

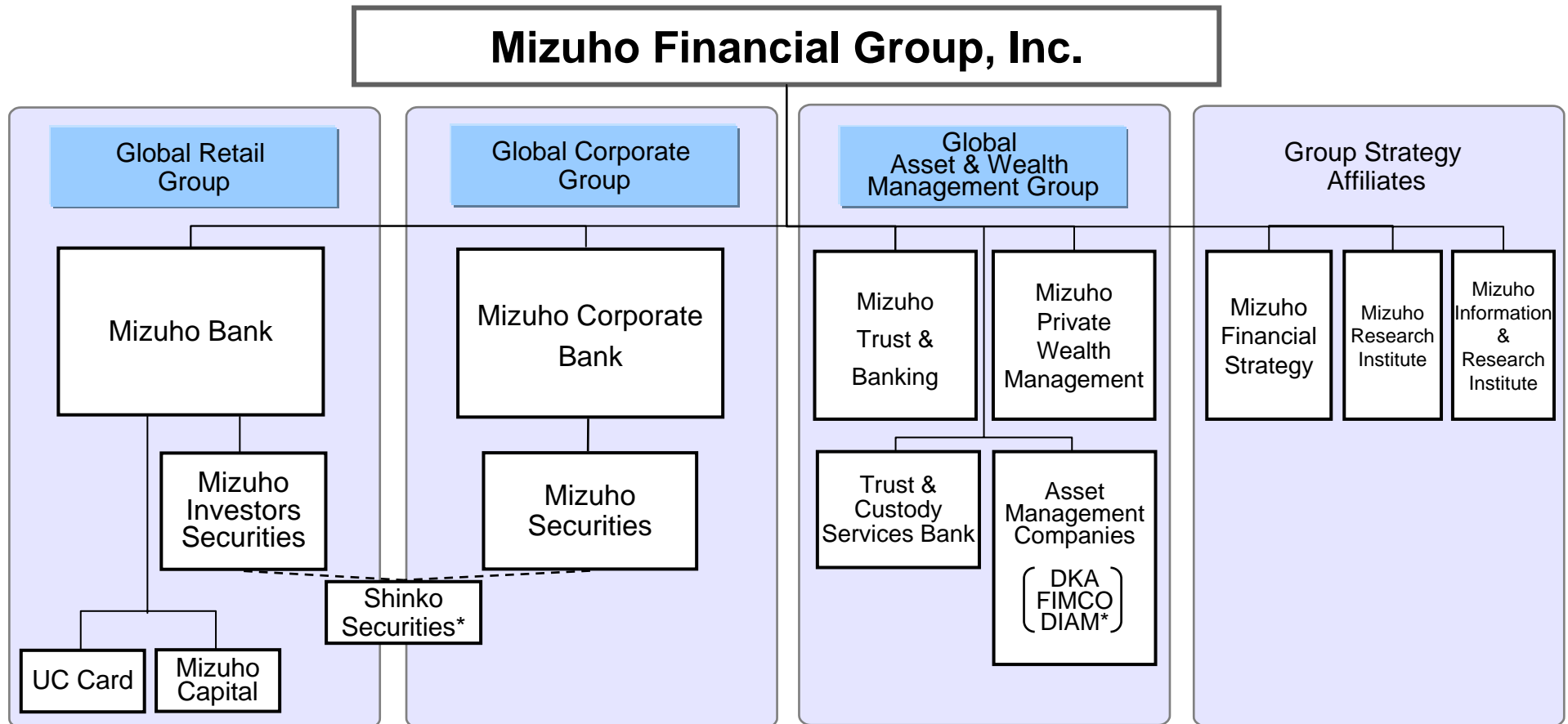
CLSA Japan Forum 2006

February 2006

Mizuho Financial Group

Definitions

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



Shinko Securities*

*An affiliate under equity method

A New Phase in Management Strategies

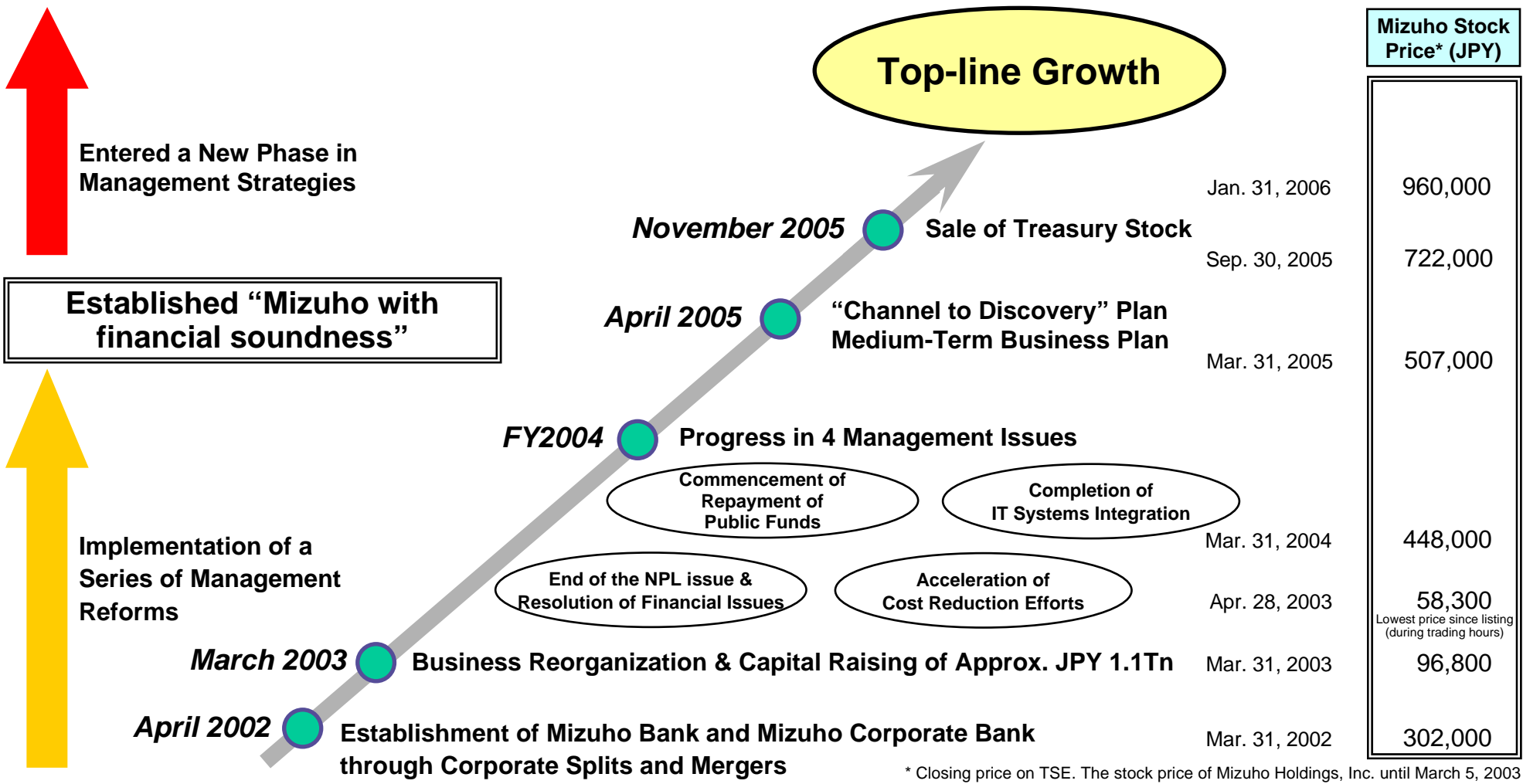
Enhancement of Top-line Growth ~ Retail Strategies ~

Capital Management

In Closing

A New Phase in Management Strategies

- Management focus shifted to “top-line growth” and “disciplined capital management” on the back of “financial soundness”

