

# **Interim Results for FY2006**

**December 2006**

Mizuho Financial Group

## Forward-looking Statements

This presentation contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.

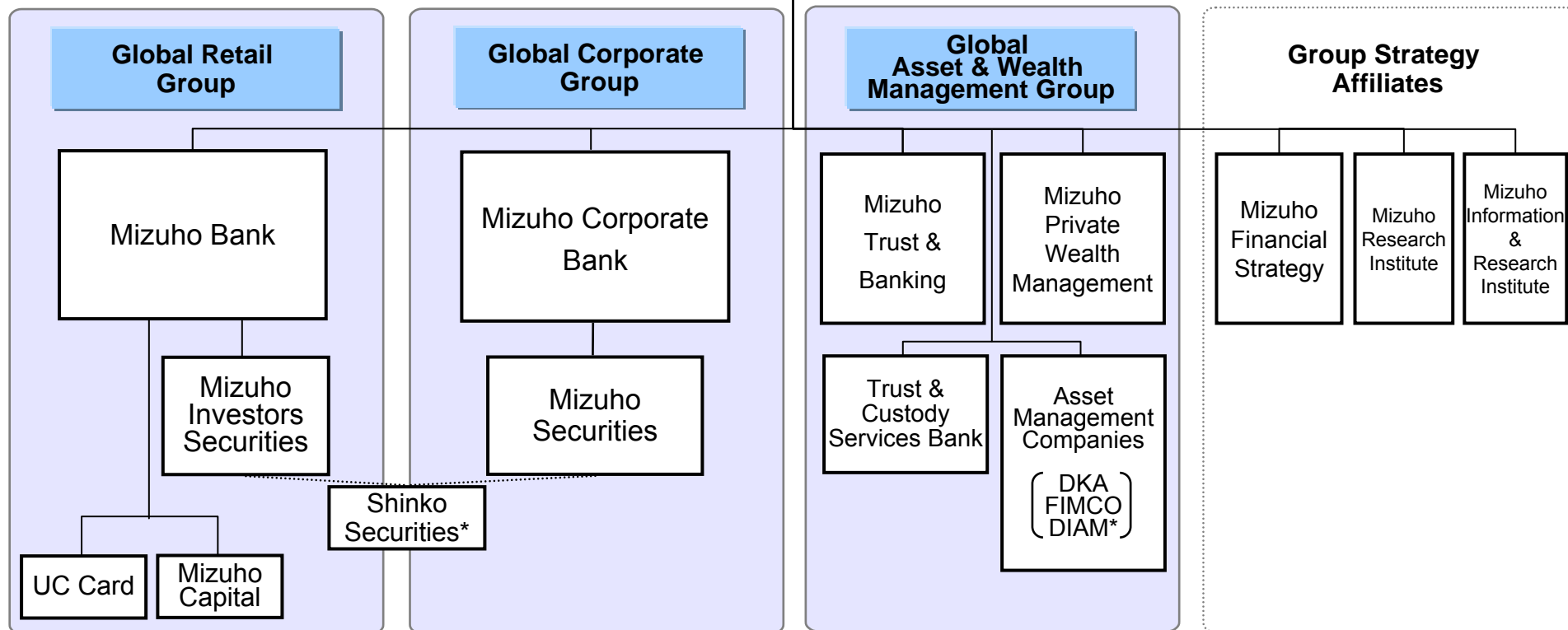
In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation, incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; revised assumptions or other changes related to our pension plans; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; the effectiveness of our operational, legal and other risk management policies; our ability to avoid reputational harm; and the effect of changes in general economic conditions in Japan. Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information—Risk Factors,” and “Item 5. Operating and Financial Review and Prospects” in our registration statement on Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”) on October 19, 2006, which is available in the Financial Information section of our web page at [www.mizuho-fg.co.jp](http://www.mizuho-fg.co.jp) and also at the SEC’s web site at [www.sec.gov](http://www.sec.gov).

We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

**(Note) Unless otherwise specified, the financial figures used in this presentation are based on Japanese GAAP**

# Mizuho Financial Group, Inc.



\* An affiliate under equity method

## Definitions

**3 Banks:** Aggregated figures for Mizuho Bank (BK), Mizuho Corporate Bank (CB), and Mizuho Trust & Banking (TB)  
(The figures before 1H FY2006 include their financial subsidiaries for corporate revitalization\*\* on a non-consolidated basis)

**2 Banks:** Aggregated figures for Mizuho Bank and Mizuho Corporate Bank  
(The figures before 1H FY2006 include their financial subsidiaries for corporate revitalization\*\* on a non-consolidated basis)

\*\* Each financial subsidiary for corporate revitalization was merged with its respective parent bank on Oct. 1, 2005

**Summary of Interim Results for FY2006**

**Steady Growth in Core Profits**

**Financial Soundness**

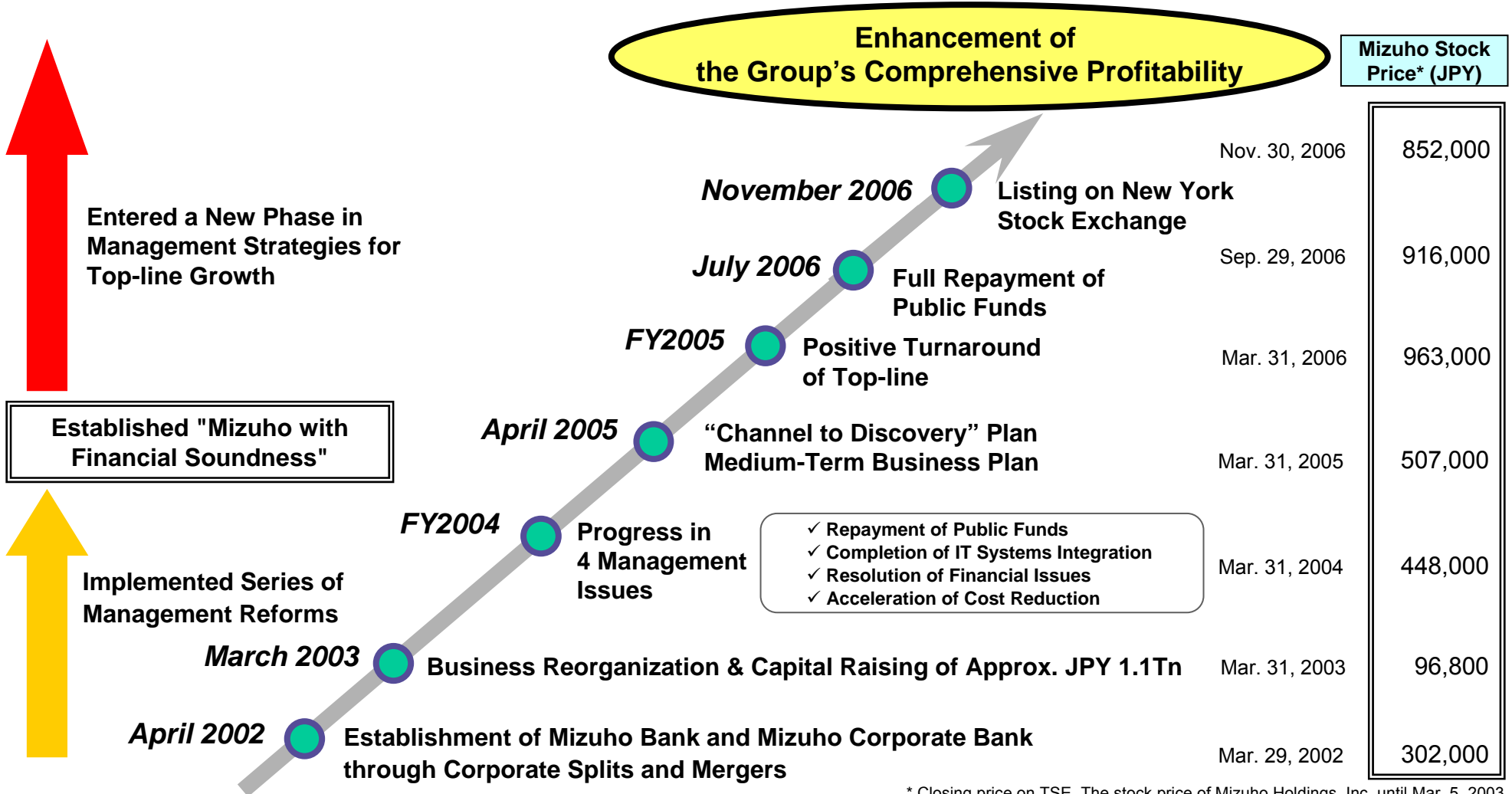
**Progress in Business Strategies**  
~ for Increasing the Group's Comprehensive Profitability ~

**Disciplined Capital Management**

**Earnings Estimates for FY2006**

# Management Focuses

- “Enhancement of the Group’s Comprehensive Profitability” supported by “Sophisticated Management Control”, and “Disciplined Capital Management”



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

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## Summary of Interim Results for FY2006

**Mizuho Financial Group (Consolidated Basis)**

(JPY Bn)	1H FY2006	1H FY2005	Change
<b>Consolidated Gross Profits</b>	997	1,045	-48
<b>G&amp;A Expenses</b>	-535	-548	13
<b>Consolidated Net Business Profits *</b>	447	507	-60
<b>Credit Costs</b>	93	-14	107
<b>Net Gains related to Stocks **</b>	89	121	-31
<b>Ordinary Profits</b>	530	453	77
<b>Net Income</b>	392	338	53

	Sep. 2006	Mar. 2006	Change
<b>Tier 1 Capital</b>	(Preliminary) 4,374	4,555	-181
<b>Tier 1 Capital Ratio</b>	(Preliminary) 5.60%	5.87%	-0.27%
<b>BIS Capital Ratio</b>	(Preliminary) 10.97%	11.59%	-0.62%

**Aggregated Figures of 3 Banks (Non-Consolidated Basis)**

(JPY Bn)	1H FY2006	1H FY2005	Change
<b>Gross Profits ***</b>	816	848	-31
<b>G&amp;A Expenses (excluding Non-Recurring Losses)</b>	-423	-404	-19
<b>Net Business Profits ***</b>	393	444	-51
<b>Credit Costs</b>	86	-14	100
<b>Net Gains related to Stocks</b>	81	72	8
<b>Ordinary Profits ***</b>	450	303	147
<b>Net Income ***</b>	362	278	83

\* Consolidated Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + certain equity in income from investments in affiliates and other consolidation adjustments.

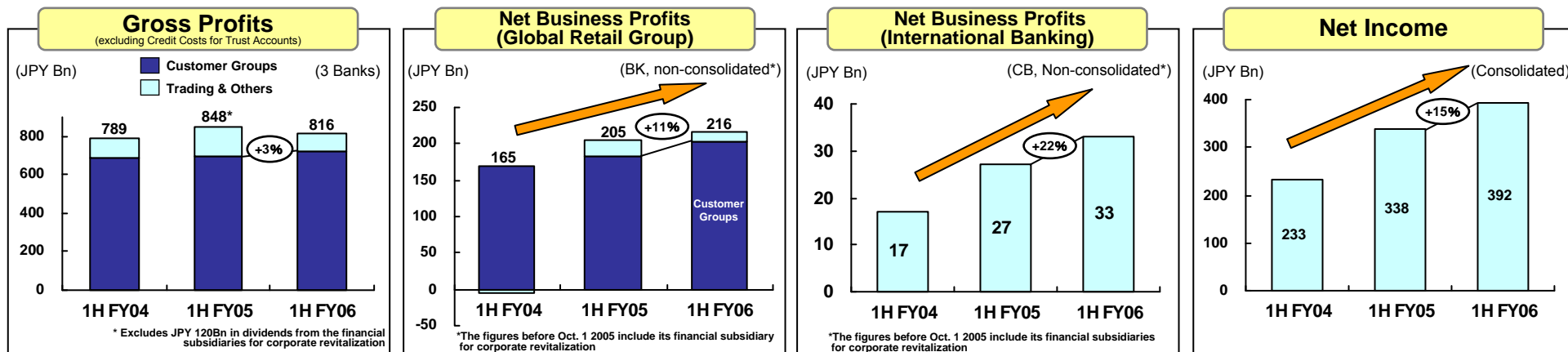
\*\* Gains of JPY 15 billion on sale of stock associated with credit and alternative investments made as part of efforts to diversify sources of market-related income, were recorded as Net Gains related to Stocks.

The corresponding figure for 1H of FY2005 includes gains of JPY 42.4 billion on sales of common stock of our subsidiary.

\*\*\* Figures in 1H FY2005 exclude JPY 120 billion dividends from the financial subsidiaries for corporate revitalization.

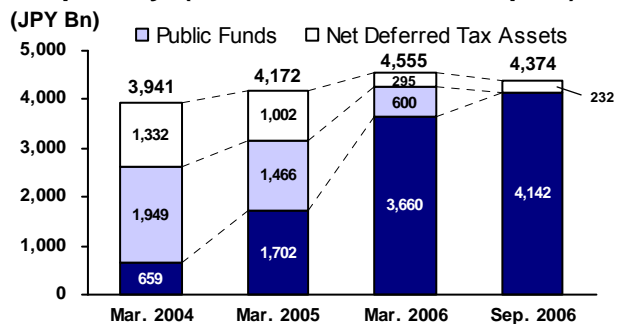
## Steady growth in income from Customer Groups

- Steady increase in income from Customer Groups (especially Retail Banking and International Banking), despite top-line earnings decrease due to a decrease in market-related income
- Steady increase in Net Income backed by financial soundness

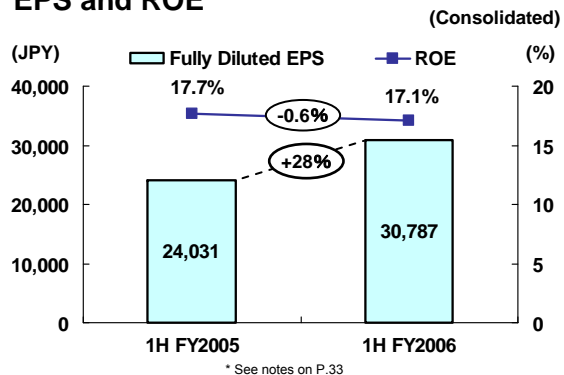


## Disciplined capital management

- Steady improvement in capital quality & quantity (Consolidated Tier 1 Capital)



- EPS and ROE\*



- Promote returns to shareholders

### Repayment of public funds

- ✓ Completed repayment in July, 2006

### Repurchase of treasury stock

- ✓ Repurchased and canceled 131,800 shares of common stock held by a subsidiary in July (no impact on consolidated Tier 1 capital)

### Increase in dividends (Plan)

- ✓ Plan to increase the fiscal year-end cash dividends per share of common stock for FY2006 to JPY 7,000 (+ JPY 3,000 compared to FY2005)



## Expansion of business base for Group's Comprehensive Profitability

### Retail Banking

- **Steadily expanding customer base (e.g. "Mizuho Mileage Club (MMC)")**
  - ◆ Number of MMC members steadily increased: 2.5 million (Nov. 2006)
  - ◆ Housing loans and loans in alliance with Orient Corporation (Orico) are steadily increasing
- **Enhancing consulting functions**
  - ◆ Rolled out 10 new type branches, incl. 9 "Mizuho Personal Squares", with an aim of developing 100 new type (retail only) branches
  - ◆ Establishing 250 "Premium Salons" (200 as of Sep. 2006 (+50 from Mar. 2006))
  - ◆ Established a network of 2,000 Financial Consultants

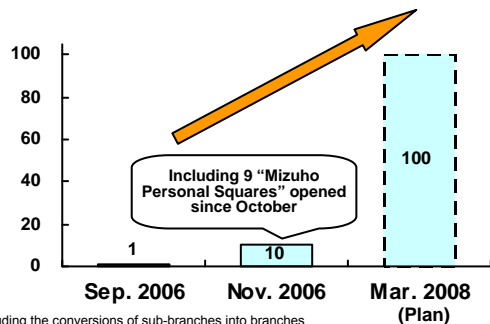
### International Business

- **Strategically expanding overseas network**
  - ◆ New branches: New Delhi, Wuxi, Brussels (Mizuho Corporate Bank Nederland), Ho Chi Minh City, and Milan (planned for 2H). Entered agreement for purchase of shares in the Russian subsidiary of the Michinoku Bank (subject to necessary regulatory approvals).
  - ◆ Formed alliances with and/or investing in overseas financial institutions (Thailand: TISCO Bank, South Korea: Korea Development Bank and Shinhan Financial Group)
- **Strengthening global business**
  - ◆ Establishing global network (Tokyo, Europe, Asia, and the Americas) for leveraged finance, MBOs, etc.

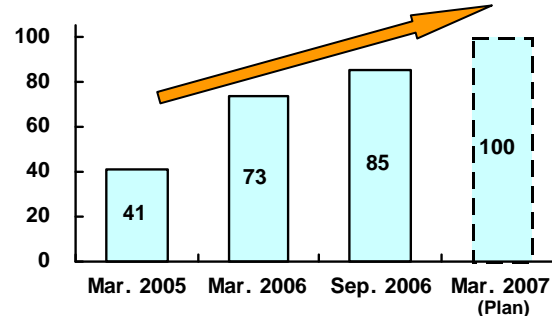
### Group Synergies

- **Expanding group synergies (especially securities and trust banking subsidiaries)**
  - ◆ Increased number of Planet Booths (joint branches of Mizuho Investors Securities located in Mizuho Bank's branches) to 85 as of Sep. 2006
  - ◆ Expanded Centers for Business with Employees of Corporate Customers (6 centers as of Sep. 2006)

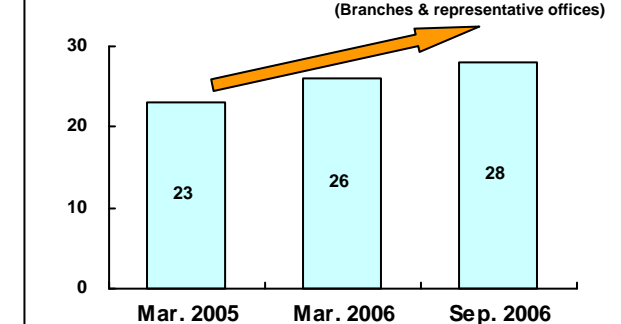
Expansion of the new type of branches (Mizuho Bank)



Planet Booths



Number of overseas branches and offices (Mizuho Corporate Bank)



## ■ Preparation for a Leap into the Global Markets

### Increase strength of management controls

- **Strengthen internal controls and highly transparent corporate disclosures**
  - ◆ Strengthen group management controls under the holding company structure through internal controls in line with compliance requirements of the Sarbanes-Oxley Act and highly transparent disclosures
- **Respond to convergence of accounting standards on a global base**
  - ◆ U.S. GAAP Financial Information (See P.77 - 79)

### Increase presence in global markets

- **Raise Mizuho's global profile**
  - ◆ Establish Mizuho as a global player and a recognized brand
- **Expand the financing capabilities**
  - ◆ Expand capabilities for future financing alternatives in the U.S. market
- **Diversify investor base**
  - ◆ Diversify Mizuho's investor base with ADR investors primarily in the U.S. market
  - ◆ Establish contacts in New York for IR and U.S. GAAP (station 3 staff)

### Reference: Outline of the Sponsored American Depositary Receipt (ADR)

■ Listing date:	November 8, 2006	■ Depository bank:	The Bank of New York
■ Conversion ratio:	500 ADRs = 1 common share	■ Local custodian bank:	Mizuho Corporate Bank
■ US Security Code (CUSIP):	60687Y109		
■ Ticker Symbol:	MFG		

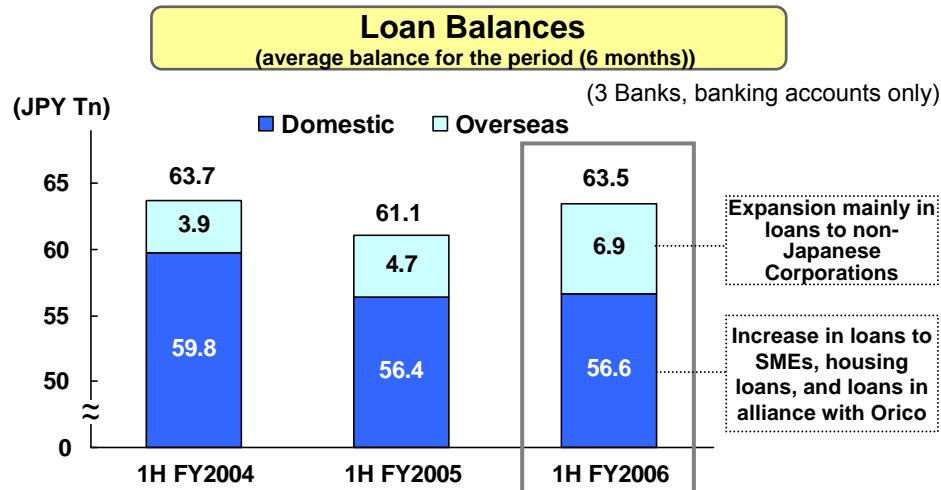
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## Steady Growth in Core Profits

- Average loan balance in 1H FY2006 increased, driven by overseas lending while domestic loans leveled off
- Loan and Deposit Rate Margins remained broadly flat; negative factors, e.g. tougher competition, were largely offset by positive impact of short-term interest rate rises

## Loan Balances

(excluding loans to Mizuho Financial Group, Inc.)



(Non-consolidated\*, banking accounts)

	1H FY2006	Change from 1H FY2005
<b>Mizuho Bank**</b>	JPY 32.5Tn	+JPY 0.2Tn
<b>Mizuho Corporate Bank***</b>	JPY 27.4Tn	+JPY 1.9Tn
<b>Overseas Loans</b>	JPY 6.9Tn	+JPY 2.2Tn
<b>Mizuho Trust &amp; Banking</b>	JPY 3.5Tn	+JPY 0.2Tn

**Loan balances by bank**

\* Figures for 1H FY2005 include the financial subsidiaries for corporate revitalization  
 \*\* Its customers are mainly individuals and SMEs \*\*\* Its customers are mainly large corporations and overseas corporations

## Interest Margins

### Loan and Deposit Rate Margins (Domestic Operations)

(Non-consolidated)	1H FY2006	Change from 2H FY2005	Change from 1H FY2005
<b>2 Banks*</b>	1.28%	- 0.00%	- 0.07%
<b>Mizuho Bank*</b>	1.60%	- 0.02%	- 0.09%
<b>Mizuho Corporate Bank*</b>	0.70%	+ 0.02%	- 0.02%
<b>Mizuho Trust &amp; Banking</b>	1.27%	- 0.09%	- 0.17%

\* Excluding loans to Deposit Insurance Corporation of Japan, government and others  
 (Note) Figures for 1H FY2005 do not include the financial subsidiaries for corporate revitalization

### Loan Spreads

(2 Banks, managerial accounting basis)

- Spreads for domestic loans, which were targeted for spread improvements, decreased approx. 7bps in September 2006 compared to March 2006 (on a monthly average basis)

(Decreased approx. 9bps at Mizuho Bank (Non-consolidated))

- Deposit margins increased due to interest rate rises in the market, while a large amount of liquid deposits were maintained
- Net Interest Income increased due to factors, e.g. increased deposit income and increased dividend income backed by recovery in corporate performance

## Deposit Balances and Margins

### Deposit Balances (Domestic Operations)

\*See notes on P.33

(Non-consolidated)  
(JPY Bn)

	Sep. 2006	Change from Mar. 2006	Proportion of liquid deposits
<b>Mizuho Bank</b>	49,938	- 1,525	approx. 62%
Deposits from Individual Customers (Domestic Branches)	29,991	+ 45	
<b>Mizuho Corporate Bank</b>	8,806	-487	approx. 66%
<b>Mizuho Trust &amp; Banking</b>	2,762	+290	approx. 20%
<b>3 Banks</b>	61,508	- 1,722	approx. 61%

### Deposit Margins

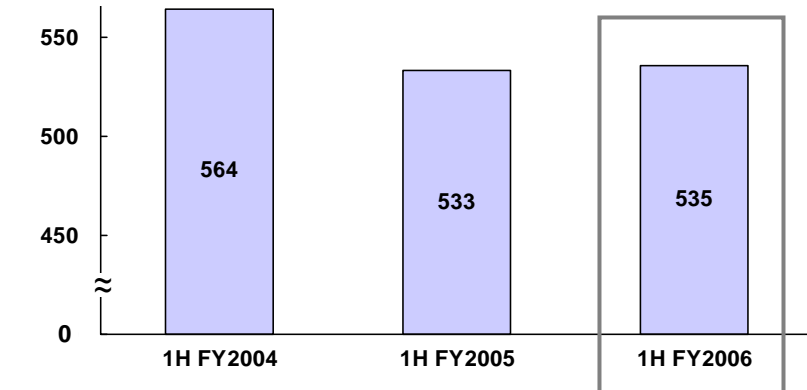
(Mizuho Bank, managerial accounting basis)

- Margins for domestic yen deposits in Customer Groups as of Sep. 2006 increased over 16bps compared to Mar. 2006 (on a monthly average basis)

## Net Interest Income

### Net Interest Income (Consolidated)

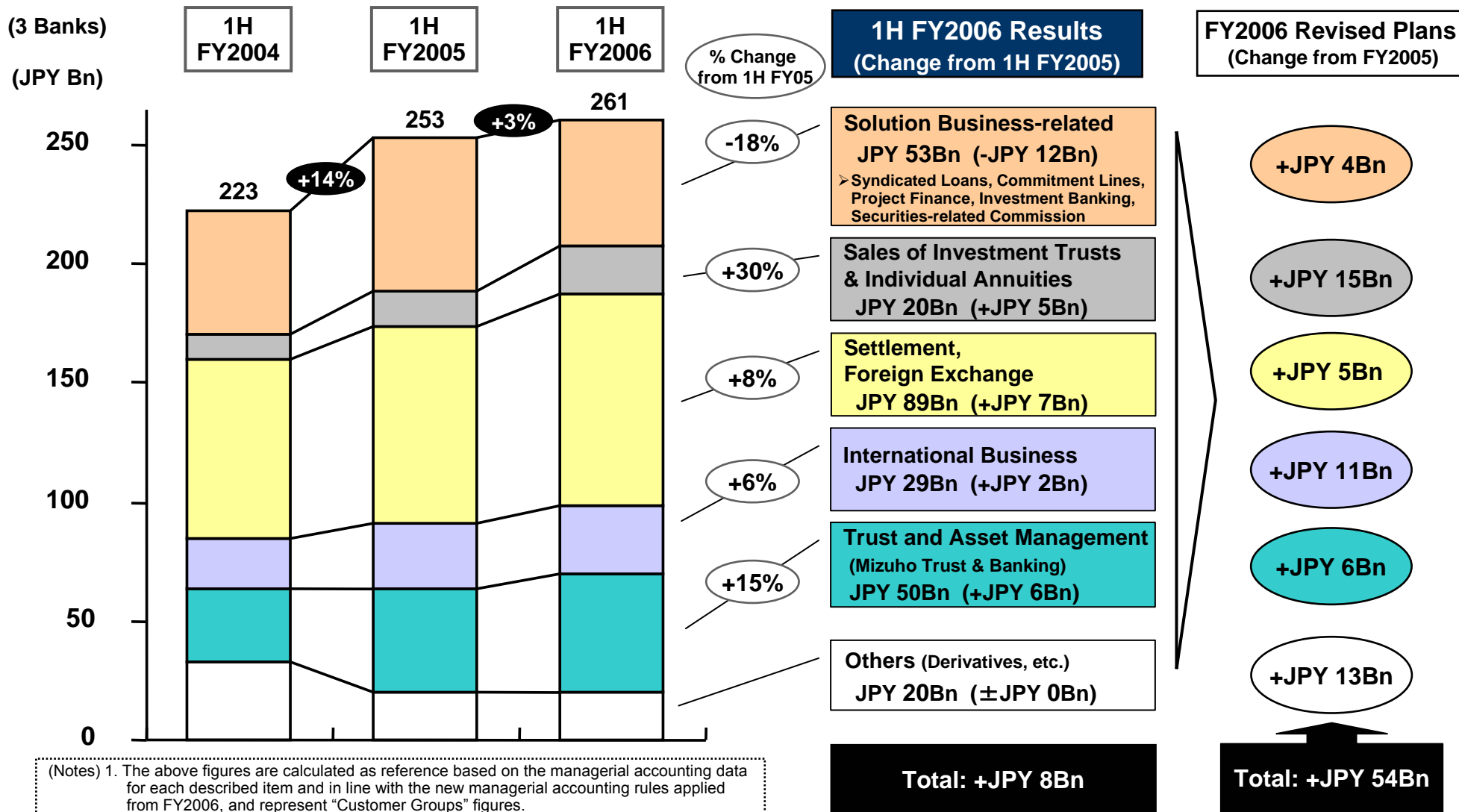
(JPY Bn)



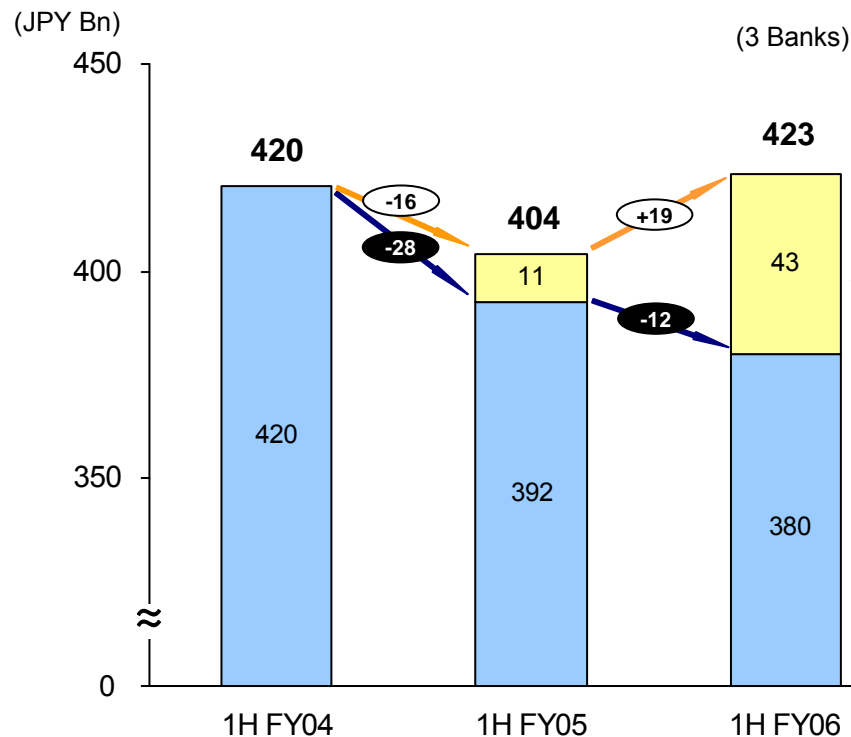
(3 Banks, managerial accounting basis)

Breakdown of Net Interest Income from Customer Groups (1H FY2006)	Change from 1H FY2005
Domestic (Loan)	- JPY 30Bn
Domestic (Deposit)	+ JPY 25Bn
Overseas	+ JPY 10Bn
Investments and Others	+ JPY 12Bn
<b>Total</b>	<b>+ JPY 17Bn</b>

# Non-interest Income from Customer Groups



- **Strategic Expenses (+JPY 31Bn):** Outlay of management resources on growth areas
- **Base Expenses (-JPY 12Bn):** Steady reduction through IT systems integration



### Factors Contributing to Changes in G&A Expenses in 1H FY2006 (compared to 1H FY2005) (JPY Bn)

<b>Personnel +6</b>	Increased personnel and strengthened incentives in strategic areas - Increased number of financial consultants in retail banking and expanded overseas business
<b>Non-Personnel +25</b>	Implemented retail banking strategies ("Mizuho Mileage Club", Biometric personal identification functions, "Premium Salon", etc.) Reinforced Business Finance Centers Enhanced overseas network and overseas business Strengthened PR activities, etc.
<b>Personnel -4</b>	Reduced employee retirement benefit expenses due to the increase in expected return on plan assets (-8) etc.
<b>Non-Personnel -7</b>	Effects of IT systems integration at Mizuho Bank (-6) (depreciation, maintenance expenses) Effects of consolidation of domestic branch network, etc. (-0.9)
<b>Others -0.3</b>	Tax, etc. (-0.3)

Expense Ratios*	1H FY04	1H FY05	1H FY06
<b>Expense Ratios*</b>	<b>53.2%</b>	<b>47.6%</b>	<b>51.8%</b>
Mizuho Bank	62.9%	55.6%	54.5%
Mizuho Corporate Bank	37.4%	34.9%	46.4%
Mizuho Trust & Banking	54.8%	49.8%	53.0%

\*Expense Ratio = G&A Expenses / Gross Profits (Excluding dividends received from the financial subsidiaries for corporate revitalization)

Breakdown of net changes in G&A Expenses  
Mizuho Bank: +1, Mizuho Corporate Bank: +11, Mizuho Trust & Banking: +6

