

SELECTED STATISTICAL DATA

In preparing the selected statistical data set forth below, foreign activities are defined as business transactions that involve customers residing outside of Japan. However, as the operations of Mizuho Financial Group, Inc. and its subsidiaries (“the MHFG Group” or “the Group”) are highly integrated globally, the MHFG Group has made certain estimates and assumptions in allocating assets, liabilities, income and expense between domestic and foreign operations. The Group considers domestic and foreign activities determined by such methods to be representative of the Group’s operations.

I. Distribution of assets, liabilities and shareholders' equity; interest rates and interest differential

Average balances of balance sheet items, interest and dividend income, interest expense and average yields and rates

The following tables show the MHFG Group's average balances of balance sheet items, Interest and dividend income, Interest expense, average yields on interest-earning assets, and average rates on interest-bearing liabilities for the fiscal years ended March 31, 2006, 2007 and 2008. Average balances are generally based on a daily average. Month-end or quarter-end averages are used for certain average balances where it is not practicable to obtain applicable daily averages. The average balances determined by such methods are considered to be representative of the MHFG Group's operations.

	2006			2007			2008		
	Average balance	Interest and dividend income	Average yield	Average balance	Interest and dividend income	Average yield	Average balance	Interest and dividend income	Average yield
(in millions of yen, except percentages)									
Assets:									
Interest-earning assets:									
Interest-bearing deposits in other banks:									
Domestic	876,669	25,256	2.88%	585,726	29,729	5.08%	779,287	24,792	3.18%
Foreign	623,755	25,753	4.13%	1,231,120	46,856	3.81%	1,439,143	53,552	3.72%
Total	1,500,424	51,009	3.40%	1,816,846	76,585	4.22%	2,218,430	78,344	3.53%
Call loans and funds sold, and receivables under resale agreements and securities borrowing transactions:									
Domestic	7,695,098	5,108	0.07%	7,965,490	25,396	0.32%	7,543,809	49,240	0.65%
Foreign	7,284,547	262,218	3.60%	9,574,941	477,841	4.99%	11,259,822	534,762	4.75%
Total	14,979,645	267,326	1.78%	17,540,431	503,237	2.87%	18,803,631	584,002	3.11%
Trading account assets:									
Domestic	7,832,031	20,494	0.26%	6,695,053	19,877	0.30%	7,388,942	34,140	0.46%
Foreign	3,906,496	40,794	1.04%	3,865,653	49,603	1.28%	4,337,103	50,286	1.16%
Total	11,738,527	61,288	0.52%	10,560,706	69,480	0.66%	11,726,045	84,426	0.72%
Investments:									
Domestic	30,404,607	155,345	0.51%	28,106,504	234,150	0.83%	27,900,453	282,028	1.01%
Foreign	7,566,952	295,141	3.90%	8,882,618	378,751	4.26%	9,840,043	446,558	4.54%
Total	37,971,559	450,486	1.19%	36,989,122	612,901	1.66%	37,740,496	728,586	1.93%
Loans (Note):									
Domestic	58,348,102	836,483	1.43%	58,401,018	899,095	1.54%	57,661,789	1,020,208	1.77%
Foreign	7,269,244	291,315	4.01%	9,641,893	478,009	4.96%	10,860,713	614,694	5.66%
Total	65,617,346	1,127,798	1.72%	68,042,911	1,377,104	2.02%	68,522,502	1,634,902	2.39%
Total interest-earning assets:									
Domestic	105,156,507	1,042,686	0.99%	101,753,791	1,208,247	1.19%	101,274,280	1,410,408	1.39%
Foreign	26,650,994	915,221	3.43%	33,196,225	1,431,060	4.31%	37,736,824	1,699,852	4.50%
Total	131,807,501	1,957,907	1.49%	134,950,016	2,639,307	1.96%	139,011,104	3,110,260	2.24%
Noninterest-earning assets:									
Cash and due from banks									
	4,929,162			2,208,468			1,922,379		
Other noninterest-earning assets									
	6,106,938			6,323,847			7,247,988		
Allowance for loan losses									
	(1,566,891)			(1,248,843)			(1,088,628)		
Total noninterest-earning assets									
	9,469,209			7,283,472			8,081,739		
Total average assets	141,276,710			142,233,488			147,092,843		

Note: Average balances of loans include all nonaccrual loans. The amortized portion of net loan origination fees (costs) is included in interest income on loans.

Within total average assets, the percentage attributable to foreign activities was 20.3%, 24.1% and 26.7%, respectively, for the fiscal years ended March 31, 2006, 2007 and 2008.

	2006			2007			2008		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
(in millions of yen, except percentages)									
Liabilities and shareholders' equity:									
Interest-bearing liabilities:									
Deposits:									
Domestic	60,741,984	121,644	0.20%	62,072,831	234,520	0.38%	64,295,733	337,497	0.52%
Foreign	5,489,960	154,530	2.81%	8,675,000	349,091	4.02%	9,349,287	416,683	4.46%
Total	66,231,944	276,174	0.42%	70,747,831	583,611	0.82%	73,645,020	754,180	1.02%
Debentures—Domestic	7,256,478	48,208	0.66%	5,629,233	34,083	0.61%	3,965,305	23,746	0.60%
Short-term borrowings (Note):									
Domestic	21,047,835	37,380	0.18%	19,220,281	81,708	0.43%	19,043,323	158,289	0.83%
Foreign	11,007,913	388,755	3.53%	12,651,419	620,465	4.90%	15,538,508	737,405	4.75%
Total	32,055,748	426,135	1.33%	31,871,700	702,173	2.20%	34,581,831	895,694	2.59%
Trading account liabilities:									
Domestic	5,145,935	33,736	0.66%	4,658,215	13,680	0.29%	4,232,390	8,213	0.19%
Foreign	3,254,557	19,103	0.59%	3,597,178	58,020	1.61%	3,361,223	18,894	0.56%
Total	8,400,492	52,839	0.63%	8,255,393	71,700	0.87%	7,593,613	27,107	0.36%
Long-term debt:									
Domestic	6,430,593	126,063	1.96%	5,796,640	161,332	2.78%	7,548,752	187,500	2.48%
Foreign	734,500	15,476	2.11%	455,893	18,490	4.06%	784,674	23,295	2.97%
Total	7,165,093	141,539	1.98%	6,252,533	179,822	2.88%	8,333,426	210,795	2.53%
Total interest-bearing liabilities:									
Domestic	100,622,825	367,031	0.36%	97,377,200	525,323	0.54%	99,085,503	715,245	0.72%
Foreign	20,486,930	577,864	2.82%	25,379,490	1,046,066	4.12%	29,033,692	1,196,277	4.12%
Total	121,109,755	944,895	0.78%	122,756,690	1,571,389	1.28%	128,119,195	1,911,522	1.49%
Noninterest-bearing liabilities	16,343,314			15,390,390			14,960,520		
Shareholders' equity	3,823,641			4,086,408			4,013,128		
Total average liabilities and shareholders' equity	141,276,710			142,233,488			147,092,843		
Net interest income and average interest rate spread		1,013,012	0.71%		1,067,918	0.68%		1,198,738	0.75%
Net interest income as a percentage of average total interest-earning assets			0.77%			0.79%			0.86%

Note: Short-term borrowings consist of Due to trust accounts, Call money and funds purchased, Payables under repurchase agreements and securities lending transactions, Commercial paper, and Other short-term borrowings.

Within total average liabilities, which is the total of interest-bearing liabilities and noninterest-bearing liabilities shown in the above table, the percentage attributable to foreign activities was 15.9%, 19.0% and 21.2%, respectively, for the fiscal years ended March 31, 2006, 2007 and 2008.

Analysis of net interest income

The following tables show changes in the MHFG Group's Interest and dividend income, Interest expense, and Net interest income based on changes in volume and changes in rate for the fiscal year ended March 31, 2007 compared to the fiscal year ended March 31, 2006 and the fiscal year ended March 31, 2008 compared to the fiscal year ended March 31, 2007. Changes attributable to the combined impact of changes in rate and volume have been allocated proportionately to the changes due to volume changes and changes due to rate changes.

	Fiscal year ended March 31, 2007 versus fiscal year ended March 31, 2006			Fiscal year ended March 31, 2008 versus fiscal year ended March 31, 2007		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
	Volume	Yield	Net change	Volume	Yield	Net change
	(in millions of yen)					
Interest and dividend income:						
Interest-bearing deposits in other banks:						
Domestic	(3,453)	7,926	4,473	6,158	(11,095)	(4,937)
Foreign	22,945	(1,842)	21,103	7,741	(1,045)	6,696
Total	<u>19,492</u>	<u>6,084</u>	<u>25,576</u>	<u>13,899</u>	<u>(12,140)</u>	<u>1,759</u>
Call loans and funds sold, and receivables under resale agreements and securities borrowing transactions:						
Domestic	186	20,102	20,288	(1,344)	25,188	23,844
Foreign	96,738	118,885	215,623	80,020	(23,099)	56,921
Total	<u>96,924</u>	<u>138,987</u>	<u>235,911</u>	<u>78,676</u>	<u>2,089</u>	<u>80,765</u>
Trading account assets:						
Domestic	(8,466)	7,849	(617)	2,240	12,023	14,263
Foreign	(421)	9,230	8,809	5,466	(4,783)	683
Total	<u>(8,887)</u>	<u>17,079</u>	<u>8,192</u>	<u>7,706</u>	<u>7,240</u>	<u>14,946</u>
Investments:						
Domestic	(10,733)	89,538	78,805	(1,717)	49,595	47,878
Foreign	54,430	29,180	83,610	42,469	25,338	67,807
Total	<u>43,697</u>	<u>118,718</u>	<u>162,415</u>	<u>40,752</u>	<u>74,933</u>	<u>115,685</u>
Loans:						
Domestic	759	61,853	62,612	(11,381)	132,494	121,113
Foreign	108,142	78,552	186,694	64,461	72,224	136,685
Total	<u>108,901</u>	<u>140,405</u>	<u>249,306</u>	<u>53,080</u>	<u>204,718</u>	<u>257,798</u>
Total interest and dividend income:						
Domestic	(21,707)	187,268	165,561	(6,044)	208,205	202,161
Foreign	281,834	234,005	515,839	200,157	68,635	268,792
Total	<u>260,127</u>	<u>421,273</u>	<u>681,400</u>	<u>194,113</u>	<u>276,840</u>	<u>470,953</u>

	Fiscal year ended March 31, 2007 versus fiscal year ended March 31, 2006			Fiscal year ended March 31, 2008 versus fiscal year ended March 31, 2007		
	Increase (decrease) due to changes in		Net change	Increase (decrease) due to changes in		Net change
	Volume	Rate		Volume	Rate	
	(in millions of yen)					
Interest expense:						
Deposits:						
Domestic	2,722	110,154	112,876	8,674	94,303	102,977
Foreign	111,782	82,779	194,561	28,358	39,234	67,592
Total	114,504	192,933	307,437	37,032	133,537	170,569
Debentures—Domestic	(10,124)	(4,001)	(14,125)	(9,968)	(369)	(10,337)
Short-term borrowings:						
Domestic	(2,945)	47,273	44,328	(752)	77,333	76,581
Foreign	64,302	167,408	231,710	137,012	(20,072)	116,940
Total	61,357	214,681	276,038	136,260	57,261	193,521
Trading account liabilities:						
Domestic	(2,939)	(17,117)	(20,056)	(1,160)	(4,307)	(5,467)
Foreign	2,211	36,706	38,917	(3,579)	(35,547)	(39,126)
Total	(728)	19,589	18,861	(4,739)	(39,854)	(44,593)
Long-term debt:						
Domestic	(10,826)	46,095	35,269	43,520	(17,352)	26,168
Foreign	(2,096)	5,110	3,014	9,761	(4,956)	4,805
Total	(12,922)	51,205	38,283	53,281	(22,308)	30,973
Total interest expense:						
Domestic	(24,112)	182,404	158,292	40,314	149,608	189,922
Foreign	176,199	292,003	468,202	171,552	(21,341)	150,211
Total	152,087	474,407	626,494	211,866	128,267	340,133
Net interest income:						
Domestic	2,405	4,864	7,269	(46,358)	58,597	12,239
Foreign	105,635	(57,998)	47,637	28,605	89,976	118,581
Total	108,040	(53,134)	54,906	(17,753)	148,573	130,820

II. Investment portfolio

The following table shows amortized cost, fair value and net unrealized gains (losses) of available-for-sale and held-to-maturity securities at March 31, 2006, 2007 and 2008:

	2006			2007			2008		
	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)
	(in millions of yen)								
Available-for-sale securities: ⁽¹⁾									
Domestic:									
Japanese government bonds	19,522,100	19,291,447	(230,653)	14,524,884	14,516,016	(8,868)	16,216,080	16,212,421	(3,659)
Agency mortgage-backed securities ⁽²⁾	207,595	203,047	(4,548)	261,629	258,645	(2,984)	251,028	251,519	491
Corporate bonds and other debt securities	4,324,059	4,284,509	(39,550)	5,392,064	5,371,722	(20,342)	5,566,096	5,573,470	7,374
Equity securities (marketable)	2,391,200	6,011,532	3,620,332	2,514,198	6,169,088	3,654,890	2,501,616	4,391,998	1,890,382
Total domestic	26,444,954	29,790,535	3,345,581	22,692,775	26,315,471	3,622,696	24,534,820	26,429,408	1,894,588
Foreign:									
U.S. Treasury bonds	1,172,281	1,173,801	1,520	2,044,045	2,051,847	7,802	2,571,051	2,549,932	(21,119)
Other foreign gov't bonds	1,677,222	1,695,649	18,427	2,866,136	2,996,479	130,343	1,768,307	1,867,778	99,471
Agency mortgage-backed securities ⁽³⁾	1,750,068	1,810,545	60,477	2,181,798	2,228,921	47,123	1,311,319	1,269,227	(42,092)
Corporate bonds and other debt securities	1,666,987	1,665,210	(1,777)	2,196,570	2,183,109	(13,461)	2,160,272	2,134,779	(25,493)
Equity securities (marketable)	37,615	57,109	19,494	76,861	94,840	17,979	117,904	120,514	2,610
Total foreign	6,304,173	6,402,314	98,141	9,365,410	9,555,196	189,786	7,928,853	7,942,230	13,377
Total	32,749,127	36,192,849	3,443,722	32,058,185	35,870,667	3,812,482	32,463,673	34,371,638	1,907,965
Held-to-maturity securities:									
Domestic:									
Japanese government bonds	1,168,206	1,163,791	(4,415)	969,069	967,192	(1,877)	489,978	490,078	100
Corporate bonds and other debt securities	51,435	51,081	(354)	49,971	49,797	(174)	48,546	48,550	4
Total domestic	1,219,641	1,214,872	(4,769)	1,019,040	1,016,989	(2,051)	538,524	538,628	104
Foreign:									
U.S. Treasury bonds	316,508	305,606	(10,902)	318,579	312,394	(6,185)	240,391	245,144	4,753
Total foreign	316,508	305,606	(10,902)	318,579	312,394	(6,185)	240,391	245,144	4,753
Total	1,536,149	1,520,478	(15,671)	1,337,619	1,329,383	(8,236)	778,915	783,772	4,857

Notes:

- (1) During the fiscal year ended March 31 2008, the MHFG Group stratified its investment portfolio into additional categories to provide more clarity regarding the types of securities held. Certain amounts in the prior periods have been reclassified to conform to the current period's presentation.
- (2) All of domestic agency mortgage-backed securities are mortgage-backed securities issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise.
- (3) Over 99 percent of foreign agency mortgage-backed securities are Government National Mortgage Association or Ginnie Mae securities, which are guaranteed by the United States government.

The following table shows the book values, contractual maturities and weighted average yields of available-for-sale and held-to-maturity debt securities at March 31, 2008. Fair value and amortized cost are the basis of the book value for available-for-sale and held-to-maturity debt securities, respectively. Weighted average yields are calculated based on amortized cost for all debt securities.

	Maturity									
	One year or less		After one year through five years		After five years through ten years		After ten years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
(in millions of yen, except percentages)										
Available-for-sale securities:										
Domestic:										
Japanese government bonds	8,040,361	0.48%	5,468,849	0.65%	1,234,164	1.03%	1,469,047	1.07%	16,212,421	0.63%
Agency mortgage-backed securities	—	— %	—	— %	—	— %	251,519	1.90%	251,519	1.90%
Corporate bonds and other debt securities	621,649	1.00%	2,251,058	1.16%	1,271,827	1.39%	1,428,936	1.40%	5,573,470	1.25%
Total domestic	<u>8,662,010</u>	<u>0.52%</u>	<u>7,719,907</u>	<u>0.80%</u>	<u>2,505,991</u>	<u>1.21%</u>	<u>3,149,502</u>	<u>1.28%</u>	<u>22,037,410</u>	<u>0.80%</u>
Foreign:										
U.S. Treasury bonds	383,627	1.95%	1,780,761	2.55%	368,096	3.12%	17,448	4.22%	2,549,932	2.56%
Other foreign gov't bonds	370,919	2.54%	872,476	3.29%	588,744	3.71%	35,639	3.70%	1,867,778	3.29%
Agency mortgage-backed securities	2,096	5.00%	3,133	6.51%	62	5.90%	1,263,936	5.28%	1,269,227	5.28%
Corporate bonds and other debt securities	218,151	3.15%	1,152,589	3.73%	377,598	4.15%	386,441	2.58%	2,134,779	3.53%
Total foreign	<u>974,793</u>	<u>2.45%</u>	<u>3,808,959</u>	<u>3.08%</u>	<u>1,334,500</u>	<u>3.67%</u>	<u>1,703,464</u>	<u>4.63%</u>	<u>7,821,716</u>	<u>3.45%</u>
Total	<u>9,636,803</u>	<u>0.71%</u>	<u>11,528,866</u>	<u>1.54%</u>	<u>3,840,491</u>	<u>2.07%</u>	<u>4,852,966</u>	<u>2.48%</u>	<u>29,859,126</u>	<u>1.50%</u>
Held-to-maturity securities:										
Domestic:										
Japanese government bonds	439,876	0.53%	50,102	0.52%	—	— %	—	— %	489,978	0.52%
Corporate bonds and other debt securities	36,028	0.75%	12,518	0.75%	—	— %	—	— %	48,546	0.75%
Total domestic	<u>475,904</u>	<u>0.54%</u>	<u>62,620</u>	<u>0.56%</u>	<u>—</u>	<u>— %</u>	<u>—</u>	<u>— %</u>	<u>538,524</u>	<u>0.55%</u>
Foreign:										
U.S. Treasury bonds	120,174	3.29%	120,217	3.61%	—	— %	—	— %	240,391	3.45%
Total foreign	<u>120,174</u>	<u>3.29%</u>	<u>120,217</u>	<u>3.61%</u>	<u>—</u>	<u>— %</u>	<u>—</u>	<u>— %</u>	<u>240,391</u>	<u>3.45%</u>
Total	<u>596,078</u>	<u>1.10%</u>	<u>182,837</u>	<u>2.57%</u>	<u>—</u>	<u>— %</u>	<u>—</u>	<u>— %</u>	<u>778,915</u>	<u>1.44%</u>

Other than U.S. Treasury bonds, U.S. government agency securities, which are included within foreign agency mortgage-backed securities in the above table, and Japanese government bonds, the MHFG Group held the following securities of individual issuers in which the aggregate book value exceeded 10% of the Group's shareholders' equity at March 31, 2008:

	Amortized cost	Fair value
	(in millions of yen)	
German government bonds	1,031,715	1,078,802

In addition to Available-for-sale securities and Held-to-maturity securities, the MHFG Group's Investments also include Other investments. See Note 4 "Investments" to the consolidated financial statements included elsewhere in this annual report for information regarding Other investments.

III. Loan portfolio

Types of loans

The following table shows loans outstanding by domicile and industry of borrower at March 31, 2004, 2005, 2006, 2007 and 2008.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)				
Domestic: ⁽¹⁾					
Manufacturing	9,219,534	7,943,154	7,792,723	7,662,036	7,806,714
Construction	2,047,612	1,745,172	1,563,511	1,502,442	1,429,596
Real estate	6,906,237	6,616,466	7,046,668	6,647,086	6,489,603
Services	8,983,810	6,904,944	6,308,198	6,120,059	5,566,161
Wholesale and retail	8,161,628	7,337,985	6,929,994	6,356,583	6,100,129
Transportation	2,983,403	2,854,582	2,789,525	2,594,601	2,516,266
Banks and other financial institutions	7,897,622	6,201,142	6,540,940	4,286,617	4,355,610
Government and public institutions	1,581,739	3,456,814	4,574,072	6,099,359	5,807,510
Other industries ⁽²⁾	4,344,988	4,703,022	5,184,264	5,451,861	5,061,023
Individuals:					
Mortgage loans	10,895,420	10,536,877	10,655,069	11,025,079	11,122,393
Other	1,285,310	1,384,540	1,317,167	1,338,493	1,204,350
Total domestic	<u>64,307,303</u>	<u>59,684,698</u>	<u>60,702,131</u>	<u>59,084,216</u>	<u>57,459,355</u>
Foreign:					
Commercial and industrial	4,760,209	5,033,023	6,104,658	7,963,577	8,815,166
Banks and other financial institutions	386,681	671,678	1,437,166	1,675,503	1,544,938
Government and public institutions	152,133	161,330	330,987	366,292	414,688
Other ⁽²⁾	46,356	77,568	205,411	184,898	93,852
Total foreign	<u>5,345,379</u>	<u>5,943,599</u>	<u>8,078,222</u>	<u>10,190,270</u>	<u>10,868,644</u>
Total	69,652,682	65,628,297	68,780,353	69,274,486	68,327,999
Less: Unearned income and deferred loan fees—net	51,309	58,961	69,392	91,619	106,192
Total loans before allowance for loan losses	<u>69,601,373</u>	<u>65,569,336</u>	<u>68,710,961</u>	<u>69,182,867</u>	<u>68,221,807</u>

Notes:

- (1) Certain amounts in the prior periods have been reclassified to conform to the current period's presentation.
- (2) Other industries of domestic and other of foreign include trade receivables and lease receivables of consolidated variable interest entities.

There were no concentrations of loans exceeding 10% of total loans which are not disclosed as a category of loans in the table above.

Maturities and sensitivities of loans to changes in interest rates

The following table shows the maturities of loan portfolio by domicile and industry of borrower at March 31, 2008:

	Maturity			Total
	One year or less	After one year through five years	After five years	
	(in millions of yen)			
Domestic:				
Manufacturing	4,745,039	2,564,764	496,911	7,806,714
Construction	744,858	578,429	106,309	1,429,596
Real estate	2,586,698	2,778,659	1,124,246	6,489,603
Services	2,319,868	2,401,744	844,549	5,566,161
Wholesale and retail	4,066,718	1,757,110	276,301	6,100,129
Transportation	757,902	1,226,208	532,156	2,516,266
Banks and other financial institutions	2,215,180	1,580,209	560,221	4,355,610
Government and public institutions	5,267,375	327,449	212,686	5,807,510
Other industries	3,812,934	928,232	319,857	5,061,023
Individuals	1,434,025	2,480,593	8,412,125	12,326,743
Total domestic	27,950,597	16,623,397	12,885,361	57,459,355
Foreign:				
Total foreign	3,873,614	5,034,167	1,960,863	10,868,644
Total	31,824,211	21,657,564	14,846,224	68,327,999

Of the above loans due after one year, loans which had floating rates and fixed rates at March 31, 2008 were as follows:

	(in millions of yen)
Floating rates	24,463,859
Fixed rates	12,039,929
Total	36,503,788

Impaired loans

The MHFG Group considers both loans that are subject to Statement of Financial Accounting Standards (“SFAS”) No.114, “Accounting by Creditors for Impairment of a Loan—an amendment of FASB statement No.5 and 15” (“SFAS No.114”) and small balance, homogenous loans to be impaired when it is probable that the MHFG Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loan. Among other things, restructured loans under SFAS No.15, “Accounting by Debtors and Creditors for Troubled Debt Restructuring” (“SFAS No.15”) and loans that are 90 days or more delinquent are generally considered to be impaired. All of the MHFG Group’s impaired loans are designated as nonaccrual loans. The following table shows the distribution of impaired loans at March 31, 2004, 2005, 2006, 2007 and 2008 by domicile and industry of borrower:

	2004	2005	2006	2007	2008
	(in millions of yen)				
Domestic:					
Manufacturing	556,251	133,109	106,094	96,759	160,819
Construction	182,003	98,314	53,213	71,577	88,081
Real estate	531,860	316,843	188,474	118,985	106,326
Services	504,868	292,016	140,044	167,599	199,954
Wholesale and retail	877,944	410,529	202,758	216,744	243,325
Transportation	60,382	220,812	315,784	371,283	114,978
Banks and other financial institutions	77,505	8,445	4,876	292,753	178,122
Other industries	161,802	50,531	8,686	8,619	11,354
Individuals	280,179	231,990	139,678	137,226	146,018
Total domestic	3,232,794	1,762,589	1,159,607	1,481,545	1,248,977
Foreign:					
Total foreign	136,696	80,724	69,810	47,321	46,497
Total impaired loans	3,369,490	1,843,313	1,229,417	1,528,866	1,295,474

Had interest on nonaccrual loans been accrued at the original contractual terms, gross interest income on domestic nonaccrual loans outstanding during the fiscal year ended March 31, 2008 would have been ¥41,374 million, of which ¥27,993 million was included in interest income on loans in the consolidated statements of income. Gross interest income which would have been accrued at the original contractual terms on foreign nonaccrual loans outstanding during the fiscal year ended March 31, 2008 was ¥5,665 million, of which ¥5,006 million was included in interest income on loans in the consolidated statements of income.

Cross-border outstandings

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-bearing deposits with other banks, other interest-bearing investments and any other monetary assets denominated in Japanese yen or other non-local currencies. This cross-border disclosure is based on the reports to the Bank of Japan required under Japanese foreign exchange-related law. Local currency outstandings are netted out from cross-border outstandings.

The following table sets forth the cross-border outstandings to borrowers in countries with respect to which the total of such outstandings exceeded 0.75% of consolidated total assets at March 31, 2006:

	Public institutions	Banks	Others	Total	% of total assets	Undrawn commitments
	(in millions of yen, except percentages)					
United States	3,843,210	952,236	1,901,044	6,696,490	4.60%	2,306,077
United Kingdom	70,582	345,156	1,185,540	1,601,278	1.10%	488,205
Germany	828,374	346,213	347,087	1,521,674	1.05%	330,608

The following table sets forth the cross-border outstandings to borrowers in countries with respect to which the total of such outstandings exceeded 0.75% of consolidated total assets at March 31, 2007:

	<u>Public institutions</u>	<u>Banks</u>	<u>Others</u>	<u>Total</u>	<u>% of total assets</u>	<u>Undrawn commitments</u>
(in millions of yen, except percentages)						
United States	4,496,886	1,963,200	2,201,361	8,661,447	5.88%	2,684,410
Germany	1,584,373	466,137	158,347	2,208,857	1.50%	314,344
France	950,785	276,119	170,625	1,397,529	0.95%	411,378
United Kingdom	60,295	591,619	661,217	1,313,131	0.89%	529,409
Netherlands	40,383	633,870	454,945	1,129,198	0.77%	278,137

The following table sets forth the cross-border outstandings to borrowers in countries with respect to which the total of such outstandings exceeded 0.75% of consolidated total assets at March 31, 2008:

	<u>Public institutions</u>	<u>Banks</u>	<u>Others</u>	<u>Total</u>	<u>% of total assets</u>	<u>Undrawn commitments</u>
(in millions of yen, except percentages)						
United States	3,092,512	490,114	2,769,969	6,352,595	4.20%	2,139,270
Germany	3,171,297	223,152	193,820	3,588,269	2.37%	248,536
United Kingdom	100,020	323,108	755,114	1,178,242	0.78%	490,319
France	703,575	338,003	123,094	1,164,672	0.77%	351,271

IV. Summary of loan loss experience

The following table shows an analysis of loan loss experience by domicile and industry of borrower for the fiscal years ended March 31, 2005, 2006, 2007 and 2008:

	2005	2006	2007	2008
	(in millions of yen, except percentages)			
Allowance for loan losses at beginning of fiscal year	1,936,167	1,207,155	812,321	946,147
Provision (credit) for loan losses	<u>55,035</u>	<u>(157,666)</u>	<u>182,115</u>	<u>(57,766)</u>
Charge-offs:				
Domestic:				
Manufacturing	64,580	38,325	11,119	31,546
Construction	20,424	11,073	2,672	8,272
Real estate	312,526	85,264	4,722	3,729
Services	118,836	28,661	18,037	88,897
Wholesale and retail	221,326	44,763	25,737	40,681
Transportation	20,028	5,463	319	3,796
Banks and other financial institutions	10,403	553	6,028	53,207
Other industries	12,592	12,254	5,413	12,903
Individuals	<u>88,036</u>	<u>63,702</u>	<u>18,010</u>	<u>17,389</u>
Total domestic	868,751	290,058	92,057	260,420
Total foreign	<u>7,336</u>	<u>15,671</u>	<u>18,555</u>	<u>10,822</u>
Total charge-offs	<u>876,087</u>	<u>305,729</u>	<u>110,612</u>	<u>271,242</u>
Recoveries:				
Domestic:				
Manufacturing	5,394	3,589	3,335	2,313
Construction	9,431	6,464	2,360	909
Real estate	22,010	20,992	3,222	13,780
Services	8,478	10,241	12,405	7,405
Wholesale and retail	12,202	10,622	4,666	7,349
Transportation	1,556	49	185	153
Banks and other financial institutions	2,871	1,023	225	3,582
Other industries	3,480	1,896	2,447	1,415
Individuals	<u>9,498</u>	<u>6,361</u>	<u>3,377</u>	<u>2,760</u>
Total domestic	74,920	61,237	32,222	39,666
Total foreign	<u>14,820</u>	<u>12,654</u>	<u>25,799</u>	<u>7,709</u>
Total recoveries	<u>89,740</u>	<u>73,891</u>	<u>58,021</u>	<u>47,375</u>
Net charge-offs	<u>786,347</u>	<u>231,838</u>	<u>52,591</u>	<u>223,867</u>
Others (Note)	2,300	(5,330)	4,302	(14,711)
Balance at end of fiscal year	<u>1,207,155</u>	<u>812,321</u>	<u>946,147</u>	<u>649,803</u>
Ratio of net charge-offs to average loans outstanding	<u>1.19%</u>	<u>0.35%</u>	<u>0.08%</u>	<u>0.33%</u>

Note: Others include primarily foreign exchange translation.

