

**Foundation of
the Mizuho Financial Group
(MHFG)**

May 24, 2000

The Dai-Ichi Kangyo Bank, Limited.

The Fuji Bank, Limited.

The Industrial Bank of Japan, Limited.

I. Vision

Basic Principles of the Consolidation

As we cross the threshold into the 21st century, DKB, Fuji Bank, and IBJ will create a dynamic and strong comprehensive financial services group, based on the following *Five Basic Principles of the Consolidation*:

1. Offer a wide range of the highest-quality financial services to our 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.

Vision

1. Future Concept

An innovative financial group that will lead the new era through cutting-edge comprehensive financial services.

2. Management Goals

- One of the top five global banks and the leading financial institution in Japan.
- A top financial group in terms of customer satisfaction.
- A front-runner in IT (information technology) and FT (financial technology).
- No. 1 in domestic commercial banking.
- A market leader in securities business and investment banking.
- A top-class in trust, asset management, and settlement businesses.
- A management structure with "best practices".

II. Financial Targets

1. Profit Targets

(Unit: ¥ billion)

	FY1998 (Actual)	FY1999 (Preliminary)	FY2002 (Planned)	FY2005 (Planned)
Gross Profits*	1,783.4	1,656.8	1,932.4	2,150.0
General and Administrative Expenses*	904.0	850.2	866.4	800.0
Net Business Profits*	879.4	806.6	1,066.0	1,350.0
Net Income*	964.8	251.2	470.0	660.0
Net Income**	949.1	246.0	500.0	710.0
Earned Surplus**	723.2	872.6	1,660.0	3,110.0
Consolidated Net Income	1,048.5	194.4	580.0	800.0
Consolidated ROE	----	4.16%	8% (approx.)	12% (approx.)

* Figures for banks only (non-consolidated).

** Figures for 5 Core Subsidiaries Companies: The 3 banks, The Mizuho Securities Co., Ltd. and The Mizuho Trust & Banking Co., Ltd. After Spring 2002 (targeted), the 5 Core Subsidiaries will be reorganized into The Mizuho Bank, Ltd., The Mizuho Corporate Bank, Ltd., The Mizuho Securities Co., Ltd., and The Mizuho Trust & Banking Co., Ltd.

2. Profit Targets (by Segment)

(Unit: ¥ billion)

	FY2000 (Planned)	FY2002 (Planned)	FY2005 (Planned)
Retail & Middle	221.2	504.7	653.7
Wholesale	406.9	439.9	509.1
Securities, Investment Banking, Trust & Asset Management, Settlement & Multi-media Banking,	16.7	24.4	72.5
Trading & ALM	247.9	166.8	200.7
Total (3 Banks)	829.2	1,066.0	1,350.0
Mizuho Securities, Co., Ltd.	22.8	41.2	56.0
Mizuho Trust & Banking Co., Ltd.	8.3	3.5	46.2
Total (5 Core Subsidiaries)	843.7	1,110.7	1,439.1

Note: The figures for banks represent Net Business Profits.

(Unit: ¥ billions)

3. Benefits of the Consolidation (the Consolidation Effect)

(Cumulative Basis)		Cumulative for FY2000~2002 (Planned)	Cumulative for FY2003~2005 (Planned)
	Synergy Effect on Gross Profits	94.6	371.7
	Consolidation Cost	157.6	77.5
	Restructuring Effect	76.8	204.7
	Cost Reduction (Net)	80.8	127.2
	Consolidation Effect (Net)	13.8	498.9

	April 1999 ~ March 2003	April 2003 ~ March 2006
Domestic Branches *	83	70
Overseas Offices/Subsidiaries	47	7 (Unit: ¥ billions)
Workforce	4,500(approx.)	2,500(approx.)

*Represents the number of net reduction after taking into account approximately 17 branches of Mizuho

4. IT-related Investment

(Cumulative Basis)		Cumulative for FY2000~2002 (Planned)	Cumulative for FY2000~2005 (Planned)
	IT-related Investments	630.0	1,100.0

(Note: IT-related investments = IT investments + IT personnel expenses + IT general expenses)

5. BIS Ratio

	FY1999 (Preliminary)	FY2002 (Planned)	FY2005 (Planned)
BIS Ratio	11.68%	11.56%	11.5%(approx.)
Tier 1 Ratio	6.01%	7.16%	7.5%(approx.)

