

CLSA Japan Forum 2005

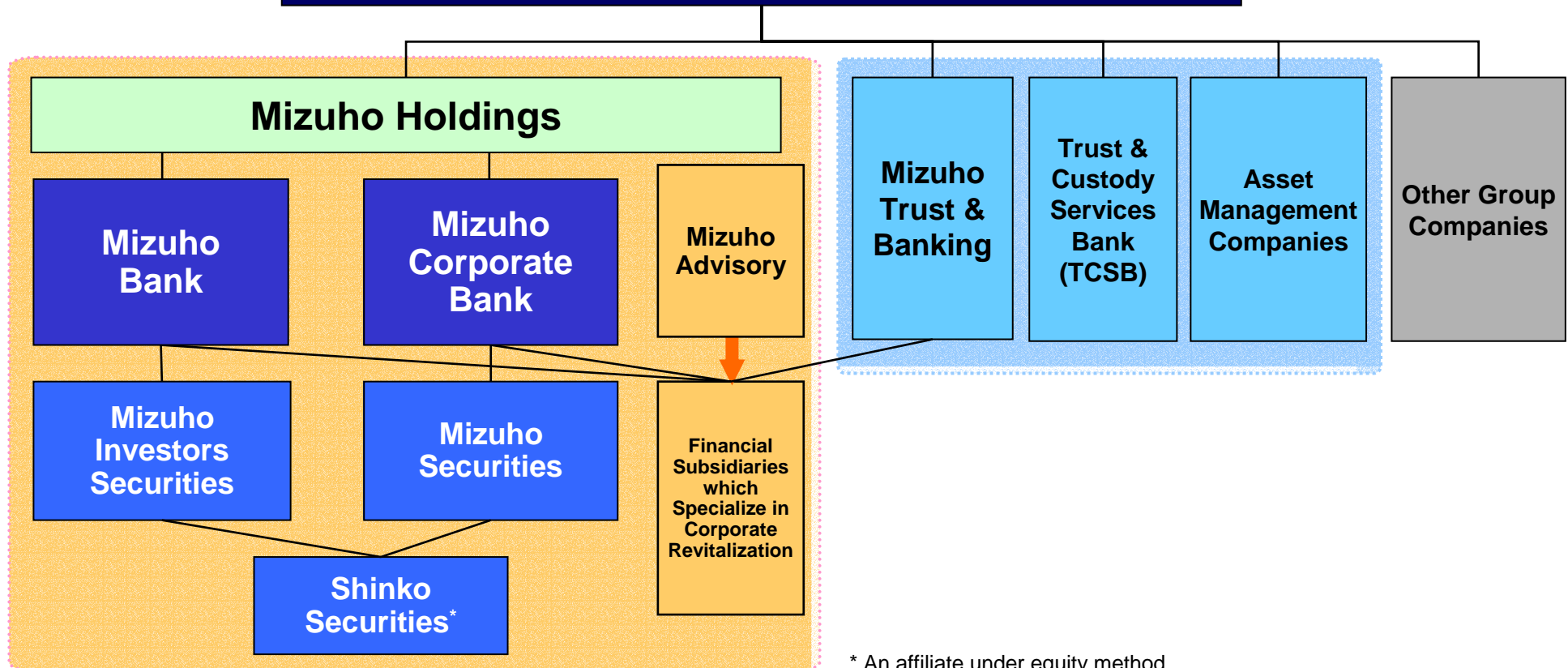
MIZUHO



March 2005

Mizuho Financial Group

Mizuho Financial Group, Inc. (MHFG)



* An affiliate under equity method

Definitions

3 Banks: Aggregated figures for Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking and their financial subsidiaries for corporate revitalization on a non-consolidated basis.

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Major Financial Data of the Mizuho Financial Group

As of the end of Sep. 2004 (JPY Tn)	Mizuho Financial Group, Inc.	Mizuho Bank	Mizuho Corporate Bank	Mizuho Trust & Banking
Total Assets	139.3	68.6	70.8	5.8
Loans	64.2	35.0	26.0	3.2
Deposits and Debentures	84.5	55.7	27.2	3.1
BIS Capital	7.9	3.3 ^{*2}	4.4	(Trust Assets ^{*1} 41.4) 0.5
Risk-adjusted Assets	67.2	31.3 ^{*2}	33.2	4.0
BIS Capital Ratios	11.86%	10.57% ^{*2}	13.48%	13.72%
(JPY Bn)				
Net Business Profits [Estimates for FY2004]		350	395	72
Net Income [Estimates for FY2004]	720 ^{*3}	90	560 ^{*3}	25
		Mizuho Investors Securities	Mizuho Securities	
	(JPY Tn)	0.5	16.6	
	(JPY Bn)	(Assets under Management 4.6)	(Assets under Management 14.2)	
Ordinary Profits [Actual for FY2003]		12.0	40.2	
Net Income [Actual for FY2003]		10.3	19.6	

Financial data are on a consolidated basis except estimates for Net Business Profits and Net Income of Mizuho Bank, Mizuho Corporate Bank, and Mizuho Trust & Banking which are on a non-consolidated basis and include the estimates for their financial subsidiaries for corporate revitalization

*1 Including re-entrusted assets to TCSB, a subsidiary of MHFG
 *2 Domestic standard
 *3 Including recording of approx. JPY 280 billion of net extraordinary gains due to the Supreme Court judgment on Dec. 24, 2004 regarding a corporate tax correction with respect to the write-off of credits against Japan Housing Loan, Inc.

I. A New Phase in Management Strategies

II. Strategic Focus in the New Phase

III. In Closing

I. A New Phase in Management Strategies

A New Phase in Management Strategies

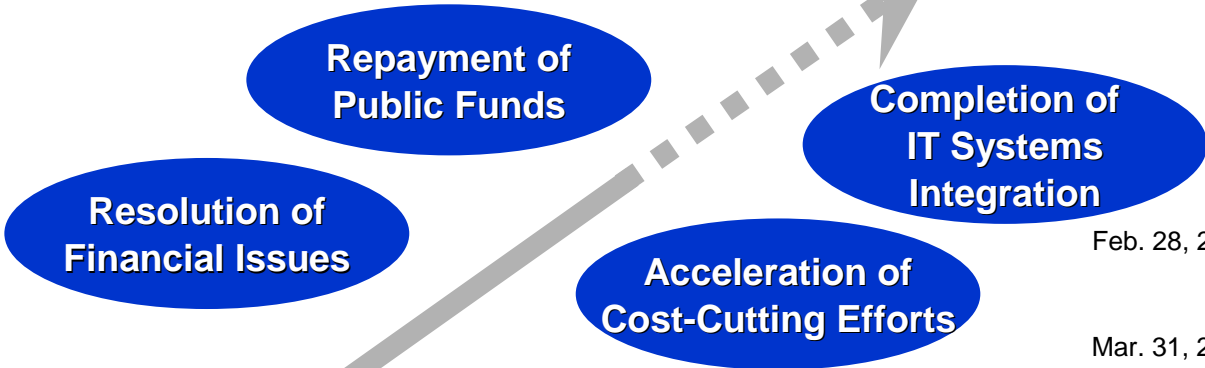
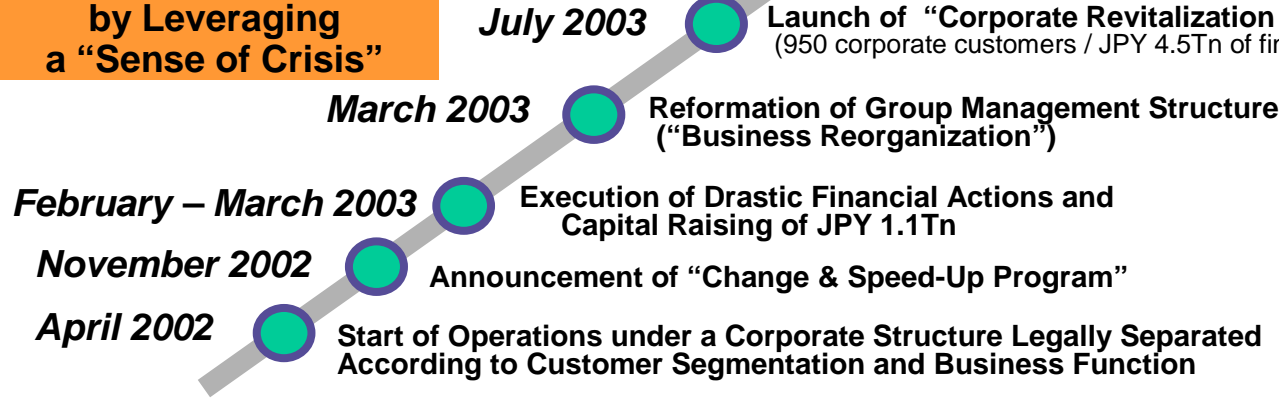
Management Focus Shifting from “Reestablishment of Business Infrastructure” to “Enhancement of Top-Line Growth”