Quantitative information under U.S. GAAP regarding loan loss experience for the fiscal year ended March 31, 2004 is not available. However, the MHFG Group observed the following trends during such fiscal year. The Group incurred significant provisions for loan losses in the fiscal year ended March 31, 2003 due to the significant amount of impaired loans accumulated after the collapse of the “bubble economy”. The general quality of the Group’s loan portfolio began to improve starting in the fiscal year ended March 31, 2003, and the amount of its provision for loan losses peaked by the end of such fiscal year and decreased dramatically in subsequent fiscal years, with a reversal of the provision for loan losses being recorded in the fiscal year ended March 31, 2006. Similarly, the amount of its net charge-offs peaked in the fiscal year ended March 31, 2003 and decreased significantly in subsequent fiscal years with a small fluctuation.

The following table shows an allocation of the MHFG Group’s allowance for loan losses by domicile and industry of borrower at March 31, 2004, 2005, 2006, 2007 and 2008:

	2004		2005		2006		2007		2008	
	Amount	% of loans in each category to total loans	Amount	% of loans in each category to total loans	Amount	% of loans in each category to total loans	Amount	% of loans in each category to total loans	Amount	% of loans in each category to total loans
(in millions of yen, except percentages)										
Domestic:										
Manufacturing	225,527	13.24%	88,365	12.10%	62,218	11.33%	61,001	11.06%	74,884	11.43%
Construction	70,478	2.94%	64,203	2.66%	28,040	2.27%	30,436	2.17%	31,414	2.09%
Real estate	347,050	9.92%	152,085	10.08%	74,063	10.24%	57,202	9.60%	49,249	9.50%
Services	252,666	12.90%	172,316	10.52%	91,499	9.17%	106,538	8.83%	89,434	8.15%
Wholesale and retail	422,316	11.72%	254,487	11.18%	143,580	10.08%	115,816	9.18%	117,282	8.93%
Transportation	32,760	4.28%	69,649	4.35%	114,837	4.06%	142,073	3.75%	40,820	3.68%
Banks and other financial institutions	168,556	11.34%	115,619	9.45%	85,360	9.51%	218,957	6.19%	74,232	6.37%
Other industries (Note)	73,954	8.50%	27,838	12.43%	9,363	14.19%	12,942	16.66%	9,952	15.90%
Individuals	233,798	17.49%	190,079	18.17%	138,528	17.41%	151,713	17.85%	118,977	18.04%
Mortgage loans	154,910	15.64%	116,042	16.06%	107,014	15.49%	114,556	15.92%	85,715	16.28%
Other	78,888	1.85%	74,037	2.11%	31,514	1.92%	37,157	1.93%	33,262	1.76%
Total domestic	1,827,105	92.33%	1,134,641	90.94%	747,488	88.26%	896,678	85.29%	606,244	84.09%
Total foreign	109,062	7.67%	72,514	9.06%	64,833	11.74%	49,469	14.71%	43,559	15.91%
Total allowance for loan losses	1,936,167	100.00%	1,207,155	100.00%	812,321	100.00%	946,147	100.00%	649,803	100.00%

Note: Other industries include government and public institutions.

V. Deposits

The following table shows the average amount of, and the average rate on, the following deposit categories for the fiscal years ended March 31, 2006, 2007 and 2008:

	2006		2007		2008	
	Average amount	Average rate	Average amount	Average rate	Average amount	Average rate
(in millions of yen, except percentages)						
Domestic offices:						
Noninterest-bearing demand deposits	12,447,179	— %	11,562,000	— %	9,679,670	— %
Interest-bearing demand deposits	25,603,238	0.08%	26,706,460	0.20%	27,477,845	0.31%
Deposits at notice (Note)	699,977	0.00%	635,558	0.08%	599,924	0.20%
Time deposits	25,690,710	0.38%	25,859,005	0.60%	27,476,772	0.71%
Certificates of deposit	8,748,059	0.03%	8,871,808	0.28%	8,670,242	0.65%
Foreign offices, principally from banks located in foreign countries:						
Noninterest-bearing demand deposits	315,370	— %	363,386	— %	360,275	— %
Interest-bearing deposits, principally time deposits	4,944,456	2.70%	7,096,152	3.75%	8,051,392	4.17%
Certificates of deposit	545,504	3.88%	1,578,848	5.26%	1,368,845	5.93%
Total	78,994,493	0.35%	82,673,217	0.71%	83,684,965	0.90%

Note: Deposits at notice represent interest-bearing demand deposits which require the depositor to give two or more days notice in advance of withdrawal.

The amounts of total deposits by foreign depositors in domestic offices at March 31, 2006, 2007 and 2008 were ¥869,967 million, ¥905,214 million and ¥1,131,912 million, respectively.

At March 31, 2008, the balance and remaining maturities of time deposits and certificates of deposit issued by domestic offices in amounts of ¥10 million (approximately US\$100 thousand at the Federal Reserve Bank of New York's noon buying rate on March 31, 2008) or more as well as the balance of those deposits issued by foreign offices in amounts of US\$100,000 or more are shown in the following table:

	Time deposits	Certificates of deposit	Total
	(in millions of yen)		
Domestic offices:			
Due in three months or less	10,222,888	8,669,050	18,891,938
Due after three months through six months	3,686,943	226,160	3,913,103
Due after six months through twelve months	2,977,737	95,600	3,073,337
Due after twelve months	1,812,151	2,230	1,814,381
Total	18,699,719	8,993,040	27,692,759
Foreign offices	6,806,250	1,078,242	7,884,492
Total	25,505,969	10,071,282	35,577,251

VI. Short-term borrowings

The following table shows certain additional information with respect to the MHFG Group's short-term borrowings for the fiscal years ended March 31, 2006, 2007 and 2008:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen, except percentages)		
Due to trust accounts:			
Average balance outstanding during the fiscal year	1,355,656	1,205,615	1,210,106
Maximum balance outstanding at any month-end during the fiscal year	1,498,596	1,278,373	1,265,679
Balance at end of fiscal year	1,354,890	1,135,359	1,119,947
Weighted average interest rate during the fiscal year	0.41%	0.49%	0.73%
Weighted average interest rate on balance at end of fiscal year	0.37%	0.67%	0.70%
Call money and funds purchased, and payables under repurchase agreements and securities lending transactions:			
Average balance outstanding during the fiscal year	25,151,310	25,626,096	28,537,793
Maximum balance outstanding at any month-end during the fiscal year	26,234,873	28,682,820	32,299,976
Balance at end of fiscal year	23,619,505	25,846,647	25,299,859
Weighted average interest rate during the fiscal year	1.62%	2.57%	2.87%
Weighted average interest rate on balance at end of fiscal year	1.55%	2.45%	2.46%
Commercial paper and other short-term borrowings:			
Average balance outstanding during the fiscal year	5,548,782	5,039,989	4,833,932
Maximum balance outstanding at any month-end during the fiscal year	9,004,697	5,570,739	7,048,189
Balance at end of fiscal year	7,259,094	5,217,057	5,373,729
Weighted average interest rate during the fiscal year	0.18%	0.74%	1.38%
Weighted average interest rate on balance at end of fiscal year	0.20%	1.02%	0.83%

MIZUHO FINANCIAL GROUP, INC.
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Mizuho Financial Group, Inc.

We have audited the accompanying consolidated balance sheets of Mizuho Financial Group, Inc. and subsidiaries (the “Company”) as of March 31, 2008 and 2007, and the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for each of the three years in the period ended March 31, 2008. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mizuho Financial Group, Inc. and subsidiaries at March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2008, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 2, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young ShinNihon LLC
Tokyo, Japan
September 2, 2008

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Mizuho Financial Group, Inc.

We have audited Mizuho Financial Group, Inc. and subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Mizuho Financial Group, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Mizuho Financial Group, Inc. and subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2008 and our report dated September 2, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young ShinNihon LLC
Tokyo, Japan
September 2, 2008

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2007 AND 2008

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Assets:		
Cash and due from banks (Note 9)	3,075,860	2,085,847
Interest-bearing deposits in other banks (Note 9)	1,052,296	1,549,746
Call loans and funds sold	309,671	257,741
Receivables under resale agreements	9,430,398	7,235,200
Receivables under securities borrowing transactions	8,624,211	9,069,138
Trading account assets (including assets pledged that secured parties are permitted to sell or repledge of ¥3,138,495 million in 2007 and ¥3,545,201 million in 2008) (Notes 3 and 9)	13,950,333	20,552,404
Investments (Notes 4 and 9):		
Available-for-sale securities (including assets pledged that secured parties are permitted to sell or repledge of ¥7,655,490 million in 2007 and ¥8,097,839 million in 2008)	35,870,667	34,371,638
Held-to-maturity securities	1,337,619	778,915
Other investments	793,410	1,005,195
Loans (Notes 5, 6 and 9)	69,182,867	68,221,807
Allowance for loan losses	(946,147)	(649,803)
Loans, net of allowance	68,236,720	67,572,004
Premises and equipment—net (Note 7)	847,523	852,393
Due from customers on acceptances	57,662	62,255
Accrued income	440,495	380,592
Goodwill (Note 8)	39,559	15,016
Deferred tax assets (Note 20)	618,665	923,572
Other assets (Notes 9, 14 and 21)	2,696,190	4,606,100
Total assets	<u>147,381,279</u>	<u>151,317,756</u>

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS—(Continued)
MARCH 31, 2007 AND 2008

	2007	2008
	(in millions of yen)	
Liabilities and shareholders' equity:		
Deposits (Notes 9 and 10):		
Domestic:		
Noninterest-bearing deposits	13,166,585	10,846,443
Interest-bearing deposits	61,012,820	66,329,605
Foreign:		
Noninterest-bearing deposits	350,553	412,869
Interest-bearing deposits	9,221,346	8,840,148
Debentures (Note 11)	4,723,806	3,159,443
Due to trust accounts (Note 12)	1,135,359	1,119,947
Call money and funds purchased	6,924,136	6,693,712
Payables under repurchase agreements	12,821,753	11,511,020
Payables under securities lending transactions	6,100,758	7,095,127
Commercial paper	933,564	560,966
Other short-term borrowings	4,283,493	4,812,763
Trading account liabilities (Note 3)	11,310,010	14,120,440
Bank acceptances outstanding	57,662	62,255
Income taxes payable (Note 20)	28,650	28,800
Deferred tax liabilities (Note 20)	16,368	11,200
Accrued expenses	312,680	294,190
Long-term debt (including structured notes accounted for at fair value of ¥142,924 million in 2007, and ¥178,233 million in 2008) (Note 13)	7,073,936	7,618,910
Other liabilities (Notes 14 and 23)	2,903,497	4,231,761
Total liabilities	142,376,976	147,749,599
Commitments and contingencies (Note 23)		
Minority interest in consolidated subsidiaries (Note 24)	341,603	299,357
Shareholders' equity (Note 18):		
Preferred stock (Note 15)	980,430	980,430
Common stock—no par value, authorized 24,868,200 shares in 2007, and 24,392,259 shares in 2008, and issued 11,872,195 shares in 2007, and 11,396,255 shares in 2008 (Note 16)	3,532,492	3,437,420
Accumulated deficit (Note 17)	(2,105,719)	(2,066,604)
Accumulated other comprehensive income, net of tax	2,287,827	920,062
Less: Treasury stock, at cost—Common stock 265,040 shares in 2007, and 4,585 shares in 2008	(32,330)	(2,508)
Total shareholders' equity	4,662,700	3,268,800
Total liabilities, minority interest and shareholders' equity	147,381,279	151,317,756

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2006, 2007 and 2008

	2006	2007	2008
	(in millions of yen)		
Interest and dividend income:			
Loans, including fees (Note 5)	1,127,798	1,377,104	1,634,902
Investments:			
Interest	359,408	518,968	637,455
Dividends	91,078	93,933	91,131
Trading account assets	61,288	69,480	84,426
Call loans and funds sold	9,753	19,107	13,568
Receivables under resale agreements and securities borrowing transactions . .	257,573	484,130	570,434
Deposits	51,009	76,585	78,344
Total interest and dividend income	1,957,907	2,639,307	3,110,260
Interest expense:			
Deposits	276,174	583,611	754,180
Debentures	48,208	34,083	23,746
Trading account liabilities	52,839	71,700	27,107
Call money and funds purchased	6,290	31,072	59,829
Payables under repurchase agreements and securities lending transactions . . .	400,645	627,880	760,367
Other short-term borrowings	19,200	43,221	75,498
Long-term debt	141,539	179,822	210,795
Total interest expense	944,895	1,571,389	1,911,522
Net interest income	1,013,012	1,067,918	1,198,738
Provision (credit) for loan losses (Notes 5 and 6)	(157,666)	182,115	(57,766)
Net interest income after provision (credit) for loan losses	1,170,678	885,803	1,256,504
Noninterest income:			
Fees and commissions (Note 26)	688,686	682,999	633,064
Foreign exchange gains (losses)—net (Note 3)	(110,674)	(51,304)	296,732
Trading account gains—net (Note 3)	20,342	389,890	135,955
Investment gains (losses)—net (Note 4)	143,482	(185,972)	(191,314)
Gains on disposal of premises and equipment	65,473	64,612	37,264
Other noninterest income (Notes 21, 24 and 30)	187,847	295,723	183,242
Total noninterest income	995,156	1,195,948	1,094,943
Noninterest expenses:			
Salaries and employee benefits (Note 21)	435,181	416,676	436,100
General and administrative expenses	455,653	481,008	508,749
Impairment of goodwill (Note 8)	—	—	50,258
Occupancy expenses	178,190	172,480	196,735
Fees and commission expenses	96,127	111,624	111,172
Provision (credit) for losses on off-balance-sheet instruments (Note 23)	34,023	(37,821)	5,090
Minority interest in consolidated subsidiaries (Note 24)	69,051	27,791	(53,656)
Other noninterest expenses (Note 30)	186,079	122,890	196,205
Total noninterest expenses	1,454,304	1,294,648	1,450,653
Income before income tax expense (benefit)	711,530	787,103	900,794
Income tax expense (benefit) (Note 20)	(374,142)	163,221	672,176
Net income	1,085,672	623,882	228,618
	(in yen)		
Earnings per common share (Note 19):			
Basic net income per common share	93,778.71	51,725.68	18,174.55
Diluted net income per common share	82,748.82	48,709.38	16,768.67

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2006, 2007 AND 2008

	Gains (losses) before income tax expense (benefit)	Income tax (expense) benefit	Gains (Losses) net of income tax expense (benefit)
	(in millions of yen)		
Fiscal year ended March 31, 2006			
Net income			1,085,672
Other comprehensive income (loss):			
Unrealized net gains (losses) on available-for-sale securities (Note 20):			
Unrealized holding gains (losses)	1,500,614	(609,588)	891,026
Less: reclassification adjustments for losses (gains) included in net income	(44,767)	18,183	(26,584)
Total	1,455,847	(591,405)	864,442
Foreign currency translation adjustments:			
Foreign currency translation adjustments	17,370	—	17,370
Less: reclassification adjustments for losses (gains) included in net income	(529)	—	(529)
Total	16,841	—	16,841
Minimum pension liability adjustments (Notes 20 and 21)	(1,599)	650	(949)
Total other comprehensive income (loss)	1,471,089	(590,755)	880,334
Total comprehensive income			1,966,006
Fiscal year ended March 31, 2007			
Net income			623,882
Other comprehensive income (loss):			
Unrealized net gains (losses) on available-for-sale securities (Note 20):			
Unrealized holding gains (losses)	332,942	(135,545)	197,397
Less: reclassification adjustments for losses (gains) included in net income	34,987	(14,181)	20,806
Total	367,929	(149,726)	218,203
Foreign currency translation adjustments:			
Foreign currency translation adjustments	25,680	—	25,680
Less: reclassification adjustments for losses (gains) included in net income	—	—	—
Total	25,680	—	25,680
Minimum pension liability adjustments (Notes 20 and 21)	432	(175)	257
Total other comprehensive income (loss)	394,041	(149,901)	244,140
Total comprehensive income			868,022
Fiscal year ended March 31, 2008			
Net income			228,618
Other comprehensive income (loss):			
Unrealized net gains (losses) on available-for-sale securities (Note 20):			
Unrealized holding gains (losses)	(1,450,168)	586,524	(863,644)
Less: reclassification adjustments for losses (gains) included in net income	(416,952)	169,434	(247,518)
Total	(1,867,120)	755,958	(1,111,162)
Foreign currency translation adjustments:			
Foreign currency translation adjustments	(13,722)	—	(13,722)
Less: reclassification adjustments for losses (gains) included in net income	—	—	—
Total	(13,722)	—	(13,722)
Pension liability adjustments (Notes 20 and 21)			
Unrealized gains (losses) on SFAS No.158	(400,154)	161,178	(238,976)
Less: reclassification adjustments for losses (gains) included in net income	(6,552)	2,647	(3,905)
Total	(406,706)	163,825	(242,881)
Total other comprehensive income (loss)	(2,287,548)	919,783	(1,367,765)
Total comprehensive income (loss)			(1,139,147)

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2006, 2007 AND 2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Preferred stock (Note 15):			
Balance at beginning of fiscal year	2,769,468	1,580,430	980,430
Change during year	(1,189,038)	(600,000)	—
Balance at end of fiscal year	<u>1,580,430</u>	<u>980,430</u>	<u>980,430</u>
Common stock (Note 16):			
Balance at beginning of fiscal year	3,105,754	3,547,726	3,532,492
Cancellation of common stock	—	(15,266)	(95,055)
Gains on sales of treasury stock	441,972	32	—
Other	—	—	(17)
Balance at end of fiscal year	<u>3,547,726</u>	<u>3,532,492</u>	<u>3,437,420</u>
Accumulated deficit (Note 17):			
Balance at beginning of fiscal year, previously reported	(3,642,945)	(2,647,768)	(2,105,719)
Cumulative effect of change in accounting principles, net of tax (Note 2)	—	1,514	(2,597)
Balance at beginning of fiscal year, adjusted	(3,642,945)	(2,646,254)	(2,108,316)
Net income	1,085,672	623,882	228,618
Dividends declared	(75,884)	(79,850)	(101,230)
Cancellation of preferred stock	(14,611)	(3,497)	—
Cancellation of common stock	—	—	(85,134)
Other	—	—	(542)
Balance at end of fiscal year	<u>(2,647,768)</u>	<u>(2,105,719)</u>	<u>(2,066,604)</u>
Accumulated other comprehensive income, net of tax:			
Unrealized net gains on available-for-sale securities (Note 4):			
Balance at beginning of fiscal year	1,131,730	1,996,172	2,214,375
Change during year	864,442	218,203	(1,111,162)
Balance at end of fiscal year	<u>1,996,172</u>	<u>2,214,375</u>	<u>1,103,213</u>
Foreign currency translation adjustments:			
Balance at beginning of fiscal year	(99,924)	(83,083)	(57,403)
Change during year	16,841	25,680	(13,722)
Balance at end of fiscal year	<u>(83,083)</u>	<u>(57,403)</u>	<u>(71,125)</u>
Minimum pension liability adjustments (Note 21):			
Balance at beginning of fiscal year	—	(949)	—
Change during year	(949)	257	—
Adjustments to initially apply SFAS No.158	—	692	—
Balance at end of fiscal year	<u>(949)</u>	<u>—</u>	<u>—</u>
Pension liability adjustments (Note 21):			
Balance at beginning of fiscal year	—	—	130,855
Adjustments to initially apply SFAS No.158	—	130,855	—
Change during year	—	—	(242,881)
Balance at end of fiscal year	<u>—</u>	<u>130,855</u>	<u>(112,026)</u>
Balance at end of fiscal year	<u>1,912,140</u>	<u>2,287,827</u>	<u>920,062</u>
Treasury stock, at cost:			
Balance at beginning of fiscal year	(394,555)	(46,814)	(32,330)
Purchases of treasury stock	(944,321)	(604,331)	(150,464)
Sales of treasury stock	88,416	51	100
Cancellation of treasury stock	1,203,649	618,764	180,189
Other	(3)	0	(3)
Balance at end of fiscal year	<u>(46,814)</u>	<u>(32,330)</u>	<u>(2,508)</u>
Total shareholders' equity	<u>4,345,714</u>	<u>4,662,700</u>	<u>3,268,800</u>

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2006, 2007 AND 2008

	2006 (Note)	2007 (Note)	2008
	(in millions of yen)		
Cash flows from operating activities:			
Net income	1,085,672	623,882	228,618
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	136,553	140,313	169,925
Provision (credit) for loan losses	(157,666)	182,115	(57,766)
Investment losses (gains)—net	(143,482)	185,972	191,314
Foreign exchange losses (gains)—net	43,045	14,236	(77,285)
Deferred income tax expense (benefit)	(444,542)	112,920	626,993
Net change in trading account assets	786,215	(1,390,731)	(7,361,861)
Net change in trading account liabilities	426,115	675,331	3,121,154
Net change in loans held for sale	—	(213,374)	(508,544)
Net change in accrued income	(65,075)	(96,777)	42,176
Net change in accrued expenses	7,510	59,603	(3,685)
Other—net	(64,547)	17,351	50,813
Net cash provided by (used in) operating activities	<u>1,609,798</u>	<u>310,841</u>	<u>(3,578,148)</u>
Cash flows from investing activities:			
Proceeds from sales of available-for-sale securities	29,549,504	34,491,806	67,552,771
Proceeds from maturities of available-for-sale securities	36,810,931	28,138,385	17,172,457
Purchases of available-for-sale securities	(68,306,435)	(60,485,825)	(85,919,342)
Proceeds from maturities of held-to-maturity securities	1,264	201,365	511,008
Purchases of held-to-maturity securities	(50,175)	—	—
Proceeds from sales of other investments	142,599	266,003	278,151
Purchases of other investments	(93,307)	(196,911)	(306,014)
Proceeds from sales of loans	314,146	201,639	225,456
Net change in loans	(3,340,472)	(271,298)	(1,063,414)
Net change in interest-bearing deposits in other banks	(418,710)	645,437	(469,747)
Net change in call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	(994,455)	(2,562,649)	419,782
Proceeds from sales of premises and equipment	69,381	72,415	37,895
Purchases of premises and equipment	(163,934)	(188,191)	(215,259)
Other—net	27,539	—	—
Net cash provided by (used in) investing activities	<u>(6,452,124)</u>	<u>312,176</u>	<u>(1,776,256)</u>
Cash flows from financing activities:			
Net change in deposits	1,951,000	514,431	3,955,538
Net change in debentures	(1,198,692)	(1,864,194)	(1,564,759)
Net change in call money and funds purchased, and payables under repurchase agreements and securities lending transactions	2,192,832	1,626,322	1,227,192
Net change in due to trust accounts	(12,680)	(219,531)	(15,412)
Net change in commercial paper and other short-term borrowings	(418,349)	(2,071,272)	(190,847)
Proceeds from issuance of long-term debt	1,457,917	2,296,461	2,114,094
Repayment of long-term debt	(914,569)	(643,282)	(914,274)
Proceeds from minority interest	58,756	38,153	49,805
Payment to minority interest	—	—	(12,603)
Proceeds from sales of treasury stock	530,388	83	99
Purchases of treasury stock	(944,321)	(604,331)	(150,464)
Dividends paid	(75,725)	(79,793)	(101,115)
Dividends paid to minority interest	(21,714)	(8,143)	(12,659)
Net cash provided by (used in) financing activities	<u>2,604,843</u>	<u>(1,015,096)</u>	<u>4,384,595</u>
Effect of exchange rate changes on cash and due from banks	14,623	8,267	(20,204)
Net increase (decrease) in cash and due from banks	(2,222,860)	(383,812)	(990,013)
Cash and due from banks at beginning of fiscal year	5,682,532	3,459,672	3,075,860
Cash and due from banks at end of fiscal year	<u>3,459,672</u>	<u>3,075,860</u>	<u>2,085,847</u>

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
FOR THE FISCAL YEARS ENDED MARCH 31, 2006, 2007 AND 2008

	2006 <small>(Note)</small>	2007 <small>(Note)</small>	2008
	<small>(in millions of yen)</small>		
Supplemental disclosure of cash flow information:			
Interest paid	937,680	1,468,041	1,905,955
Income taxes paid (refunded), net	243,135	51,246	(47,426)
Noncash investing activities:			
Transfer from loans into other investments	29,046	—	92,409
Investment in capital leases	7,109	6,996	3,805

Note: Certain amounts in the prior periods have been reclassified to conform to the current period's presentation.

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and summary of significant accounting policies

Basis of presentation

Mizuho Financial Group, Inc. (“MHFG”) is a joint stock corporation with limited liability under the laws of Japan. MHFG, through its subsidiaries (“the MHFG Group”, or “the Group”), provides domestic and international financial services in Japan and other countries. MHFG’s subsidiaries are segmented on the basis of the nature of the financial products and services and the type of customers. Mizuho Bank, Ltd. (“MHBK”), a retail-oriented banking subsidiary, offers financial services mainly to individual customers, small and medium enterprises (“SMEs”), middle-market corporations and local governmental entities in Japan. Mizuho Corporate Bank, Ltd. (“MHCB”), a wholesale banking subsidiary, offers various financial services to large Japanese corporations, financial institutions, public sector entities and foreign corporations. Mizuho Trust & Banking Co., Ltd. (“MHTB”), a trust bank subsidiary, offers mainly trust-related products and consulting services. Other major subsidiaries consist of Mizuho Securities Co., Ltd. (“MHSC”), Trust & Custody Service Bank, Ltd. (“TCSB”), Mizuho Investors Securities Co., Ltd. (“MHIS”), Mizuho Capital Co., Ltd., and Mizuho Business Financial Center Co., Ltd. See Note 30 “Business segment information” for further discussion of the Group’s segment information.

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”). The consolidated financial statements are stated in Japanese yen, the currency of the country in which MHFG is incorporated and principally operates.

The accompanying consolidated financial statements include the accounts of MHFG and its subsidiaries. The consolidated financial statements also include the accounts of the variable interest entities (“VIEs”) for which MHFG or its subsidiaries have been determined to be the primary beneficiary under Financial Accounting Standards Board (“FASB”) Interpretation (“FIN”) No.46 (revised December 2003), “Consolidation of Variable Interest Entities, an interpretation of ARB No.51” (“FIN No.46R”). All significant intercompany transactions and balances have been eliminated in consolidation. The MHFG Group accounts for investment in entities over which it has significant influence using the equity method of accounting. These investments are included in Other investments and the Group’s proportionate share of income or loss is included in Investment gains—net.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management’s estimates and judgment include assumptions pertaining to the allowance for loan losses, allowance for losses on off-balance-sheet instruments, deferred tax assets, derivative financial instruments, investments and pension and other employee benefits. Actual results could differ from estimates and assumptions made.

Accounting change

Effective April 1, 2007, the MHFG Group has changed the declining-balance method for depreciating premises and equipment from the fixed-percentage-on-declining base application to the 250% declining-balance application, along with the reduction of the related salvage values. This application was adopted to reflect the current pattern of asset usage. The above change, which was made on a prospective basis, resulted in a decrease in net income of ¥27,288 million, and in basic and diluted net income per common share of ¥2,376.99 and ¥2,011.18 respectively, for the fiscal year ended March 31, 2008.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Definition of cash and due from banks

For purposes of the consolidated statements of cash flows, Cash and due from banks include cash on hand, cash items in the process of collection and noninterest-bearing deposits with banks.

Translation of foreign currency financial statements and foreign currency transactions

Financial statements of overseas entities are prepared using the functional currency of each entity and translated into Japanese yen for consolidation purposes. Assets and liabilities are translated using the fiscal-year-end exchange rate of each functional currency, and income and expense using the average rate of each functional currency for the period.

Foreign currency translation gains and losses related to the financial statements of overseas entities of the MHFG Group, net of related income tax effects, are credited or charged directly to Foreign currency translation adjustments, a component of Accumulated other comprehensive income, net of tax. Tax effects of gains and losses on foreign currency translation of financial statements of overseas entities are not recognized unless it is apparent that the temporary differences will reverse in the foreseeable future.