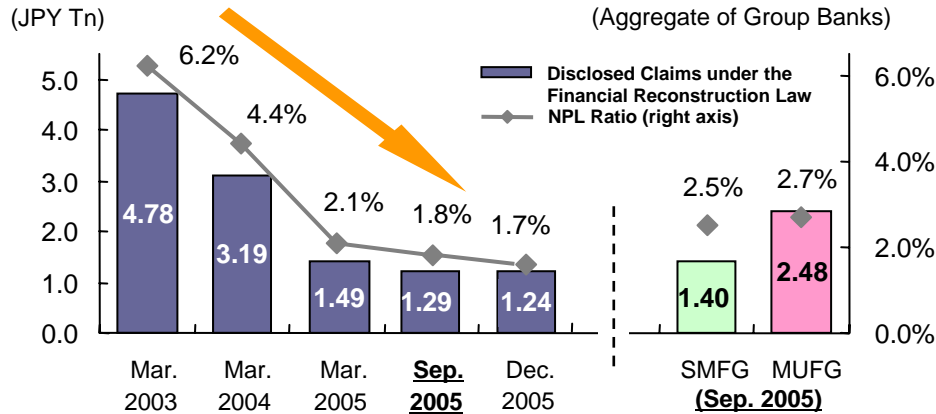


* Closing price on TSE. The stock price of Mizuho Holdings, Inc. until March 5, 2003

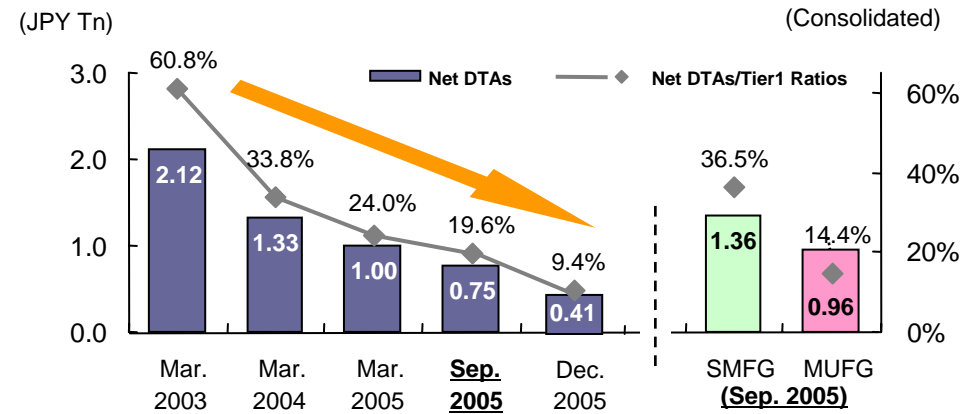
■ Established a top level financial strength among Japanese Mega Banks

NPL Balance

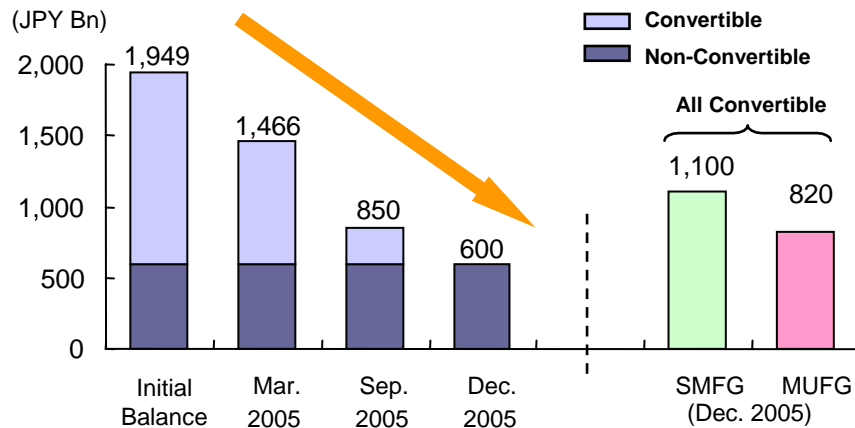
(Disclosed Claims under Financial Reconstruction Law)



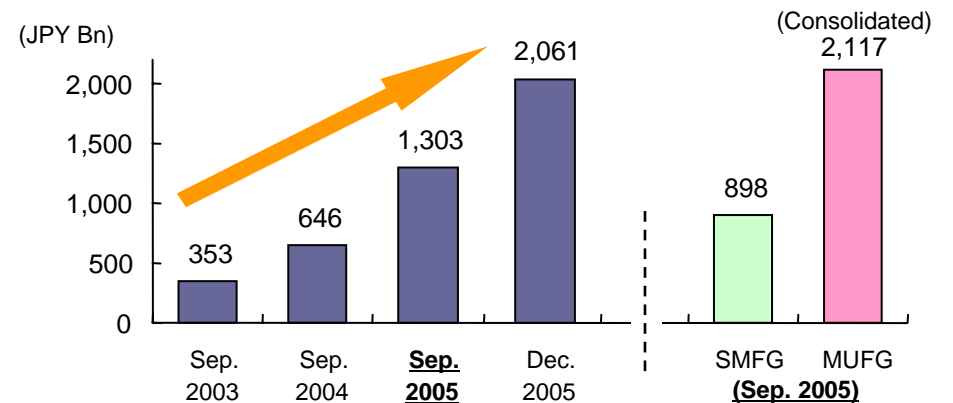
Net Deferred Tax Assets (DTAs)



Preferred Shares of Public Funds



Unrealized Gains on Other Securities*



* The base amount to be recorded directly to Shareholders' Equity

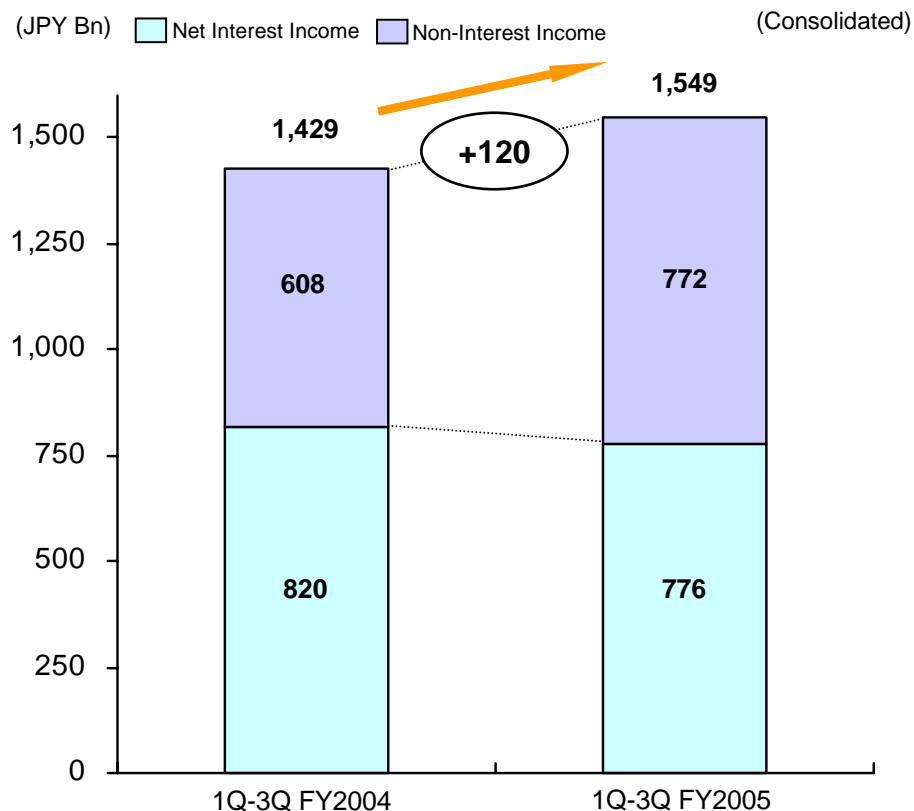
(Source) Bank Disclosures

Enhancement of Top-line Growth

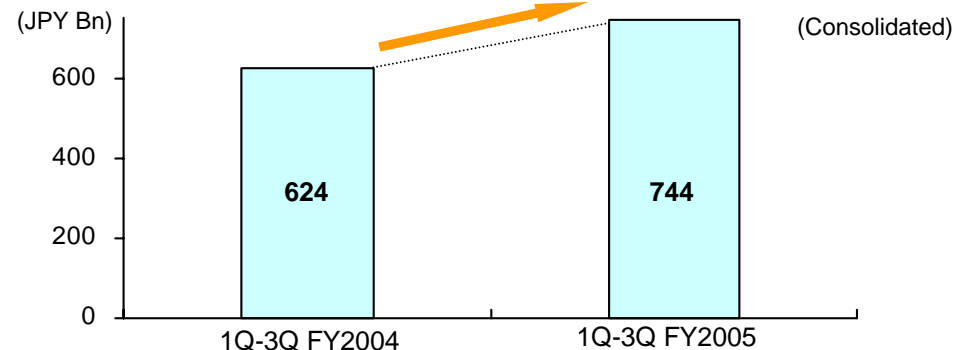
Increasing Earnings at the Third Quarter of FY2005 (Apr.1~Dec.31,2005)