Measures to Enhance Top-Line Growth

A New Phase in Management Strategies Based on Steady Progress in Management Reforms



Completed Various Management Reforms within a Short Period by Leveraging a “Sense of Crisis”



Mizuho* Stock Price

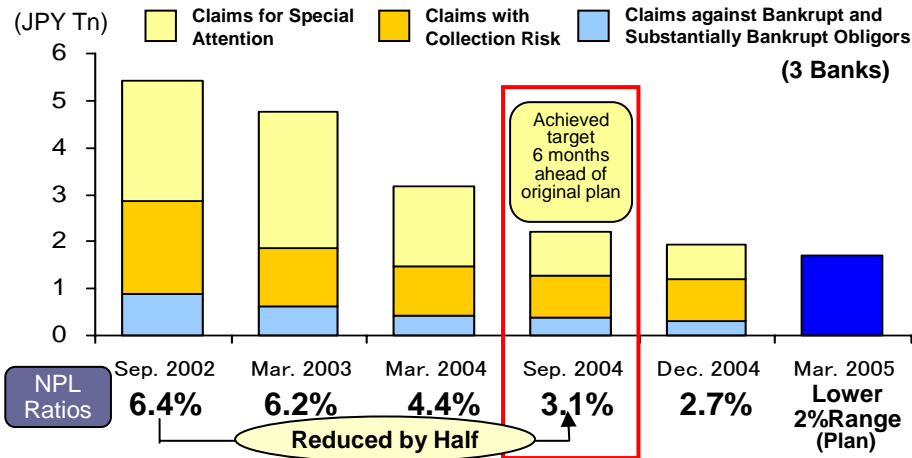
Feb. 28, 2005	JPY 510,000
Mar. 31, 2004	JPY 448,000
Sep. 30, 2003	JPY 250,000
Apr. 28, 2003	JPY 58,300 <small>(record low since listed)</small>
Mar. 31, 2003	JPY 96,800
Sep. 30, 2002	JPY 285,000
Mar. 29, 2002	JPY 302,000

*The stock price of Mizuho Holdings, Inc. before Mar. 5, 2003

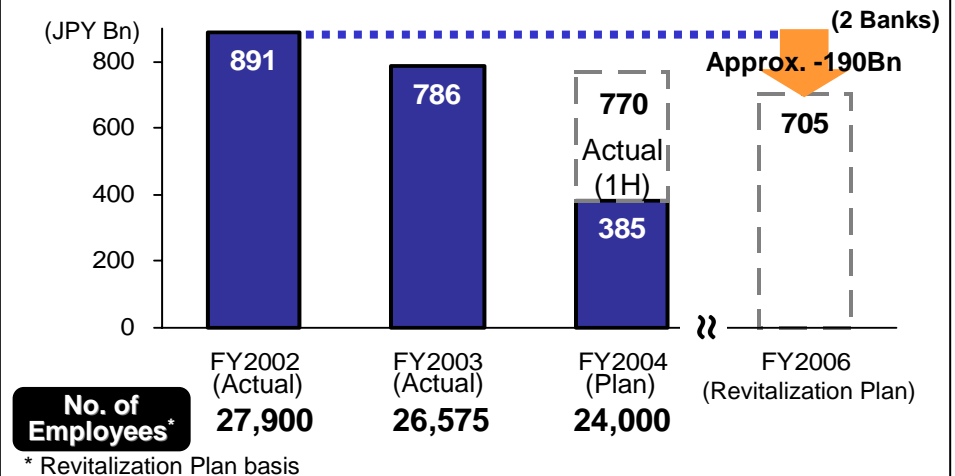
Progress in Four Challenges

NPL Balance

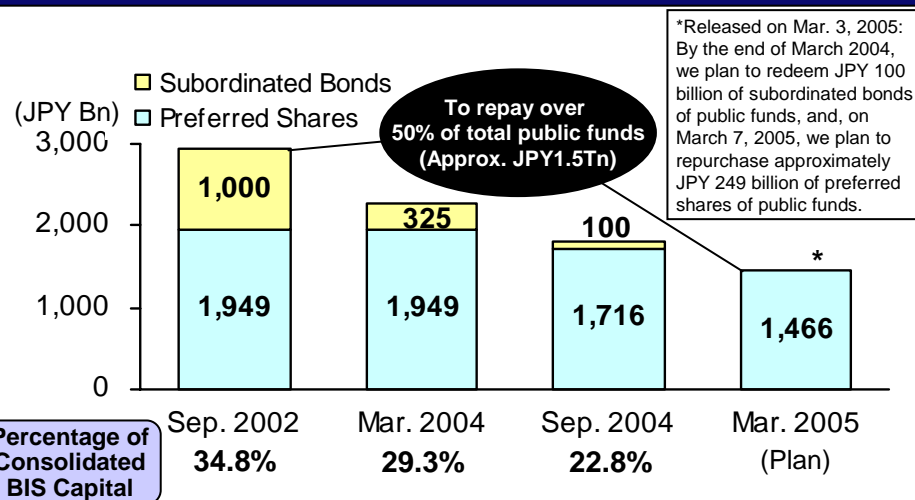
<Disclosed Claims under the Financial Reconstruction Law>



