

August 7, 2012

To whom it may concern

Mizuho Securities Co., Ltd.

Framework for Managing Corporate-Related Information at Mizuho Securities and Future Measures Aiming at Enhancing the Framework

On July 3, 2012, Mizuho Securities Co., Ltd. (hereinafter “the Company”) was issued with a directive by the Financial Services Agency (Supervisory Bureau No. 1748), ordering the Company, under the provisions of Article 56 -2,, Paragraph 1 of the Financial Instruments and Exchange Act, to submit a report concerning the framework it has in place for managing corporate-related information.

Having received the order to submit the report, the Company proceeded with its work, together with outside attorneys, to check and verify its framework for managing corporate-related information, and based on the results of said checks and verification, has identified issues to resolve and formulated countermeasures to employ henceforth in order to further enhance the Company’s framework for managing corporate-related information.

The Company has always been committed to careful management of corporate-related information, but with the recent cases of information leakage in mind, will further bolster efforts to improve its information management framework, with the aim also of contributing to the restoration of trust in the securities industry.

End

I. Company Organizational Structure (Please refer to Appendix 1)

- At Mizuho Securities, we have an underwriting section centering on the Investment Banking Division, which engages in public offering underwriting and other activities, and the corporate business section, which consists of the Markets & Products Division and provides equity and fixed income sales & trading services to corporate clients. We have put in place a strict framework for ensuring that corporate-related information concerning our clients' public offerings and other activities does not get passed on to third parties unnecessarily, by erecting an information barrier called "Chinese wall" between the two sections.
- Further, with regard to the said framework, the Compliance Division, a division responsible for planning, devising, and promoting compliance-related policies in general, and the Audit Department, conduct necessary monitoring and auditing of the overall internal control framework including the management of corporate-related information, providing comprehensive and objective evaluations of the appropriateness and effectiveness of the framework, as well as taking actions to solve any issues identified.

II. Status of Management of Corporate-Related Information

At Mizuho Securities, we have established and have been making necessary revisions to a system of internal rules concerning the management of corporate-related information including insider information, in order to build, steadily maintain and manage a strict corporate-related information management framework. We have also implemented the following measures in order to ensure that the framework is effective.

- (i) Measures for ensuring that a Chinese wall (information barrier) is adequately put in place and works effectively:
 - In principle, there is a Chinese wall (information barrier) constructed around each department, office and branch of Mizuho Securities. In other words, we do not have a system in which the Investment Banking Division is always defined as the "in" ("to hold information") division and all others as "out" ("not to hold information"). Rather, based on the "Need to Know" ("only the departments/persons who need to know the information should hold information") principle, "in" and "out" departments are segregated even within the Investment Banking Division, according to each deal concerned.
 - Further, we have implemented a structure where, even within the same department/office/branch, "in" and "out" persons are classified as such under the supervision of the head of the relevant department/office/branch, and those who have been classified as "in" are to sign a prescribed document stating that signees shall not engage in insider trading or divulge information, and where information holders of each deal can be identified.
- (ii) Monitoring and internal auditing of the underwriting section and the corporate business section by the administration division:
 - We try to detect, as early as possible, divulgence of, or acts which could be considered as divulgence of, corporate-related information, through checks of the trading status of the issues whose corporate-related information has been registered by the Trading Supervisory Department (a department managing corporate-related information), as well as through self-inspections in order to detect cases of inappropriate information management, and by daily checks of external e-mail

by authorized personnel in managerial positions. Further, based on the belief that the act of letting people know of such monitoring activities itself will be effective in preventing information divulgence, we have informed our employees through internal training about such monitoring activities as well as about investigation by the Securities and Exchange Surveillance Commission and other organizations.

- Also, the Audit Department conducts internal auditing focused on inspection points such as whether corporate-related information has been obtained, managed and stored in an appropriate manner, from the viewpoint of whether the management process for preventing insider trading is appropriate.

(iii) Carrying out internal training on prevention of unfair trading:

- At Mizuho Securities, we continuously carry out different types of training programs for different purposes, and call attention of and provide information to employees and executives of the company. Also, we try to improve the content of training by providing a combination of occasional theme-specific training and spot training, covering trends concerning corporate-related information, in addition to periodic training aimed at new employees joining the company or for employees who have been transferred.

III. Issues and Response Measures Concerning the Management of Corporate-Related Information

As we conducted internal review based on the response we made to the recent investigation and the incident occurred at another company, we have identified the following issues and decided to take response measures in order to further improve our corporate-related information management framework.

We will establish a stricter corporate-related information management framework by adding the following response measures to the existing corporate-related information management framework set out in II. above.

(i) Action to be taken 1: Further limit people allowed to hold information

- We will implement the following measures based on the awareness that, even with top management, people allowed to hold information must be reviewed strictly based on the “ Need to Know ” principle, about whether they need to receive information, in order to prevent casual spread of information and acts of solicitation using the said information

<Measures>

(1) Strengthening rules against passing of information to the directors, etc. in the Corporate Investment Services & Retail Business Division, in principle.