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# Financial Soundness

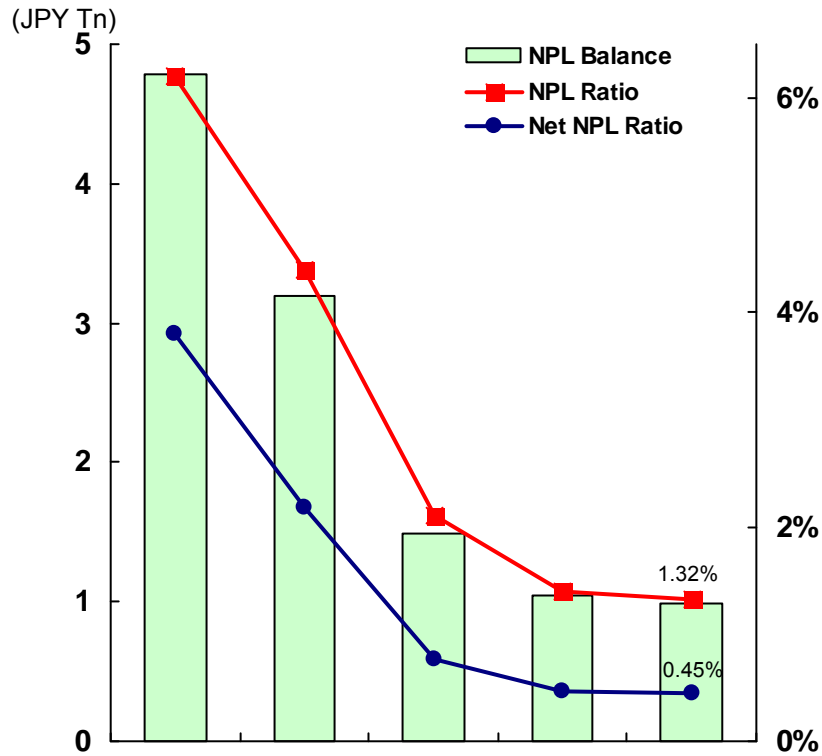


### NPL Balance & NPL Ratio

(NPL: Disclosed Claims under the Financial Reconstruction Law)

NPL Balance decreased to below JPY 1Tn level  
Credit Costs continued to record gains

(3 Banks)

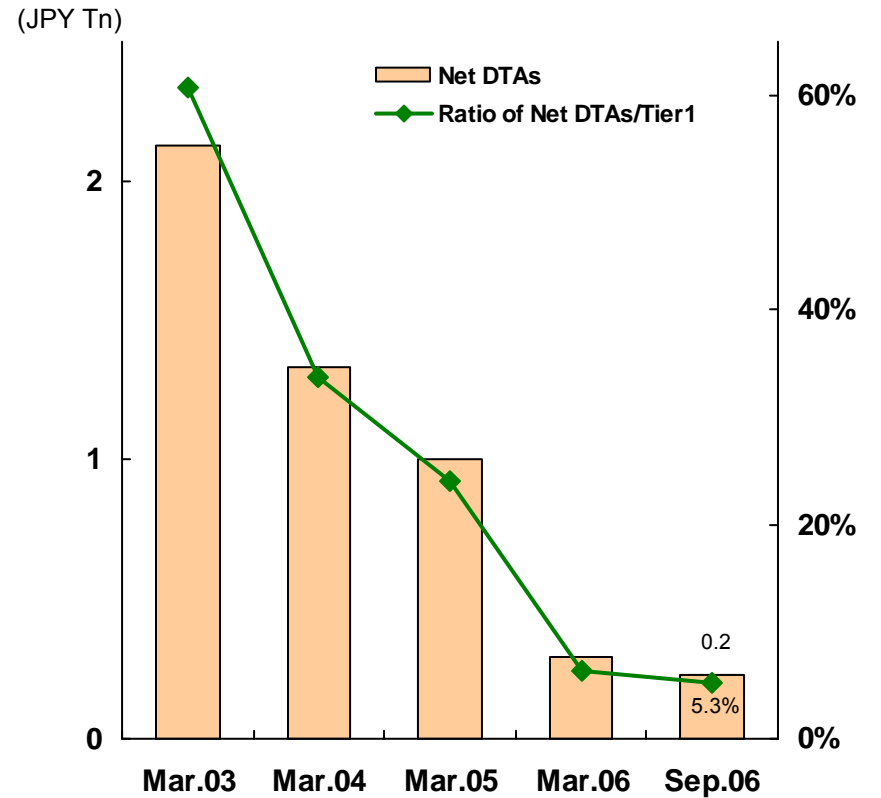


(JPY Bn)	Mar.03	Mar.04	Mar.05	Mar.06	Sep.06
Credit Costs	-2,095	-237	-61	63	86
	(FY2002)	(FY2003)	(FY2004)	(FY2005)	(1H FY2006)

### Deferred Tax Assets (DTAs)

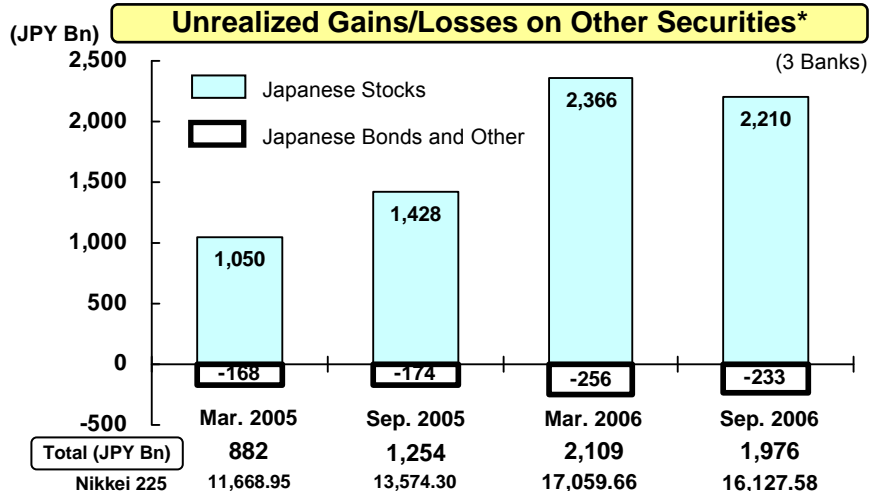
Net DTAs and Ratio of Net DTAs/Tier1 further decreased

(Consolidated)



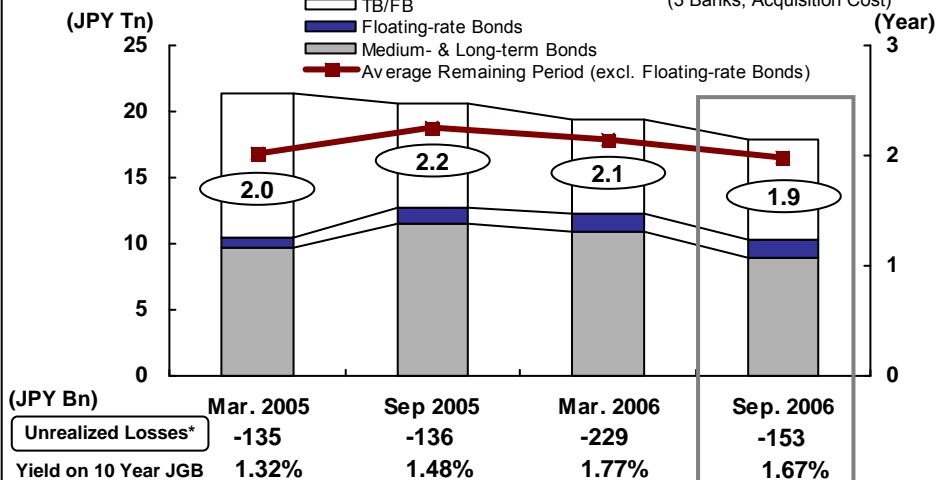
### Securities Portfolio

<Other Securities (which have fair value)>



### JGB Portfolio

(3 Banks, Acquisition Cost)



\* The base amount to be recorded directly to Net Assets after tax and other necessary adjustments

### Risk-Return Control

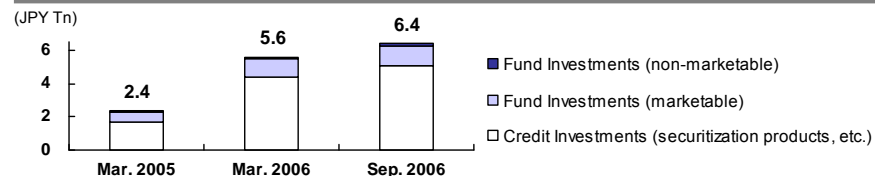
#### Diversifying risks and sources of market-related income

- Promote credit and alternative investments (e.g. securitization products, fund investments) and others to diversify risks and income sources

( 3 Banks )

Balance (Sep. 2006): approx. JPY6.4Tn (approx. +JPY 0.8Tn from Mar. 2006)

→ Approx. 20% is fund investments (marketable), of which approx. 40% is equity investment trusts



#### Interest rate sensitivity and improved MTM performance

- Flexible management of interest rate sensitivity in bond portfolio

10 BPV\*\* (Sep. 2006)

\*\*10 Basis Point Value

Domestic Bonds: -JPY 21Bn (-JPY 10Bn)

Foreign Bonds: -JPY 17Bn (-JPY 12Bn)

(3 Banks, including off-balance sheet transactions, Figures in ( ) are changes from Mar. 2006)

- Focusing on MTM performance in market-related activities

MTM based performance measurement for market-related activities\*\*\*

1H FY2006: +over JPY 170Bn from 1H FY2005 (3 Banks)

(Reference) Gross Profits of Trading & Others segment: -JPY 56Bn from 1H FY2005  
(See P.35, "Performance of each Global Group by Business Segment (1)")

\*\*\*Market related income (Gross Profits) + Changes in Unrealized Gains/Losses on Japanese Bonds and Other (Other Securities) + Changes in Deferred Hedge Gains/Losses

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**Progress in Business Strategies**  
~ for Increasing the Group's Comprehensive Profitability ~

## Global Retail Group

### Mizuho Bank

Individuals

#### Mass-Retail

- Increase MMC membership

#### Consulting

- Increase sales of investment products

#### Loans to Individuals

- Increase sales of unsecured loans in alliance with Orient Corporation
- Strengthen housing loans including “FLAT35”

#### Channel Network

- Open 100 new type (retail only) branches

SMEs

#### Loans to Upper Middle and Middle-sized Corporations

- Increase loans with higher risk-adjusted returns

#### Loans to Small-sized Corporations

- Increase loans originated through Business Finance Centers

#### Solution Businesses

- Increase non-interest income

### Mizuho Investors Securities

#### Group Synergies

- Increase “Planet Booth” (Joint Branch with Mizuho Bank)
- Strengthen customer referrals and securities brokerage services

## Global Corporate Group

### Mizuho Corporate Bank

#### Investment Banking

- Enhance capabilities for global based solutions

#### International Business

- Enhance profitability from overseas operations
- Strengthen global network

#### Group Synergies

- Cooperate with Mizuho Securities

### Mizuho Securities

#### Equity-related

- Strengthen underwriting and trading businesses

#### Investment Banking

- Strengthen M&A and securitization businesses

#### Group Synergies

- Increase profit opportunities through group synergies and strategic alliances

## Global Asset & Wealth Management Group

### Mizuho Trust & Banking

#### Trust & Asset Management

- Proactively allocate resources to growth areas

#### Group Synergies

- Utilize trust banking agents
- Strengthen customer referrals with BK and CB

### Mizuho Private Wealth Management

#### Private Banking

- Provide comprehensive and integrated services

## Increase Profitability in "Mass-Retail" Market

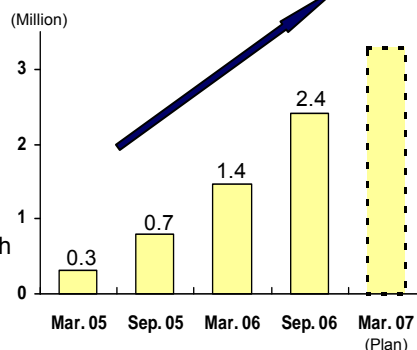
### Reinforce Mass-Retail Transactions centered on "Mizuho Mileage Club (MMC)"

#### ■ Increase MMC membership

- Increase number of new customers applying for MMC
  - Run promotions targeting new recruits
  - Utilize Mizuho's corporate customer base
- Strengthen acquisition of MMC members from existing customers
  - Promote switching from former membership services
  - Promote in-branch promotions by sales staff (at 100 branches per business day)
- Improve card functions
  - Expand "Corporate Partners"
  - Introduced Mizuho Suica Card in alliance with JR-East (Mar. 2006)
  - Installed biometric personal identification function (Oct. 2006)

#### No. of MMC Members

(Commenced in August 2004)



## Enhance Consulting Functions

### Increase Sales of Investment Products

#### ■ Expand consulting sales channel

- Strengthen sales capability of 2,000 Financial Consultants (FCs)
- Increase "Premium Salons"
- Open 100 new type retail only branches

#### ■ Strengthen product strategy

- Investment Trusts & Individual Annuities: approx. 2.2Tn (approx. +640Bn)\*
- Foreign Currency Deposits: approx. 0.4Tn (approx. -115Bn)\*
- JGBs sold to individuals: approx. 1.1Tn (approx. +570Bn)\*

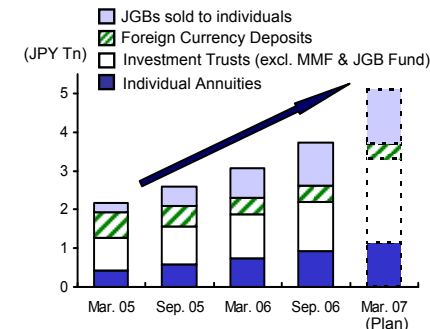
#### ■ Enhance group synergies

- Increase "Planet Booths"\*\*\* :85 (Sep. 2006)
- Launched wrap accounts at Shinko Securities (May 2006) and Mizuho Investors Securities (Oct. 2006)

#### ■ Enhance services to targeted customers

- Started foreign currency exchange services in alliance with ANA (Nov. 2006)

### Balance of Investment Products & JGBs sold to Individuals



\* Outstanding balance in JPY as of Sep. 2006, (Chg. from Sep. 2005)

\*\* Consulting booths of Mizuho Investors Securities located in Mizuho Bank branches

## Strengthen Individual Loans

### Loans in Alliance with Orient Corporation (Orico)

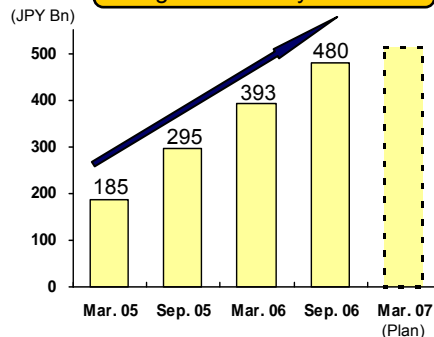
#### ■ Increase Captive Loans guaranteed by Orico

- Expand Orico's affiliated merchant network by leveraging Mizuho's corporate customer base
  - Cumulative number of affiliated merchants resulting from referrals by Mizuho: approx. 6,300 (Sep. 2006)

#### ■ Introduce new card loans

- Mizuho-Orico Card Loans (Jan. 2006) 2 types of products targeted at middle and low risk customers
  - Outstanding Balance: approx. JPY 3Bn (Sep. 2006)

#### Balance of Captive Loans guaranteed by Orico



### Housing Loans

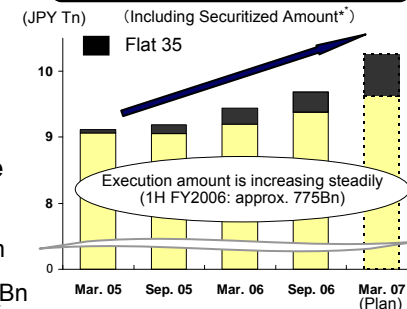
#### ■ Increase housing loans

- Residential housing loans (incl. securitized amount\*\*) increased by JPY320Bn from Sep. 2005
- Expand origination channels through developers
  - 94 Housing Loan Centers with 468 staff
  - Extended business hours, incl. weekends

#### ■ Promote "Flat 35" - a securitization type housing loan in alliance with the Government Housing Loan Corp.

- Respond to customers' demand for long-term fixed interest rate loans
  - Total Sales for 1H FY2006: approx. JPY 78Bn
  - Market Share among 3 Mega Banks: 74.6%

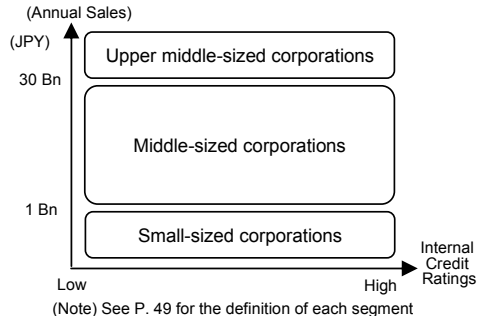
#### Balance of Residential Housing Loans + Flat 35



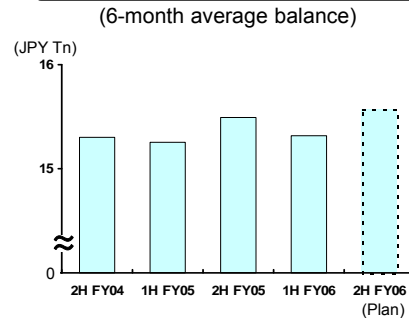
\* Approx. JPY 310Bn loans were securitized in 1H FY04

## Loans to Upper middle and Middle-sized Corporations

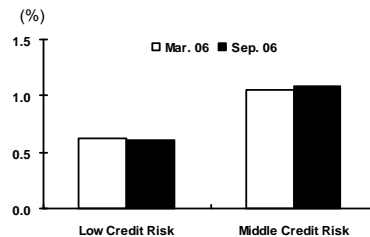
### SME Customer Segments



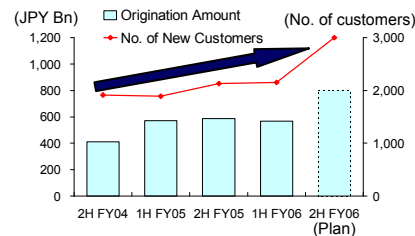
### Average Loan Balance for SMEs



### Risk Adjusted Returns



### Origination of new loans to new customers



### Continue to increase loan volume

- Increase share of loans according to "Grade of Business Direction"
  - Increase in loans to "targeted customers": approx. JPY380Bn in 1H FY2006
- Utilize a strategic loan product, "Super Wide"
  - 1H FY2006 origination amount: approx. JPY 180Bn
- Increased loans to Middle-sized corporations from Sep. 2005 to Sep. 2006 in 6-month average balance

### Focus on acquiring new customers

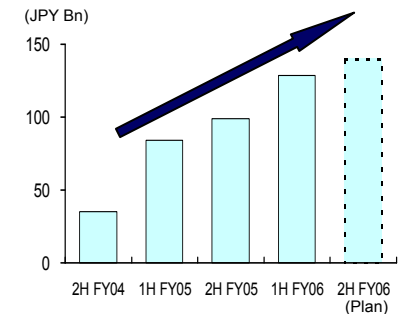
- Increase specialist RMs for new customers
  - approx. 210 staff (Sep. 2006)
- Strengthen initiatives in areas where growth in loan demand is expected
  - Car dealers, supermarkets, staffing agencies, automotive parts manufacturers, etc.

## Loans to Small-sized Corporations

### Strengthen initiatives for small-sized corporations

- Established 100 Business Finance Centers (BFCs) with staff of 600
  - Expand to regional areas
- Increase small business specialists to branches
- Enhance product lineup and services:
  - Develop standard loan products, increase loans guaranteed by Credit Guarantee Corporations

### Amount of Loans Originated through BFCs



## Solution Businesses

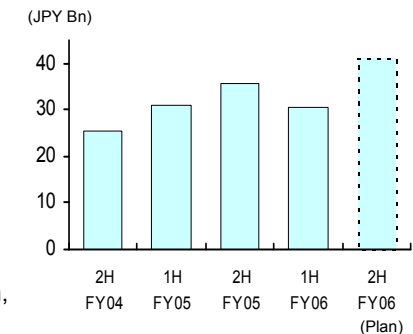
### Strengthen initiatives in core business areas

- Respond to diversified financing needs
  - Syndicated loans, real estate and ship finance, securitization, capital markets financing, etc.
- Respond to investment needs
  - securities brokerage services, etc.

### Strengthen advisory functions

- Upper middle-sized corporations:
  - Propose tailor-made solutions
- Upper middle and middle-sized corporations:
  - Develop a support system that responds to needs for advisory on business succession, IPOs, M&A/MBOs, defined contribution pension plans, etc.

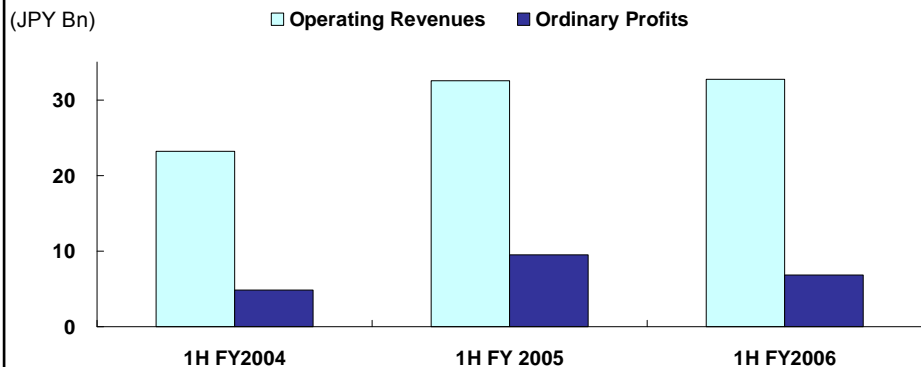
### Fee and Commission Income from Solution Businesses



### 1H FY2006 Results

While Operating Revenues slightly increased from 1H FY2005, Ordinary Profits decreased due to an increase in G&A expenses associated with expanded operations

#### Operating Revenues and Ordinary Profits (Non-consolidated)



### Initiatives for Strategic Challenges

- Enhance business infrastructure and network to cope with expanding operations**
  - Enhance group synergies especially with Mizuho Bank (Planet Booths, etc.)
  - Strengthen sales channels (face-to-face, online, call center) and improve coordination among respective channels
- Improve capability to supply products in line with customer needs and strengthen marketing strategies**
  - Proactive new products and services initiatives
  - Strengthen cooperation between sales and product divisions
- Further improve management structure**
  - Continue to pay stable dividends as a result of establishing solid profitability and solid financial strength
  - Strengthen internal compliance, operation management and information management

### Pursuit of Group Synergies

#### Promote joint branches with Mizuho Bank (Planet Booths)

- Build a network of 100 branches during FY2006

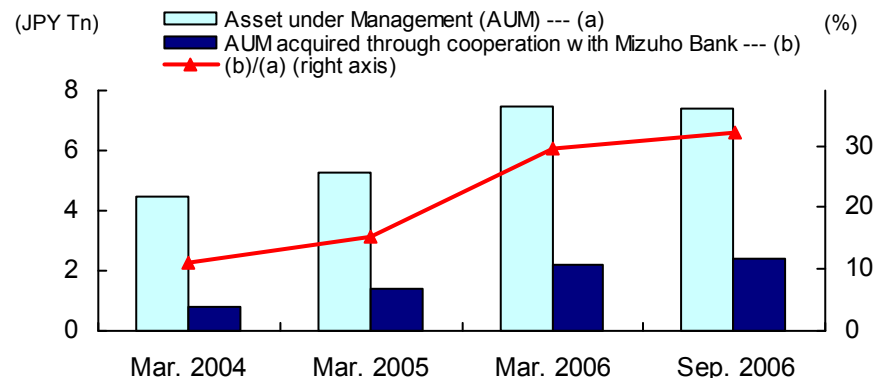
	Sep. 2003	Mar. 2004	Mar. 2005	Mar. 2006	Sep.2006
Number of Planet Booths	6	11	41	73	85

\* 92 branches (Oct. 30, 2006)

#### Utilize Mizuho Bank's channels for customer referrals and securities brokerage services

- Customer referrals and securities brokerage for 1H FY2006:  
Approx. 7 thousand deals (approx. +2 thousands deals from 1H FY2005)

Balance of Assets under Management (AUM) and AUM acquired through cooperation with Mizuho Bank



#### Launched Wrap Account, "Mizuho Investors SMA (Mizuho Executive Port)" through Mizuho Bank's intermediary channel (Oct. 2006)

## Enhance Investment Banking Business

### Enhance capabilities for global based solutions

#### ■ Enhance global syndicated loan business

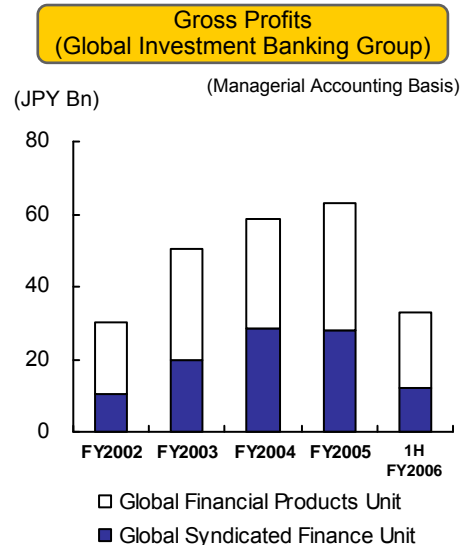
- Expand business fields, including cross-border transactions, PFI, and acquisition finance

#### ■ Further enhance investment-banking type finance functions

- Leveraged finance, project finance, real estate finance, etc.

#### ■ Strengthen cooperation with Mizuho Securities, etc.

- Further profit opportunities especially in the equity business



## Enhance International Business

### Further enhance overseas profitability and network

#### ■ Overseas Japanese:

Stable increase in both loans and non-interest income, especially in Asia (Gross Profits growth: approx. + 22% from 1H FY2005)

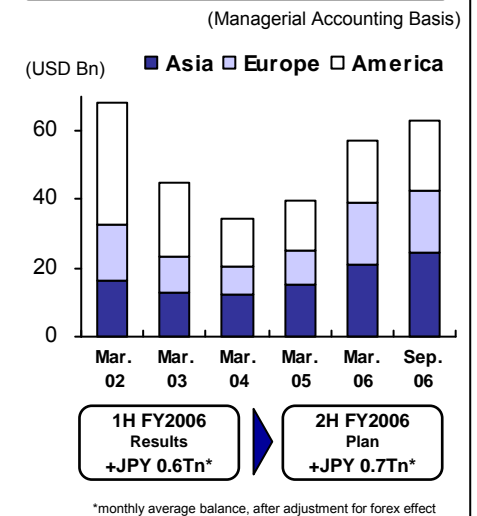
#### ■ Overseas Non-Japanese:

Increase in both loans and fee & commission income (Gross Profits growth: approx. + 16% from 1H FY2005)

#### ■ Strategic expansion of global network

- Expand network by opening new offices
- Expand customer base and complement business functions by forming alliances with and/or investing in financial institutions in various countries

### Loan Balance of Overseas Branches



## Develop an Organization and Structure Befitting a Major Global Bank

### Portfolio management functions

- Develop a more advanced risk brokerage function mainly for domestic and overseas credit risk
  - ➔ Strengthen strategic risk-taking capabilities and sophisticated risk-control

### Human resources management

- Develop global human resources by strengthening recruitment, training, and seminars
- Proactive appointment and promotion of local staff
- Support women in the workplace

### Controls for compliance

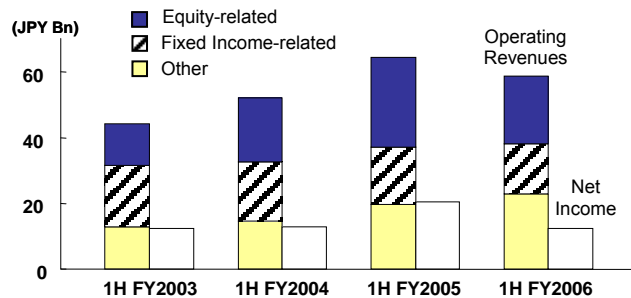
- Establish a solid compliance framework that will support growth of investment banking business and global expansion
  - ➔ Strict compliance with firewall regulations, etc.



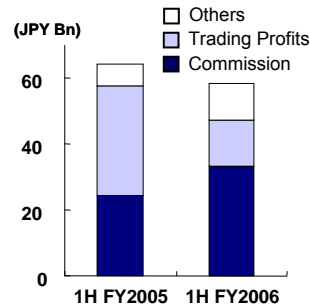
### 1H FY2006 Results

Despite an increase in commission income, especially stock-related commissions, Net Income decreased mainly due to a decline in trading profits under tough market conditions

Operating Revenues & Net Income (Non-consolidated)



Operating Revenues (Non-consolidated)



### Initiatives for Strategic Challenges

(Target: Consolidated Ordinary Profits of JPY 100Bn in the medium to long term)

#### 1. Expand earnings base

- Develop global and customer-oriented business model and further enhance group synergies

#### 2. Enhance and strengthen internal controls

- Implement business improvement measures for placement of orders, etc.
- Strengthen compliance and operational risk management framework, etc.

#### 3. Create profit opportunities through strategic alliances

- Nikko Cordial Securities: Pursue joint bookrunner deals and promote supply of complementary products
- The Norinchukin Bank: Promote business with agricultural cooperative financial institutions, and provide financial products

#### 4. Promote proprietary investments (principal finance)

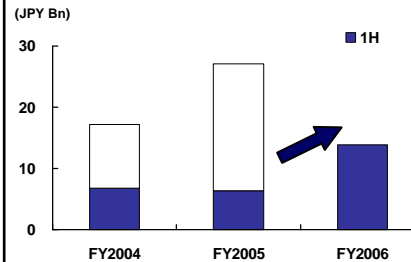
#### 5. Strengthen initiatives for the securities brokerage business

- Increase sales of structured bonds, etc, through allied partners (11 banks as of Oct. 2006)

### Increase Earnings by Business Division

Equity Division: Increased underwriting and selling commissions by capturing large deals, etc.

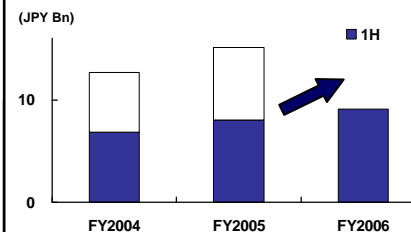
#### Equity-related Commission



- Underwriting: Significantly increased by becoming IPO bookrunner for large deals (i.e. REIT) in the active primary market
- Trading profits: Large decline due to the effects of the weaker domestic market

Fixed Income Division: Successfully defended top position in the straight bond league table

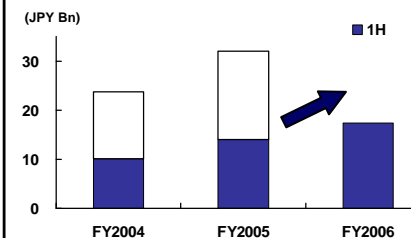
#### Fixed Income-related Commission



- Underwriting: Steadily increased profitability, maintained top rank in SB league tables
- Trading: Our trading income decreased under tough market conditions reflecting rising interest rates expectations

Investment Banking Division: Increased profits through M&A, securitization, etc.