Consolidated Gross Profits increased by JPY120Bn from the same period of FY2004

Consolidated Gross Profits



Consolidated Net Business Profits *



Summary of 1Q-3Q of FY2005

(JPY Bn , Consolidated)	1Q-3Q FY2005	Changes from 1Q-3Q FY2004
Consolidated Gross Profits	1,549	+120
G&A Expenses	-817	+21
Consolidated Net Business Profits *	744	+119
Credit Costs	52 **	+92
Ordinary Profits	745	+278
Net Income	581	+243 ***

* Consolidated Gross Profits + G&A Expenses (Excluding Non-recurring Losses)+ Equity in Income from Investments in Affiliates and other consolidation adjustments

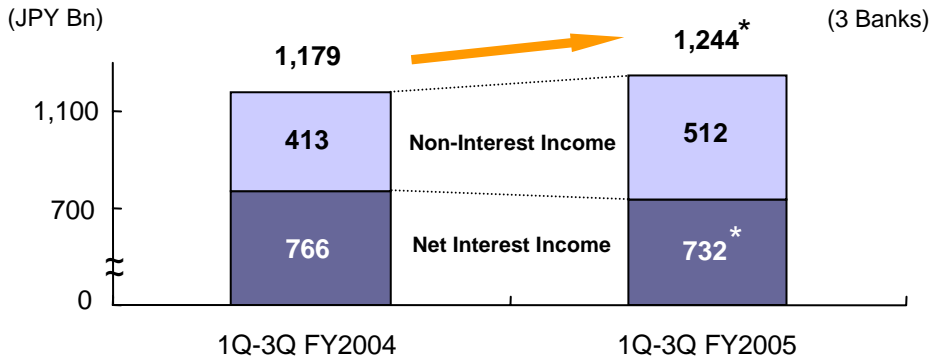
** Credit Costs is a gain of JPY52Bn due to decreases in costs related to write-offs and reversal of reserves

*** Excluding special factor of Supreme Court's judgment regarding CB's write-off of credits against Japan Housing Loan, Inc. from 1Q-3Q of FY2004

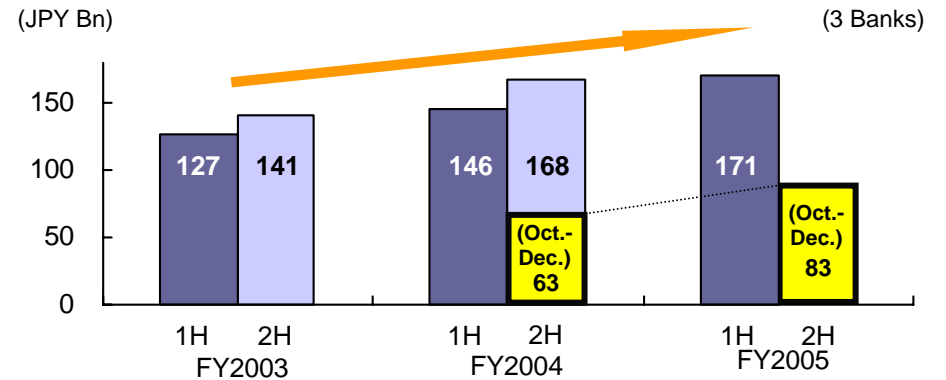
Increasing Earnings in the New Stage of Growth

- Gross Profits increased mainly due to the strong growth in Non-Interest Income
- Loan balance hit the bottom and started to grow even in the domestic market

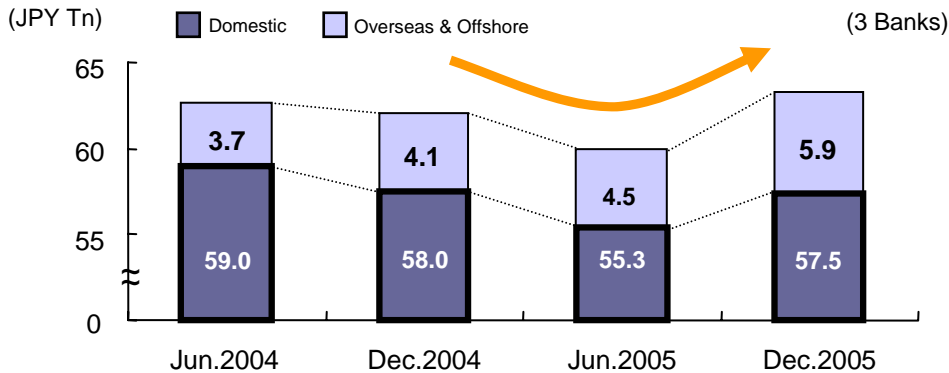
Gross Profits



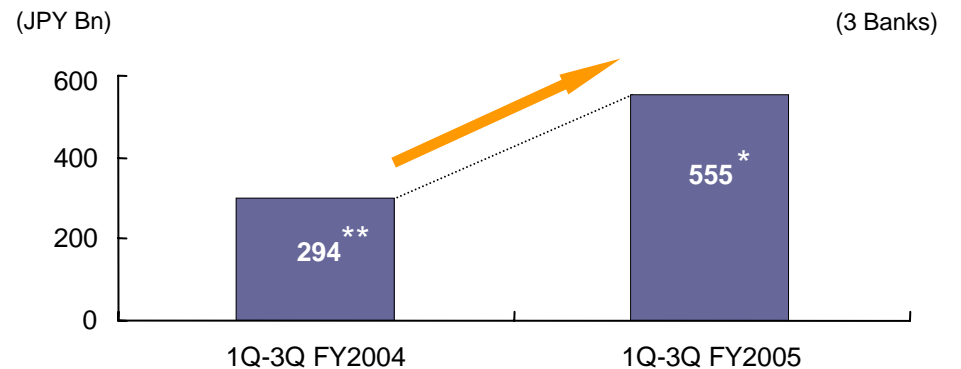
Net Fee and Commission Income



Loan Balance (Excluding trust account)



