

**Profile of the Mizuho Financial Group**

■ 2007 ■

## **Brand Slogan**

# **Channel to Discovery**

The slogan expresses the role Mizuho will play, not only to realize today's dreams, but also to discover new possibilities that lie ahead and to create a better future.

"Discovery" stands for Mizuho's customers discovering their dreams and new possibilities, and "Channel" stands for the role Mizuho will play in providing the ways and means to its customers so that they can realize their dreams and new possibilities.

## **Profile**

The Mizuho Financial Group is one of the largest financial institutions in the world, offering a broad range of financial services including banking, securities, trust and asset management, credit card, private banking services, venture capital through its group companies.

The group has approximately 46,000 staff working in over 760 offices inside and outside Japan, and total assets of over \$1.2 trillion (as of March 2006).

The group was created in September 2000 through the establishment of a holding company of our three predecessor banks, The Dai-ichi Kangyo Bank (DKB), The Fuji Bank (Fuji) and The Industrial Bank of Japan (IBJ). Under the umbrella of the holding company Mizuho Financial Group, our principal group companies include Mizuho Corporate Bank, Mizuho Bank, Mizuho Securities and Mizuho Trust & Banking.

## **CONTENTS**

Messages from the Top Management	2
Principal Operating Companies of Mizuho	6
Business Developments in Asia and Oceania	8
Business Developments in Europe, the Middle East, and Africa	12
Business Developments in the Americas	16
Business Developments in Japan	20
Financial Highlights for the First Half of Fiscal 2006	28
CSR Activities of Mizuho	30
Mizuho's Websites	32

## Messages from the Top Management



Terunobu Maeda  
President & CEO  
Mizuho Financial Group, Inc.

One of the world's largest financial groups, Mizuho Financial Group offers a wide array of cutting-edge financial services through various operating companies, including the wholesale banking subsidiary Mizuho Corporate Bank, and the wholesale securities subsidiary Mizuho Securities, the retail banking subsidiary Mizuho Bank, and the full-line trust banking subsidiary Mizuho Trust & Banking.

To win the ever stronger support of our clients, we are steadily implementing our business strategy, the "Channel to Discovery" Plan, which we formulated in April 2005, with the goal of positioning Mizuho as a world-leading financial group. Under this plan, we are implementing two strategic initiatives — the Business Portfolio Strategy and the Corporate Management Strategy.

As part of our Business Portfolio Strategy, we reorganized our businesses into three global groups — the Global Corporate Group, the Global Retail Group, and the Global Asset & Wealth Management Group — to suit the needs of the respective client segments. These three groups leverage their strengths and capabilities to offer optimal products, services, and solutions to our clients and enhance the group's comprehensive profitability.

As part of implementation of our Corporate Management Strategy, in November 2006, we listed our American Depositary Receipts (ADRs) on the New York Stock Exchange to enhance the transparency of our corporate governance as well as raise investors' trust in Mizuho to a higher level. In addition, we are implementing corporate social responsibility (CSR) initiatives and have positioned CSR as "one of the main pillars of our strategy to create new corporate value and achieve sustainable growth." Another important aspect of our Corporate Management Strategy is strengthening the Mizuho brand by deepening the awareness and understanding of our brand slogan, "Channel to Discovery" among our clients and other stakeholders.

As we continue to move forward proactively with the implementation of our "Channel to Discovery" Plan, with the support of our clients, we will work to further enhance our corporate value by strengthening our competitiveness and profitability as well as fulfilling our responsibilities to society and our mission to serve the public interest. We look forward to your continuing support as we make further progress toward our corporate objectives.

*T. Maeda*



Hiroshi Saito  
President & CEO  
Mizuho Corporate Bank, Ltd.

Mizuho Corporate Bank is engaged in global wholesale financial business as a core member of the Global Corporate Group.

We have built a strong client base and are a partner to 70% of Japan's listed corporations and over 250 of the Fortune 1000<sup>®</sup> companies in the United States. We also have created a strong global presence in providing financial services. We hold the number one share in the Asian syndicated loan market, are a market leader in the European LBO and CLO markets, and a global top three arranger and provider of project finance.

In spring 2006, we announced our "Global Declaration," which calls for extending our business model to promote and combine our commercial banking and investment banking businesses on a global scale. In line with this strategy, we are

accelerating the development of our overseas offices to meet our clients' needs. In 2006, we opened new branches in Asia: specifically, New Delhi, India; Wuxi, China; and Ho Chi Minh City, Vietnam. In Europe, we established a new office in Brussels, Belgium (as a branch of our subsidiary) in 2006, and, in spring 2007, we will open a branch in Milan, Italy. In addition, we plan to establish a new banking subsidiary in China in 2007 to respond to the needs of our clients with even greater speed and precision by facilitating the provision of new services and the expansion of our branch network.

Moreover, we obtained the status of a financial holding company (FHC) in the United States from the Board of Governors of the Federal Reserve System in December 2006. As an FHC, we can now also engage in comprehensive investment banking operations in the United States, including underwriting and dealing in corporate bonds, equities, and other securities through our securities subsidiaries. Accordingly, we have set about developing our investment banking business on a broader basis in the United States, the world's largest market, in addition to our business in Japan, Europe, and Asia.

Our corporate mission is to be "Your Global Financial Partner." We aspire to become "one world-class company" that is highly regarded by our clients for offering solutions-providing capabilities that give them the advantage — deal after deal. We look forward to earning your ongoing support as we work to achieve this goal.

A handwritten signature in black ink, appearing to read "H. Saito".

\*Fortune 1000 is a registered trademark of FORTUNE Magazine, a division of Time Inc.



Seiji Sugiyama  
President & CEO  
Mizuho Bank, Ltd.

Central to the Global Retail Group, Mizuho Bank is a bank with 482 offices throughout Japan that offers services to individual customers as well as corporate customers, primarily small and medium-sized enterprises (SMEs) and middle-market corporations.

As part of efforts to offer individual customers services that are tailored to their respective plans for the future, we are building our consulting capabilities as well as systems to handle a wide spectrum of loan needs. We employ 2,000 financial consultants with the expertise to provide customers with all kinds of financial advice and have established Premium Salons for customers seeking advice about fund management and other financial issues in 250 of our branches. In October 2006, aiming to improve convenience for customers, we began to open Mizuho Personal

Squares — branches that focus on individual customers. In addition, we strive to work together with other companies in the group to ensure prompt and accurate responses to customers' needs. For instance, we established a network of 100 joint branches with Mizuho Investors Securities. Further, Mizuho Bank is continuing to enhance the attractiveness of the Mizuho Mileage Club, a membership program that offers its members rewards for using Mizuho's products, services, and credit cards. Thanks to these initiatives, the Mizuho Mileage Club currently has more than three million members.

Mizuho Bank goes beyond merely meeting the financing needs of its corporate customers. With an extensive network of offices and approximately 350 corporate banking specialists, we offer our corporate customers assistance with such diverse business issues as M&A activities working with other group companies to provide our customers with the best possible solutions. For customers considering starting operations overseas, staff with extensive knowledge about conditions in the area where our customers wish to develop business provide support throughout all stages of the overseas market entry process — from initial examination of business prospects to preparing investment plans, start-up, and follow-up after operations are under way. These services give our corporate customers a hand in realizing their international growth strategies.

Going forward, we will remain committed to forging long-lasting customer relationships built on trust as all our staff members work together to make Mizuho Bank the bank that customers want to deal with by offering security and convenience.

*Seiji Sugiyama*



Makoto Fukuda  
President  
Mizuho Securities Co., Ltd.

Mizuho Securities has made steady progress with the debt, equities and investment banking as its core businesses, building a firm foundation for stability of profits less susceptible to market fluctuations. We increase our presence in domestic market year after year, while proactively promoting global operational presence through the strategic alliance with U.S. investment bank for M&A advisory services and strategically use of Mizuho Corporate Bank's FHC license.

Additionally, Mizuho Securities and Shinko Securities will merge as of a target date January 1, 2008. After merger, the New Company will aim to become Japan's leading investment bank with bringing out competitive-edge points of both companies.

A handwritten signature in black ink, appearing to read 'M. Fukuda'.



Teruhiko Ikeda  
President & CEO  
Mizuho Trust & Banking Co., Ltd.

A core member of the Global Asset & Wealth Management Group, Mizuho Trust & Banking is a full-line trust banking company serving both individual and corporate clients and is working to further strengthen our trust and asset management business, including that relating to pensions, real estate and asset securitization, while building closer ties of cooperation with other group companies. In addition, we offer global custody and fund management services as a leading custodian in Japan with subsidiaries in New York and Luxembourg.

We look forward to your continued support as we aspire to be "The Most Trusted Trust Bank by Clients."

A handwritten signature in black ink, appearing to read 'T. Ikeda'.



# Principal Operating Companies of Mizuho

Mizuho is building a system to offer optimal products, services and solutions to satisfy the respective needs of worldwide companies and Japanese individuals.

## Holding Company **Mizuho Financial Group**

### Offering advanced global solutions to large corporations, multinationals and other entities.

Combining commercial and investment banking operations and adding trust functions to offer solutions that help raise clients' corporate value.