#### Other Commissions

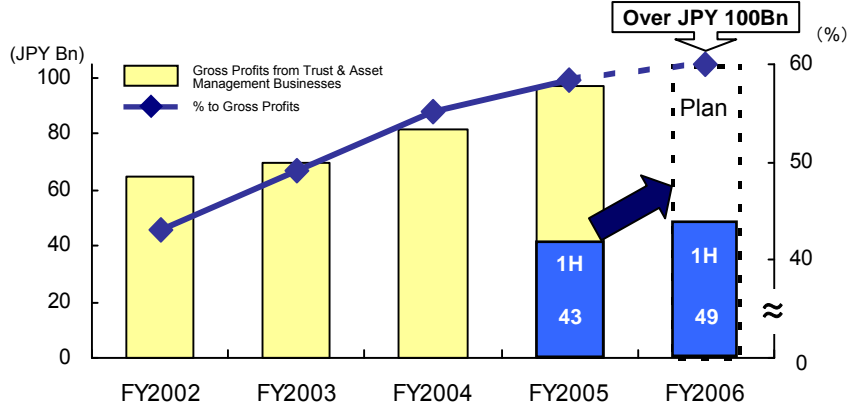


- M&A: Remained one of the top players in the league table in terms of number of deals and transaction volume due to participation in large M&A transactions
- Structured finance business: Acquired large deals, including securitization of loan portfolios

**Sustainable Increase in Profits from Trust & Asset Management Businesses**

**Gross Profits from Trust & Asset Management Businesses (Non-Consolidated\*)**

FY03-FY05: aggregate figures for Mizuho Trust & Banking and its financial subsidiary on a non-consolidated basis

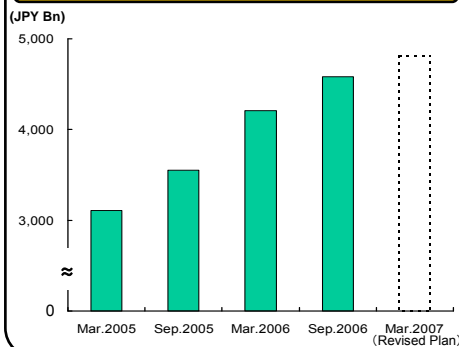


**Proactively Allocate Resources into Growth Areas**

**Real Estate: steady performance, especially in real estate brokerage**

- Provide trust real estate services, such as securitization
- Strengthen cooperation with BK/CB

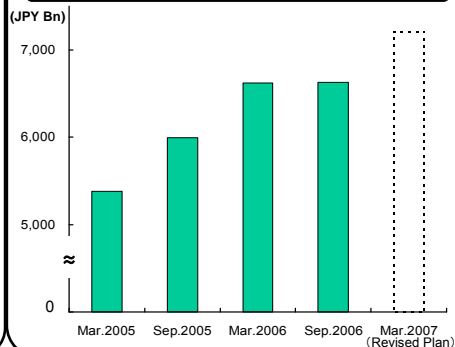
**Real Estate Securitization Balance**



**Asset Finance: steady performance**

- Expand entrusted assets through product development, etc.
- Expand assets under management by increasing sales of asset finance products

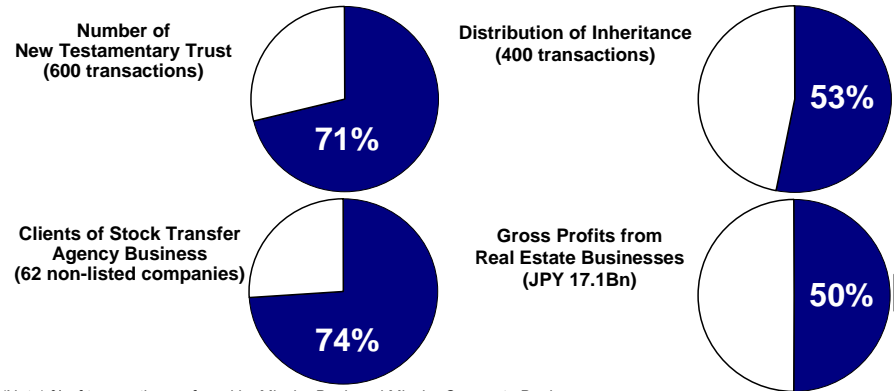
**Monetary Claim Trusts Balance**



**Pursuit of Group Synergies**

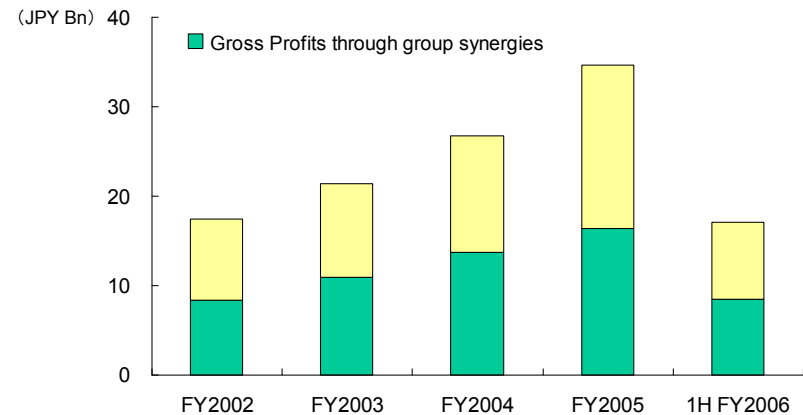
- Further utilize trust banking agents
- Promote further synergies through the Committee for Strengthening Group Cooperation
  - Share common measures with group companies/ Increase incentives based on contribution to group synergies

**Results of Group Synergies in 1H FY2006**



(Note) % of transactions referred by Mizuho Bank and Mizuho Corporate Bank

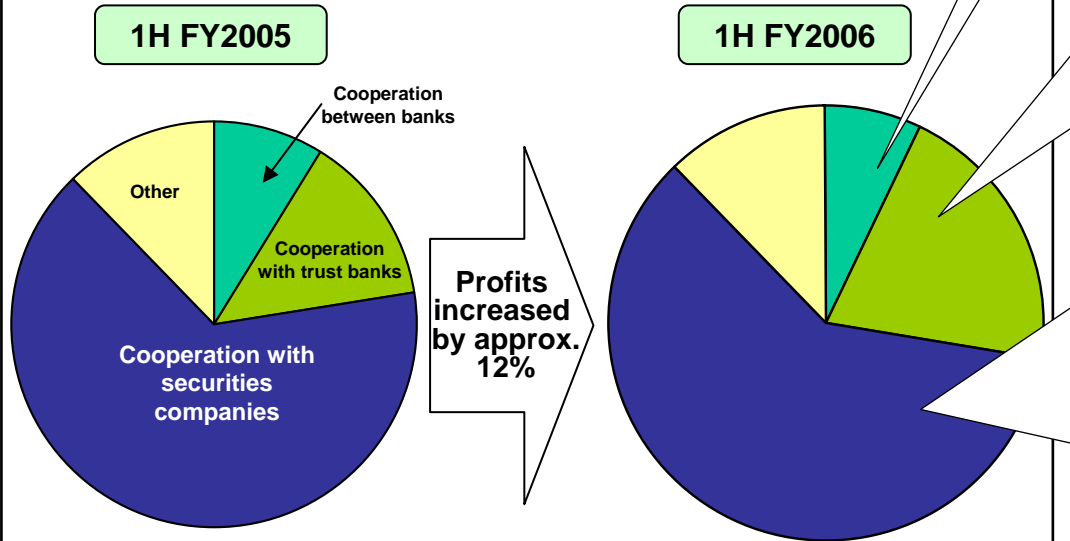
**Profits through Group Synergies - Gross Profits from Real Estate Businesses**



## Increase in Profits from Group Synergies

### Increasing trend of profits through group synergies

#### Profits from Group Synergies\*



\*Profits of group companies\*\* as a result of cooperation with BK/CB (managerial accounting basis of Mizuho Financial Group, Inc.)

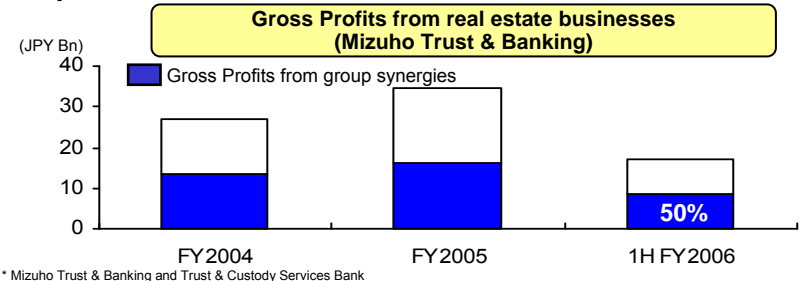
\*\* BK (cooperation with CB), CB (cooperation with BK), Mizuho Trust & Banking, Mizuho Securities, Mizuho Investors Securities, Shinko Securities, Trust & Custody Services Bank, Dai-ichi Kangyo Asset Management, Fuji Investment Management, DLIBJ Asset Management, UC Card, Mizuho Research Institute, Mizuho Information & Research Institute, Mizuho Capital, and other consolidated subsidiaries

## Examples of Synergies Pursued

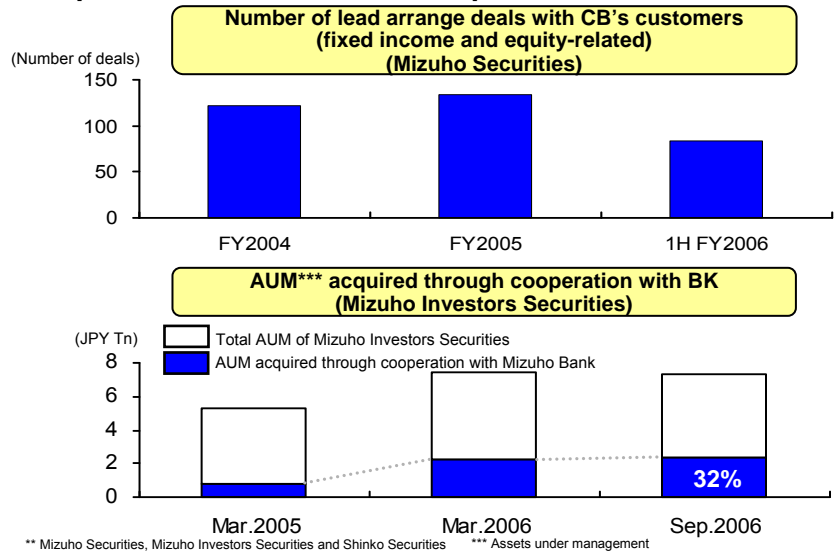
### Cooperation between banks

- BK ⇒ CB: business with Japanese companies in overseas, etc.
- CB ⇒ BK: business with corporate customers' employees, customer referrals, etc.

### Cooperation with trust banks\*



### Cooperation with securities companies\*\*



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# Disciplined Capital Management

## Full Repayment of Public Funds and Repurchase and Cancellation of Treasury Stock (July 2006)

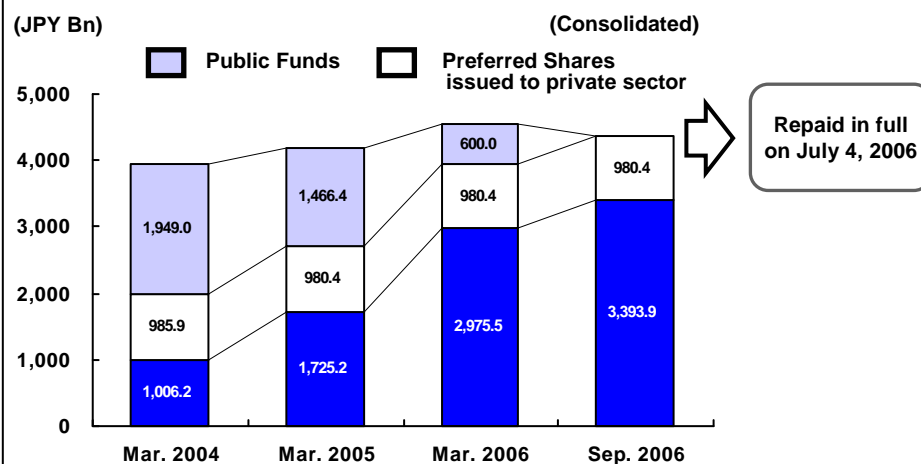
### ➤ Full repayment of public funds

- Repurchased and cancelled the remaining preferred shares of public funds of JPY 600 Bn (on an issued-price basis) in July 2006
- Completed the repayment of all public funds, the original amount of which was JPY 2,949 Bn, including the subordinated bonds (public funds)

### ➤ Repurchase and cancellation of treasury stock

- Repurchased and cancelled 131,800 shares of our common stock held by our fully owned subsidiary, Mizuho Financial Strategy Co., Ltd. (treasury stock: JPY 129.9 Bn) in July 2006
- Aim to repurchase and cancel the remaining treasury stock (261,040 shares)

## Composition of Consolidated Tier 1 Capital



## Returns to Shareholders

**FY2005**

Public Fund Preferred Shares Repurchased: JPY 943.6Bn

Dividends Paid in June 2005\*: JPY 75.8Bn

Sale of Treasury Stock: -JPY 531.6Bn

**FY2006**  
(up to Sep. 2006)

Public Fund Preferred Shares Repurchased: JPY 603.4Bn

Dividends Paid in June 2006\*: JPY 79.8Bn

Repurchase of Treasury Stock: JPY 129.9Bn

\* Common share dividends paid (excluding dividends on treasury stock (including the shares held by Mizuho Financial Strategy)) + Private preferred share dividends paid + public funds preferred share dividends paid

Completion of Repayment of Public Funds → Moving Forward to the Final Stage of Addressing Our Capital Structure Issues

## Review Our Policy in View of Global Banks

### ■ Priority List for Capital Management

- 1. Completion of repayment of public funds **Completed** → Completed the repayment of all public funds on July 4, 2006
- 2. Remaining treasury stock held by Mizuho Financial Strategy (originally 392 thousand shares) → Repurchased and cancelled a portion of treasury stock, and aim to repurchase and cancel the remaining treasury stock (261 thousand shares)
- 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  
→ Plan to increase the fiscal year-end cash dividends per share of common stock for FY2006 to JPY7,000 (+JPY3,000 from previous forecast)
- Strengthen capital base to support growth strategies  
- through increasing profits and securing flexibility of capital management → Aim to raise consolidated Tier 1 capital ratio to 7% over time

---

## Earnings Estimates for FY2006

<b>Consolidated</b>		(JPY Bn)
		Change from FY2005
<b>Consolidated Net Business Profits*1</b>	<b>1,050</b>	+127 *2 (-11)
<b>Credit Costs</b>	<b>50</b> (Gain on Reversal)	-3
<b>Net Gains related to Stocks</b>	<b>110</b>	-121
<b>Ordinary Profits</b>	<b>1,080</b>	+158
<b>Net Income</b>	<b>720</b>	+70

\*1 Consolidated Gross Profits – G&A Expenses (excluding Non-Recurring Losses) + certain equity in income from investments in affiliates and other consolidation adjustments

\*2 The figure in ( ) indicates the amount excluding the effect of the disposition of unrealized losses on bond portfolios for 2H FY2005

<b>3 Banks</b>		(JPY Bn)
		Change from FY2005
<b>Net Business Profits</b>	<b>872</b>	*3 +102 *4 (-35)
<b>Credit Costs</b>	<b>51</b> (Gain on Reversal)	-12
<b>Net Gains related to Stocks</b>	<b>100</b>	-99
<b>Ordinary Profits</b>	<b>880</b>	*3 +210
<b>Net Income</b>	<b>655</b>	*3 +42

\*3 Excludes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization from FY2005 figures

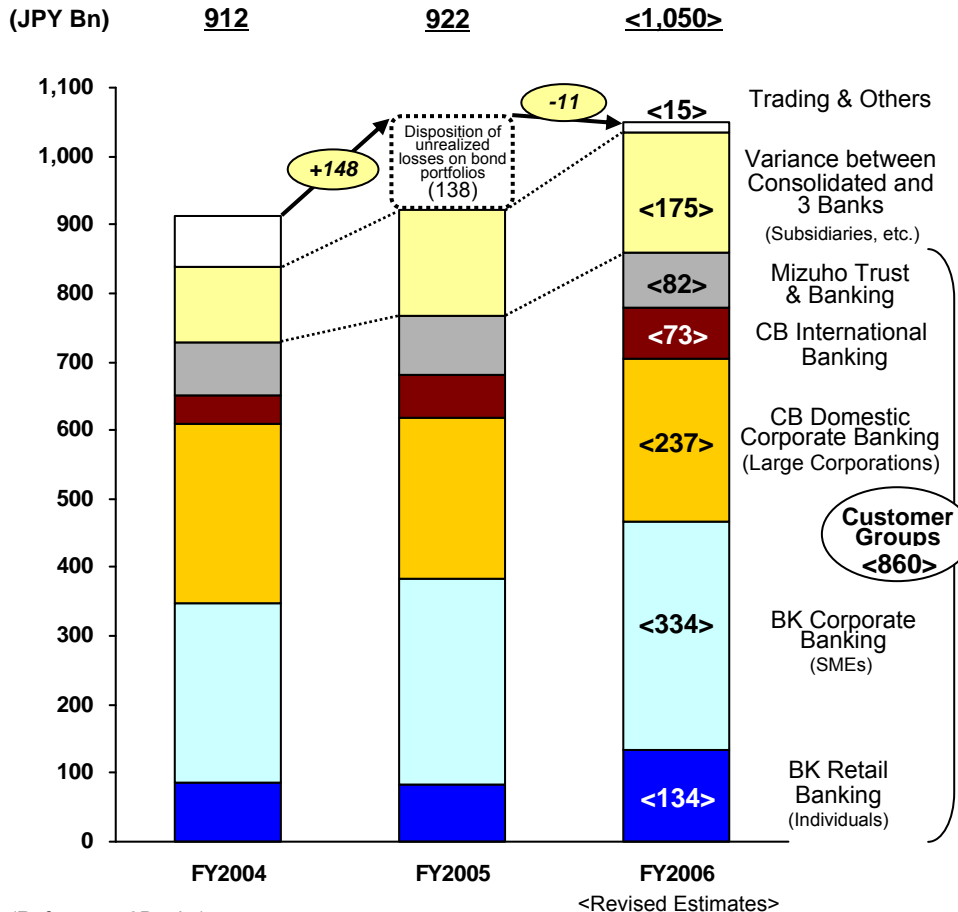
\*4 The figure in ( ) indicates the amount excluding the effect of the disposition of unrealized losses on bond portfolios for 2H FY2005

We plan to increase the fiscal year-end cash dividends per share of common stock for fiscal 2006 to JPY7,000 (a JPY 3,000 increase from that for the previous fiscal year). We plan to make dividend payments on preferred stock as prescribed.



# Breakdown of Earnings Estimates for FY2006

## Consolidated Net Business Profits



(Reference: 3Banks)

Item	FY2004	FY2005	FY2006
Net Business Profits	800	769*	<872>
G&A Expenses	829	810	<849>

\* Excludes JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

See notes on P.33

## Profit Plans for FY2006 & Key Drivers

**The Rising Interest Rates Scenario** (rates of Apr. & Sep. are actual)  
 (3-month TIBOR): (Apr.06) 0.14% → (Sep.06) 0.44% → (Mar. 07) 0.65%  
 (10-year JGB): 1.92% → 1.67% → 2.25%

(Figures in [ ] indicate changes from the original plan)

### Customer Groups (YoY +JPY87Bn [-JPY45Bn])

- ✓ Interest Income: approx. +JPY56Bn (incl. positive impact of short-term interest rises)
- ✓ Non-interest Income: approx. +JPY54Bn
- ✓ G&A Expenses: approx. +JPY23Bn

#### Retail Banking (Individuals) (YoY +JPY49Bn)

Sales of Investment Products

Captive Loans and Housing Loans (incl. Flat 35)

Increase of deposit income

#### Corporate Banking (SMEs) (YoY +JPY36Bn)

Solutions Business with fee-based income

Loans to SMEs (Middle Corporations)

#### Large Corporate Banking (YoY ±JPY0Bn)

Syndicated Loan arrangement & Investment Banking Business

#### International Banking (YoY +JPY12Bn)

Loans to Japanese & Non-Japanese Corporations

MBO finance arrangement, etc.

#### Mizuho Trust & Banking (YoY -JP11Bn)

Trust & Asset Management Business

### Trading & Others (YoY -JPY120Bn [-JPY95Bn])

- ✓ Conservative estimation considering future interest rate rises, despite diversification of income sources through credit and alternative investments, etc.

### Subsidiaries, etc. (YoY +JPY22Bn [-JPY10Bn])

- ✓ Further realization of synergies among group companies (i.e. securities subsidiaries)

### G&A Expenses (YoY +JPY38Bn [-JPY7Bn]) <3 Banks>

- ✓ Further reduction of Base Expenses mainly in BK (YoY -JPY27Bn)
- ✓ Increase of Strategic Expenses in growth areas (YoY +JPY65Bn)

P.7

ROE: Return on equity (figures other than Sep. 30, 2006 are calculated using former “Total Shareholders’ Equity” data)

P.12

Yen denominated deposits of domestic branches excluding Yen-denominated non-resident deposits and Off-shore deposits

Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

P32

1. Data included on P.32 are based on the internal management data and are the aggregates for each described segment. The figures are based on the new management accounting rules which were applied from FY2006.
2. Data on “BK Retail Banking” and “BK Corporate Banking” are for Mizuho Bank, data of “CB Domestic Corporate Banking” and “CB International Banking” are for Mizuho Corporate Bank and data on “Trading & Others” are aggregated figures for Mizuho Bank and Mizuho Corporate Bank.
3. The “Variance between Consolidated and 3 Banks” is the difference between the aggregate of Net Business Profits for the “3 Banks” and the “Consolidated Net Business Profits”. In calculating the “Variance between Consolidated and 3 Banks” for FY2005, from a base of the “3 Banks”, the “JPY 120Bn of dividends to the parent bank from the financial subsidiaries for corporate revitalization” has been subtracted and it had been eliminated as a part of the consolidation process.

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## Appendices

- Appendix A. Management Controls P.35-39
- Appendix B. Strategic Focuses of Core Operating Subsidiaries P.40-60
- Appendix C. Financial Data P.61-91

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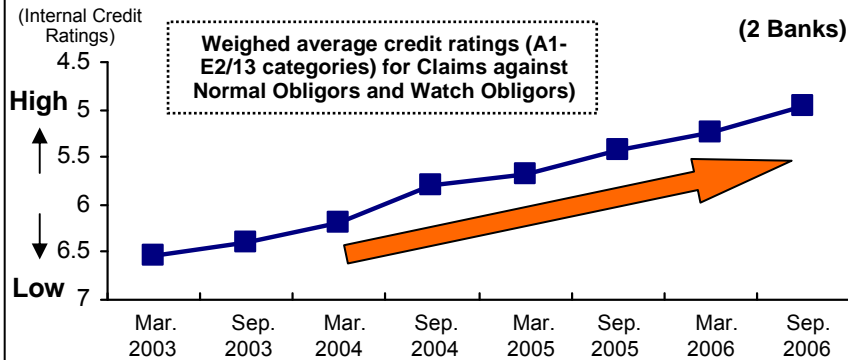
## Appendix A. Management Controls

- Credit Risk Management P.36
- Sophisticated Risk Management P.37
- Strengthening Internal Control through Process of NYSE Listing P.38
- Enhancement of CSR Activities & Pursuit of Thorough Compliance P.39

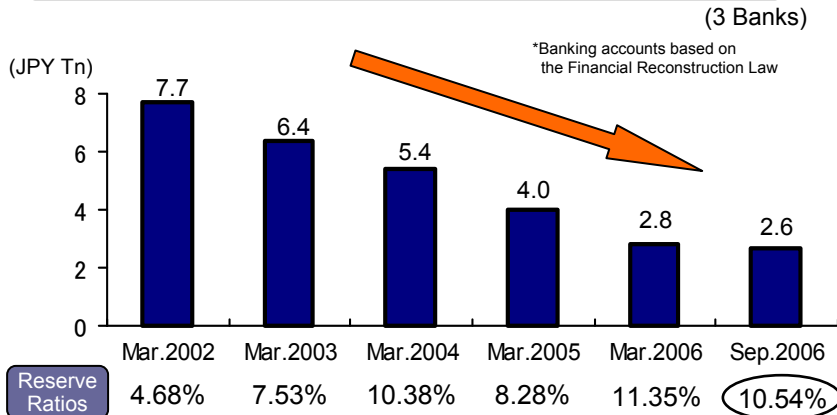
- Asset quality continues to improve with higher average internal credit ratings, etc.
- Plan to implement strategic risk-taking for enhancing profits in view of steady reduction in credit costs

### Asset Quality Improvements

Average Internal Credit Ratings

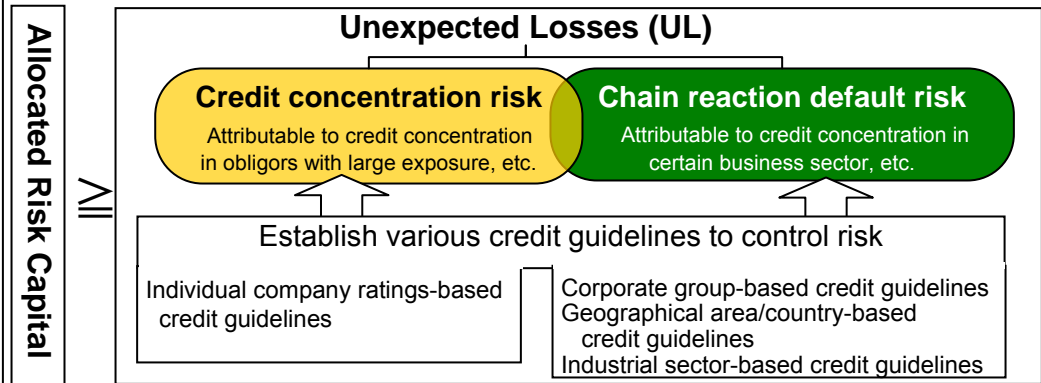


Balance of Claims against Other Watch Obligators\*

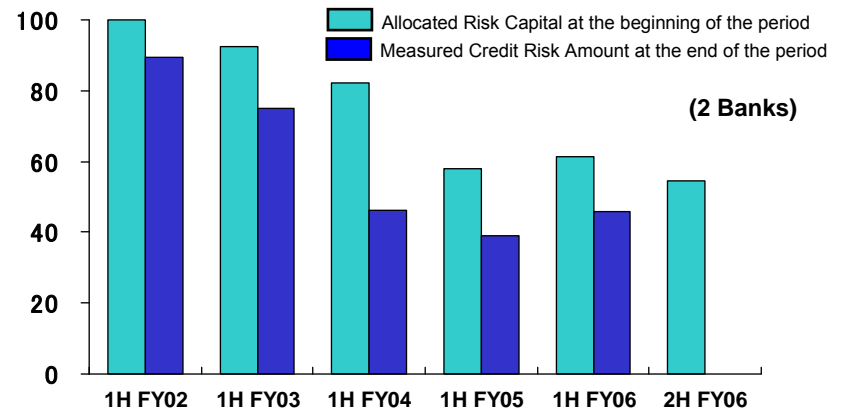


### Credit Risk Management

Control of Allocated Risk Capital and Unexpected Losses



Allocated Risk Capital to Credit Risk & Measured Credit Risk Amount Index (Risk Capital at the beginning of 1H FY2002 = 100)



- Steady progress in preparation for Basel II scheduled to be implemented in Mar. 2007
- Focused on development of risk measuring/management system and on risk-return control systems

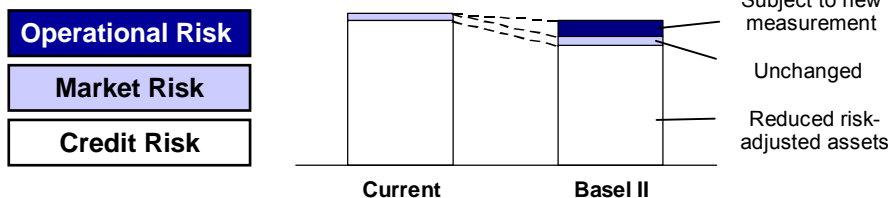
## Preparation for Basel II

- The following risk measurement approaches are scheduled to be adopted when the new rule is introduced\*
  - Credit Risk... Foundation Internal Ratings Based (FIRB)
  - Operational Risk... The Standardised Approach (TSA)
  - ➔ Plan to ultimately transfer both to the advanced approaches\*

\* Subject to approval by the regulatory authority

- Further enhance the internal management system
  - Sophistication of the risk measuring system, data maintenance, full utilization of control self-assessment (CSA), etc.
- Effects to the Group's risk-adjusted assets as a result of the introduction of Basel II (conceptional illustration)

(Assumes risk-adjusted assets as of Mar. 2006)



- Preliminary calculation results of outlier regulations (as of Sep. 2006)

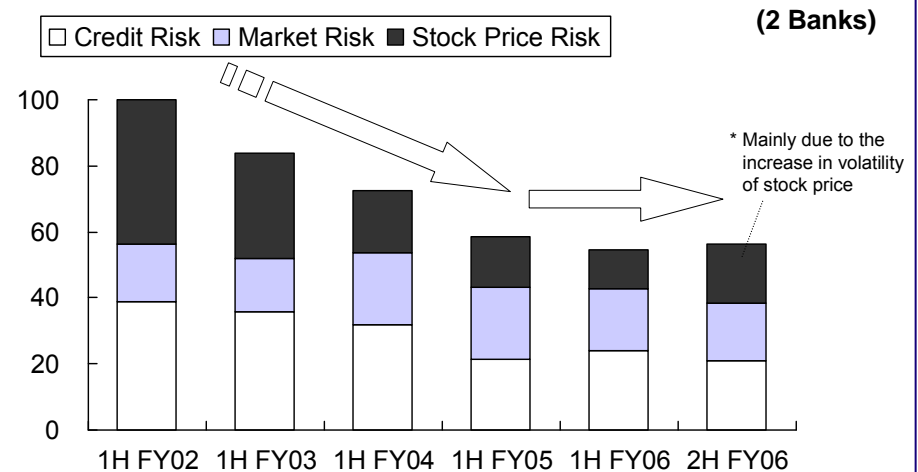
Confirm that the "amount of the interest rate risk of the banking account\* < 20% of the BIS Capital"

Risk Amount*	BIS Capital	Ratio to BIS Capital
JPY 652Bn	JPY 8,567Bn	7.6%

\* A scenario of a certain stressed interest rate movement is assumed

## Sophisticated Risk Management

Index (Risk Capital at the beginning of 1H FY2002 = 100)



- Pursue earnings growth by means of appropriate risk taking mainly in domestic loans in view of the "normalization of the risk/capital balance" through the significant reduction in Credit and Stock Price Risks
- Aim to build a management system that strengthens the link between integrated risk management and profit plan in light of the concept of Basel II

# Strengthening Internal Controls through Process of NYSE Listing

- Strengthen internal controls in compliance with the Sarbanes-Oxley Act (“SOX”)
- Highly transparent disclosure including U.S. GAAP financial statements

## Strengthen Internal Controls

### Develop internal controls over financial reporting (SOX Section 404)

#### Past Progress

- Documented internal controls  
→ Invested approximately 2,000 man-months, and documented over 70,000 pages
- 1st round testing and evaluation on design and operation effectiveness (Sep 2006)  
→ Confirmed that there are no significant issues

#### Ongoing Process

- Additional documentation to be made on conversion process to U.S. GAAP financial statements, etc.
- Prepare to produce “Section 404 Management’s Reports on Internal Controls over Financial Reporting” in FY07’s Form 20-F  
→ 2nd round testing and evaluation  
【additional process】: items excluded in 1st round testing and evaluation such as conversion process to U.S. GAAP financial statements, etc.

