

December 22, 1999

Foundation of the Mizuho Financial Group (“MHFG”) Through the Consolidation of DKB, Fuji Bank, and IBJ

~ Announcing Execution of the Formal Agreement for Comprehensive Consolidation ~

Executive Summary

The Dai-Ichi Kangyo Bank, Limited (“DKB”, President: Katsuyuki Sugita), The Fuji Bank, Limited (“Fuji”, President: Yoshiro Yamamoto), and The Industrial Bank of Japan, Limited (“IBJ”, President: Masao Nishimura) today signed a formal agreement on the comprehensive consolidation of the three banks (the “Consolidation”), based upon the basic agreement reached on August 20 of this year. Subject to approval from regulatory authorities and the shareholders, the three banks will jointly establish a bank holding company, Mizuho Holdings, Inc. (the “Holding Company”) in Autumn 2000 through the stock-for-stock exchange method (*Kabushiki-Iten*) based upon an equal share exchange ratio, and form a new financial services group, the Mizuho Financial Group (“MHFG”).

The Holding Company will carry out management and administration of MHFG as a whole. In Phase 1, the period after the establishment of the Holding Company, a business-unit structure that operates across the three banks will be adopted. In Phase 2, from Spring 2002, the existing operations of each bank will be reorganized according to business lines and customer segments and will be consolidated into legally separate subsidiaries under the Holding Company, subject to the expected legislative and tax code changes for corporate split in Japan. (Please refer to Exhibit 2 for a diagram of the organization structure.)

Utilizing the primary strengths gained through the Consolidation, MHFG will create an optimal and well balanced group business portfolio. With the aim of securing profitability and a financial position commensurate with a leading global financial institution and to improve its ratings, MHFG has set its fiscal 2005 financial targets. For fiscal 2005, it will aim for consolidated business income of ¥ 1.6 trillion, consolidated net income of ¥ 800 billion, a consolidated ROE of 12%, and a BIS ratio of 11.5%.

Various restructuring measures are planned for completion by fiscal 2005. The number of domestic branches will be reduced by 170 and overseas branches by 60, while the workforce will be downsized by approximately 7,000. Through these measures, together with elimination of computer system redundancy, the Consolidation will result in a ¥ 100 billion reduction in annual expenses.

The Consolidation is expected to generate significant benefits. An increase in total annual gross revenue of ¥ 170 billion and a net reduction of approximately ¥ 50 billion in annual costs are projected for fiscal 2005, compared to those of fiscal 1998, will generate a total consolidation effect of ¥ 220 billion.

I. The Holding Company

Profile of the Holding Company is as follows:

1. Company Name: Mizuho Holdings, Inc.
2. Business: Management and administration of the subsidiary banks and other MHFG companies and any incidental business thereof.
3. Head Office Location: Marunouchi Center Building,
6-1 Marunouchi, 1-chome, Chiyoda-ku, Tokyo
4. Date of Establishment: September 29, 2000 or October 2, 2000
(in consideration of legal holidays in Japan)
5. Capitalization: To be determined by June 2000
6. Share Exchange Ratio: 1:1:1 (the ratio of the number of shares in the Holding Company that an each bank's shareholder will receive in exchange for each of its shares)
The three banks obtained fairness opinions on the exchange ratio from three independent parties; Arthur Andersen, Merrill Lynch Japan Incorporated, and Goldman Sachs (Japan), Ltd.
7. Transfer Agent: The Dai-Ichi Kangyo Fuji Trust & Banking Co., Ltd.

II. Five Basic Principles of the Consolidation

MHFG will carry out its business operations based upon the five basic principles below:

1. Offer a wide range of the highest-quality financial services to customers.
2. Maximize shareholders' value and, as the leader of Japan's financial services industry, earn the trust of society at large.
3. Offer attractive and rewarding job opportunities for employees.
4. Fully utilize the advantages and strengths of each bank and maximize the benefit of the Consolidation through cost reduction.
5. Create a new corporate climate and culture.