Net Income

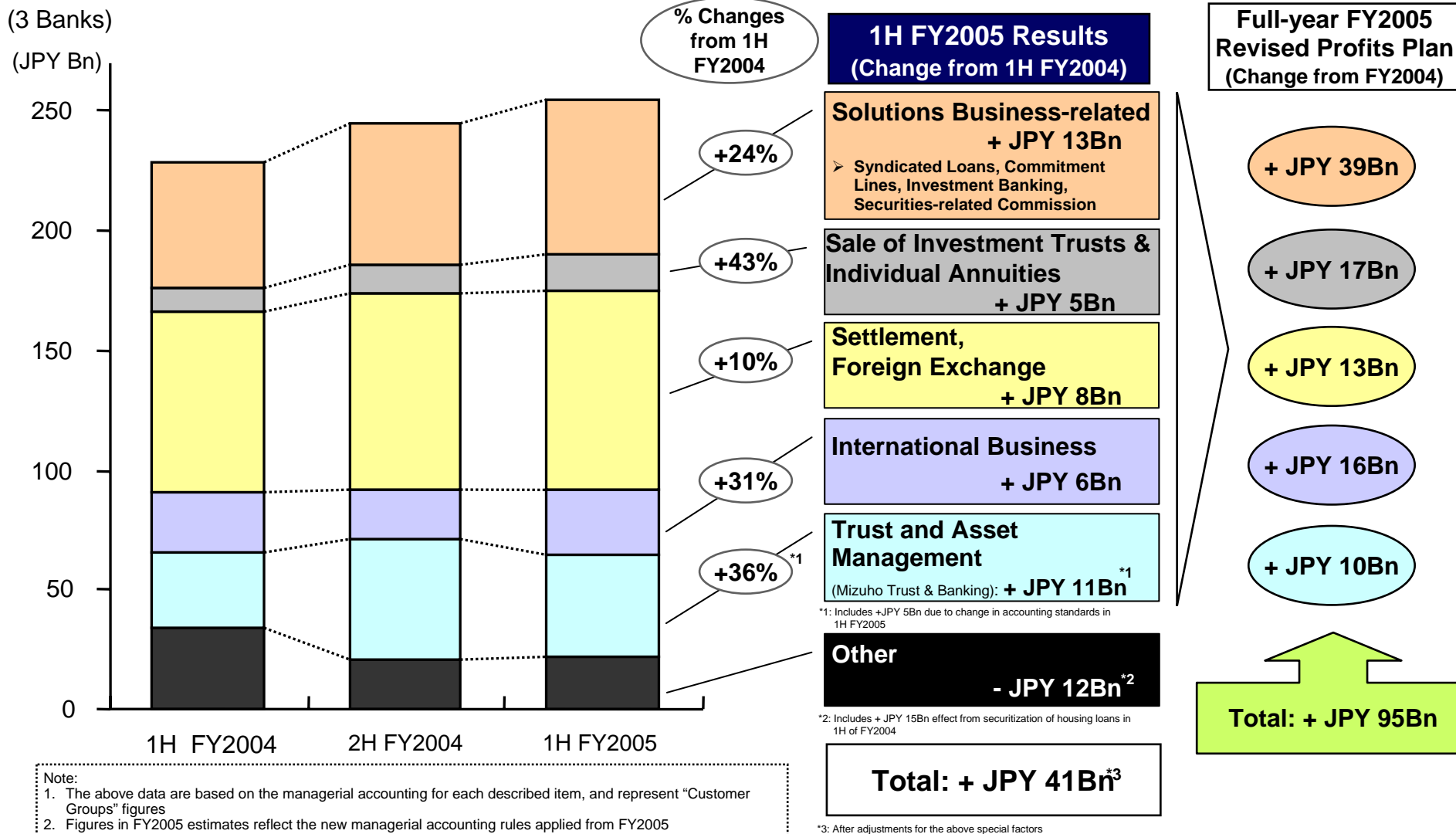


* Excluding dividends from the financial subsidiaries for corporate revitalization

** Excluding special factor of Supreme Court's judgment regarding CB's write-off of credits against Japan Housing Loan, Inc.

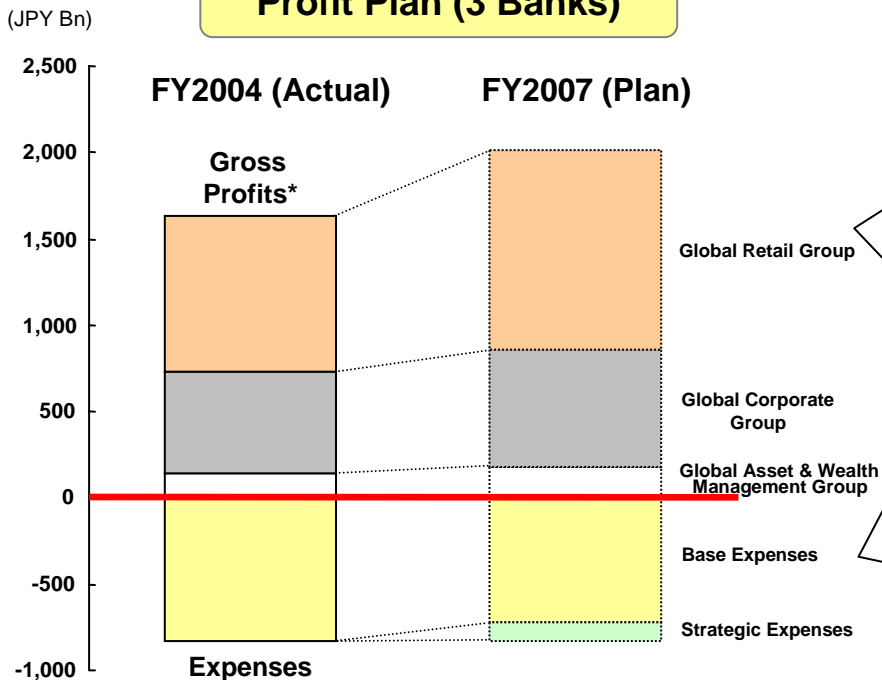
Increasing Non-Interest Income from Customer Groups

■ Key drivers for the growth come from solutions, retail and international businesses



- Further increase top-line earnings by investing management resources into the retail banking business and other areas of growth

Profit Plan (3 Banks)



■ Gross Profits: +JPY 380Bn, 23% increase

(FY2007(plan) over FY2004(actual))

- **Global Retail Group**
 - Gross Profits: +JPY 250Bn, 27% increase
 - Expense Ratio: 61% (FY2004) → approx. 45% (FY2007)
- **Global Corporate Group**
 - Gross Profits: +JPY 100Bn, 17% increase
 - Non-Interest Income Ratio: 33%(FY2004)→approx.45%(FY2007)
- **Global Asset & Wealth Management Group**
 - Gross Profits: +JPY 32Bn, 21% increase

■ G&A Expenses: Strategic Expenses for growth will be offset by further reduction in Base Expenses

● Further reduction in Base Expenses: Approx.-JPY103Bn

(FY2007(plan) over FY2004(actual))

- Reduction in development, operating and outsourcing costs for IT systems, as a result of the IT systems integration
- **Strategic Expenses for measures to increase profits: Approx. JPY107Bn (FY2007)**
 - Establish framework for consulting businesses and reform branch network and channels
 - Expand the syndicated loan business
 - Promote IT systems investments

Expense Ratio **50.9%** → **Approx.41%**

Net Business Profits **JPY800Bn** → **JPY1,180Bn**

Consolidated Net Income **JPY318Bn**** → **JPY650Bn**

* Gross Profits before credit costs for trust accounts

** Excluding special factor of Supreme Court's judgment regarding CB's write-off of credits against Japan Housing Loan, Inc.

<Economic Assumptions>	FY2005	FY2006	FY2007
Real GDP	1.5%	1.8%	2.0%
3M TIBOR	0.09%	0.3%	0.6%
10 Year JGB (Newly Issued)	1.5%	1.8%	2.0%

Global Retail Group

Mizuho Bank

Retail Banking

Increase Profitability of “Mass-Retail Transactions”

Increase MMC membership

Strengthen Loan Business for Individuals

Increase Captive Loans and housing loans

Promote Business with Enhanced Consulting Functions

Increase sales of investment products

Strengthen Channel Network

Open approx. 100 new type (retail only) branches

Corporate (SME) Banking

Increase Loans to Middle Credit Risk Corporations

Increase loans with higher risk-adjusted returns

Increase Loans to Small Corporations

Increase loans originated through Business Finance Centers

Promote Solutions Business

Increase Non-Interest Income by enhancing solutions business

Global Corporate Group

Mizuho Corporate Bank

Expand Syndicated Loan Business

Establish a market-oriented indirect financing model

Enhance Investment Banking Business

Strengthen financing arrangements in leveraged finance for M&A, corporate revitalization, etc.

Enhance Overseas Operations

Increase Customer Base and Network

Mizuho Securities

Expand Equity Related Business

Global Asset & Wealth Management Group

Mizuho Trust & Banking

Increase Profits from Trust & Asset Management Business

Proactively allocate resources to growth areas

Pursue Group Synergies

Utilize trust banking agents

Mizuho Private Wealth Management

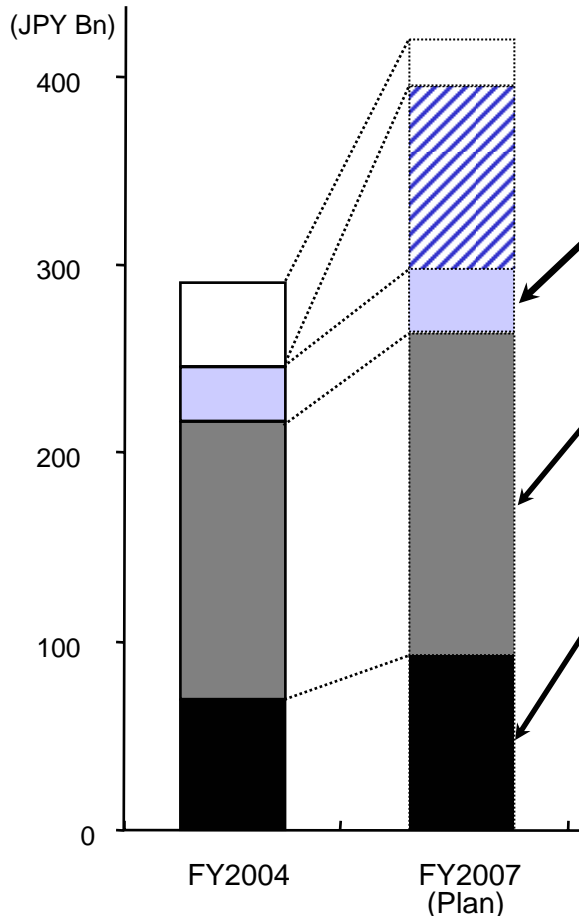
Provide Comprehensive and Integrated Services (Nov.2005~)