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the fiscal-year-end foreign exchange rates, and gains and losses resulting from such translation are included in Foreign exchange gains (losses)—net, as appropriate. Foreign currency denominated income and expenses are translated using average exchange rates for the period.

Call loans and call money

Call loans and call money represent lending/borrowing through the Japanese short-term money market to/from other financial institutions such as banks, insurance companies, and securities brokerage houses.

Repurchase and resale agreements, securities lending and borrowing and other secured financing transactions

Securities sold under agreements to repurchase (“repurchase agreements”), securities purchased under agreements to resell (“resale agreements”) and securities lending and borrowing transactions are accounted for as secured financing or lending transactions when control over the underlying securities is not deemed to be surrendered by the transferor. Otherwise, they are recorded as sales of securities with related forward repurchase commitments or purchases of securities with related forward resale commitments in accordance with Statement of Financial Accounting Standards (“SFAS”) No.140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities” (“SFAS No.140”).

Under resale agreements, securities borrowing and certain derivatives transactions, the MHFG Group receives collateral in the form of securities. In many cases, the MHFG Group is permitted to sell or repledge the securities obtained as collateral. Disclosures of such collateral are presented in Note 9 “Pledged assets and collateral”. With respect to securities lending, repurchase agreements, and certain derivative transactions, counterparties may have the right to sell or repledge securities that the MHFG Group has pledged as collateral. The MHFG Group separately discloses those pledged securities in the consolidated balance sheets.

The MHFG Group monitors credit exposure arising from resale agreements, repurchase agreements, securities borrowing and securities lending transactions on a daily basis, and additional collateral is obtained from or returned to counterparties as appropriate.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Trading securities and trading securities sold, not yet purchased

Trading securities consist of securities and money market instruments that are bought and held principally for the purpose of reselling in the near term with the objective of generating profits on short-term fluctuations in price. Trading securities sold, not yet purchased, are securities and money market instruments sold to third parties that the MHFG Group does not own and is obligated to purchase at a later date to cover the short position. Trading securities and trading securities sold, not yet purchased, are classified at the date of commitment or purchase. Trading securities and trading securities sold, not yet purchased, are recorded at fair value in the consolidated balance sheets in Trading account assets and Trading account liabilities with realized and unrealized gains and losses recorded on a trade date basis in Trading account gains—net in earnings. Interest and dividends on trading account debt and equity securities, including securities sold, not yet purchased, are recorded in Interest and dividend income or Interest expense on an accrual basis.

Investments

Debt securities that the MHFG Group has both the positive intent and ability to hold to maturity are classified as Held-to-maturity securities and carried at amortized cost. Debt securities that the MHFG Group may not hold to maturity as well as any marketable equity securities, other than those classified as trading account securities, are classified as Available-for-sale securities, and are carried at fair value, with unrealized gains and losses reported in Accumulated other comprehensive income, net of tax. Available-for-sale securities also include retained subordinated beneficial interests in a securitization transaction that can contractually be repaid or otherwise settled in such a way that the holder would not recover substantially all of its recorded investments.

Declines in the fair value of Held-to-maturity and Available-for-sale securities below their amortized cost, that are deemed to be other-than-temporary, are reported in Investment gains—net. In addition, other-than-temporary declines in beneficial interests purchased or retained in a securitization transaction which are classified as available-for-sale debt securities are recognized if there has been an adverse change in the cash flows as of the balance sheet date. Interest and dividends, as well as amortization of premiums and accretion of discounts, are reported in Interest and dividend income. Amortization of premiums and accretion of discounts on debt securities are recognized over the remaining maturity under the interest method. Gains and losses on disposition of investments are computed using the first-in first-out method for debt securities and the average method for equity securities, and are recorded on the trade date. During the fiscal year ended March 31, 2007, for debt securities, the MHFG Group adopted the interest method and the first-in first-out cost of investment instead of the straight-line method and the average cost of investment that the Group previously used. The impact of these changes was insignificant.

Other investments include marketable and non-marketable equity securities accounted for using the equity method, marketable and non-marketable investments held by consolidated investment companies which are held at fair value under specialized industry accounting principles for investment companies, and other non-marketable equity securities carried at cost, less other-than-temporary impairment, if any.

Derivative financial instruments

Derivative financial instruments are bought and held principally for the purpose of market making for customers, proprietary trading in order to generate trading revenues and fee income, and also to manage the MHFG Group's exposure to interest rate, credit and market risks related to asset and liability management. Such derivative financial instruments include interest rate, commodity, foreign currency, equity and credit default swap agreements, options, caps, and floors, and financial futures and forward contracts.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Derivatives bought and held for trading purposes are recorded in the consolidated balance sheets at fair value in Trading account assets and Trading account liabilities. The fair value of derivatives in a gain position and loss position are reported as Trading account assets and Trading account liabilities, respectively.

Derivatives used for asset and liability management include contracts that qualify for hedge accounting under SFAS No.133, “Accounting for Derivative Instruments and Hedging Activities”, as amended (“SFAS No.133”). To be eligible for hedge accounting, derivative instruments must be highly effective in achieving offsetting changes in fair values or variable cash flows from the hedged items attributable to the particular risk being hedged. All qualifying hedging derivatives are valued at fair value and included in Trading account assets or Trading account liabilities. Derivatives that do not qualify for hedge accounting under SFAS No.133 are treated as trading positions and are accounted for as such.

The fair value of derivative financial instruments is based on quoted market prices or broker-dealer quotes. If quoted market prices or broker-dealer quotes are not available, the fair value is estimated using quoted market prices for similar instruments, option or binomial pricing models or present value cash flow analysis, applying current observable market information, where available. The determination of fair value includes various factors such as exchange or over-the-counter market quotes, time value and volatility factors for options and warrants, observed prices for similar or synthetic instruments, and counterparty credit quality including potential exposure.

Initial upfront unrealized gains or losses on derivative contracts are deferred unless the fair value is supported by observable market data. If upfront unrealized gains or losses are treated as adjustments to valuation model pricing parameters, any deferred upfront unrealized gains or losses are recognized as part of the ongoing mark to model over the term of the contract as the data becomes more observable. If observable data is not initially available, unrealized gains or losses may be recognized only when the observable market data becomes available.

Changes in fair value of all derivatives are recorded in earnings, except for derivatives qualifying as net investment hedges under SFAS No.133 which are recorded in Accumulated other comprehensive income, net of tax. The fair value changes of all derivatives relating to foreign currency exchange rates are included in the Foreign exchange gains (losses)—net. Other elements of the fair value changes, including interest rate, equity and credit related components, are recognized in Trading account gains—net.

Certain financial and hybrid instruments often contain embedded derivative instruments that possess implicit or explicit contract terms in a manner similar to that of a derivative instrument. Such derivative instruments are required to be fair valued separately from the host contracts if they meet the criteria of an embedded derivative. Such criteria include whether the entire instrument is not marked to market through earnings, the economics of the embedded terms are not clearly and closely related to those of the host contract and the embedded terms would meet the definition of a derivative on a stand-alone basis.

Loans

Loans are generally carried at the principal amount adjusted for unearned income and deferred net nonrefundable loan fees and costs. Loan origination fees, net of certain direct origination costs are deferred and recognized over the contractual life of the loan as an adjustment of yield using a method that approximates the interest method. Interest income on performing loans is accrued and credited to income as it is earned. In refinancing or restructuring a loan other than in a troubled debt restructuring in accordance with SFAS No.15, “Accounting by Debtors and Creditors for Troubled Debt Restructurings” (“SFAS No.15”), if the terms of the new loan are at least as favorable to the lender as the terms for comparable loans to other customers with similar collection risks who are not refinancing or restructuring a loan, or more than minor modifications as defined by the FASB

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Emerging Issues Task Force (“EITF”) Issue No.01-7, “Creditors Accounting for a Modification or Exchange of Debt Instruments” (“EITF Issue No.01-7”) are made, any unamortized net obligation fees or costs related to the original loan are recognized in interest income when the new loan is granted; otherwise, the unamortized net fees or costs from the original loan are carried forward as a part of the net investment in the new loan. Unearned income and discounts or premiums on purchased loans are deferred and recognized over the life of the loan using a method that approximates the interest method.

Loans are considered impaired when, based on current information and events, it is probable that the MHFG Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loan. Factors considered by management in determining if a loan is impaired include delinquency status and the ability of the debtor to make payment of the principal and interest when due.

Loans are designated as nonaccrual when management determines them to be impaired based on all the relevant facts and circumstances. When a loan is placed on nonaccrual status, interest accrual and amortization of net origination fees are suspended and the capitalized interest is written off. Cash received on nonaccrual loans is accounted for as reduction of the loan principal if the ultimate collectibility of the principal amount is uncertain, otherwise, as interest income. Loans are not restored to accrual status until interest and principal payments are current and future payments are reasonably assured.

Fees received in connection with a modification of the terms of a restructured loan that meet the definition of troubled debt restructurings in accordance with SFAS No.15, are applied as a reduction of the recorded investment in the loan. All related costs, including direct loan origination costs, are charged to expense as incurred.

Loans that have been identified to be sold are classified as loans held for sale within Other assets and are accounted for at the lower of cost or fair value.

Securitization

The MHFG Group engages in securitization activities related to mortgage loans and other loans in the normal course of business. The MHFG Group records a loan securitization as a sale when the transferred loans are legally isolated from the Group’s creditors and the accounting criteria for a sale are met in accordance with SFAS No.140. Otherwise, the transfer is accounted for as a collateralized borrowing. Gains or losses on securitization depend in part on the carrying amount of the loans, allocated between the loans derecognized and the retained interests based on their relative fair values at the date of the transfer. Interests in loans sold through securitization may be retained by the Group in the form of subordinated beneficial interests. The MHFG Group estimates fair value of these subordinated beneficial interests based on the present value of future expected cash flows, using management’s best estimates of the key assumptions, such as default rates, discount rates, and prepayment rates, and records them as available-for-sale debt securities.

Allowance and provision (credit) for loan losses

The MHFG Group maintains an appropriate amount of allowance for loan losses to absorb probable losses inherent in the loan portfolio and makes adjustments to such allowance through Provision (credit) for loan losses in the consolidated statements of income. Loan principal which management judges to be uncollectible, based on detailed loan reviews and a credit quality assessment, is charged off against the allowance for loan losses. Subsequent recoveries of previously charged-off loan balances are recorded as an increase to the allowance for loan losses as the recoveries are received.

The credit quality review process and the credit rating process serve as the basis for determining the allowance for loan losses. Through such processes loans are categorized into groups to reflect the probability of default,

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whereby the MHFG Group’s management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analyses of relevant industry segments and current trends. In determining the appropriate level of the allowance, the MHFG Group evaluates the probable loss by category of loan based on its risk type and characteristics.

The allowance for loan losses is determined in accordance with SFAS No.114, “Accounting by Creditors for Impairment of a Loan—an amendment of FASB Statements No.5 and 15” (“SFAS No.114”) and SFAS No.5, “Accounting for Contingencies” (“SFAS No.5”). The MHFG Group measures the impairment of a loan, based on the present value of expected future cash flows discounted at the loan’s initial effective interest rate, the loan’s observable market price, or the fair value of the collateral if the loan is collateral dependent, when it is probable that the MHFG Group will be unable to collect all amounts due according to the contractual terms of the loan agreement. Certain impaired loans are aggregated for the purpose of measuring impairment and a formula allowance utilizing historical loss factors is applied. The formula allowance is also applied to groups of small balance, homogeneous loans that are collectively evaluated for impairment and for non-homogeneous loans that have not been identified as impaired. The evaluation of inherent loss for these loans involves a high degree of uncertainty, subjectivity and judgment because probable loan losses are not easily identifiable or measurable. In determining the formula allowance, the MHFG Group therefore relies on a statistical analysis that incorporates loss rates based on its own historical loss experience and third party data. The estimation of the formula allowance is back-tested on a periodic basis by comparing the allowance with the actual results subsequent to the balance sheet date.

The historical loss rate is adjusted, where appropriate, to reflect current factors, such as general economic and business conditions affecting the key lending areas of the MHFG Group, credit quality trends, specific industry conditions within portfolio segments, and recent loss experience in particular segments of the portfolio.

Allowance and provision (credit) for losses on off-balance-sheet instruments

The MHFG Group maintains an allowance for losses on off-balance-sheet credit instruments, such as guarantees, standby letters of credit, commitments to invest in securities and commitments to extend credit, in the same manner as the allowance for loan losses. The allowance is recorded in Other liabilities. Net changes in the allowance for losses on off-balance-sheet instruments are accounted for in the Provision (credit) for losses on off-balance sheet instruments in the consolidated statements of income.

Premises and equipment

Premises and equipment are stated at historical cost, and depreciation and amortization are recorded over the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the shorter of the estimated useful lives of the assets or the lease term. Depreciation and amortization are principally computed under the straight-line method with respect to buildings and leasehold improvements and under the declining-balance method with respect to other premises and equipment.

The useful lives of premises and equipment are as follows:

	Years
Buildings	3 to 50
Equipment and furniture	2 to 20
Leasehold improvements	3 to 50

Regular repairs and maintenance costs that do not extend the estimated useful life are charged to expense as incurred. Upon sale or disposition of premises and equipment, the cost and related accumulated depreciation or

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amortization are removed from the accounts, and any gains or losses on disposal are included in Gains on disposal of premises and equipment or Occupancy expenses.

Impairment of long-lived assets

The MHFG Group's long-lived assets that are held for use are reviewed periodically for events or changes in circumstances that indicate possible impairment. The Group's impairment review is based on an undiscounted cash flow analysis of a group of assets, combined with associated liabilities, at the lowest level for which identifiable cash flows exist. Impairment occurs when the carrying value of the asset group exceeds the future undiscounted cash flows that the asset group is expected to generate. When there is impairment, the future cash flows are then discounted to determine the estimated fair value of the asset group and an impairment charge is recorded for the difference between the carrying value and the estimated fair value of the asset group. The long-lived assets to be disposed of by sale are carried at the lower of the carrying amount or fair value, less estimated cost to sell.

Software

Internal and external costs incurred in connection with developing and obtaining software for internal use that occur during the application development stage are capitalized. Such costs include salaries and benefits for employees directly involved with and who devote time to the project, to the extent such time is incurred directly on the internal use software project. The capitalization of software ceases when the software project has been substantially completed. The capitalized software is amortized on a straight-line basis over the estimated useful life, generally 5 years. Impairment of internal use software is assessed and recognized periodically when triggering events occur.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the MHFG Group's share of net identifiable assets acquired at the date of acquisition in a business combination. The Group accounts for goodwill in accordance with SFAS No.142, "Goodwill and Other Intangible Assets" ("SFAS No.142"). Goodwill is recorded at a designated reporting unit level for the purpose of assessing impairment. An impairment loss is recorded to the extent the carrying amount of goodwill exceeds its estimated fair value.

Pension and other employee benefits

MHFG and certain subsidiaries including MHBK, MHCBC, and MHTB sponsor severance and pension plans, which provide defined benefits to retired employees. Periodic expense and accrued liabilities are computed based on the actuarial present value of benefits, net of investment returns expected from plan assets and their fair values at the balance sheet date. Net periodic expense is charged to Salaries and employee benefits.

Debentures and long-term debt

Premiums, discounts and issuance costs of debentures and long-term debt are amortized based on a method that approximates the interest method over the terms of the debentures and long-term debt.

Obligations under guarantees

The MHFG Group provides customers with a variety of guarantees and similar arrangements, including standby letters of credit, financial and performance guarantees, credit protections, and liquidity facilities. The MHFG Group recognizes guarantee fees income over the guarantee period. The MHFG Group receives such a guarantee fee at the inception of the guarantee or by installment, and in either case approximates the fair value of the guarantee.

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Fees and commissions

Fee revenue is recognized when all of the following criteria have been met: persuasive evidence of an agreement exists, services have been rendered, the price is fixed or determinable, and collectibility is reasonably assured.

Trust fees are recognized on an accrual basis and are usually based on the volume of assets under custody or management. Performance-related fees associated with certain trust products are recognized on an accrual basis. Fees on funds transfer and collection services are generally recognized as revenue when the related services are performed. Revenues from investment banking services are recorded at the time the underlying transactions are substantially completed and there are no other contingencies associated with the fees. Fees from trade-related financing services are recognized over the period of the financing.

Fees and commissions are presented on a gross basis.

Income taxes

Income taxes are accounted for in accordance with SFAS No.109, "Accounting for Income Taxes", as amended ("SFAS No.109"). Deferred income taxes reflect the net tax effects of (1) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those corresponding amounts used for income tax purposes, and (2) operating loss and tax credit carryforwards. A valuation allowance for any portion of the deferred tax assets is recorded unless it is more likely than not that the deferred tax assets will be realized. Deferred income tax benefit or expense is recognized for the changes in the net deferred tax asset or liability between periods.

Earnings per common share

Basic earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the fiscal year. Diluted earnings per common share reflect the possible exercise of all convertible securities, such as convertible preferred stock to the extent they are not anti-dilutive. See Note 19 "Earnings per common share" for the computation of basic and diluted earnings per common share.

2. Recently issued accounting pronouncements

Recently adopted accounting pronouncements

In January 2003, the EITF reached a consensus on Issue No.03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities" ("EITF Issue No.03-2"), which was ratified by the FASB in February 2003. EITF Issue No.03-2 addresses accounting for a transfer to the Japanese government of the substitutional portion of an employee pension fund and requires employers to account for the entire separation process of the substitutional portion from an entire plan upon completion of the transfer to the government of the substitutional portion of the benefit obligation and related plan assets as the culmination of a series of steps in a single settlement transaction. It also requires that the difference between the fair value of the obligation and the assets required to be transferred to the government, if any, should be accounted for as a subsidy from the government, separately from gain or loss on settlement of the substitutional portion of the obligation, upon completion of the transfer. See Note 21 "Pension and other employee benefit plans" for a further discussion of the impact of EITF Issue No.03-2.

In December 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") No.03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer" ("SOP No.03-3"). SOP No.03-3 requires acquired loans to be recorded at fair value and prohibits carrying over

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valuation allowances in the initial accounting for all loans acquired in a transfer that have evidence of deterioration in credit quality since acquisition, when it is probable that the investor will be unable to collect all contractual cash flows. SOP No.03-3 limits the yield that may be accreted to the excess of the undiscounted expected cash flows over the investor's initial investment in the loan. The excess of the contractual cash flows over expected cash flows may not be recognized as an adjustment of yield. Subsequent increases in cash flows expected to be collected are recognized prospectively through an adjustment of the loan's yield over its remaining life. Decreases in expected cash flows are recognized as impairments. SOP No.03-3 is effective for loans acquired in fiscal years beginning after December 15, 2004. The adoption of SOP No.03-3 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In December 2004, the FASB issued SFAS No.153, "Exchanges of Non-monetary Assets—an amendment of APB Opinion No.29" ("SFAS No.153"), which eliminates the exception to the fair value measurement principle for exchanges of similar productive assets that is provided under Accounting Principles Board ("APB") Opinion No.29, "Accounting for Non-monetary Transactions", and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. Under SFAS No.153, a non-monetary exchange is considered to have commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS No.153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of SFAS No.153 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In March 2005, the FASB issued FIN No.47, "Accounting for Conditional Asset Retirement Obligations—an interpretation of FASB Statement No.143" ("FIN No.47"), which clarifies that the term "conditional asset retirement obligation" as used in SFAS No.143, "Accounting for Asset Retirement Obligations" ("SFAS No.143"), refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Under FIN No.47, the obligation to perform the asset retirement activity is considered unconditional even though uncertainty exists about the timing and/or method of settlement. FIN No.47 also clarifies when an enterprise is considered to have sufficient information to reasonably estimate the fair value of an asset retirement obligation to clarify the application of SFAS No.143 which addresses accounting for the cases where sufficient information is not available at the time the liability is incurred. FIN No.47 is effective no later than the end of fiscal years ended after December 15, 2005. The adoption of FIN No.47 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In March 2005, the FASB issued FASB Staff Position ("FSP") No.FIN46(R)-5, "Implicit Variable Interests under FASB Interpretation No.46 (revised December 2003)" ("FSP No.FIN46(R)-5"), which addresses whether a reporting enterprise should consider whether it holds an implicit variable interest in a VIE or potential VIE when specific conditions exist. FSP No.FIN46(R)-5 requires that an enterprise consider whether it holds an implicit variable interest in the VIE or potential VIE based on whether the enterprise may absorb variability of the VIE or potential VIE. FSP No.FIN46(R)-5 is effective in the first reporting period beginning after March 3, 2005. The adoption of the FSP did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In May 2005, the FASB issued SFAS No.154, "Accounting Changes and Error Corrections—a replacement of APB Opinion No.20 and FASB Statement No.3" ("SFAS No.154"), which replaces APB Opinion No.20, "Accounting Changes" ("APB Opinion No.20"), and SFAS No.3, "Reporting Accounting Changes in Interim Financial Statements" ("SFAS No.3"), and requires all voluntary changes in accounting principle, as well as the changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions, be accounted for as retrospective application to prior periods' financial

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statements, unless it is impracticable. SFAS No.154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of the SFAS No.154 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In June 2005, the EITF reached a consensus on Issue No.04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights" ("EITF Issue No.04-5"). EITF Issue No.04-5 provides guidance to general partners in limited partnerships in determining if they control the limited partnerships. The guidance indicates the factors to be considered in determining if the general partner has control of the limited partnership include: rebuttable presumption of control, ability of limited partners to liquidate the limited partnership or remove the general partner without cause, limited partners' substantive participating rights, and limited partners' protective rights. EITF Issue No.04-5 is applicable to all new partnerships formed and for existing partnerships for which the partnership agreements are modified after June 29, 2005. For all other existing partnerships, EITF Issue No.04-5 is applicable for the first reporting period for fiscal years beginning after December 15, 2005. The MHFG Group early adopted EITF Issue No.04-5, and the adoption did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In November 2005, the FASB issued FSP No.FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP No.FAS 115-1 and FAS 124-1"), which nullifies guidance on determining whether an impairment is other-than-temporary included in EITF Issue No.03-1 "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("EITF Issue No.03-1"), and effectively retains the guidance in this area before EITF Issue No.03-1. The FSP does, however, generally carry forward EITF Issue No.03-1's impairment guidance relating to cost method investments and disclosures. The FSP is effective in the first reporting period beginning after December 15, 2005. The adoption of the FSP did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In February 2006, the FASB issued SFAS No.155, "Accounting for Certain Hybrid Financial Instruments—an amendment of FASB Statements No.133 and 140" ("SFAS No.155"), which eliminates the exemption from applying the bifurcation requirements of SFAS No.133 to beneficial interests in securitized financial assets. SFAS No.155 permits an enterprise to elect fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a remeasurement event, on an instrument-by-instrument basis, with respect to a hybrid financial instrument that contains an embedded derivative that would otherwise be bifurcated. SFAS No.155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. The MHFG Group elected to early adopt SFAS No.155 as of April 1, 2006 and applied SFAS No.155 fair value measurement to certain structured notes issued. The impact of adoption was an increase to retained earnings at April 1, 2006 of ¥1,514 million after-tax, which included gross unrealized gains of ¥1,552 million after-tax and gross unrealized losses of ¥38 million after-tax. The estimated changes in the fair values of those structured notes during the fiscal year ended March 31, 2008 were gains of approximately ¥22 billion. The adoption of SFAS No.155 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

In March 2006, the FASB issued SFAS No.156, "Accounting for Servicing of Financial Assets—an amendment of FASB Statement No.140" ("SFAS No.156"), which requires all separately recognized servicing assets and liabilities be initially measured at fair value, if practical. SFAS No.156 permits, but does not require, an enterprise to elect to remeasure servicing assets and liabilities at fair value in subsequent periods. SFAS No.156 is effective for fiscal years beginning after September 15, 2006. The adoption of SFAS No.156 did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

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In April 2006, the FASB issued FSP No.FIN46(R)-6, “Determining the Variability to Be Considered in Applying FASB Interpretation No.46(R)” (“FSP No.FIN46(R)-6”), which addresses how an enterprise should determine the variability to be considered in applying FIN No.46R. FSP No.FIN46(R)-6 requires that the variability to be considered in applying FIN No.46R be based on an analysis of the design of the entity, which entails an analysis of the nature of risks in the entity and determination of the purpose(s) for which the entity has been created and the variability that the entity creates. An enterprise is required to apply FSP No.FIN46(R)-6 prospectively to all entities (including newly created entities) with which that enterprise first becomes involved and to all entities previously required to be analyzed under FIN No.46R when a reconsideration event, as defined by FIN No.46R, has occurred beginning the first day of the first reporting period beginning after June 15, 2006. The MHFG Group has early adopted the FSP, and the adoption did not have a material impact on the MHFG Group’s consolidated results of operations or financial condition.

In June 2006, the FASB ratified the EITF consensus on Issue No.06-2, “Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No.43” (“EITF Issue No.06-2”). EITF Issue No.06-2 addresses accounting for compensated absences that require the completion of a minimum service period and do not increase with additional years of service. EITF Issue No.06-2 is effective for fiscal years beginning after December 15, 2006. The adoption of EITF Issue No.06-2 did not have a material impact on the MHFG Group’s consolidated results of operations or financial condition.

In July 2006, the FASB issued FIN No.48, “Accounting for Uncertainty in Income Taxes” (“FIN No.48”), which creates a single model to address uncertainty in all tax positions subject to SFAS No.109. FIN No.48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN No.48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The MHFG Group adopted FIN No.48 as of April 1, 2007 that resulted in an increase to the beginning balance of accumulated deficit of ¥2,597 million. For further discussion regarding the impact on the financial statements for the fiscal year ended March 31, 2008, see Note 20 “Income taxes”.

In September 2006, the U.S. Securities and Exchange Commission (“SEC”) staff issued Staff Accounting Bulletin (“SAB”) No.108, “Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements” (“SAB No.108”). SAB No.108 provides guidance on quantifying and evaluating the materiality of unrecorded misstatements. It requires the use of both the “iron curtain” and “rollover” approaches in quantifying and evaluating the materiality of a misstatement. Under the iron curtain approach, the error is quantified as the cumulative amount by which the current year balance sheet is misstated. The rollover approach quantifies the error as the amount by which the current year income statement is misstated. If either approach results in a material misstatement, financial statement adjustments are required. SAB No.108 is effective for financial statements issued for fiscal years ended after November 15, 2006. The adoption of SAB No.108 did not have a material impact on the MHFG Group’s consolidated results of operations or financial condition.

In September 2006, the FASB issued SFAS No.158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No.87, 88, 106, and 132(R)” (“SFAS No.158”), which requires entities to recognize a net liability or asset to report the funded status of their defined benefit plans and other post retirement benefit plans in its consolidated statement of financial position. SFAS No.158 clarifies that defined benefit assets and obligations should be measured as of the date of the entity’s fiscal year-end statement of financial position. SFAS No.158 also provides additional disclosure requirements for information related to certain effects on net periodic benefit cost for the next fiscal year that arise from the delayed recognition of gains and losses, prior service costs and credits, and transition asset or obligation. SFAS No.158 is effective as of the end of the fiscal years ended after December 15, 2006. See Note 21 “Pension and other employee benefit plans” for the impact of adopting SFAS No.158.

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Accounting pronouncements issued but not yet effective

In September 2006, the FASB issued SFAS No.157, “Fair Value Measurements” (“SFAS No.157”), which clarifies the definition of fair value and the method used to measure fair value and expands the disclosure requirements about fair value measurements. SFAS No.157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity and (2) the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances. SFAS No.157 nullifies certain guidance provided for in EITF Issue No.02-3, “Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities” (“EITF Issue No.02-3”), and the related provisions of SFAS No.133. SFAS No.157 is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FSP No.FAS157-1, “Application of FASB Statement No.157 to FASB Statement No.13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13” and FSP No.FAS157-2, “Effective Date of FASB Statement No.157”, which partially delay the effective date of SFAS No.157 for one year for certain nonfinancial assets and liabilities and remove certain leasing transactions from its scope. The MHFG Group is currently evaluating the potential impact that the adoption of SFAS No.157 will have on its consolidated results of operations and financial condition.

In February 2007, the FASB issued SFAS No.159, “The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No.115” (“SFAS No.159”). SFAS No.159 allows entities to choose, at specified election dates, to measure eligible financial assets and liabilities and certain other items at fair value that are not otherwise required to be measured at fair value. If a company elects the fair value option for an eligible item, changes in that item’s fair value in subsequent reporting periods must be recognized in current earnings. SFAS No.159 is effective for fiscal years beginning after November 15, 2007 and the MHFG Group adopted SFAS No.159 for the fiscal year beginning April 1, 2008. The financial assets or liabilities for which the Group elected the fair value option as of the effective date are primarily foreign currency denominated available-for-sale debt securities and certain hybrid financial instruments that contain embedded derivatives that had not been previously elected or eligible for fair value treatment under SFAS No.155. As cumulative effect, the MHFG Group expects to record a decrease of approximately ¥23 billion to the beginning balance of Accumulated deficit as of April 1, 2008.