#### Bank

### **Mizuho Corporate Bank (MHCB)**

#### Securities

### **Mizuho Securities (MHSC)**

Shinko Securities\*

#### Trust Bank

### **Mizuho Trust & Banking (MHTB)\***

Trust & Custody Services Bank (TCSB)

#### Pension Management

Defined Contribution Plan Services (DCPS)

#### Asset Management

Dai-ichi Kangyo Asset Management (DKA)\*

Fuji Investment Management (FIMCO)\*

DLIBJ Asset Management (DIAM)\*

#### IT, Research, Consulting

Mizuho Research Institute (MHRI)\*

Mizuho Information & Research Institute (MHIR)\*

Mizuho Financial Strategy (MHFS)

#### R&D for Financial Technology

Mizuho-DL Financial Technology

#### Overseas Subsidiaries of MHCB

**Mizuho Capital Markets (HK)**

**PT. Bank Mizuho Indonesia**

**Mizuho Corporate Leasing (Thailand)**

**Mizuho Corporate Bank-BA Investment Consulting**

**Mizuho Corporate Bank (Germany)**

**Mizuho Corporate Bank Nederland**

**Mizuho Capital Markets (UK)**

**Mizuho Corporate Bank (Canada)**

**Mizuho Capital Markets Corporation**

**Mizuho Corporate Bank of California**

**Mizuho Corporate Bank (USA)**

#### Overseas Subsidiaries of MHSC

**Mizuho Securities Asia**

**Mizuho Futures (Singapore)**

**Mizuho Bank (Switzerland)**

**Mizuho International**

**Mizuho Securities USA**

**The Bridgeford Group**

#### Overseas Subsidiaries of MHTB

**Mizuho Trust & Banking (Luxembourg)**

**Mizuho Trust & Banking (USA)**

#### Overseas Subsidiaries of DIAM

**DLIBJ Asset Management International**

**DLIBJ Asset Management U.S.A.**

Note: 1. Companies marked with an asterisk offer products, services and solutions to multiple customer segments.

2. Subject to approval from shareholders and relevant governmental authorities, MHSC and Shinko Securities have reached basic agreement that they will merge as of a target date of January 1, 2008.

3. Subject to regulatory approvals and other procedures, DKA and FIMCO have reached basic agreement that they will merge as of a target date of July 1, 2007.



## Responding to the needs of domestic small and medium-sized enterprises and middle-market corporations for funding and the resolution of management issues.

Offering loan products tailored to the customer's stage of growth and providing powerful support for the customer's business development through IPOs, M&A and overseas expansion.

Mizuho Bank also offers a full lineup of services, ranging from settlement and finance to solutions, for foreign companies that are active in Japan.

### Bank

#### **Mizuho Bank (MHBK)\***

### Securities

Mizuho Investors Securities (MHIS)\*

Shinko Securities\*

### Trust Bank

#### **Mizuho Trust & Banking (MHTB)\***

### Asset Management

Dai-Ichi Kangyo Asset Management (DKA)\*

Fuji Investment Management (FIMCO)\*

DLIBJ Asset Management (DIAM)\*

### Real Estate Agency

Mizuho Trust Realty Company\*

### Venture Capital

Mizuho Capital

### Factoring

Mizuho Factors

### IT, Research, Consulting

Mizuho Research Institute (MHRI)\*

Mizuho Information & Research Institute (MHIR)\*

### Overseas Subsidiaries

**Please refer to the left.**

## Offering products and services to meet the various needs of individual customers in Japan.

Offering extremely convenient settlement services, and products and services tailored to the stages of life and lifestyles of individual customers.

### Bank

#### **Mizuho Bank (MHBK)\***

### Securities

Mizuho Investors Securities (MHIS)\*

Shinko Securities\*

### Trust Bank

#### **Mizuho Trust & Banking (MHTB)\***

### Asset Management

Dai-Ichi Kangyo Asset Management (DKA)\*

Fuji Investment Management (FIMCO)\*

DLIBJ Asset Management (DIAM)\*

### Credit Card

UC Card

### Private Banking Services

Mizuho Private Wealth Management (MHPW)

### Real Estate Agency

Mizuho Trust Realty Company\*

### Credit Guarantee and Real Estate Research

Mizuho Credit Guarantee

# Business Developments in Asia and Oceania

## Mizuho Corporate Bank

### Mizuho Corporate Bank (MHCB) and the Asia-Oceania Region

We are working to streamline our organizational structures so that we can provide a wide-ranging response to the needs of Japanese companies advancing into the Asia-Oceania region to take advantage of its remarkable economic growth.

As of September 2006, we had over 2,000 employees in the region, handling transactions with over 16,000 clients. In 2006, we opened three new branches in Asia-Oceania — the New Delhi Branch in India in May, the Wuxi Branch in China in June, and the Ho Chi Minh City Branch in Vietnam in October — extending our network to 18 branches and one subsidiary.

We were the first foreign bank to open a branch in Wuxi, a major city in Chang Jiang Delta of China, where a wide range of Japanese firms are now doing business. It also means that we now have two branches each in both India and Vietnam, creating a more robust framework for helping clients grow their businesses in these new markets.

We were the first Japanese bank to win pre-approval for a banking subsidiary in China, following revisions to local regulations, and given the high expectations of further growth, we will reorganize our five existing branches in China (Beijing, Shanghai, Shenzhen, Dalian and Wuxi) into the new subsidiary by the summer of 2007. Creating the subsidiary gives rise to expectations that in addition to local commercial banking operations, we will be in more advantageous position to engage in new types of operations that were not formerly allowed.

### Office Network of MHCB in Asia and Oceania



Clients may also take advantage of the leasing services of Mizuho Corporate Leasing (Thailand) and the local lending and other services offered by the Japan desk of MHC's partner Maybank of Malaysia.

In addition to our office network, we offer an Internet-based global cash management service (GCMS). Currently, over 3,000 companies take advantage of the service, which enables them to make balance inquiries and perform banking transactions, such as fund transfers, from their own offices. We also offer products to support the fund administration activities of clients' group companies in the countries / regions of Asia.

### **New Business**

In addition to LBO and MBO business originating in our Asia Corporate Banking Division, we are moving into various new business areas, including shipping finance, real estate non-recourse finance, and invoice discount finance (IDF), tailored to conditions in individual countries.

In particular, we are building up an impressive track record in the area of LBO and MBO finance, using the know-how we accumulated in Europe to expand our business in the Asian region and arrange major deals centered on Australia.

In June 2006, we signed a business cooperation agreement with TISCO Bank of Thailand to lay the foundations for promoting investment banking business there. In the area of trade finance, the Global Trade Finance Division established a Singapore office in April 2006, thereby strengthening our trade finance operations in Asia.

Looking ahead, we have high hopes for engaging new financial services in China once our branches there are converted into a subsidiary. In addition to our advisory business, which has already delivered substantial results, and our syndication business, which is building on the know-how accumulated in Japan, we intend to expand into new financial services throughout China.

### **Presence in Markets for Syndicated Loans to Local Companies**

We have deployed professionals in syndication (both origination and distribution) in the Asia Corporate Banking Division located in the two Asian financial centers of Singapore and Hong Kong, where they cover the syndicated loan market for all of Asia. Providing clients with financial solutions in cooperation with branches throughout Asia and Oceania has enabled us to secure high rankings in various league tables.

## Business Developments in Asia and Oceania

### Asia Mandated Arrangers — Syndicated Loans and Club Deals (January-December 2006)

Rank	Name of bank	(millions of U.S. dollars)	Amount dollars	No. of deals
1	Standard Chartered Bank		8,694.0	124
2	Sumitomo Mitsui Banking Corp		7,299.3	108
3	HSBC		6,813.2	90
4	Calyon Corporate & Investment Bank		6,715.3	108
5	Citigroup		6,483.4	80
6	DBS		6,483.4	112
7	BNP Paribas		5,996.7	99
8	<b>Mizuho Corporate Bank</b>		<b>5,147.7</b>	<b>92</b>
9	Bank of China		4,124.0	58
10	Bank of Tokyo-Mitsubishi UFJ		4,112.9	79
	Total market		126,666.8	551

Source: Basis Point

### China Mandated Arrangers — Syndicated Loans and Club Deals (January-December 2006)

Rank	Name of bank	(millions of U.S. dollars)	Amount dollars	No. of deals
1	HSBC		1,424.1	10
2	Bank of China		1,411.5	11
3	China Construction Bank		1,204.5	6
4	Industrial & Commercial Bank of China		1,191.4	6
5	Calyon Corporate & Investment Bank		1,183.3	12
6	DBS		998.5	8
7	ING		871.5	10
8	Standard Chartered Bank		859.7	10
9	Société Générale		700.4	6
10	<b>Mizuho Corporate Bank</b>		<b>652.1</b>	<b>7</b>
	Total market		16,185.5	69

Source: Basis Point

### Thailand Mandated Arrangers — Syndicated Loans and Club Deals (January-December 2006)

Rank	Name of bank	(millions of U.S. dollars)	Amount dollars	No. of deals
1	Barclays Capital		361.8	4
2	<b>Mizuho Corporate Bank</b>		<b>340.7</b>	<b>8</b>
3	Citicorp		254.9	2
4	Bank of Tokyo-Mitsubishi UFJ		249.9	7
5	Sumitomo Mitsui Banking Corp		207.2	5
6	Standard Chartered Bank		146.5	4
7	Calyon Corporate & Investment Bank		97.1	3
8	Fortis Bank		85.9	2
8	West LB		85.9	2
8	Bank of Nova Scotia		80.0	2
	Total market		2,503.1	15

Source: Basis Point

### Cross-Border Syndication in the Asian Region

In Japan, by adopting an "originate to distribute" business model based on asset turnover, Mizuho is in the forefront of a new trend in corporate finance known as market-oriented indirect financing. As Japanese syndicated finance market has grown as large as the rest of Asia altogether, our strength is evident in both origination and distribution capabilities.