III. Management Structure

1. Management Structure in Phase 1

- (1) Board of Directors: 9 members
 - Chairman & Co-CEO Masao Nishimura
 - Chairman & Co-CEO Yoshiro Yamamoto
 - President & Co-CEO Katsuyuki Sugita
 - 6 Deputy Presidents (3 full-time deputy presidents and 3 serving concurrently in subsidiary banks' positions)
- (2) Executive Officer System:
An executive officer system will be introduced in the Holding Company.
- (3) Management Committee under the Board of Directors: 13 members
Chairmen (2), President, Deputy Presidents (6), Chief Strategy Officer, Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer
- (4) Board of Corporate Auditors:
6 corporate auditors including 3 outside auditors

(5) Advisory Board / Internal Audit & Compliance Committee:
To be established in Phase 1 .

(6) Organizational Structure:

The organizational structure of the Holding Company will be as follows:

Planning Headquarters: Planning Group, Finance & Accounting Group, Risk Management Group, Human Resources Group, IT Systems & Operations Group, and Compliance Coordination Group

Business Unit (“BU”) Headquarters: Consumer Banking BU, Small & Mid-Size Customer Banking BU, Corporate Banking BU, Public Sector Banking BU, International Banking BU, ALM and Dealing & Trading BU, Multimedia Banking and Settlement & Clearing Services BU, Securities & Investment Banking BU, and Trust & Asset Management BU

2. Management Structure in Phase 2

In Phase 2, the core subsidiaries that will be placed under the Holding Company are as follows:

The Mizuho Bank, Ltd. (customer and consumer bank)

The Mizuho Corporate Bank, Ltd. (corporate bank)

The Mizuho Securities Co., Ltd.(investment bank and wholesale securities company)

The Mizuho Trust & Banking Co., Ltd. (trust bank)

IV. Financial Targets

(Units are ¥ billion unless otherwise specified)

	FY 1998	FY 2005
Gross Profit*	1,783.3	2,150
Expenses*	904	800
Net Operating Profit*	879.3	1,350
Expense Ratio	50.7%	40% or less
Consolidated Business Income**	879.5	1,600
Consolidated Net Income	-1,048.5	800
Consolidated ROE	–	12.0% (approx.)
BIS Ratio	11.3%	11.5% (approx.)
Tier 1 Ratio	5.8%	7.5% (approx.)

* Figures for banks only (non-consolidated)

** Non-consolidated Net Operating Profit + (Subsidiaries' Ordinary Income × Equity Ratio) – intra-group transactions such as earned dividends

V. Competitive Advantages

By utilizing the “three primary strengths” gained through the Consolidation as described below, MHFG will create an optimal group business portfolio.

Three Primary Strengths

- An overwhelming customer base in the domestic market
- High quality and comprehensive financial service capabilities
- Expanded IT investment capability for high-growth areas

(Please refer to the attached supplemental material for more information on business strategies.)

VI. Action Plan

1. Integration of Branches and Offices

The branch integrations will be carried out with the number of domestic branches being reduced by approximately 170 (compared with the number of branches as at the end of March 1999) by fiscal 2005. Overseas, the number of branches and offices, including sub-branches and overseas subsidiaries, will be reduced by 60 (compared with the number as at the end of March 1999).

2. Workforce Downsizing

The workforce will be reduced by approximately 7,000 according to the foregoing integration and reorganization by fiscal 2005 (compared with the number as at the end of March 1999).

3. Systems Integration

The integration of computer systems will be completed by March 2002. Redundancy will be eliminated by adopting the most efficient system currently used by one of the three banks. This will also allow for a significant reduction in maintenance costs and investment in new systems.

The core banking system (account management system) will be centralized under a “one-bank system” wherein the most efficient system of the three banks will be comprehensively adopted. For dealing and trading systems and business information systems, a “suite structure” will be implemented, wherein the most efficient system for each operation will be adopted.

4. Reduction of Expenses

By integrating and closing branches and offices, increasing human resource efficiency, and integrating operations and systems, a reduction in annual expenses of approximately ¥ 100 billion will be achieved by fiscal 2005, compared to fiscal 1998.

VII. Consolidation Effect

Through the upcoming Consolidation, the benefits described below are projected.

In terms of consolidated business income, the Consolidation Effect is projected to be ¥ 220 billion for fiscal 2005, compared to fiscal 1998, as follows:

Item	Amount (¥ billion)
Net Reduction in Costs	+ 50
Synergy Effect on Gross Profit	+170
Consolidation Effect	+220

VIII. Key Management Policies

1. Risk Management

The most advanced and integrated risk management system will be implemented for MHFG. In order to optimize risk-adjusted return on assets, sophisticated portfolio management will be enhanced.