### Enhance corporate governance

- Developed SOX compliance under the corporate auditor system  
→ Ensured the independence of outside auditors (compliance achieved in FY2005)  
→ Appointed an external corporate auditor who is an expert in U.S. accounting standards (Jun 2006)
- Met SOX-related compliance requirements  
→ Regarding financial reporting:  
(1) code of ethics, (2) internal whistleblower infrastructure

## Strengthen disclosure controls and procedures (DCP)

### Ensure DCP (SOX Section 302)

#### Past Progress

- Established Disclosure Committees in each of the major group companies, and started to review statutory disclosure materials, etc.
- Developed infrastructure to receive “Inter-group certification” evaluation reports on DCP from each of the major group companies

#### Ongoing Process

- Prepare to produce CEO/CFO’s “Section 302 Certifications” in FY06’s Form 20-F  
→ Disclosure Committee conduct annual evaluation regarding the effectiveness of DCP

### Establish code & rules on DCP

- Established group’s “Disclosure Policy” and released it through home page in Jul. 2006
- Developed group code & rules on DCP and posted “DCP officer” in each divisions of the major group companies
- Established “Guidelines for Timely Disclosure” reflecting the U.S. disclosure rules

# Enhancement of CSR Activities & Pursuit of Thorough Compliance

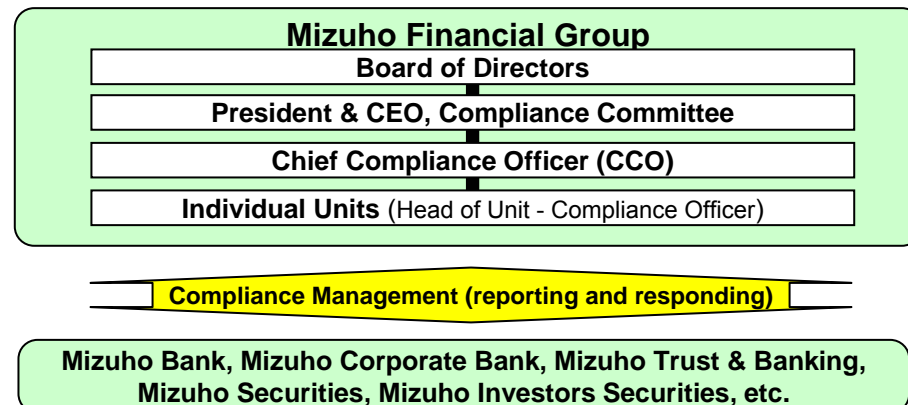
- **Positioning Corporate Social Responsibilities (CSR) activities as one of the main pillars in our management strategy in order to create a new corporate value and achieve sustainable growth**
- **Ensuring observance of laws and regulations, and pursuing corporate activities in a fair and honest manner that conforms to the norms accepted by society**

## Enhancement of CSR Activities

- **Supporting Financial Education – Using expertise gained through our main business to develop the next generation**
  - Contribute lectures and courses to higher education institutions
    - FY2006: held at Hitotsubashi University, Waseda University and Keio University
    - FY2007: also held at The University of Tokyo and Kyoto University
  - Cooperate with (planned) the establishment of a new Department of Finance at the Faculty of Economics, The University of Tokyo
  - Commenced joint research with Tokyo Gakugei University on financial education in elementary and secondary education
    - Produced the “Okane-no Oshigoto” financial education textbook
- **Environmental Initiatives – Supporting the environment and businesses with financial scheme**
  - As Japan’s first bank to adopt the “Equator Principles”, the bank established the Sustainable Development Department – a division dedicated to considering social and environmental risks – and promotes project finance based on these principles. (Mizuho Corporate Bank)
  - Promotes the system of providing substantially reduced interest rates to corporate customers that are engaged in environmentally-conscious management (Mizuho Bank)
  - Participate in three international initiatives: United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (PRI), and United Nations Global Compact
- **Highly Responsive Communication – Constant dialogue with our stakeholders**
  - Published second CSR Report (Oct. 2006) to share information on Mizuho’s CSR initiatives with our stakeholders
  - ⇒ Achieved 86 items of the GRI Guidelines (27 items increase from FY2005), and continue to further improve our initiatives

## Pursuit of Thorough Compliance

### Compliance Structure



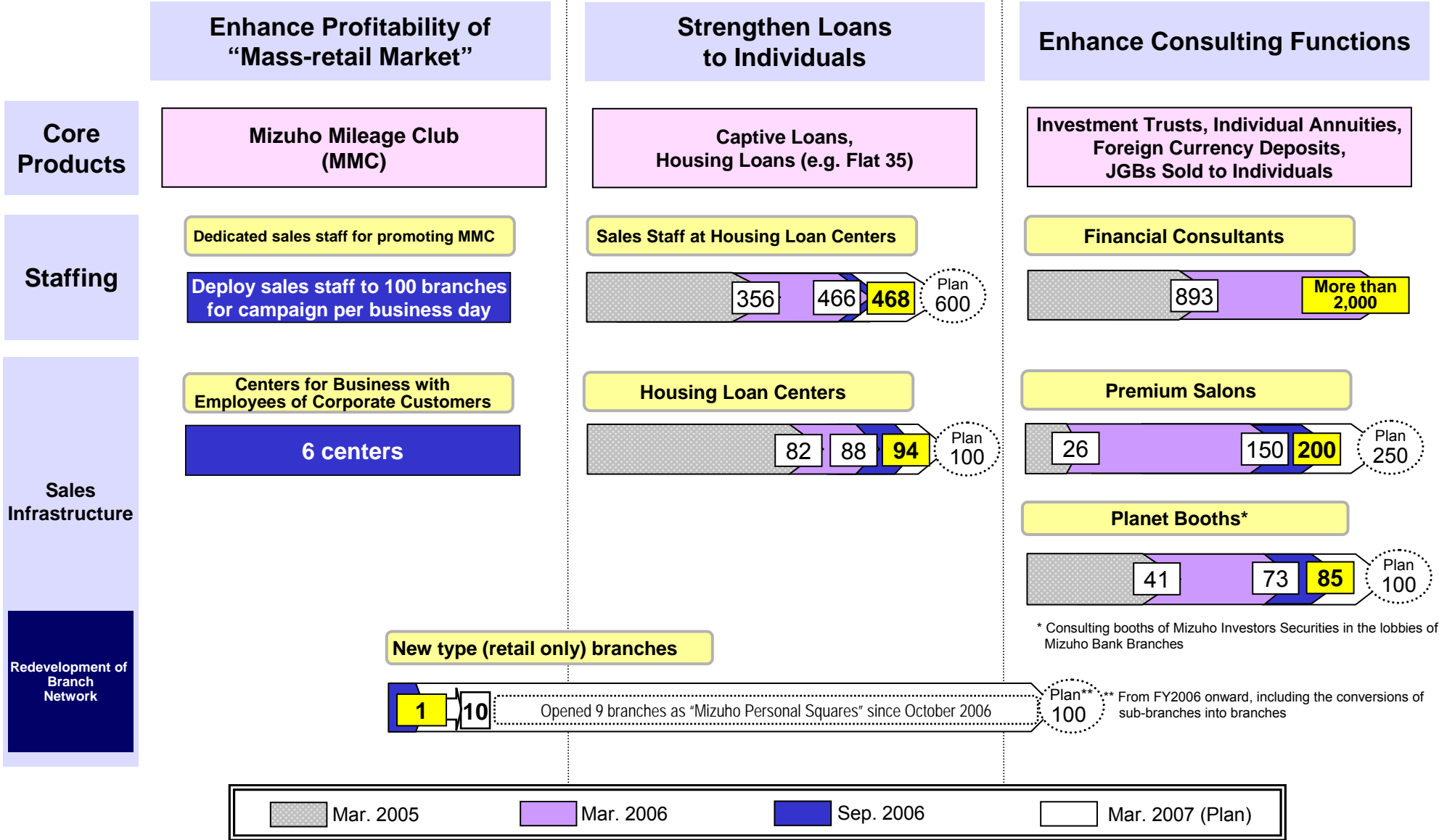
- Established a Compliance Hotline (point of contact for reporting) within the internal compliance divisions, and also within an external law office
  - Established “Internal Controls and Audit Hotline” to respond to both internal and external whistleblowers
- **Overview of Compliance Activities**
- Distributed the Mizuho Code of Conduct (detailed standards of ethical behavior) to all executives and employees
  - Formulated a compliance manual and comprehensively disseminated it through training, etc.
  - Formulation of compliance programs (annual action plans) and reports on implementation status and results to the Board of Directors



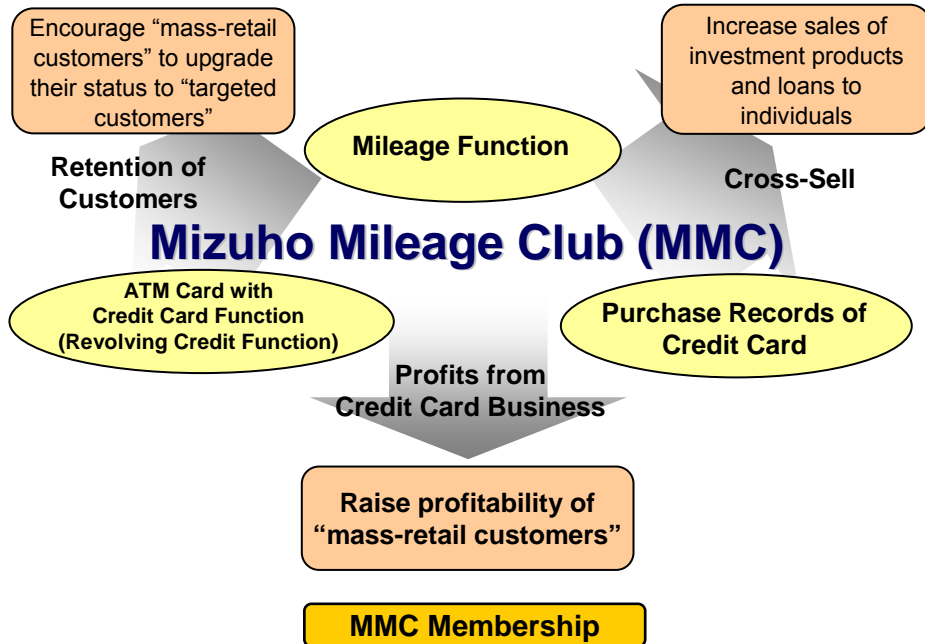
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## Appendix B. Strategic Focuses of Core Operating Subsidiaries

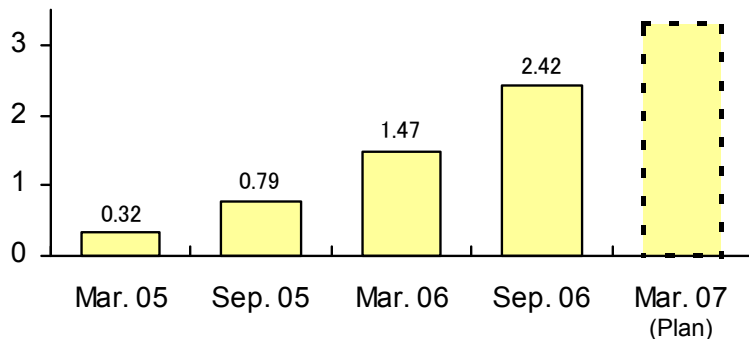
■ Mizuho Bank	P.41-52
■ Mizuho Corporate Bank	P.53-55
■ Mizuho Securities	P.56
■ Mizuho Trust & Banking	P.57
■ Shinko Securities	P.58
■ Pursuit of Group Synergies	P.59
■ Business Segment Information	P.60



**The Membership Service Platform:  
ATM Card with Annual-Fee-Free Credit Card Function**



(No. of Members: Millions)



**Increase MMC Membership  
and Further Improve Card Functions**

**Increase MMC Membership**

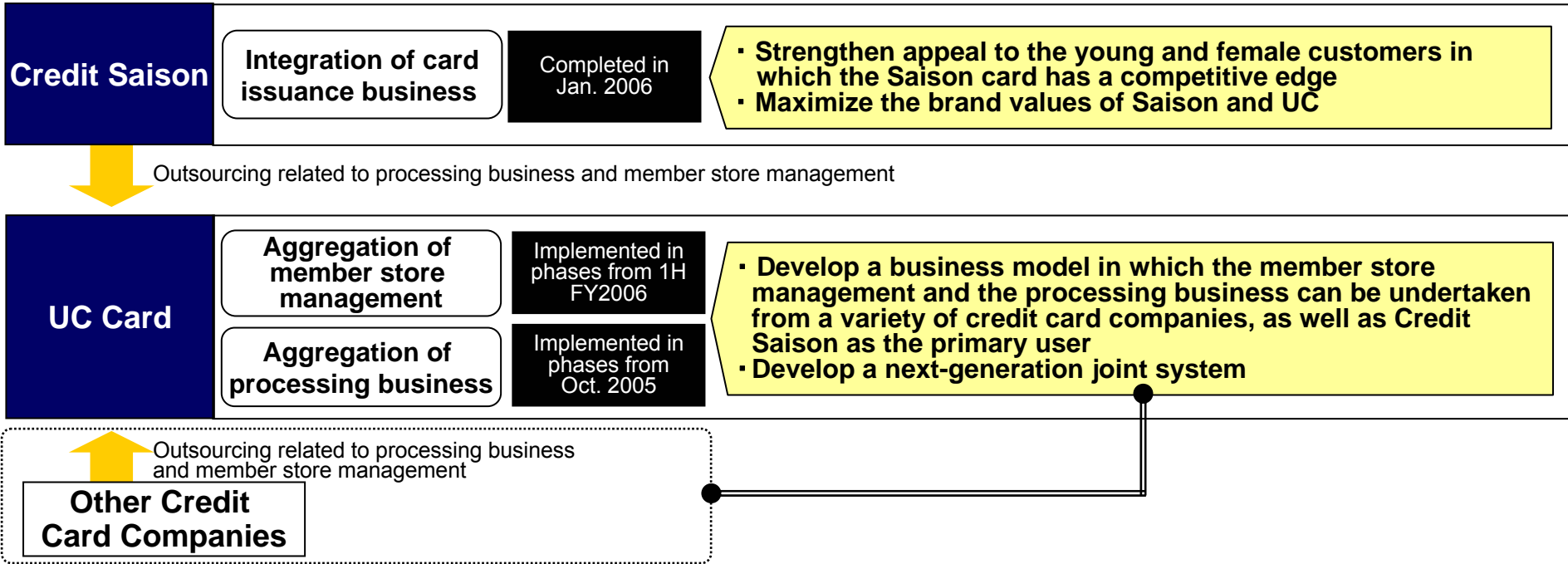
- **Promote switching from the former membership services program, i.e. Mizuho Value Program (“MVP”), to MMC**
  - Number of MVP members: approx. 6.5 millions
- **Full-scale promotion of over-the-counter sales by dedicated sales staff**
  - Strengthen staff training programs for further enhancement of their sales skill sets.
- **Promote MMC membership sales activities upon account openings by new customers**
  - Targeted New customers: More than 1 million/year
  - Hold workshops run by Credit Saison
  - Run promotions targeting new recruits

**Improve Card Functions**

- **Promote business alliances with top brands**
    - Credit Saison: MMC <Saison> (Apr. 2005)
    - AMEX (Jan. 2006)
    - JR-East: Mizuho Suica Card (Mar. 2006)
    - NTT DoCoMo: iD™ service (Nov. 2006)
  - **Expand “Corporate Partners” \***
    - Added Nifty, Hakuyosha (both in Apr. 2006), The Lotte Group in South Korea and Prince Hotels (both in Jun. 2006)
    - 18 Corporate Partners in total
- \* Services which offer bonus points for using MMC Card (credit card) at Partner Companies and allow Partner Company points to be exchanged into MMC points
- **Install biometric personal identification function (Oct. 2006)**

**Develop the Most Powerful Credit Card Business and Promote Cross-sell**

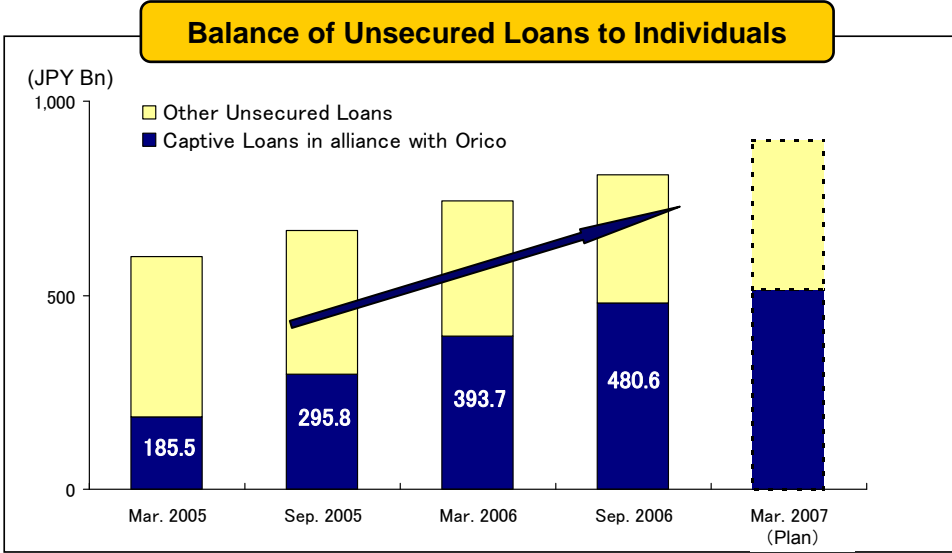
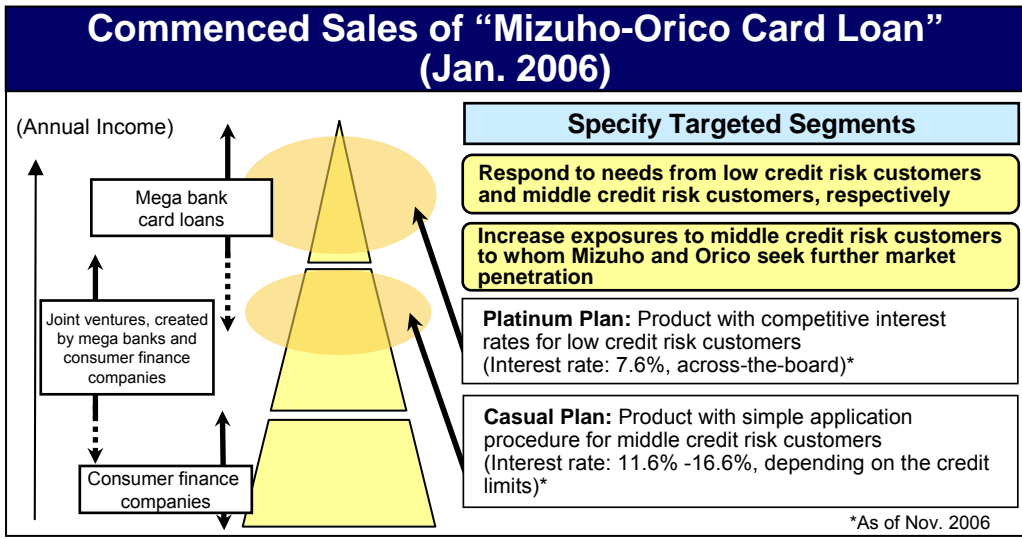
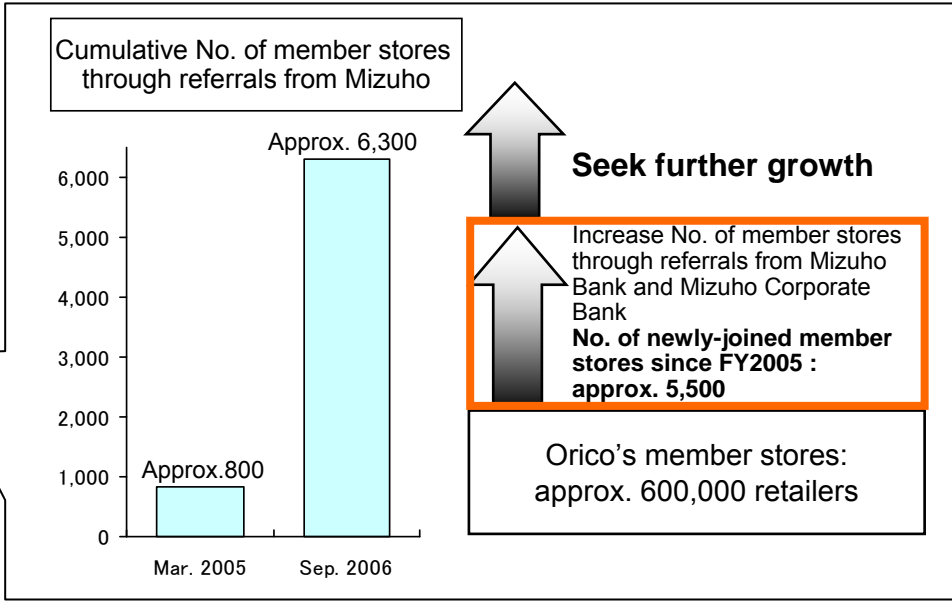
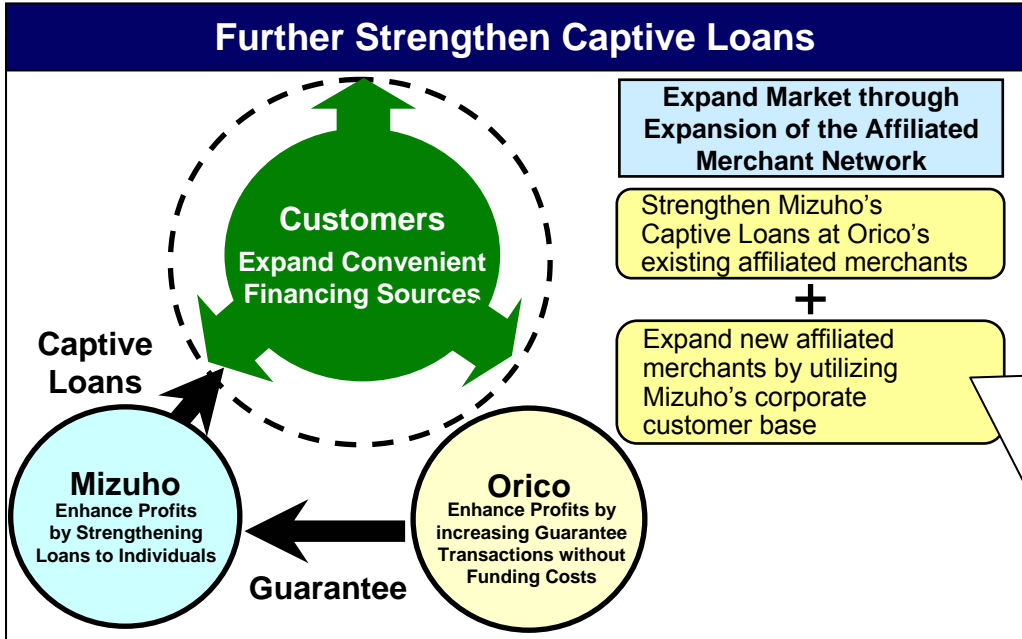
Develop a “Specialized + Allied” business model through business integration and aggregation



Cross-sell Mizuho Bank’s products to Credit Saison customers (approx. 23 million) + Increase MMC membership using Credit Saison’s marketing capabilities

Enhance products and services capacity by promoting business alliances with other industries

■ Business alliance in promoting the mobile phone credit card service iD™  
4-way alliance among NTT DoCoMo, Credit Saison, UC Card and Mizuho Bank was agreed (Mar. 2006), Services for MMC members started (Nov. 2006), and UC Card started expanding the iD member stores (Oct. 2006).



**Enhance Sales Channels**

**Real Estate Broker Channel**  
(approx. 60%)

**Strengthening of Housing Loan Centers**

- Expand Housing Loan Centers  
Establish 100 Housing Loan Centers and deploy 600 RMs  
→ a system that enables effective coverage of major developers and major domestic markets
- Leverage Mizuho's Corporate Customer Base
- Strengthen RMs  
Strengthen RMs through step-up of external recruiting and implementation of training program

**Strengthen Sales Capacity**

**Corporate Customer Channel**

**Enhance sales to employees of corporate customers**

Strengthen business with employees of Mizuho's corporate customers (approx. 4,000 targeted companies)

**Pursue refinancing opportunities with other bank's borrowers while defending against refinancing offered by other banks**

- Strengthen loan consultation capabilities (Extend business hours until the late and weekends)
- Set target new execution amount and loan balances
- Strengthen consulting and sales capacity of branches by improving efficiency in operations
- Continue to offer preferential interest rates to promote refinancing from other banks

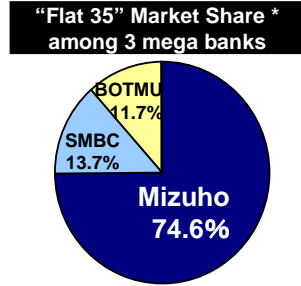
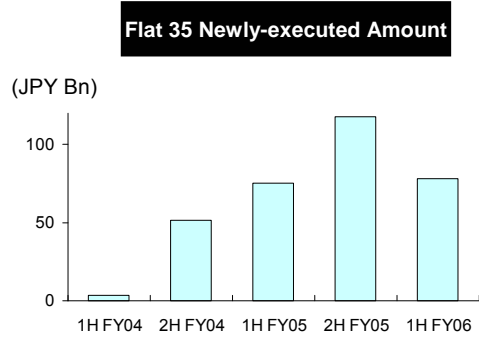
**Bank's Branch Channel**  
(approx. 40%)

**Increase Value of Bank Branch Channel for Customers**

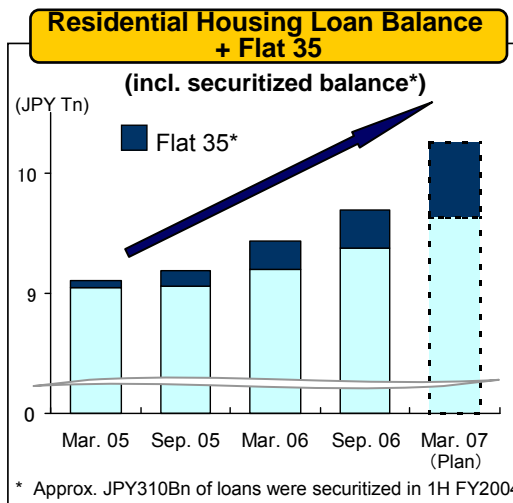
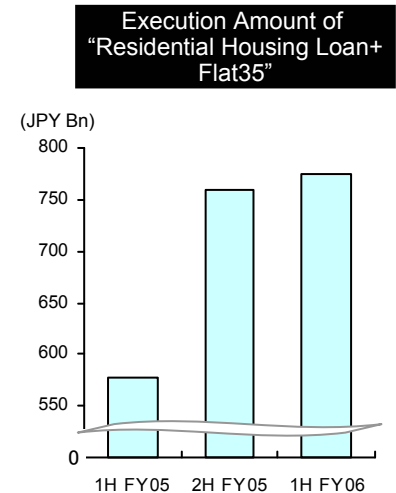
**Strengthen Products Line-up**

**Respond to the customer needs for medium to long-term fixed interest rates**

- [New Customers] Promote "Flat 35"
- [Refinancings] Respond to refinancing needs with Mizuho's products
- [New Product] Start dealing in special loans featuring guarantees against three major diseases



(The Japan Financial News report)  
\* No. of securitized loans in 1H of FY2006



\* Approx. JPY310Bn of loans were securitized in 1H FY2004

Increase Sales of Investment Products through Enhancing Consulting Functions to Targeted Customers

**A Full-Fledged Private Banking Company**

- **“Mizuho Private Wealth Management”**  
(Established in Oct. 2005 and started operations in Nov. 2005 with 60 staff)

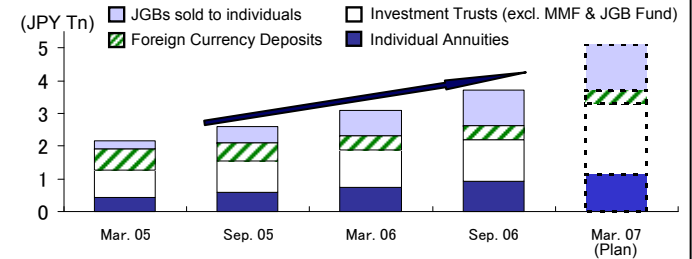
**Further Improvements of Products and Increase of Sales to High Net Worth Customers**

- **Enhance Business Strength**
  - Introduce PB Consulting system and increase the number of consultants incl. external recruiting
  - Cooperate with branches to promote business directed at target customers (40 PB staff)
  - Develop tailored PB products (hedge funds, wrap accounts, etc.)

**Establishment of the Best Consulting Functions**

- **Strengthen Product Strategies**
  - Introduce products in a timely manner, in light of market trends
    - Investment trust: World 8 Asset Fund “World Suite” (Started sales in Jun 2006, Total sales for 1H FY2006: approx. JPY 50Bn)
    - Pensions: “Nenkin Kiko” fixed annuity insurance (Started sales in Apr 2006, Total sales for 1H FY2006: approx. JPY 22Bn)
  - Increase sales of retail-targeted JGBs  
Total Sales for 1H FY2006: approx. JPY 310Bn (Approx. JPY 53Bn increase from 1H FY2005)
- **Enhance services to targeted customers that support the consulting function**
  - Increase Mizuho Premium Club membership (Commenced in Mar. 2005)
  - Strengthen initiatives directed at the retirees market, with a focus on baby-boomers
  - Enhance the consulting function by taking retail-targeted JGB holdings as an opportunity
  - Strengthen initiatives for customer intermediary functions re; securities products and trust and banking agencies business (incl. Testamentary trusts)

Cumulative Balance of Investment Products & JGBs Sold to Individuals



**Enhance services to targeted customers**

- Provide foreign currency exchange services in alliance with ANA with a view to future joint marketing (Nov. 2006)
- Provision of member-only services for members of “Otona no Kyujitsu (Holiday for Seniors) Club” JR East (Jun. 2006)

**Enhance Consulting Channels**

- Strengthen capabilities of 2,000 Financial Consultants (FCs)
- Accelerate installation of “Premium Salons”
- Enhance channels to promote group synergies, e.g. “Planet Booths” \*

	Mar. 2005	Mar. 2006	Sep. 2006	Mar. 2007 (Plan)
FCs	893	2,000+	Further strengthen 2,000 FCs	
Premium Salons	26	150	200	250
Planet Booths*	41	73	85	100

\* Consulting booths of Mizuho Investors Securities in the lobbies of Mizuho Bank branches

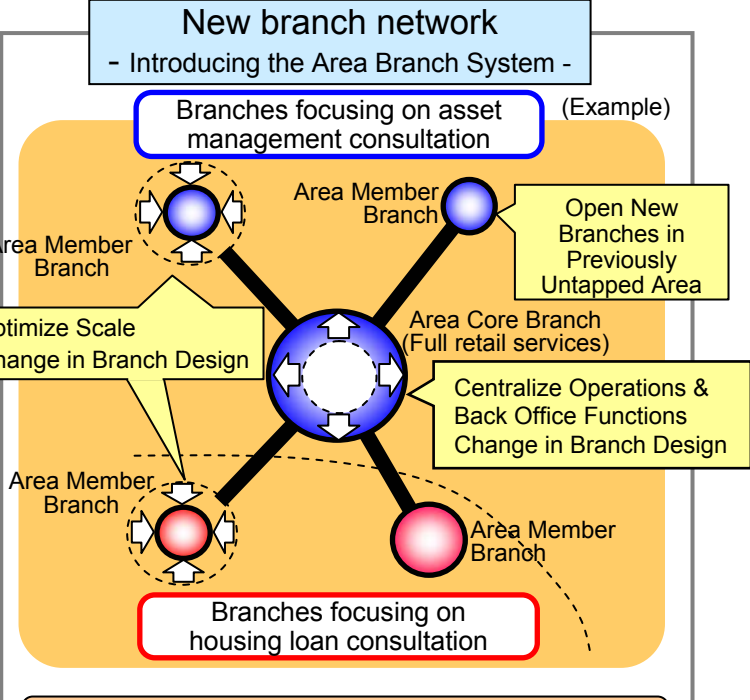
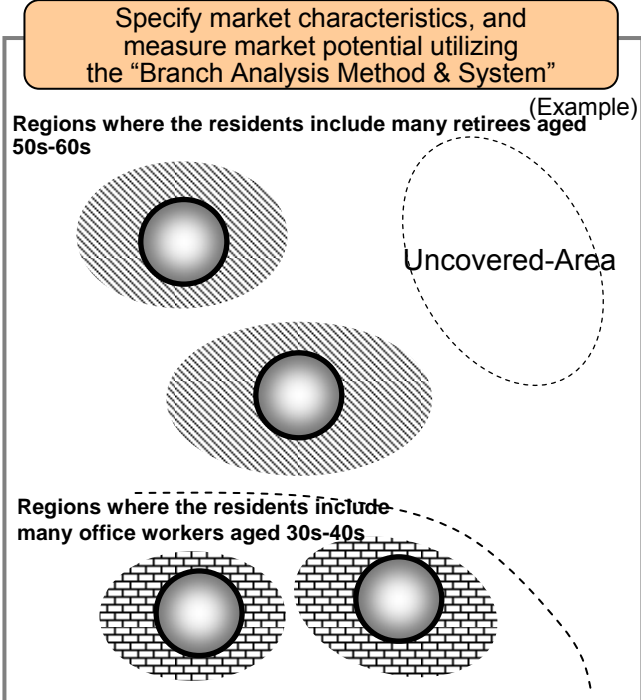
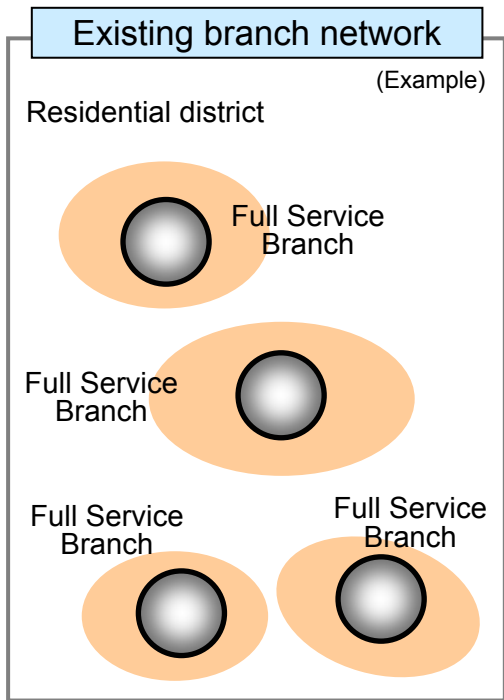
**Enhancement of Compliance Framework**

Appropriateness of Transactions

Compliance

Information Management

**From Cost-reduction-oriented Approach to Earning-maximization-oriented Approach** → **Review Existing Branches by utilizing the “Branch Analysis Method & System” and Consider Opening New Type (Retail Only) Branches**

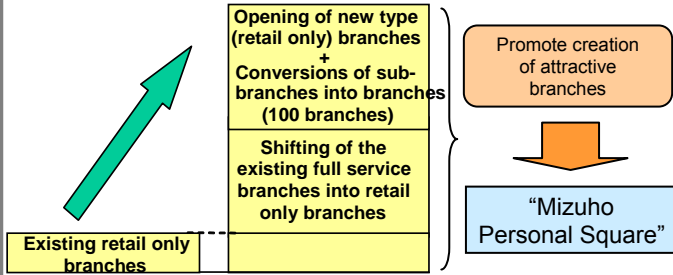


**The Aim of Restructuring the Existing Branch Network**

- Expand market coverage through opening new type (retail only) branches and converting sub-branches into branches
- Effectively strengthen the ability to attain customers, through branch interior redesign and business promotion policies tailored to each market segment
- Strengthen the ability to respond to customers' needs through enhancing business promotion and introducing the Area Branch System

**Enhance attaining of customers through stronger consulting functions**

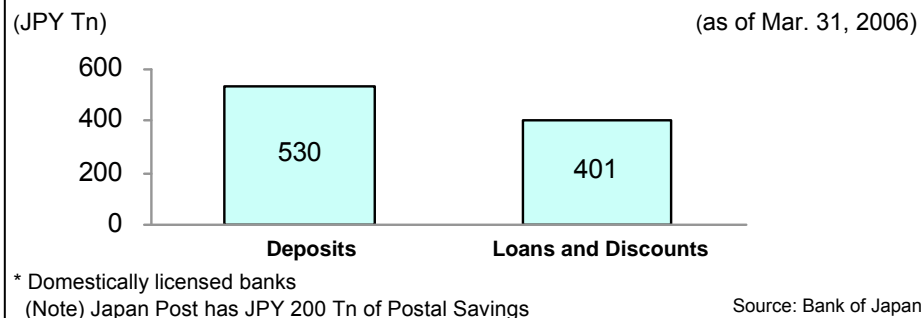
**Reinforce retail only branches through opening of new type branches, etc**



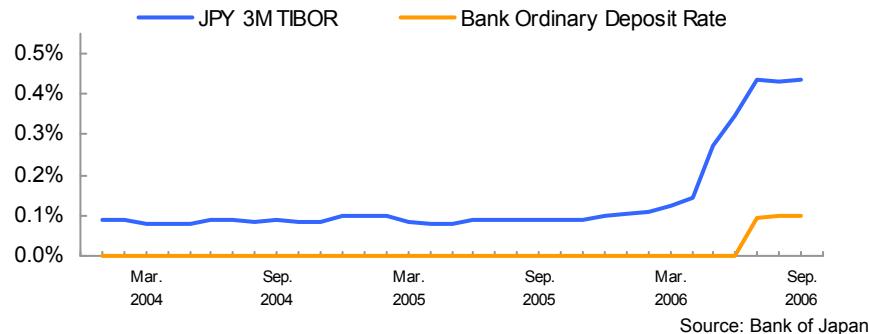


- Significant over-deposit situation in Japanese Banking Industry
- Change in BOJ's zero interest rate policy
- Shifts in individuals' financial assets from savings to investments
- Progress in deregulations and privatization of Japan Post