In Asia, with our strong investor network, we have brought in "Ninja Loan" — an alternative fund raising product to the Samurai Bond —, a variety of local currency denominated loan facilities, such as renminbi (RMB), "Global Umbrella" facility and many other customer-oriented solutions to meet our client's regional financial needs in compliance with each local regulatory requirements.

## Mizuho Securities Asia

We are also implementing a global syndication structure in order to provide global sourcing solutions to our clients. With key syndicate hubs located in Hong Kong, Singapore, London, New York and Tokyo, we will continue our challenge to further integrate each regional activity and place Asian loan market as one of the core markets of our global syndication strategies.

Mizuho Securities Asia (MHSA) was established in April 2001 for Mizuho's securities business in Asia. We mainly offer secondary market services targeting sales and distribution, in addition to asset management and advisory services with high-added value that meet client's needs. In order to increase client satisfaction levels, we have stepped up efforts toward strengthening our functions and products. Furthermore, we continuously aim to enhance our presence in Asia while applying synergies with each group company of Mizuho.

Mizuho Securities, a holding company of MHSA, opened its representative offices in Beijing and Shanghai in September 2005. These two offices are now fully operational in gathering and analyzing information on the rapid development of China's equity and capital markets.

# Business Developments in Europe, the Middle East, and Africa

## Mizuho Corporate Bank

### Network Overview

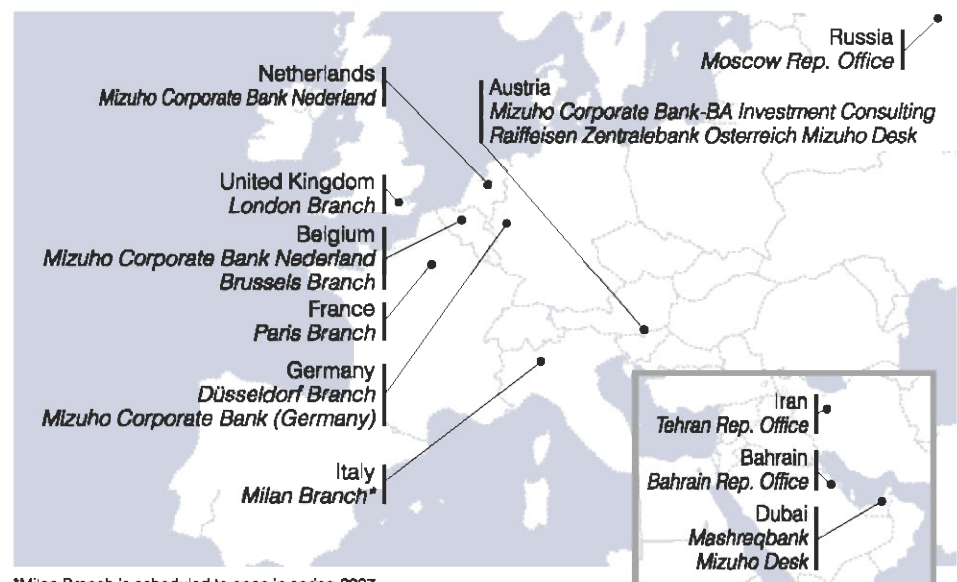
Mizuho Corporate Bank (MHCB) services the needs of clients in the European, Middle Eastern, and African regions through a network of offices, of which London Branch is the largest. The network is being developed to cover other major financial centers and includes full-service branches in London, Paris, Düsseldorf and Milan\*, representative offices in Bahrain, Tehran and Moscow, and subsidiaries in Amsterdam, Brussels, and Frankfurt. Our commitment to respond to client needs is reflected in our plans to continuously extend our network with office openings in the Middle East. In total, MHCB employs approximately 1,000 people in the region, who take care of an asset base (funded and unfunded commitments) of more than US \$50 billion.

The aim of this network is to provide our clients with leading-edge products and services that are designed to meet their needs and objectives. The target client base includes corporations, governments, financial institutions, and sponsors throughout the region.

### Corporate Business

We have the capability to provide a wide variety of loan products to our corporate clients of many different nationalities, ranging from standby commitments and term debt to M&A facilities and structured lending. This is complemented by treasury product capabilities, including deposits and foreign exchange, as well as all the high-tech products such as derivative and commodities-linked products. The scale of our corporate finance business is illustrated by the fact that we have business relationships with more than 45 of the non-bank companies in the FTSE Eurotop 100 index. Two capabilities particularly worthy of mention are:

### Office Network of MHCB in Europe and the Middle East



\*Milan Branch is scheduled to open in spring 2007



## Financial Institutions

In addition to the normal range of treasury counterparty activities, we have a leading role in arranging syndicated loan transactions for financial institutions from fast developing countries within the region.

## Japanese Corporates

To support Japanese multinational companies seeking to establish themselves in the region, we have a network of contacts that enables us to provide sound advice. For example, we have dispatched staff to Raiffeisen Zentralebank Osterreich (Raiffeisen Bank) to establish a Japan desk, enabling the promotion of services to Japanese companies seeking to establish themselves in Eastern Europe via Raiffeisen Bank's strong branch network. Similarly, we have established a Japan desk at Mashreq Bank, covering Dubai and the Middle East. For our Japanese corporate clients the range of products also includes current account and cash management services. Over time, we intend to progressively strengthen these "solution businesses."

## Structured Finance

A key strength is our ability to arrange and structure complex loan facilities, whether LBOs, project finance, or other structured finance.

## LBOs

In LBOs we are a leading player in Europe with a growing presence. As an integral part of our business model, we have established an asset management subsidiary,

### Mandated Lead Arrangers in Europe, Middle East, and Africa — Financial Institutions (January 2005-October 2006)

Rank	Name of bank	Amount (millions of U.S. dollars)	No. of deals
1	Deutsche Bank AG	3,254	61
2	Citigroup	3,191	58
3	Mitsubishi UFJ Financial Group Inc	2,680	53
4	RZB	2,562	87
5	ABN AMRO	2,348	41
6	West LB	2,101	52
7	ING	2,074	42
8	<b>Mizuho Financial Group Inc</b>	<b>2,039</b>	<b>42</b>
9	Caixyon	1,995	39
10	Commerzbank Group	1,901	63

Source: Loanware

### European Leveraged Loan League Table, Arranger / Coarranger (January 2006-June 2006)

Rank	Name of bank	Country	Amount (millions of U.S. dollars)	No. of deals
1	Barclays Capital	U.K.	59,024.8	28
2	Royal Bank of Scotland	U.K.	49,263.8	39
3	Bank of Scotland	U.K.	32,843.1	21
4	<b>Mizuho</b>	<b>Japan</b>	<b>29,064.1</b>	<b>13</b>
5	JP Morgan	U.S.	28,645.0	10
6	ING	The Netherlands	27,620.3	15
7	Lloyds TSB Group plc	U.K.	26,193.4	12
8	GE Capital Group	U.S.	24,631.4	16
9	Caixyon	France	23,830.9	35
10	Deutsche Bank AG	Germany	22,325.2	9

Source: Loanware

## Business Developments in Europe, the Middle East, and Africa

Mizuho Investment Management UK (MIMUK), which specializes in managing funds invested in this asset class. MIMUK has swiftly become one of the leading issuers of CLOs, through its Harvest program. We are in the process of building on these competencies by diversifying into other types of funding, starting with a recently completed €300 million Mezzanine fund (Friday Street).

### Project Finance

Our structured lending product capabilities include a well-proven ability to advise and arrange project finance loans for the oil and gas, petrochemical, power, and mining industries, working with the export credit agencies where appropriate. We also have a proven track record as an arranger of PFI / public-private partnership (PPP) loan financings and a variety of infrastructure assets, including toll roads, airports, etc.

### Asset-Based Finance

Our structured lending activities include asset-based lending, principally real estate, aircraft, ships, and similar assets, where we aim to provide tailor-made solutions for our clients. In addition, we work with originators of asset-backed securities through investment in a portfolio of residential and commercial mortgages and other securitized assets.

### Trade Finance

We are increasingly active in trade finance, where we have accumulated experience of commodity-backed financing structures. In emerging markets collateralized lending of this nature has proven to be a beneficial way of growing relationships with clients before they are able to transition to conventional, unsecured corporate facilities.