Established a full-fledged private banking company

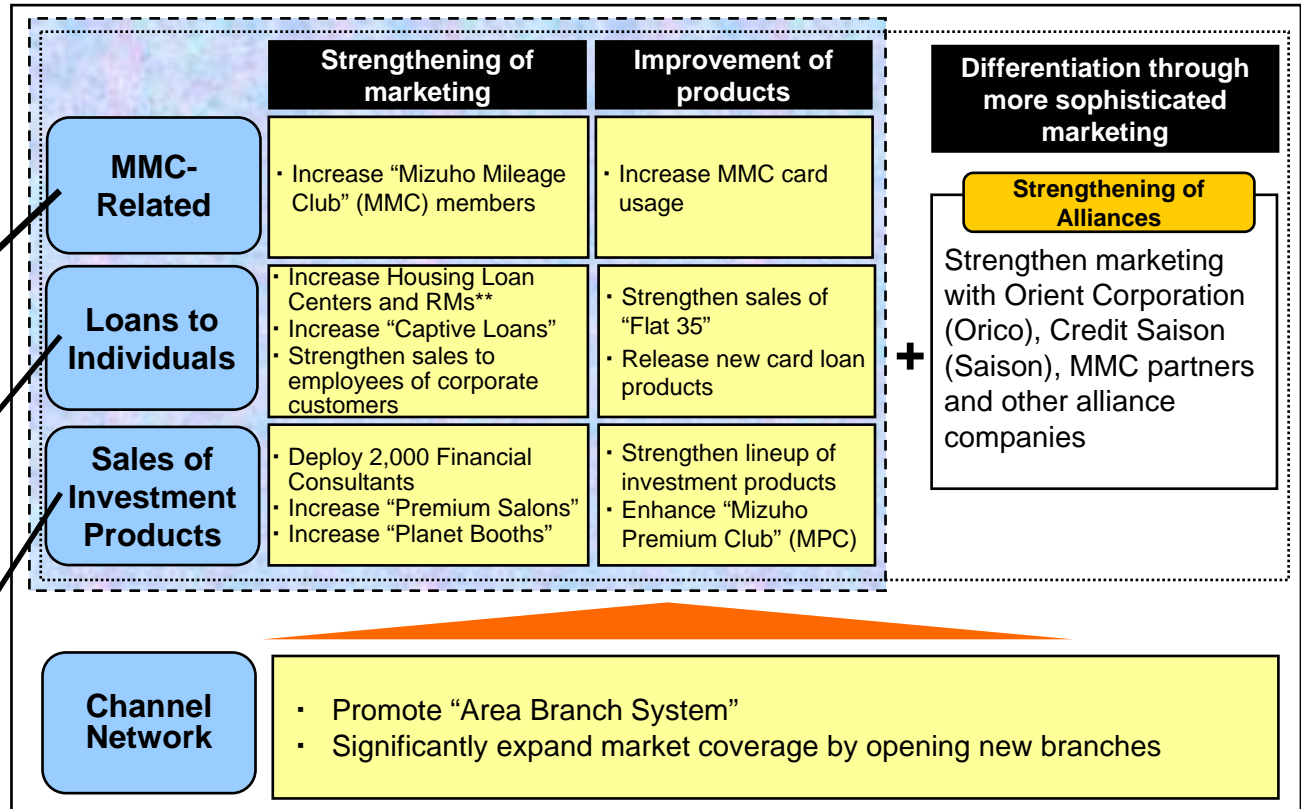
Business Strategies for Retail Banking

- **Medium-Term Plan in Retail Banking**
- **Enhancement of Profitability of “Mass-Retail Transactions” & Strengthening of Loan Business for Individuals**
- **Promotion of Business with Enhanced Consulting Functions**
- **Strengthening of Channel Network**
- **Long-Term Image of Profit Structure**

Gross Profits



The early achievement of the Medium-Term Plan



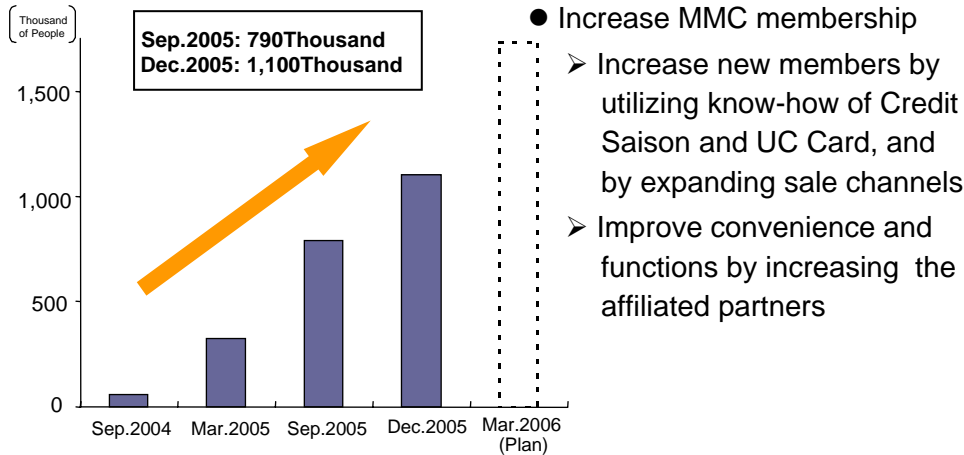
Establish medium/long-term high-profit structure
➔ Achieve sustainable competitive advantage

* FY2004 includes the special factor of income from the securitization of housing loans (JPY 15.9bn) **Relationship Management Staffs

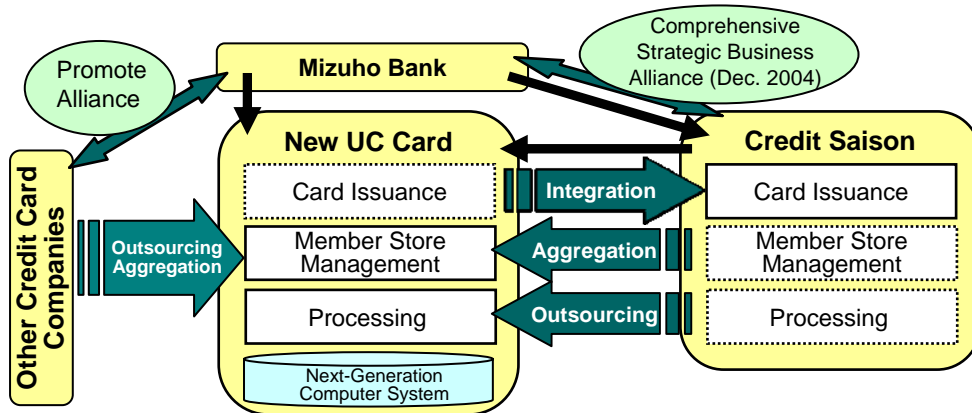
Enhancement of Profitability of “Mass-Retail Transactions” & Strengthening of Loan Business for Individuals

Mizuho Mileage Club

Number of MMC members

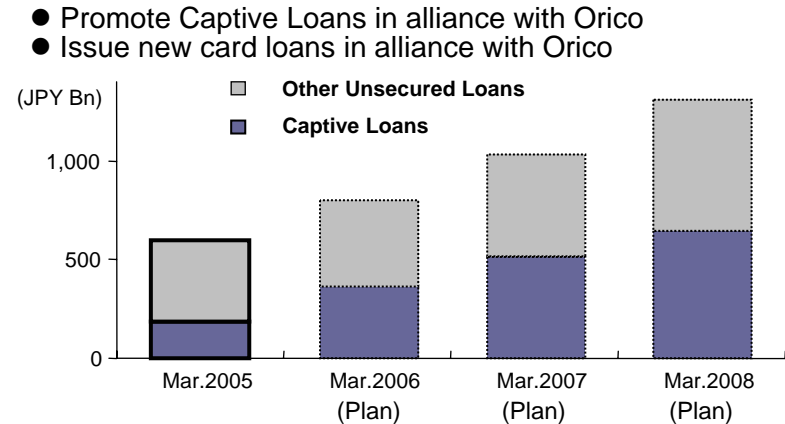


Strengthened Alliance with Credit Saison and Integration & Reorganization of Card Business