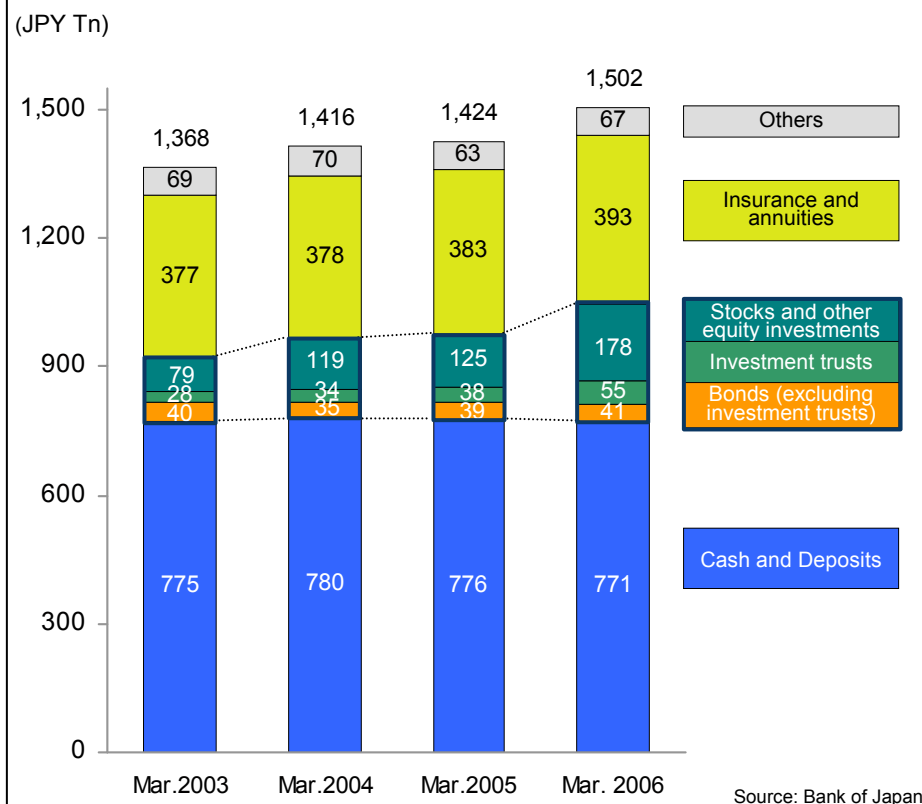
### Balances of Deposits and Loans & Discounts (Japanese Banks\*)



### Short-term Interest Rates

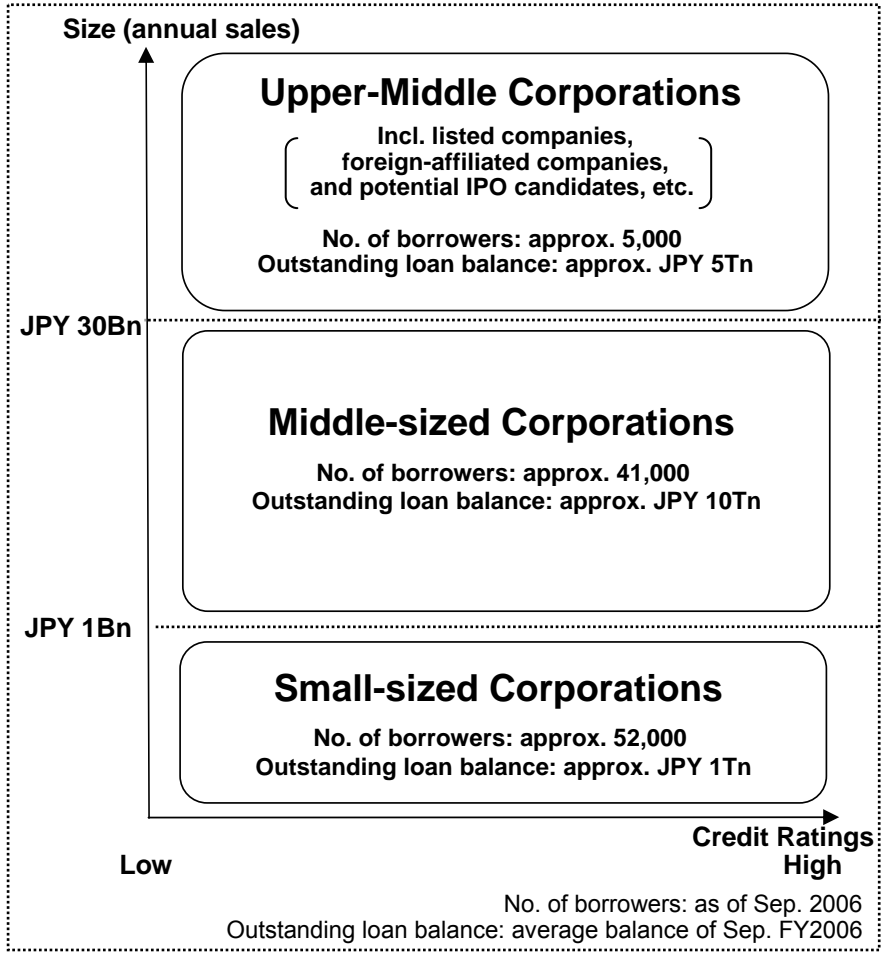


### Financial Assets of Households



**Increase Loans by Focusing on Customer Segments and Promote Solution Businesses**

**Customer Segments of Small and Medium-sized Enterprises (SMEs)**



**Increase Loans**

**Promote Solution Business**

**Strengthen capabilities for tailor-made solutions and advisory services that meet the needs of each of the targeted customers**

- ⇒ Promote large lending transactions packaged with business solution proposals
- ⇒ Strengthen HQs supports for providing comprehensive solution services

**Build up loan balance**

- Increase market share, promote refinancing from other banks
- Capture customers' needs for changing banking relationships

**Strengthen efforts for new transactions**

- Strategically deploy new business specialists
- Strengthen initiatives for growth areas and industries

**Actively expand solution proposals which utilize to the full extent the strengths gained through focusing on the SMEs**

- Further strengthen initiatives for core solutions businesses
- Strengthen advisory businesses

**Strengthen Business Finance Centers**

- Expand deployment of specialists to branches
- Expand products and services

**[Stronger sales systems]**

- For upper-middle corporations**  
Reorganize the sales systems and strategically deploy upper-middle corporate RM
- For middle-sized corporations**  
Strengthen personnel development for corporate RM  
Properly deploy corporate RM through reorganization of sales systems

## Increase Loans to Upper-Middle and Middle Corporations

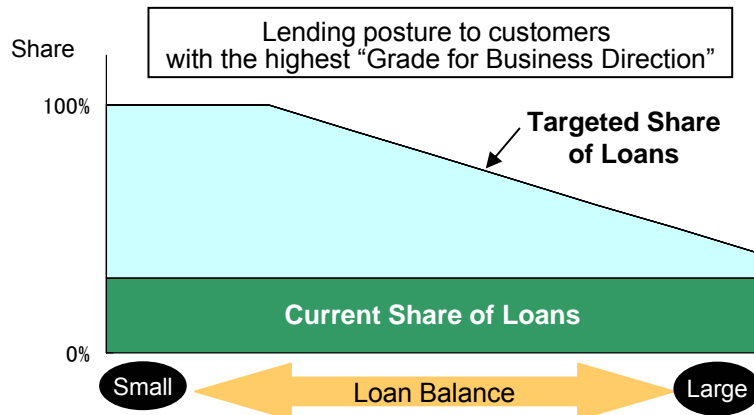
Enhance initiatives for increasing the Bank's share in the lending to each corporate customer

Formulate "Preauthorized Business Direction" for each corporate customer

- Preauthorized medium- and long-term business direction based on customer profile, and banking business relationship, and types of services (= "Grading of Business Direction")

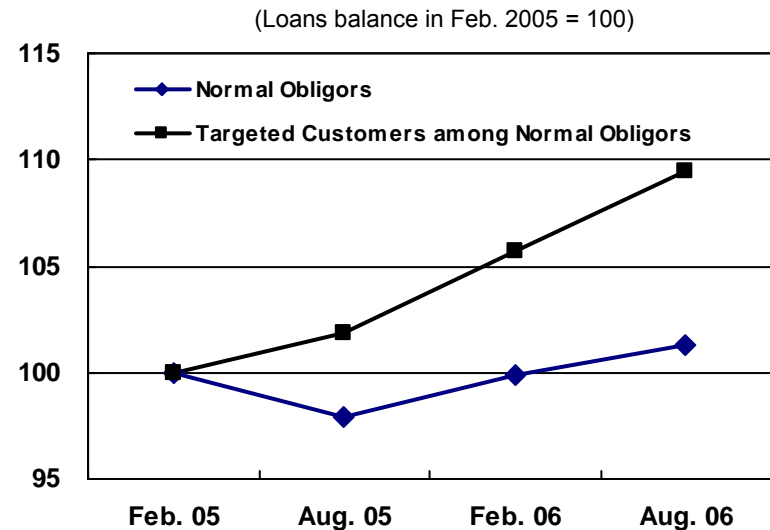
Define share of loans to pursue ("Targeted Share of Loans") according to "Grade of Business Direction" and loan balance of customers

- Undertake a multifaceted approach for customers aiming at achieving transactions with "main bank" status (No. of targeted customers : approx. 1,800)



Increase in loan balances to "targeted customers" in 1H FY2006: approx. JPY 380Bn

Change in Loan balances in respect of Grade of Business Direction

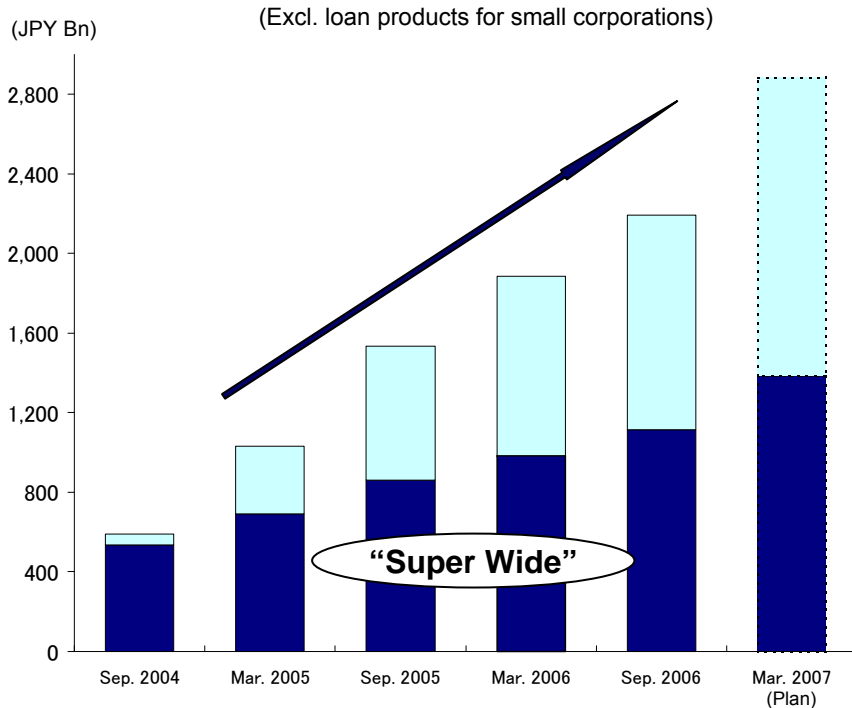


## Increase Loans to Upper-Middle and Middle Corporations

**Increase Unsecured Loan Products, e.g. "Super Wide" \***

**1H FY2006 "Super Wide" execution amount: approx. JPY 180Bn**

**Accumulated execution amount of unsecured loan products**



\* Core product of unsecured loans (total fund amount : JPY 1 Tn)

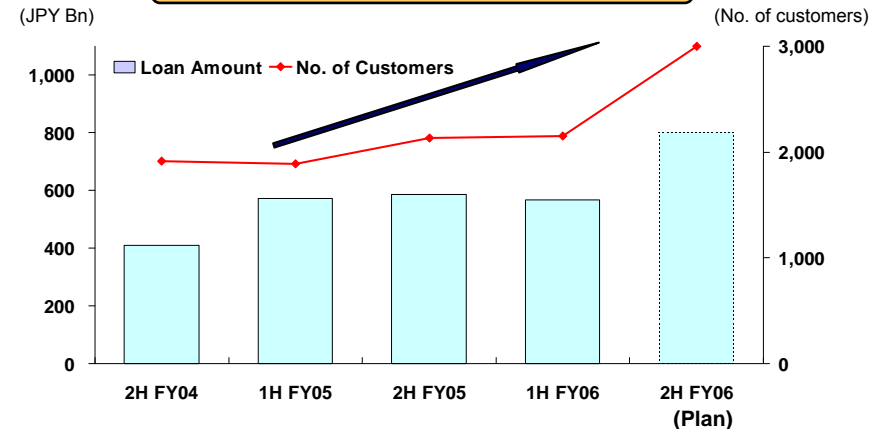
**Strengthen Initiatives for Loans to New Customers**

**Expand Customer Base from Medium- to Long-term Perspectives**

**1H FY2006 No. of New Customers: approx. 2,200  
Executed Loan Amount: approx. JPY 570Bn**

- **Strategically deploy 210 specialist RMs in accordance with market demand**
  - Already positioned experienced specialists
- **Strengthen initiatives for growth areas and businesses with needs for borrowing**
  - Car dealers, supermarkets, staffing agencies, automotive parts manufacturers, etc.
- **Strengthen group synergies**

**Newly-executed Loans to New Customers**

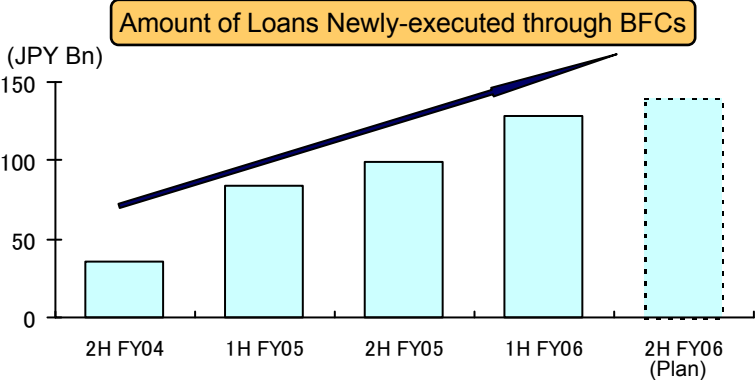


**Increase Loans to Small Corporations**

**Establish Low-Cost Mass-Sales Channels**

**1H FY2006 loan amount newly-executed through Business Finance Centers: approx. JPY 130Bn**

- Established 100 Business Finance Centers (BFCs) with 600 staff members, and expanded in regional areas
- Expand deployment of small business specialists to branches
- Enhance loan products and services
  - Expand dealing with loans guaranteed by credit guarantee Corporations, and Develop standardized loan products
- Strengthen the HQ's support system (Established the "Retail- Corporate Business Promotion Division")
  - Strengthen staff training, credit management, loan administrations, and the system for pursuing performance
- Develop business promotion system to adapt to deregulation of banks' agencies
  - Started door-to-door sales and expand a range of available services

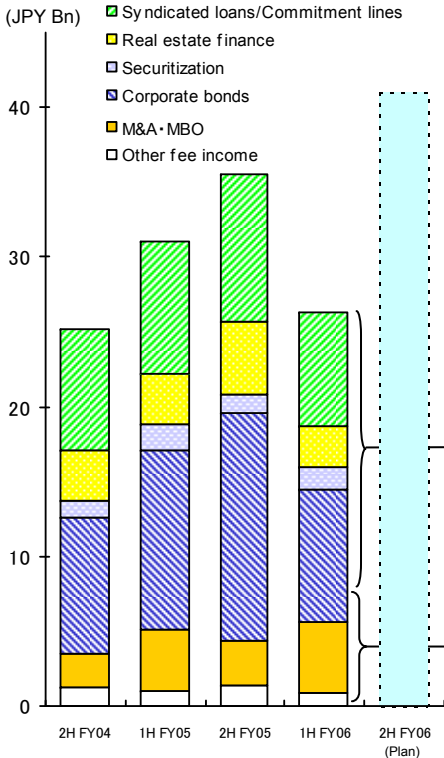


**Promote Solution Businesses**

**Strengthen Initiatives for Core Solution Businesses**

**Fees related to corporate bonds, etc. significantly decreased in 1H of FY06 due to changes in market environments**

**Fee Income from Solution Businesses**



**Needs for Financing**

- Syndicated loan
- Real estate and ship finance
- Project finance
- Securitization
- DIP Finance

**Needs for Investments**

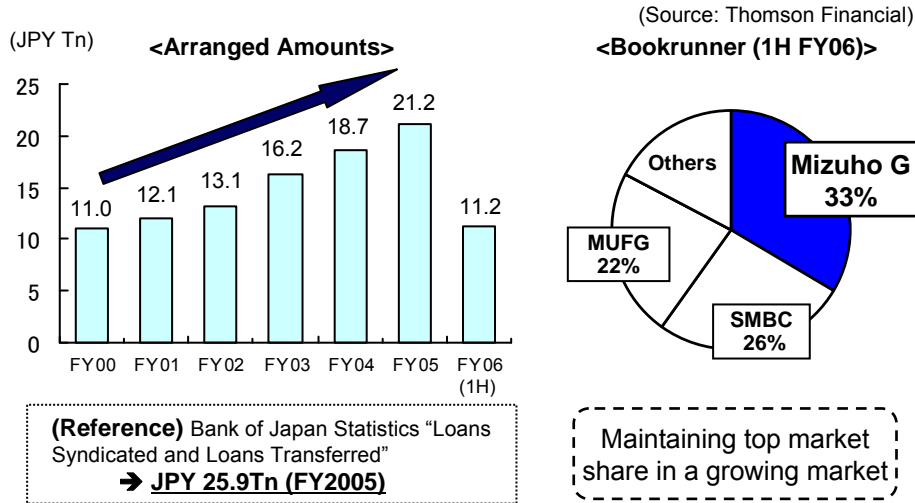
- Securities brokerage business

**Needs for Management Issues**

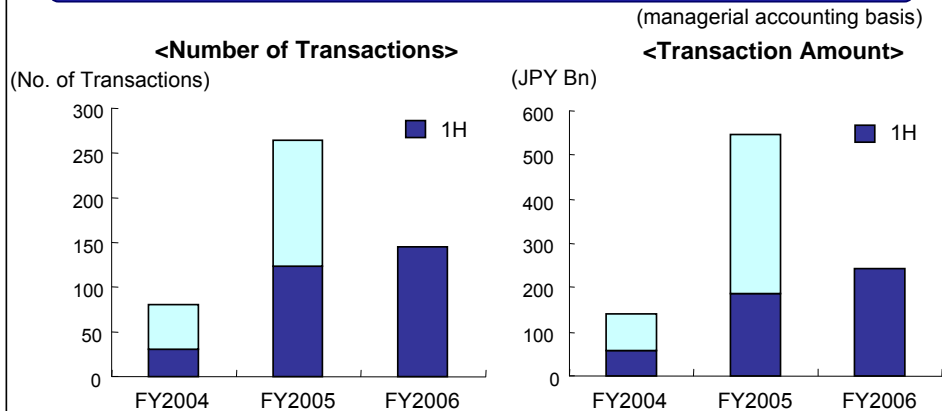
- M&A / MBO
- Strengthen capabilities for solution proposals to upper-middle corporations
- Improve responsiveness to business succession needs
- Strengthen support for companies with IPO potential
- Support implementation of defined-contribution pension plans

## Expansion in Market-oriented Indirect Financing

### Domestic Syndicated Loan Market & League Table



### Loans Trading Transactions

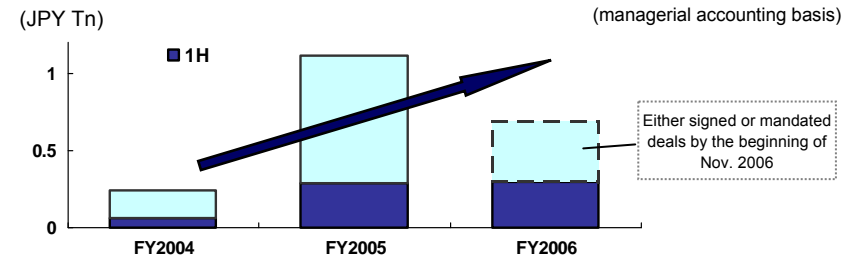


## Promote "Originate to Distribute" Business Model

### 1H FY2006 Results

- Achievement of incorporating new products/areas, e.g. cross-border transactions, PFI, LBO, etc.
- Syndicated loans have been taken up by corporations with high credit-ratings, and become a financing instrument along with financing from the capital markets.

### Arranged Amounts of Cross-Border Syndicated Loans



### Promote development of multi-tiered markets

- Collaboration among Syndication Unit, Global Financial Products Unit and International Banking Unit
  - Expand cross-product proposals
  - Expand "ninja loans"\*
- \* Name given to cross-border syndicated loans in which non-Japanese corporations overseas procure capital in the Japanese markets.
- Promotion of solution businesses to investors
  - Approach new investor base and higher-risk investment funds
  - Further expansion of the secondary loan market

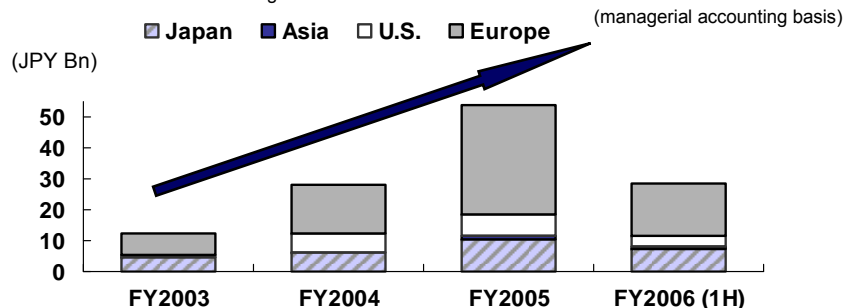
## Further Enhance the Investment-banking type Finance Function

### Leveraged Finance / MBOs

- Provide leveraged finance through the most advanced global network (Tokyo, Europe, Asia, and the Americas) and diverse functions among Japanese institutions
    - LBO/MBO finance, including cross-border transactions
    - One-stop provider of senior and mezzanine loans
  - Provide solutions to corporations in cooperation with both domestic and overseas major funds
    - Strengthen and Expand fund businesses through Mizuho Capital Partners (MBO fund, Mezzanine fund)
- ➔ Provide solutions for large buy-outs, recapitalization, “going private”, and protection against hostile takeovers

#### Leveraged Finance-Related Income (interest income + non-interest income)\*

\* Including CLO-related and fund-related revenue



### Project Finance

- Ranked 1st in 1995-2005 global loan amount (Source: Dealogic)

Rank	Lead Arranger	Amount (USD M)
1	Mizuho Financial Group	25,434.91
2	Calyon	24,544.24
3	BNP Paribas	21,982.62
4	ABN AMRO	21,803.83
5	HVB Group	18,621.82

- Overseas market
  - Strengthen approach to emerging countries and Middle East
  - Promote CSR initiatives (through the “Sustainable Development Department”)
- Domestic market
  - Capture financing needs related to PFI, environment, and deregulation

### Real Estate Finance

- Provide full-line product packages from senior debt to mezzanine debt/equity
- Provide financial solutions through advisory function
- No. of arrange deals: approx. 100, Amount: approx. JPY 1.3Tn (cumulative figures from Apr. 2002 to Sep. 2006)

## Enhance Overseas Income & Customer Base

### Overseas Japanese

#### ■ Expand customer base

- Approach targeted new customers in areas covered by new offices
- Support Mizuho Bank's customers expanding overseas

#### ■ Increase in loans during 1H FY2006: USD 1.5Bn

(managerial accounting basis)

- Continuing expansion trend, especially in Asia

### Overseas Non-Japanese

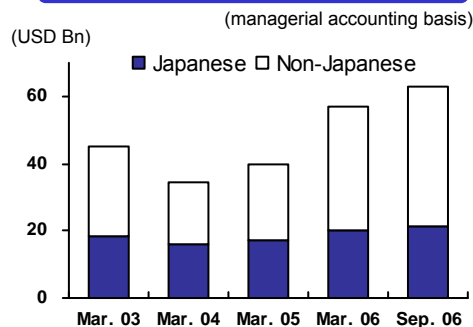
#### ■ Expand customer base through actively investing management resources

#### ■ Increase in loans during 1H FY2006: USD 4.3Bn

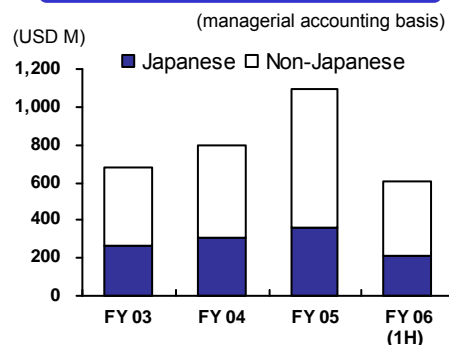
(managerial accounting basis)

- Expansion mainly in corporate loans and project finance

Term-end Loan Balance of Overseas Branches



Overseas Gross Profits



## Increase Efficiency of Assets

### Expand Market-Oriented Indirect Financing Model

#### ■ Increase income from product-related transactions, e.g. MBOs

- Maintain high profits in the strong European MBO business
  - Expand MBO business in Asia and the Americas by utilizing the expertise and human resources built up in Europe
- Accelerate expansion of asset management business, e.g. CLO

#### ■ Develop CLOs and other securitization schemes

- Arranged global synthetic CLOs (Sep. 06) for loans to overseas non-Japanese corporations (approx. JPY 560Bn)

## Expand Overseas Network

#### ■ Strategically expand network through opening new branches

<1H FY2006>

New Delhi (May), Wuxi (Jun), and Brussels (Mizuho Corporate Bank Nederland) (Jul)

<2H FY2006 onward>

Ho Chi Minh City (Oct) and Milan (opening scheduled in 2H FY2006)  
Entered agreement for purchase of shares in the Russian subsidiary of Michinoku Bank (subject to necessary regulatory approvals)

#### ■ Expand customer base and complement business functions by forming alliances with and/or investing in financial institutions in various countries

- Comprehensive business alliance with Thailand TISCO Bank (Jun.06)
- Strategic business alliance with Korea Development Bank, South Korea (Sep.06)
- Business cooperation agreement with and purchase of shares in Shinhan Financial Group, South Korea (Sep.06)



## Mizuho Securities: Status in the League Table

### Domestic Equity Underwriting Amount (Aggregate amount of IPO/PO/CB/REIT, 1H FY2006)

		Amount (JPY Bn)	Share (%)
1	Nomura	580.2	26.6
2	Nikko Citigroup	516.3	23.6
3	Daiwa SMBC	311.6	14.2
4	<b>Mizuho Securities</b>	169.3	7.7
6	<b>Shinko Securities</b>	82.3	3.7
9	<b>Mizuho Investors Securities</b>	22.7	1.0

### Straight Bond Underwriting Amount (1H FY2006)

		Amount (JPY Bn)	Share (%)
1	<b>Mizuho Securities</b>	692.1	18.2
2	Daiwa SMBC	658.1	17.3
3	Mitsubishi UFJ Securities	579.7	15.3

(Incl. Samurai bonds and local gov't bonds, but excludes bank debentures, self issue, and retail targeted)

### M&A Advisory Ranking (Disclosed deals; Jan-Sep. 2006)

		No. of Deals	Amount (USD M)
1	Daiwa SMBC	94	19,118
2	<b>Mizuho Financial Group</b>	83	22,612
3	Nomura	83	17,499
4	Mitsubishi UFJ Financial Group	77	6,605

(Acquisition Targets: Japanese companies, Jurisdictions of Buyers: various)

### ABS Bookrunner League Table (1H FY2006)

		Amount (JPY Bn)	Share (%)
1	Nomura	523.1	32.9
2	Daiwa SMBC	371.5	23.4
3	<b>Mizuho Financial Group</b>	267.7	16.9
4	Goldman Sachs	250.0	15.7

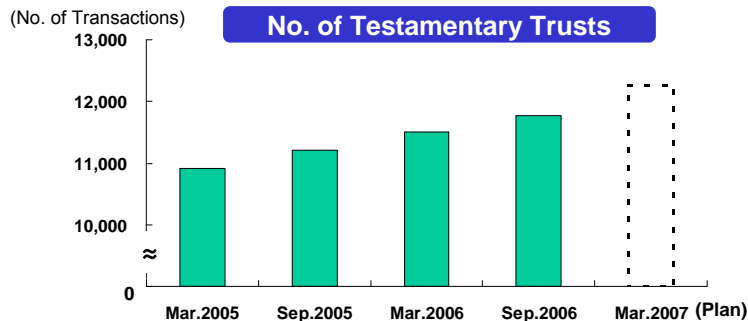
(Domestic Publicly-issued Bonds + Privately-placed Bonds + Eurobonds)

(Sources) I-N Information Systems, Thomson Financial, etc.

## Private Banking (PB)

- **Strengthen consulting services to high-net worth customers**
  - Develop and expand products and services that meet the needs for financial planning and investments of high-net worth customers, through Mizuho Private Wealth Management (see below)
  - Strengthen business with individual customers, e.g. establishment of PB specialized branches (Jiyugaoka Trust Office)
- **Expand business related to testamentary trusts and asset management through utilizing trust banking agents**

### Balance of Investment Trusts & Individual Annuities (for individuals)



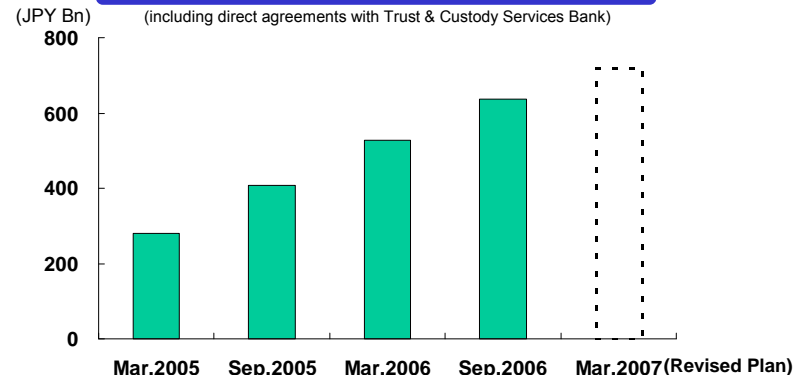
### Mizuho Private Wealth Management

- Japan's first fully-fledged private banking company, providing "comprehensive and integrated services" similar to PB companies in Europe and the U.S.
- Strengthening consulting functions through using "Integrated Asset & Liability Management Reports"

## Pension Trust & Asset Management

- **Take advantage of opportunities for entrusted assets and increase amount of custody of pension management business, by fully utilizing trust banking agents and expanding product lineup**

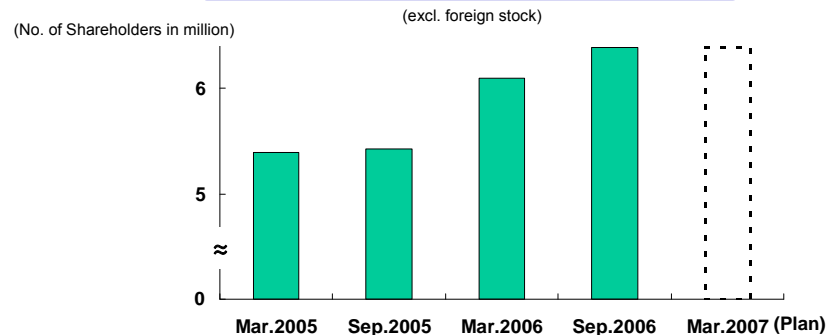
### Balance of Defined Contribution Pensions



## Custody Services

- In view to introduction of a rule for non-issuance of share certificates, complete promotion to encourage the listed companies to switch Custodian to Mizuho
- Strengthen consulting services, e.g. protection against takeovers

### No. of Shareholders under TB's Custody



4th Medium-term Business Plan (~ March 2009)

(Medium-term Targets)

- ✓ Assets Under Management: more than JPY 20Tn
- ✓ Ordinary Profits: more than JPY 50Bn
- ✓ ROE: more than 10%
- ✓ Credit rating higher than "A"

■ Retail Division

- Expand sales channels to various directions
  - Open "Direct Course (a new dedicated channel for internet trading)"
  - Expand cross-industrial exchange channels
- Focus on products which generate stable profits, e.g. investment trusts and wrap accounts

■ Corporate Division

- IPO: One of the top lead arrangers in the league table
- Corporate finance: Top 3 lead arranger (for companies with total market capitalization of less than JPY 100Bn)

■ Products Division

- Expand trading capacity quantitatively and qualitatively
- Expand lineup of overseas products

Pursuit of Group Synergies

■ Mizuho Corporate Bank

- Investment Banking Business: restructure the organizational network and strengthen coordination with the bank's regional sales units
- Securities Brokerage Business: alliance with regional financial institutions through sale of privately placed structured bonds

■ Mizuho Bank

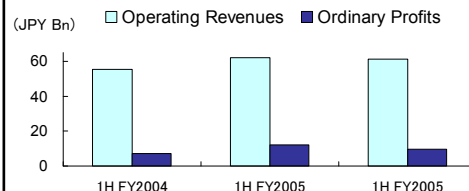
- Two joint branches (Marunouchi-Chuo and Umeda)
- Japan's first launch of sales of Wrap Account through a bank's intermediary function (May 2006)
- Promotion of market consultation business\*

\* Business whereby a bank introduces a client company, which is planning to raise funds in the market, to a securities company, and the securities company pays the bank portion of the underwriting commission to the bank

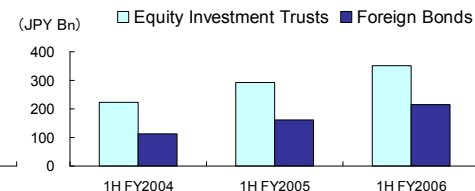
1H FY2006 Results

■ Secure stable profits mainly due to strong sales of investment trusts and foreign bonds, etc.