### European LBO / CDO Managers (January 2006-June 2006)

Rank	Asset manager	Size (millions of euros)	No. of deals
1	A/centra	3,921	9
2	Babson Capital Europe	3,569	6
3	Harbourmaster Capital	2,625	4
4	<b>MIMUK</b>	<b>2,442</b>	<b>4</b>
5	Avoca Capital Holdings	1,964	5

Source: S&P European CDOs of Leveraged Finance Loan Q2 2006 Review

### Mandated Lead Arrangers in Europe, Middle East, and Africa — Project Finance (January 2006-October 2006)

Rank	Name of bank	No. of deals
1	BNP Paribas	22
2	HSBC	22
3	Gulf International Bank BSC	22
4	Calyon	19
5	ABN AMRO	18
6	West LB	18
7	<b>Mizuho Financial Group Inc</b>	<b>18</b>
8	SG Corporate & Investment Banking	18
9	Royal Bank of Scotland	17
10	Standard Chartered Bank	16

Source: Loanware

## Arranging and Underwriting

Considerable emphasis is placed on arranging and underwriting. We seek to achieve a competitive advantage by making the most of our balance sheet capacity, our sophistication and understanding of our clients, and our speed of response. To facilitate this we have developed a proven primary and secondary syndication function, which is in close contact with the markets in which we operate. This is complemented by an agency function, which is familiar with handling all types of transaction, including complex LBO and project finance transactions.

For more information, please visit [www.mizuho-cb.co.uk](http://www.mizuho-cb.co.uk).

## Mizuho International

As the core European operations base for the group companies of Mizuho Securities (MHSC), Mizuho International (MHI) is a full-service securities house offering underwriting, and sales and custody services in connection with securities. We mainly focus on fixed income, equities and investment banking. The fixed income division offers primary services including underwriting euro and samurai bonds, and forming structured bonds. It also offers secondary services for bonds, derivatives and other trading. It has received numerous awards under recognition of its performance, demonstrating its formidable presence as top yen house in the euro market. The equities division trades mainly Japanese stocks and convertible bonds, and is strengthening its global trading in foreign stocks. It also aims to strengthen its responsiveness to sophisticated derivative products. In the investment banking division, the equity capital markets department underwrites mainly euro-yen convertible bonds, Alpine yen convertible bonds and stocks. We are continuing to enhance our market presence by tackling innovative financial products using cutting-edge financial technologies.

## Mizuho Bank (Switzerland)

Mizuho Bank (Switzerland) is engaged in global wealth and asset management businesses for private individuals and their companies as well as for institutional investors, utilizing our universal banking license. We provide optimal, high-quality products and services to meet our clients' diverse and sophisticated financial requirements, as part of the total-financial-solution services offered by Mizuho.

## Mizuho Trust & Banking (Luxembourg)

Located in Luxembourg, the center of the expanding E.U., we at Mizuho Trust & Banking (Luxembourg) offer Japanese clients various services covering the key markets of Tokyo, London and New York. Our fund management operations support the establishment of foreign investment trusts (public and private offerings) and the calculation of benchmark prices. We offer global custody services with custody operations covering 50 of the world's major markets, centered on the E.U. market. We also offer a wide range of services in connection with Eurobonds, including agency business in the areas of finance, payments and listings, as well as common depositary services for Eurobonds through the two large settlement services, Euroclear Bank and Clearstream.

# Business Developments in the Americas

## Mizuho Corporate Bank

### Building a Top-Tier Franchise in the Americas

Mizuho Corporate Bank (MHCB) in the Americas provides a variety of services to major corporations, financial institutions and their group companies, and public sector entities. Customized solutions in areas such as corporate and structured finance, investment banking, transaction banking, and risk management products are supported by a global platform. We have more than 900 employees and offices in four countries and nine cities, including New York, Chicago, Los Angeles, Houston, Atlanta, Toronto, Mexico City, São Paulo, and the Cayman Islands. Assets, including funded and unfunded commitments, totaled more than US \$60 billion as of September 30, 2006.

We have deep roots in corporate banking, but have expanded in recent years to offer an array of investment banking services. As a partner to more than 250 of the Fortune 1000® companies, we have many established, long-term relationships that we will seek to broaden over time with more of these services.

Included in our Americas expansion is the addition of new office locations. In August 2005, we re-opened our Houston office to serve our client base in the southwestern U.S., and to boost our presence among energy companies. In February 2006, we re-opened our Atlanta office, with a focus on originating new client opportunities in the southeastern U.S. With the addition of these offices, we have achieved comprehensive geographic coverage of the U.S.

### Office Network of MHCB in the Americas



## **Broadening Relationships with New Products and Services**

Among corporate clients based in the Americas, our business development teams are focused on broadening and deepening relationships. For example, as the market leader for "Ninja Loans" — syndicated loans arranged in Japan for foreign institutions — we have introduced U.S. corporations to new funding sources in the form of Japanese investors and banks. Furthermore, to better serve clients, origination teams in segments such as power and utilities, energy, insurance, media and telecom have been strengthened with additional senior bankers and other resources.

Among Japanese corporate clients, there has been a renewed focus on expanding in the Americas through "greenfield" investment in new facilities and acquisitions of existing facilities. This trend can be seen in new manufacturing plants being built by Japanese automakers in the U.S., in facility construction by suppliers to these and other manufacturers, and in an increased demand for financing as Japanese companies look to make acquisitions in the Americas. Our business development team focused on Japanese companies has leveraged the trend; we recently closed several acquisition finance deals, and are working with our counterparts in Japan to further develop relationships with these companies as they add to their Americas operations.

We also have added teams and made enhancements to our financial products. The recent addition of both trade finance and commodity finance teams in the region addresses the cross-border trade financing needs of clients in the Americas. Similarly, a new U.S. private placements team will offer clients an alternative method to address their financing requirements, thereby adding to our distribution capabilities without utilizing our balance sheet.

In project finance, where we were number two in the Americas region and number one in Latin America in 2005, we are focusing on core project areas of traditional and renewable energy, oil and gas, and power generation. We have built a strong track record in renewable energy, particularly in wind projects, after establishing a renewable energy team at the beginning of 2006. We were appointed as an exclusive financial advisor to the Panama Canal Authority for the Panama Canal Expansion Program in February 2007.

In leveraged finance, we are expanding our team in the Americas and working across regions so as to maximize coverage. Our lease finance team in the Americas has successfully pursued new business with several Japanese clients, and is examining a variety of off-balance-sheet lease financing solutions that could be offered in the future. In asset securitization, we increased the size of our program in 2006 to US \$5 billion from US \$3 billion.

## Business Developments in the Americas

### Americas Mandated Lead Arrangers — Project Finance

(January 2005-December 2005)

Rank	Name of bank	Amount (millions of U.S. dollars)	No. of deals
1	Credit Suisse	2,517	8
2	<b>Mizuho Corporate Bank</b>	<b>2,210</b>	<b>9</b>
3	Citigroup	1,599	11
4	WestLB AG	1,478	13
5	Société Générale	1,151	7
6	Royal Bank of Scotland	1,039	6
7	BBVA	920	12
8	Goldman Sachs	889	4
9	Calyon	804	10
10	Mitsubishi UFJ	789	11

Source: PFI

### Latin America Mandated Lead Arrangers — Project Finance

(January 2005-December 2005)

Rank	Name of bank	Amount (millions of U.S. dollars)	No. of deals
1	<b>Mizuho Corporate Bank</b>	<b>1,240</b>	<b>4</b>
2	BBVA	856	10
3	Citigroup	658	9
4	Banco Santander Central Hispano	362	4
5	BNP Paribas	350	4
6	Calyon	277	4
7	JBIC	210	1
8	Banco do Brasil	200	1
9	Banco de Chile	141	2
10	International Finance Corporation	128	2

Source: Dealogic

In credit and investment management, we recently issued Mountain CLO V, our fifth CLO portfolio dedicated to U.S. leveraged loans, attracting US \$300 million in assets. We are using our strong existing platform of CLOs and structured credit products to expand our asset management business and are building a track record in credit derivatives in anticipation of additional products in this area.

Our foreign exchange and derivative business in the Americas is growing, thanks to new accounts for both Japanese and non-Japanese clients. Working with other product divisions, our Treasury Division has initiated new business in Latin America, and in all parts of the region project finance clients have increased their derivative transactions. Significantly, we recently conducted the largest-ever interest-rate swap transaction in the Americas for a U.S. subsidiary of a Japanese corporation.

In addition to the product and service areas mentioned above, MHCBC has established itself as a financial holding company (FHC) in the U.S., increasing its ability to offer an even wider variety of products to the group's clients.

### Focusing on Community Needs

Finally, reflecting our deep roots in the region, we have a thriving community involvement program. Our U.S. charitable foundation, the Mizuho USA Foundation,



Mizuho USA Volunteer Day



### Mizuho Securities (USA)

provides grants to revitalize low-income urban communities through an array of programs. In addition, we are proud to provide financial services to members of the not-for-profit sector and to support our employees, who generously give their time, money, and professional services to respond to community needs.

