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OUTLINE OF “BUSINESS REORGANIZATION” TO REFORM THE MIZUHO FINANCIAL GROUP

On November 25, 2002, the Mizuho Financial Group announced the “Mizuho Change & Speed-Up Program” to change and accelerate the deployment of business strategies and to accelerate cost structure reforms primarily of the core subsidiaries including Mizuho Bank, Ltd. (“MHBK”), Mizuho Corporate Bank, Ltd. (“MHCB”) and securities and trust subsidiaries.

In accordance with the purpose of the “Program for Financial Revival” issued by the Financial Services Agency, as well as in order to cope with the recent severe business environment, we hereby announce that the Mizuho Financial Group will implement the program described below titled “Business Reorganization.”

Through the “Business Reorganization,” we will reform the group strategy drastically in order to enhance our competitiveness, secure high-level and stable profitability and maximize the corporate value on a group basis.

The reorganization of the management structure (which is scheduled in March 2003) is subject to the appropriate regulatory approval and other procedures in Japan and all related countries.

Framework of the “Business Reorganization”

- 1. Further reinforcement of comprehensive financial services capabilities**
 - (1) Establish a new financial holding company named “Mizuho Financial Group, Inc.” (“MHFG”) (provisional name) in order to dramatically improve the comprehensive financial services capabilities of the group.
 - (2) Place the existing holding company as an intermediate holding company for the group’s banks and securities subsidiaries to strengthen the synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries according to customer segments.
 - (3) Strategically reorganize trust, asset management, and custody business subsidiaries and place these companies directly under the new financial holding company.
- 2. Acceleration of non-performing loan (“NPL”) disposal and aggressive pursuit of the corporate revival business based on the purpose of the Program for Financial Revival**
 - (1) Further tighten assessment of assets by elaborating the self-assessment standard.
 - (2) Promptly conduct disposition or revival of the NPLs that are classified as “need special attention” or below by separating these NPLs from the group’s banking sector through the utilization of a separate entity and/or framework for corporate revival.
- 3. Further reinforcement of financial strength**
 - (1) Raise capital through the market in order to further reinforce the financial strength.
 - (2) Make a conservative review of deferred tax assets based on risk scenarios.
- 4. Strict implementation of the “Mizuho Change & Speed-up Program” (announced on November 25)**

1. Further reinforcement of comprehensive financial services capabilities

- (1) Establish a new financial holding company named “Mizuho Financial Group, Inc.” (“MHFG”) (provisional name) in order to dramatically improve the comprehensive financial services capabilities of the group.
 - a) In addition to the existing group management framework centered on the four core subsidiaries, MHFG will directly manage other primary subsidiaries, enhance group-wide synergy and strengthen its profitability swiftly.
 - b) MHFG will realize the consolidation effects promptly by strengthening cost competitiveness through consolidation of the group’s affiliates and utilization of a common infrastructure, etc.
 - Promptly consolidate system related subsidiaries and asset management subsidiaries.
 - Further expand the earning base in such growing business areas as credit card and asset management businesses, and promote various measures such as utilization of the group’s think-tank functions and common IT infrastructure.
- (2) Place the existing holding company as an intermediate holding company for the group’s banks and securities subsidiaries to strengthen the synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries according to customer segments.
 - a) In conjunction with the establishment of MHFG, Mizuho Holdings, Inc. (“MHHD”) will be reformed as an intermediate holding company to manage the banking and securities business sector.
 - The intermediate holding company will be devoted to further strengthen synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries.
 - b) According to customer segments, Mizuho Securities Co., Ltd. (“MHSC”) will be placed under MHCB, and Mizuho Investors Securities Co., Ltd. (“MISC”) will be placed under MHBK.
 - c) MHSC will transfer its retail business to MISC.
 - MHFG will request to revise the Article 65 of the Securities and Exchange Law to enable MHBK and MISC, and MHCB and MHSC, respectively, to merge to enhance customer convenience.
 - d) A joint marketing relationship with Shinko Securities Co, Ltd. has already been established for underwriting business.
- (3) Strategically reorganize trust, asset management, and custody business subsidiaries and place these companies directly under the new financial holding company.
 - a) Unify the trust banking business, and centralize the management of the group’s trust and asset management sector including Trust & Custody Services Bank, Ltd. (“TCSB”) and asset management subsidiaries.

- Mizuho Trust & Banking Co., Ltd. (“MHTB”) and Mizuho Asset Trust & Banking Co., Ltd. (“MHAT”) will be merged after placing MHTB, a currently wholly owned subsidiary of MHHD, under MHFG.
- MHTB will secure its existing high credit rating.
- MHAT will separate and remove its NPLs that are classified as “need special attention” or below and accelerate the final disposition, utilizing a separate entity and/or framework for corporate revival.
- TCSB will be placed as a direct subsidiary under MHFG in order to clarify its position as a common vehicle for asset management business for the group, and provide high quality financial services to customers not only for the group companies but also for non-group companies.