In June 2007, the AICPA issued SOP No.07-1, “Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies” (“SOP No.07-1”). SOP No.07-1 provides guidance for determining whether an entity is within the scope of the AICPA Audit and Accounting Guide Investment Companies (“the Guide”). Prior to the issuance of SOP No.07-1, in May 2007, the FASB issued FSP No.FIN46(R)-7 “Application of FASB Interpretation No.46(R) to Investment Companies” (“FSP No.FIN46(R)-7”), which addresses the application of FIN No.46R by an entity that accounts for its investments in accordance with the Guide. FSP No.FIN46(R)-7 extends the scope exception for investment companies in FIN No.46R to unregistered investment companies as defined by SOP No.07-1. SOP No.07-1 was expected to be effective for fiscal years beginning on or after December 15, 2007, with earlier application encouraged, and FSP No.FIN46(R)-7 was expected to follow the adoption of SOP No.07-1. However, in February 2008, the FASB issued FSP No.SOP07-1-1, “Effective Date of AICPA Statement of Position 07-1” to delay the effective date of SOP No.07-1 indefinitely in order to address implementation issues. The MHFG Group does not expect that the current form of the SOP will have a material impact on its consolidated results of operations or financial condition.

In December 2007, the FASB issued SFAS No.141 (revised 2007), “Business Combinations” (“SFAS No.141R”). SFAS No.141R establishes principles and requirements for how the acquirer (1) recognizes and

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measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in the acquiree, (2) recognizes and measures goodwill acquired in the business combination or a gain from a bargain purchase, and (3) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No.141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Early adoption is prohibited. The impact of SFAS No.141R on the MHFG Group's consolidated results of operations and financial condition will depend on whether there are any business combinations in a future period.

In December 2007, the FASB issued SFAS No.160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No.51" ("SFAS No.160"). SFAS No.160 amends Accounting Research Bulletins No.51, "Consolidated Financial Statements" to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No.160 requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. SFAS No.160 is effective for fiscal years beginning on or after December 15, 2008. Early adoption is prohibited. The MHFG Group is currently evaluating the potential impact that the adoption of SFAS No.160 will have on its consolidated results of operations and financial condition.

In February 2008, the FASB issued FSP No.FAS140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions" ("FSP No.FAS140-3"). FSP No.FAS140-3 provides that if an initial transfer of a financial asset and a repurchase financing that is entered into contemporaneously with, or in contemplation of, the initial transfer meet certain conditions, the initial transfer shall be accounted for separately from the repurchase financing. Otherwise, the initial transfer and repurchase financing should be evaluated as a linked transaction, which shall be accounted for based on the economics of the combined transactions. FSP No.FAS140-3 is effective for fiscal years beginning after November 15, 2008. Early adoption is prohibited. The MHFG Group is currently evaluating the potential impact that the adoption of FSP No.FAS140-3 will have on its consolidated results of operations and financial condition.

In March 2008, the FASB issued SFAS No.161, "Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No.133" ("SFAS No.161"). SFAS No.161 requires enhanced disclosures about derivative instruments and hedged items that are accounted for under SFAS No.133 and its related interpretations. SFAS No.161 is effective for fiscal years beginning after November 15, 2008, with early adoption permitted. SFAS No.161 is an accounting principle which expands disclosure requirements, and has no impact on the MHFG Group's consolidated results of operations or financial condition.

In May 2008, the FASB issued SFAS No.162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No.162"). SFAS No.162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. GAAP. SFAS No.162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411 "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The MHFG Group does not expect that the adoption of SFAS No.162 will have a material impact on its consolidated results of operations or financial condition.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

3. Trading account assets and trading account liabilities

The following table presents the components of Trading account assets and Trading account liabilities at their estimated fair value at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Trading account assets:		
Trading securities:		
Japanese government and corporate debt securities	6,481,302	8,089,599
Japanese equity securities	613,785	464,131
Foreign government bonds and other securities	<u>2,409,517</u>	<u>2,039,699</u>
Total	<u>9,504,604</u>	<u>10,593,429</u>
Derivative assets:		
Interest rate contracts	1,828,742	6,277,427
Foreign exchange contracts	2,088,854	2,963,667
Equity-related contracts	103,107	153,955
Credit-related contracts	13,718	297,332
Other contracts, mainly commodity-related contracts	<u>411,308</u>	<u>266,594</u>
Total	<u>4,445,729</u>	<u>9,958,975</u>
Total	<u>13,950,333</u>	<u>20,552,404</u>
Trading account liabilities:		
Trading securities sold, not yet purchased	6,350,602	4,704,852
Derivative liabilities:		
Interest rate contracts	2,030,568	5,733,591
Foreign exchange contracts	2,401,340	2,837,749
Equity-related contracts	106,809	169,670
Credit-related contracts	22,592	358,703
Other contracts, mainly commodity-related contracts	<u>398,099</u>	<u>315,875</u>
Total	<u>4,959,408</u>	<u>9,415,588</u>
Total	<u>11,310,010</u>	<u>14,120,440</u>

See Note 28 “Fair value of financial instruments” for the methodologies and assumptions used to estimate fair values.

The MHFG Group performs trading activities through market-making, sales, and arbitrage. Net trading gains (losses) for the fiscal years ended March 31, 2006, 2007 and 2008 are comprised of the following:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Trading account gains (losses)—net:			
Trading securities, excluding derivative contracts	376,839	144,740	(269,702)
Derivative contracts	<u>(356,497)</u>	<u>245,150</u>	<u>405,657</u>
Total	20,342	389,890	135,955
Foreign exchange gains (losses)—net	<u>(110,674)</u>	<u>(51,304)</u>	<u>296,732</u>
Net trading gains (losses)	<u>(90,332)</u>	<u>338,586</u>	<u>432,687</u>

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The net exposure of securitization products related to residential mortgage-backed securities (“RMBS”), collateralized debt obligations (“CDO”), asset-backed securities (“ABS”), collateralized loan obligations (“CLO”), and similar assets held by MHSC and its overseas subsidiaries, including consolidated VIEs, was approximately ¥351 billion at March 31, 2008, of which approximately ¥105 billion was denominated in foreign currencies. These securitization products were recorded in Trading account assets. Trading losses, net of hedges, related to those securitization products were ¥409 billion for the fiscal year ended March 31, 2008. See Note 4 “Investments” for similar exposures of other subsidiaries of MHFG.

4. Investments

The amortized cost, gross unrealized gains and losses, and fair value of available-for-sale and held-to-maturity securities at March 31, 2007 and 2008 are as follows:

	2007				2008			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(in millions of yen)							
Available-for-sale securities: ⁽¹⁾								
Debt securities:								
Japanese government bonds	14,524,884	3,110	11,978	14,516,016	16,216,080	18,424	22,083	16,212,421
Japanese local gov't bonds	89,911	499	1,199	89,211	70,772	968	211	71,529
U.S. Treasury bonds	2,044,045	20,660	12,858	2,051,847	2,571,051	9,496	30,615	2,549,932
Other foreign gov't bonds	2,866,136	150,117	19,774	2,996,479	1,768,307	110,813	11,342	1,867,778
Agency mortgage-backed securities ⁽²⁾	2,443,427	63,994	19,855	2,487,566	1,562,347	2,079	43,680	1,520,746
Japanese corporate bonds	2,530,444	684	15,440	2,515,688	2,419,072	2,585	3,570	2,418,087
Japanese other debt securities	2,771,709	9,506	14,392	2,766,823	3,076,252	19,037	11,435	3,083,854
Foreign corporate bonds and other debt securities	2,196,570	5,685	19,146	2,183,109	2,160,272	10,798	36,291	2,134,779
Equity securities (marketable)	2,591,059	3,679,090	6,221	6,263,928	2,619,520	1,966,890	73,898	4,512,512
Total	<u>32,058,185</u>	<u>3,933,345</u>	<u>120,863</u>	<u>35,870,667</u>	<u>32,463,673</u>	<u>2,141,090</u>	<u>233,125</u>	<u>34,371,638</u>
Held-to-maturity securities:								
Debt securities:								
Japanese government bonds	969,069	4	1,881	967,192	489,978	176	76	490,078
Japanese local gov't bonds	49,971	12	186	49,797	48,546	17	13	48,550
U.S. Treasury bonds	318,579	—	6,185	312,394	240,391	4,753	—	245,144
Total	<u>1,337,619</u>	<u>16</u>	<u>8,252</u>	<u>1,329,383</u>	<u>778,915</u>	<u>4,946</u>	<u>89</u>	<u>783,772</u>

Notes:

(1) During the fiscal year ended March 31 2008, the MHFG Group stratified its investment portfolio into additional categories to provide more clarity regarding the types of securities held. Certain amounts in the prior period have been reclassified to conform to the current period's presentation.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- (2) Agency mortgage-backed securities presented in the above table consist of U.S. agency securities and Japanese agency securities, of which the fair values are ¥2,228,921 million and ¥258,645 million, respectively, in the fiscal year ended March 31, 2007, and ¥1,269,227 million and ¥251,519 million, respectively, in the fiscal year ended March 31, 2008. Over 99 percent of U.S. agency securities are Government National Mortgage Association or Ginnie Mae securities, which are guaranteed by the United States government. All of Japanese agency securities are mortgage-backed securities issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise.

The amortized cost and fair value of available-for-sale and held-to-maturity debt securities at March 31, 2008 by contractual maturity are shown in the table below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. Securities not due at a single maturity date and securities embedded with call or prepayment options, such as mortgage-backed securities, are included in the table below based on their original final or contractual maturities.

	Available-for-sale debt securities		Held-to-maturity debt securities	
	Amortized cost	Fair value	Amortized cost	Fair value
	(in millions of yen)			
Due in one year or less	9,614,545	9,636,803	596,078	597,537
Due after one year through five years	11,483,468	11,528,866	182,837	186,235
Due after five years through ten years	3,840,032	3,840,491	—	—
Due after ten years	4,906,108	4,852,966	—	—
Total	<u>29,844,153</u>	<u>29,859,126</u>	<u>778,915</u>	<u>783,772</u>

The following tables show the gross unrealized losses and fair value of available-for-sale and held-to-maturity securities, aggregated by the length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2007 and 2008:

2007	Less than 12 months		12 months or more		Total	
	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses
	(in millions of yen)					
Available-for-sale securities: ⁽¹⁾						
Debt securities:						
Japanese government bonds	7,265,195	11,640	28,653	338	7,293,848	11,978
Japanese local gov't bonds	816	3	65,083	1,196	65,899	1,199
U.S. Treasury bonds	184,752	544	224,215	12,314	408,967	12,858
Other foreign gov't bonds	536,316	4,869	248,751	14,905	785,067	19,774
Agency mortgage-backed securities ⁽²⁾	486,105	5,753	451,637	14,102	937,742	19,855
Japanese corporate bonds	703,394	3,908	1,577,825	11,532	2,281,219	15,440
Japanese other debt securities	859,582	4,247	854,848	10,145	1,714,430	14,392
Foreign corporate bonds and other debt securities	405,584	11,463	155,813	7,683	561,397	19,146
Equity securities (marketable)	136,827	6,200	516	21	137,343	6,221
Total	<u>10,578,571</u>	<u>48,627</u>	<u>3,607,341</u>	<u>72,236</u>	<u>14,185,912</u>	<u>120,863</u>
Held-to-maturity securities:						
Debt securities:						
Japanese government bonds	79,934	72	837,267	1,809	917,201	1,881
Japanese local gov't bonds	—	—	48,904	186	48,904	186
U.S. Treasury bonds	—	—	312,394	6,185	312,394	6,185
Total	<u>79,934</u>	<u>72</u>	<u>1,198,565</u>	<u>8,180</u>	<u>1,278,499</u>	<u>8,252</u>

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2008	Less than 12 months		12 months or more		Total	
	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses
	(in millions of yen)					
Available-for-sale securities: ⁽¹⁾						
Debt securities:						
Japanese government bonds	7,623,532	22,083	25	0	7,623,557	22,083
Japanese local gov't bonds	5,959	26	24,153	185	30,112	211
U.S. Treasury bonds	709,673	29,748	15,717	867	725,390	30,615
Other foreign gov't bonds	549,322	8,520	25,054	2,822	574,376	11,342
Agency mortgage-backed securities ⁽²⁾	599,820	42,708	119,831	972	719,651	43,680
Japanese corporate bonds	360,813	1,086	1,293,798	2,484	1,654,611	3,570
Japanese other debt securities	938,706	5,062	920,546	6,373	1,859,252	11,435
Foreign corporate bonds and other debt securities	584,453	24,027	112,542	12,264	696,995	36,291
Equity securities (marketable)	365,719	73,726	293	172	366,012	73,898
Total	11,737,997	206,986	2,511,959	26,139	14,249,956	233,125
Held-to-maturity securities:						
Debt securities:						
Japanese government bonds	—	—	100,023	76	100,023	76
Japanese local gov't bonds	—	—	28,925	13	28,925	13
U.S. Treasury bonds	—	—	—	—	—	—
Total	—	—	128,948	89	128,948	89

Notes:

- (1) During the fiscal year ended March 31, 2008, the MHFG Group stratified its investment portfolio into additional categories to provide more clarity regarding the types of securities held. Certain amounts in the prior period have been reclassified to conform to the current period's presentation.
- (2) Agency mortgage-backed securities presented in the above table consist of U.S. agency securities and Japanese agency securities, of which the fair values are ¥769,897 million and ¥167,845 million, respectively, in the fiscal year ended March 31, 2007, and ¥599,701 million and ¥119,950 million, respectively, in the fiscal year ended March 31, 2008. Over 99 percent of U.S. agency securities are Government National Mortgage Association or Ginnie Mae securities, which are guaranteed by the United States government. All of Japanese agency securities are mortgage-backed securities issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise.

The MHFG Group performs periodic reviews to identify impaired securities. Impairment is evaluated considering the length of time and extent to which the fair value has been below cost, the financial condition and near-term prospects of the issuer, as well as the MHFG Group's ability and intent to hold the investments for an adequate period of time until an anticipated market price recovery or maturity. If it is determined that the impairment is other-than-temporary, the investment is written down to fair value, and a loss is recognized immediately through earnings.

The MHFG Group has determined that the unrealized losses on investments in a continuous loss position for 12 months or more at March 31, 2008, are not other-than-temporary, because such losses have resulted primarily from appreciation of the yen and the MHFG Group has the ability and intent to hold them for a period of time sufficient to recover gross unrealized losses.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

For the fiscal years ended March 31, 2006, 2007 and 2008, losses resulting from write-downs for other-than-temporary impairment on available-for-sale securities were ¥83,235 million, ¥212,583 million and ¥661,088 million, respectively. No impairment losses were recorded on held-to-maturity securities for those fiscal years. The fair value of foreign currency denominated-securitization products held by MHFG subsidiaries, including consolidated VIEs, other than MHSC related to RMBS, CDO, ABS, CLO, and similar assets was approximately ¥1,051 billion at March 31, 2008, which were recorded in available-for-sale securities. Losses resulting from write-downs for other-than-temporary impairment on these securitization products were ¥260 billion for the fiscal year ended March 31, 2008.

For the fiscal years ended March 31, 2006, 2007 and 2008, proceeds from sales of available-for-sale securities were ¥29,550 billion, ¥34,492 billion and ¥67,553 billion, respectively. Gross realized gains on those sales were ¥298,955 million, ¥294,821 million and ¥597,361 million, respectively, and gross realized losses on those sales were ¥162,159 million, ¥51,654 million and ¥142,455 million, respectively, for the fiscal years ended March 31, 2006, 2007 and 2008.

Other investments

The following table summarizes the composition of other investments:

	2007	2008
	(in millions of yen)	
Equity method investments	239,746	234,961
Investments held by consolidated investment companies	81,824	77,096
Other equity interests	471,840	693,138
Total other investments	793,410	1,005,195

Equity method investments

Investments in investees over which the MHFG Group has the ability to exert significant influence are accounted for using the equity method of accounting. Such investments included marketable equity securities carried at ¥37,860 million and ¥35,292 million, at March 31, 2007 and 2008, respectively. The aggregated market values of those marketable equity securities were ¥91,867 million and ¥50,558 million, respectively.

Investments held by consolidated investment companies

The MHFG Group consolidates certain investment companies for which it has control either through ownership or other means. Investment companies are subject to specialized industry accounting which requires investments to be carried at fair value, with changes in fair value recorded in earnings. The MHFG Group maintains this specialized industry accounting for investments held by consolidated investment companies, which consist of marketable and non-marketable investments.

Other equity interests

Other equity interests consist primarily of non-marketable equity securities outside the scope of SFAS No.115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No.115"), for which the MHFG Group has neither significant influence nor control over the investees. These securities are stated at acquisition cost, with other-than-temporary impairment, if any, included in earnings. The fair values of these securities at March 31, 2007 and 2008 were not readily determinable. The MHFG Group monitors the status of each investee, including its credit rating, to determine whether impairment losses should be recognized.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

5. Loans

The table below presents loans outstanding by domicile and industry of borrower at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Domestic:		
Manufacturing	7,662,036	7,806,714
Construction	1,502,442	1,429,596
Real estate	6,647,086	6,489,603
Services	6,120,059	5,566,161
Wholesale and retail	6,356,583	6,100,129
Transportation	2,594,601	2,516,266
Banks and other financial institutions	4,286,617	4,355,610
Government and public institutions	6,099,359	5,807,510
Other industries (Note)	5,451,861	5,061,023
Individuals:		
Mortgage loans	11,025,079	11,122,393
Other	<u>1,338,493</u>	<u>1,204,350</u>
Total domestic	<u>59,084,216</u>	<u>57,459,355</u>
Foreign:		
Commercial and industrial	7,963,577	8,815,166
Banks and other financial institutions	1,675,503	1,544,938
Government and public institutions	366,292	414,688
Other (Note)	<u>184,898</u>	<u>93,852</u>
Total foreign	<u>10,190,270</u>	<u>10,868,644</u>
Total	<u>69,274,486</u>	<u>68,327,999</u>
Less: Unearned income and deferred loan fees—net	91,619	106,192
Total loans before allowance for loan losses	<u><u>69,182,867</u></u>	<u><u>68,221,807</u></u>

Notes: Other industries of domestic and other of foreign include trade receivables and lease receivables of consolidated VIEs.

Net gains (losses) on sales of loans were ¥336 million, ¥(766) million and ¥(64,771) million for the fiscal years ended March 31, 2006, 2007 and 2008, respectively, of which valuation losses related to loans held for sale accounted for at the lower of cost or fair value were ¥59,766 million for the fiscal year ended March 31, 2008.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Impaired loans

The MHFG Group considers both loans that are subject to SFAS No.114 and small balance, homogenous loans to be impaired when it is probable that the MHFG Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loan. Among other things, restructured loans under SFAS No.15 and loans that are 90 days or more delinquent are generally considered to be impaired. All of the MHFG Group's impaired loans are designated as nonaccrual loans. A summary of the recorded balances of impaired loans and the related allowance for loan losses at March 31, 2007 and 2008 is shown below:

	2007		2008	
	Recorded impaired loan balance	Allowance for loan losses on impaired loans	Recorded impaired loan balance	Allowance for loan losses on impaired loans
	(in millions of yen)			
Impaired loans requiring an allowance for loan losses	1,403,829	602,148	1,089,728	349,183
Impaired loans not requiring an allowance for loan losses (Note)	125,037	—	205,746	—
Total	1,528,866	602,148	1,295,474	349,183

Note: These impaired loans do not require an allowance for loan losses because the MHFG Group has sufficient collateral to cover probable loan losses.

The average recorded balance of impaired loans was ¥1,221 billion and ¥1,119 billion for the fiscal years ended March 31, 2007 and 2008, respectively.

Had interest on nonaccrual loans been accrued at the original contractual terms, gross interest income on such loans for the fiscal years ended March 31, 2006, 2007 and 2008 would have been ¥45 billion, ¥46 billion and ¥47 billion, respectively, of which ¥24 billion, ¥30 billion and ¥33 billion, respectively, were included in interest income on loans in the consolidated statements of income.

Lease receivables

As part of its financing activities, the MHFG Group enters into leasing arrangements with customers as lessor. The MHFG Group's leasing operations are performed through leasing subsidiaries in the United States and consist principally of direct financing leases and leveraged leases, involving various types of data processing equipment, office equipment, and transportation equipment. As of March 31, 2007 and 2008, direct financing lease receivables were ¥20,641 million and ¥22,891 million, respectively, and leveraged lease receivables were ¥37,562 million and ¥35,566 million, respectively.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Allowance for loan losses

Changes in Allowance for loan losses for the fiscal years ended March 31, 2006, 2007 and 2008 are shown below:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Balance at beginning of fiscal year	1,207,155	812,321	946,147
Provision (credit) for loan losses	(157,666)	182,115	(57,766)
Charge-offs	305,729	110,612	271,242
Less: Recoveries	73,891	58,021	47,375
Net charge-offs	231,838	52,591	223,867
Others (Note)	(5,330)	4,302	(14,711)
Balance at end of fiscal year	<u>812,321</u>	<u>946,147</u>	<u>649,803</u>

Note: Others include primarily foreign exchange translation.

The MHFG Group recorded provision for loan losses for the fiscal year ended March 31, 2007 due mainly to the downgrade in the credit rating of a large non-bank financial company borrower. The Group recorded a credit for loan losses for the fiscal year ended March 31, 2008 due mainly to upgrades in the internal credit ratings of some large borrowers, whose operating results and financial position improved. The credit was offset by provisions for loan losses relating to the declining trend in the financial condition of SMEs that have relatively weak business bases, as well as downgrades to lower internal credit ratings of some large borrowers that experienced financial difficulties during the fiscal year.

The amount of charge-offs decreased in the fiscal year ended March 31, 2007 as disposals of impaired loans decreased and the general economic conditions in Japan continued to gradually improve. The amount of charge-offs increased in the fiscal year ended March 31, 2008 due mainly to a debt-for-equity swap involving a loan to a large non-bank financial company and an increase in disposals of impaired loans of SMEs and the borrowers that experienced financial difficulties, as discussed above.

7. Premises and equipment

Premises and equipment at March 31, 2007 and 2008 consist of the following:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Land	164,247	156,942
Buildings	605,680	584,774
Equipment and furniture	457,025	455,229
Leasehold improvements	125,754	122,051
Construction in progress	3,010	7,045
Software	524,463	514,588
Total	1,880,179	1,840,629
Less: Accumulated depreciation and amortization	1,032,656	988,236
Premises and equipment—net	<u>847,523</u>	<u>852,393</u>

Depreciation and amortization expense for premises and equipment for the fiscal years ended March 31, 2006, 2007 and 2008 was ¥136,553 million, ¥140,313 million and ¥169,925 million, respectively.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Premises and equipment under capital leases, which is primarily comprised of data processing equipment, amounted to ¥49,832 million and ¥48,260 million at March 31, 2007 and 2008, respectively. Accumulated depreciation and amortization on such premises and equipment at March 31, 2007 and 2008 amounted to ¥33,168 million and ¥35,013 million, respectively.

8. Goodwill

The changes in Goodwill during the fiscal years ended March 31, 2007 and 2008 were as follows:

	<u>Global Corporate Group</u>	<u>Global Retail Group</u>	<u>Total</u>
	(in millions of yen)		
2007			
Balance at beginning of fiscal year	—	39,559	39,559
Goodwill acquired	—	—	—
Impairment losses recognized	—	—	—
Balance at end of fiscal year	—	39,559	39,559
2008			
Balance at beginning of fiscal year	—	39,559	39,559
Goodwill acquired	25,715	—	25,715
Impairment losses recognized	25,715	24,543	50,258
Balance at end of fiscal year	—	15,016	15,016

Goodwill in the Global Retail Group is entirely related to the MHIS operating segment. Due to an adverse change in the business climate, it was determined that the carrying amount of the segment exceeded its fair value, which was calculated based on the quoted market price of MHIS's common stock, as of March 31, 2008, the date of the annual impairment test. Therefore, a goodwill impairment loss of ¥24,543 million was recognized in the Global Retail Group during the fiscal year ended March 31, 2008.

New goodwill in the Global Corporate Group was acquired through MHC B's subscriptions of the third-party allocations by its subsidiary, MHSC, in December 2007 and January 2008. (Refer to Note 24 "Minority interest in consolidated subsidiaries".) Since the estimation of future cash flows of the MHSC operating segment was revised downward reflecting the overall economic outlook of MHSC, it was determined that the carrying amount of the segment exceeded its fair value as of March 31, 2008, the date of the annual impairment test. Therefore, a goodwill impairment loss of ¥25,715 million was recognized in the Global Corporate Group during the fiscal year ended March 31, 2008.

9. Pledged assets and collateral

The following amounts, by balance sheet classifications, have been pledged as collateral for borrowings and for other purposes at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Interest-bearing deposits in other banks	9,346	25,428
Trading account assets	5,148,913	6,447,148
Available-for-sale securities	14,368,727	15,039,802
Loans	6,940,643	6,938,723
Other assets	570,827	1,241,471
Total	<u>27,038,456</u>	<u>29,692,572</u>

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The amounts above include pledged assets that secured parties are not permitted to sell or repledge. At March 31, 2007 and 2008, the carrying values of such pledged assets were ¥16,244 billion and ¥18,050 billion, respectively.

The Bank of Japan (“the BOJ”) requires private depository institutions to maintain a certain amount of funds as reserves in current accounts with the BOJ, based on average deposit balances and certain other factors. There are similar reserve deposit requirements for foreign offices engaged in banking businesses in foreign countries. At March 31, 2007 and 2008, the reserve funds maintained by the MHFG Group, which were included in Cash and due from banks and Interest-bearing deposits in other banks, were ¥1,924 billion and ¥1,146 billion, respectively.

At March 31, 2007 and 2008, the MHFG Group had received collateral that can be sold or repledged, with a fair value of ¥18,300 billion and ¥16,973 billion, respectively, of which ¥13,329 billion and ¥10,940 billion, respectively, were sold or repledged. Such collateral was primarily obtained under resale or securities borrowing agreements, and was used generally as collateral under repurchase or securities lending agreements, or to cover short sales.