Operating Revenues and Ordinary Profits (Non-consolidated)

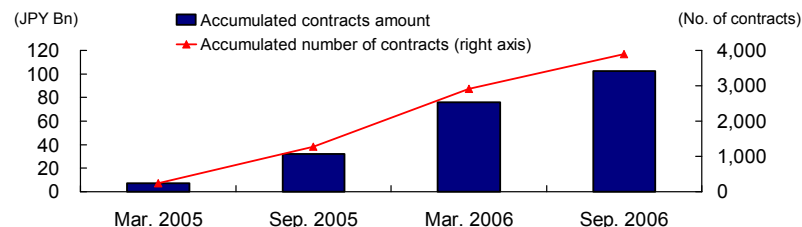


Sales of Equity Investment Trusts and Foreign Bonds



■ Increase the number of contracts for Wrap Account (Shinko Asset Management Wrap)

Shinko Asset Management Wrap Contracts (Nickname: Long AP)



■ Investment Banking: Performed strongly, centering on equity underwriting business

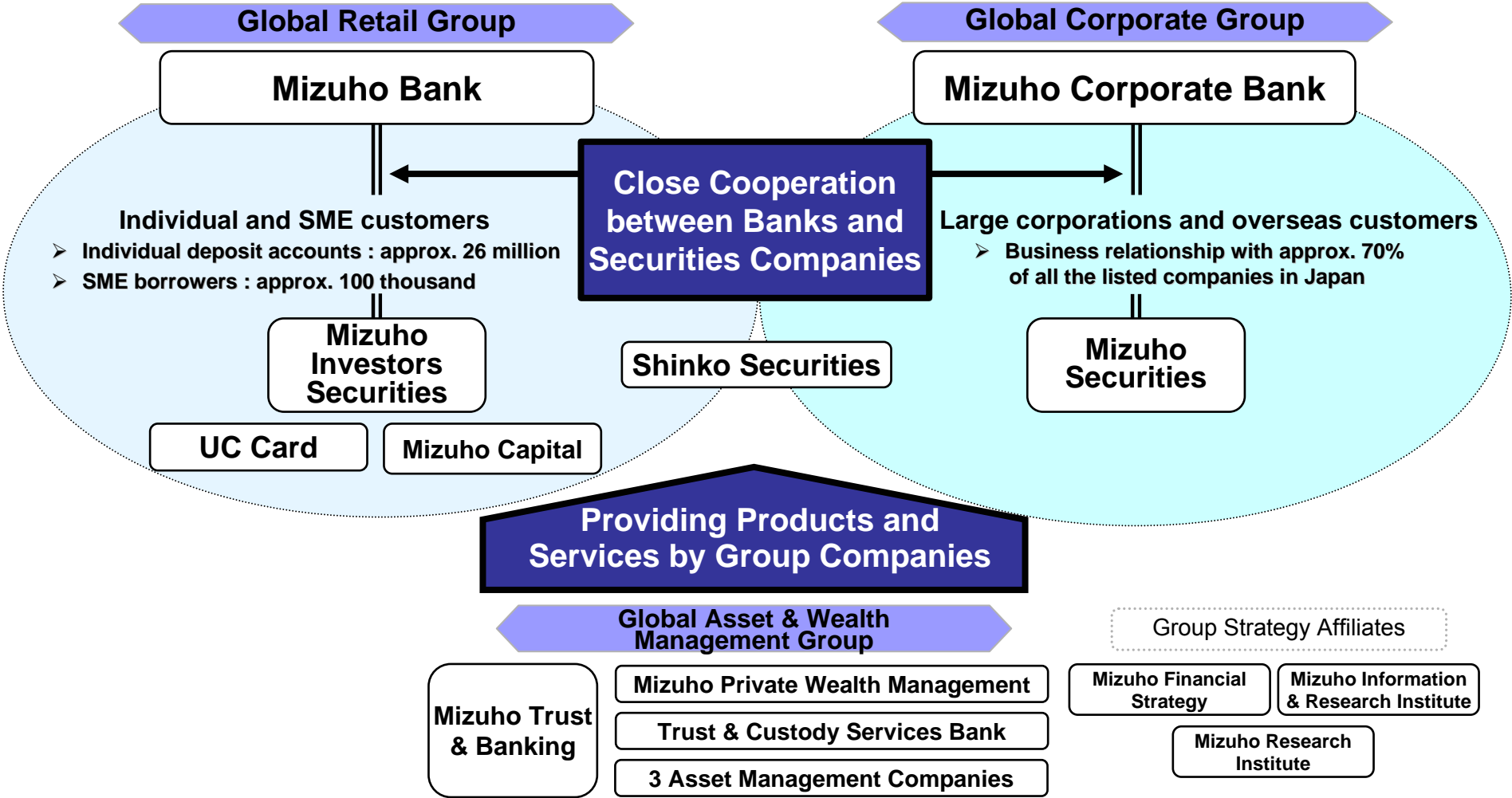
- IPO: Deals with lead manager status: 15 deals (1<sup>st</sup> in the industry)  
Underwriting share: 8.7% (4<sup>th</sup> in the industry)
- PO: Deals with lead manager status: 3 deals (4<sup>th</sup> in the industry),  
Underwriting share: 2.4% (6<sup>th</sup> in the industry)

■ Improvement of credit ratings

- The Japan Credit Rating Agency (JCR) raised Shinko's long-term senior debts rating from BBB+ to A- (Aug. 25, 2006)
  - ← A strong business base and strengthening of cooperation within Mizuho Group were highly evaluated

■ **Enhance the Group's Comprehensive Profitability by Utilizing the Large Customer Base**

- Promote Close Cooperation between Banks and Securities Companies
- Provide Products and Services of Group Companies to the Large Customer Base of the 2 Banks



(JPY Bn)

	1H FY2005																				
	Global Corporate Group											Global Retail Group					Global Asset & Wealth Management Group			Others	MHFG (Consolidated)
	MHCB				MHSC		Others	MHBK			MHIS		Others		MHTB		Others				
		Domestic	Inter-national	Trading and others				Retail banking	Corporate banking	Trading and others				MHTB	Others						
Gross Profits *1	398.0	309.4	159.9	52.2	97.3	59.1	29.5	536.6	464.2	139.2	270.8	54.2	28.5	43.9	97.5	75.2	22.3	14.3	1,046.4		
Net interest income (expense)	205.8	196.0	105.2	25.0	*2 65.8	1.2	8.6	309.0	281.6	120.8	160.9	(0.1)	0.2	27.2	21.9	21.7	0.2	(3.5)	533.2		
Net noninterest income	192.2	113.4	54.7	27.2	31.5	57.9	20.9	227.6	182.6	18.4	109.9	54.3	28.3	16.7	75.6	53.5	22.1	17.8	513.2		
General and administrative expenses (excluding non-recurring losses)	162.7	108.1	41.0	25.2	41.9	25.9	28.7	292.4	258.5	100.1	127.4	31.0	19.1	14.8	54.7	37.5	17.2	9.7	519.5		
Others	(18.2)	-	-	-	-	-	(18.2)	(3.8)	-	-	-	-	-	(3.8)	(1.5)	-	(1.5)	4.6	(18.9)		
Net business profits (before reversal of (provision for) general reserve for possible losses on loans)	217.1	201.3	118.9	27.0	55.4	33.2	(17.4)	240.4	205.7	39.1	143.4	23.2	9.4	25.3	41.3	37.7	3.6	9.2	508.0		

\*1 Credit-related costs for trust accounts are excluded from gross profits

\*2 Dividends of JPY120.0 billion received by MHCB from its financial subsidiaries for corporate revitalization are excluded

(JPY Bn)

	1H FY2006																				
	Global Corporate Group											Global Retail Group					Global Asset & Wealth Management Group			Others	MHFG (Consolidated)
	MHCB				MHSC		Others	MHBK			MHIS		Others		MHTB		Others				
		Domestic	Inter-national	Trading and others				Retail banking	Corporate banking	Trading and others				MHTB	Others						
Gross Profits *1	359.0	256.8	150.0	64.2	42.6	47.4	54.8	535.5	477.0	147.4	277.6	52.0	28.1	30.4	105.9	83.0	22.9	(2.9)	997.5		
Net interest income (expense)	199.2	157.2	104.1	35.3	17.8	1.2	40.8	315.7	294.2	124.9	163.8	5.5	0.6	20.9	25.7	25.2	0.5	(5.5)	535.1		
Net noninterest income	159.8	99.6	45.9	28.9	24.8	46.2	14.0	219.8	182.8	22.5	113.8	46.5	27.5	9.5	80.2	57.8	22.4	2.6	462.4		
General and administrative expenses (excluding non-recurring losses)	182.6	119.3	43.3	31.1	44.9	28.5	34.8	291.0	260.4	98.9	121.7	39.8	21.3	9.3	62.1	44.0	18.1	(10.2)	525.5		
Others	(21.9)	-	-	-	-	-	(21.9)	(5.4)	-	-	-	-	-	(5.4)	(1.3)	-	(1.3)	4.3	(24.3)		
Net business profits (before reversal of (provision for) general reserve for possible losses on loans)	154.5	137.5	106.7	33.1	(2.3)	18.9	(1.9)	239.1	216.6	48.5	155.9	12.2	6.8	15.7	42.5	39.0	3.5	11.6	447.7		

\*1 Credit-related costs for trust accounts are excluded from gross profits

**Notes**

- The data on this page is Japanese GAAP-based business segment data for 1H of FY2005 and 1H of FY2006, calculated in accordance with the standards for disclosures described in FAS131 (Disclosures about Segments of an Enterprise and Related Information), same as the FY2004 and FY2005 business segment information contained in the registration statement on Form 20-F, which was filed with the US SEC in October 2006. As at the time of entering data into this document, the data had not yet been audited.
- "Others" in each of the Global Groups includes elimination of transactions between companies within the respective Global Group. "Others" in MHFG includes elimination of transactions between the Global Groups.
- Compared with the data contained in "Performance of each Global Group by Business Segment" on P.64 and P.65 of this document, different methods have been applied on this page for the rounding of fractions (in principle, fractions on this page have been rounded to the nearest whole) and for consolidation and aggregates, etc.. As a result, some of the figures on this page are different from those on P.64 and P.65.
- Legend; MHFG: Mizuho Financial Group, MHCB: Mizuho Corporate Bank, MHSC: Mizuho Securities, MHBK: Mizuho Bank, MHIS: Mizuho Investors Securities, MHTB: Mizuho Trust & Banking
- ( ) indicates a negative figure

## Appendix C. Financial Data

### ■ Interim Results for FY2006

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Analysis of Profit and Loss Statement of Mizuho Financial Group, Inc. (Holding Company)	P.67	Net Deferred Tax Assets	P.74
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### ■ U.S. GAAP Financial Information

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### ■ Risk Management - Asset Quality/Stock and Bond Portfolio

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- Consolidated Gross Profits for the first half of fiscal 2006 decreased by JPY 48.3 billion on a year-on-year basis mainly due to a decrease in market-related income while income from Customer Groups of the group banking and securities companies increased. Consolidated Net Business Profits decreased by JPY 60.2 billion on a year-on-year basis due to a combination of the above factors and an increase in G&A expenses driven by an outlay on “Strategic Expenses.”
- Consolidated Net Income, on the other hand, amounted to JPY 392.3 billion, which is JPY 52.3 billion higher than the original earnings estimates, mainly due to Reversal of Reserves for Possible Losses on Loans and the recording of Net Gains related to Stocks.
- Consolidated BIS Capital Ratio remained at a sufficiently high level of 10.97% as of the end of September 2006 even after the full repayment of the public funds in July 2006.

## Analysis of Changes (Consolidated)

(JPY Bn)	(Reference)		(Reference)	
	Consolidated	Change from 1H of FY2005	3 Banks	Change from 1H of FY2005
Gross Profits	997	-48	816	* -31
Net Interest Income	535	1	476	* -22
Net Fee & Commission Income and Fiduciary Income	282	-7	212	6
Net Trading Income	104	23	49	38
Net Other Operating Income (including Net Gains Related to Bonds)	75	-66	78	-54
General & Administrative Expenses	-535	13	-423	-19
Net Business Profits*	447	-60	393	* -51
Credit Costs	93	107	86	100
Net Gains related to Stocks	89	-31	81	8
Ordinary Profits	530	77	450	* 147
Net Extraordinary Gains	102	61	97	30
Net Income	392	53	362	* 83
ROE**	17.1%	-0.6%		

\* Consolidated Net Business Profits = Consolidated Gross Profits - General and Administrative Expenses (excluding Non-Recurring Losses) + certain equity in income from investments in affiliates and other consolidation adjustments

\*\* ROE =  $\frac{\text{Annualized Net Income}^{***}}{\frac{[(\text{Total Shareholders' Equity} + \text{Total Valuation and Translation Adjustments}) - \text{beginning}]^{***} + (\text{Total Shareholders' Equity} + \text{Total Valuation and Translation Adjustments}) - \text{half-year-end}^{***}}{2}}$

\*\*\* Excluding a special factor (the effect of Supreme Court's judgment)

	Consolidated	Change from Mar. 2006
Disclosed Claims under the FRL (bank accounts + trust accounts)	1,015	-71
Net Deferred Tax Assets	232	-63
BIS Capital Ratio (Preliminary)	10.97%	-0.62%

\* Excludes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization

	3 Banks	Change from Mar. 2006
	986	-66

## <Business Results>

(Changes from 1H of FY2005)

- **Net Interest Income** **Increased JPY 1.9Bn**
  - Increased due to the mitigated downward trend in loan interest income, positive impact of interest rate rises, and an increase in dividends for investments backed by the recovery in corporate performance
- **Net Fee and Commission Income, Fiduciary Income** **Decreased JPY 7.2Bn (3 Banks: Increased JPY 6.9Bn)**
  - Steadily increased on 3 banks basis due to increase in non-interest income from Customer Groups
- **Net Trading Income + Net Other Operating Income** **Decreased JPY 43.0Bn**
  - Decreased due to decrease in market-related income including decrease in net gains related to bonds
- **Credit Costs** **Decreased JPY 107.6Bn**
  - Net gains of JPY 93.0Bn as a result of a reversal of reserves for possible losses on loans due to asset quality improvement
- **Net Gains related to Stocks** **Decreased JPY 31.5Bn**
  - Gains of JPY 15.0Bn on sale of stock associated with credit and alternative investments, which we made as part of our efforts to diversify sources of our market-related income and gains related to preferred stocks acquired through restructuring corporate borrowers
  - In 1H of FY2005, recorded JPY 42.4Bn gains on sales of Mizuho Trust & Banking stocks
- **Other Expenses** **Decreased JPY 85.3Bn**
  - In 1H of FY2005, recorded losses due to the bond portfolio restructuring (-JPY 85.3Bn)

## <NPLs & DTAs>

(Changes from Mar. 2006)

- **Balance of Non-Performing Loans (NPLs)** **Decreased 71.8Bn**
  - NPL ratio decreased to 1.32% and net NPL ratio also decreased to 0.45% (3 Banks)
- **Net Deferred Tax Assets (DTAs)** **Decreased 63.4Bn**
  - Ratio of Net DTAs to Consolidated Tier 1 decreased by 1.1% to 5.3% from Mar. 2006

# Overview of Interim Results of Other Major Group Companies

■ **Variance of Net Income between Consolidated and 3 Banks: JPY 29.5Bn\* (a decrease of JPY 30.1Bn from 1H of FY2005).**  
(of which the Group securities companies accounted for approx. JPY 14.0Bn (- JPY 12.0Bn from 1H of FY2005))

**This reflects the profits decline of the group securities companies caused by the weak stock market.**

\* excludes dividends of JPY 120Bn from the financial subsidiaries for corporate revitalization in FY2005

## Group Securities Companies (Non-Consolidated)

Despite commission income from Customer Groups performing favorably, the significant decrease in trading income caused by the weak stock market led to decreases in ordinary profits and net income.

### ■ Mizuho Securities

While commission income increased, especially in investment banking businesses including equity underwriting, overall trading income showed sluggish growth. This was due to the effects of the weak stock market and a worsening supply and demand balance in the bond market. Both ordinary profits and net income decreased due to the above factors and expenses increased by hikes in personnel expenses, etc.

	1H FY2006	Change from 1H FY2005
Net Op. Income	50.6	-8.5
G&A Expenses	-33.5	-3.5
Ordinary Profits	19.2	-11.5
Net Income	12.4	-8.1

### ■ Mizuho Investors Securities

The increase in foreign bond sales and commission income resulting from the strengthened alliance with the Mizuho Bank offset the decrease in equity trading income. Net operating income was at the same level as the 1H of FY2005. However, both ordinary profits and net income decreased as a result of expenses increased by hikes in personnel expenses, etc.

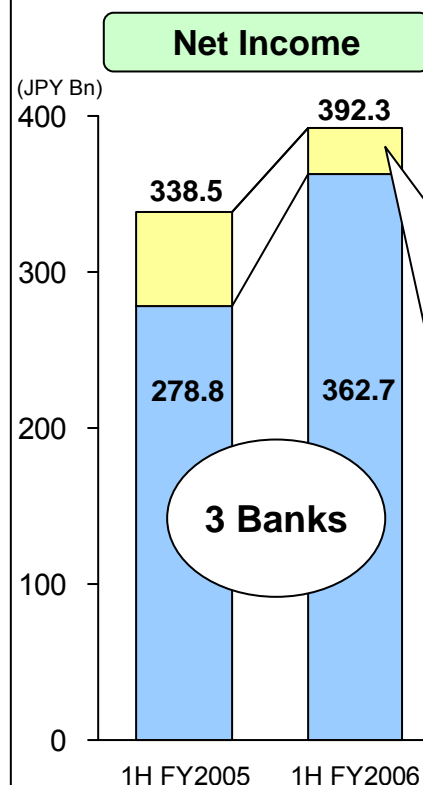
	1H FY2006	Change from 1H FY2005
Net Op. Income	31.9	0.0
G&A Expenses	-25.2	-2.7
Ordinary Profits	6.8	-2.6
Net Income	4.4	-5.2

### ■ Shinko Securities (An affiliate under equity method, equity ratio under equity method: approx. 15%)

While fees from equity underwriting and sales from newly listed companies increased, a decrease in equity trading income led to a slight decrease in net operating income. Furthermore, both ordinary profits and net income decreased due to the above factors and increases in personnel expenses and administrative expenses.

	1H FY2006	Change from 1H FY2005
Net Op. Income	57.2	-2.9
G&A Expenses	-49.8	-0.2
Ordinary Profits	9.6	-2.4
Net Income	7.0	-7.9

## Variance of Net Income between Consolidated and 3 Banks (excludes JPY 120Bn in dividends from the financial subsidiaries for corporate revitalization)



**Major factors of variance (JPY 29.5Bn)**  
(Change from 1H of FY2005: JPY -30.1Bn)

#### ■ Group Securities Companies\*:

Approx. JPY 14Bn (Approx. JPY -12Bn on YOY basis)  
\* 3 companies on the left column reflecting an affiliate under equity method

#### ■ Mizuho Credit Guarantee:

Approx. JPY 16Bn (Approx. JPY -2Bn on YOY basis)

#### ■ In 1H of FY2005, Mizuho Financial Group, Inc. recorded gains on sales of a part of Mizuho Trust & Banking stocks (JPY 42.4Bn)

#### ■ Profits from other subsidiaries, minority interests in Net Income and elimination of intra-group dividends, etc.



# Performance of each Global Group by Business Segment (1)

Consolidated Net Business Profits	(JPY Bn)			
	FY2005		1H of FY2006	
	1H	(Actual)	(Actual)	Change from 1H of FY2005
Gross Profits	697.3	1,435.3	722.2	+24.9
G&A Expenses	-331.2	-666.7	-339.0	-7.8
<b>Customer Groups</b>	<b>366.1</b>	<b>768.6</b>	<b>383.2</b>	<b>+17.1</b>
Gross Profits	※ 151.4	※ 144.9	94.6	-56.8
G&A Expenses	-72.7	-144.1	-84.7	-12.0
<b>Trading &amp; Others</b>	<b>※ 78.7</b>	<b>※ 0.8</b>	<b>9.9</b>	<b>-68.8</b>
Gross Profits	※ 848.7	※ 1,580.2	816.8	-31.8
G&A Expenses	-404.0	-810.9	-423.7	-19.6
<b>3 Banks</b>	<b>※ 444.6</b>	<b>※ 769.2</b>	<b>393.1</b>	<b>-51.5</b>
Variance between Consolidated and 3 Banks	※ 63.3	※ 153.3	54.6	-8.7
<b>Consolidated Net Business Profits</b>	<b>507.9</b>	<b>922.5</b>	<b>447.7</b>	<b>-60.2</b>

※ Exclude JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

## <Global Retail Group>

Gross Profits	139.2	286.0	147.4	+8.1
G&A Expenses	-100.1	-201.4	-98.9	+1.2
<b>Retail Banking</b>	<b>39.1</b>	<b>84.4</b>	<b>48.5</b>	<b>+9.3</b>
Gross Profits	270.8	552.2	277.6	+6.8
G&A Expenses	-127.4	-253.7	-121.7	+5.7
<b>Corporate Banking</b>	<b>143.4</b>	<b>298.4</b>	<b>155.9</b>	<b>+12.5</b>
Gross Profits	54.2	44.8	52.1	-2.1
G&A Expenses	-30.9	-62.1	-39.9	-9.0
<b>Trading &amp; Others</b>	<b>23.3</b>	<b>-17.3</b>	<b>12.3</b>	<b>-11.0</b>
Gross Profits	464.1	882.9	477.0	+12.8
G&A Expenses	-258.4	-517.2	-260.4	-1.9
<b>MHBK Net Business Profits</b> (including revitalization subsidiary)	<b>205.7</b>	<b>365.7</b>	<b>216.6</b>	<b>+10.9</b>
<b>MHIS Ordinary Profits</b>	<b>9.5</b>	<b>32.6</b>	<b>6.8</b>	<b>-2.7</b>
<b>MHBK Consolidated Net Business Profits</b>	<b>233.9</b>	<b>439.7</b>	<b>239.0</b>	<b>+5.1</b>

## Overview

- **[Customer Groups]** Net interest income increased by approximately JPY 17Bn from 1H of FY2005 due to the mitigated downward trend in loan interest income as well as the positive impact of interest rate rises, an increase in dividends for investments backed by the recovery in corporate performance, and improvements in overseas interest income. In addition, non-interest income increased by approximately JPY 8Bn, mainly driven by sales of investment trusts and individual annuities, settlement and foreign exchange business, overseas fee business, and the trust & asset management business, though the increase was much smaller than originally estimated. As a result, although G&A expenses increased by approximately JPY 8Bn due to an outlay on strategic expenses, net business profits increased by approximately JPY 17Bn from 1H of FY2005.
- **[Trading & Others]** Overall net business profits in this segment decreased significantly by approximately JPY 69Bn from 1H of FY2005. While ALM income (in both yen and foreign currencies) declined considerably in the trading segment, dividend income from subsidiaries<sup>(\*)</sup> declined by approximately JPY 19Bn from 1H of FY2005, and there was an increase in expenses in part due to changes in regulatory requirements and framework including Basel II.  
<sup>(\*)</sup> Dividends received excluding the JPY 120Bn from the financial subsidiaries for corporate revitalization
- **[Consolidated Net Business Profits]** Due to a combination of the above factors and the weaker performance of the group's securities companies under unfavorable market conditions, consolidated net business profits decreased by approximately JPY 60Bn from 1H of FY2005.

## Mizuho Bank (MHBK)

- **[Retail Banking]** Though the housing loan balance demonstrated an increasing trend, loan interest income decreased due to lower profitability of newly executed loans. However, the decrease was more than offset by an increase in fee income associated with investment trusts and individual annuities and an improvement in deposit income. Overall, net business profits steadily increased by approximately JPY 9Bn, or more than 20%, from 1H of FY2005.
- **[Corporate Banking]** As the decrease in loan interest income was more than offset by an increase in deposit income and non-interest income including that from foreign exchange business, gross profits increased by approximately JPY 7Bn from 1H of FY2005. On the back of further cuts in G&A expenses, net business profits steadily increased by approximately JPY 13Bn from 1H of FY2005.
- **[Trading & Others]** Overall net business profits in this segment decreased by approximately JPY 11Bn from 1H of FY2005, mainly due to a weaker performance in ALM income in the trading segment and an increase in expenses partly associated with changes in regulatory requirements and framework.

## Mizuho Investors Securities (MHIS)

- As the decrease in trading profits was offset by an increase in commission income related to underwriting and other services, net operating income was maintained at a similar level to that of the same period in FY2005. Ordinary profits decreased by approximately JPY 3Bn from 1H of FY2005, partly due to an increase in G&A expenses such as personnel.

## Performance of each Global Group by Business Segment (2)

(JPY Bn)

	FY2005		1H of FY2006	
	1H	(Actual)	(Actual)	Change from 1H of FY2005

### <Global Corporate Group>

Gross Profits	159.9	318.7	150.0	-9.9
G&A Expenses	-41.0	-82.0	-43.3	-2.3
<b>Domestic Corporate Banking</b>	<b>118.9</b>	<b>236.7</b>	<b>106.7</b>	<b>-12.2</b>
Gross Profits	52.2	112.0	64.2	+12.0
G&A Expenses	-25.2	-51.7	-31.1	-5.9
<b>International Banking</b>	<b>27.0</b>	<b>60.3</b>	<b>33.1</b>	<b>+6.1</b>
Gross Profits	※ 97.2	※ 100.1	42.5	-54.7
G&A Expenses	-41.8	-82.0	-44.8	-3.0
<b>Trading &amp; Others</b>	<b>※ 55.3</b>	<b>※ 18.1</b>	<b>-2.3</b>	<b>-57.6</b>
Gross Profits	※ 309.3	※ 530.9	256.7	-52.5
G&A Expenses	-108.0	-215.7	-119.2	-11.1
<b>MHCB Net Business Profits</b> (including revitalization subsidiaries)	<b>※ 201.2</b>	<b>※ 315.1</b>	<b>137.5</b>	<b>-63.7</b>
MHSC Ordinary Profits	30.8	62.7	19.3	-11.6
<b>MHCB Consolidated Net Business Profits</b>	<b>217.1</b>	<b>366.4</b>	<b>154.5</b>	<b>-62.6</b>

※ Exclude JPY 120Bn of dividends from the financial subsidiaries for corporate revitalization (as intra-company dividends)

### <Global Asset & Wealth Management Group>

Gross Profits	75.2	166.3	83.0	+7.8
G&A Expenses	-37.5	-77.9	-44.0	-6.5
<b>MHTB Net Business Profits</b> (including revitalization subsidiary)	<b>37.7</b>	<b>88.3</b>	<b>38.9</b>	<b>+1.2</b>
Group Companies Ordinary Profits (※※), etc.	4.6	12.2	6.1	+1.5
<b>Global Asset &amp; Wealth Management Group Total</b>	<b>42.3</b>	<b>100.5</b>	<b>45.0</b>	<b>+2.7</b>

※※ Trust & Custody Services Bank, 3 Asset Management Companies, Mizuho Private Wealth Management

### Mizuho Corporate Bank (MHCB)

- **[Domestic Corporate Banking]** Net interest income remained at almost the same level as that of 1H of FY2005, partially due to an increase in dividends for investments backed by the recovery in corporate performance. However, a decrease in non-interest income, mainly in the syndicated loan and investment banking businesses, pushed net business profits down by approximately JPY 12Bn from 1H of FY2005.
- **[International Banking]** Business with Japanese and non-Japanese overseas companies continued to perform strongly and fully covered the increase in G&A expenses. As a result, net business profits increased by approximately JPY 6Bn from 1H of FY2005.
- **[Trading & Others]** Overall net business profits in this segment decreased significantly by approximately JPY 58Bn from 1H of FY2005, mainly because ALM income (in both yen and foreign currencies) declined considerably in the trading segment, and dividend income from subsidiaries<sup>(\*)</sup> declined by approximately JPY 19Bn from 1H of FY2005.  
<sup>(\*)</sup> Dividends received excluding the JPY 120Bn from the financial subsidiaries for corporate revitalization

### Mizuho Securities (MHSC)

- Although commission income related to underwriting and other services increased, weaker market conditions led to a significant decrease in trading profits. As a result, ordinary profits decreased by approximately JPY 12Bn from 1H of FY2005.

### Mizuho Trust & Banking (MHTB)

- In addition to a slight increase in income from the banking business, there was a steady increase in income from the trust and asset management business, including real estate and asset finance businesses. Total increase in income exceeded that of G&A expenses which were incurred by a temporary rise in IT-system costs associated with last year's purchase of software assets. As a result, net business profits increased by approximately JPY 1Bn from 1H of FY2005. (The share of the trust and asset management business in the overall gross profits increased to 59.8%.)

#### Notes

1. Data included in the figures on P.64 and P.65 are based on the internal management figures and are the aggregates of the described segments in accordance with the FY2006 management accounting rules. Consequently, some of the figures for FY2005 may be different from previously disclosed figures.
2. In the "Consolidated Net Business Profits" section, "Customer Groups" for 3 Banks represents the sum of MHBK's "Retail Banking" and "Corporate Banking," MHCB's "Domestic Corporate Banking" and "International Banking," and MHTB.
3. In the "Global Asset & Wealth Management Group" section, "Total" is the simple aggregate of MHTB's "Consolidated Net Business Profits" and TCSB's "Ordinary Profits", the three asset management companies and MHPW (without applying equity method, etc.). MHTB's "Gross Profits" exclude the amounts of Credit Costs for Trust Accounts.
4. P.60 in this document contains Japanese GAAP-based business segment data for 1H of FY2005 and 1H of FY2006, calculated in accordance with the disclosures standards described in FAS131 (Disclosures about Segments of an Enterprise and Related Information), same as the FY2004 and FY2005 business segment information contained in the registration statement on Form 20-F, which was filed with the U.S. SEC in October 2006.

## Analysis of Changes

	(JPY Bn)		
	1H FY2006	Change	1H FY2005
Consolidated Gross Profits	997.5	-48.3	1,045.8
Net Interest Income	535.1	1.9	533.1
Fiduciary Income	33.3	-0.7	34.1
<i>Credit Costs for Trust Accounts</i>	-	0.6	-0.6
Net Fee and Commission Income	248.9	-6.4	255.4
Net Trading Income	104.5	23.0	81.5
Net Other Operating Income	75.5	-66.0	141.6
General and Administrative Expenses	-535.3	13.0	-548.3
Consolidated Net Business Profits *	447.7	-60.2	507.9
Expenses related to Portfolio Problems (including Reversal of (Provision for) General Reserve for Possible Losses on Loans)	-13.0	47.9	-61.0
<i>Losses on Write-offs of Loans</i>	-12.7	13.6	-26.4
Net Gains (Losses) related to Stocks **	89.8	-31.5	121.4
Equity in Income from Investment in Affiliates	4.2	-0.5	4.7
Other	-12.9	96.6	-109.6
Ordinary Profits	530.1	77.1	453.0
Net Extraordinary Gains (Losses)	102.6	61.4	41.2
<i>Reversal of Reserves for Possible Losses on Loans, etc.</i>	106.1	59.0	47.0
Income before Income Taxes and Minority Interests	632.8	138.5	494.2
Income Taxes - Current	-19.6	5.2	-24.8
- Deferred	-187.0	-97.5	-89.4
Minority Interests in Net Income	-33.8	7.4	-41.3
Net Income	392.3	53.7	338.5
Credit-related Costs (including Credit Costs for Trust Accounts)	93.0	107.6	-14.6

\* Consolidated Net Business Profits = Consolidated Gross Profits - G&A Expenses (excluding Non-Recurring Losses)  
+ certain equity in income from investments in affiliates and other consolidation adjustments

### ➤ Net Interest Income

- Increased mainly due to the mitigated downward trend in loan interest income, positive impact of interest rate rises, and an increase in dividends for investments backed by the recovery in corporate performance.

### ➤ Net Fee and Commission Income

- Decreased from 1H FY2005 due to increase in consolidation adjustments (including the elimination of intra-group transactions). However, on a 3 Banks basis, Net Fee and Commission Income steadily increased due to non-interest income from Customer Groups. (See P.13)

### ➤ Net Trading Income

- Affected by improved trading gains (losses) on currency swaps, etc. (almost the same decrease recorded at Net Other Operating Income (gains on foreign exchange transactions) due to forward transaction covers).

### ➤ Net Other Operating Income

- Decreased in net gains related to bonds (-JPY 19.2Bn).
- Decreased in gains on foreign exchange transactions traded off by improved trading gains (losses) on currency swaps, etc. (See above.)

### ➤ General and Administrative Expenses

- Decreased in expenses related to employee retirement benefits (including a decrease in the amortization cost of actuarial differences) (-JPY 30.4Bn).
- Continued decrease in Base Expenses (result of Mizuho Bank's IT systems integration: -JPY 6.4Bn) and increase in Strategic Expenses.

### ➤ Net Gains Related to Stocks

- Recorded gains on the sale of stock associated with credit and alternative investments (JPY 15.0Bn).
- Recorded gains related to the preferred shares acquired through restructuring corporate borrowers.
- Recorded gains on the sales of Mizuho Trust & Banking shares in 1H FY2005 (JPY 42.4Bn).

### ➤ Other (Net Non-recurring Gains (Losses))

- Recorded disposition of unrealized losses due to bond portfolio restructuring (-JPY 85.3Bn) and the expenses related to IT assets (-JPY 13.7Bn) in 1H FY2005.

### ➤ Net Extraordinary Gains (Losses)

- Increased in the Reversal of Reserves for Possible Losses on Loans, etc. (+JPY 59.0Bn).
- Decreased in losses on impairment of fixed assets (+JPY 13.7Bn).