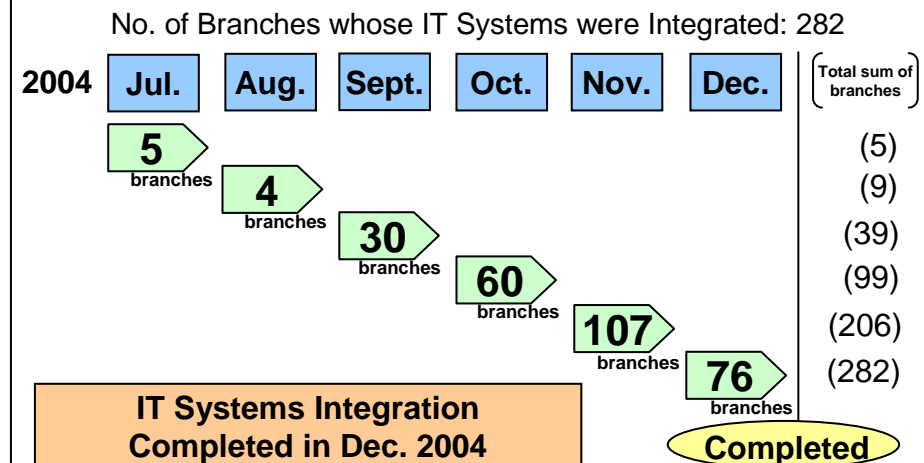
Cost Cutting Efforts



Repayment of Public Funds



Completion of Mizuho Bank's IT Systems Integration Project



New Major Issues and a New Phase in Management Strategies

Resolution of NPL Issue = Pursuit of Credit Quality in Loans

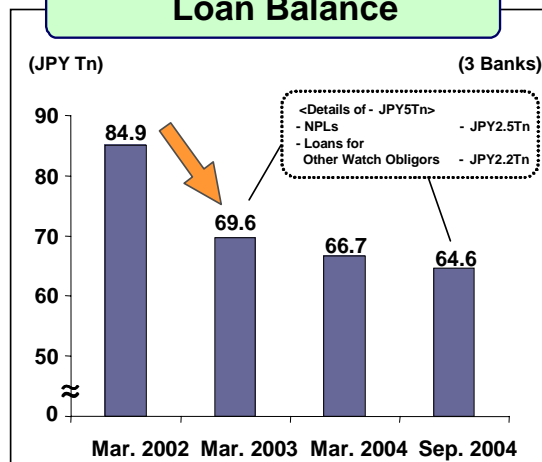
Rapid improvement of asset quality



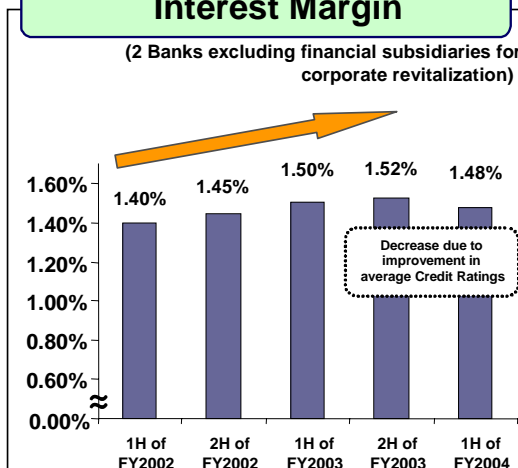
Establishment of sustainable earning base

Major Issues: Further Enhancement of Profits by Increasing Loans with Higher Risk-adjusted Returns, Further Increasing Non-Interest Income, and Reducing Costs

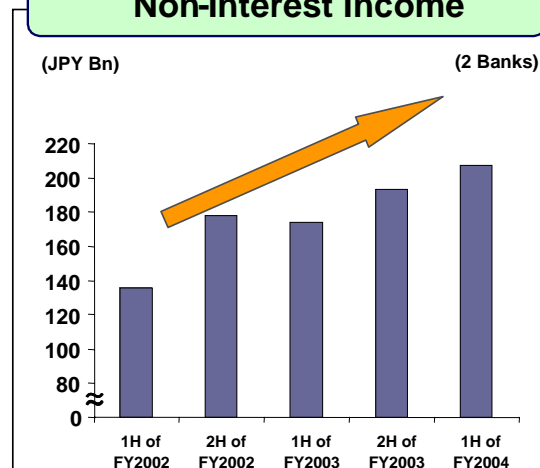
Loan Balance



Interest Margin



Non-Interest Income



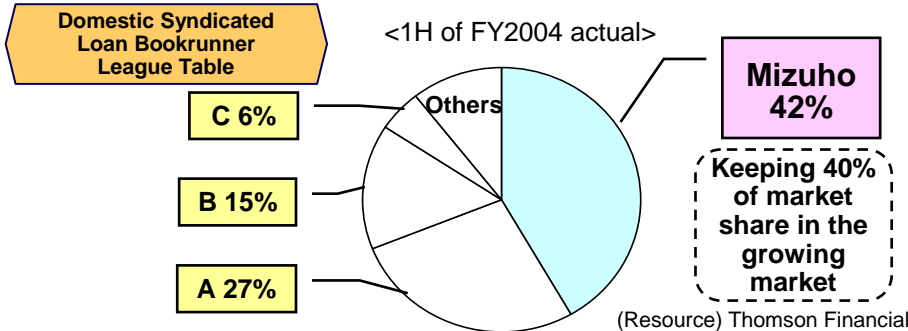
A New Phase in Management Strategies

Management Vision in the New Phase

Enhance Top-Line Growth - Increase Profits from Customer Groups-

Wholesale Market

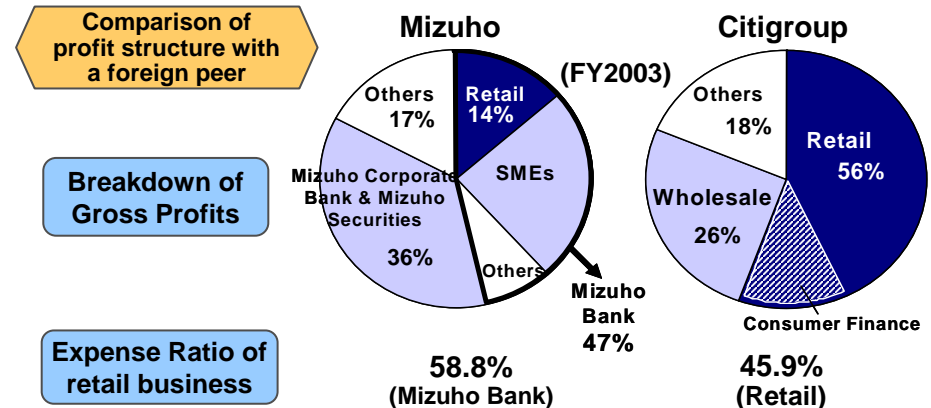
- Already established corporate customer base
 - Mizuho's corporate customers: 70% of listed companies
 - Mizuho is main bank for 40% of them
 - No. 1 market share in domestic syndicated loan market



- Further leverage current customer base to enhance profitability
 - Focus on securities and investment banking business

Retail & SME Market

- Establish a business model to enhance profitability
 - Retail: Retain existing customers and attain new customers through various alliances
 - SMEs: Enhance market share for loans to Middle Credit Risk Corporations and Small Corporations



Further Reduce Costs through Business Process Reengineering

Effect of IT Systems Integration

- Realize cost-cutting effect after the completion of IT systems integration in Mizuho Bank

Business Process Reengineering

- Improve customer service and reduce costs through promotion of business process reengineering after the completion of IT systems integration

II. Strategic Focus in the New Phase

Strategic Focus and Measures

Retail Market

- Enhance Profitability of “Mass-Retail Transactions”
- Strengthen Loan Business for Individuals
- Strengthen Housing Loan Business
- Promote Business with Enhanced Consulting Functions

Small and Medium-sized Enterprise (SME) Market

- Increase Loans to Middle Credit Risk Corporations and Small Corporations

Securities and Investment Banking (IB) Business

- Strengthen Group Synergy and Alliances with Other Companies

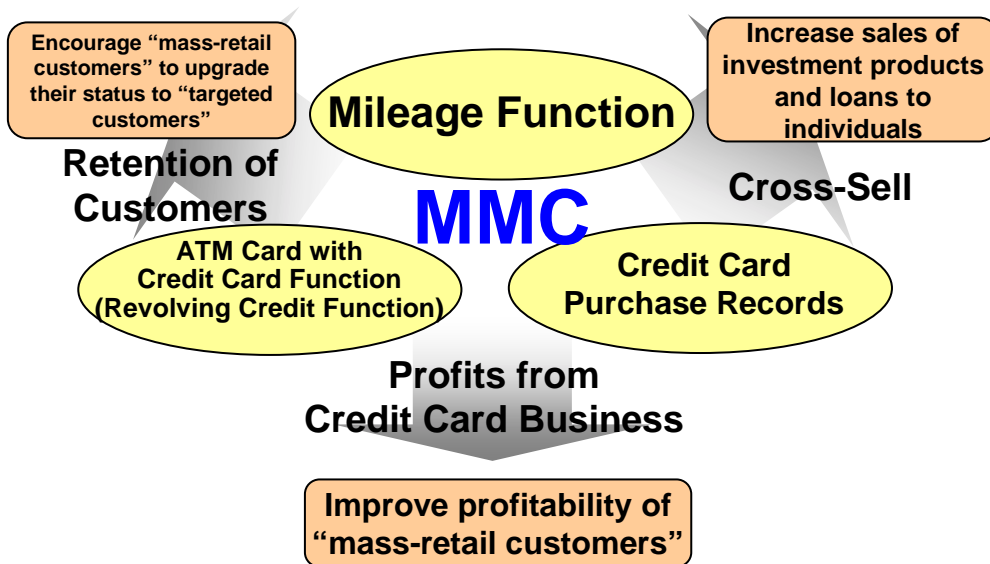
Trust Business

- Expand Trust and Asset Management Business

Enhance Profitability of “Mass-Retail Transactions” (Mizuho Mileage Club)