MHCB, the holding company of Mizuho Securities (MHSC) which is a 100% shareholder of Mizuho Securities (USA) (MSUSA), obtained FHC status in December 2006. This status enables us to provide a full range of securities products to our clients, in addition to our existing U.S. Treasury / Agency, equity and futures businesses. We have been a primary dealer of U.S. Treasury, among the top five for Japanese equities brokerage, and a top Japanese house for future business. We are now actively engaged in underwriting U.S. debt and equities, structuring and distributing CDOs and CLOs, and trading U.S. corporate bonds. We will start basket trading and facilitation of equities, MBS trading and other businesses. These new products and services will enable us to better serve the diverse needs of our institutional client base in the U.S., Japan and overseas. We are integrated into the global structure of MHSC, with each product line reporting globally while working together with MHCB in diverse areas.

### The Bridgeford Group

The Bridgeford Group primarily offers M&A advisory services for cross-border M&A deals involving Japanese companies. In February 2006, we forged a strategic alliance with Evercore Partners, a major investment banking boutique, to strengthen our services for handling large cross-border M&A deals.

### Mizuho Trust & Banking (USA)

Mizuho Trust & Banking (USA) (MHTNY), a wholly owned subsidiary of Mizuho Trust & Banking (MHTB), is a leading provider of custody, master custody, and securities lending services to the Japanese institutional market. Through specialized client focus and expertise in U.S. securities processing, we maintain a strong standing in serving sophisticated investors. We consistently create and deliver timely, innovative solutions to meet client business requirements, such as securities lending services to enhance incremental investment opportunities and master custody services, where we specialize in assisting clients in the administration of offshore funds and investment companies. In preserving clients' trust and confidence, we remain committed to a system of sound internal controls with an effective corporate governance framework that ensures uncompromising integrity and compliance to laws and regulations. For more information, please visit [www.mizuhoglobalcustody.com/mizuho/public/english/home](http://www.mizuhoglobalcustody.com/mizuho/public/english/home).

# Business Developments in Japan

## Wholesale Business

### Mizuho Corporate Bank

#### Discover the Summit with Mizuho

Mizuho Corporate Bank (MHCB) has dealings with approximately 70% of listed companies in Japan. Using this powerful client base as a springboard, we are putting a great deal of effort into developing solutions that help raise our clients' corporate value. We offer M&A advisory services, various forms of securitization, syndicated loans, pensions, and CMS, as well as the full line of financial solutions available from Mizuho Bank (MHBK), Mizuho Securities (MHSC), and Mizuho Trust & Banking (MHTB). We aspire to a "deal after deal" marketing approach. With this, we assume the medium-to long-term viewpoint of the client's top executives in continuously offering prompt strategic advice with the aim of maximizing that client's corporate value.

#### "Investment Bank Declaration" and "Global Declaration"

In order to respond to the increasingly sophisticated needs of our clients, we have been pursuing a business model that promotes and combines our commercial and investment banking operations under the slogan we adopted in the fall of 2005, the "Investment Bank Declaration." We are also globalizing in order to provide a structure that can fully support the ongoing worldwide expansion of our clients' business under our "Global Declaration" slogan which we adopted in fiscal 2006.

In December 2006, we obtained financial holding company (FHC) status in the U.S., which will enable Mizuho to promote its investment banking business on a broader basis in the U.S., the world's largest market, in addition to such businesses it already conducts in Japan, Europe and Asia. Moreover, we received pre-approval of our application to begin preparations for the establishment in China of our wholly-owned banking subsidiary, Mizuho Corporate Bank (China), in the same month.

#### Network in Japan (As of December 31, 2006)

##### Mizuho Corporate Bank

Head Office and Branches: 18

##### Mizuho Bank

Head Office and Branches: 373

Sub-branches: 62

Agencies: 47

##### Mizuho Securities

Head Office and Department: 2

##### Mizuho Trust & Banking

Head Office and Branches: 36

Sub-branches: 2



MHCB's advertising poster which features Katsushika Hokusai's *ukiyo-e* woodblock print commonly known as "Aka-Fuji" (Red Fuji).

## Promoting Investment Bank-Type Finance

### Leveraged Finance and MBOs

As an active pioneer in leveraged finance in Japan, we draw on our four-axis global network centered on Tokyo, New York, London, and Hong Kong to arrange finance for the large-scale restructuring of clients' businesses in the area of LBOs and MBOs. We served as a joint lead manager when Softbank acquired Vodafone's Japanese entity in April 2006, providing financial support for a total package exceeding ¥1 trillion.

### Real Estate Finance

We have accumulated advanced expertise as a leading player in the domestic real estate finance business, arranging large-scale development finance projects associated with urban renewal in Japan, including Roppongi Hills and the Tokyo Midtown Project for redeveloping the site once occupied by the Defense Agency.

### Project Finance

In the area of project finance where diverse financial structures are required, we claimed the number three spot in Thomson Financial's world ranking of project finance arrangers for 2006. We also provide proactive financial support for PFI projects in Japan.

### Syndication Business

As a front-runner in the sector, we continue to play a leading role in Japan's syndicated loan market, which has been expanding rapidly in recent years. Mizuho has the top share of the domestic syndicated loan arrangement market, with around 35%, and is compiling an impressive record in arranging "high-liquidity syndicated loans" in the loan

## Performance as an Arranger of Project Finance

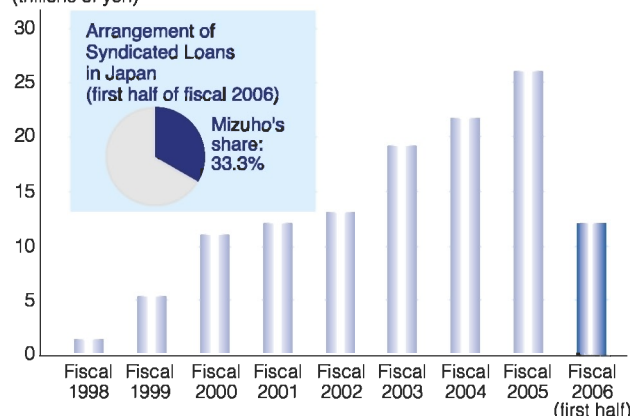
(January 2006-December 2006)

Rank	Company name	Amount (millions of U.S. dollars)	No. of transactions
1	Royal Bank of Scotland	13,236.7	66
2	Calyon	8,664.4	60
3	<b>Mizuho Financial Group</b>	<b>7,722.8</b>	<b>54</b>
4	Société Générale	7,028.5	34
5	ABN AMRO	6,276.3	18
6	BNP Paribas SA	5,930.3	47
7	Banco Bilbao Vizcaya Argent	5,790.6	32
8	WestLB AG	5,436.4	36
9	State Bank of India	5,365.2	27
10	Mitsubishi UFJ Financial Group	4,425.5	47

Source: Thomson Financial

## Trends in Japan's Syndicated Loan Market and Mizuho's Share

(trillions of yen)



Sources: Fiscal 1998 – fiscal 2002: Thomson Financial  
Fiscal 2003 onward: Bank of Japan statistics  
(Market share calculated by MHC)

## Business Developments in Japan

### Mizuho Securities

trading market. We are also performing well in the area of cross-border syndicated loans ("Ninja Loans") for foreign companies and sovereign entities raising funds in the Japanese market.

Mizuho Securities (MHSC) is a wholesale securities company that offers high-quality, specialized solutions in response to the wide-ranging securities and investment banking needs of domestic and overseas institutional investors, corporations, financial institutions, businesses and public entities.

We mainly focus on debt-related and equity-related businesses in addition to investment banking businesses such as M&A advisory services and structured finance. We have established a top position among our major domestic peers in each business, while offering even more sophisticated services that combine our comprehensive expertise.

We are proactively strengthening our global operations such as opening up a representative office in China and entering into a strategic alliance with a U.S. investment bank for M&A advisory services. We are upgrading our investment banking structure by promoting stronger integration globally in order to satisfy the diverse needs of our clients.

### Mizuho Trust & Banking

MHTB responds to corporate clients' needs by offering various trust services as well as banking services such as deposits and loans. We have established a leading position in several trust business sectors — principally, pension trusts, securities trusts, stock transfer agency business, and real estate business, as well as monetary claim trusts and real estate trusts, which have been enjoying rapid growth in Japan in recent years.