2. Human Resources

In Phase 1, a standard platform for personnel system will be implemented. In Phase 2, new personnel systems, which will reflect the business structure and culture unique to each company, will be introduced into each company.

3. Information Technology Systems

Current systems will be swiftly integrated, and MHFG will carry out strategic IT investment in the amount of approximately ¥ 150 billion annually.

4. Compliance

Compliance is viewed as one of the fundamental principles of sound business management. MHFG will aim for strict compliance with applicable laws and regulations, and an independent audit and inspection system, with extensive check and verification functions, will be established.

5. Stock Option Program / Incentive Package

In order to increase performance on a group-wide basis and to create a management structure which places emphasis on value creation for the shareholders, the introduction of a new compensation structure that is linked to the MHFG's performance, such as a stock option program, is being considered.

6. Self-Assessment Standards / Reserve and Write-off Standards

Strict and adequate self-assessment standards, and reserve and write-off standards, in conformity with the Financial Inspection Manual issued by the Japanese FSA, will be used uniformly by the three banks from the account settlement for fiscal 1999 (ending March 2000). The final disposition of non-performing assets will be accelerated, aiming for improvement in asset quality.

IX. Merger of Strategic Group Companies

1. The Mizuho Securities Co., Ltd.

The wholesale securities subsidiaries of the three banks, DKB Securities Co., Ltd., Fuji Securities Co., Ltd., and IBJ Securities Co., Ltd., will be merged on October 1, 2000. The name of the merged company shall be The Mizuho Securities Co., Ltd.

2. The Mizuho Trust & Banking Co., Ltd.

The trust & banking subsidiaries of the three banks, Dai-Ichi Kangyo Fuji Trust & Banking Co., Ltd. and the IBJ Trust & Banking Co., Ltd., will be merged on October 1, 2000. The name of the merged company shall be The Mizuho Trust & Banking Co., Ltd.

X. To Our Customers: The Highest Quality Financial Services

By combining the strengths of the three banks through the Consolidation, we are looking forward to providing customers with even more convenient and value-added services.

1. In addition to a comprehensive domestic and international branch network, we will aim for an enhanced and diversified distribution channel network, including Internet-based distribution channels and in-store branches. In addition, in advance of the establishment of the Holding Company, we will offer reciprocal access to the cash-dispensing machines (CDs) and the automatic teller machines (ATMs) of the three banks. Accordingly, the fee for withdrawals made by a customer of one bank at an ATM or CD of the other 2 banks will not be charged.
2. Products and services best suited to the needs of the customer - for each and every individual customer - will be provided through a distribution channel which best meets the needs of the customer.
3. We will provide high-quality, stable, and plentiful funding to our small and mid-size corporate customers. At the same time, we will also endeavor to provide support for the growth of new businesses and venture businesses.
4. Through up-to-date information and cutting-edge financial technologies, we will provide optimal solutions to the wide variety of needs of our large corporate clients.
5. The combined expertise of the three banks will also focus on the areas of securities, investment banking, asset management and trust business, and settlement and multimedia services. Every effort will be made to ensure that services which meet customers' needs are offered.

Group Name	:	Mizuho Financial Group (“MHFG”)
Holding Company Name	:	Mizuho Holdings, Inc.

Meaning

- In Japanese, *mizuho* (“瑞穂”) means “a fresh harvest of rice,” and the phrase “mizuho country” - meaning “fruitful country” - is used to refer poetically to Japan.