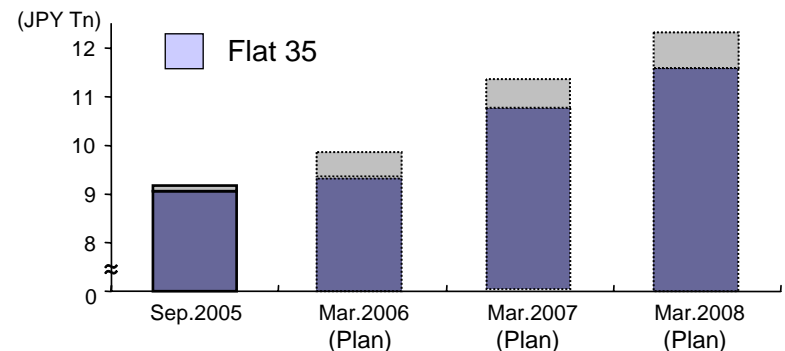
Loans to Individuals

Unsecured Loans to Individuals



Housing Loans

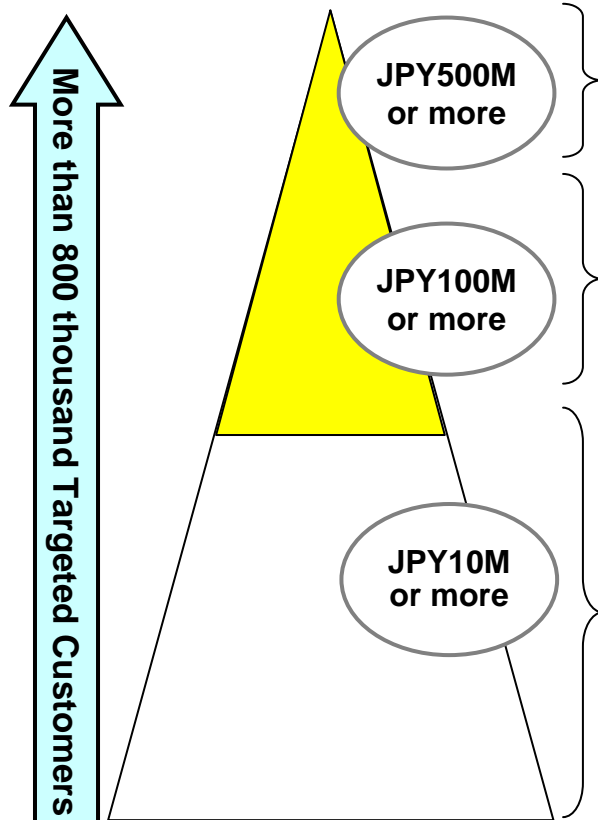
- Increase housing loans through developer channel and sales branch channel
- Promote “Flat 35”: securitization type housing loans in alliance with Government Housing Loan Corporation



Promotion of Business with Enhanced Consulting Functions

■ Focus on increasing sales of investment products by enhancing consulting capabilities to more than 800 thousand Targeted Customers

Customer Segmentation by AUM*



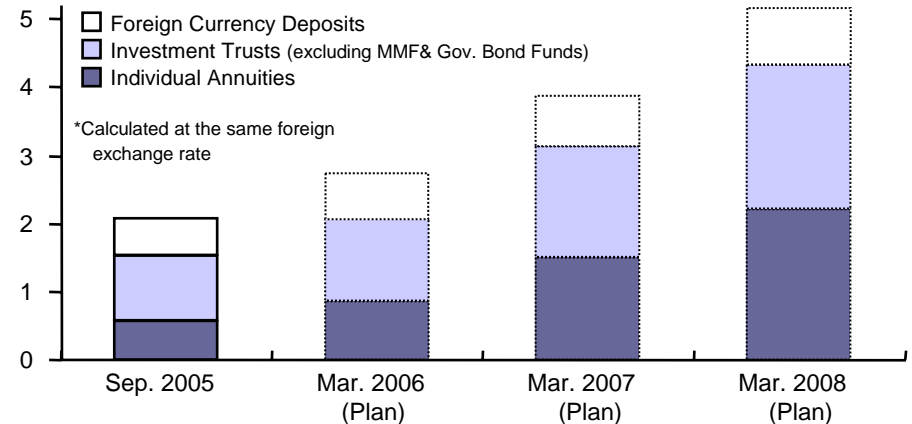
Channel

Mizuho Private Wealth Management

Dedicated private banking department
 Mizuho Bank
 Private Banking Office

(JPY Tn)

Balance of Investment Products



Enhancement of Consulting Services at Branches

Branches	Mar. 2005	Sep. 2005	Mar. 2006 (Plan)
Financial Consultants (FCs)	893	1,322	2,000**
Premium Salons (Consulting Booths)	26	100	175
Planet Booths***	41	60	100

* AUM: Financial asset under management
 ** 1,500 qualified FCs and 500 external recruits
 *** Joint branches with Mizuho Investors Securities

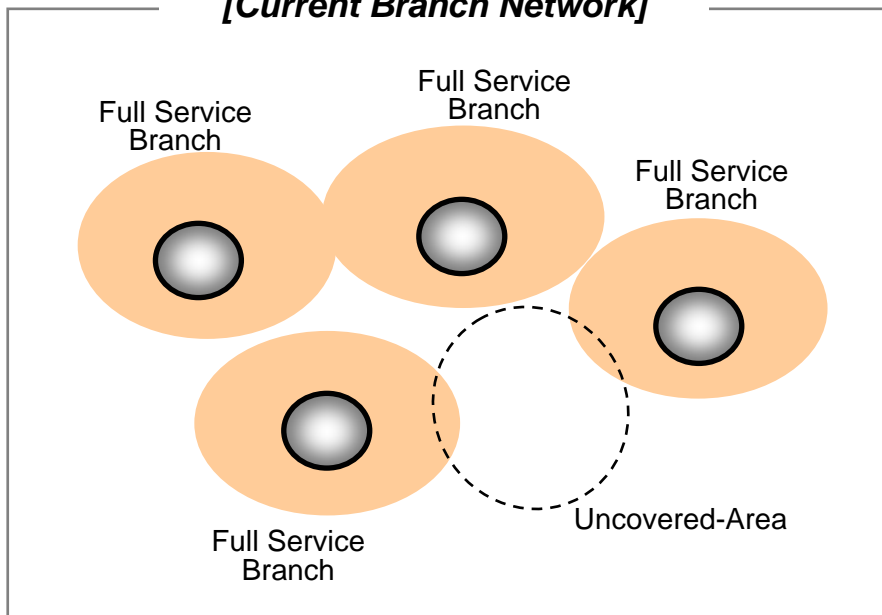
■ Achieve marketing best suited to the market and Pursue efficiencies

Introduce “Area Branch System” (August 2005)

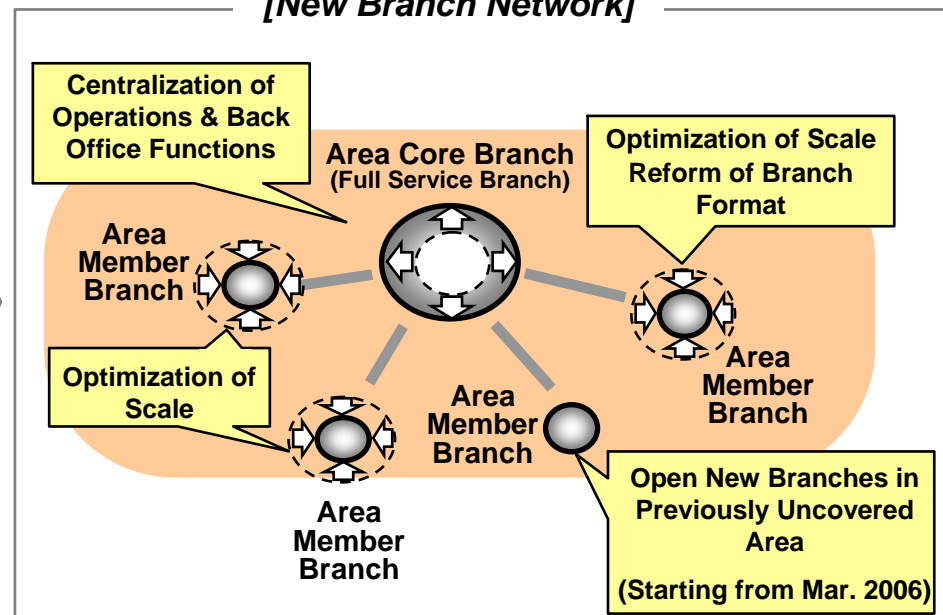
Open approx. 100 New Type (Retail Only) Branches by around the end of March 2008*