## Analysis of Changes

(JPY Bn)

	1H FY2006	Change	1H FY2005
	Operating Income	1,234.3	1,114.6
Operating Expenses	9.2	2.7	6.4
G&A Expenses	9.2	2.7	6.4
Operating Profits	1,225.0	1,111.8	113.2
Non-Operating Income	0.1	0.0	0.2
Non-Operating Expenses	5.5	5.1	0.4
Ordinary Profits	1,219.7	1,106.7	112.9
Extraordinary Gains	24.5	-10.4	35.0
Extraordinary Losses	2.7	1.3	1.3
Income before Income Taxes	1,241.5	1,094.8	146.6
Total Income Taxes	-0.2	-0.3	0.1
Current	0.0	-0.1	0.1
Deferred	-0.2	-0.2	0.0
Net Income	1,241.7	1,095.2	146.4

### ➤ Cash Dividend Received from Subsidiaries and Affiliates (Operating Income)

- Cash dividends received from subsidiary banks and Mizuho Financial Strategy  
(Breakdown of dividends from subsidiary banks)  
BK: JPY 130.6Bn, CB: JPY 128.1Bn, TB: JPY 6.6Bn

### ➤ Operating Expenses

- Increased in advertising costs, etc.

### ➤ Interest Expenses (Non-Operating Expenses)

- Interest expenses increased on a non-consolidated basis as a result of a rise in market interest rates and switching the funding by short-term bonds from external parties (electronic CPs) to funding by short-term borrowings from subsidiary banks.
- Total funding, however, decreased from Mar 2006  
(Double leverage ratio as of Sep 2006: 141.4%)

(JPY Bn)

	Sep. 2005	Mar. 2006	Sep. 2006
Short-term borrowings	0	965	1,380
Short-term bonds	1,830	1,072	210
Total	1,830	2,037	1,590

### ➤ Gains on the sales of shares in subsidiaries (Extraordinary Gains)

- Recorded gains on the sales of Mizuho Trust & Banking shares in 1H FY2005
- Gains on the sales of convertible preferred shares of Mizuho Trust & Banking (1H FY2006)

### ➤ Other Extraordinary Losses

- Increased in expenses related to preparations for listing on the New York Stock Exchange

# Variance Analysis between Consolidated and 3 Banks

## Major Factors for the Variance

	(JPY Bn)		
	Consolidated (A)	3 Banks (B)	(A)-(B)
Consolidated Gross Profits / Gross Profits	997.5	816.8	180.6
Net Interest Income	535.1	476.6	58.4
Fiduciary Income	33.3	32.8	0.4
<i>Credit Costs for Trust Accounts</i>	-	-	-
Net Fee and Commission Income	248.9	179.4	69.4
Net Trading Income	104.5	49.0	55.5
Net Other Operating Income	75.5	78.8	-3.3
General and Administrative Expenses / General and Administrative Expenses (excluding Non-Recurring Losses)	-535.3	-423.7	-111.6
Consolidated Net Business Profits * / Net Business Profits (before Reversal of (Provision for) General Reserve for Possible Losses on Loans)	447.7	393.1	54.5
Credit-related Costs	93.0	86.1	6.9
Net Gains (Losses) related to Stocks	89.8	81.4	8.4
Ordinary Profits	530.1	450.6	79.4
Net Extraordinary Gains (Losses)	102.6	97.8	4.8
<i>Reversal of Reserves for Possible Losses on Loans, etc.</i>	106.1	100.8	5.3
Net Income	392.3	362.7	29.5

\* Consolidated Net Business Profits = Consolidated Gross Profits – G&A Expenses (excluding Non-Recurring Losses) + Certain equity in income from investments in affiliates and other consolidation adjustments

### ➤ Net Interest Income

- Loan guarantee subsidiaries (Mizuho Credit Guarantee), etc.
- Elimination of intra-group transactions such as dividends received

### ➤ Net Fee and Commission Income

- Mizuho Information & Research Institute, Mizuho Investors Securities, Mizuho Securities, etc.
- Consolidation adjustments (elimination of intra-group transactions, etc.)

### ➤ Net Trading Income

- Mizuho Securities Group, Mizuho Investors Securities, etc.

### ➤ General and Administrative Expenses

- Mizuho Information & Research Institute, Mizuho Securities Group, etc.
- Difference in accounting for personnel expenses (non-recurring losses), such as expenses related to employee retirement benefits (recorded as G&A expenses on a consolidated basis, but as non-recurring losses on a 3 banks non-consolidated basis)

### ➤ Credit Costs

- Mizuho Credit Guarantee, etc.

### ➤ Net Gains related to Stocks

- Mizuho Capital, etc.

### ➤ Net Extraordinary Gains (Losses)

- Decrease in Net Extraordinary Gains on a consolidated basis mainly due to differences in classification for Reversal of Reserves for Possible Losses on Loans versus on a 3 banks non-consolidated basis

## Gross Profits

## Analysis of Gross Profits

## Analysis of Changes

(JPY Bn)

	1H FY2006	Change	1H FY2005	
			*1	
Gross Profits	816.8	-151.2	*1	968.1
Domestic Gross Profits	572.3	-171.8	*1	744.2
Net Interest Income	427.1	-109.4	*1	536.6
Fiduciary Income	32.8	-0.7		33.6
Net Fee and Commission Income	141.4	3.0		138.4
Net Trading Income	-17.4	-37.3		19.9
Net Other Operating Income	-11.6	-27.2		15.5
International Gross Profits	244.4	20.5		223.9
Net Interest Income	49.4	-33.2		82.6
Net Fee and Commission Income	37.9	4.7		33.2
Net Trading Income	66.5	76.2		-9.7
Net Other Operating Income	90.5	-27.1		117.7

\*1 Dividends from the financial revitalization subsidiaries for corporate revitalization of JPY120.0Bn were included for the 1H FY2005 due to the simple aggregation of 3 banks (non-consolidated) and their revitalization subsidiaries.

## &lt;Domestic Gross Profits&gt;

➤ **Net Interest Income (excluding dividends of JPY 120.0Bn from revitalization subsidiaries: +JPY 10.6Bn)**

- Increased mainly due to the mitigated downward trend in loan interest income, positive impact of interest rate rises, and an increase in dividends for investments backed by the recovery in corporate performance.

➤ **Net Fee and Commission Income + Fiduciary Income**

- Solution business-related: -JPY 12.0Bn
- Sales of investment trusts and individual annuities: +JPY 5.0Bn
- Settlement and foreign exchange-related: +JPY 7.0Bn
- Trust and asset management businesses (TB): +JPY 6.0Bn

➤ **Net Trading Income**

- Decline in gains (losses) on interest rate swaps, etc. (almost the same improvement in trading gains at Net Trading Income in international gross profits due to covering transactions).

➤ **Net Other Operating Income**

- Decreased in net gains related to bonds.

## &lt;International Gross Profits&gt;

➤ **Net Interest Income**

- Despite an increase in interest income from loans due to increased loan balances, especially at overseas branches, net interest income decreased due to increases in funding costs such as rising US interest rates and decrease in dividend income from overseas subsidiaries

➤ **Net Trading Income**

- Partly affected by improved trading gains (losses) on currency swaps, etc. (almost the same amount of decrease recorded at Net Other Operating Income (gains on foreign exchange transactions) due to forward transaction covers).

➤ **Net Other Operating Income**

- Decreased in net gains related to bonds

## &lt;Ratio of Non-interest Income to Gross Profits&gt; \*2

	1H FY2006	Change	1H FY2005
Mizuho Bank	38.3%	-1.0%	39.3%
Mizuho Corporate Bank	38.7%	2.1%	36.6%
Mizuho Trust & Banking	69.6%	-1.5%	71.1%
3 Banks	41.6%	0.5%	41.1%

\*2 Calculated as (Gross Profits - Net Interest Income) / Gross Profits. Includes Credit Costs for Trust Accounts.  
1H FY2005 excludes dividends of JPY 120 Bn from revitalization subsidiaries.  
(Note) Figures in 1H FY2005 include dividends from the financial subsidiaries for corporate revitalization

## Analysis of Changes

## G&amp;A Expenses

## 3 Banks

(JPY Bn)

	1H FY2006	Change		1H FY2005
		1H FY2006	1H FY2005	
General and Administrative Expenses (Excluding Non-Recurring Losses)	-423.7	-19.6	-404.0	
Personnel Expenses	-124.5	-1.9	-122.5	
Non-Personnel Expenses	-275.2	-18.1	-257.0	
Premium for Deposit Insurance	-27.3	-0.6	-26.7	
Miscellaneous Taxes	-23.9	0.4	-24.3	

## ➤ Personnel Expenses: JPY 1.9Bn increase

(Base Expenses)

- Decreased expenses related to employee retirement benefits: -JPY 4.5Bn

(Strategic Expenses)

- Increased personnel in strategic areas (Financial Consultants, etc.), and incentives for them: +JPY 6.4Bn

## ➤ Non-Personnel Expenses: JPY 18.1Bn increase

(Base Expenses)

- Effect of Mizuho Bank's IT systems integration: -JPY 6.4Bn
- Others (consolidation of domestic branches, etc.): -JPY 0.9Bn

(Strategic Expenses)

- Implementation of strategic initiatives in retail banking and international businesses: +JPY 25.4Bn

Number of Employees  
(based on the Securities Report)

\* Excluding financial subsidiaries for corporate revitalization

## 3 Banks ※

	September 2006	Change from		March 2006	September 2005
		Mar. 2006	Sep. 2005		
Employees (excluding Executive Officers)	27,654	1,965	1,493	25,689	26,161

## Number of Branches

\* Excluding financial subsidiaries for corporate revitalization

## 3 Banks ※

	September 2006	Change from		March 2006	September 2005
		Mar. 2006	Sep. 2005		
Head Offices and Domestic Branches	403	-16	-51	419	454
	<i>403</i>	<i>-16</i>	<i>-49</i>	<i>419</i>	<i>452</i>
Overseas Branches	23	2	2	21	21
Domestic Sub-Branches	71	-5	-20	76	91
	<i>71</i>	<i>-5</i>	<i>-20</i>	<i>76</i>	<i>91</i>

\* Figures in italics denote number of branches when counting multiple branches operating at the same location as one.

# Use & Source of Funds and Interest Margins

## Use & Source of Funds (Domestic Operations)

(JPY Bn)

	1H FY2006		1H FY2005
	Average Balance	Change Average Balance	Average Balance
Use of Funds	88,351.8	540.1	87,811.7
Loans and Bills Discounted	53,144.8	2,574.5	50,570.2
Securities	27,146.1	-4,274.4	31,420.5
Source of Funds	89,367.6	-2,232.1	91,599.7
Deposits	58,803.6	1,045.8	57,757.7
NCDs	8,878.9	-445.3	9,324.2
Debentures	6,152.0	-1,468.3	7,620.3
Call Money	7,323.0	466.2	6,856.7

## Interest Margins (Domestic Operations)

(%)

		1H FY2006		1H FY2005	
			Change		
1	Return on Interest-Earning Assets	1.07	-0.18	1.25	
2	Return on Loans and Bills Discounted	1.30	-0.03	1.33	
3	Return on Securities	0.79	-0.44	1.24	
4	Cost of Funding (including Expenses)	0.85	0.08	0.77	
5	Cost of Deposits and Debentures (including Expenses)	0.95	0.05	0.90	
6	Cost of Deposits and Debentures	0.11	0.02	0.08	
7	Cost of Other External Liabilities	0.29	0.14	0.15	
8	Net Interest Margin	(1)-(4)	0.21	-0.26	0.47
9	Loan and Deposit Rate Margin (including Expenses)	(2)-(5)	0.34	-0.08	0.43
10	Loan and Deposit Rate Margin	(2)-(6)	1.18	-0.06	1.24

\* Deposits and Debentures include NCDs.

(Reference) After excluding Loans to Deposit Insurance Corporation of Japan, government and others

11	Return on Loans and Bills Discounted		1.40	-0.05	1.45
12	Loan and Deposit Rate Margin (including Expenses)	(11)-(5)	0.45	-0.10	0.55
13	Loan and Deposit Rate Margin	(11)-(6)	1.28	-0.07	1.36

## Analysis of Changes

### ➤ Changes in the average balances of funds

- Domestic loans bottomed out in FY2005 and, on an average balance basis, increased by JPY2.6Tn (However, the average balance is almost flat if loans to the parent company and the effects of the mergers of the financial revitalization subsidiaries (Oct. 2005) are excluded)
- Average balance of securities decreased by JPY 4.2Tn due to a decrease in the balance of JGBs and a decrease in subsidiary shares resulting from the mergers of the financial revitalization subsidiaries
- Average balance of debentures continued to decrease Mizuho Bank:  
Ceased selling certificated debentures in Sep. 2003, and will suspend over-the-counter sales in Mar. 2007  
Mizuho Corporate Bank:  
Ceased selling five-year coupon debentures in Mar. 2006, and started issuing straight bonds from Apr. 2006

### ➤ Loan and Deposit Rate Margin (Line 10 & 13)

- Remained broadly flat; negative factors, e.g. tougher competition, were largely offset by positive impact of short-term interest rate rises.

(13) Loan and Deposit Rate Margin

1H FY2005 (1.36%) → 2H FY2005 (1.29%) → 1H FY2006 (1.28%)



# Housing and Consumer Loans & Loans to Both Small / Medium-Sized Enterprises (“SMEs”) and Individual Customers / Deposits

## Balance of Housing and Consumer Loans

(Banking Account + Trust Account) (JPY Bn)

	September 2006			March 2006	September 2005
		Change from March 2006	Change from September 2005		
Housing and Consumer Loans	11,922.8	148.6	251.7	11,774.1	11,671.1
<i>Housing Loans for owner's residential housing</i>	9,416.0	190.4	344.1	9,225.6	9,071.9

## Loans to Both SMEs and Individual Customers

(Banking Account + Trust Account) (% , JPY Bn)

	September 2006			March 2006	September 2005
		Change from March 2006	Change from September 2005		
Percentage of Loans to Both SMEs and Individual Customers, of Total Domestic Loans	62.7	-2.4	1.1	65.1	61.6
Loans to Both SMEs and Individual Customers	37,408.5	-2,123.1	731.8	39,531.7	36,676.7

\*Loans to Mizuho Financial Group, Inc. are included as follows:

As of September 2006 : JPY 1,380.0 Bn (from Mizuho Bank JPY 690.0 Bn; from Mizuho Corporate Bank JPY 690.0 Bn)

As of March 2006 : JPY 965.0 Bn (from Mizuho Bank JPY 623.0 Bn; from Mizuho Corporate Bank JPY 342.0 Bn)

## Breakdown of Deposits (Domestic Offices)

\* Excluding financial subsidiaries for corporate revitalization (JPY Bn)

	September 2006			March 2006	September 2005
		Change from March 2006	Change from September 2005		
Deposits	64,164.4	-1,567.3	-3,221.3	65,731.8	67,385.8
Individual Deposits	31,832.4	122.1	561.5	31,710.2	31,270.8
Corporate Deposits	27,653.5	-874.1	-1,190.4	28,527.6	28,843.9
Financial/Government Institutions	4,678.5	-815.3	-2,592.4	5,493.8	7,271.0

\* Above figures are before adjustment of transit accounts for inter-office transactions, and do not include deposits booked at overseas offices and offshore deposits.

## Deposit Balances by Deposit Type (Domestic Operations)

\* Excluding financial subsidiaries for corporate revitalization

(JPY Bn)

	September 2006			March 2006	September 2005
	September 2006	Change from March 2006	Change from September 2005		
Total Deposits	49,938.3	-1,525.8	-648.1	51,464.1	50,586.5
Liquid Deposits	31,117.6	-1,662.3	-635.2	32,779.9	31,752.8
Proportion of Liquid Deposits	62.3%	-1.3%	-0.4%	63.6%	62.7%

\* Yen-denominated deposits of domestic branches excluding Yen-denominated non-resident deposits and Offshore deposits  
 Liquid deposits = Current deposits + Ordinary deposits + Savings deposits + Deposits at notice

## Deposit Balances by Depositor (Domestic Offices)

\* Excluding financial subsidiaries for corporate revitalization

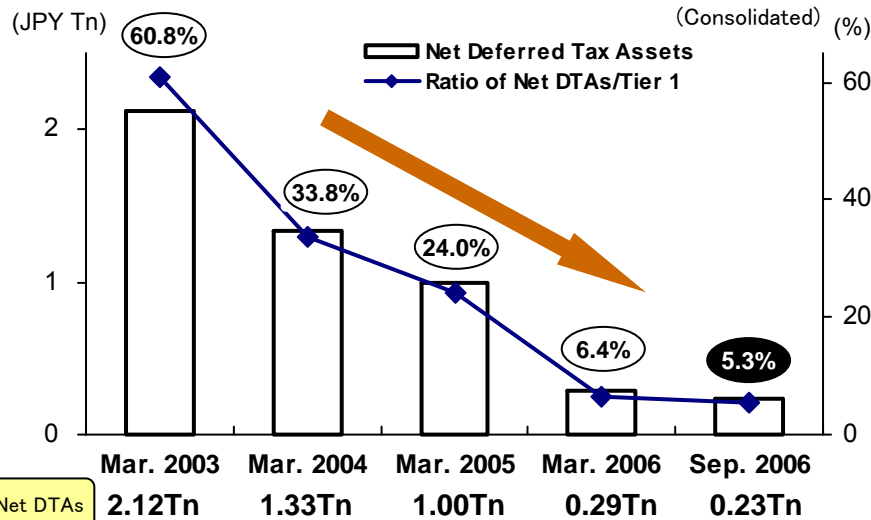
(JPY Bn)

	September 2006			March 2006	September 2005
	September 2006	Change from March 2006	Change from September 2005		
Total Deposits	50,789.7	-1,531.8	-692.3	52,321.6	51,482.0
Individual Deposits	29,991.6	45.7	462.4	29,945.9	29,529.1
Corporate Deposits	18,247.6	-1,034.0	-414.5	19,281.6	18,662.1
Financial/Government Institutions	2,550.4	-543.5	-740.2	3,094.0	3,290.7
Proportion of Individual Deposits	59.0%	1.8%	1.6%	57.2%	57.3%

\* Above figures are before adjustment of transit accounts for inter-office transactions, and do not include deposits booked at overseas offices and offshore deposits.

Steady Decrease in the balance of Net Deferred Tax Assets (DTAs)

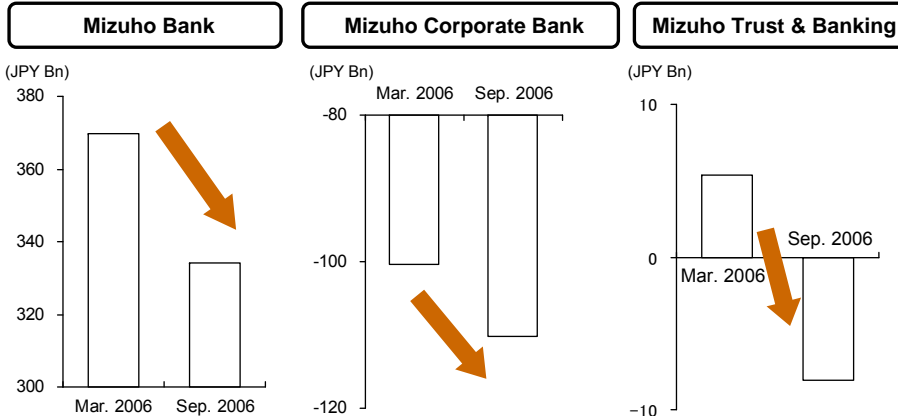
Transition of Net DTAs



Change in Net DTAs

(JPY Bn, 3Banks excluding revitalization subsidiaries)

	Sep. 2006	Mar. 2006	Change
<b>Net DTAs (1)+(3)+(4)</b>	<b>215.9</b>	<b>275.0</b>	<b>-59.0</b>
Total Deferred Tax Assets (1)	2,850.3	2,974.6	-124.2
Tax Losses Carried Forward	1,662.6	1,757.6	-95.0 (A)
Devaluation of Securities	394.1	468.9	-74.7
Net Deferred Hedge Losses (2)	78.9	-	+78.9 (B)
Valuation Allowance (3)	-1,542.7	-1,563.1	+20.3 (C)
Total Deferred Tax Liabilities (4)	-1,091.6	-1,136.4	+44.8
Net Unrealized Gains on Other Securities (5)	-803.3	-857.3	+54.0 (D)
(Ref.) Net DTAs excluding Net Unrealized Gains on Other Securities and Net Deferred Hedge Losses (1)+(3)+(4)-(2)-(5)	940.3	1,132.4	-192.1



(Major Factors)

- Recorded taxable income (A)** ⇒ Decrease in deferred tax assets
  - Recorded taxable income of JPY 240.0Bn (aggregate estimated figures of 3 Banks, before tax losses carry forward)
- Recorded deferred tax asset for deferred hedge losses of derivative transactions (B)** ⇒ Increase in deferred tax assets
  - In enforcing the company law, recorded deferred tax asset in application of deferred tax accounting to net deferred hedge losses of derivatives transactions
- Continued conservative estimation of future taxable income (C)** ⇒ Maintain substantial valuation allowance
- Decrease in unrealized gains on stockholdings (D)** ⇒ Decrease in deferred tax liabilities

(%、JPY Bn)

	September 2006 (Preliminary)	Change from		March 2006	September 2005
		Mar. 2006	Sep. 2005		
(1) Capital Adequacy Ratio	10.97	-0.62	0.24	11.59	10.73
Tier 1 Capital Ratio	5.60	-0.27	0.16	5.87	5.44
(2) Tier 1 Capital	4,374.3	-181.5	511.9	4,555.9	3,862.4
Common Stock and Preferred Stock	1,540.9	-	-	1,540.9	1,540.9
Capital Surplus	411.1	-0.0	341.4	411.1	69.6
Retained Earnings	1,201.0	-216.4	-121.6	1,417.5	1,322.7
Minority Interest in Consolidated Subsidiaries	1,294.5	13.9	180.3	1,280.5	1,114.1
Preferred Stock Issued by Overseas SPCs	1,100.5	4.8	157.6	1,095.7	942.8
Unrealized Losses on Other Securities	-	-	-	-	-
Treasury Stock	-32.0	14.8	102.8	-46.8	-134.8
Foreign Currency Translation Adjustments	-41.2	6.1	8.8	-47.4	-50.1
Business Right Equivalent	-	0.0	0.0	-0.0	-0.0
Goodwill Equivalent	-	-	-	-	-
Consolidation Differences Equivalent	-	-	-	-	-
(3) Tier 2 Capital	4,310.3	-243.6	271.1	4,554.0	4,039.2
Tier 2 Capital Included as Qualifying Capital	4,310.3	-243.6	447.8	4,554.0	3,862.4
45% of Unrealized Gains on Other Securities	927.6	-66.9	337.7	994.6	589.8
45% of Revaluation Reserve for Land	123.7	-7.3	-17.7	131.0	141.4
General Reserve for Possible Losses on Loans	565.2	-50.4	14.9	615.7	550.3
Debt Capital	2,693.6	-118.9	-63.8	2,812.5	2,757.5
Perpetual Subordinated Debt and Other Debt Capital	828.2	51.8	1.0	776.3	827.1
Subordinated Debt and Redeemable Preferred Stock	1,865.4	-170.7	-64.9	2,036.2	1,930.3
(4) Deductions for Total Risk-based Capital	117.3	0.6	2.1	116.7	115.1
(5) Total Risk-based Capital (2)+(3)-(4)	8,567.4	-425.8	957.5	8,993.2	7,609.8
(6) Risk-weighted Assets	78,056.6	522.1	7,181.8	77,534.5	70,874.8

➤ **Major factors for changes in capital (changes from Mar. 2006: -JPY 425.8Bn, of which changes in Tier 1: -JPY 181.5Bn)**

- Repayment of public funds preferred shares: -JPY 603.4Bn (issue price basis: -JPY 600.0Bn)
  - Retained Earnings decreased by the same amount as a result of repurchase and cancellation of above preferred shares
- 1H FY2006 Net Income: +JPY 392.3Bn
- Issuance/ redemption of subordinated bonds: -JPY 118.9Bn, Decrease in amounts equivalent to 45% of unrealized gains on securities, The decline in stock market prices: -JPY 66.9Bn, The reversal of General Reserve for Possible Losses on Loans: -JPY 50.4Bn

➤ **Major factors for increase in risk-weighted assets (changes from Mar. 2006: +JPY 522.1Bn):**

- On-balance sheet items (changes from Mar. 2006: +JPY 275.2Bn), Loans: approx. -JPY 0.6Tn; Stocks: approx. -JPY 0.2Tn; Credit investments etc.: approx +JPY 0.8Tn;
- Off-balance sheet items (changes from Mar. 2006: +JPY 120.7Bn) Commitment lines: approx. +JPY 0.2Tn

Consolidated	(JPY Bn)	
	Estimates for FY2006	
		Change from FY2005
Consolidated Net Business Profits*	1,050.0	127.4 (-11.0)
Credit Costs	(Gain on Reversal) 50.0	-3.2
Net Gains related to Stocks	110.0	-121.5
Ordinary Profits	1,080.0	158.9
Net Income	720.0	70.0

\* Consolidated Gross Profits – G&A Expenses (excluding Non-Recurring Losses) + certain equity in income from investments in affiliates and other consolidation adjustments  
(Note) The figure in ( ) indicates the amount excluding the effect of the disposition of unrealized losses on bond portfolios for 2H FY2005.

3 banks	(JPY Bn)			
	Estimates for FY2006			
	3Banks	Mizuho Bank	Mizuho Corporate Bank	Mizuho Trust & Banking
Net Business Profits <small>(before Reversal of (Provision for) General Reserve for Possible Losses on Loans)</small>	872.0	470.0	320.0	82.0
Credit Costs	(Gain on Reversal) 51.0	-35.0	(Gain on Reversal) 95.0	-9.0
Ordinary Profits	880.0	405.0	400.0	75.0
Net Income	655.0	270.0	330.0	55.0

(Note) Net Business Profits (before Reversal of (Provision for) General Reserve for Possible Losses on Loans) of Mizuho Trust & Banking excludes the amount of Credit Costs for Trust Accounts.

**Mizuho Financial Group, Inc.**  
(Holding Company) Non-Consolidated

	(JPY Bn)	
	Estimates for FY2006	
		Change from FY2005
Operating Income	1,250.0	1,121.0
Ordinary Profits	1,220.0	1,106.5
Net Income	1,240.0	449.7

## Comparison of Consolidated Balance Sheets (U.S. GAAP)

(JPY Bn)

	March 31, 2006	March 31, 2005	Change
<b>Assets:</b>			
Cash and due from banks	3,460	5,683	(2,223)
Interest-bearing deposits in other banks	1,667	1,216	450
Call loans and funds sold	702	328	374
Receivables under resale agreements	5,980	5,006	973
Receivables under securities borrowing transactions	8,644	8,680	(37)
Trading account assets	12,392	13,076	(683)
Investments:			
Available-for-sale securities	36,193	33,494	2,699
Held-to-maturity securities	1,536	1,460	77
Other investments	1,112	1,066	46
Loans	68,711	65,569	3,142
Allowance for loan losses	(812)	(1,207)	395
Loans, net of allowance	67,899	64,362	3,536
Premises and equipment – net	840	842	(2)
Due from customers on acceptances	43	29	14
Accrued income	336	272	64
Goodwill	40	40	-
Deferred tax assets	997	1,175	(179)
Other assets	3,685	2,882	803
<b>Total assets</b>	<b>145,522</b>	<b>139,609</b>	<b>5,914</b>

	March 31, 2006	March 31, 2005	Change
<b>Liabilities and shareholders' equity:</b>			
Deposits:			
Domestic:			
Non-interest-bearing deposits	14,591	10,635	3,956
Interest-bearing deposits	60,910	65,869	(4,959)
Foreign:			
Non-interest-bearing deposits	341	292	49
Interest-bearing deposits	6,862	3,722	3,140
Debentures	6,587	7,785	(1,199)
Due to trust accounts	1,355	1,368	(13)
Call money and funds purchased	6,192	5,018	1,175
Payables under repurchase agreements	10,080	8,358	1,722
Payables under securities lending transactions	7,348	7,666	(318)
Commercial paper	966	2,475	(1,509)
Other short-term borrowings	6,293	5,189	1,104
Trading account liabilities	10,445	9,938	507
Bank acceptances outstanding	43	29	14
Income taxes payable	52	43	9
Deferred tax liabilities	23	27	(4)
Accrued expenses	247	237	10
Long-term debt	5,385	4,789	596
Other liabilities	3,162	3,097	64
<b>Total liabilities</b>	<b>140,880</b>	<b>136,537</b>	<b>4,343</b>
Commitments and contingencies			
Minority interest in consolidated subsidiaries	296	202	95
Shareholders' equity:			
Preferred stock	1,580	2,769	(1,189)
Common stock	3,548	3,106	442
Accumulated deficit	(2,648)	(3,643)	995
Accumulated other comprehensive income, net of tax	1,912	1,032	880
Less: Treasury stock, at cost	(47)	(395)	348
<b>Total shareholders' equity</b>	<b>4,346</b>	<b>2,870</b>	<b>1,476</b>
<b>Total liabilities, minority interest and shareholders' equity</b>	<b>145,522</b>	<b>139,609</b>	<b>5,914</b>

Note: Amounts less than one billion yen are rounded

: ( ) indicates a negative figure

# Comparison of Consolidated Statements of Income (U.S. GAAP)

	(JPY Bn)		
	FY2005	FY2004	Change
<b>Interest and dividend income:</b>			
Loans, including fees	1,128	1,111	17
Investments:			
Interest	359	216	144
Dividends	91	68	23
Trading account assets	61	73	(12)
Call loans and funds sold	10	5	5
Receivables under resale agreements and securities borrowing transactions	258	113	145
Deposits	51	30	21
Total interest and dividend income	1,958	1,615	342
<b>Interest expense:</b>			
Deposits	276	132	145
Debentures	48	69	(20)
Trading account liabilities	53	55	(2)
Call money and funds purchased	6	3	4
Payables under repurchase agreements and securities lending transactions	401	166	235
Other short-term borrowings	19	14	5
Long-term debt	142	141	0
Total interest expense	945	579	366
Net interest income	1,013	1,037	(24)
Provision (credit) for loan losses	(158)	55	(213)
Net interest income after provision (credit) for loan losses	1,171	982	189
<b>Noninterest income:</b>			
Fees and commissions	689	602	87
Foreign exchange gains (losses) – net	(111)	(0)	(110)
Trading account gains – net	20	190	(170)
Investment gains – net	143	472	(328)
Gains on disposal of premises and equipment	65	81	(15)
Other noninterest income	188	255	(68)
Total noninterest income	995	1,600	(605)
<b>Noninterest expenses:</b>			
Salaries and employee benefits	435	451	(16)
General and administrative expenses	456	462	(6)
Occupancy expenses	178	227	(49)
Fees and commission expenses	96	86	10
Provision (credit) for losses on off-balance-sheet instruments	34	(26)	60
Minority interest in consolidated subsidiaries	69	31	38
Other noninterest expenses	186	147	39
Total noninterest expenses	1,454	1,379	75
Income before income tax expense (benefit)	712	1,202	(491)
Income tax expense (benefit)	(374)	124	(499)
<b>Net income</b>	<b>1,086</b>	<b>1,078</b>	<b>8</b>

Note: Amounts less than one billion yen are rounded  
: ( ) indicates a negative figure

	(JPY single unit)		
	FY2005	FY2004	Change
Basic net income per common share	93,778.71	94,616.09	(837.38)
Diluted net income per common share	82,748.82	70,005.52	12,743.30

Note: ( ) indicates a negative figure

# Reconciliation of Japanese GAAP with U.S. GAAP as of or for the Fiscal Year ended March 31, 2006

	Shareholders' equity	(JPY Bn) Net income
Japanese GAAP	4,805	650
Differences arising from different accounting for:		
1. Derivative financial instruments and hedging activities	(358)	(244)
2. Investments	(401)	(138)
3. Loans	(86)	(10)
4. Allowances for loan losses and off-balance-sheet instruments	(46)	61
5. Premises and equipment	40	(2)
6. Real estate sales and leasebacks	(115)	20
7. Land revaluation	(176)	24
8. Business combinations	41	(1)
9. Non-interest-earning deposits made under government-led restructuring program	(82)	10
10. Pension liabilities	(399)	64
11. Consolidation of variable interest entities	(11)	(2)
12. Deferred taxes	1,177	643
13. Other	(43)	11
U.S. GAAP	4,346	1,086

Note: Amounts less than one billion yen are rounded  
: ( ) indicates a negative figure

**Note:**

This table is reconciliation of the Japanese GAAP results with those of U.S. GAAP. Thus, U.S. GAAP figures are derived by adding item 1 to 13, i.e., differences arising from different accounting, to Japanese GAAP figures.