2. Acceleration of NPL disposal and aggressive pursuit of the corporate revival business based on the purpose of the Program for Financial Revival

- (1) Further tighten assessment of assets by elaborating the self-assessment standard.
 - a) Elaborate the self-assessment standard based on the “Framework of the New Financial Administration” included in the Program for Financial Revival.
 - Elaborate the self-assessment standard, including application of Discounted Cash Flow type methods to large borrowers who are classified as “need special attention.”
- (2) Promptly conduct disposition or revival of the NPLs that are classified as “need special attention” or below by separating these NPLs from the group’s banking sector through the utilization of a separate entity and/or framework for corporate revival.
 - a) MHBK, MHCB and MHAT will separate and remove NPLs that are classified as “need special attention” or below and accelerate their final disposition and corporate revival.
 - b) Pursue early termination of the NPL issue, utilizing a separate entity and/or framework for corporate revival.
 - c) Make a prompt assessment of NPLs as to the possibility of revival and accelerate disposition or support by strengthening cooperation with Resolution and Collection Corporation, Corporate Revivals Organization and other corporate reconstruction funds.
 - Having separated and removed NPLs, MHBK, MHCB and MHAT will further strengthen their fund providing function in their respective marketplaces.

3. Further reinforcement of financial strength

- (1) Raise capital through the market in order to further reinforce the financial strength.
 - a) MHFG will raise the capital necessary for this reorganization through the market.
- (2) Make a conservative review of deferred tax assets based on risk scenarios.

- a) Based on the “Framework of the New Financial Administration” included in the Program for Financial Revival, MHFG will review its deferred tax assets, estimating the taxable income conservatively based on risk scenarios.
 - Partially withdraw deferred tax assets.

4. Strict implementation of the “Mizuho Change & Speed-up Program”

On November 25, 2002, the Mizuho Financial Group announced the “Mizuho Changing & Speed-up Program” including cost structure reforms and strengthening of corporate governance as follows:

(1) Principal restructuring plans

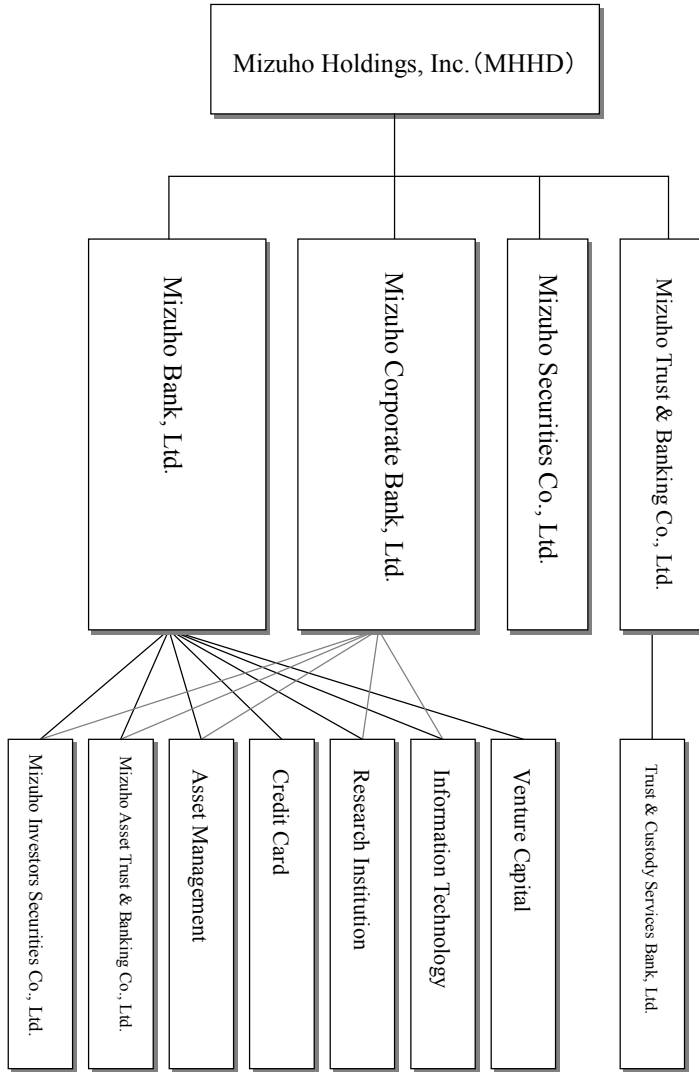
- a) Decrease in the number of board members, executive officers and employees and salary cut
 - Additional decrease in the number of board members and executive officers (-20%), and 30% cut in yearly compensation
 - Reduction of 6,300 employees, and average 10% cut in annual compensation
- b) Reduction of domestic branches and overseas offices
 - Reduction of 120 domestic branches – 460 branches as of March 2004 (30% reduction compared with March 1999)
 - Reduction of 13 overseas offices – 43 offices as of March 2004 (60% reduction compared with March 1999)

(2) Strengthening of corporate governance

- a) Achieve a management structure that is slim and speedy.
 - Reduction in the number of board members and executive officers by 20%
- b) Secure transparency in management and clear accountability.
 - Increase in the number of outside directors

【Reorganization Structure】

【Before Reorganization】



【After Reorganization】