#### Domestic SB League Table

(Including yen-denominated foreign bonds and municipal bonds, and excluding bank debenture, self-issued issues, and retail-targeted bonds)  
\*Lead managing amount basis. Total amount of issues: ¥3,787.0 billion.  
(April 2006-September 2006)

Rank	Company name	Underwriting (billions of yen)	Market share (%)
1	<b>Mizuho Securities</b>	714.7	18.87
2	Daiwa Securities SMBC	702.7	18.56
3	Mitsubishi UFJ Securities	578.0	15.26

Source: Calculated by MHSC, based on data of I-N Information Systems

#### Overall ABS Bookrunner League Table

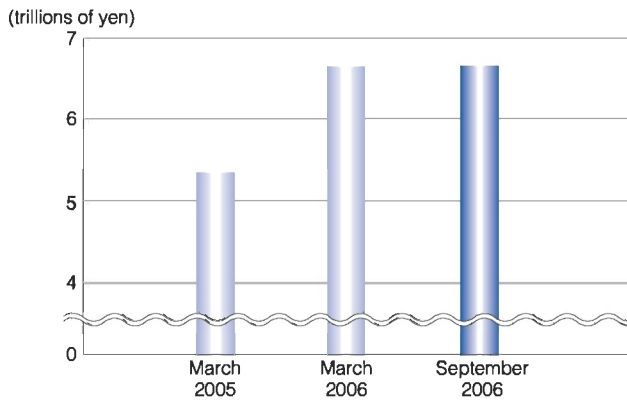
(ABSs backed by assets in Japan: Domestic public and private bonds and Eurobonds)  
\*Settlement date basis. (April 2005-March 2006)

Rank	Company name	No. of issues	Amount (billions of yen)	Market share (%)
1	<b>Mizuho Financial Group</b>	19	752.5	22.5
2	Daiwa Securities SMBC	12	722.6	21.7
3	Nomura Securities	8	473.1	14.2

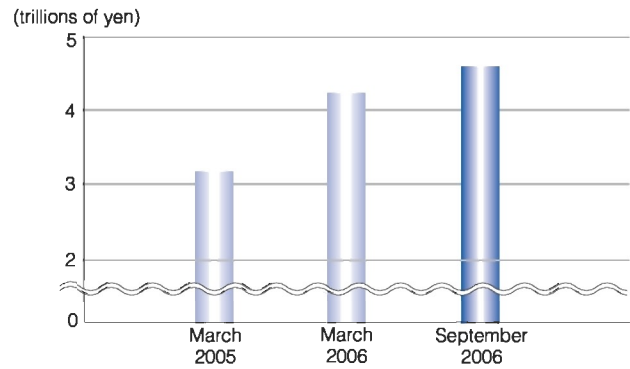
Source: Thomson Financial

\*Figures for Mizuho Financial Group are the aggregate figures for MHSC and its overseas securities subsidiaries.

### Securitized Monetary and Other Claims by MHTB



### MHTB's Securitized Assets (Real Estate) under Administration as Trustee



## Retail Business

### Mizuho Bank

#### Business Development Aimed at Individuals

MHBK sees asset management consulting and personal loans as the key business areas for individual customers. To this end, we are training financial consultants who can respond to all kinds of inquiries as specialists in marketing to individual customers and developing competitive new products, while working to strengthen our business promotion organization and ability to offer products by cooperating with securities companies and trust banks.

We are also encouraging customers to deepen, expand, and consolidate their banking transactions with us, offering highly convenient products and services such as the Mizuho Mileage Club, which allows them to accumulate points according to their usage of MHBK services, and an expanded channel network. In addition, we have adopted a more proactive approach to reinforcing security by introducing biometric identification (finger vein recognition) for ATM transactions and other measures.

#### Mizuho Mileage Club

As of February 2007, over 3 million customers had signed up for the Mizuho Mileage Club, which started offering its services two years earlier in August 2004. The Club issues a membership card, the "Mizuho Mileage Club Card," that embodies the functions of an ATM card and a credit card in a single card, with no annual fees but numerous benefits. Points accumulated through banking transactions and credit card usage make holders eligible for preferential interest rates on housing loans or deposits, and members who satisfy certain conditions can use ATMs or make transfers amongst MHBK Head Office and its branches without charge.

The Club's Partners Service allows members to accumulate bonus points when they use the credit card at well-known companies such as the Lotte Group of Korea, which concluded a new tie-up agreement with the scheme in June 2006. In November 2006, we started offering the "iD™" service whereby customers holding Mizuho Mileage Club Cards can make their credit card settlements using mobile phones provided by NTT DoCoMo.

\*"iD" is a settlement service whereby payments can be made by simply passing a NTT DoCoMo "Osafu-Keitai" mobile wallet over a reading device.

\*\*"Osafu-Keitai," "iD" and the "iD" logo are trademarks or registered trademarks of NTT DoCoMo.

### Strengthening Consulting Services

As part of our efforts to become the leader in consulting services and ensure that we are the customer's bank of choice as a lifetime advisor at various stages of their lives, we are working to train and deploy more expert personnel, build a new in-branch organization and improve our information infrastructure. First, we are training and deploying 2,000 financial consultants who can respond to customers' increasingly sophisticated needs. We also plan to establish "Mizuho Personal Squares," which are branches with a greater focus on individual customers, and increase the number of our "Premium Salons" to 250 in order to provide customers with exclusive space for consultations on asset management.

### Utilizing the Group's Financial Functions

By strengthening our cooperation with group companies, we are working to enhance our comprehensive financial services. By the end of November 2006, the number of our branches in which Mizuho Investors Securities (MHIS) had established "Planet Booths" had reached 92. To strengthen our services to high-net-worth customers, we started handling the first "wrap accounts" in Japan as part of our securities sales agency business. We also hold seminars on inheritance and wills and similar events as part of our efforts to satisfy the annual growth in customers' needs for testamentary trusts, which we handle as part of our trust business as an agent of MHTB.

### Offering New Services through Tie-Ups

Used by approximately 16 million passengers every day, the East Japan Railway (JR East) is one of Japan's largest railway companies. In August 2006, MHBK and MHTB launched a new financial service for members of JR East's "Otona no Kyujitsu Club" for the middle-aged and elderly. In October 2006, MHBK launched the Mobile Suica Charge service, which allows customers to charge their Mobile Suica by transferring money from their bank accounts. With JR East's Mobile Suica service, mobile phone handsets can be used for boarding trains and buying tickets, as well as for making purchases at stores and other businesses using electronic money.



We will endeavor to utilize business alliances with various companies in order to respond to customers' ever-diversifying, increasingly sophisticated needs by offering new services that transcend traditional frameworks.

### Housing Loans

We are working to strengthen our housing loan products and services to satisfy customers' increasing diverse needs in this area. As interest rates in Japan enter an upward phase, the "Flat 35" long-term fixed interest rate product continued the trend set in fiscal 2004 by retaining the number one spot among financial institutions on a results basis in fiscal 2005. In the first half of fiscal 2006, we also held weekend consultations on housing loans at an aggregate total of around 1,000 branches throughout Japan to enable customers to discuss loan issues on non-business days.

### **Business Development Aimed at Small and Medium-Sized Enterprises (SMEs) and Middle-Market Corporations**

We draw on the group's overall strengths to offer optimal products, services and solutions in response to the funding and management issue resolution needs of SMEs and middle-market corporations. Using our comprehensive network, we also offer a full lineup of services, ranging from settlement and finance to solutions, for foreign companies that are active in Japan.

### For Customers Looking to Procure Funds

We have prepared various products in order to provide customers with proactive support in their fund procurement. In addition to providing capital investment funds and working capital for customers, whether they are just starting up or planning to further expand their existing businesses, we adopt a positive stance towards small-scale customers with fund-procurement needs.

Our branches and specialist teams are working together to quickly satisfy customers' needs using securitization and other structured financial tools, as well as syndicated loans and other financial instruments.

### Resolving Management Issues

Our team of approximately 350 staffers is on hand to offer highly specialized solutions. Specifically, these involve proposals for cutting-edge funding schemes, solutions associated with business strategies — such as business inheritance, M&As, and business matching that draw on the overall strengths of the group companies — support for companies entering foreign markets, and other optimized solutions.

We have also established a special section to look after promoting business with foreign corporate customers operating in Japan as part of our efforts to offer them ever greater convenience.

### Business Matching

We are proactively engaged in business matching services for introducing customers of Mizuho who best satisfy the business needs of other customers. These include introducing new sales and purchasing partners, and partner companies for developing new products or business diversification.

### Defined Contribution Pensions

We offer integrated services extending from feasibility studies to actual introduction, management, and administration, to satisfy the needs of customers who must restructure their corporate pension schemes in response to the environmental changes resulting from the scheduled abolition of the preferential tax treatment connected with the Tax Qualified Pension System and Reserve for Employee Retirement Benefits.

### IPO Support

We cooperate dynamically with other group companies of Mizuho to support customers' IPOs, mobilizing the venture capital services of Mizuho Capital, the securities services of MHIS, and the advisory and stock-related practices, including stock transfer agency services, of MHTB.

### Support for Companies Entering Foreign Markets

In order to satisfy the needs of Japanese companies that are increasingly active overseas, specialist staff, who are well-versed in overseas business, help to promote customers' overseas projects through the group's global network, which is one of the most extensive of any Japanese bank. We also provide support for the wide-ranging requirements of foreign exchange and foreign trade, as well as overseas business through operational support for GCMS.

## Mizuho Trust & Banking

### Securities Sales Agency Business

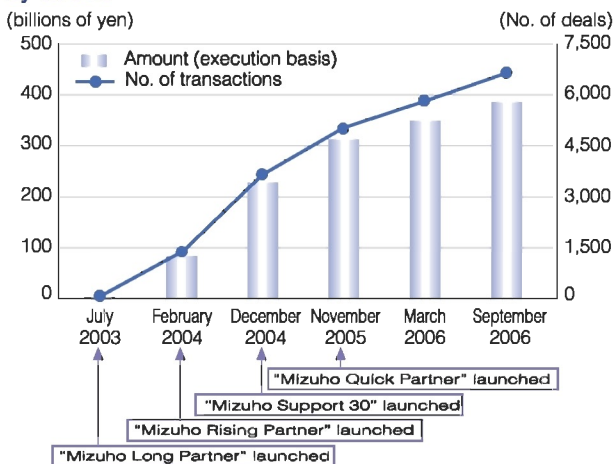
Highly expert staff respond to corporate customers' investment needs through a wide range of investment products, including securities handled as part of our securities sales agency business.