# Overview of Non-Performing Loans (“NPLs”)

(September 2006) (Banking Account)

1. SELF-ASSESSMENT					2.		3.	
Obligor	Non-Categorization	Category II	Category III	Category IV (Non-Collateralized)	Disclosed Claims under the Financial Reconstruction Law	Non-Accrual, Past Due & Restructured Loans	(JPY Bn)	
Bankrupt and Substantially Bankrupt Obligor	114.8 <small>Collateral, Guarantees, etc. : 106.2 Reserves for Possible Losses : 8.6</small>		Reserve Ratio 100%	Direct Write-offs	Claims against Bankrupt and Substantially Bankrupt Obligor	Loans to Bankrupt Obligor		
Intensive Control Obligor	297.1 <small>Collateral, Guarantees, etc. : 175.3 Reserves for Possible Losses : 121.7</small>		Reserve Ratio 74.4%	<small>Amounts for reserves recorded under Non-Categorization</small>	Claims with Collection Risk	Non-Accrual Delinquent Loans		
Watch Obligor						50.7 (Note 2)		
Claims for Special Attention	Reserve Ratio against Uncovered Portion 36.0%				Claims for Special Attention (Note1)	Loans Past Due for 3 Months or More		
525.5	<small>Collateral, Guarantees, etc. : 179.2 Reserves for Possible Losses : 124.9</small>				525.5	11.4		
Special Attention Obligor					Coverage Ratio 57.8%	Restructured Loans		
Other Watch Obligor						513.8		
Normal Obligor					Total Coverage Ratio 73.1%			
					Claims against Special Attention Obligor -Coverage Ratio: 59.8% -Reserve Ratio for Uncovered Portion: 36.0% -Reserve Ratio against Entire Claim: 22.6%			
					Reserve Ratio against Total Claims •Other Watch Obligor 10.54% •Normal Obligor 0.11%			
Total	74,359.2				Total 979.3	Total 928.5		

Amount of Partial Direct Write-offs (Banking Account)	
Disclosed Claims under the Financial Reconstruction Law:	567.6
Non-Accrual, Past Due & Restructured Loans:	555.2

(Note 1) Claims for Special Attention is denoted in individual loans basis. Claims against Special Attention Obligor includes all claims, not limited to Claims for Special Attention.

(Note 2) The difference between total Non-Accrual, Past Due & Restructured Loans and total Disclosed Claims under the FRL represents claims other than loans included in Disclosed Claims under the FRL.

# NPL Balance and Coverage & Reserve Ratios

## NPLs under FRL

(Banking Account + Trust Account)

## Net NPL ratio stable at 0.4% range

				(JPY Bn)	
	September 2006	Change from March 2006	Change from September 2005	March 2006	September 2005
Claims against Bankrupt and Substantially Bankrupt Obligors	114.8	-16.0	-46.6	130.8	161.4
Claims with Collection Risk	345.7	-9.5	-356.9	355.2	702.7
Claims for Special Attention	525.7	-40.9	92.4	566.7	433.2
<b>TOTAL</b>	<b>986.2</b>	<b>-66.5</b>	<b>-311.2</b>	<b>1,052.8</b>	<b>1,297.5</b>
Above figures are presented net of partial direct write-offs, the amounts of which are indicated in the table below.					
Amount of Partial Direct Write-offs	567.6	-157.4	-216.5	725.0	784.1
					(%)
NPL Ratio	1.32	-0.09	-0.52	1.41	1.85
Net NPL Ratio	0.45	-0.01	-0.12	0.47	0.58

## Coverage & Reserve Ratios

(Banking Account)

## Continued conservative reserves and maintained high ratios

				(%)	
	September 2006	Change from March 2006	Change from September 2005	March 2006	September 2005
Coverage Ratio	73.1	0.2	-7.5	72.8	80.6
Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
Claims with Collection Risk	87.6	-0.1	-0.3	87.7	88.0
Claims against Special Attention Obligors	59.8	0.2	-4.6	59.5	64.5
Reserve Ratio against Non-collateralized Claims					
Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	-	-	100.0	100.0
Claims with Collection Risk	74.4	1.4	-7.0	72.9	81.5
Claims against Special Attention Obligors	36.0	1.7	0.9	34.3	35.1
(Reference) Reserve Ratio					
Claims against Special Attention Obligors	22.69	1.57	3.45	21.11	19.24
Claims against Watch Obligors excluding Special Attention Obligors	10.54	-0.80	0.76	11.35	9.77
Claims against Normal Obligors	0.11	-0.00	-0.00	0.11	0.12

## Results of Final Disposals

Progress in Removal of NPLs from the Balance Sheet  
(Accumulated Removal Amount and Removal Ratio)

(Banking Account + Trust Account)

	Amount Newly Categorized	Balance at September 2006	Accumulated Removal Amount	Accumulated Removal Ratio	Modified Accumulated Removal Ratio*
September 2003	7,830.2	71.7	7,758.4	99.0	99.3
2H FY2003	525.9	10.3	515.5	98.0	98.4
1H FY2004	515.7	29.1	486.6	94.3	96.6
2H FY2004	674.1	93.3	580.8	86.1	90.7
1H FY2005	148.9	50.6	98.3	66.0	70.7
2H FY2005	150.8	82.4	68.3	45.3	50.9
1H FY2006	122.8	122.8			
<b>Total</b>	9,968.7	460.5	9,508.1		

\* Modified accumulated removal ratios are based on the accumulated removal amount including the amount which was in the process of being removed from the balance sheet.

## Breakdown of Accumulated Amount Removed from the Balance Sheet

(Banking Account + Trust Account)

	Amount Removed						Accumulated Removed Amount from 2H FY2000
	Up to 2H FY2003(*)	In 1H FY2004	In 2H FY2004	In 1H FY2005	In 2H FY2005	In 1H FY2006	
Liquidation	-1,112.4	-27.3	-160.3	-28.5	-40.7	-6.3	<b>-1,375.7</b>
Restructuring	-1,361.8	-139.5	-98.6	-12.5	-55.8	-104.7	<b>-1,773.2</b>
Improvement in Business Performance due to Restructuring	-171.7	-0.5	-2.9	-1.0	-3.1	0.0	<b>-179.5</b>
Loan Sales	-3,165.6	-254.1	-502.5	-153.2	-47.6	-34.4	<b>-4,157.7</b>
Direct Write-off	2,300.8	128.6	363.0	99.2	45.8	155.4	<b>3,093.1</b>
Other	-3,376.5	-428.7	-520.0	-203.8	-427.3	-158.2	<b>-5,114.8</b>
Debt recovery		-160.7	-291.4	-148.5	-217.0	-113.8	
Improvement in Business Performance		-267.9	-228.6	-55.2	-210.2	-44.3	
<b>Total</b>	<b>-6,887.4</b>	<b>-721.7</b>	<b>-921.6</b>	<b>-300.0</b>	<b>-528.9</b>	<b>-148.4</b>	<b>-9,508.1</b>

\* From the 2H FY2000 to the 2H FY2003.

## Disclosed Claims under the FRL and Coverage Ratios by Industry

(Banking Account + Trust Account)

(JPY Bn, %)

	September 2006						March 2006		September 2005	
	Disclosed Claims under the FRL	Coverage Ratio	Change from March 2006		Change from September 2005		Disclosed Claims under the FRL	Coverage Ratio	Disclosed Claims under the FRL	Coverage Ratio
			Disclosed Claims under the FRL	Coverage Ratio	Disclosed Claims under the FRL	Coverage Ratio				
Domestic Total (excluding Loans Booked Offshore)	939.3	73.7	-62.9	0.7	-297.0	-7.8	1,002.3	73.0	1,236.4	81.5
Manufacturing	82.2	74.5	-13.0	0.7	-14.0	-11.5	95.3	73.7	96.3	86.0
Agriculture	0.3	92.5	-0.0	7.1	-0.1	-2.1	0.4	85.3	0.5	94.6
Forestry	0.0	69.4	0.0	-30.5	0.0	-30.5	0.0	100.0	0.0	100.0
Fishery	0.0	73.9	-0.0	1.5	0.0	-26.0	0.0	72.3	0.0	100.0
Mining	-	-	-0.0	-100.0	-0.1	-100.0	0.0	100.0	0.0	100.0
Construction	44.0	72.5	-2.6	-0.9	-43.1	-10.7	46.7	73.4	87.2	83.2
Utilities	0.1	100.0	-0.0	-	-0.6	-	0.1	100.0	0.7	100.0
Communication	6.6	70.9	0.5	0.7	-1.3	-3.2	6.0	70.1	8.0	74.2
Transportation	209.6	68.5	-8.2	1.1	75.3	-3.4	217.9	67.4	134.3	72.0
Wholesale & Retail	170.8	61.2	-7.0	-0.1	-66.6	-12.9	177.8	61.4	237.4	74.1
Finance & Insurance	7.9	69.8	3.0	14.1	1.3	5.4	4.9	55.6	6.6	64.3
Real Estate	126.0	86.2	-50.0	0.3	-130.3	-4.2	176.0	85.9	256.3	90.4
Service Industries	119.7	63.3	-9.9	-0.4	-118.7	-14.7	129.7	63.8	238.5	78.1
Local Government	25.5	100.0	25.5	100.0	25.5	100.0	-	-	-	-
Other	146.0	89.2	-1.1	0.9	-24.0	0.8	147.1	88.2	170.1	88.3
Overseas Total (including Loans Booked Offshore)	46.9	64.1	-3.5	-5.5	-14.1	4.6	50.4	69.7	61.0	59.5
Governments	2.9	19.0	-0.0	1.4	-5.3	1.1	2.9	17.5	8.3	17.8
Financial Institutions	7.3	94.0	-0.2	0.6	6.6	-5.9	7.5	93.4	0.6	100.0
Other	36.6	61.8	-3.3	-7.2	-15.3	-3.8	39.9	69.1	52.0	65.7
Total	986.2	73.1	-66.5	0.2	-311.2	-7.5	1,052.8	72.8	1,297.5	80.6

\*Trust account denotes trust accounts with contracts indemnifying the principal amounts.

## Status of Loans by Nationality of Borrowers

## Balance of Loans to Restructuring Countries

(Banking Account + Trust Account)

(JPY Bn, number of countries)

	September 2006			March 2006	September 2005
	Loan amount	Change from March 2006	Change from September 2005		
Loan amount	35.8	1.9	-7.0	33.8	42.9
Number of Restructuring Countries*	4	-1	-2	5	6

\* Number of Restructuring Countries refers to obligors' countries of residence.

## Outstanding Balance and Non-Accrual, Past Due &amp; Restructured Loans by Nationality of Borrowers

(Banking Account + Trust Account)

(JPY Bn)

	September 2006						March 2006		September 2005	
	Outstanding Balance	Non-Accrual, Past Due and Restructured Loans	Change from March 2006		Change from September 2005		Outstanding Balance	Non-Accrual, Past Due and Restructured Loans	Outstanding Balance	Non-Accrual, Past Due and Restructured Loans
			Outstanding Balance	Non-Accrual, Past Due and Restructured Loans	Outstanding Balance	Non-Accrual, Past Due and Restructured Loans				
Asia	2,179.2	13.1	306.5	-1.2	560.1	-9.7	1,872.6	14.4	1,619.0	22.9
China	394.9	3.4	46.4	1.1	79.0	-1.6	348.5	2.3	315.9	5.1
Hong Kong	386.9	0.7	63.7	-0.6	134.1	-1.9	323.1	1.4	252.7	2.7
Thailand	293.3	1.4	20.1	-0.1	73.6	-0.1	273.2	1.6	219.6	1.5
Central and South America	1,593.7	0.8	436.7	0.0	574.9	-0.8	1,156.9	0.7	1,018.8	1.6
North America	2,107.3	29.6	212.7	-6.5	509.2	-6.4	1,894.6	36.1	1,598.1	36.0
Eastern Europe	30.4	-	1.3	-	-34.9	-	29.1	-	65.3	-
Western Europe	2,141.2	8.2	304.9	-0.6	923.2	-0.4	1,836.2	8.9	1,218.0	8.7
Other	679.7	3.6	129.2	2.3	204.4	-5.6	550.4	1.3	475.3	9.3
Total	8,731.7	55.5	1,391.5	-6.0	2,737.0	-23.1	7,340.1	61.6	5,994.7	78.7

## Net Gains/Losses on Securities

(JPY Bn)

	1H FY2006		1H FY2005
		Change	
Net Gains (Losses) related to Bonds	10.7	-22.1	32.9
Gains on Sales and Others	42.0	-16.0	58.0
Losses on Sales and Others	-28.1	-8.9	-19.1
Devaluation	0.0	0.5	-0.5
Reversal of (Provision for) Reserve for Possible Losses on Investments	-0.6	-3.5	2.8
Gains (Losses) on Derivatives other than for Trading	-2.3	5.8	-8.2

\* Figures for the 1H FY2005 do not include losses of JPY 85.3 Bn related to Japanese Bonds, etc. (including in Non-Recurring Losses).

\* Figures for the 1H FY2005 include Reversal of Reserve for Possible Losses on Investments (including in Extraordinary Gains).

	1H FY2006		1H FY2005
		Change	
Net Gains (Losses) related to Stocks	89.8	-31.5	121.4
Gains on Sales	101.5	-49.3	150.9
Losses on Sales	-2.5	-0.5	-2.0
Devaluation	-12.7	11.0	-23.8
Reversal of (Provision for) Reserve for Possible Losses on Investments	0.1	0.1	0.0
Gains (Losses) on Derivatives other than for Trading	3.5	7.1	-3.6

\* Figures for the 1H FY2005 include Reversal of Reserve for Possible Losses on Investments (including in Extraordinary Gains).

## Unrealized Gains/Losses on Other Securities

(the base amount to be recorded directly to Net Assets after tax and other necessary adjustments)

(JPY Bn)

	September 2006			March 2006	September 2005	
	Unrealized Gains/Losses		Unrealized Gains/Losses			Unrealized Gains/Losses
	Change from Mar. 2006	Change from Sep. 2005				
Other Securities	2,053.9	-147.4	750.4	2,201.4	1,303.4	
Japanese Stocks	2,291.3	-171.0	815.4	2,462.3	1,475.8	
Japanese Bonds	-159.9	74.5	-21.8	-234.4	-138.0	
Japanese Government Bonds	-154.4	76.2	-17.3	-230.6	-137.1	
Other	-77.5	-51.0	-43.1	-26.4	-34.3	

## Gains &amp; Losses on Securities

## Analysis of Changes

## ➤ Net gains related to bonds (-JPY 22.1Bn from 1H FY2005)

• Despite efforts to manage interest rate risks under recent interest rate trends, net gains decreased from 1H FY2005 due to long-term interest rates fluctuation.

## ➤ Net gains related to stocks (-JPY 31.5Bn from FY2005)

• Recorded gains on the sale of stock associated with credit and alternative investments (JPY 15.0Bn)  
 • Recorded gains related to the preferred shares acquired through restructuring corporate borrowers  
 • Recorded gains on the sales of Mizuho Trust & Banking shares in 1H FY2005 (JPY 42.4Bn)

## ➤ Reduction of stock portfolio (acquisition cost basis)

• Despite proceeding with reduction of approximately JPY 40.0Bn, through the sale of preferred shares, listed stock increased by JPY 28.5 Bn mainly due to the listing of non-listed stocks

## ➤ Unrealized gains on other securities

(the amount to be recorded directly to Net Assets after tax and other necessary adjustments)

**(Unrealized gains: JPY 2,053.9Bn)**

(Stocks) Decreased by JPY 171.0Bn from Mar. 2006 due to a decline in stock market prices

\* Nikkei 225: JPY 16,311 (Mar. 2006 month average)  
 → JPY 15,934 (Sep. 2006 month average)

(Bonds) Increased by JPY 74.5Bn from Mar. 2006 mostly due to a decline in long-term interest rates

of which, net unrealized losses on floating-rate bonds:  
 -JPY 67.0Bn (+JPY 23.8Bn from Mar. 2006)

\* 10-year JGB: 1.77% (Mar. 2006) → 1.67% (Sep. 2006)

[Reference] 10-year UST: 4.86% (Mar. 2006) → 4.62% (Sep. 2006)

(Other) Primarily, stock associated with credit and alternative investments decreased from Mar. 2006 as a result of a decline in the stock market prices

## Projected Redemption Amounts for Securities

■ The redemption schedule by term for Bonds Held to Maturities and Other Securities with maturities is as follows:

(Reference)

(based on managerial accounting)

## 3 Banks

(Book value)

(JPY Bn)

(Acquisition Cost)

(JPY Bn)

	Maturity as of September 2006				Change				Maturity as of March 2006				September 2006	March 2006
	Within 1 year	1 - 5 years	5 - 10 years	Over 10 years	Within 1 year	1 - 5 years	5 - 10 years	Over 10 years	Within 1 year	1 - 5 years	5 - 10 years	Over 10 years	Floating rate bonds	
Japanese Bonds	9,531.7	8,208.2	2,505.7	1,519.8	-1,146.5	333.9	-648.8	-6.7	10,678.2	7,874.2	3,154.5	1,526.5		
Japanese Government Bonds	9,148.2	6,310.3	2,060.4	1,200.2	-1,218.9	390.6	-639.0	-73.6	10,367.2	5,919.6	2,699.5	1,273.8	1,375.9	1,402.3
Japanese Local Government Bonds	4.0	92.7	38.2	8.5	0.5	-2.5	-30.0	-0.2	3.5	95.3	68.3	8.7		
Japanese Corporate Bonds	379.4	1,805.0	407.0	311.0	71.9	-54.2	20.3	67.0	307.4	1,859.3	386.6	243.9		
Other	612.1	3,269.0	2,007.9	3,536.0	153.2	268.5	635.3	485.3	458.8	3,000.5	1,372.5	3,050.6		

## Mizuho Bank

Japanese Bonds	7,709.1	5,892.3	1,085.9	628.4	-1,375.2	92.6	-918.6	-42.2	9,084.4	5,799.7	2,004.5	670.6		
Japanese Government Bonds	7,449.6	4,358.3	748.1	583.8	-1,434.8	124.5	-916.2	-45.8	8,884.5	4,233.8	1,664.3	629.7	612.6	628.1
Japanese Local Government Bonds	1.6	83.4	31.9	-	-0.1	-0.7	-29.7	-	1.7	84.2	61.7	-		
Japanese Corporate Bonds	257.8	1,450.4	305.8	44.5	59.7	-31.1	27.4	3.6	198.1	1,481.6	278.4	40.9		
Other	111.1	896.8	432.2	1,126.5	59.4	-321.0	212.1	328.0	51.6	1,217.8	220.0	798.4		

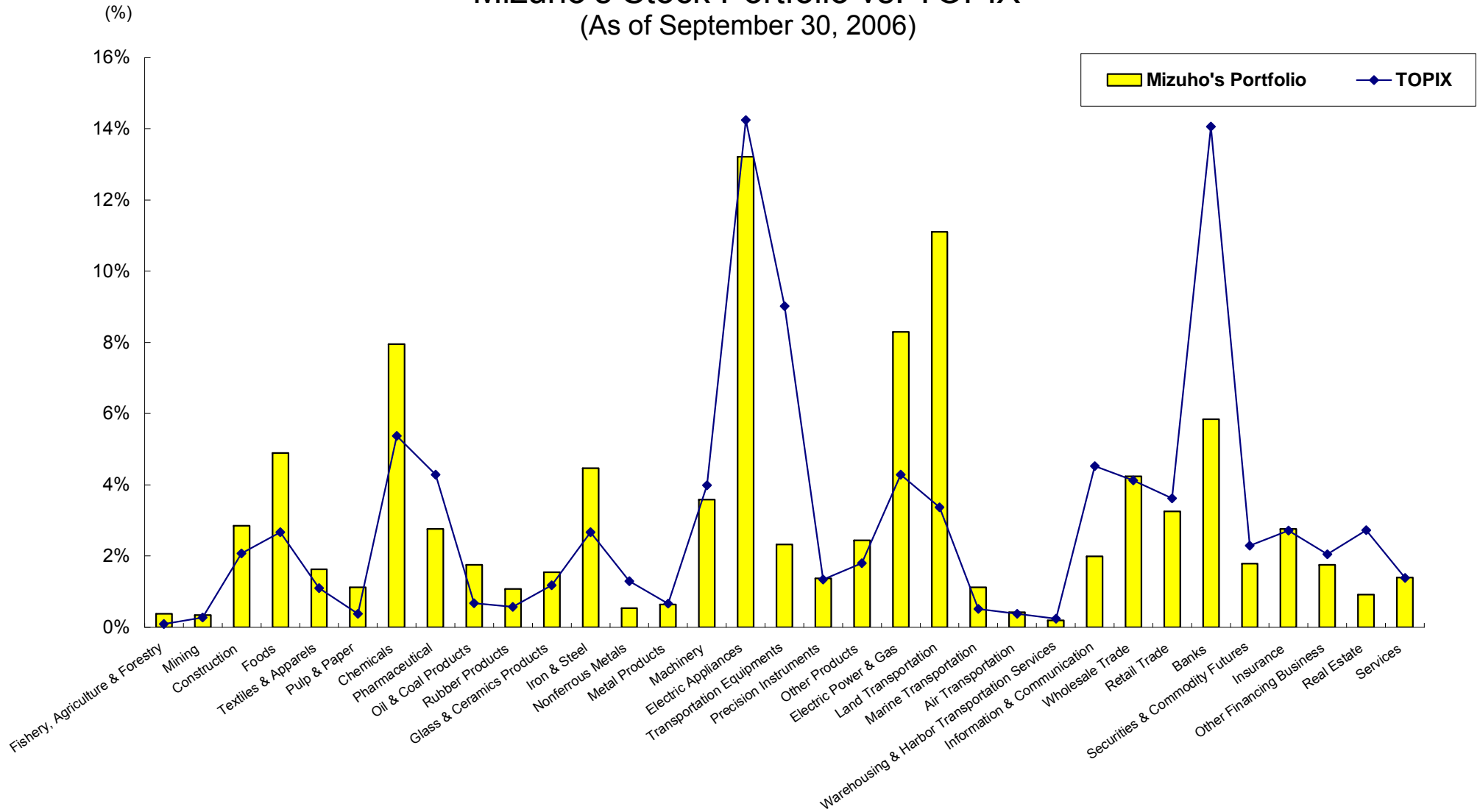
## Mizuho Corporate Bank

Japanese Bonds	1,726.2	2,032.5	1,124.4	605.4	359.9	255.8	191.1	59.1	1,366.2	1,776.7	933.3	546.2		
Japanese Government Bonds	1,648.5	1,749.4	1,037.9	330.3	365.8	262.0	195.1	-4.1	1,282.7	1,487.4	842.7	334.4	359.6	370.3
Japanese Local Government Bonds	1.8	1.2	2.2	8.5	0.4	-1.4	-0.0	-0.2	1.4	2.7	2.2	8.7		
Japanese Corporate Bonds	75.7	281.8	84.1	266.4	-6.3	-4.7	-4.0	63.4	82.0	286.5	88.2	203.0		
Other	482.0	2,139.9	1,495.8	2,409.5	87.4	442.8	429.6	157.3	394.5	1,697.1	1,066.2	2,252.1		

## Mizuho Trust &amp; Banking

Japanese Bonds	96.3	283.2	295.3	286.0	-131.2	-14.5	78.6	-23.6	227.6	297.7	216.6	309.6		
Japanese Government Bonds	49.9	202.4	274.3	286.0	-149.9	4.1	82.0	-23.6	199.9	198.3	192.3	309.6	403.7	403.9
Japanese Local Government Bonds	0.5	8.0	4.0	-	0.1	-0.2	-0.2	-	0.4	8.3	4.3	-		
Japanese Corporate Bonds	45.8	72.7	16.9	-	18.5	-18.4	-3.0	-	27.2	91.1	20.0	-		
Other	18.8	232.2	79.8	-	6.3	146.7	-6.5	-	12.5	85.5	86.3	-		

Mizuho's Stock Portfolio vs. TOPIX  
(As of September 30, 2006)





- Increase in expected return on plan assets reflecting market conditions without any unrecognized actuarial losses\*

 Amortization cost of actuarial differences decreased considerably

(JPY Bn)

	September 2006	Change	September 2005
	Projected Benefit Obligation (at the beginning of the fiscal year)	1,129.2	11.3
Unrecognized Net Obligation	-174.6	-462.2	287.6
Unrecognized Actuarial Differences (at the beginning of the fiscal year)	* -174.6	-462.2	287.6
Amount accumulated (amortized) during the period	-0.3	24.0	-24.4

	1H FY2006	Change	1H FY2005
	Service Cost	-11.0	-0.1
Interest Cost	-13.9	-0.0	-13.8
Expected Return on Plan Assets	34.6	9.3	25.2
Accumulation (Amortization) of Unrecognized Actuarial Differences	-0.3	24.0	-24.4
Amortization of Prior Service Cost	-	0.1	-0.1
Other	-3.3	-2.9	-0.4
Expenses related to Employee Retirement Benefits	5.9	30.4	-24.4

■ Credit Ratings has improved over the past two years

		Mizuho (Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking)			Mizuho (Nov.20, 2006)	SMBC (Nov.20, 2006)	BTMU (Nov.20, 2006)
Moody's	Long-term Ratings	(Sep.30, 2004) <b>A3</b> ↑	→ (Sep.30, 2005) <b>A1</b>	→ (Nov.20, 2006) <b>A1</b>	<b>A1</b>	<b>A1</b>	<b>A1</b>
	Bank Financial Strength Ratings	<b>E</b> <sup>*1</sup> ↑	→ <b>D-</b>	→ <b>D+</b>	<b>D+</b>	<b>D+</b>	<b>D+</b>
S&P	Long-term Ratings	<b>BBB+</b>	→ <b>A</b>	→ <b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>
Fitch	Long-term Ratings	<b>BBB+</b>	→ <b>A</b>	→ <b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>
	Individual Ratings	<b>E</b>	→ <b>C</b> <sup>*2</sup>	→ <b>B/C</b>	<b>B/C</b>	<b>C</b>	<b>B/C</b>
R&I	Long-term Ratings	<b>A-</b>	→ <b>A</b>	→ <b>A+</b>	<b>A+</b>	<b>A</b>	<b>A+</b>
JCR	Long-term Ratings	<b>A</b> <sup>*3</sup>	→ <b>AA-</b> <sup>*4</sup>	→ <b>AA-</b>	<b>AA-</b>	<b>A+</b>	<b>AA</b>

Note: Credit Ratings of Mizuho Trust & Banking are as follows \*1: E+, \*3: A-, \*4: A+  
Credit Rating of Mizuho Bank is as follow \*2: C/D

Recent Actions by Rating Agencies on Mizuho's Credit Ratings

- Nov. 20, 2006 Fitch raised Individual Ratings of the 3 banks (C → B/C), raised Outlook to Positive
- Nov. 1, 2006 S&P raised Outlook of the 3 banks to Positive
- Oct. 3, 2006 JCR raised Long-term Rating of Mizuho Trust & Banking (A+ → AA-)
- Mar. 31, 2006 R&I raised Long-term Ratings of the 3 banks (A → A+)
- Feb. 8, 2006 Fitch raised Individual Rating of Mizuho Bank (C/D → C)
- Nov. 24, 2005 Moody's raised Bank Financial Strength Ratings of the 3 banks (D- → D+)

# Preferred Shares and Fully Diluted Outstanding Shares of Common Stock

As of the end of Sep 2006

Type	Commencement Date of the Period for Acquisition Request	Mandatory Acquisition Date	Average Outstanding Shares (1H FY2006)	Term-end Outstanding Shares (a)	Issued Price (b) (JPY Thousand)	(a)*(b) (JPY Bn)	Average Increasing Shares of Common Stock for Dilutive Securities for Dilutive Securities (1H FY2006)	Repurchase Date	
Repaid	Jul 01, 1998	Aug 01, 2005	0	0	3,000	0.0	0 thousand	Aug 31, 2004	
Repaid	Aug 01, 2004	Aug 01, 2006	0	0	2,000	0.0	0 thousand	Aug 29, 2005	
Repaid	Aug 01, 2005	Aug 01, 2008	0	0	2,000	0.0	0 thousand	Aug 29, 2005	
Repaid	-	-	77,049	0	2,000	0.0	—	Jul 04, 2006	
Repaid	-	-	77,049	0	2,000	0.0	—	Jul 04, 2006	
Repaid	Oct 01, 2006	Feb 01, 2011	0	0	2,000	0.0	0 thousand	Oct 12, 2005	
Repaid	Oct 01, 2004	Feb 01, 2009	0	0	2,000	0.0	0 thousand	Aug 29, 2005	
Repaid	Sep 01, 2003	Sep 01, 2009	0	0	1,250	0.0	0 thousand	Mar 07, 2005	
Repaid	Jul 01, 2003	Sep 01, 2009	0	0	1,250	0.0	0 thousand	Aug 29, 2005	
	Jul 01, 2008	Jul 01, 2016	943,740	943,740	1,000	943.7	1,022 thousand		
Converted	Jul 01, 2003	Jul 01, 2011	0	0	1,000	0.0	0 thousand		
	-	-	36,690	36,690	1,000	36.6	—		
<b>Shaded Preferred Shares were repaid or converted to common stocks.</b>					<b>Total</b>	<b>980.4</b>	<b>1,022 thousand</b>	<b>A</b>	
							Average Outstanding Shares of Common Stock (1H FY2006, Consolidated)	11,607 thousand	B
							Fully Diluted Outstanding Shares of Common Stock (1H FY2006, Consolidated)	12,629 thousand	A+B

## Diluted Net Income per Share of Common Stock

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

= **JPY 30,787.32**

\*1 Dividends on Preferred Stock and other

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

\*3 Increasing Shares of Common Stock for Dilutive Securities is calculated under the assumption that dilutive options regarding dilutive securities are exercised at the beginning of the term, in accordance with accounting standards. That is, all dilutive convertible securities, including those before the Period for Acquisition Request, are assumed to be converted at the price calculated below

- The reference price is the average price of daily closing prices (including closing bid or offered prices) of Common Stocks as reported by the Tokyo Stock Exchange (the "TSE") for the 30 consecutive trading days (excluding trading days on which no closing prices, closing bid or offered prices are reported) commencing on the 45th trading day prior to April 1, 2006.

The reference price under this calculation: JPY 923,300

# Tier 1 / Tier 2 Securities (Public Offerings)

## Tier 1 Securities

### Overseas Offerings

[Overseas SPC of Mizuho Financial Group, Inc.]

Issuer	Issue Amount	Dividend	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P-Fitch)
Mizuho Capital Investment (USD) 1 Limited	US\$600M	6.686% p.a. for the first 10 years, floating rate thereafter	None	13 Mar. 2006	Perpetual	On each dividend payment date from June 2016 at five-year intervals*	Baa2/BBB/A-
Mizuho Capital Investment (EUR) 1 Limited	Euro500M	5.02% p.a. for the first 5 years, floating rate thereafter	None	13 Mar. 2006	Perpetual	On each dividend payment date from June 2011 at five-year intervals*	Baa2/BBB/A-

\* Subject to prior approval of relevant authorities

[Overseas SPC of Mizuho Corporate Bank, Ltd.]

Issuer	Issue Amount	Dividend	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P)
Mizuho Preferred Capital Company L.L.C.	US\$1,000M	8.79% p.a. for the first 10 years, floating rate thereafter	+150bps from June 2008	23 Feb. 1998	Perpetual	On each dividend payment date after June 2008*	Baa1/BBB+
Mizuho JGB Investment L.L.C.	US\$1,600M	9.87% p.a. for the first 10 years, floating rate thereafter	+150bps from June 2008	16 Mar. 1998	Perpetual	On each dividend payment date after June 2008*	Baa1/BBB+

\* Subject to prior approval of relevant authorities

## Tier 2 Securities

### Overseas Offerings

[Overseas SPC of Mizuho Financial Group, Inc.]

Issuer	Issue Amount	Coupon	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P-Fitch)
Mizuho Financial Group (Cayman) Limited	US\$1,500M	5.79% p.a.	None	8 Mar. 2004	15 Apr. 2014	None	A2/A-/A-
	Euro750M	4.75% p.a. for the first 5 years, floating rate thereafter	+150bps from Apr. 2009	8 Mar. 2004	15 Apr. 2014	On each interest payment date after Apr. 2009*	A2/A-/A-
	US\$1,500M	8.375% p.a.	None	27 Jan. 2004	Perpetual	On each interest payment date after Apr. 2009*	A2/-/-

\* Subject to prior approval of relevant authorities

[Overseas SPC of Mizuho Corporate Bank, Ltd.]

Issuer	Issue Amount	Coupon	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-S&P-R&I)
Mizuho Finance (Cayman) Limited	US\$750M	8.625% p.a.	None	23 Mar. 2000	15 Apr. 2010	None	A2/A-/A

### Domestic Offerings

Issuer	Issue Amount	Coupon	Step-up	Issue Date	Maturity	Redemption at Issuer's option	Rating (Moody's-R&I-JCR)
Mizuho Bank, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 60Bn	1.70% p.a.	None	4 Feb. 2005	3 Feb. 2015	None	A2/A/A+
Unsecured Subordinated Bonds No.2	JPY 40Bn	1.67% p.a.	None	9 Aug. 2005	7 Aug. 2015	None	A2/A/A+
Unsecured Subordinated Bonds No.3	JPY 10Bn	2.04% p.a.	None	9 Aug. 2005	7 Aug. 2020	None	A2/A/A+
Unsecured Subordinated Bonds No.4	JPY 30Bn	1.81% p.a.	None	30 Jan. 2006	29 Jan. 2016	None	A2/A/A+
Unsecured Subordinated Bonds No.5	JPY 20Bn	2.49% p.a.	None	30 Jan. 2006	30 Jan. 2026	None	A2/A/A+
Unsecured Subordinated Bonds No.6	JPY 60Bn	2.25% p.a.	None	6 Nov. 2006	4 Nov. 2016	None	A2/A/A+
Unsecured Subordinated Bonds No.7	JPY 20Bn	2.87% p.a.	None	6 Nov. 2006	6 Nov. 2026	None	A2/A/A+
Mizuho Corporate Bank, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 60Bn	2.10% p.a.	None	13 Feb. 2004	12 Feb. 2014	None	A2/A/A+
Unsecured Subordinated Bonds No.2	JPY 60Bn	2.18% p.a.	None	6 Aug. 2004	5 Aug. 2014	None	A2/A/A+
Mizuho Trust & Banking, Ltd.							
Unsecured Subordinated Bonds No.1	JPY 30Bn	1.91% p.a.	None	20 Dec. 2005	21 Dec. 2015	None	A2/A/A
Unsecured Subordinated Bonds No.2	JPY 10Bn	2.24% p.a.	None	20 Dec. 2005	21 Dec. 2020	None	A2/A/A

Ratings as of Nov 24, 2006