Reason for Selection

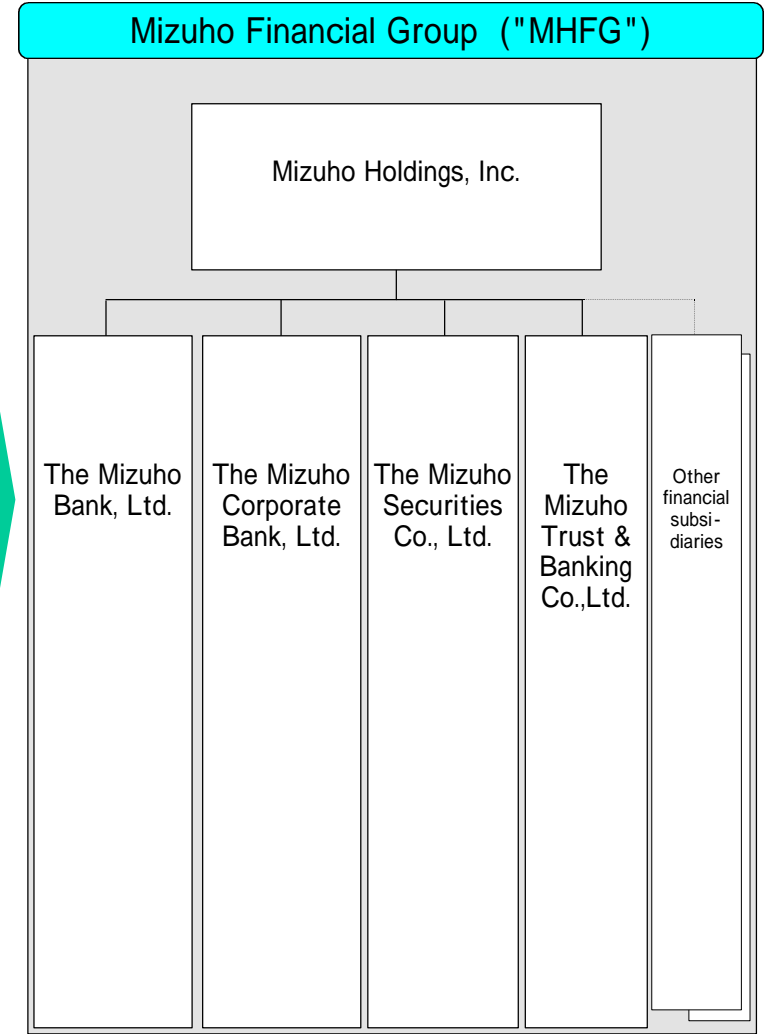
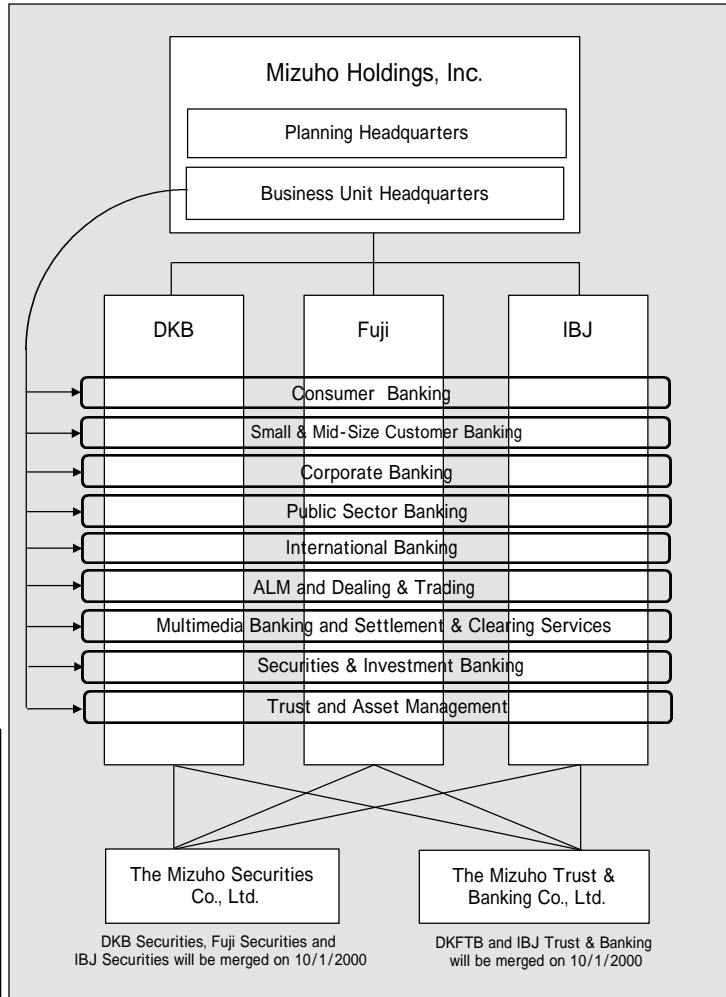
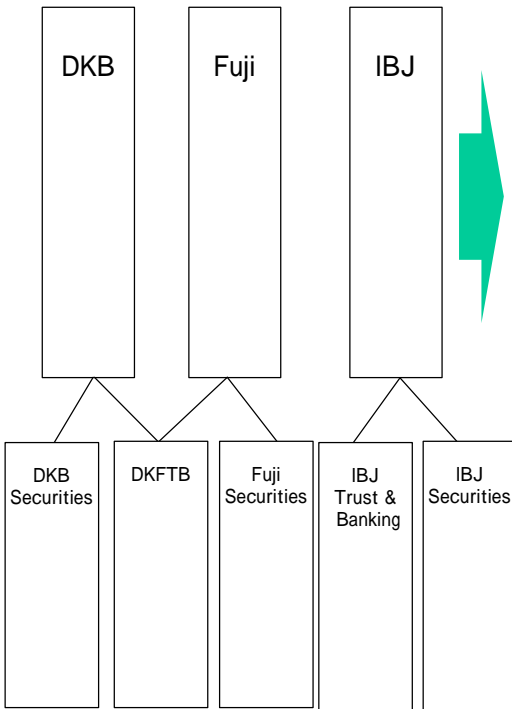
- The name “Mizuho” expresses the commitment of MHFG, as Japan’s leading financial institution, to offer highly “fruitful” products and services to all of its customers, both domestic and overseas.
- We feel that the youthful and energetic image of freshness projected by this name is perfectly suited for the new corporate culture of MHFG, and that it is a name with which everyone can easily become familiar.