Introduce A New Membership Service Platform - ATM Card with Credit Card Function without Annual Fee

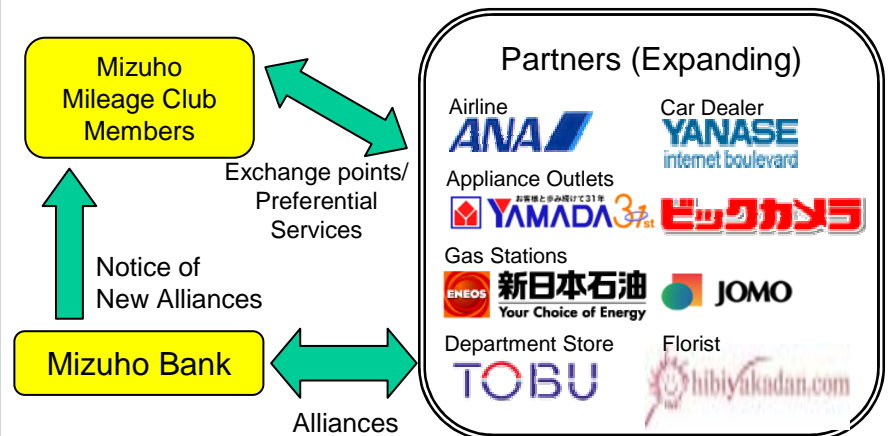
Mizuho Mileage Club (MMC)



- Offer mileage points that can be accumulated for an indefinite period, which can be used to obtain preferential pricing on deposits and loans, by banking transactions and credit card usage
- Enhance data-based marketing by sharing customer's credit card purchase records
- Share profits fifty-fifty from credit card business with credit card companies

Upgrade Services and Functions of MMC

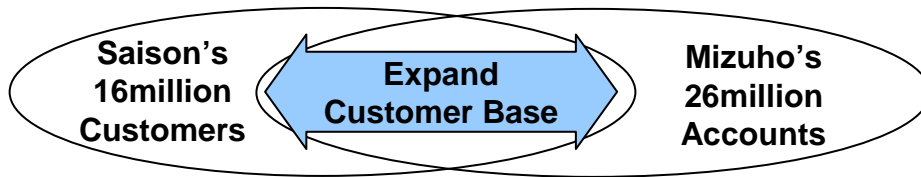
- Introduction of new revolving credit function* (Nov. 2004)
 - * Customers may choose the upper limit of monthly payments
- Internet services exclusive to MMC members - Account Aggregation** (Nov. 2004)
 - ** Customers are able to check their deposits, investment trusts and credit-card accounts on one screen on the internet
- Introduction of services from corporate partners (Feb. 2005)
 - Increase membership and facilitate credit card usage by providing high quality services



Enhance Profitability of “Mass-Retail Transactions” (Business Alliance with Credit Saison)

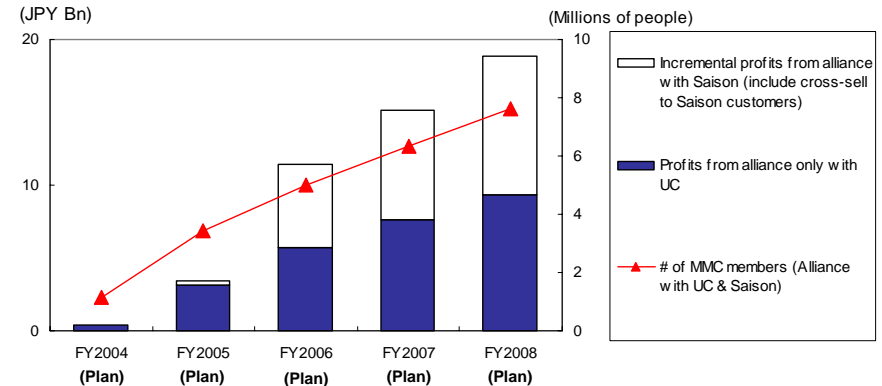
Further Expand Credit Card Business through Enhancing Brand Power and Opening Each Other’s Customer Base

Plan to market Mizuho products to over 16 million Credit Saison (Saison) customers



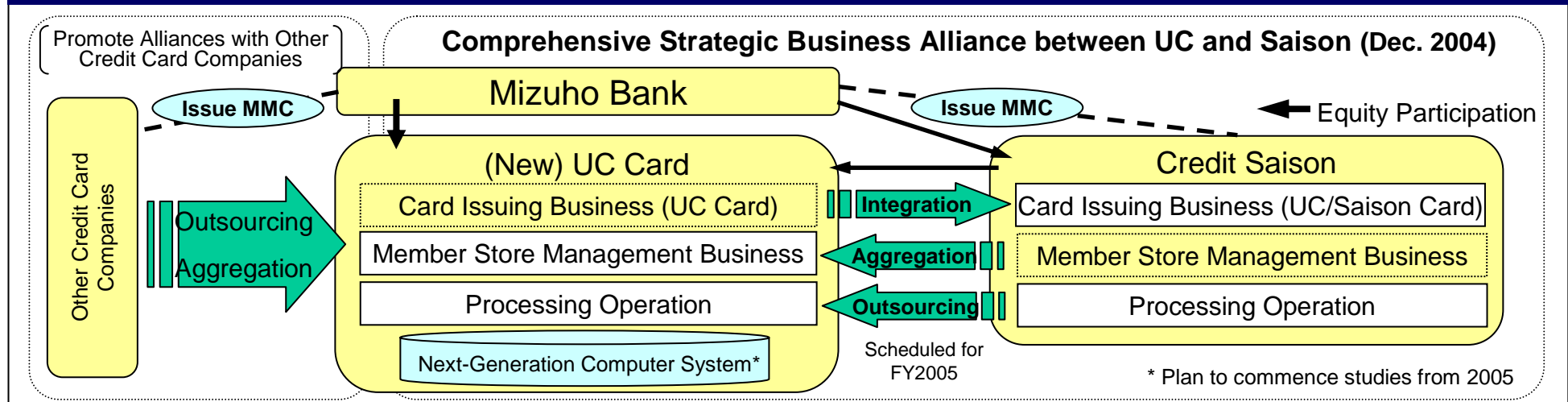
MMC (Saison Card)/New Products and Services through this Alliance