10. Deposits

The balances of time deposits and certificates of deposit issued by domestic offices in amounts of ¥10 million (approximately US\$100 thousand at the Federal Reserve Bank of New York’s noon buying rate on March 31, 2008) or more as well as the balance of those deposits issued by foreign offices in amounts of US\$100,000 or more at March 31, 2007 and 2008 are as follows:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Domestic offices:		
Time deposits	16,945,461	18,699,719
Certificates of deposit	<u>6,998,800</u>	<u>8,993,040</u>
Total	<u>23,944,261</u>	<u>27,692,759</u>
Foreign offices:		
Time deposits	6,420,084	6,806,250
Certificates of deposit	<u>1,796,387</u>	<u>1,078,242</u>
Total	<u>8,216,471</u>	<u>7,884,492</u>

The aggregate amount of demand deposits in overdraft status that have been reclassified as loan balances at March 31, 2007 and 2008 was ¥661 billion and ¥745 billion, respectively.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The balance and remaining maturities of time deposits and certificates of deposit issued by domestic and foreign offices at March 31, 2008 are shown in the following table:

	<u>Time deposits</u>	<u>Certificates of deposit</u>	<u>Total</u>
	(in millions of yen)		
Domestic offices:			
Due in one year or less	24,069,540	8,990,810	33,060,350
Due after one year through two years	2,053,887	2,230	2,056,117
Due after two years through three years	1,417,201	—	1,417,201
Due after three years through four years	272,659	—	272,659
Due after four years through five years	248,052	—	248,052
Due after five years	105,711	—	105,711
Total	<u>28,167,050</u>	<u>8,993,040</u>	<u>37,160,090</u>
Foreign offices:			
Due in one year or less	7,187,803	1,084,099	8,271,902
Due after one year through two years	1,683	11,583	13,266
Due after two years through three years	7,680	—	7,680
Due after three years through four years	58	—	58
Due after four years through five years	22	—	22
Due after five years	13,371	—	13,371
Total	<u>7,210,617</u>	<u>1,095,682</u>	<u>8,306,299</u>
Total	<u>35,377,667</u>	<u>10,088,722</u>	<u>45,466,389</u>

11. Debentures

MHCB and MHBK issue debentures denominated in Japanese yen with fixed interest or discount rates to institutional and private investors as a source of funding for their operational needs. The following table summarizes the composition of debentures at March 31, 2007 and 2008:

<u>2007</u>	<u>(in millions of yen)</u>
One-year discount debentures with discount rates of 0.05% to 0.37% (due 2007-2008)	421,574
Five-year coupon debentures with interest rates of 0.10% to 1.20% (due 2007-2012)	4,302,232
Total	<u>4,723,806</u>
<u>2008</u>	<u>(in millions of yen)</u>
Five-year coupon debentures with interest rates of 0.10% to 1.20% (due 2008-2013)	<u>3,159,443</u>

12. Due to trust accounts

MHTB and TCSB, which are MHFG's subsidiary trust banks, hold assets on behalf of their customers in an agent, fiduciary or trust capacity. Such trust account assets are not the MHFG Group's proprietary assets and are managed and accounted for separately. However, the cash of individual trust accounts is often placed with MHTB and TCSB for the customers' short-term investment needs. These amounts which MHTB and TCSB owe to the trust accounts are recorded as Due to trust accounts. The weighted average interest rate of Due to trust accounts was 0.67% and 0.70% at March 31, 2007 and 2008, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

13. Long-term debt

Long-term debt with original maturities of more than one year at March 31, 2007 and 2008 is comprised of the following:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Obligations under capital leases	27,271	22,999
Loan participation borrowings	686,322	408,121
Senior borrowings and bonds	1,658,131	2,430,435
Subordinated borrowings and bonds	4,471,635	4,557,190
Borrowings and bonds of variable interest entities	230,577	200,165
Total	<u>7,073,936</u>	<u>7,618,910</u>

The following table presents interest rates and maturities of senior borrowings and bonds, subordinated borrowings and bonds, and borrowings and bonds of variable interest entities:

	<u>Interest rates ⁽¹⁾</u>	<u>Maturity ⁽²⁾</u>	<u>2007</u>	<u>2008</u>
	(%)		(in millions of yen)	
MHCB:				
Senior floating rate borrowings denominated in Japanese yen	0.751-1.316	Mar. 2009-Mar. 2028	249,500	264,500
Senior fixed rate borrowings denominated in U.S. dollars	7.49	Jul. 2018	3,277	1,666
Senior floating rate borrowings denominated in U.S. dollars	2.745-4.896	Jun. 2008-Feb. 2012	43,068	16,183
Senior fixed rate borrowings denominated in other currencies	4.6-7.37	Jun. 2011-Dec. 2015	46,840	55,832
Senior fixed rate bonds denominated in Japanese yen	1.11-3.65	Sep. 2010-Jul. 2027	606,000	1,256,000
Senior floating rate bonds denominated in Japanese yen	—	—	1,002	—
Senior floating rate bonds denominated in U.S. dollars	—	—	591	—
Senior fixed rate bonds denominated in foreign currencies	0.598-0.748	Nov. 2010	8,154	1,004
Subordinated fixed rate borrowings denominated in Japanese yen	0.993-3.963	Sep. 2008-Perpetual	785,708	974,008
Subordinated floating rate borrowings denominated in Japanese yen	0.839-1.069	Nov. 2008-Mar. 2013	648,750	540,500
Subordinated fixed rate borrowings denominated in U.S. dollars	5.89-8.91	Jun. 2008-Jan. 2024	719,871	610,810
Subordinated floating rate borrowings denominated in U.S. dollars	2.655-4.849	Dec. 2008-Jan. 2013	88,213	76,853
Subordinated fixed rate borrowings denominated in Euro	4.85-4.98	Apr. 2009-Jun. 2011	197,789	198,832
Subordinated floating rate borrowings denominated in Euro	4.406-4.588	Sep. 2010	10,228	10,282
Subordinated fixed rate bonds denominated in Japanese yen	2.1-2.26	Feb. 2014-Mar. 2018	123,063	169,968
Total			<u>3,532,054</u>	<u>4,176,438</u>

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	<u>Interest rates ⁽¹⁾</u> (%)	<u>Maturity ⁽²⁾</u>	<u>2007</u> (in millions of yen)	<u>2008</u>
MHBK:				
Senior fixed rate borrowings denominated in Japanese yen	0.25-6.5	Apr. 2008-Mar. 2027	13,918	13,953
Subordinated fixed rate borrowings denominated in Japanese yen	1.399-4.6	Jun. 2008-Perpetual	630,600	698,500
Subordinated floating rate borrowings denominated in Japanese yen	1.418-4.302	Jun. 2008-Jun. 2012	379,550	283,800
Subordinated fixed rate borrowings denominated in U.S. dollars	6.646-8.475	Jun. 2016-Jan. 2024	140,173	118,937
Subordinated floating rate borrowings denominated in U.S. dollars	—	—	12,990	—
Subordinated fixed rate bonds denominated in Japanese yen	0.96-2.87	Sep. 2009-Apr. 2027	373,400	513,400
Subordinated floating rate bonds denominated in Japanese yen	1.174-1.893	Sep. 2009-Jan. 2012	<u>149,100</u>	<u>149,100</u>
Total			<u>1,699,731</u>	<u>1,777,690</u>
MHFG and other subsidiaries:				
Senior fixed rate borrowings denominated in Japanese yen	0.97-4.172	Apr. 2008-Nov. 2020	38,580	18,161
Senior floating rate borrowings denominated in Japanese yen	0-4.654	May 2008-May 2036	157,600	206,500
Senior borrowings denominated in foreign currencies	5.0-5.625	Feb. 2008-Feb. 2014	—	8,495
Senior fixed rate bonds denominated in Japanese yen	0-20.0	Jun. 2008-Apr. 2038	278,535	149,559
Senior floating rate bonds denominated in Japanese yen	0-20.0	Apr. 2008-Apr. 2038	197,765	425,969
Senior bonds denominated in foreign currencies	0-8.0	Oct. 2008-Apr. 2038	13,301	12,613
Subordinated fixed rate borrowings denominated in Japanese yen	1.878-2.395	Apr. 2015-May 2016	60,000	50,000
Subordinated fixed rate bonds denominated in Japanese yen	1.01-2.76	Nov. 2013-Perpetual	84,100	88,900
Subordinated floating rate bonds denominated in Japanese yen	2.27-4.25	Nov. 2013-Perpetual	68,100	73,300
Fixed rate borrowings of variable interest entities	1.06-2.854	Jul. 2008-Perpetual	110,583	66,929
Floating rate borrowings of variable interest entities	0.71-5.68	Oct. 2008-Dec. 2039	119,994	121,275
Bonds of variable interest entities	3.6-7.0	Jul. 2047-Oct. 2047	—	11,961
Total			<u>1,128,558</u>	<u>1,233,662</u>
Total ^{(3), (4)}			<u>6,360,343</u>	<u>7,187,790</u>

Notes:

- (1) The interest rates shown are the range of contractual rates in effect at March 31, 2008.
- (2) Maturity information shown is the range of maturities at March 31, 2008.
- (3) None of the long-term debt issues listed above is convertible to common stock.
- (4) Certain debt agreements permit the MHFG Group to redeem the related debt, in whole or in part, prior to maturity at the MHFG Group's option on terms specified in the respective agreements.

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The following is a summary of contractual maturities of long-term debt subsequent to March 31, 2008:

	<u>MHCB</u>	<u>MHBK</u>	<u>MHFG and other subsidiaries</u>	<u>Total</u>
	(in millions of yen)			
Fiscal years ending March 31:				
2009	596,481	169,370	85,423	851,274
2010	505,157	192,316	162,526	859,999
2011	313,567	55,770	104,472	473,809
2012	853,629	181,698	109,196	1,144,523
2013	805,617	126,712	138,635	1,070,964
2014 and thereafter	<u>1,505,779</u>	<u>1,066,352</u>	<u>646,210</u>	<u>3,218,341</u>
Total	<u>4,580,230</u>	<u>1,792,218</u>	<u>1,246,462</u>	<u>7,618,910</u>

14. Other assets and liabilities

The following table sets forth the details of other assets and liabilities at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Other assets:		
Accounts receivable from brokers, dealers and customers for securities transactions	297,916	1,626,662
Collateral provided for derivative transactions	489,877	1,172,979
Loans held for sale	213,374	666,644
Financial Stabilization Funds	284,564	295,333
Miscellaneous receivables	473,052	229,094
Security deposits	124,974	125,147
Prepaid pension cost	357,326	48,798
Other	<u>455,107</u>	<u>441,443</u>
Total	<u>2,696,190</u>	<u>4,606,100</u>
Other liabilities:		
Accounts payable to brokers, dealers and customers for securities transactions	811,871	1,512,818
Collateral accepted for derivative transactions	135,736	743,493
Miscellaneous payables	468,090	518,956
Factoring amounts owed to customers	348,476	356,520
Matured debentures	289,279	248,606
Unearned income	145,410	137,901
Other	<u>704,635</u>	<u>713,467</u>
Total	<u>2,903,497</u>	<u>4,231,761</u>

Financial Stabilization Funds

The Financial Stabilization Funds were initiated in 1996 by the Japanese government in connection with the liquidation of certain failed housing-loan companies. Several financial institutions including the BOJ were required by the Japanese government to invest in these Funds in an effort to stabilize the effects on the Japanese economy. The returns from the investment of the Funds are first to be used to make up for a part of the losses

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incurred as the housing-loan companies' loans are collected and disposed of. The Funds are principally invested in Japanese government bonds, but the investment income earned by the Funds does not accrue to the MHFG Group, and as a result, the deposits are noninterest-bearing.

The MHFG Group made deposits with the Funds amounting to ¥359,017 million during the fiscal year ended March 31, 1997. The deposits are expected to mature in 15 years from the deposit date. The deposits were discounted to their present value at the time of the deposit and the discount is being accreted over the expected period to maturity using the interest method. The carrying amount of the deposits as of March 31, 2007 and 2008 was ¥284,564 million and ¥295,333 million, respectively.

Unearned income

Unearned income is primarily comprised of refundable fees received from consumer loan customers at the time the loan was made, which is being deferred and recognized in earnings as earned.

Matured debentures

Matured debentures represent the principal balance of debentures that have reached maturity but have not yet been repaid to customers.

15. Preferred stock

The composition of preferred stock at March 31, 2006, 2007 and 2008 is as follows:

2006	Class of stock	Aggregate amount (in millions of yen)	Number of shares			Liquidation value per share (yen)	Convertible or not
			Authorized	Issued	In treasury		
	Fourth series class IV preferred stock	300,000	150,000	150,000	—	2,000,000	No
	Sixth series class VI preferred stock	300,000	150,000	150,000	—	2,000,000	No
	Eleventh series class XI preferred stock	943,740	1,398,500	943,740	—	1,000,000	Yes
	Class XII preferred stock	—	1,500,000	—	—	—	—
	Thirteenth series class XIII preferred stock	36,690	1,500,000	36,690	—	1,000,000	No
	Total	<u>1,580,430</u>	<u>4,698,500</u>	<u>1,280,430</u>	<u>—</u>		

2007	Class of stock	Aggregate amount (in millions of yen)	Number of shares			Liquidation value per share (yen)	Convertible or not
			Authorized	Issued	In treasury		
	Eleventh series class XI preferred stock	943,740	1,398,500	943,740	—	1,000,000	Yes
	Class XII preferred stock	—	1,500,000	—	—	—	—
	Thirteenth series class XIII preferred stock	36,690	1,500,000	36,690	—	1,000,000	No
	Total	<u>980,430</u>	<u>4,398,500</u>	<u>980,430</u>	<u>—</u>		

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2008	Class of stock	Aggregate amount (in millions of yen)	Number of shares			Liquidation value per share (yen)	Convertible or not
			Authorized	Issued	In treasury		
	Eleventh series class XI preferred stock	943,740	1,398,500	943,740	—	1,000,000	Yes
	Class XII preferred stock	—	1,500,000	—	—	—	—
	Thirteenth series class XIII preferred stock	36,690	1,500,000	36,690	—	1,000,000	No
	Total	<u>980,430</u>	<u>4,398,500</u>	<u>980,430</u>	<u>—</u>		

Holders or registered pledgees of preferred stock are entitled to receive annual dividends, and distribution of residual assets of MHFG as set out above as liquidation value per share, in priority to holders of common stock but pari passu among themselves. MHFG may pay up to one-half of the annual dividend payable on each class of preferred stock as an interim dividend. Dividends on preferred stock are not cumulative. Holders of preferred stock are not entitled to vote at a general meeting of shareholders except where the articles of incorporation entitle holders of preferred stock to vote.

Thirteenth series class XIII preferred stock is callable (in full or in part) at the option of the issuer after April 1, 2013. Call price is the sum of the liquidation value per share and the accrued dividend. Accrued dividend is calculated on a daily basis starting on the first day of the fiscal period in which the call date belongs and ending on the call date. If an interim dividend is paid during that fiscal period, the amount of this interim dividend will be subtracted from the accrued dividend.

Eleventh series class XI preferred stock is convertible into common stock at the option of the holder. Material terms and conditions of conversion are as follows:

	Conversion period ⁽¹⁾	Conversion ratio ⁽²⁾
Eleventh series class XI preferred stock	July 1, 2008 to June 30, 2016	¥1,000,000/(conversion price), where the conversion price is the higher of (x) the average price of daily closing prices (including closing bid or offered price) of common stock as reported by the Tokyo Stock Exchange (“TSE”) for the 30 consecutive trading days (excluding trading days on which no closing price, closing bid or offered price is reported) commencing on the 45th trading day prior to July 1, 2008 and (y) ¥50,000; to be reset on July 1 of each year between 2009 and 2015 (each, a “Reset Date”) as ¥1,000,000/(conversion price), where the conversion price is the lower of (x) the average price of daily closing prices (including closing bid or offered price) of common stock as reported by the TSE for the 30 consecutive trading days (excluding trading days on which no closing price, closing bid or offered price is reported) commencing on the 45th trading day prior to the Reset Date and (y) the conversion price effective as of the Reset Date, provided that the conversion price shall not be less than 60% of the initial conversion price or ¥50,000.

Notes:

- (1) If the date to determine the shareholders entitled to exercise their voting rights at a general meeting of the shareholders of MHFG (the “Record Date”) is prescribed, the period from and including the date immediately following such Record Date to and including the date on which such general meeting is concluded shall be excluded.

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- (2) Subject to adjustment, where issuance or disposal by MHFG of common stock for a price below the “current market price”, a stock split, issuance of securities convertible into common stock at a price below the “current market price” at the time of issuance thereof or determination of the conversion price thereof, merger or amalgamation, or a capital decrease or stock consolidation occurs and in certain other circumstances.

Each share of preferred stock which has not been converted as described above by the end of the relevant conversion period will be converted into common stock on the day following the end of the conversion period on the following terms:

	<u>Conversion date</u>	<u>Conversion ratio</u>
Eleventh series class XI preferred stock	July 1, 2016	¥1,000,000/(current market price), where the current market price is the average price of daily closing prices (including closing bid or offered price) of common stock as reported by the TSE for the 30 consecutive trading days (excluding trading days on which no closing price, closing bid or offered price is reported) commencing on the 45th trading day prior to July 1, 2016, provided that the current market price shall not be less than 60% of the initial conversion price or ¥50,000.

The changes in the number of shares and the aggregate amount of preferred stock during the fiscal years ended March 31, 2006, 2007, and 2008 were as follows:

<u>Class of stock</u>	<u>Issued at March 31, 2005</u>	<u>Cancelled</u>	<u>Issued at March 31, 2006</u>	<u>Cancelled</u>	<u>Issued at March 31, 2007</u>	<u>Net change</u>	<u>Issued at March 31, 2008</u>
	(number of shares)						
Preferred stock held by the Resolution and Collection Corporation:							
Second series class II preferred stock	100,000	(100,000)	—	—	—	—	—
Third series class III preferred stock	100,000	(100,000)	—	—	—	—	—
Fourth series class IV preferred stock	150,000	—	150,000	(150,000)	—	—	—
Sixth series class VI preferred stock	150,000	—	150,000	(150,000)	—	—	—
Seventh series class VII preferred stock	125,000	(125,000)	—	—	—	—	—
Eighth series class VIII preferred stock	125,000	(125,000)	—	—	—	—	—
Ninth series class IX preferred stock	33,000	(33,000)	—	—	—	—	—
Tenth series class X preferred stock	140,000	(140,000)	—	—	—	—	—
Total	<u>923,000</u>	<u>(623,000)</u>	<u>300,000</u>	<u>(300,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Preferred stock held by other shareholders:							
Eleventh series class XI preferred stock	943,740	—	943,740	—	943,740	—	943,740
Thirteenth series class XIII preferred stock	36,690	—	36,690	—	36,690	—	36,690
Total	<u>980,430</u>	<u>—</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>
Total preferred stock	<u>1,903,430</u>	<u>(623,000)</u>	<u>1,280,430</u>	<u>(300,000)</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>

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Class of stock	Aggregate amount at March 31, 2005	Cancelled (Note)	Aggregate amount at March 31, 2006	Cancelled (Note)	Aggregate amount at March 31, 2007	Net change	Aggregate amount at March 31, 2008
(in millions of yen)							
Preferred stock held by the Resolution and Collection Corporation:							
Second series class II							
preferred stock	200,000	(200,000)	—	—	—	—	—
Third series class III							
preferred stock	200,000	(200,000)	—	—	—	—	—
Fourth series class IV							
preferred stock	300,000	—	300,000	(300,000)	—	—	—
Sixth series class VI							
preferred stock	300,000	—	300,000	(300,000)	—	—	—
Seventh series class VII							
preferred stock	250,000	(250,000)	—	—	—	—	—
Eighth series class VIII							
preferred stock	250,000	(250,000)	—	—	—	—	—
Ninth series class IX							
preferred stock	41,250	(41,250)	—	—	—	—	—
Tenth series class X							
preferred stock	247,788	(247,788)	—	—	—	—	—
Total	<u>1,789,038</u>	<u>(1,189,038)</u>	<u>600,000</u>	<u>(600,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Preferred stock held by other shareholders:							
Eleventh series class XI							
preferred stock	943,740	—	943,740	—	943,740	—	943,740
Thirteenth series class XIII							
preferred stock	36,690	—	36,690	—	36,690	—	36,690
Total	<u>980,430</u>	<u>—</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>
Total preferred stock	<u>2,769,468</u>	<u>(1,189,038)</u>	<u>1,580,430</u>	<u>(600,000)</u>	<u>980,430</u>	<u>—</u>	<u>980,430</u>

Note: Upon cancellation of preferred stock held by the Resolution and Collection Corporation, different series of preferred stock which were repurchased on the same date were treated as one issue when comparing the repurchase price and the book value, because the cancelled stock was held by one holder. The aggregate book value of the cancelled stock is charged to preferred stock and the aggregate excess amount of purchase price over book value is charged to accumulated deficit.

16. Common stock

The changes in the number of issued shares of common stock during the fiscal years ended March 31, 2006, 2007, and 2008 were as follows:

	2006	2007	2008
	(shares)		
Balance at beginning of fiscal year	12,003,995	12,003,995	11,872,195
Cancellation of common stock	—	(131,800)	(475,940)
Balance at end of fiscal year	<u>12,003,995</u>	<u>11,872,195</u>	<u>11,396,255</u>

17. Dividends

The amount available for dividends under the Company Law is based on the amount recorded in MHFG's non-consolidated general books of account, maintained in accordance with accounting principles generally accepted in Japan ("Japanese GAAP") and adjusted by post period-end changes. Therefore, the consolidated shareholders' equity under U.S. GAAP has no effect on the determination of the amount available for dividends.

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On March 31, 2008, MHFG's capital stock, capital surplus, and retained earnings were ¥1,540,965 million, ¥385,242 million, and ¥1,589,115 million, respectively, under Japanese GAAP.

In making a distribution of retained earnings, an entity must set aside in its legal reserve an amount equal to one-tenth of the amount of retained earnings so distributed, until its legal reserve reaches to one-quarter of its capital stock. MHFG's legal reserve at March 31, 2008 was ¥389,592 million, of which ¥385,242 million was included in capital surplus and ¥4,350 million in retained earnings.

In addition to the provision that requires an appropriation for legal reserve, the Company Law and the Banking Law impose certain limitations on the amount available for dividends. Under the Company Law, MHFG's maximum amount available for dividends, at March 31, 2008, was ¥1,582,289 million, based on the amount recorded in MHFG's general books of account under Japanese GAAP. Under the Banking Law and related regulations, MHFG has to meet the minimum capital adequacy requirements. Distributions of retained earnings, which are otherwise distributable to shareholders, are restricted in order to maintain the minimum 4.0% Tier 1 capital for capital adequacy purposes. See Note 18 "Regulatory matters" for further discussion of regulatory capital requirements.

Payment of dividends on shares of common stock is also subject to the prior payment of dividends on shares of preferred stock.

Dividends on preferred stock and common stock during the fiscal years ended March 31, 2006, 2007, and 2008 were as follows:

<u>2006</u> <u>Class of stock</u>	<u>Cash dividends</u>	
	<u>Per share</u>	<u>In aggregate</u>
	(in yen)	(in millions of yen)
Second series class II preferred stock	8,200	504
Third series class III preferred stock	14,000	1,400
Fourth series class IV preferred stock	47,600	7,140
Sixth series class VI preferred stock	42,000	6,300
Seventh series class VII preferred stock	11,000	1,375
Eighth series class VIII preferred stock	8,000	474
Ninth series class IX preferred stock	—	—
Tenth series class X preferred stock	5,380	753
Eleventh series class XI preferred stock	20,000	18,875
Thirteenth series class XIII preferred stock	30,000	1,101
Common stock (Note)	3,500	37,962
Total		<u>75,884</u>

<u>2007</u> <u>Class of stock</u>	<u>Cash dividends</u>	
	<u>Per share</u>	<u>In aggregate</u>
	(in yen)	(in millions of yen)
Fourth series class IV preferred stock	47,600	7,140
Sixth series class VI preferred stock	42,000	6,300
Eleventh series class XI preferred stock	20,000	18,875
Thirteenth series class XIII preferred stock	30,000	1,101
Common stock (Note)	4,000	46,434
Total		<u>79,850</u>

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<u>2008</u> <u>Class of stock</u>	<u>Cash dividends</u>	
	<u>Per share</u> (in yen)	<u>In aggregate</u> (in millions of yen)
Eleventh series class XI preferred stock	20,000	18,875
Thirteenth series class XIII preferred stock	30,000	1,101
Common stock (Note)	7,000	81,254
Total		<u>101,230</u>

Note: Dividends paid on treasury stock are excluded.

18. Regulatory matters

Regulatory capital requirements

MHFG, MHCB, MHBK, and MHTB are subject to regulatory capital requirements administered by the Financial Services Agency (“FSA”) in accordance with the provisions of the Banking Law and related regulations. Failure to meet minimum capital requirements may initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on the MHFG Group’s consolidated financial statements.

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the FSA closely follow the risk-adjusted approach proposed by the Bank for International Settlements (“BIS”) and are intended to further strengthen the soundness and stability of Japanese banks. Effective March 31, 2007, new guidelines were implemented by the FSA to comply with the new capital adequacy requirements set by BIS called Basel II. The framework of Basel II is based on the following three pillars: minimum capital requirements; supervisory review; and market discipline.

Under the first pillar, the capital ratio is calculated by dividing regulatory capital by risk-weighted assets. With respect to the calculation of risk-weighted assets, the MHFG Group adopted the foundation internal ratings-based approach (“FIRB approach”). Under the FIRB approach, balance sheet assets and off-balance sheet exposures, calculated under Japanese GAAP, are assessed in terms of credit risk according to risk components such as probability of default (“PD”) and loss given default. PD is derived by MHFG’s own internal credit experience. In addition to credit risk, banks are required to measure and apply capital charges with respect to their market risks. Market risk is defined as the risk of losses in on-and off-balance-sheet positions arising from movements in market prices. Operational risk, which was introduced under Basel II with respect to regulatory capital requirements, is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The MHFG Group selected the standardized approach for the calculation of operational risk capital charge, which calculates operational risk by dividing its activities into eight business lines and multiplying gross income of each of those business lines by the applicable factor assigned to each of the business line.

With regard to risk-based capital, these guidelines are consistent with the original BIS framework (Basel I) in requiring a target minimum standard capital adequacy ratio of 8%, at least half of which must consist of core capital, on both a consolidated and non-consolidated basis for banks with international operations, such as MHCB and MHTB, or on a consolidated basis for bank holding companies with international operations, such as MHFG.

Risk-based capital, calculated from financial statements prepared under Japanese GAAP, is classified into the following three tiers: core capital (Tier 1 capital); supplementary capital (Tier 2 capital); and junior supplementary capital (Tier 3 capital). Tier 1 capital generally consists of shareholders’ equity less any recorded goodwill and consolidation adjustment accounts. Tier 2 capital generally consists of: general loan-loss reserves;

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45% of each of the unrealized gains on valuation of certain securities classified as “other securities” under Japanese GAAP which is similar to available-for-sale securities under U.S. GAAP, and the unrealized appreciation in the value of land; the balance of subordinated perpetual debt; and the balance of subordinated term debt with an original maturity of over five years and preferred term shares up to 50% of Tier 1 capital. Tier 2 capital may be included in a bank’s risk-based capital up to the amount equivalent to Tier 1 capital, less Tier 3 capital if market risk is taken into account in the capital adequacy ratio calculation. Tier 3 capital consists of the balance of subordinated term debt with original maturity of at least two years. Tier 3 capital may be included in total risk-based capital subject to certain conditions, depending on the measure for market risk and the amount of Tier 1 capital.

Japanese banks are also required to comply with the supervisory review process (second pillar) and disclosure requirements for market discipline (third pillar). Under the second pillar, banks are required to maintain adequate capital to support all of the major risks in their business and are encouraged to develop and use better risk management techniques in monitoring and managing such risks. Under the third pillar, banks are required to enhance disclosure, including disclosure of details of the capital adequacy ratio, the amount of each type of risk and the method of calculation used, so that the market may make more effective evaluations.

Japanese banks with only domestic operations, such as MHBK, are subject to Japanese capital adequacy requirements that are similar to those discussed above, except that domestic banks are required to maintain a minimum capital adequacy ratio of 4%, at least half of which must consist of Tier 1 capital, on both a consolidated and non-consolidated basis.

If the capital adequacy ratio of a financial institution falls below the required level, the FSA may, depending upon the extent of capital deterioration, take certain corrective action including requiring the financial institution to submit an improvement plan to strengthen its capital base, reduce its total assets, restrict its business operations, or other actions that could have a material effect on the MHFG Group’s financial statements.

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Capital adequacy ratios of MHFG, MHCB, MHBK, and MHTB as of March 31, 2007 and 2008 calculated in accordance with Japanese GAAP and guidelines established by the Ministry of Finance and the FSA are set forth in the following table:

	2007		2008	
	Amount	Ratio	Amount	Ratio
(in millions of yen, except percentages)				
Consolidated:				
MHFG:				
Tier 1 capital:				
Required	2,831,820	4.00	2,634,915	4.00
Actual	4,933,562	6.96	4,880,189	7.40
Total risk-based capital:				
Required	5,663,639	8.00	5,269,829	8.00
Actual	8,841,383	12.48	7,708,342	11.70
MHCB:				
Tier 1 capital:				
Required	1,520,976	4.00	1,405,893	4.00
Actual	3,256,830	8.56	2,982,469	8.48
Total risk-based capital:				
Required	3,041,953	8.00	2,811,786	8.00
Actual	5,329,535	14.01	4,278,850	12.17
MHBK:				
Tier 1 capital:				
Required	581,072	2.00	557,777	2.00
Actual	2,067,733	7.11	2,032,402	7.28
Total risk-based capital:				
Required	1,162,144	4.00	1,115,553	4.00
Actual	3,412,842	11.74	3,339,632	11.97
MHTB:				
Tier 1 capital:				
Required	160,608	4.00	147,495	4.00
Actual	359,840	8.96	374,852	10.16
Total risk-based capital:				
Required	321,216	8.00	294,990	8.00
Actual	630,065	15.69	585,222	15.87
Non-consolidated:				
MHCB:				
Tier 1 capital:				
Required	1,425,251	4.00	1,260,588	4.00
Actual	2,922,860	8.20	2,505,915	7.95
Total risk-based capital:				
Required	2,850,502	8.00	2,521,176	8.00
Actual	5,426,210	15.22	4,411,114	13.99
MHBK:				
Tier 1 capital:				
Required	531,725	2.00	538,716	2.00
Actual	1,965,319	7.39	1,887,196	7.00
Total risk-based capital:				
Required	1,063,450	4.00	1,077,433	4.00
Actual	3,223,174	12.12	3,153,858	11.70
MHTB:				
Tier 1 capital:				
Required	159,238	4.00	146,087	4.00
Actual	353,206	8.87	366,007	10.02
Total risk-based capital:				
Required	318,475	8.00	292,174	8.00
Actual	621,307	15.60	575,928	15.76

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MHFG's securities subsidiaries in Japan are also subject to the capital adequacy rules of the FSA under the Financial Instrument and Exchange Law. This rule requires securities firms to maintain a minimum capital adequacy ratio of 120% calculated as a percentage of capital accounts less certain assets, as determined in accordance with Japanese GAAP, against amounts equivalent to market, counterparty, and basic risks. Specific guidelines are issued as a ministerial ordinance which details the definition of essential components of the capital ratios, including capital, disallowed assets and risks, and related measures. Failure to maintain a minimum capital ratio will trigger mandatory regulatory actions. A capital ratio of less than 140% will call for regulatory reporting and a capital ratio of 100% or less may lead to a temporary suspension of all or part of the business operations and cancellation of the license to act as a securities broker and dealer.

Management believes, as of March 31, 2008, that MHFG, MHCB, MHBK, MHTB, and their securities subsidiaries in Japan are in compliance with all capital adequacy requirements to which they are subject.

19. Earnings per common share

Basic earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the fiscal year. Diluted earnings per common share reflect the assumed conversion to common shares of all convertible securities such as convertible preferred stock.

The following table sets forth the computation of basic and diluted earnings per common share for the fiscal years ended March 31, 2006, 2007 and 2008:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Net income:			
Net income	1,085,672	623,882	228,618
Less: Net income attributable to preferred shareholders	37,953	23,474	19,975
Net income attributable to common shareholders	<u>1,047,719</u>	<u>600,408</u>	<u>208,643</u>
Effect of dilutive securities:			
Convertible preferred stock	18,875	18,875	18,875
Net income attributable to common shareholders after assumed conversions	<u>1,066,594</u>	<u>619,283</u>	<u>227,518</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(thousands of shares)		
Shares:			
Weighted average common shares outstanding	<u>11,172</u>	<u>11,608</u>	<u>11,480</u>
Effect of dilutive securities:			
Convertible preferred stock (Note)	1,717	1,106	2,088
Weighted average common shares after assumed conversions	<u>12,889</u>	<u>12,714</u>	<u>13,568</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in yen)		
Amounts per common share:			
Basic net income per common share	<u>93,778.71</u>	<u>51,725.68</u>	<u>18,174.55</u>
Diluted net income per common share	<u>82,748.82</u>	<u>48,709.38</u>	<u>16,768.67</u>

Note: The number of the dilutive common shares is based on the conversion price as of each fiscal year-end.