* Business Revitalization Plan basis

[Current Branch Network]



[New Branch Network]



- Reassemble the Branch Network into “Area Core Branches” and “Area Member Branches”
- Promote mutual cooperation and supplementation between “Area Core Branches” and “Area Member Branches”

- Improve market coverage and ability to capture new market sectors by opening new type (retail only) branches
- Develop a unique “branch model” that utilizes retail and distribution business expertise

Strengthening of Channel Network (2)

New Type (Retail Only) Branch

- Specialize in sale of high-profit products for customer needs for life events
- Provide a high-quality one-to-one consulting service by FCs and RMDB*



Branch Concept focused on Consulting Services

(*Relationship Marketing Database)

- **Spacious branches and customer oriented business hours**

- Combine hospitality and convenience in both décor and service
- Set branch office hours according to customer needs

- **Provide products suitable for the branch location**

- **Establish opportunities for customers to get to know finance and provide support for objective decisions**

- Provide an opportunity for customers to voluntarily come in contact with financial and banking information

- **Provide accurate advices suitable for customer profile**

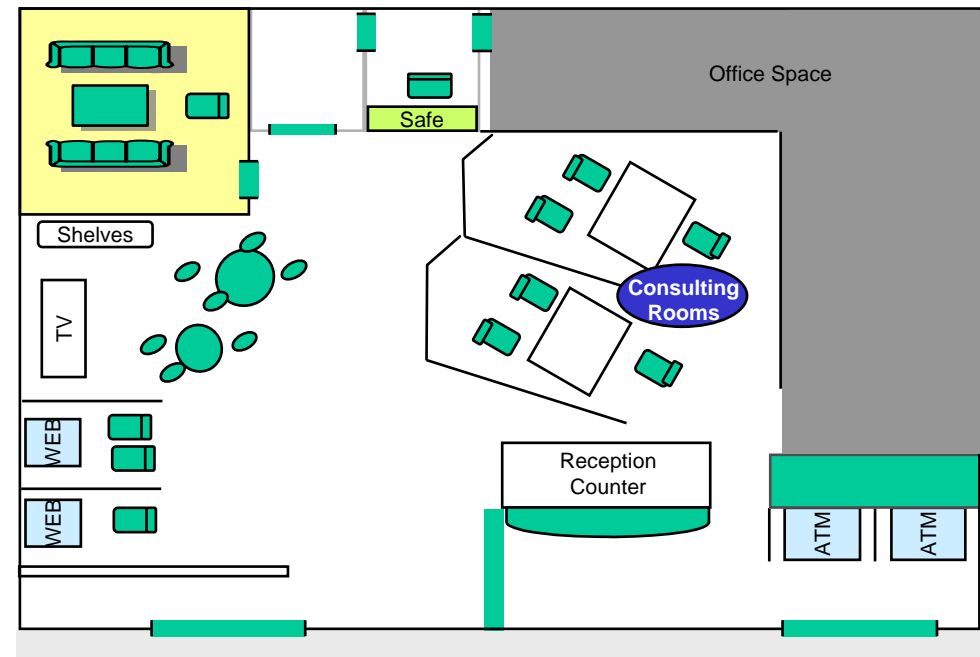
- Dedicated FCs for each individual customer provide solutions that meet customer needs

Location

- Define target customers and branch format according to the location
- Create a quantitative decision-making procedure for opening branches based on internal data and external statistical data

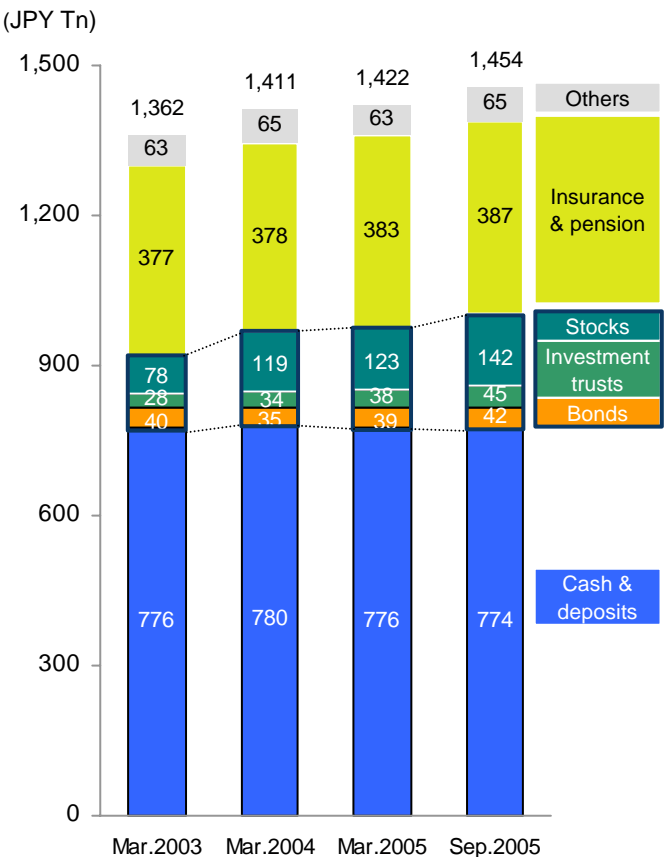
Effective layout that provides hospitality and convenience

[Image of Branch (Example)]



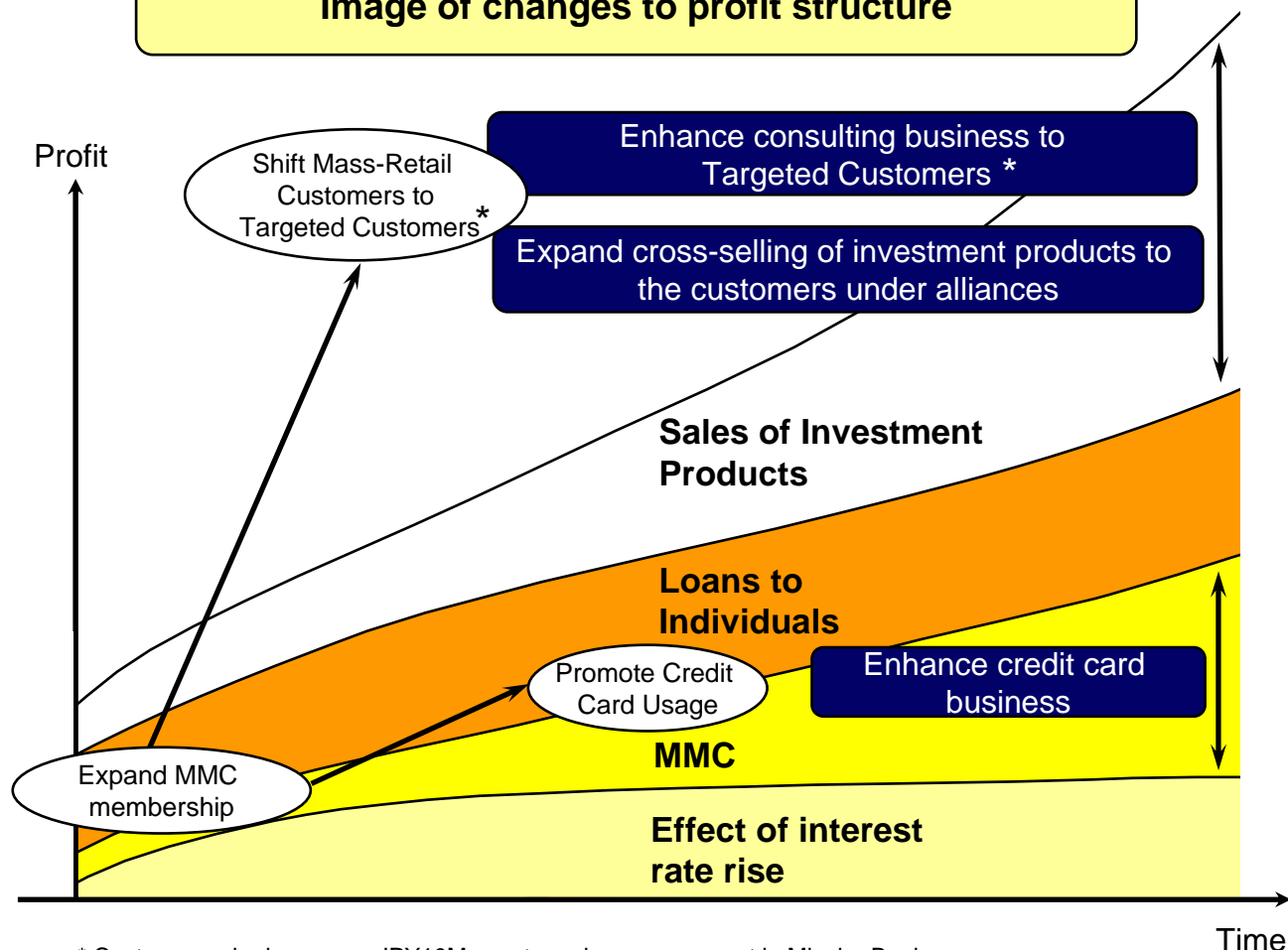
- **MMC improves profitability of Mass-Retail Customers and enhances credit card business**
- **Shifting from deposits to investments presents significant business opportunities**

