaluation Reserve for Land, net of Taxes	-	-	25,858	-	-	-	-	25,858
Cash Dividends	-	-	(75,883)	-	-	-	-	(75,883)
Net Income	-	-	649,903	-	-	-	-	649,903
Other	-	-	-	-	-	-	(2)	(2)
Change during the period (net)	-	-	-	(28,560)	741,189	695	-	713,323
Total Change during the period	-	(611,410)	449,612	(28,560)	741,189	695	347,740	899,266
Balance at March 31, 2006	¥ 1,540,965	¥ 411,160	¥ 1,498,143	¥ 170,384	¥ 1,279,216	¥ (48,062)	¥ (46,814)	¥ 4,804,993