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20. Income taxes

The following table presents the components of Income tax expense (benefit) for the fiscal years ended March 31, 2006, 2007 and 2008:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Current:			
Domestic	43,745	27,929	9,681
Foreign	<u>26,655</u>	<u>22,372</u>	<u>35,502</u>
Total current tax expense (benefit)	<u>70,400</u>	<u>50,301</u>	<u>45,183</u>
Deferred:			
Domestic	(445,535)	112,444	626,326
Foreign	<u>993</u>	<u>476</u>	<u>667</u>
Total deferred tax expense (benefit)	<u>(444,542)</u>	<u>112,920</u>	<u>626,993</u>
Total income tax expense (benefit)	<u>(374,142)</u>	<u>163,221</u>	<u>672,176</u>

The preceding table does not reflect the tax effects of items recorded directly in Shareholders' equity for the fiscal years ended March 31, 2006, 2007 and 2008. The detailed amounts reducing Shareholders' equity are as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Unrealized net gains (losses) on available-for-sale securities	591,405	149,726	(755,958)
Minimum pension liability	(650)	175	—
Pension liability adjustments	—	89,512	(163,825)
Cumulative effect of change in accounting principle	<u>—</u>	<u>1,275</u>	<u>—</u>
Total tax effect	<u>590,755</u>	<u>240,688</u>	<u>(919,783)</u>

Since the MHFG Group does not have the intention to divest its foreign subsidiaries in the foreseeable future, deferred taxes are not provided on the temporary differences related to foreign currency translation adjustments.

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The following table shows a reconciliation of Income tax expense (benefit) at the effective statutory tax rate to actual income tax expense for the fiscal years ended March 31, 2006, 2007 and 2008:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen, except tax rates)		
Income before income tax expense (benefit)	711,530	787,103	900,794
Effective statutory tax rate	40.69%	40.69%	40.69%
Income tax calculated at the statutory tax rate	289,522	320,272	366,533
Income not subject to tax	(119,421)	(34,365)	(19,514)
Expenses not deductible for tax purposes	4,656	1,937	2,035
Tax rate differentials of subsidiaries	5,246	(538)	35,610
Change in valuation allowance	650,056	(161,875)	242,980
Change in undistributed earnings of subsidiaries	(79,559)	(38,247)	(32,405)
Change in net operating loss carryforwards resulting from the sale of shares of subsidiaries within the Group	(1,151,222)	32,519	54,277
Minority interest in consolidated subsidiaries	28,097	11,308	(21,833)
Other	(1,517)	32,210	44,493
Income tax expense (benefit)	<u>(374,142)</u>	<u>163,221</u>	<u>672,176</u>

The components of net deferred tax assets at March 31, 2007 and 2008 are as follows:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Deferred tax assets:		
Investments	1,142,927	1,176,372
Allowance for loan losses	456,820	333,910
Premises and equipment	41,918	38,392
Financial Stabilization Funds	30,244	25,869
Derivative financial instruments	91,604	9,142
Net operating loss carryforwards	2,676,992	2,402,604
Other	209,864	275,576
	<u>4,650,369</u>	<u>4,261,865</u>
Valuation allowance	(2,205,187)	(2,451,103)
Deferred tax assets, net of valuation allowance	<u>2,445,182</u>	<u>1,810,762</u>
Deferred tax liabilities:		
Available-for-sale securities	1,552,740	784,328
Undistributed earnings of subsidiaries	36,927	4,523
Prepaid pension cost and accrued pension liabilities	130,706	3,130
Other	122,512	106,409
Deferred tax liabilities	<u>1,842,885</u>	<u>898,390</u>
Net deferred tax assets	<u>602,297</u>	<u>912,372</u>

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Deferred tax assets and deferred tax liabilities within the same tax jurisdiction have been netted for presentation in the balance sheets as follows:

	2007	2008
	(in millions of yen)	
Deferred tax assets on the balance sheet	618,665	923,572
Deferred tax liabilities on the balance sheet	16,368	11,200
Net deferred tax assets	<u>602,297</u>	<u>912,372</u>

In assessing the realizability of deferred tax assets, management considered whether it was more likely than not that some portion or all of the deferred tax assets would not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considered the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies available in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets were deductible, management believed it was more likely than not that the MHFG Group would realize the benefits of these deductible differences, net of the existing valuation allowances at March 31, 2007 and 2008.

At March 31, 2008, the MHFG Group had net operating loss carryforwards totaling ¥6,096,641 million. These net operating losses are scheduled to expire as follows:

	Net operating loss carryforwards
	(in millions of yen)
Fiscal year ending March 31:	
2009	49,117
2010	1,769,797
2011	503,685
2012	521,069
2013	2,694,930
2014 and thereafter	558,043
Total	<u>6,096,641</u>

Included in net operating loss carryforwards in the above table are carryforwards of the holding company and a subsidiary of ¥2,646,716 million resulting mainly from the sale of shares of subsidiary companies within the Group. The tax effect of these carryforwards is offset by a full valuation allowance.

The MHFG Group adopted FIN No.48 as of April 1, 2007 that resulted in an increase to the beginning balance of accumulated deficit of ¥2,597 million. The total amount of unrecognized tax benefits including ¥406 million interest and penalties was ¥6,135 million at April 1, 2007, of which ¥3,931 million would, if recognized, affect the Group's effective tax rate. At March 31, 2008, the total amount of unrecognized tax benefits including ¥760 million interest and penalties was ¥4,923 million, which would, if recognized, affect the Group's effective tax rate. The Group classifies interest and penalties accrued relating to unrecognized tax benefits as Income tax expense.

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The following table is a roll-forward of unrecognized tax benefits from April 1, 2007 to March 31, 2008.

	(in millions of yen)
Total unrecognized tax benefits at April 1, 2007	6,135
Gross amount of increases related to positions taken during prior years	1,098
Gross amount of increases related to positions taken during the current year	343
Amount of decreases related to settlements	(2,204)
Foreign exchange adjustments	(449)
Total unrecognized tax benefits at March 31, 2008	4,923

The MHFG Group is currently subject to ongoing tax audits in some jurisdictions. The oldest years open to tax audits in Japan, the United States and the United Kingdom are 2000, 1998 and 2002 respectively. The MHFG Group does not anticipate that increases or decreases of unrecognized tax benefits within the next twelve months would have a material effect on its consolidated results of operations or financial condition.

21. Pension and other employee benefit plans

Severance indemnity plans

MHFG and certain subsidiaries, including MHBK, MHC B, and MHTB, sponsor and offer their employees other than directors and corporate auditors, lump-sum severance indemnity plans. Under the severance indemnity plans, employees are provided with lump-sum cash payments upon leaving the company. The amount of benefits under the severance indemnity plans is principally determined based on the position, the length of service and the reason for retirement. When employees meet certain conditions including the length of service, they may opt to receive annuity payments instead of lump-sum payments at retirement. MHFG and certain subsidiaries also offer special termination benefits to former employees whose contributions during their career were deemed meritorious and to those with particular circumstances.

Employees' Pension Funds

MHFG and certain subsidiaries provide funded contributory defined benefit plans, which are known as the Employees' Pension Funds ("EPF"), as defined and regulated by the Japanese Welfare Pension Insurance Law ("JWPIL"). Under the EPF, an employer establishes a special public entity that administers and manages the plan with respect to the employees covered by the EPF. The EPF comprises:

- a. The "substitutional portion" representing a portion of the pay-related part of the elderly pension that the EPF administers on behalf of the state-run welfare pension and;
- b. The "corporate portion" which represents the discretionary benefit arrangement set up by the employer or the EPF.

When an employer establishes the EPF, the portion of the welfare pension premium that represents the substitutional portion, and would otherwise be required to be paid to the government, is contributed to the EPF.

In June 2001, the JWPIL was amended to permit the employer to separate the substitutional portion from the EPF and transfer the obligation and related assets to the Japanese government. After the separation, the entire premium representing the contribution to the welfare pension is transferred to the government. The separation process requires several phases to be completed and is accounted for in accordance with EITF Issue No.03-2 as discussed below.

MHFG and certain subsidiaries submitted an application to the government to transfer the obligation to pay benefits for future employee service related to the substitutional portion and the application was approved in

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September 2003. MHFG and certain subsidiaries made another application for the transfer to the government of the remaining substitutional portion and the application was approved in March 2005. During the fiscal year ended March 31, 2006, a subsidiary of MHFG completed the transfer of the substitutional portion to the government. In addition, in January 2007, MHFG and certain subsidiaries completed the transfer of the substitutional portion of the benefit obligation and the related government-specified portion of plan assets to the government. The MHFG Group accounted for the entire process of the completion of the transfer as a single settlement transaction in accordance with EITF Issue No.03-2.

The effect of these settlements calculated pursuant to the guidance in EITF Issue No.03-2 for the fiscal years ended March 31, 2006 and 2007 was as follows:

	2006	2007
	(in millions of yen)	
Subsidy (representing the difference between the accumulated benefit obligation over the fair value of the related assets)	1,307	177,418
Settlement gain recognized for proportionate amount of net unrecognized loss related to the entire EPF	225	3,434
Effect of the reversal of future salary progression	395	1,589
Total settlement gain	1,927	182,441

The subsidy is included in Other noninterest income and the other components are deducted from Salaries and employee benefits.

Tax-Qualified Pension Plans (closed “TQPPs”)

Some of MHFG’s subsidiaries offer closed TQPPs. These plans are non-contributory defined benefits plans which provide retired employees other than directors and corporate auditors with retirement benefits that are determined based on certain factors that include the length of service. Under the tax-qualified pension plans, employers enter into contracts with financial institutions such as trust banks or life insurers that administer employer contributions and benefit payments.

Defined contribution plans

MHFG and certain subsidiaries have several defined contribution plans. The costs recognized for contributions to the plans for the fiscal years ended March 31, 2006, 2007 and 2008 were ¥724 million, ¥1,509 million and ¥1,785 million, respectively.

Foreign office benefit plans

Foreign offices and subsidiaries have postemployment and/or postretirement plans for eligible employees and retirees. Foreign offices and subsidiaries also have defined contribution plans and/or defined benefit plans. The costs of such plans charged to earnings for the fiscal years ended March 31, 2006, 2007 and 2008 were ¥1,555 million, ¥2,071 million and ¥1,277 million, respectively.

Implementation of SFAS No.158

On March 31, 2007, the MHFG Group adopted the recognition and disclosure provisions of SFAS No.158, which requires an employer to recognize the overfunded or underfunded status of a defined benefit plan as an asset or liability in its consolidated balance sheets. Under SFAS No.158, actuarial gains or losses and prior service costs

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or benefits that have not yet been recognized through earnings as net periodic benefit cost will be recognized in other comprehensive income, net of tax, until they are amortized as a component of net periodic benefit cost. Upon adoption of SFAS No.158 in 2007, the MHFG Group recorded an adjustment, net of tax, of ¥130,855 million to Accumulated other comprehensive income.

The adoption of SFAS No.158 had no effect on the consolidated statements of income for the year ended March 31, 2007, or for any prior period presented, and it will not affect the MHFG Group's operating results in future periods. The MHFG Group mostly uses a measurement date of March 31 for its defined benefit pension plans.

Partial withdrawal of assets from employee retirement benefit trusts

During the fiscal year ended March 31, 2007, certain subsidiaries of MHFG partially withdrew assets from employee retirement benefit trusts, which were established for the payment of employees' severance pay and retirement pensions. Overall, the related plan remains in overfunded status as of March 31, 2007 and 2008. No gains or losses have been recognized as a consequence of this transaction.

Net periodic benefit cost and funded status

Net periodic benefit cost of the severance indemnities and pension plans, net of contributions made by employees, for the fiscal years ended March 31, 2006, 2007 and 2008 includes the following components:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Service cost-benefits earned during the fiscal year	28,908	23,190	24,000
Interest costs on projected benefit obligation	37,751	37,700	26,757
Expected return on plan assets	(62,947)	(77,286)	(95,211)
Amortization of prior service benefit	(463)	(440)	(437)
Amortization of net actuarial loss (gain)	71	(16,198)	(6,042)
Special termination benefits	5,936	5,485	5,048
Gain on settlement	(620)	(5,023)	—
Net periodic benefit cost	<u>8,636</u>	<u>(32,572)</u>	<u>(45,885)</u>

Other changes in plan assets and benefit obligations recognized in other comprehensive loss before-tax for the year ended March 31, 2008 were summarized as follows:

	<u>2008</u>
	(in millions of yen)
Net actuarial loss	409,970
Amortization of net actuarial gain	6,042
Prior service cost	147
Amortization of prior service benefit	437
Total recognized in other comprehensive loss before-tax	<u>416,596</u>

As of March 31, 2008, the amounts in Accumulated other comprehensive income, which will be amortized as prior service benefit and actuarial loss over the next year, are estimated to be ¥423 million and ¥6,407 million, respectively.

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Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost are as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Weighted-average assumptions used to determine benefit obligations at year end:			
Discount rates	2.55%	2.09%	1.99%
Rates of increase in future compensation level	1.37-5.67%	1.51-5.76%	1.61-5.62%
Weighted-average assumptions used to determine net periodic benefit cost during the year:			
Discount rates	2.45%	2.55%	2.09%
Rates of increase in future compensation level	1.40-5.31%	1.37-5.67%	1.51-5.76%
Expected rates of return on plan assets	3.63%	3.72%	5.75%

In estimating the discount rate, the MHFG Group used interest rates on high-quality fixed-income governmental and corporate bonds that received a rating of AA(Aa) or higher from rating agencies. The durations of such bonds closely match that of the pension benefit obligation. Assumed discount rates were reevaluated at each measurement date.

The following table sets forth the combined funded status and amounts recognized in the accompanying consolidated balance sheets at March 31, 2007 and 2008 for the plans of MHFG and its subsidiaries. Accordingly, funded status and amounts recognized in the table below show the combined amounts of those presented in the consolidated financial statements of these subsidiaries.

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Change in benefit obligation:		
Benefit obligation at beginning of fiscal year	1,543,131	1,287,133
Service cost	23,190	24,000
Interest cost	37,700	26,757
Plan participants' contributions	1,208	1,199
Divestitures	—	(2,315)
Transfer of substitutional portion	(388,368)	—
Actuarial loss	125,594	23,546
Foreign currency exchange rate changes	2,472	(5,725)
Benefits paid	(38,476)	(40,478)
Lump-sum payments	(19,318)	(20,370)
Benefit obligation at end of fiscal year	<u>1,287,133</u>	<u>1,293,747</u>
Change in plan assets:		
Fair value of plan assets at beginning of fiscal year	2,072,727	1,617,598
Actual return (negative return) on plan assets	42,163	(291,648)
Foreign currency exchange rate changes	1,807	(4,361)
Divestitures	—	(1,389)
Transfer of substitutional portion	(209,361)	—
Partial withdrawal of assets from employee retirement benefit trusts	(288,645)	—
Employer contributions	36,175	39,453
Plan participants' contributions	1,208	1,199
Benefits paid	(38,476)	(40,478)
Fair value of plan assets at end of fiscal year	<u>1,617,598</u>	<u>1,320,374</u>
Funded status	<u>330,465</u>	<u>26,627</u>

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	2007	2008
	(in millions of yen)	
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid pension cost	357,326	48,798
Accrued pension liability	(26,861)	(22,171)
Net amount recognized	330,465	26,627
Amounts recognized in Accumulated other comprehensive loss (income) before-tax consist of:		
Prior service cost (benefit)	(4,319)	(3,735)
Net actuarial loss (gain)	(219,749)	196,263
Net amount recognized	(224,068)	192,528

Note: The aggregated accumulated benefit obligations of these plans were ¥1,246,330 million and ¥1,253,781 million, respectively, as of March 31, 2007 and 2008. The severance indemnities plans generally employ a multi-variable and non-linear formula based upon compensation at the time of severance, rank and years of service. Employees with service in excess of one year are qualified to receive lump-sum severance indemnities.

The following table shows the projected benefit obligations, accumulated benefit obligations and fair value of plan assets at March 31, 2007 and 2008 for the plans of MHFG and its subsidiaries where accumulated benefit obligations were in excess of plan assets:

	2007	2008
	(in millions of yen)	
Projected benefit obligation	46,251	31,163
Accumulated benefit obligation	45,278	30,426
Fair value of plan assets	31,057	20,388

Pension plans are not fully integrated among subsidiaries of MHFG and plan assets are managed separately by each plan.

Asset allocation

Pension plan asset allocations of MHFG and certain subsidiaries at March 31, 2007 and 2008, by asset category are as follows:

Asset category	Fair value of pension plan assets at March 31,	
	2007	2008
The EPF assets:		
Japanese equity securities	8.19%	6.89%
Japanese debt securities	9.78%	14.27%
General account of life insurance companies	5.09%	6.19%
Non-Japanese equity securities	7.39%	6.89%
Non-Japanese debt securities	10.91%	12.36%
Short-term assets	0.50%	0.71%
Total EPF assets	41.86%	47.31%
Assets retained in employee retirement benefit trusts:		
Japanese equity securities	58.14%	52.69%
	100.00%	100.00%

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Included in Japanese equity securities was ¥51,720 million (3.30% of contributory pension plan assets) and ¥25,084 million (1.94% of contributory pension plan assets) of the common stock issued by the MHFG Group and its affiliated companies at March 31, 2007 and 2008, respectively.

Included in Japanese debt securities was ¥666 million (0.04% of contributory pension plan assets) and ¥453 million (0.03% of contributory pension plan assets) of the debt securities issued by the MHFG Group and its affiliated companies at March 31, 2007 and 2008, respectively.

Investment policies

MHFG and certain subsidiaries' target asset allocation for funds for the EPF plans is as follows:

<u>Asset category</u>	<u>Asset ratio at March 31, 2008</u>
Japanese equity securities	17.00%
Japanese debt securities	42.00%
Non-Japanese equity securities	15.00%
Non-Japanese debt securities	26.00%
Total	<u>100.00%</u>

In managing assets for the EPF, the MHFG Group determines the appropriate levels of risk that the MHFG Group can assume under the given circumstances to maximize the investment returns from a long-term perspective while ensuring that the sufficient funds will be available to plan participants and beneficiaries. Generally, the investment returns are relative to the risks involved. In considering the maximum levels of risk that the MHFG Group can assume, it primarily considers the following factors: the employers' burden of maintaining the benefit plans based on the design of the plans and future plan contributions, the age distribution of the plan participants and beneficiaries, the financial conditions of the employers, and the employers' ability to absorb future variability in plan premiums. The long-term asset allocation is based on optimal portfolios, which are estimated by expected return and risk according to each asset class. Additionally, the asset allocation is reviewed whenever there are large fluctuations in pension plan liabilities caused by modifications of pension plans, or there are changes in the market environment.

The employee retirement benefit trusts have been established to isolate assets held by employers and designate the separated assets for the settlement of retirement benefits. These assets are primarily Japanese equity securities and have been entrusted directly with qualified trustees including trust banks.

The plan assets designated to the TQPPs have been invested in assets with low investment risk because the plans have already been closed to new participants.

Basis and procedure for estimating long term return of each asset class

The expected rate of return for each asset class is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment. The expected long-term rate of return used to determine net periodic benefit cost for the fiscal year ended March 31, 2008 is 4.30% for the EPF assets and 6.82% for assets retained in employee retirement benefit trusts. Due to the fact that assets retained in employee retirement benefit trusts primarily consist of a single asset class of Japanese equity securities, the rate of return on them is generally expected to be higher than that on the EPF assets consisting of various asset classes such as equities, bonds and other assets.

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Contributions

MHFG and certain subsidiaries expect to contribute approximately ¥35 billion to their pension plans in the fiscal year ending March 31, 2009 based on the current funded status and expected asset return assumptions.

Estimated future benefit payments

The following table presents forecasted benefit payments including the effect of expected future service for the fiscal year indicated:

	(in millions of yen)
Fiscal year ending March 31:	
2009	58,900
2010	60,439
2011	61,078
2012	61,786
2013	62,788
2014-2018	328,018

22. Derivative financial instruments

The MHFG Group uses derivative financial instruments in response to the diverse needs of customers, to control the risk related to the assets and liabilities of the MHFG Group, as part of its asset and liability management, and for proprietary trading purposes. The MHFG Group is exposed primarily to market risk associated with interest rate, commodity, foreign currency, and equity products and credit risk associated with counterparty default or nonperformance on transactions.

Market risk arises from changes in market prices or indices, interest rates and foreign exchange rates that may result in an adverse change in the market value of the financial instrument or an increase in its funding costs. Exposure to market risk is managed by imposing position limits and monitoring procedures and by initiating hedging transactions.

Credit risk arises from counterparty failure to perform according to the terms and conditions of the contract and the value of the underlying collateral held, if applicable, is not sufficient to recover resulting losses. The exposure to credit risk is measured by the fair value of all derivatives in a gain position and its potential increase at the balance sheet dates. The exposure to credit risk is managed by entering into legally enforceable master netting agreements to mitigate the overall counterparty credit risk, requiring underlying collateral and guarantees based on an individual credit analysis of each obligor and evaluating credit features of each instrument. In addition, credit approvals, limits and monitoring procedures are also imposed.

The Group enters into the following derivative transactions that do not qualify for hedge accounting under SFAS No.133 with a view to implementing risk management hedging strategies: (1) interest-rate swap transactions for the purpose of hedging interest-rate risks in deposits, loans etc., (2) currency swap transactions for the purpose of hedging the foreign exchange risk of these assets, and (3) credit default swap transactions for the purpose of hedging the credit risk in loans, RMBS, commercial mortgage-backed securities (“CMBS”), CLO and other similar assets. Such derivatives are accounted for as trading positions.

Hedging activities

In order to qualify for hedge accounting under SFAS No.133, a derivative must be considered highly effective at reducing the risk associated with the exposure being hedged. Each derivative must be designated as a hedge, with

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documentation of the risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, and how effectiveness is to be assessed prospectively and retrospectively. The extent to which a hedging instrument is effective at achieving offsetting changes in fair value or cash flows must be assessed at least quarterly. Any ineffectiveness must be reported immediately in earnings. The MHFG Group's hedging activities include fair value and net investment hedges.

Fair value hedges

The MHFG Group primarily uses bond options to modify exposure to changes in fair value of available-for-sale debt securities. For qualifying fair value hedges, all changes in the fair value of the derivative and the corresponding hedged item relating to the risk being hedged are recognized in earnings in Investment gains—net. The change in fair value of the portion of the hedging instruments excluded from the assessment of hedge effectiveness is recorded in Trading account gains—net. No ineffectiveness exists because the MHFG Group chooses to exclude changes in the option's time value from the effectiveness test. If the hedge relationship is terminated, the fair value adjustment to the hedged item continues to be reported as part of the basis of the item and is amortized to earnings as a yield adjustment.

Net investment hedges

The MHFG Group uses forward foreign exchange contracts and foreign currency-denominated debt instruments to protect the value of net investments in non-Japanese subsidiaries from foreign currency exposure. Under net investment hedges, both derivatives and nonderivative financial instruments qualify as hedging instruments. For net investment hedges, the changes in the fair value of a hedging derivative instrument or nonderivative hedging financial instrument is recorded in Foreign currency translation adjustments within Accumulated other comprehensive income, provided that the hedging instrument is designated and is effective as a hedge of the net investment. The portion of the hedging instruments excluded from the assessment of hedge effectiveness is recorded in Foreign exchange gains (losses)—net in earnings.

The following table summarizes certain information related to the MHFG Group's hedging activities for the fiscal years ended March 31, 2006, 2007 and 2008:

	2006	2007	2008
	(in millions of yen)		
Fair value hedges:			
Hedge ineffectiveness recognized in earnings	—	—	—
Net loss excluded from assessment of effectiveness	(20,793)	(12,035)	(5,497)
Net investment hedges:			
Net loss included in foreign currency translation adjustment within accumulated other comprehensive income	(16,230)	(29,710)	(3,177)

23. Commitments and contingencies

Obligations under guarantees

The MHFG Group provides guarantees or indemnifications to counterparties to enhance their credit standing and enable them to complete a variety of business transactions. The guarantee represents an obligation to make payments to third parties if the counterparty fails to fulfill its obligation under a borrowing arrangement or other contractual obligation.

The Group records all guarantees and similar obligations subject to FIN No.45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an

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interpretation of FASB Statements No.5, 57, and 107 and rescission of FASB Interpretation No.34” (“FIN No.45”) at fair value on the consolidated balance sheets at the inception of the guarantee. The carrying amount of guarantees and similar obligations at March 31, 2007 and 2008 was ¥30,777 million and ¥21,848 million, respectively, and was included in Other liabilities.

The types of guarantees under FIN No.45 provided by the MHFG Group are described below.

Performance guarantees

Performance guarantees are issued to guarantee customers’ performance under contractual arrangements such as a tender bid on a construction project or the completion of a construction project.

Guarantees on loans

Guarantees on loans include an obligation to guarantee the customer’s borrowing contracts. The MHFG Group is required to make payments to the guaranteed parties in the event that customers fail to fulfill obligations under the contracts.

Guarantees on securities

Guarantees on securities include an obligation to guarantee securities, such as bonds issued by customers.

Other guarantees

Other guarantees include an obligation to guarantee customers’ payment, such as tax payments.

Guarantees for the repayment of trust principal

The MHFG Group provides certain trust products with guarantees for the repayment of trust principal, e.g., loan trusts and certain jointly operated designated money trusts. Pursuant to Japanese trust-related laws, trustees are prohibited from compensating beneficiaries for any loss in the beneficial interests in each trust. However, under a special condition of the Japanese trust-related laws, trust banks as trustees are allowed to enter into an agreement to compensate for any loss in the principal of the trust. The MHFG Group manages and administers the trust assets to minimize exposures against losses from the guarantees for the repayment of trust principal, including writing-off impaired loans and charging it to the trust account profits. In performing its fiduciary duties, the MHFG Group also manages the trust assets separately from its own proprietary assets on behalf of customers and keeps separate records for the trust activities. The contract amounts of guarantees for repayment of trust principal were presented in the tables below. Part of the trust account profits is set aside as a reserve in trust accounts to absorb losses in the trust asset portfolios in accordance with relevant Japanese laws concerning the trust business and/or trust agreements. Statutory reserves for loan trusts and reserves for jointly operated designated money trusts are calculated based on the trust principal or the balance of loans and other assets in the trust accounts. The amounts of such reserves set aside in the trust accounts were ¥1,300 million and ¥690 million at March 31, 2007 and 2008, respectively. Since the probability of principal indemnification is judged to be remote, the MHFG Group had no related reserve for credit losses recorded in its consolidated financial statements.

Liabilities of trust accounts

The MHFG Group, as trustee, may enter into an agreement with a third party who is not the party to the relevant trust agreement to the extent necessary to handle the trust affairs for the purpose of fulfilling the objectives of the trust and, as such, the trustee shall be allowed to assume certain liabilities. Pursuant to Japanese trust-related

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laws, the trustee is ultimately liable to pay those liabilities out of its proprietary assets in the event that the trust assets are insufficient to cover those liabilities and the trust beneficiary is unable to compensate the shortfall. To avoid the demand for payment out of the proprietary assets, the trustee can enter into a special covenant of limited liability under which the trust creditors agree to limit the trustee's liability to the value of the trust assets and to waive the right for compulsory execution against the trustee's proprietary assets. The amount of trust liabilities rarely exceeds the amount of trust assets and, therefore, those liabilities are covered by the corresponding trust assets. However, in the event that the trust assets cannot cover all the trust liabilities and the trustee has to pay out of its proprietary assets, the trustee can require the trust beneficiary to compensate for such trust liabilities under the Trust Law. The MHFG Group regularly monitors the condition of trust accounts to minimize exposures against making such payment.

The amounts of such liabilities in the trust accounts excluding those with the special covenant of limited liability were presented in the tables below. Liabilities of trust accounts principally include obligations to return collateral under security lending transactions and others.

Derivative financial instruments

Certain written options and credit default swaps are deemed guarantees pursuant to the definition of guarantees in FIN No.45 if (i) these contracts require the MHFG Group to make payments to counterparties based on changes in an underlying instrument or index, (ii) the contract cannot be cash-settled, and (iii) it is probable that the counterparty held the underlying instrument at inception of the contract. Because it is difficult in practice to determine whether condition (iii) exists, the MHFG Group has decided to include all credit default swaps and certain written options, excluding written options outside the scope of FIN No.45 such as written call options, in the mandatory guarantee disclosures, irrespective of whether the counterparty has the asset or liability relating to the underlying.

Maximum exposure under guarantee contracts

The table below summarizes the remaining term and maximum potential amount of future payments by type of guarantee at March 31, 2007 and 2008. The maximum potential amount of future payments disclosed below represents the contractual amounts that could be repaid in the event of guarantees execution, without consideration of possible recoveries under recourse provisions or from collateral held. With respect to written options included in derivative financial instruments in the table below, in theory, the MHFG Group is exposed to unlimited losses; therefore, the table shows notional amounts of the contracts as a substitute for the maximum exposure.