Increase Number of Members and Profits* of MMC through the Alliance with Saison



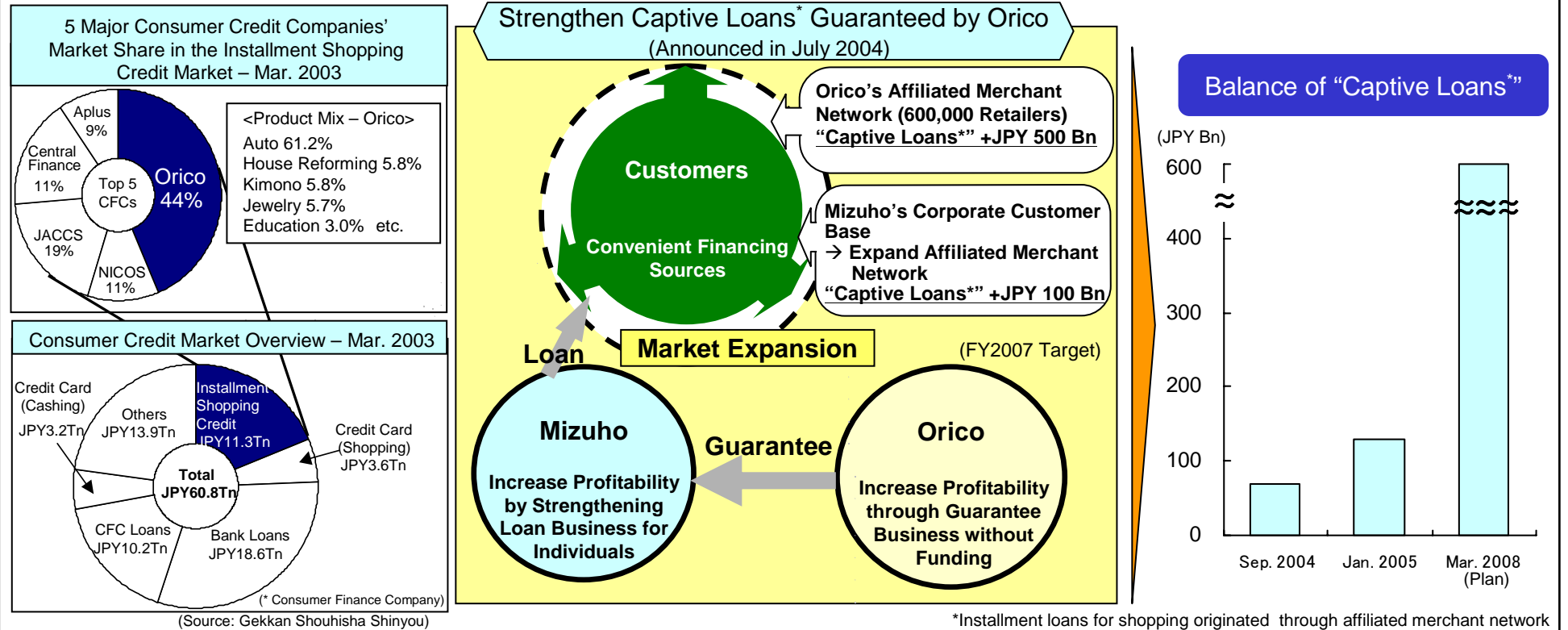
*Mizuho Bank’s Gross Profits from credit card business (Including profits from cross-selling of Mizuho’s products)

Reorganize Credit Card Business through Comprehensive Strategic Business Alliance with Saison



Strengthen Loan Business for Individuals (Business Alliance with Orient Corporation)

Strengthen Loan Business for Individuals through Orico's Affiliated Merchant Network



Utilize Orico's Underwriting, Loan Collection and Marketing Capabilities

New loan card for individuals "Mizuho Orico Loan Card" to be released in FY2005

Transfer unsecured loan guarantee business from UC Card to Orico

Leverage Alliance between Orico and ITOCHU Corp.

ITOCHU Corp. plans to acquire 21% of Orico's ordinary shares (JPY 24.3 Bn of 3rd party allotment and approx. JPY 24 Bn of existing shares) and preferred shares (face value of JPY 20 Bn)

Strengthening of retail business by providing Orico's affiliated merchants and individual customers with more products and services by ITOCHU Corp.

Strengthen Housing Loan Business

Further Strengthen Housing Loan Business by Revision of Underwriting Process and Distribution Network and Reinforcement of Housing Loan Products

Flexible Response to Customers' Needs

Revision of Underwriting Process and Distribution Network

- Target: same day response for 80% of applications
- Introduce scoring model
- Increase Housing Loan Centers to 100 by FY2005

Introduction of Competitive Products and Pricing

Special Pricing Campaign

- Offer special pricing with limited period and amount to maintain certain market share in the housing loan market
 - Offer special pricing for loans whose interest rate risks can be covered in the financial market
- (For ultra-long term housing loans, offer securitization type housing loans (see below))

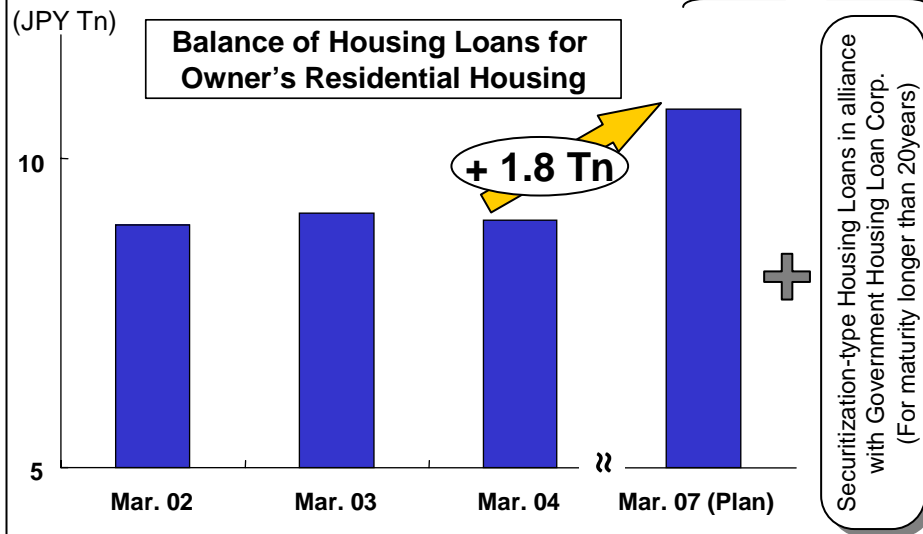
Promote Securitization-type Housing Loans in Alliance with Government Housing Loan Corp.

Government Housing Loan Corp. will be transformed into an independent agency supporting securitization of housing loans → Further contraction of market share

- Increase Mizuho's share by strengthening business for securitization-type loans
 - Develop the securitization market and establish business model for fee businesses
- Long-term (over 20 years) fixed interest rate: 2% range
 - Mizuho promotes securitization-type housing loans while other banks focus on promoting their own booked loans

→ Originations are increasing steadily

	1Q of FY2004	2Q of FY2004	3Q of FY2004	From Jan. to Feb. 2005	Applications under review (as of the end of Feb. 05)
Origination Amount (JPY Bn)	1.1	2.3	10.9	11.8	57.9



Promote Business with Enhanced Consulting Functions

Increase Sales of Investment Products through Enhancement of Consulting Functions to "Targeted Customers"

* Assets under Management

Reassembling of Private Banking (PB) Strategies

Reinforce Customer Relationship through Total Wealth Management (lifetime asset management)

- Clarify target customers and increase the number of PB staff
 - Focus on owners and executives of companies, and landlords in Tokyo, Kanagawa, and Osaka
- Enhance group approach to meet customers' increasingly sophisticated needs
 - e.g. Real estate consulting services for landlords through alliance with Mizuho Trust & Banking
- Provide direct brokerage services upon deregulation of securities brokerage
 - e.g. Alliance with Mizuho Investors Securities

Early Establishment of Consulting Services

- Consulting Counters
 - Install consulting counters in 250 branches by FY 2005
- Financial Consultants (FCs): 2,000 FCs in FY2005
 - Current Number of FCs: 684 (Dec. 2004)
 - Recruiting 500 consultants through FY2004 and FY2005
 - Fostering FCs speedily
- Plan to open branches specializing in consulting services