Group Structure

[Phase 1]
September 29, 2000 or October 2, 2000

[Phase 2] 【 Exhibit 2 】
Spring 2002 (target)

[Present]



Business Strategies for Mizuho Financial Group

Mizuho Financial Group

Business Strategies

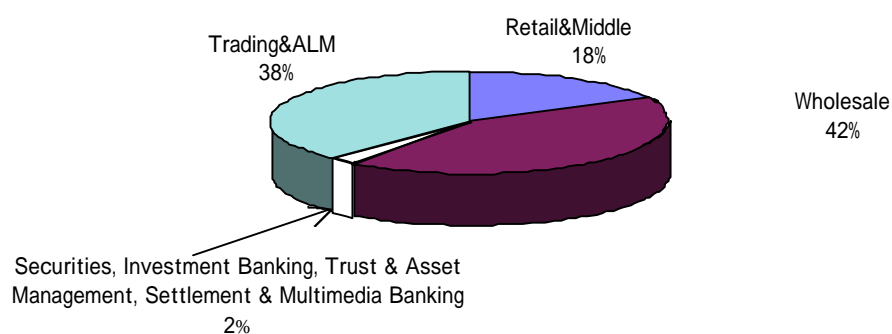
XI.Outline of Consolidated Group Income (Breakdown by Business Line)

The content of business lines and the profit breakdown (by business line) for MHFG is as follows:

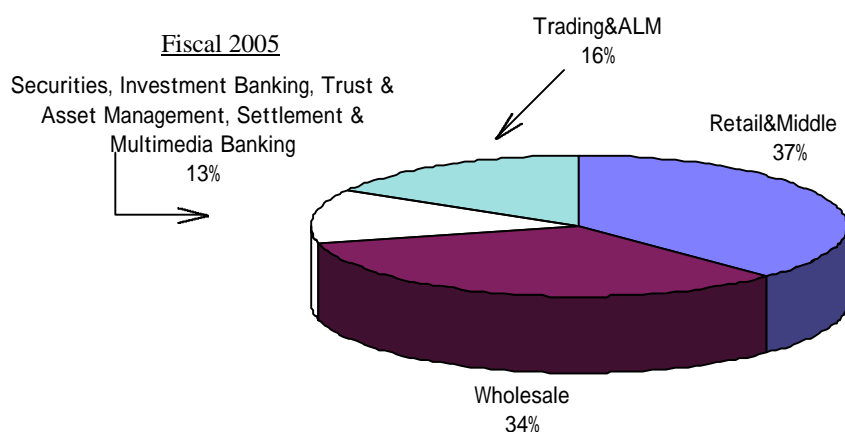
1. Retail and Middle Market Business (Consumer Banking, Small & Mid-size Customer Banking)
2. Wholesale Banking Business (Corporate Banking, Public Sector Banking, International Banking)
3. Securities, Investment Banking, Trust & Asset Management, Settlement & Multimedia Banking
4. Trading & ALM

Breakdown of Income (consolidated basis)

Current



Fiscal 2005



XII. Business Strategies

1. Retail & Middle Market Business

(1) Consumer Banking Business Unit

MHFG will become the leader in the Japanese consumer banking market by providing the highest level of satisfaction to customers throughout their lives.