### Support for Foreign Companies

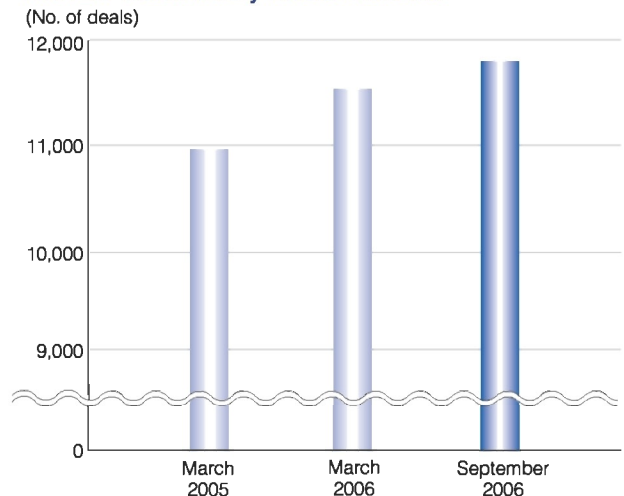
Where necessary, we make use of overseas network of Mizuho to provide foreign companies operating in Japan with financial solutions that best match the strategies of the parent company back home. In addition to the above services, we can satisfy all the needs of foreign companies, from providing advice on reorganizing their businesses in Japan and CMS to accounts services for individual senior executives and employees assigned from overseas.

MHTB responds to clients' needs by offering various trust services as well as banking services such as deposits and loans. The main trust products and services include money trusts, securities trusts, inheritance-related business, and real estate brokerage, all of which are experiencing steady annual growth in demand.

### Sales Performance of Three Products Developed by MHBK



### MHTB's Testamentary Trusts Entrusted



# Financial Highlights for the First Half of Fiscal 2006

## Results of Income

Consolidated gross profits for the first half of fiscal 2006 decreased by ¥48.3 billion on a year-on-year basis, to ¥997.5 billion, mainly due to a decrease in market-related income and a decrease in the profits of the group's securities companies. As for the Customer Groups, however, interest income bottomed out and showed an increase, and fee and commission income from various areas has steadily increased.

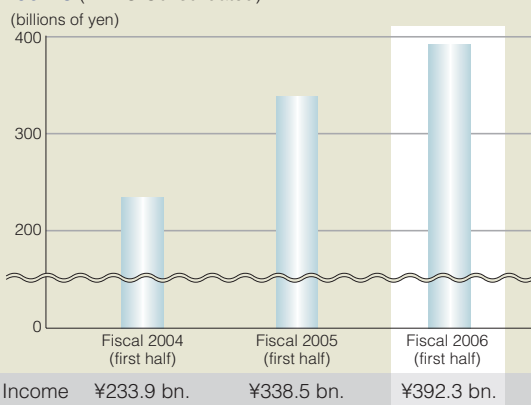
Consolidated net business profits for the first half of fiscal 2006 decreased by ¥60.2 billion on a year-on-year basis, due to a combination of the above factors and an increase in general and administrative (G&A) expenses driven by outlays for "strategic expenses."

Consolidated net income for the first half of fiscal 2006 amounted to ¥392.3 billion, a ¥53.7 billion increase from the corresponding period of the previous fiscal year, reflecting a reversal of reserves for possible losses on loans, the re-cording of net gains related to stocks, and other factors.

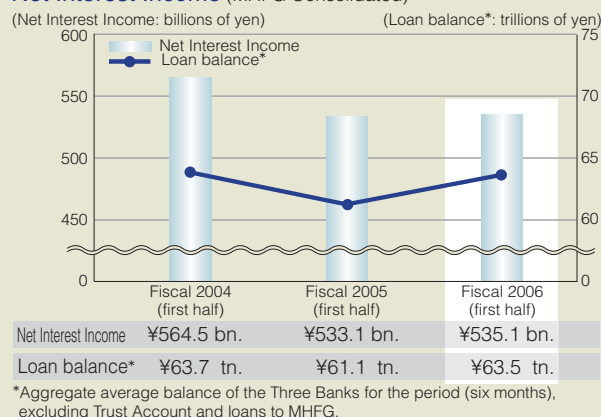
Accordingly, fully diluted earnings per share (EPS) in the first half of fiscal 2006 have steadily increased to ¥30,787, and the return on equity (ROE) remains at a high level of 17.1%.

\*The Three Bank: Aggregate figures of Mizuho Corporate Bank, Mizuho Bank and Mizuho Trust & Banking.

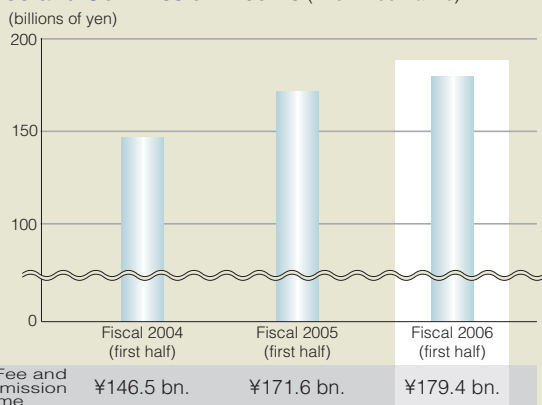
### Net Income (MHFG Consolidated)



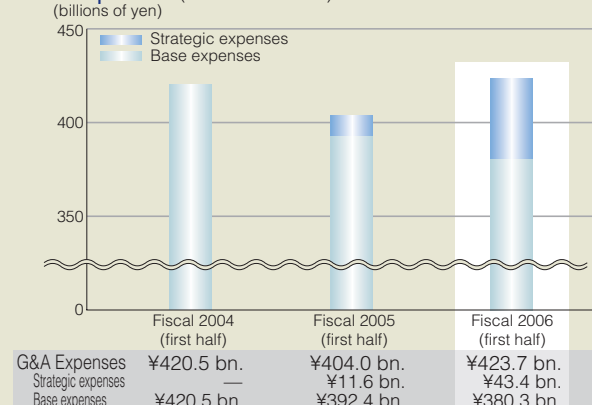
### Net Interest Income (MHFG Consolidated)



### Net Fee and Commission Income (The Three Banks)

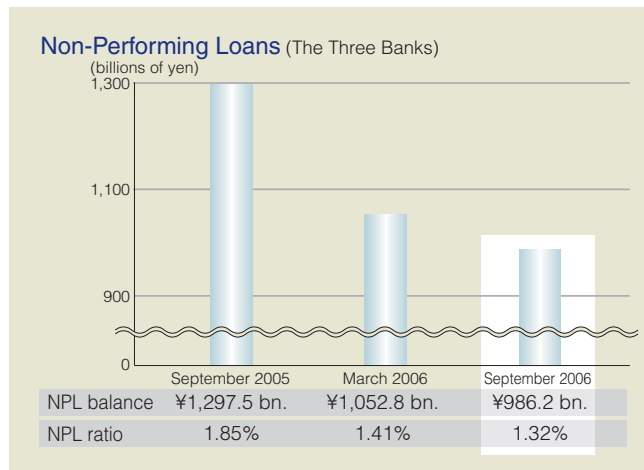


### G&A Expenses (The Three Banks)



Regarding financial soundness, the non-performing loan (NPL) ratio for the Three Banks at the end of September 2006 decreased from 1.41% at the end of the previous fiscal year to 1.32%.

The group's consolidated BIS capital adequacy ratio as of the end of September 2006 was maintained at a sufficient level of 10.97%, even after the full repayment of the public funds.



## Ratings

	R&I		JCR		Moody's		Standard & Poor's		Fitch	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Mizuho Financial Group	A	a-1	—	—	—	P-1	A <sup>-</sup>	—	A	F1
Mizuho Corporate Bank	A <sup>+</sup>	a-1	AA <sup>-</sup>	—	A1	P-1	A	A-1	A	F1
Mizuho Bank	A <sup>+</sup>	a-1	AA <sup>-</sup>	—	A1	P-1	A	A-1	A	F1
Mizuho Trust & Banking	A <sup>+</sup>	a-1	AA <sup>-</sup>	—	A1	P-1	A	A-1	A	F1
Mizuho Securities	A <sup>+</sup>	a-1	AA <sup>-</sup>	J-1 <sup>+</sup>	A1*	P-1*	—	—	—	—

\*Credit ratings for EMTN programme (Joint Medium-term Note Programme with Mizuho International, based on keepwell agreement with Mizuho Corporate Bank).

(As of January 31, 2007)

# CSR Activities of Mizuho

As business activities expand in scope and markets become increasingly globalized, companies are expected to give greater consideration to pro-social, pro-environmental initiatives.