Individuals' financial assets in Japan



Source: Bank of Japan

Image of changes to profit structure



* Customers who have over JPY10M assets under management in Mizuho Bank

Capital Management

Top-line Growth & Completion of Repayment of Public Funds

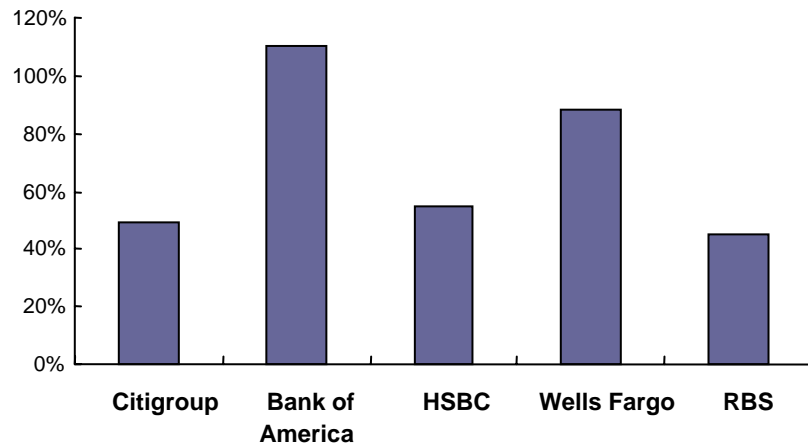


Pursuit of Consistent Disciplined Capital Management

Capital management in view of major global banks

Top U.S. and European banking groups realize high level returns to shareholders

Payout Ratios* of top five aggregate market capitalization European and U.S. banks (average values for FY00 - FY04)



* Total Shareholder Returns (Total Common Stock Dividends Paid + Total Share Buybacks) / Net Income (excluding Dividends Paid on Preferred Shares)

Returns to Mizuho shareholders

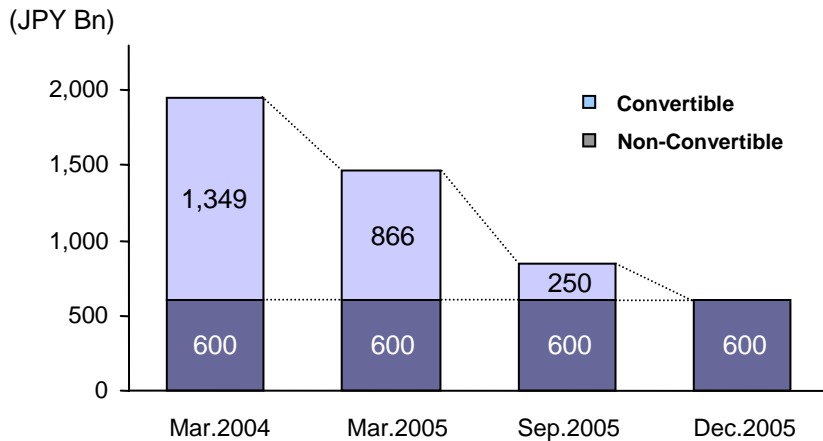
		Ratio of Shareholder Return***
FY2004 (Actual)	Public Fund Preferred Shares Repurchased: JPY 499.9 Bn	91.7%
	Dividends Paid**: JPY 75.8 Bn	
FY2005 (Estimates)	Public Fund Preferred Shares Repurchased: JPY 943.6 Bn	77.1%
	Dividends to be Paid**: JPY 74.0 Bn	
	Sale of Treasury Stock: -JPY 531.6 Bn	

** Common Stock Dividends (to be) Paid + Private Preferred Stock Dividends (to be) Paid + Public Fund Preferred Stock Dividends (to be) Paid
 *** (Public Funds Preferred Shares Repurchased + Dividends (to be) Paid - Sale of Treasury Stock) / Consolidated Net Income
 (Dividends Paid and Consolidated Net Income for FY2005 are based on earnings estimates for FY2005)

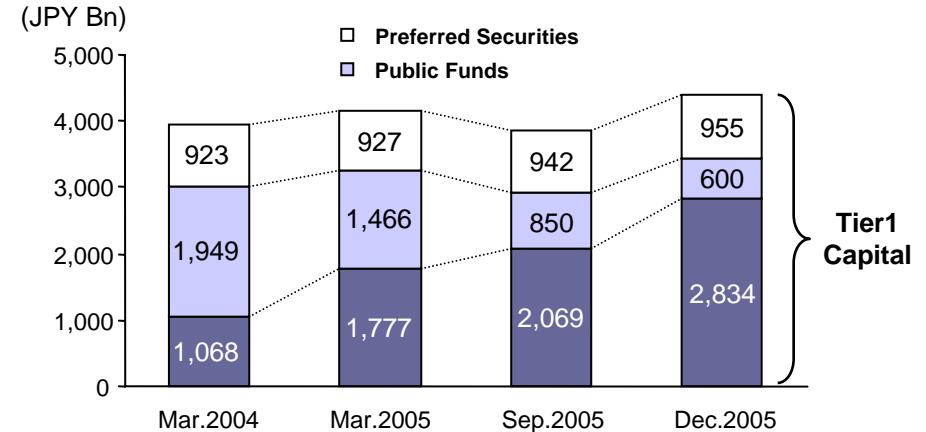
Full Repayment of Public Fund Preferred Shares

- Completed repurchasing of all convertible public fund preferred shares in order to avoid dilution and improved the quality of capital
- Aim to complete full repayment of remaining public funds (non-convertible preferred shares) during FY2006

Repayment of Public Fund Preferred Shares (Outstanding Balance)



Improvement in the Capital Quality (Composition of Tier 1 Capital)



Achieved

- Eliminated potential dilution effects
- Paid less than 5% of premium on total of JPY1,949Bn Public Fund Preferred Shares

Repurchased Amount of Preferred Shares	Premium paid
Repurchased price basis: JPY1,443.6Bn	+JPY94.6Bn
Issued price basis: JPY1,349.0Bn	

To Resolve

- Restoring flexibility in management strategy and reducing dividend burden of Preferred Shares

Details of Remaining Preferred Shares

Series/Classes	Amount	Type
4 th Series/ Class IV	JPY300Bn	Non-convertible (Dividend: 2.38% p.a.)
6 th Series/ Class VI	JPY300Bn	Non-convertible (Dividend: 2.10% p.a.)

The remaining public fund preferred shares are non-convertible type so that the repurchase and cancellation of them are not affected by stock price.

Net Income for FY2005 of Mizuho Financial Group (non-consolidated) is estimated at JPY 790Bn, due in part to recording of extraordinary gains (approx. JPY 650Bn) associated with the group reorganization in October.

→ Secured resources for repurchase and cancellation during FY2006

■ Priority list for capital management

1. Completion of repayment of public funds



Aim to complete the repayment of public funds by the end of FY2006

2. Remaining treasury stock held by Mizuho Financial Strategy (392 thousand shares)



Aim to repurchase and cancel the remaining treasury stock periodically after the completion of repayment of public funds

3. Convertible preferred shares issued to the private sector (JPY 943.7Bn: Conversion period to commence from July 2008)



Consider to eliminate dilutive effects after the commencement of conversion period

■ Review Dividend Policy in balance with pursuit of growth opportunities

• Flexibly make dividend payments & conduct share repurchases



Aim to manage with the intent to provide returns to shareholders

• Strengthen capital base to support our growth strategies



Aim to raise our consolidated Tier 1 capital ratio to 7% over time

In Closing

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.