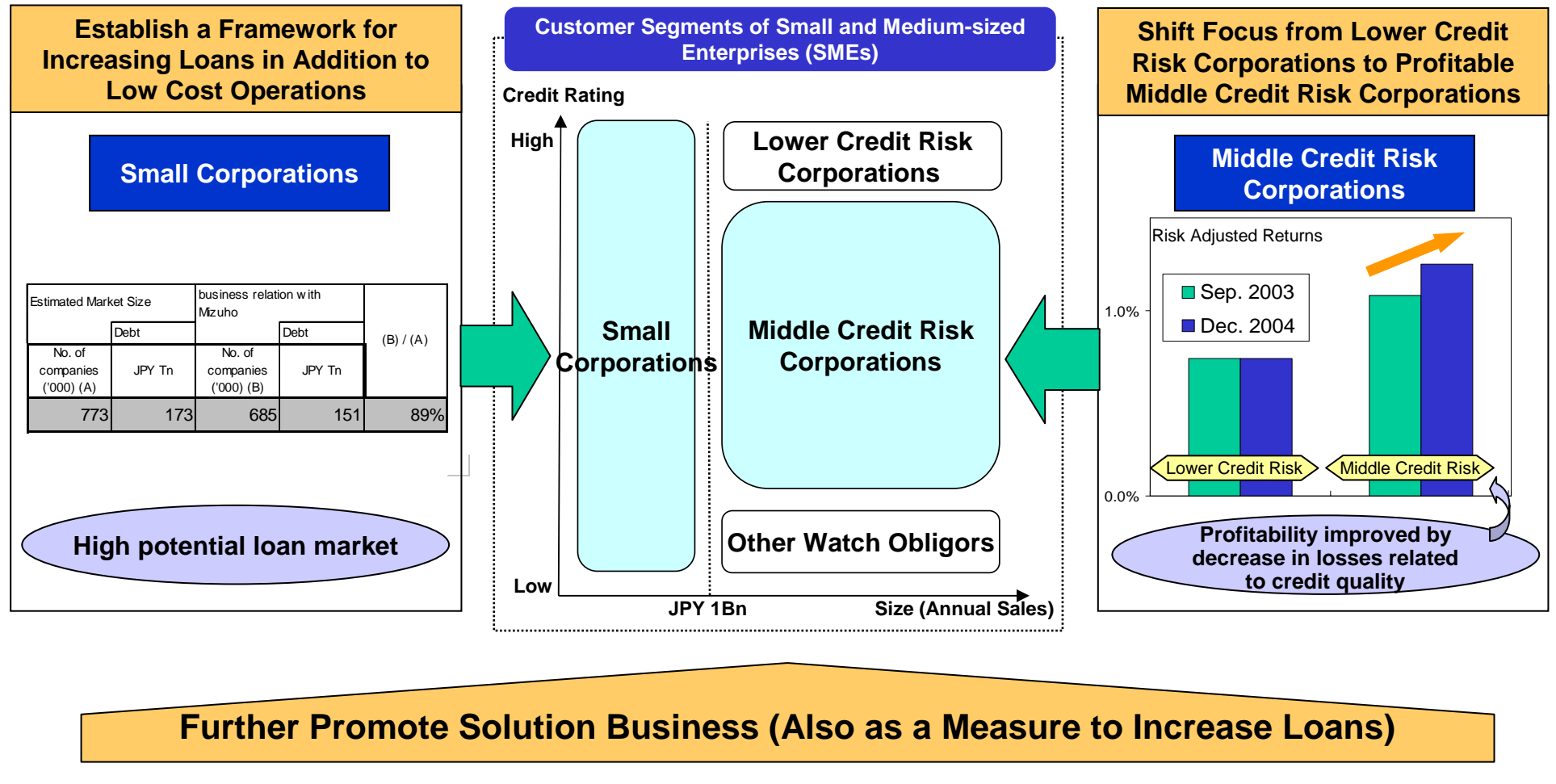
Plan for Balance of Investment Products

(JPY Tn)

Product	FY2003	FY2006(Plan)
Individual Annuities	~0.2	~0.5
Investment Trusts (excluding MMF & Medium-term Gov. Bond Funds)	~0.5	~2.0
Foreign Currency Deposits	~0.8	~1.6
Total	~1.5	~4.1 (+2.6)

Increase Loans to Middle Credit Risk Corporations and Small Corporations

Focus on Middle Credit Risk Corporations with Improved Profitability and Small Corporations with High Potentiality of Business



Increase Loans to Middle Credit Risk Corporations and Small Corporations

Strategies for Middle Credit Risk Corporations

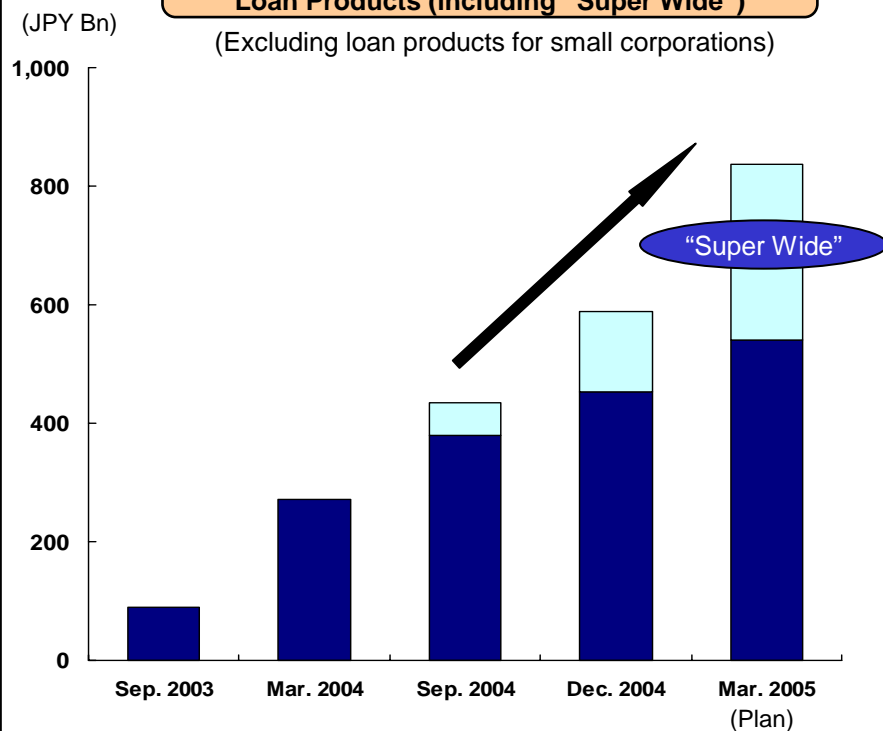
Introduction of "Preauthorized Business Direction to Each Customer" and increase share of loans for each customer

Speeding up of approval process and enhancement of screening skills specialized for SME-specific industries

Launch of new loan product "Super-Wide"

Focusing on creating business with new customers

Accumulated Origination Amount of Unsecured Loan Products (including "Super Wide")
(Excluding loan products for small corporations)



Strategies for Small Corporations

Establishment of low-cost sales channels designed for the high potential market of small corporations

Plan of Number of Centers and Staff of Business Finance Centers (BFCs)

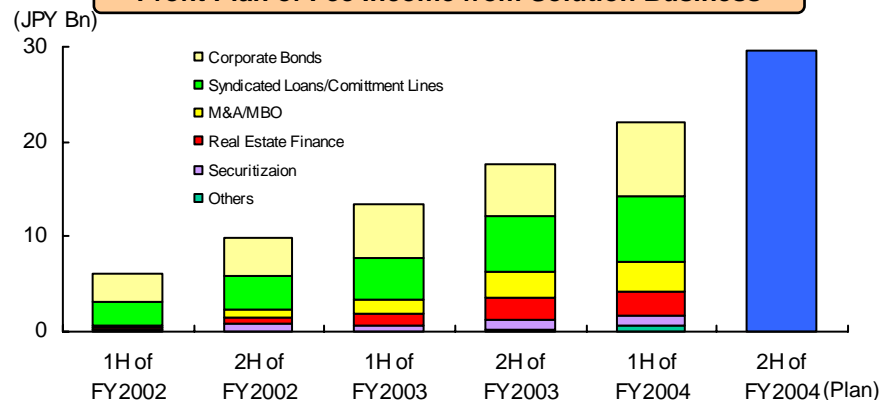
	Mar. 2004	Dec. 2004	Mar. 2006 (Plan)
No. of Centers	11	19	100
BFC Branches	11	19	40
BFC Sales Offices	-	-	11
Representative Offices located at Mizuho Bank	-	-	49
No. of Staff	150	260	600