Mizuho sees CSR as an indispensable element for achieving coexistence and sustainable development together with society, and promotes CSR activities while continuing an ongoing dialog with its stakeholders.

Through our core business activities, therefore, we believe it is our responsibility not only to offer high-quality, leading-edge financial products and services, but also to remain fully aware of our public mission as part of the economic and social infrastructure, and to facilitate the flow of money and contribute to the healthy development of the economy and society in Japan and abroad.

In addition to fulfilling the responsibilities inherent in our core business activities, we will pursue corporate activities

that will fulfill our social responsibilities through initiatives associated with our core business.

To this end, we shall specify CSR priorities for the medium to long term, and take concrete steps for its implementation.

## Mizuho's CSR Initiatives

We shall be fully aware of our public role as a financial institution.

We shall adequately fulfill our responsibilities towards the society on which our activities are based.

Through the above, as a global financial group that is trusted by society,

To contribute to the healthy development of society.

To ensure our own sustainable growth as a corporation.

## CSR REPORT 2006 Published

In December 2006, we published an English version of our *CSR REPORT 2006* with a view to promoting broader stakeholder understanding of the group's CSR policy and activities.



The report is available on MHFG's website, and a printed copy is also available by request.

The report also includes a questionnaire, which we ask stakeholders to complete and return to us by mail or fax. Alternatively, the questionnaire can be completed online.

<http://www.mizuho-fg.co.jp/activity/report/index.html>

## Support for Financial Education at Various Stages of Life

As part of our on-going effort to support financial education, we have dispatched officers and employees who are working at the leading edge of finance from throughout the group to give lectures at Hitotsubashi University, Waseda University and Keio University, in fiscal 2006.

We intend to extend the initiative in fiscal 2007 by establishing donated courses at Tokyo University and Kyoto University, in addition to continuing existing courses.

Also, as the first product of the joint research with Tokyo Gakugei University, we have created a textbook for elementary and secondary education. The textbook is used to provide financial education courses covering financial systems and banking operations at schools.



## Environmental Initiatives

Recognizing that restricting and reducing impact on the global environment is a shared challenge, provide financial services in line with environmental policies to prevent global warming and other environmental problems, and reduce our own consumption of resources.

## Support for Financial Education

Support financial education for the next generation on whom the future of society depends, to enable them not only to acquire financial awareness but also to resolve the various issues that may arise in daily life.

## Enhance Corporate Governance

Establish a corporate governance structure capable of earning a reputation for excellence in global financial and

capital markets by maintaining honesty and integrity in our corporate activities.

## Highly Responsive Communications

Conduct responsive communications with stakeholders by further promoting information disclosure to ensure greater transparency in corporate activities.

## Promotion of Group-Wide Approach to CSR

The group's holding company Mizuho Financial Group (MHFG) will apply an integrated group-wide approach to promote CSR activities with a view to further developing the existing CSR activities of the group companies.

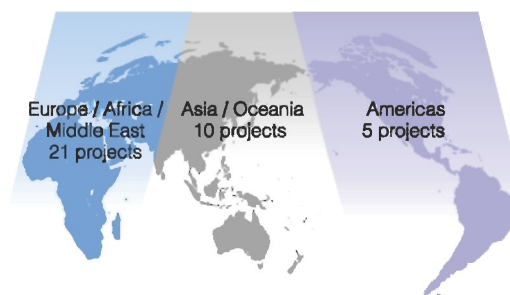
## Promotion of Sustainable Development Through the Equator Principles

In October 2003, Mizuho Corporate Bank (MHCB) became the first Japanese bank to adopt the Equator Principles. Further, in March 2006, it established its Sustainable Development Department in order to strengthen its commitment to promote environmental stewardship and socially responsible development through the application of the principles.

MHCB currently applies the principles to project finance on a global basis, which are handled by offices in Tokyo, New York, London, Singapore, Hong Kong and Sydney. Since November 2006, MHCB has also assumed the duties of Secretariat Bank for the Equator Principles Financial Institutions. MHCB is serving this voluntary position aiming to further extend the good work of its two predecessor

banks. As of January 2007, 45 global financial institutions have adopted the Equator Principles.

## Projects screened based on the Equator Principles by Region (October 2004-September 2006)

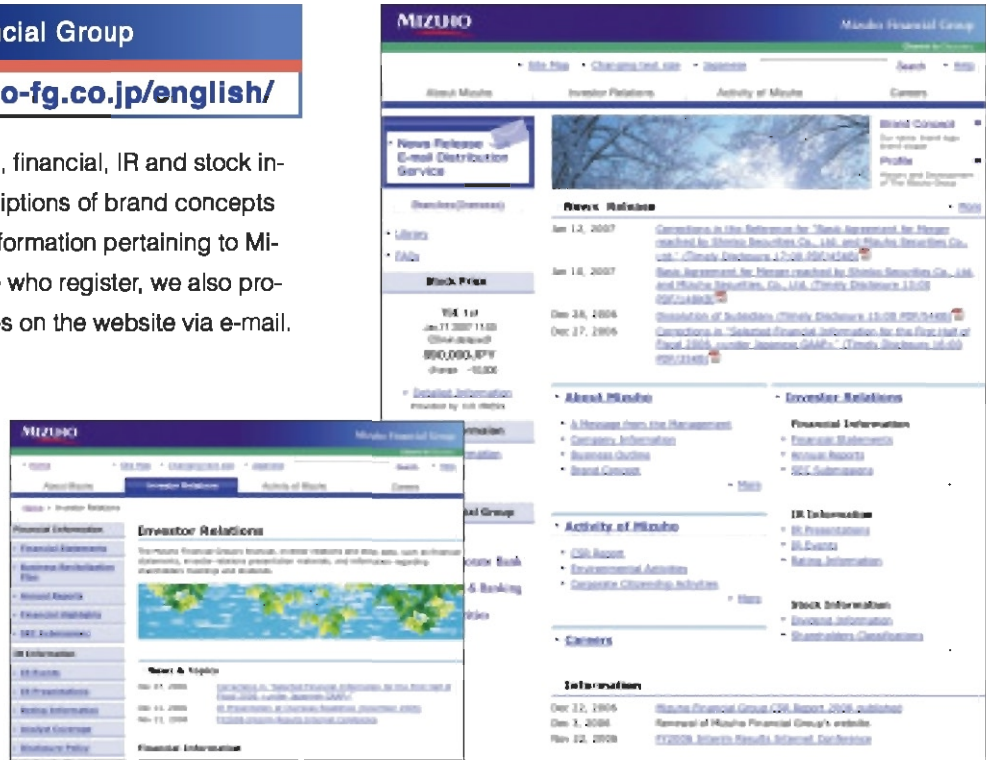


# Mizuho's Websites

## Mizuho Financial Group

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

This website contains corporate, financial, IR and stock information, news releases, descriptions of brand concepts and CSR activities, and other information pertaining to Mizuho Financial Group. For those who register, we also provide notification of news releases on the website via e-mail.



## Mizuho Bank

URL <http://www.mizuhobank.co.jp/english/>

This website contains corporate information, business strategies, news releases, economic reports, and other information pertaining to Mizuho Bank.



## Mizuho Trust & Banking

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

This website contains corporate information and information related to services such as custody and pension trust, pertaining to Mizuho Trust & Banking.



## Mizuho Corporate Bank

<http://www.mizuhocbk.co.jp/english/>

This website contains corporate information, news releases and details of products and services, including syndicated loans, pertaining to Mizuho Corporate Bank. Economic and industry reports are shown in the "Markets & Reports" section.



## Mizuho Securities

<http://www.mizuho-sc.com/en/>

This website contains a company profile, financial information, news releases, and other information pertaining to Mizuho Securities. It also has information on operations such as debt-related services, equity related services, M&A and other financial advisory services, and structured finance, as well as describing the characteristics and strengths of Mizuho Securities.





**Channel to Discovery**

**Contact Information**

**Mizuho Financial Group, Inc.**

1-5-5, Otemachi, Chiyoda-ku,  
Tokyo 100-0004, Japan  
Tel. +81-(0)3-5224-1111  
URL: <http://www.mizuho-fg.co.jp/>

**Mizuho Corporate Bank, Ltd.**

1-3-3, Marunouchi, Chiyoda-ku,  
Tokyo 100-8210, Japan  
Tel. +81-(0)3-3214-1111  
URL: <http://www.mizuhocbk.co.jp/>

**Mizuho Bank, Ltd.**

1-1-5, Uchisaiwaicho, Chiyoda-ku,  
Tokyo 100-0011, Japan  
Tel. +81-(0)3-3596-1111  
URL: <http://www.mizuho-bank.co.jp/>

**Mizuho Trust & Banking Co., Ltd.**

1-2-1, Yaesu, Chuo-ku,  
Tokyo 103-8670, Japan  
Tel. +81-(0)3-3278-8111  
URL: <http://www.mizuho-tb.co.jp/>

**Mizuho Securities Co., Ltd.**

Otemachi First Square, 1-5-1, Otemachi,  
Chiyoda-ku, Tokyo 100-0004, Japan  
Tel. +81-(0)3-5208-3210  
URL: <http://www.mizuho-sc.com/>