The MHFG Group, when necessary, requires collateral such as cash, investment securities and real estate or third-party guarantees depending on the amount of credit risk involved, and employs means such as sub-participation to reduce the credit risk associated with guarantees. The maximum exposure or notional amounts below does not represent the expected losses from the execution of the guarantees.

<u>2007</u>	<u>Maximum potential/Contractual or Notional amount</u>	<u>Amount by expiration period</u>		
		<u>One year or less</u>	<u>After one year through five years</u>	<u>After five years</u>
		(in millions of yen)		
Performance guarantees	1,678,749	857,718	661,875	159,156
Guarantees on loans	1,126,958	153,488	101,540	871,930
Guarantees on securities	23,977	17,314	4,065	2,598
Other guarantees	1,057,360	764,768	260,787	31,805
Guarantees for the repayment of trust				
principal	1,159,966	183,163	471,070	505,733
Liabilities of trust accounts	6,073,687	5,838,807	50,618	184,262
Derivative financial instruments	120,008,379	86,819,597	27,545,378	5,643,404

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<u>2008</u>	<u>Maximum potential/Contractual or Notional amount</u>	<u>Amount by expiration period</u>		
		<u>One year or less</u>	<u>After one year through five years</u>	<u>After five years</u>
		(in millions of yen)		
Performance guarantees	1,899,837	936,042	801,131	162,664
Guarantees on loans	1,070,776	231,865	76,753	762,158
Guarantees on securities	6,592	398	3,554	2,640
Other guarantees	1,157,370	865,837	245,019	46,514
Guarantees for the repayment of trust principal	995,312	134,852	370,525	489,935
Liabilities of trust accounts	8,131,718	7,930,584	45,908	155,226
Derivative financial instruments	95,697,449	56,813,820	33,404,474	5,479,155

Other off-balance-sheet instruments

In addition to guarantees, the MHFG Group issues other off-balance-sheet instruments to its customers, such as lending-related commitments and commercial letters of credit. Under the terms of these arrangements, the MHFG Group is required to extend credit or make certain payments upon the customers' request.

Commitments to extend credit

Commitments to extend credit are legally binding agreements to lend to customers on demand. They usually have set maturity dates. These agreements differ from guarantees in that they are generally revocable or contain provisions that enable the MHFG Group to avoid payment or reduce the amount of credit extended under certain conditions, such as the deterioration of the borrower's financial condition or other reasonable conditions. The MHFG Group monitors the financial condition of the potential borrowers throughout the commitment period to determine whether additional collateral or changes in the terms of the commitment are necessary. Since many of these commitments to extend credit expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Commitments to invest in securities

Commitments to invest in securities include legally binding contracts to make additional contributions to investment funds, such as venture capital funds or corporate recovery funds in accordance with the terms of investment agreements.

Commercial letters of credit

Commercial letters of credit are issued in connection with customers' trade transactions. Normally, the customers cannot receive the goods until they make payment to a bank, and therefore these commercial letters of credit are collateralized by the underlying goods. Upon issuance of commercial letters of credit, the MHFG Group monitors the credit risk associated with these transactions to determine if additional collateral is required.

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The table below summarizes the contractual amounts with regard to these undrawn commitments at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Commitments to extend credit	47,904,584	48,670,619
Commitments to invest in securities	136,544	149,560
Commercial letters of credit	<u>535,845</u>	<u>537,023</u>
Total	<u>48,576,973</u>	<u>49,357,202</u>

Allowance and provision (credit) for losses on off-balance-sheet instruments

Other liabilities include an allowance for losses on off-balance-sheet instruments. Changes in the allowance for losses on off-balance-sheet instruments for the fiscal years ended March 31, 2007 and 2008 are shown below:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Balance at beginning of fiscal year	51,981	86,004	43,919
Provision (credit) for losses on off-balance-sheet instruments	34,023	(37,821)	5,090
Charge-offs	—	4,264	—
Balance at end of fiscal year	<u>86,004</u>	<u>43,919</u>	<u>49,009</u>

Leases

The MHFG Group leases certain office space and equipment under noncancelable agreements. Future minimum rental commitments for noncancelable leases at March 31, 2008 were as follows:

	<u>Capitalized leases</u>	<u>Operating leases</u>
	(in millions of yen)	
Fiscal year ending March 31:		
2009	9,067	43,816
2010	7,148	31,072
2011	4,129	27,172
2012	2,173	24,379
2013	1,167	21,720
2014 and thereafter	<u>750</u>	<u>33,101</u>
Total minimum lease payments	<u>24,434</u>	<u>181,260</u>
Amount representing interest	<u>1,435</u>	
Present value of minimum lease payments	<u>22,999</u>	

Total rental expense for the fiscal years ended March 31, 2006, 2007 and 2008 was ¥98,873 million, ¥95,862 million and ¥99,339 million, respectively.

During prior years, the MHFG Group's major banking subsidiaries sold their head offices (including land, buildings, facilities and equipment) to third parties. Concurrent with the sales, these subsidiaries leased the properties back for periods of 5 and 10 years at total lease payment for the whole period of ¥214,690 million.

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The MHFG Group recorded the transactions as operating leases. The future minimum lease payments under the terms of the related lease agreements were ¥144,182 million, ¥119,419 million and ¥94,655 million at March 31, 2006, 2007 and 2008, respectively.

Legal proceedings

The MHFG Group is involved in normal collection proceedings initiated by the Group and other legal proceedings in the ordinary course of business.

The Group's Indonesian subsidiary acts as collateral agent for the trustee of bond issuances made by subsidiaries of Asia Pulp & Paper Company Ltd. ("APP"). In that role, the subsidiary is involved in disputes between the bondholders and such APP subsidiaries in their capacities as the issuers, guarantors and/or pledgors of security for the bonds relating to foreclosure proceedings on the collateral and has been named as a defendant in lawsuits brought by the obligors under the bonds in Indonesia. The Group's consolidated financial statements do not include a reserve in relation to these disputes because the Group does not believe that the resolution of this matter will have a significant impact on the consolidated financial condition or results of operations of the Group, although there can be no assurance as to the foregoing.

24. Minority interest in consolidated subsidiaries

Minority interest represents the equity for the remaining outstanding voting stock of subsidiaries not owned by the MHFG Group. The changes in minority interest in fiscal years ended March 31, 2006, 2007, and 2008 consisted of minority interest in net income or loss of subsidiaries, minority interest in changes in other comprehensive income of subsidiaries and changes resulting from changes in the ownership percentage of the Group in certain subsidiaries.

For the fiscal year ended March 31, 2006, the MHFG Group sold 250,000,000 shares of equity interest in MHTB in order to maintain the subsidiary's status as a listed company in compliance with the change in certain delisting rules of the TSE. The Group realized a gain of ¥45 billion on the sale of MHTB stock, which is included in Other noninterest income for the fiscal year ended March 31, 2006. As a result of this transaction, the Group's ownership in MHTB was reduced to 70.0% at March 31, 2006.

During the fiscal year ended March 31, 2008, MHCB subscribed to new share issuances in total of ¥400 billion through third-party allocations by its subsidiary, MHSC. The purpose of the increases in capital by MHSC was to strengthen the capital base and business platform for the entire MHSC group. As a result of these transactions, the Group's ownership in MHSC was increased to 89.8% at March 31, 2008.

25. Variable interest entities and securitizations

Variable interest entities

In the normal course of business, the MHFG Group is involved with VIEs primarily through the following types of transactions: asset-backed commercial paper/loan programs, asset-backed securitizations, investment funds, trust arrangements, and structured finance. These transactions are discussed below. In accordance with the consolidation requirements of FIN No.46R, the Group consolidated certain of these VIEs, where the Group was deemed to be the primary beneficiary through participation in a majority of expected losses, expected residual returns or both. There are also other VIEs, where the Group determined that it was not the primary beneficiary but had significant variable interests. In evaluating the significance of the variable interests, the Group comprehensively takes into consideration its involvement with each VIE, as well as other relevant facts and

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circumstances. The likelihood of loss is not necessarily relevant to the determination of significance, and therefore, “significant” does not imply that there is high likelihood of loss. The maximum exposure to loss that is discussed in this section is the contractual or notional amounts of liquidity facilities and other off-balance-sheet credit related support or principal amount of financing, and it is not indicative of the ongoing exposure which is managed within the Group’s risk management framework.

The tables below summarize the MHFG Group’s significant involvement in VIEs, as of March 31, 2007 and 2008:

	Significant unconsolidated VIEs		
	Consolidated VIEs	Total assets Maximum exposure to loss	
<u>2007</u>	Consolidated assets	Total assets	Maximum exposure to loss
	(in millions of yen)		
Asset-backed commercial paper/loan programs	3,256,152	16,524	10
Asset-backed securitizations	650,702	1,471,549	81,898
Investments in securitization products	335,563	34,175	5,165
Investment funds	722,398	1,501,188	176,358
Trust arrangements and other	—	1,162,482	573,403
Total	<u>4,964,815</u>	<u>4,185,918</u>	<u>836,834</u>

	Significant unconsolidated VIEs		
	Consolidated VIEs	Total assets Maximum exposure to loss	
<u>2008</u>	Consolidated assets	Total assets	Maximum exposure to loss
	(in millions of yen)		
Asset-backed commercial paper/loan programs	3,096,717	—	—
Asset-backed securitizations	788,481	1,642,466	73,962
Investments in securitization products	249,196	—	—
Investment funds	902,515	2,951,984	402,626
Trust arrangements and other	—	997,318	421,577
Total	<u>5,036,909</u>	<u>5,591,768</u>	<u>898,165</u>

The table below presents the carrying amount and classification of consolidated VIEs’ assets, as of March 31, 2007 and 2008:

	2007	2008
	(in millions of yen)	
Cash and due from banks and deposits	6,602	113,775
Call loans	7,335	9,013
Trading account assets	709,444	850,401
Investments	115,897	298,251
Loans	4,056,344	3,683,707
Other	69,193	81,762
Total	<u>4,964,815</u>	<u>5,036,909</u>

The creditors or investors of the consolidated VIEs have no recourse to the MHFG Group, except where the Group provides credit enhancement through guarantees or other means.

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Asset-backed commercial paper/loan programs

The MHFG Group manages several asset-backed commercial paper/loan programs that provide its clients' off-balance-sheet and/or cost-effective financing. The VIEs used in the programs purchase financial assets, primarily receivables, from clients participating in the programs and provide liquidity through the issuance of commercial paper or borrowings from the MHFG Group backed by the financial assets. While customers normally continue to service the transferred receivables, the MHFG Group underwrites, distributes, and makes a market in commercial paper issued by the conduits. The MHFG Group also provides liquidity and credit support facilities and financing to the VIEs.

Asset-backed securitizations

The MHFG Group acts as an arranger of various types of structured finance to meet clients' various off-balance-sheet financing needs. In substantially all of these structured financing transactions, the transfer of the financial asset by the client is structured to be bankruptcy remote by use of a bankruptcy remote entity, which is deemed to be a VIE because its equity holder does not have decision making rights. The MHFG Group receives fees for structuring and/or distributing the securities sold to investors. In some cases, the MHFG Group itself purchases the securities issued by the entities and/or provides loans to the VIEs.

In addition, the MHFG Group establishes several single-issue and multi-issue special purpose entities that issue CDO or CLO, synthetic CDO/CLO or other repackaged instruments to meet clients' and investors' financial needs. The MHFG Group also arranges securitization transactions including CMBS, RMBS and others. In these transactions, the MHFG Group acts as an underwriter, placement agent, asset manager, derivatives counter party, and/or investor to debt and equity instruments.

In the second half of the fiscal year ended March 31, 2008, the MHFG Group newly consolidated certain single-issue special purpose entities issuing CDO, because, pursuant to FIN No.46R, the Group had become the primary beneficiary through the participation in a majority of the expected losses, expected residual returns or both, due to the occurrence of reconsideration events. The consolidation of these VIEs did not have a significant impact on MHFG's consolidated results of operations or financial condition.

Investments in securitization products

The MHFG Group invests in, among other things, various types of CDO/CLO, synthetic CDO/CLO and repackaged instruments, CMBS and RMBS arranged by third parties for the purpose of generating current income or capital appreciation, which all utilize entities that are deemed to be VIEs.

Investment funds

The MHFG Group invests in various investment funds including securities investment trusts, which collectively invest in equity and debt securities that include listed Japanese securities and investment grade bonds. Investment advisory companies or fund management companies, including the Group's subsidiaries and affiliates, administer and make investment decisions over such investment funds.

Trust arrangements

The MHFG Group offers a variety of asset management and administration services under trust arrangements including security investment trusts, pension trusts and trusts used in the securitization of assets originated by and transferred to third parties.

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As a trustee, the MHFG Group is required to exercise due care in managing and safe-keeping of the assets entrusted. Since the MHFG Group manages and administers entrusted assets in a capacity of an agent or fiduciary on behalf of its customers and is required to segregate trust assets from its proprietary assets, trust accounts are recorded separately from the MHFG Group's general accounts and are not included in its consolidated financial statements.

With respect to guaranteed principal money trust products, the MHFG Group assumes certain risks by providing guarantees for the repayment of principal as required by the trust agreements or relevant Japanese legislation. The MHFG Group manages entrusted funds primarily through the origination of high quality loans and other credit-related products, investing in investment grade marketable securities such as Japanese government bonds and placing cash with the MHFG Group's subsidiary trust banks (Refer to Note 12 "Due to trust accounts"). The MHFG Group determined that it does not absorb a majority of expected losses or residual returns in connection with these trust arrangements and, therefore, the trust accounts are not included in the consolidated financial statements of the MHFG Group. The balances of guaranteed principal at March 31, 2007 and 2008 were ¥1,160 billion and ¥995 billion, respectively. The trust fees for the fiscal years ended March 31, 2006, 2007 and 2008 were ¥21,612 million, ¥7,547 million and ¥5,479 million, respectively.

With respect to non-guaranteed trust arrangements, the MHFG Group manages and administers assets on behalf of its customers (trust beneficiaries) in the capacity of a trustee and fiduciary; it does not assume risks associated with the entrusted assets. For substantially all non-guaranteed trust arrangements, the trust beneficiaries receive the majority of expected residual returns and absorb the majority of expected losses based on the performance of the trust assets. Non-guaranteed trust accounts are not included in the consolidated financial statements of the MHFG Group.

Special purpose entities created for structured finance

The MHFG Group is involved in real estate, commercial aircraft and other vessel and machinery and equipment financing to VIEs. However, the Group's variable interests in these entities are not significant.

Securitization

The MHFG Group had no significant transfers of financial assets, recognized no significant gains or losses and retained no significant interest in securitization transactions accounted for as sales during the fiscal years ended March 31, 2006, 2007 and 2008. The MHFG Group had securitized mortgage loans during a previous fiscal year. In connection with such securitization transaction the Group provides servicing for and holds retained interests in the securitized mortgage loans. The Group's retained interests consist of subordinated beneficial interests and retained credit exposure. The values of the subordinated beneficial interests are subject to credit risk, interest rate risk and prepayment risk on the securitized financial assets. The retained credit exposure is in the form of a guarantee by a subsidiary of the Group. The carrying amount of this retained credit exposure was not considered material at March 31, 2007 and 2008. No servicing assets or liabilities were recorded as a result of this transaction since the Group received adequate compensation.

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The following information is related to a mortgage loan securitization transaction executed during the fiscal year ended March 31, 2005.

Key economic assumptions used in measuring the fair value of the subordinated beneficial interests at the date of securitization were as follows:

Discount rate	0.08-2.57%
Prepayment rate	4.14%
Weighted-average life (in years)	8.18
Expected credit losses	0.18%

At March 31, 2007 and 2008, key assumptions used in measuring the fair value of the subordinated beneficial interests and the sensitivities of the fair value to an immediate adverse change of 10% and 20% in those assumptions were as follows:

	<u>2007</u>	<u>2008</u>
Discount rate	0.98-2.50%	1.26-2.25%
Prepayment rate	6.08%	5.09%
Weighted-average life (in years)	6.77	6.94
Expected credit losses	0.12%	0.12%
	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Carrying value of subordinated beneficial interest	24,109	22,428
Discount rate:		
Impact of 10% adverse change	741	657
Impact of 20% adverse change	1,460	1,297
Prepayment rate:		
Impact of 10% adverse change	336	271
Impact of 20% adverse change	647	472
Expected credit losses:		
Impact of 10% adverse change	166	148
Impact of 20% adverse change	304	300

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10 percent variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the subordinated beneficial interest is calculated without changing any other assumption; in reality, changes could be correlated and changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments and increased credit losses), which might magnify or counteract the sensitivities.

The table below summarizes certain cash flows received from the securitization for the fiscal years ended March 31, 2006, 2007 and 2008:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Servicing fees received	213	187	167
Cash flows received on subordinated beneficial interests	4,033	3,139	2,686

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The tables below show the reconciliation between managed basis and on-balance-sheet amounts of mortgage loans balances including delinquencies at March 31, 2007 and 2008, and that of net credit losses for the fiscal years ended March 31, 2006, 2007 and 2008:

<u>Principal balance and delinquencies</u>	<u>2007</u>		<u>2008</u>	
	<u>Principal balance</u>	<u>Delinquencies</u>	<u>Principal balance</u>	<u>Delinquencies</u>
	(in millions of yen)			
Total mortgage loans managed together	9,199,057	42,556	9,323,116	60,378
Less:				
Securitized amounts	<u>225,028</u>	<u>1,086</u>	<u>200,433</u>	<u>1,902</u>
On-balance-sheet amounts	<u>8,974,029</u>	<u>41,470</u>	<u>9,122,683</u>	<u>58,476</u>
 <u>Net credit losses</u>			<u>2006</u>	<u>2007</u>
			(in millions of yen)	
Total mortgage loans managed together			11,249	7,705
Less:				
Securitized amounts			<u>578</u>	<u>431</u>
On-balance-sheet amounts			<u>10,671</u>	<u>6,519</u>

The on-balance-sheet amounts in the tables above do not include separately managed mortgage loans, the principal balance of which were ¥2,051 billion and ¥2,000 billion at March 31, 2007 and 2008, respectively.

26. Fees and commissions income

Details of Fees and commissions income for the fiscal years ended March 31, 2006, 2007 and 2008 are as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Remittance business	116,013	115,940	117,421
Securities-related business	133,188	101,861	94,858
Deposits, debentures and lending business	113,909	116,338	87,769
Trust fees	75,778	66,329	64,164
Fees for other customer services	<u>249,798</u>	<u>282,531</u>	<u>268,852</u>
Total	<u>688,686</u>	<u>682,999</u>	<u>633,064</u>

Remittance business fees consist of service charges for funds transfer and collections. Securities-related business fees consist of broker's fees and markups on securities underwriting and other securities related activities. Trust fees are earned primarily by fiduciary asset management and administration service for corporate pension plans, investment funds, and other. Fees for other customer services include fees related to the MHFG Group's agency business, guarantee related business, and other.

27. Concentrations of credit risk

Credit risk is the possibility that loss may occur from counterparty failure to perform according to the terms of the contract and if the collateral value held, if any, was not adequate to cover such losses. Concentrations of credit risk arise and exist when a number of customers are engaged in similar business activities, or activities in

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the same geographic region, or have similar economic characteristics that would cause their ability to meet their contractual obligations to be similarly affected by changes in economic or market conditions.

The MHFG Group is one of Japan's largest financial institutions and its main credit exposure is related to Japan-based customers and transactions. Credit risk is controlled through credit approvals, limits and monitoring procedures. The Group regularly monitors various segments of its credit risk portfolio to assess potential concentration risks and to obtain additional collateral when deemed necessary.

While the MHFG Group's credit exposure to customers in certain general industry groups such as construction and real estate, banks and other financial institutions, and wholesale and retail industries is relatively high, the management of the MHFG Group believes that the Group does not have any significant concentration of credit risk in its business for the fiscal years ended March 31, 2007 and 2008. The management monitors concentration of industries by the loan classifications designated by the BOJ and concluded that the Group exposure is broadly diversified along industry lines.

28. Fair value of financial instruments

SFAS No.107, "Disclosures about Fair Value of Financial Instruments" ("SFAS No.107") requires the disclosure of estimated fair value of financial instruments. Fair value of financial instruments is the current amount that would be exchanged between willing parties, other than in a forced sale or liquidation. Quoted market prices, if available, are best utilized as estimates of the fair values of financial instruments. However, since no quoted market prices are available for certain financial instruments, fair values for such financial instruments have been estimated based on management's assumptions, present value cash flow models or other valuation methods. Such estimation methods are described in more detail below. These estimates could be significantly affected by different sets of assumptions. There are certain limitations to management's best judgment in estimating fair values of financial instruments and inherent subjectivity involved in estimation methodologies and assumptions used to estimate fair value. Accordingly, the net realizable or liquidation values could be materially different from the estimates presented below. In addition, the estimates below are only reflective of the fair value of each category of financial instruments but not reflective of the fair value of the MHFG Group on a consolidated basis.

SFAS No.107 does not require the disclosure of the fair value of nonfinancial instruments.

The carrying amount and fair values of certain financial instruments, excluding the financial instruments outside the scope of SFAS No.107 such as the equity method investments and lease contracts as defined in SFAS No.13, "Accounting for Leases" ("SFAS No.13"), at March 31, 2007 and 2008 are as follows:

	<u>2007</u>		<u>2008</u>	
	<u>Carrying amount</u>	<u>Estimated fair value</u>	<u>Carrying amount</u>	<u>Estimated fair value</u>
	(in billions of yen)			
Financial assets:				
Cash and due from banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	22,492	22,492	20,198	20,198
Trading securities	9,505	9,505	10,593	10,593
Investments	37,290	37,282	35,228	35,233
Loans, net of allowance for loan losses	68,179	68,433	67,513	67,870
Other financial assets	2,823	2,823	4,988	4,988
Derivative financial instruments	4,446	4,446	9,959	9,959

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	2007		2008	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
	(in billions of yen)			
Financial liabilities:				
Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions	39,364	39,364	36,559	36,559
Interest-bearing deposits	70,234	70,147	75,170	75,110
Debentures	4,724	4,687	3,159	3,169
Trading securities sold, not yet purchased	6,351	6,351	4,705	4,705
Due to trust accounts	1,135	1,135	1,120	1,120
Commercial paper and other short-term borrowings	5,217	5,217	5,374	5,374
Long-term debt	7,047	7,162	7,596	7,826
Other financial liabilities	3,202	3,202	4,461	4,461
Derivative financial instruments	4,959	4,959	9,416	9,416

The methodologies and assumptions used to estimate the fair value of the financial instruments are summarized below.

Cash and due from banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions

The carrying value of short-term financial assets, such as cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market.

Trading securities and trading securities sold, not yet purchased

Trading securities and trading securities sold, not yet purchased have been valued primarily using quoted market prices or using quoted market prices of comparable instruments. The fair values of trading securities and trading securities sold, not yet purchased are disclosed in Note 3 “Trading account assets and trading account liabilities”.

Investments

Available-for-sale and held-to-maturity securities have been valued primarily using quoted market prices or using quoted market prices of comparable instruments. The fair value of investments held by consolidated investment companies is based upon quoted market prices or for non-marketable equity securities, valuations that consider earnings multiples and/or comparisons to recent market transactions. The fair values of investment securities are disclosed in Note 4 “Investments”. The fair values of other equity interests are not readily determinable and their carrying amounts of ¥472 billion and ¥693 billion at March 31, 2007 and 2008, respectively, are not included in the disclosure.

Loans

Performing loans have been fair valued as groups of similar loans based on the type of loan, credit quality, prepayment assumptions and remaining maturity. The fair value of fixed rate loans is estimated based on discount cash flows using interest rates approximating the MHFG Group’s current rates for similar loans, adjusting for inherent credit risk. The carrying value of variable rate loans approximates the fair value since they

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mature or are repriced within a short period of time. When quoted market prices are available, primarily for loans to refinancing countries, loans held for dispositions or sales and certain other foreign loans, such market prices are utilized as estimates for fair value. Nonperforming loans have been fair valued on a loan by loan basis based on discounted cash flow analysis or appraisal value of underlying collateral as deemed appropriate by management.

Other financial assets

The carrying value of other financial assets, such as accrued interest receivable and accounts receivable from brokers, dealers, and customers for securities transactions, approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market.

Derivative financial instruments

All derivatives are recognized on the consolidated balance sheets at fair value. For exchange traded contracts, fair value is based on quoted market prices. For non-exchange traded contracts, fair value is based on dealer quotes or valuation models applied to current market information. The fair values of derivative assets and liabilities are presented in Note 3 “Trading account assets and trading account liabilities”.

Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions

The carrying value of financial liabilities, such as noninterest-bearing deposits, and call money and funds purchased, approximates the fair value of these liabilities since they generally have short-term maturities with interest rates that approximate market. The carrying value of payables under repurchase agreements and securities lending transactions approximates the fair value since the transactions are based on quoted market prices.

Interest-bearing deposits

The fair value for fixed rate deposits is estimated based on discounted cash flow analysis using current interest rates for instruments with similar maturities. The carrying value for variable rate deposits approximates the fair value since they are repriced within a short period of time.

Debentures

The fair value of debentures is estimated based on quoted market rates when available or discounted cash flow analysis using current interest rates offered for debentures with similar maturities.

Due to trust accounts

The carrying value of due to trust accounts approximates the fair value since they generally have short-term maturities with interest rates that approximate market.

Commercial paper and other short-term borrowings

The carrying value of the majority of other short-term borrowings approximates the fair value since they generally have short-term maturities with interest rates that approximate market. The fair value of certain borrowings is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group’s incremental borrowings with similar maturities.

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Long-term debt

The fair value of long-term debt, such as subordinated debt, is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group's incremental borrowings with similar maturities.

Other financial liabilities

The fair value of other financial liabilities, such as accrued interest payable and accounts payable to brokers, dealers, and customers for securities transactions, approximates the carrying amounts.

The fair values of certain off-balance-sheet financial instruments, such as commitments to extend credit and commercial letters of credit, are not considered material to the consolidated balance sheets at March 31, 2007 and 2008.

29. Related party transactions

Transactions with directors, executive officers, and their associates

The banking subsidiaries of MHFG make loans to the MHFG Group's directors, executive officers, and their associates in their ordinary course of business. At March 31, 2007 and 2008, outstanding loans to such related parties were not considered significant. These related party loans were made on substantially the same terms, including interest rate and collateral, as those prevailing at the same time for comparable transactions with unrelated parties. At March 31, 2007 and 2008, there were no loans to these related parties that were considered impaired.

Other transactions, such as deposits, were entered into between MHFG's subsidiaries and the MHFG Group's directors, executive officers, and their associates during the fiscal years ended March 31, 2006, 2007 and 2008. The outstanding amounts of these transactions, which were made in the ordinary course of business with terms equivalent to those with unrelated parties, were not considered significant.

Transactions with other related parties

A number of transactions were entered into with other related parties, such as MHFG's employees and affiliates accounted for under the equity method. These transactions included loans, deposits, and other banking services. They were not significant in amount and were conducted with substantially the same terms as those for comparable transactions with unrelated parties.

30. Business segment information

Under U.S. GAAP, companies report segment information based on the way management disaggregates the company for making operating decisions. The MHFG Group's operating segments are based on the nature of the products and services provided, the type of customer and the Group's management organization. The business segment information, set forth below, is derived from the internal management reporting systems used by management to measure the performance of the Group's business segments. The management measures the performance of each of the operating segments primarily in terms of "net business profits" in accordance with internal managerial accounting rules and practices. Net business profits is used as a measure of the profitability of core banking operations in Japan, and is defined as gross profits (or the sum of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income) less general and administrative expenses (excluding non-recurring expenses). Measurement by net business profits is required for regulatory reporting to the FSA. Therefore, the format and information are presented primarily on the basis of

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Japanese GAAP and is not consistent with the consolidated financial statements prepared in accordance with U.S. GAAP. A reconciliation is provided for the segments' total net business profits with income before income tax expense (benefit) under U.S. GAAP.

Note 31 "Foreign activities" provides financial information relating to the MHFG Group's operations by geographic area.

MHFG manages its business portfolio through the three Global Groups: the Global Corporate Group, the Global Retail Group, and the Global Asset & Wealth Management Group. The Global Corporate Group consists primarily of MHCB and MHSC, the Global Retail Group consists primarily of MHBK and MHIS, and the Global Asset & Wealth Management Group consists primarily of MHTB. Operating segments of MHCB and MHBK are aggregated within each entity based on customer characteristics and functions. Operating segments of MHCB are aggregated into three reportable segments, domestic, international, and trading and others. Operating segments of MHBK are also aggregated into three reportable segments, retail banking, corporate banking, and trading and others. In addition to the three Global Groups, subsidiaries which provide services to a wide range of customers and which do not belong to a specific Global Group are aggregated as Others.

The Global Corporate Group

MHCB

MHCB is the main operating company of the Global Corporate Group and provides banking and other financial services to large corporations, financial institutions, public sector entities, foreign corporations, including foreign subsidiaries of Japanese corporations, and foreign governmental entities.