- Mizuho Retirees: 170
- Retirees from Credit Associations (Shinkin Banks) and Credit Unions: 290
- Part-timers, etc: 140

Promotion of Solution Business

Establish Solution Business Support Team with 300 Staff in HQs

Profit Plan of Fee Income from Solution Business



Current Status of Securities and IB Business

Need to Strengthen Equity Business

(Fixed Income) Domestic Straight Bonds League Table (From April to December 2004)

		Amount (JPY Bn)	Share (%)
1	Nomura	1,213	19.0
2	Mizuho Sec.	1,200	18.8
3	Daiwa SMBC	1,129	17.6
4	Nikko Citigroup	864	13.5
5	Mitsubishi Sec.	520	8.1

(Except for subsidiary debt issue, self issue and retail targeted, launch date basis)

(IB) M&A Advisory Ranking (From January to December 2004)

		Deals	Amount (USD Mn)
1	Mizuho*	108	9,166
2	Nomura	104	25,031
3	Daiwa SMBC	80	18,035
4	Mitsubishi Tokyo	61	6,424
5	Nikko Cordial	55	505

*Including Mizuho Securities, Mizuho Corporate Bank, Mizuho Bank, Mizuho Investors Securities, and Mizuho Corporate Advisory (Deals completed, Japanese target, any acquirer)

(IB) ABS Bookrunner League Table (From April to December 2004)

		Amount (JPY Bn)	Share (%)
1	Shinsei	312	24.6
2	Mizuho Sec.	274	21.6
3	Merrill Lynch	194	15.3
4	Nomura	189	14.9
5	Lehman	96	7.6

(Domestic public offering bonds, Domestic private placement bonds, and Euro bonds)

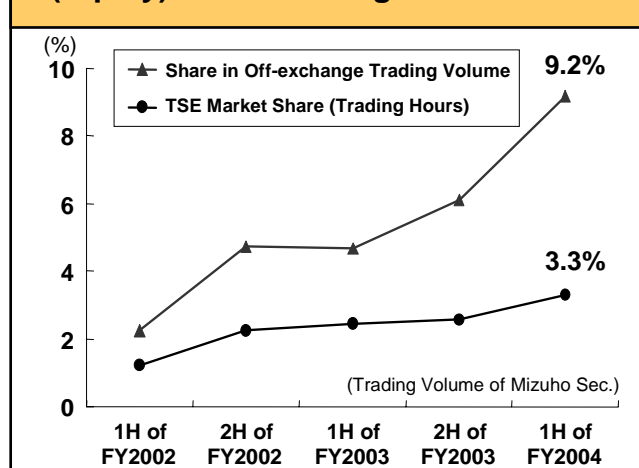
(Equity) Domestic Equity League Table (Total of IPO/PO/CB/REIT, From April to December 2004)

		Amount (JPY Bn)	Share (%)
1	Nomura	677	23.2
2	Daiwa SMBC	578	19.8
3	Nikko Citigroup	506	17.3
4	Mitsubishi Sec.	180	6.1
5	Mizuho Sec.	161	5.5
6	Shinko	140	4.8

(Equity) IPO League Table (From April to December 2004)

		Amount (JPY Bn)	Share (%)
1	Nomura	252	26.0
2	Nikko Citigroup	153	15.8
3	Daiwa SMBC	133	13.8
4	Shinko	59	6.1
5	Mizuho Sec.	50	5.2

(Equity) Stock Trading Volume Share



(Resource) IN Information Center, Thomson Deal Watch, etc.

Strengthen Group Synergy and Alliances with Other Companies

Wholesale Market (Mizuho Securities)

Pursuit of Group Synergy

- Further Strengthen Cooperation with Mizuho Corporate Bank
- Further Promote Cooperation with Shinko Securities focusing on equity underwriting

Alliances with Other Companies

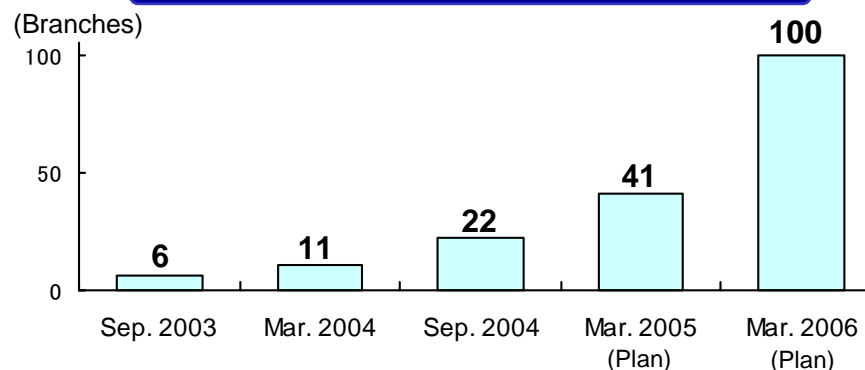
- Business Alliance with Nikko Cordial Corporation and Nikko Cordial Securities (Jan. 2005)
 - Promotion of cooperation in equity underwriting
- Enhancement of Alliance with Norinchukin Group
 - Business transfer of Norinchukin Securities and establishment of JA Sales Department in Mizuho Securities to strengthen product sales to Japan Agricultural Co-operatives (Mar. 2004)
 - Third party allotment of capital of JPY 74.9Bn to Norinchukin (Sep. 2004)
- Business Alliance with Monex Beans Group (Aug. 2004)
 - Expansion of sales channel to retail customers utilizing on-line trading
 - Sales commission for IPO-related equity products
- Aggressive Approach toward Securities Brokerage Business
 - Expansion of sales channels through alliances with regional banks
e.g. Hiroshima Bank, Chugoku Bank

Retail Market (Mizuho Investors Securities)

Pursuit of Group Synergy

- Further Strengthen Cooperation with Mizuho Bank
 - Accelerate deployment of joint branches
 - Accelerate deployment of securities consulting booths in lobby of Mizuho Bank's branches ("Planet Booth"), targeting 100 branches within FY2005
 - Increase the number of IPO bookrunner deals through cooperation with Mizuho Bank
 - Promote business cooperation in securities brokerage business for targeted customers for private banking
 - Offer preferential commission fee for Mizuho Mileage Club members
 - Promote personnel exchange program

Joint Branches with Mizuho Bank

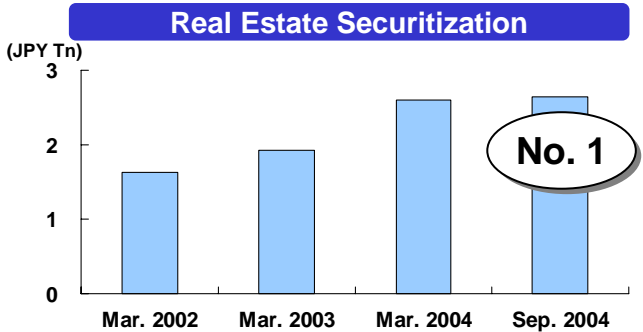


Expand Trust and Asset Management Business

Focus on Growing Business Areas

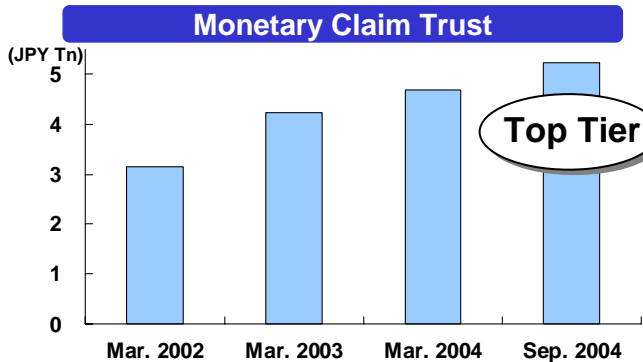
Real Estate Business

Enhance marketing capabilities by increasing headcount and by utilizing affiliated real estate companies