The Consumer Banking Business Unit will:

- Further enhance relationship marketing through a cutting-edge product and service line-up and specialized consulting services.
- Strategically invest in IT to further develop and expand multi-channel distribution networks, including in-store branches, Internet banking services, and mobile banking services.
- Focus on corporate retail business by optimizing MHFG's unparalleled corporate customer base and promote consumer loan business through various distribution channels.

(2) Small & Mid-size Customer Banking Business Unit

MHFG will be “the best partner for small businesses and mid-size companies” by offering high quality financial products and services suited to their needs.

The Small & Mid-size Customer Banking Business Unit will:

- Fully support various corporate activities with MHFG's vast domestic and international network, and offer sufficient and stable finance.
- Provide proposals and support, including support for IPO, equity investment, as well as management support and information and focus on support for new businesses and ventures.
- Promote cost effective commercial loan business through an advanced scoring model for credit analysis and telephone loan centers.

2. Wholesale Banking Business

MHFG will be “Japanese No.1 wholesale bank in global market” with the highest level of trust from customers in the domestic and international market.

(1) Corporate Banking Business Unit

The Corporate Banking Business Unit will:

- Provide advisory services through experienced professionals for cross-border M&A, business strategies, and financial risk management.
- Carry out strategic investment in IT for firm banking and cash management services as well as virtual corporate retail business through “BPR portal sites”.

- Become a business partner through trust and asset management including 401K, insourcing of business, and other value-added services for financial institutions.

(2) Public Sector Banking Business Unit

The Public Sector Banking Business Unit will:

- Provide comprehensive financial services to meet various needs of public sector entities, including diversified funding and investment, downsizing and more efficient operation.

(3) International Banking Business Unit

The International Banking Business Unit will:

- Secure the position of “the most trusted banking partner” for global corporations, through the utilization of its extensive overseas network and the “industrial-sector based RM specialists”.
- Provide global support for multi-national companies by offering various financial services, including trade-financing, local currency-based transaction and investment banking services through MHFG’s extensive overseas network.

3. Securities, Investment Banking, Trust & Asset Management, Settlement & Multimedia Banking

(1) Securities & Investment Banking Business Unit

MHFG will create a new wholesale securities company, which will be the first investment banking and securities firm in Japan to provide “best solutions” to its customers.

The Securities & Investment Banking Business Unit will:

- Strategically allocate management resources to new business areas such as equity capital market business.
- Establish retail distribution channels by forming strategic alliances with group securities companies.
- Offer a full range of financial products, including domestic and foreign bonds and stocks, derivative products, M&A services, structured finance, and private equity transactions.

(2) Trust and Asset Management Business Unit

MHFG will aggressively pursue the expanding pension market, aiming to become a major player in the areas of asset management and administration and defined contribution annuity business.

The Trust and Asset Management Business Unit will:

- Focus on the growing pension market, master trust business and defined contribution annuity market.
- Secure the position as a front-runner in the defined contribution annuity market.

- Maximize customer satisfaction and establish the new financial group by using the unique product mix of each of the asset management companies in the MHFG and by utilizing sophisticated business promotion methods.

(3) Multimedia Banking and Settlement & Clearing Services Business Unit

MHFG will establish advanced settlement and multimedia business models conforming to the “next-generation” society in which e-business and IT will play an even larger role, thereby providing the customer with increased convenience.

The Multimedia Banking and Settlement & Clearing Services Business Unit will:

- Promote e-bank operations, the standardization of IC cash cards, and the upgrading the functions of global settlement services.
- Centralize external settlement operations for MHFG and achieve economies of scale through the pursuit of settlement and other insourced business

4. Trading & ALM

ALM and Dealing & Trading Business Unit

MHFG will establish itself as “number one in Japanese yen dealing” in the major domestic and international markets and establish a stable income structure through advanced ALM operations.

The ALM and Dealing & Trading Business Unit will:

- Respond accurately to customer needs for various products based on a vast customer transaction base and enhanced market-making strength.
- Establish a stable income base through precise control of a variety of assets and liabilities and precision risk management.