III. Primary Tasks for the Near Future

The Mizuho Financial Group's philosophy is to utilize - to the fullest extent possible - its ability to provide a comprehensive range of financial services and to actively create and develop businesses in new areas. Specifically, areas and tasks described below have been identified as strategic areas and primary tasks for the near future for the Mizuho Financial Group.

Primary Tasks, Strategic Areas, etc.	Overview
Development of Customer Satisfaction	MHFG will thoroughly establish customer-oriented corporate culture which places the customer first, with all employees carrying out their duties to offer the highest quality services from the standpoint of the customer. Additionally, a Customer Service Research Institute will be established in the Holding Company in order to promptly reflect the voices of the customers for better services.
IT Strategy	Taking advantage of the merits of scale provided by the Consolidation, MHFG will carry out strategic IT investment of approximately ¥150 billion annually - a scale on a par with that of major U.S. banks. Specifically, investment will be made in the infrastructure which supports MHFG's business strategies (customer databases, global risk measurement systems, etc.) and in system support for strategic operations of the various business units.
Global Strategy	As one of the most reliable partners to customers around the world, MHFG will utilize its comprehensive financial services and expansive international network, and provide a wide range of financial services, including arranger services, M&A advisory services, and CMS, to corporations both in Japan and overseas.
Distribution Channel Strategy	While redundant branches will be integrated or closed, new and convenient distribution channels capable of meeting the needs of customers will be created, and existing distribution channels will be enhanced, in order to provide maximum satisfaction to customers. Included in this distribution channel strategy will be in-store branches, ATM networks, telephone banking services, and Internet banking services.

Asset Securitization and Syndication Operations	By aggressively developing securitization and loan-syndication operations, MHFG will aim for a switch from a “stock-based” business model to a “flow-based” business model, which will result in a drastically increased efficiency in the use of assets. Also, by utilizing its extensive customer base and financial know-how, MHFG will form a real estate fund that will set the standard for Japan.
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Primary Tasks, Strategic Areas, etc.	Overview
e-Business	<p>MHFG will provide services not only for Business-to-Customer transactions, but also for Business-to-Business transactions, offering high-value-added services.</p> <ul style="list-style-type: none"> ▪ Aggressively undertake e-banking business in three major categories: e-bank core business, financial portals, and EC community. ▪ Consider to establish an Internet-based securities company as a major component of financial portals, focusing primarily on new retail customers.
Trust & Asset Management Business (Master Trust & 401(k) management and administration functions, etc.)	<p>By strengthening business capabilities in trust and asset management areas, and by establishing tie-ups with group companies and life insurance companies with whom MHFG maintains close relationships, MHFG will aim to increase its competitive strength in these business areas.</p> <ul style="list-style-type: none"> ▪ While aiming to establish tie-ups with the life-insurance companies, develop asset management businesses, including master trust business, utilizing the strong customer bases of the three banks and MHFG's high credit ratings, resulting from MHFG's sound financial position. ▪ With the participation of life insurance companies, consider to establish a joint-venture company to undertake managerial and administrative tasks related to defined contribution pension businesses (development of educational tools, support-center operations, creation of an Internet site, etc.).
Support for New Businesses and Venture Companies	<p>MHFG will focus on discovering and supporting the development of new businesses, venture companies, and companies that are technologically strong - i.e. companies that will lead the 21st century.</p> <ul style="list-style-type: none"> ▪ Jointly establish a venture fund ("Mizuho Venture Fund") with investments from the three banks, and actively support new businesses, such as IT-, biotechnology-, and environment-related businesses.

Outline of the Holding Company

- Company Name : Mizuho Holdings, Inc.
- Date of Establishment : September 29, 2000
- Business : Management and administration of the subsidiary banks and other MHFG companies and any incidental business thereof.
- Head Office Location : Marunouchi Center Building
6-1 Marunouchi, 1-chome
Chiyoda-ku, Tokyo
- Capitalization : ¥2,572 billion

The Mizuho Logo

We are pleased to announce the logo of the Mizuho Financial Group and Mizuho Holdings, Inc. (Please see next page.)

The logo is the combination of the letter “M” - representing **Mizuho** – and a deep blue arc. M in dynamic motion expresses liveliness and action and a deep-blue arc depicts the earth. The colors used in the logo also have a special meaning – the bright red highlighting passion, action and dynamism and the deep blue highlighting reliability and stability.

MHFG

Mizuho Financial Group



[English]

Mizuho Holdings

[Japanese]

みずほホールディングス

[Abbreviation]

MHHD