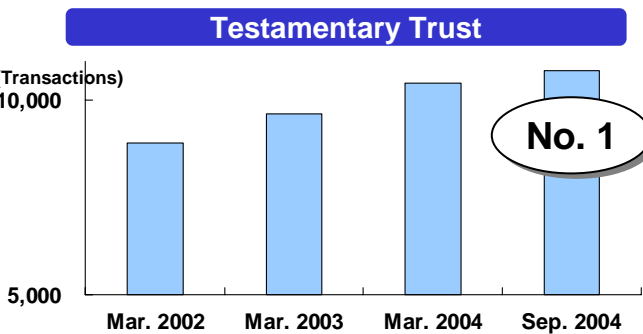
Securitization Business

Develop new products and deploy new businesses



Business related to Inheritance and Testament

Strengthen life-long services from asset management to settlement of inheritance assets



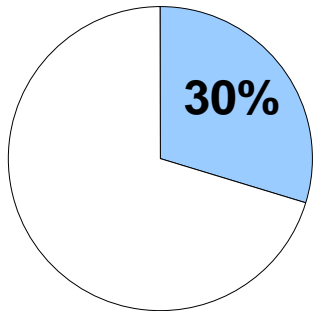
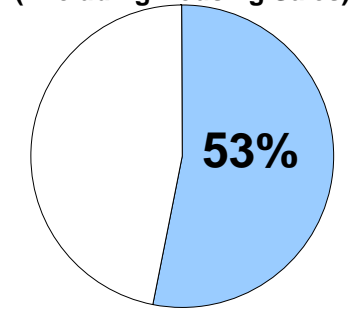
Pursue Group Synergy

- Utilize trust banking agent functions/ Deploy joint branches with Mizuho Bank
- Promote cooperation with group companies (Personnel exchange program, etc.)

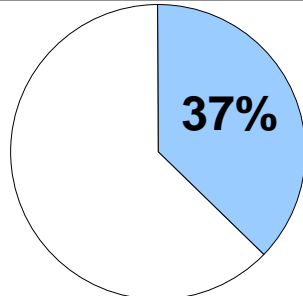
Results of Group Synergy in 1H of FY2004

Gross Profits from Real Estate Business (Excluding Housing Sales)

Amount of Monetary Claim Trust



[# of Testamentary Trust and Processing]



(% shows the ratio of transactions obtained through Mizuho Bank and Mizuho Corporate Bank to entire transactions)

III. In Closing

At present, Mizuho already has a sufficient business base and full financial service functions within the Group

Huge domestic customer base <Our challenge is to take full advantage of this base>

**Capabilities to provide comprehensive financial services of the Group
(e.g. securities, trust, credit card)**

*Toward a new stage: competition on the speed at which profitability is enhanced
- Lead Mizuho by leveraging
a "sense of crisis" for new competition -*

Carry out measures to enhance top-line growth promptly and steadily

Establish business models in focused business areas (e.g. retail, SMEs) in preparation for a change of the zero-interest rate policy

Pursue synergy utilizing Mizuho's huge domestic customer base

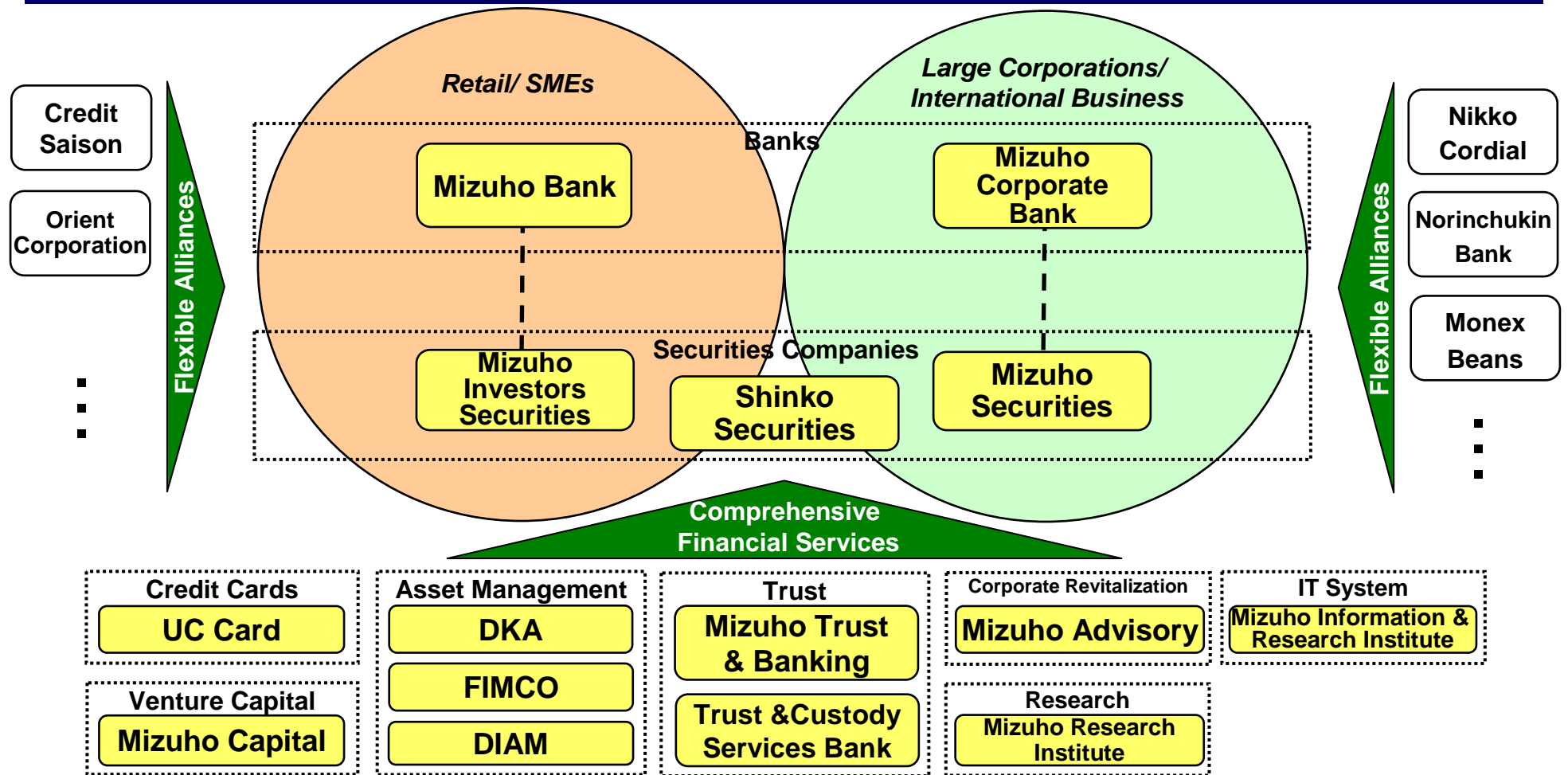
**Form and utilize flexible "business alliances" with companies outside the banking business
(e.g. consumer credit, credit card, securities)**

Realize more benefits of the consolidation through further streamlining of operations

Pursue Group Synergy and Flexible Alliances

Pursuit of Group Synergy Utilizing Huge Customer Base in Japan and Comprehensive Financial Service Functions within the Group

Flexible and Speedy Alliances with Companies Outside the Banking Business



Mizuho's statements contained in this material of the current expectations are forward-looking statements subject to significant risks and uncertainties, and actual results may differ materially. 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, further declines in the value of equity securities or real estate, further deterioration of the quality of loans to certain industry sectors and the effect of new legislation or government directives.