- We have had rules prohibiting in principle the passing of corporate-related information to the directors, etc. of the Corporate Investment Services, who are in charge of individual clients and corporate clients of branches, but we will accelerate our efforts to implement stricter information management, by restricting “exceptional approval” to extremely limited cases, as well as by clearly setting out the details in rules.

(2) Restrict number of “Persons on the Wall”

- We deem top management personnel including the president as “Persons on the Wall” (management personnel not requiring approval of the Trading Supervisory Department when information is passed to them). However, we will try to further limit the number of the “Persons on the Wall” with consideration given to the operations which each individual is responsible for.

(ii) Action to be taken 2: Increase restrictions on contact between the corporate business section and the underwriting section (or clients).

- In light of the possibility of acts with malicious intentions to actively destroy Chinese walls, and based on our recognition of the need to restrict contacts between the corporate business section and the underwriting section (or clients), we will implement the following measures:

<Measures>

(1) Dissemination and enhanced implementation of the “prohibition of passing of information which may cause speculation”

- Our training materials have always clearly stated the prohibition of passing of information which may cause speculation, and all employees have been required to comply with the said prohibition during the course of conducting operations. Going forward, we will ensure that all staff members are aware of prohibited acts, by stating them in the company’s internal rules.

(2) Further dissemination of “examples of prohibited acts” and the “whistleblowing system”

- We will establish new rules concerning the restriction on contact from the corporate business section to the underwriting section or analysts, show examples of prohibited acts, and promote active use of the whistleblowing system in the event of detecting such prohibited acts (specifically, promote the use of the whistleblowing system for reporting suspicious inquiries and

referrals concerning whether or not corporate-related information is present, as well as posting more information about the system, etc. on the company's intranet).

(3) Formulation of rules concerning potentially misleading verbal statements and acts

- We will clearly set out in rules such verbal statements and acts (including descriptions in electronic mail, etc.) which could potentially be misleading, and thoroughly disseminate them as prohibited acts.

(4) Adding a recording function to the cellular phones lent to employees in departments in the Equity Group, which conducts sale and trading of equity securities with institutional investors.

- In order to ensure strict compliance with the existing rules prohibiting the use of cellular phones in the dealing room, we will re-notify our employees. Also, in addition to the addition of a recording function to the cellular phones to be distributed to branch sales representatives, scheduled for January 2013, we will also add the said function to the cellular phones used outside the dealing room by the Equity Group's institutional investor sales representatives for contacting clients.
- Further, for the aforementioned departments engaging in institutional investor sales, we will conduct training aimed at ensuring strict compliance with rules concerning communication with clients by showing examples of inappropriate acts concerning corporate-related information (including inappropriate use of cellular phones).

(iii) Actions to be taken 3: Enhance monitoring

- Based on the awareness that the presence of strong monitoring is an effective method for discouraging intentions to engage in malicious acts, we will implement the following measures in addition to the existing monitoring as well as improve the effectiveness of the self-checking framework.

<Measures>

(1) Carrying out monitoring with consideration given to whether "solicitation using divulged information is present"

- We will enhance monitoring by introducing a new monitoring method which checks whether "solicitation using divulged information was carried out," in addition to the existing daily monitoring carried out by the Trading Supervisory Department on the issues whose corporate-related information is registered.

(2) Enhanced monitoring of internal/external e-mail

- Strengthen internal and external e-mail monitoring with focus on detecting cases of information leakage, if any, primarily around the time of lead-managing financing deals, and work on the execution of deals while ensuring a stricter monitoring framework.

(iv) Action to be taken 4: Maintain and improve the level of management including branches

- Based on the awareness that management of corporate-related information is not an issue concerning only the Head Office functions where much information is accumulated, but rather one which requires maintenance and improvement of management levels throughout the company including the branch network, we will implement the following measures.

<Measures>

(1) Revising rules for branch employees

- We will revise and refine rules for employees working in branches in order to implement stricter management in a way which fits the actual operations of branches.

(v) Action to be taken 5: Ensure that professional ethics are upheld

- Based on the renewed awareness that, even if refined rules and enhanced monitoring are formulated in order to improve the effect in preventing breaches, the issue ultimately concerns professional ethics, we will implement the following measure:

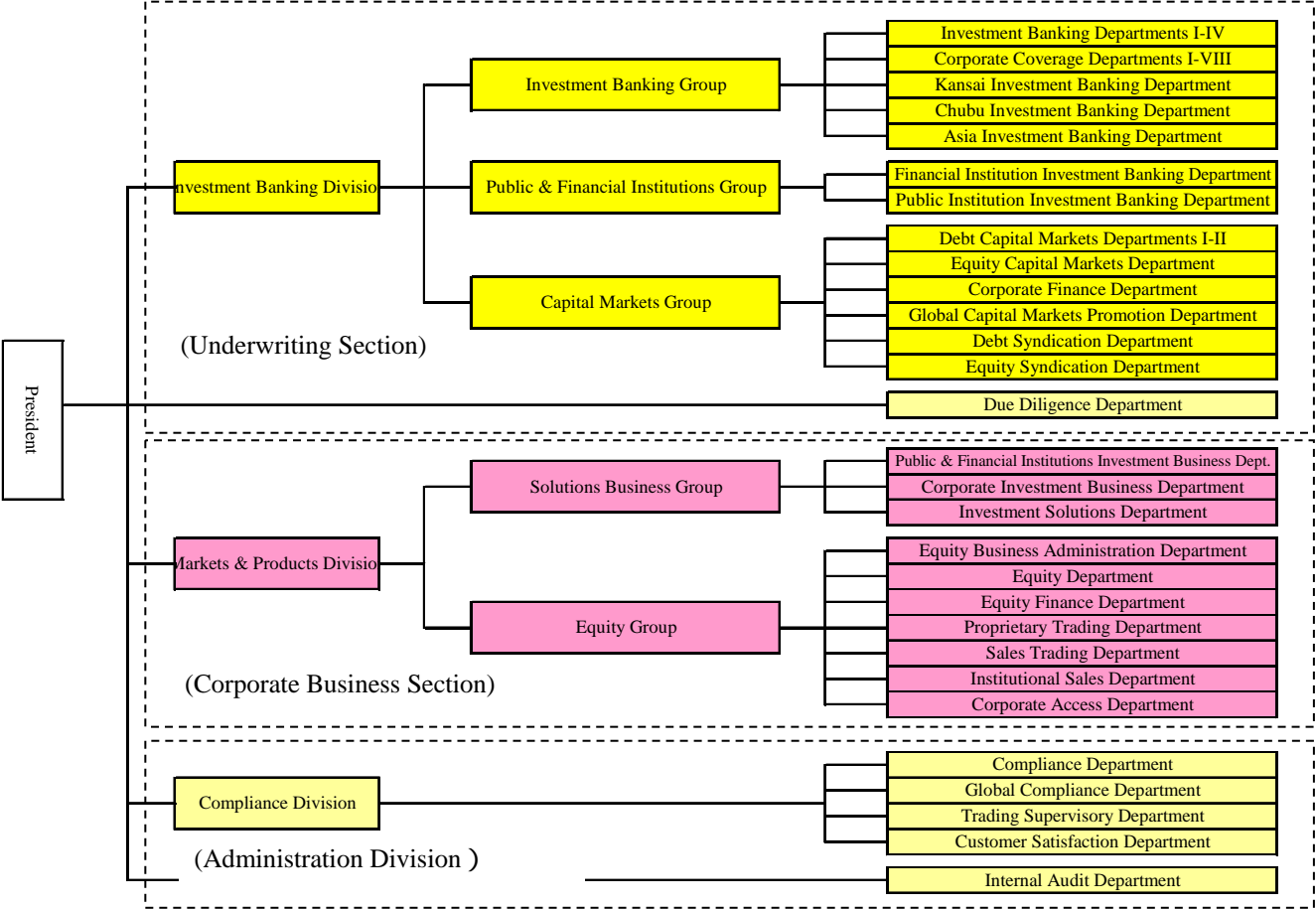
<Measures>

- (1) Continuous dissemination of the importance of observation of professional ethics through training
- Based on the awareness that thorough dissemination of professional ethics is always an important theme, we will formulate a framework where all employees and executive officers can work with high moral standards, by including more contents than in the past on professional ethics in training programs held by the Human Resources Department and other departments.










We will implement the above measures according to the schedule set out in Appendix 2. The Compliance Committee (a management policy committee of Mizuho Securities) will confirm the progress as necessary.

End

Mizuho Securities Internal Organizational Structure (extract)



Timeframe for Measures Aiming to Enhance Management of Corporate-related Information

	Schedule for Actions			
	July	August	September	up to Jan 2013
Actions to be taken - 1: Further limit people allowed to hold information				
(1) Strengthening rules against passing of information to the directors, etc. in the Corporate Investment Services & Retail Business Division, in principle.				
(2) Restrict number of "Persons on the Wall"				
Actions to be taken - 2: Increase restrictions on contact between the corporate business section and the underwriting section (or clients)				
(1) Dissemination and enhanced implementation of the "prohibition of passing of information which may cause speculation"				
(2) Further dissemination of "examples of prohibited acts" and the "whistleblowing system"				
(3) Formulation of rules concerning potentially misleading verbal statements and acts				
(4) Adding a recording function to the cellular phones lent to employees in departments in the Equity Group, which conducts sale and trading of equity securities with institutional investors				
Actions to be taken - 3: Enhance monitoring				
(1) Carrying out monitoring with consideration given to whether "solicitation using divulged information is present"				
(2) Enhanced monitoring of internal/external e-mail				
Actions to be taken - 4: Maintain and improve the level of management including branches				
(1) Revising rules for branch employees				
Actions to be taken - 5: Ensure that professional ethics are upheld				
(1) Continuous dissemination of the importance of observation of professional ethics through training	