(1) Domestic

This segment consists of the following five units of MHCB: corporate banking, financial institutions & public sector business, global syndicated finance, global financial products, and global transaction banking. This segment provides a variety of financial products and services to large corporations, financial institutions and public sector entities in Japan. The products and services it offers include commercial banking, advisory services, syndicated loan arrangements, leveraged finance and structured finance.

(2) International

This segment primarily offers commercial banking and foreign exchange transaction services to foreign corporations, including foreign subsidiaries of Japanese corporations, through MHCB's overseas network.

(3) Trading and others

This segment consists of the global markets unit, the global portfolio management unit, and the global alternative investment unit. This segment supports the domestic and international segments in offering derivatives and other risk hedging products to satisfy MHCB's customers' financial and business risk control requirements. It is also engaged in MHCB's proprietary trading, such as foreign exchange and bond trading, and asset and liability management. This segment also includes costs incurred by headquarters functions of MHCB.

(4) MHSC

MHSC is the primary investment banking arm in the Global Corporate Group and offers wholesale securities and investment banking services, such as underwriting and trading of bonds and equities, advisory services, and structured finance, to large and international corporations, financial institutions, and public entities.

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(5) Others

This segment consists of MHCB's subsidiaries other than MHSC. These subsidiaries offer financial products and services in specific areas of business or countries mainly to customers of the Global Corporate Group.

The Global Retail Group

MHBK

MHBK is the main operating company of the Global Retail Group. MHBK provides banking and other financial services primarily to individuals, SMEs and middle-market corporations through its domestic branch and ATM network.

(6) Retail banking

This segment offers banking products and services, including housing and other personal loans, credit cards, deposits, investment products, and consulting services, to MHBK's individual customers through its nationwide branch and ATM network, as well as telephone and Internet banking services.

(7) Corporate banking

This segment consists of the following two business groups of MHBK: corporate banking and public sector banking. These two business groups provide loans, syndicated loan arrangements, structured finance, advisory services, other banking services, and capital markets financing to SMEs, middle-market corporations, local governmental entities, and other public sector entities in Japan.

(8) Trading and others

The trading and ALM group supports the retail banking and corporate banking segments in offering derivatives and other risk hedging products to satisfy MHBK's customers' financial and business risk control requirements. It is also engaged in MHBK's proprietary trading, such as foreign exchange and bond trading, and asset and liability management. This segment also includes costs incurred by headquarters functions of MHBK.

(9) MHIS

MHIS offers securities services to individuals and corporate customers of the Global Retail Group and provides those corporate customers with support in procuring funds through capital markets.

(10) Others

This segment consists of MHBK's subsidiaries other than MHIS. These subsidiaries, such as Mizuho Capital and Mizuho Business Financial Center, offer financial products and services in specific areas of business to customers of the Global Retail Group.

The Global Asset & Wealth Management Group

(11) MHTB

MHTB is the main operating company of the Global Asset & Wealth Management Group and offers products and services related to trust, real estate, securitization and structured finance, pension and asset management, and stock transfers.

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(12) Others

This segment includes companies other than MHTB which are part of the Global Asset & Wealth Management Group. These companies include Mizuho Private Wealth Management, TCSB and asset management companies. They offer products and services related to private banking, trust and custody, and asset management.

(13) Others

This segment consists of MHFG and its subsidiaries that do not belong to a specific Global Group but provide their services to a wide range of customers. Under this segment, the MHFG Group offers non-banking services including research and consulting services through Mizuho Research Institute, information technology-related services through Mizuho Information & Research Institute and advisory services to financial institutions through Mizuho Financial Strategy.

The information below for reportable segments for the fiscal years ended March 31, 2007 and 2008 is derived from the internal management reporting system. Information for the fiscal year ended March 31, 2006 is also derived from the internal management reporting system reclassified to conform to the 2007 and 2008 presentation. Management does not use information on segments' assets to allocate resources and assess performance and has not prepared information on segment assets. Accordingly, information on segment assets is not available.

	Global Corporate Group							Global Retail Group						Global Asset & Wealth Management Group					
	MHCB							MHBK											
	Total	Total	Domestic (1)	Inter-national (2)	Trading and others (3)	MHSC (4)	Others (5)	Total	Total	Retail banking (6)	Corporate banking (7)	Trading and others (8)	MHIS (9)	Others (10)	Total	MHTB (11)	Others (12)	Others (13)	Total
2006	(in billions of yen)																		
Gross profits: ⁽³⁾																			
Net interest income (expense)	402.6	376.6	211.2	56.6	108.8	1.0	25.0	619.9	569.7	240.2	319.0	10.5	0.6	49.6	46.1	45.7	0.4	(6.0)	1,062.6
Net noninterest income (expenses)	334.9	154.4	107.5	55.4	(8.5)	117.7	62.8	417.2	313.3	45.8	233.2	34.3	72.5	31.4	162.6	120.6	42.0	26.5	941.2
Total	737.5	531.0	318.7	112.0	100.3	118.7	87.8	1,037.1	883.0	286.0	552.2	44.8	73.1	81.0	208.7	166.3	42.4	20.5	2,003.8
General and administrative expenses	334.1	215.8	82.0	51.7	82.1	55.2	63.1	583.0	517.3	201.4	253.7	62.2	40.0	25.7	110.4	77.9	32.5	13.8	1,041.3
Others	(36.9)	—	—	—	—	—	(36.9)	(7.8)	—	—	—	—	—	(7.8)	(1.2)	—	(1.2)	5.9	(40.0)
Net business profits	366.5	315.2	236.7	60.3	18.2	63.5	(12.2)	446.3	365.7	84.6	298.5	(17.4)	33.1	47.5	97.1	88.4	8.7	12.6	922.5

	Global Corporate Group							Global Retail Group						Global Asset & Wealth Management Group					
	MHCB							MHBK											
	Total	Total	Domestic (1)	Inter-national (2)	Trading and others (3)	MHSC (4)	Others (5)	Total	Total	Retail banking (6)	Corporate banking (7)	Trading and others (8)	MHIS (9)	Others (10)	Total	MHTB (11)	Others (12)	Others (13)	Total
2007	(in billions of yen)																		
Gross profits: ⁽³⁾																			
Net interest income (expense)	407.7	306.5	202.4	73.4	30.7	(0.2)	101.4	640.6	593.8	262.6	326.6	4.6	1.2	45.6	53.8	52.2	1.6	(11.8)	1,090.3
Net noninterest income	377.6	241.4	108.2	59.6	73.6	105.9	30.3	464.8	384.7	53.4	233.3	98.0	61.0	19.1	169.8	121.7	48.1	14.9	1,027.1
Total	785.3	547.9	310.6	133.0	104.3	105.7	131.7	1,105.4	978.5	316.0	559.9	102.6	62.2	64.7	223.6	173.9	49.7	3.1	2,117.4
General and administrative expenses	377.0	241.0	88.3	61.5	91.2	61.1	74.9	588.5	527.0	199.3	245.2	82.5	43.4	18.1	126.2	87.8	38.4	(15.8)	1,075.9
Others	(44.3)	—	—	—	—	—	(44.3)	(11.5)	—	—	—	—	—	(11.5)	(1.2)	—	(1.2)	7.1	(49.9)
Net business profits	364.0	306.9	222.3	71.5	13.1	44.6	12.5	505.4	451.5	116.7	314.7	20.1	18.8	35.1	96.2	86.1	10.1	26.0	991.6

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2008	Global Corporate Group							Global Retail Group					Global Asset & Wealth Management Group						
	MHCB							MHBK											
	Total	Total	Domestic (1)	Inter-national (2)	Trading and others (3)	MHSC (4)	Others (5)	Total	Total	Retail banking (6)	Corporate banking (7)	Trading and others (8)	MHIS (9)	Others (10)	Total	MHTB (11)	Others (12)	Others (13)	Total
(in billions of yen)																			
Gross profits: ⁽³⁾																			
Net interest income																			
(expense)	368.8	293.6	180.5	73.4	39.7	(5.6)	80.8	654.4	606.9	311.0	328.9	(33.0)	0.7	46.8	55.4	53.5	1.9	(15.0)	1,063.6
Net noninterest income																			
(expenses)	15.4	312.8	106.0	68.0	138.8	41.7	(339.1)	385.4	335.9	42.7	174.5	118.7	52.3	(2.8)	175.7	119.2	56.5	20.8	597.3
Total	384.2	606.4	286.5	141.4	178.5	36.1	(258.3)	1,039.8	942.8	353.7	503.4	85.7	53.0	44.0	231.1	172.7	58.4	5.8	1,660.9
General and administrative expenses	394.0	236.2	85.5	67.1	83.6	66.4	91.4	580.8	537.2	214.8	229.3	93.1	45.2	(1.6)	127.6	86.8	40.8	(9.1)	1,093.3
Others	(48.3)	—	—	—	—	—	(48.3)	(14.7)	—	—	—	—	—	(14.7)	(1.5)	—	(1.5)	8.1	(56.4)
Net business profits	(58.1)	370.2	201.0	74.3	94.9	(30.3)	(398.0)	444.3	405.6	138.9	274.1	(7.4)	7.8	30.9	102.0	85.9	16.1	23.0	511.2

Notes:

- (1) (5) Others, (10) Others, and (12) Others include elimination of transactions between companies within the Global Corporate Group, the Global Retail Group, and the Global Asset & Wealth Management Group, respectively. (13) Others include elimination of transactions between the Global Groups.
(2) Dividends of ¥120.0 billion received by MHCB from its financial subsidiaries for corporate revitalization are excluded.
(3) Credit-related costs for trust accounts are excluded from gross profits.

Reconciliation

As explained above, the measurement base for the internal management reporting system and the income and expenses items covered are different from the accompanying consolidated statements of income. Therefore, it is impracticable to present reconciliations of all the business segments' information, other than net business profits, to corresponding items in the accompanying consolidated statements of income.

A reconciliation of total net business profits under the internal management reporting system for the fiscal years ended March 31, 2006, 2007 and 2008 presented above to Income before income tax expense (benefit) shown on the consolidated statements of income is as follows:

	2006	2007	2008
(in billions of yen)			
Net business profits	922.5	991.6	511.2
U.S. GAAP adjustments	(574.4)	(144.4)	120.7
(Provision) credit for loan losses	157.7	(182.1)	57.8
Net gains (losses) related to equity investments	302.6	(75.2)	137.6
Credit-related costs for trust accounts	(1.4)	—	—
Non-recurring personnel expense	(10.0)	(20.4)	(0.7)
Gains on disposal of premises and equipment	65.5	64.6	37.3
(Provision) credit for losses on off-balance sheet instruments	(34.0)	37.8	(5.1)
Minority interest in consolidated subsidiaries	(69.1)	(27.8)	53.7
Others—net (Note)	(47.9)	143.0	(11.7)
Income before income tax expense (benefit)	711.5	787.1	900.8

Note: Amount for the fiscal year ended March 31, 2006 includes a loss of ¥40.7 billion caused by an erroneous stock brokerage order by an employee of MHSC which is included in Other noninterest expenses. Amount for the fiscal year ended March 31, 2007 includes a subsidy of ¥177.4 billion related with the substitutional portion of the employee pension funds which is included in Other noninterest income.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

31. Foreign activities

The following table presents consolidated income statement and total assets information by major geographic area. Foreign activities are defined as business transactions that involve customers residing outside of Japan. However, as the MHFG Group's operations are highly integrated globally, estimates and assumptions have been made for an allocation among the geographic areas.

	<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>Asia/Oceania excluding Japan, and others</u>	<u>Total</u>
	(in millions of yen)				
Fiscal year ended March 31, 2006:					
Total revenue ⁽¹⁾	1,881,447	631,616	327,827	112,173	2,953,063
Total expenses ⁽²⁾	1,474,765	369,766	296,962	100,040	2,241,533
Income before income tax expense (benefit)	406,682	261,850	30,865	12,133	711,530
Net income	808,473	247,720	25,948	3,531	1,085,672
Total assets at end of fiscal year	119,543,382	12,504,917	9,175,911	4,298,182	145,522,392
Fiscal year ended March 31, 2007:					
Total revenue ⁽¹⁾	2,249,478	843,056	495,353	247,368	3,835,255
Total expenses ⁽²⁾	1,854,864	641,545	387,477	164,266	3,048,152
Income before income tax expense (benefit)	394,614	201,511	107,876	83,102	787,103
Net income	254,240	192,602	104,817	72,223	623,882
Total assets at end of fiscal year	111,842,599	17,390,251	13,003,340	5,145,089	147,381,279
Fiscal year ended March 31, 2008:					
Total revenue ⁽¹⁾	3,015,142	833,277	92,459	264,325	4,205,203
Total expenses ⁽²⁾	1,913,005	712,896	511,198	167,310	3,304,409
Income before income tax expense (benefit)	1,102,137	120,381	(418,739)	97,015	900,794
Net income	466,130	100,107	(422,645)	85,026	228,618
Total assets at end of fiscal year	115,715,066	19,025,798	11,490,387	5,086,505	151,317,756

Notes:

- (1) Total revenue is comprised of Interest and dividend income and Noninterest income.
- (2) Total expenses are comprised of Interest expense, Provision (credit) for loan losses and Noninterest expenses.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following are certain asset and liability accounts related to foreign activities at March 31, 2007 and 2008:

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Cash and due from banks	180,636	209,770
Interest-bearing deposits in other banks	583,192	609,212
Trading account assets	2,968,798	4,693,299
Investments	10,656,263	9,118,892
Loans	10,399,813	10,861,189
Deposits, principally time deposits and CDs by foreign banks	9,571,899	9,253,017
Short-term borrowings	13,129,328	11,263,866
Trading account liabilities	2,822,727	3,604,448
Long-term debt	481,747	538,802

32. Mizuho Financial Group, Inc., parent company

The following tables present the parent company only financial information of MHFG:

Condensed balance sheets

	<u>2007</u>	<u>2008</u>
	(in millions of yen)	
Assets:		
Cash and due from banks	100	93
Interest-bearing deposits in other banks	2,627	10,348
Investments in subsidiaries and affiliated companies	5,982,726	4,227,139
Other	264,879	177,297
Total	<u>6,250,332</u>	<u>4,414,877</u>
Liabilities and shareholders' equity:		
Short-term borrowings	1,583,000	1,140,000
Other liabilities	4,632	6,077
Shareholders' equity	<u>4,662,700</u>	<u>3,268,800</u>
Total	<u>6,250,332</u>	<u>4,414,877</u>

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Condensed statements of income

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Income:			
Dividends from subsidiaries	112,528	1,220,998	770,833
Management fees from subsidiaries	16,462	29,102	35,686
Gain on sales of securities of subsidiaries	36,304	—	—
Other income	4,187	828	668
Total	<u>169,481</u>	<u>1,250,928</u>	<u>807,187</u>
Expenses:			
Operating expenses	13,478	19,206	19,364
Interest expense	1,999	12,309	14,796
Other expense	6,468	3,971	399
Total	<u>21,945</u>	<u>35,486</u>	<u>34,559</u>
Equity in undistributed net income (loss) of subsidiaries	938,128	(591,633)	(544,130)
Income before income tax expense (benefit)	1,085,664	623,809	228,498
Income tax expense (benefit)	(8)	(73)	(120)
Net income	<u>1,085,672</u>	<u>623,882</u>	<u>228,618</u>

Condensed statements of cash flows

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(in millions of yen)		
Cash flows from operating activities:			
Net income	1,085,672	623,882	228,618
Adjustments and other	(1,211,343)	614,770	634,967
Net cash provided by (used in) operating activities	<u>(125,671)</u>	<u>1,238,652</u>	<u>863,585</u>
Cash flows from investing activities:			
Proceeds from sales of securities of subsidiaries	2,198,053	33,000	60,002
Payments for purchases of securities of subsidiaries	(2,932,184)	(5)	(5)
Net change in other investing activities	(1,054)	(2,065)	(6,180)
Net cash provided by (used in) investing activities	<u>(735,185)</u>	<u>30,930</u>	<u>53,817</u>
Cash flows from financing activities:			
Net change in commercial paper	(152,000)	—	—
Net change in short-term borrowings	2,037,000	(454,000)	(443,000)
Purchases of treasury stock	(944,321)	(734,285)	(371,566)
Dividends paid	(79,867)	(81,365)	(102,942)
Net change in other financing activities	61	83	99
Net cash provided by (used in) financing activities	<u>860,873</u>	<u>(1,269,567)</u>	<u>(917,409)</u>
Net increase (decrease) in cash and due from banks	17	15	(7)
Cash and due from banks at beginning of fiscal year	68	85	100
Cash and due from banks at end of fiscal year	<u>85</u>	<u>100</u>	<u>93</u>

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

33. Subsequent events

Redemption of preferred securities

On April 18, 2008, the board of directors of MHFG resolved to redeem in full non-cumulative perpetual preferred securities issued by overseas special purpose companies whose voting rights are wholly owned by MHFG and MHCB. Those entities are not consolidated in accordance with FIN No.46R since the Group is not the primary beneficiary. Thus, the redemption of preferred securities did not reduce Minority interest in consolidated subsidiaries, but Long-term debt in the Group's consolidated balance sheets. However, on June 30, 2008, when the preferred securities were redeemed, it decreased Tier 1 capital. The following table describes the details of the redeemed preferred securities.

Issuer	Aggregate redemption amount (in millions of yen)	Reason for the redemption
Mizuho Preferred Capital (Cayman) 5 Limited	45,500	Arrival of optional redemption date
Mizuho Preferred Capital (Cayman) 6 Limited	Series A 19,500 Series B 2,500	Arrival of optional redemption date
Mizuho Preferred Capital (Cayman) 7 Limited	51,000	Arrival of optional redemption date
	(in millions of USD)	
Mizuho Preferred Capital Company L.L.C.	1,000	Arrival of optional redemption date
Mizuho JGB Investment L.L.C.	1,600	Arrival of optional redemption date

The postponement of merger of Mizuho Securities Co., Ltd. and Shinko Securities Co., Ltd.

On April 28, 2008, MHSC and Shinko Securities Co., Ltd., our equity method affiliate, decided to cancel the original merger agreement, and reconfirmed the basic policies and points in relation to proceeding with the merger and signed a new "Basic Agreement for Merger", which set the postponed effective date of the merger to be scheduled on May 7, 2009.

Abolishment of the retirement allowances program for directors and officers and introduction of stock compensation-type stock options

On May 15, 2008, the board of directors of MHFG, MHBK, and MHCB resolved to abolish the retirement allowances program for directors and officers and introduce stock compensation-type stock options. The necessary approval was obtained at their respective ordinary general meeting of shareholders held on June 25 and 26, 2008.

The directors (excluding the outside directors) and executive officers of the respective companies will be allotted stock options under which the amount to be paid in per share that is to be issued or transferred upon the exercise of such stock acquisition rights shall be one yen. This will not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

Repurchase of common stock

On May 15, 2008, the board of directors of MHFG resolved to repurchase common stock. On July 24, 2008, MHFG completed the repurchase. The details are as follows.

	Number of shares repurchased (shares)	Total amount of repurchase (in millions of yen)	Period of repurchase
Common stock	283,500	149,991	From: July 7, 2008 To: July 24, 2008

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

This repurchase was made for the purpose of, among other things, offsetting the potential dilutive effect of the conversion of the Eleventh Series Class XI Preferred Stock in consideration of the possibility that the number of shares of our common stock will increase after the commencement of the conversion period from July 1, 2008. All common stock repurchased are planned to be cancelled, except the stock to be assigned for the exercise of stock compensation-type stock options described above.

Abolishment of the fractional share system and lowering of the minimum investment amount

On May 15, 2008, the board of directors of MHFG resolved to (1) abolish the fractional share system and adopt the unit share system concurrently with the allotment of shares or fractions of a share without consideration and (2) lower the minimum investment amount to one tenth by reducing the number of shares constituting one unit of shares. The necessary approval for the allotment of shares or fractions of a share without consideration was obtained at the ordinary general meeting of shareholders held on June 26, 2008.

Subject to the effectiveness of the aforementioned allotment of shares or fractions of a share without consideration, the conversion ratio of the ADRs to the common shares will be changed as set forth below.

Current ratio: 1ADR=0.002 common shares (500 ADRs = 1 common share)
Ratio after change: 1ADR=2 common shares
First trading date after change: January 5, 2009 (Monday) (U.S. eastern standard time) (scheduled)

Determination of initial conversion price of preferred stock

On June 9, 2008, the initial conversion price of the Eleventh Series Class XI Preferred Stock has been determined as follows, according to the calculation method of initial conversion price defined by the terms and conditions of the preferred stock. (Refer to Note 15 “Preferred stock” for the terms and conditions.)

Initial conversion price: ¥536,700
Effective date: Beginning July 1, 2008

Issuance of preferred securities

On July 11, 2008, preferred securities were issued through an overseas special purpose company in the Cayman Islands. The proceeds were ultimately provided to the banking subsidiaries as perpetual subordinated loans, and it increased Tier 1 capital. The following table describes the details of the preferred securities:

	<u>Description of preferred securities</u>
Issuer:	Mizuho Capital Investment (JPY) 3 Limited (It is an overseas special purpose company established in the Cayman Islands, the voting rights of which are wholly owned by MHFG.)
Type of securities:	Japanese yen denominated non-cumulative perpetual preferred securities (no right to convert into MHFG’s shares is granted)
Aggregate issue amount:	Series A: 249.5 billion Japanese Yen Series B: 53.5 billion Japanese Yen
Dividend rate:	Series A: 3.85% per annum (fixed rate until June 2019) Floating rate after June 2019 (with step-up) Series B: 4.26% per annum (fixed rate until June 2019) Floating rate after June 2019 (non step-up)

Signature

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

MIZUHO FINANCIAL GROUP, INC.

By: /s/ Terunobu Maeda

Name: Terunobu Maeda

Title: President & CEO

September 4, 2008

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
1.1	Articles of Incorporation of Mizuho Financial Group, Inc., dated June 26, 2008 (English Translation)
1.2	Bylaws Regarding the Board of Directors of Mizuho Financial Group, Inc., effective from January 8, 2003 and as amended on June 27, 2006 (English Translation)*
1.3	Regulations of Board of Corporate Auditors of Mizuho Financial Group, Inc., effective from January 9, 2003 and as amended on September 25, 2006 (English Translation)*
1.4	Share Handling Regulations of Mizuho Financial Group, Inc., dated November 16, 2007 (English Translation)
2.1	Specimen of common stock certificates*
2.2	Form of American Depositary Receipt*
2.3	Form of Deposit Agreement among the registrant, The Bank of New York Mellon (formerly The Bank of New York) as Depositary and all owners and holders from time to time of American Depositary Receipts issued thereunder*
8	List of significant subsidiaries of Mizuho Financial Group, Inc.—see “Item 4.C. Information on the Company—Organizational Structure.”
11	Code of Ethics of Mizuho Financial Group, Inc.**
12.1	CEO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
12.2	CFO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
13	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).

* Incorporated by reference to our registration statement on Form 20-F (No. 001-33098) filed on October 19, 2006.

** Incorporated by reference to our annual report on Form 20-F (No. 001-33098) filed on August 10, 2007.

**Articles of Incorporation
of
Mizuho Financial Group, Inc.**

June 26, 2008

[Translation]

**ARTICLES OF INCORPORATION
OF
MIZUHO FINANCIAL GROUP, INC.**

**CHAPTER I
GENERAL PROVISIONS**

Article 1. *(Trade Name)*

The company shall be called “Kabushiki Kaisha Mizuho Financial Group” and in English, “Mizuho Financial Group, Inc. ”(hereinafter referred to as the “Company”).

Article 2. *(Purpose)*

The purpose of the Company shall be to engage in the following businesses as a bank holding company:

- (1) Operation and management of bank holding companies, banks, long-term credit banks, specialized securities companies and other companies which may be owned by the Company as its subsidiaries under the Banking Law; and
- (2) Any other business incidental to the foregoing.

Article 3. *(Head Office)*

The Company shall have its head office in Chiyoda-ku, Tokyo.

Article 4. *(Organizations)*

The Company shall establish the following organizations, in addition to the general meeting of shareholders and Directors.

- (1) Board of Directors;
- (2) Corporate Auditors;
- (3) Board of Corporate Auditors; and
- (4) Accounting Auditors.

Article 5. *(Method of Public Notices)*

Public notices by the Company shall be given by electronic public notices; provided, however, that in the case where an electronic public notice is impracticable due to an accident or any other unavoidable reason, the same public notice of the Company may be given in the *Nihon Keizai Shimbun*.

**CHAPTER II
SHARES**

Article 6. *(Total Number of Authorized Shares)*

The total number of shares which the Company is authorized to issue shall be 28,790,759,000 shares, and each total number of the classes of shares which the Company is authorized to issue shall be as set forth below;

provided, however, that in the case where a cancellation of shares is made, the number of shares which the Company is authorized to issue shall be reduced by the number of shares so canceled:

Common stock:	24,392,259,000 shares
Class XI preferred stock:	1,398,500,000 shares
Class XII preferred stock:	1,500,000,000 shares
Class XIII preferred stock:	1,500,000,000 shares

Article 7. *(Issuance of Share Certificates)*

The Company shall issue share certificates representing its issued stock.

Article 8. *(Acquisition of Own Shares)*

The Company may, by a resolution of the Board of Directors, acquire its own stock through market transactions or other methods pursuant to the provisions of Article 165, Paragraph 2 of the Company Law of Japan (the “Law”).

Article 9. *(Number of Shares Constituting one (1) Unit of Shares)*

The number of shares constituting one (1) unit of shares of the Company shall be one thousand (1,000) with respect to the common stock and each class of preferred stock, respectively.

Article 10. *(Rights Pertaining to Shares Constituting Less Than One (1) Unit)*

A shareholder of the Company may not exercise any rights, except for the rights set forth below (excluding the rights which may not be exercised as the rights pertaining to shares constituting one (1) unit of shares), with respect to shares constituting less than one (1) unit held by such shareholder:

1. The rights provided for in each item of Article 189, Paragraph 2 of the Law;
2. The right to make a request pursuant to Article 166, Paragraph 1 of the Law;
3. The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by such shareholder; and
4. The right to make a request provided for in the following Article.

Article 11. *(Additional Purchase of Shares Constituting Less Than One (1) Unit)*

A shareholder of the Company may request the Company to sell to such shareholder a number of shares which will, when combined with the shares constituting less than one (1) unit already held by such shareholder, constitute one (1) unit of shares pursuant to the Share Handling Regulations.

Article 12. *(Record Date)*

1. The Company shall deem shareholders having voting rights appearing in writing or electronically in the register of shareholders as of the end of March 31 of each year as the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the relevant business year.

2. In addition to the preceding paragraph, the Company may temporarily set the record date whenever necessary, by a resolution of the Board of Directors and upon giving a prior public notice thereof.

Article 13. *(Shareholder Register Manager, etc.)*

1. The Company shall appoint a shareholder register manager.
2. The shareholder register manager and its handling office shall be determined by a resolution of the Board of Directors, and a public notice shall be given with respect thereto.
3. The preparation and keeping of, and other operations relating to the register of shareholders, the register of stock acquisition rights and the register of lost share certificates of the Company shall be entrusted to the shareholder register manager and shall not be handled by the Company.

Article 14. *(Share Handling Regulations)*

An entry, whether written or electronic, in the register of shareholder, a purchase and additional purchase of shares constituting less than one (1) unit, and other operations relating to shares and handling fees therefor and the method of request or notice by shareholders with respect to general meetings of shareholders shall be governed by the Share Handling Regulations prescribed by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

CHAPTER III PREFERRED STOCK

Article 15. *(Preferred Stock Dividends)*

1. In respect of dividends from its surplus provided for in Article 54, the Company shall distribute dividends from its surplus by cash on preferred stock (hereinafter referred to as the “Preferred Stock Dividends”) in such amount as provided for below to shareholders of preferred stock (hereinafter referred to as the “Shareholders of Preferred Stock”) or registered stock pledgees in respect of preferred stock (hereinafter referred to as the “Registered Preferred Stock Pledgees”) in priority to holders of common stock (hereinafter referred to as the “Shareholders of Common Stock”), registered stock pledgees in respect of common stock (hereinafter referred to as the “Registered Common Stock Pledgees”); provided, however, that in the case where all or a part of the Preferred Stock Interim Dividends provided for in Article 16 have been paid in the relevant business year, the amount so paid shall be reduced accordingly:

Class XI preferred stock:	Amount decided by the resolution of the Board of Directors on the issuance of such stock, which amount shall not exceed 50 yen per share per year
Class XII preferred stock:	Amount decided by the resolution of the Board of Directors on the issuance of such stock, which amount shall not exceed 50 yen per share per year
Class XIII preferred stock:	Amount decided by the resolution of the Board of Directors on the issuance of such stock, which amount shall not exceed 100 yen per share per year

2. In a given business year, if all or a part of the Preferred Stock Dividends have not been paid to the Shareholders of Preferred Stock or Registered Preferred Stock Pledgees, the unpaid amount shall not be accumulated for the subsequent business years.

3. The Company shall not distribute dividends from its surplus to any Shareholder of Preferred Stock or Registered Preferred Stock Pledgee, any amount in excess of the amount of the relevant Preferred Stock Dividends.

Article 16. *(Preferred Stock Interim Dividends)*

In respect of interim dividends provided for in Article 55, the Company shall distribute dividends from its surplus by cash in one half of the amount of the Preferred Stock Dividends provided for in the main clause of Paragraph 1 of the preceding article (referred to as the “Preferred Stock Interim Dividends” in these Articles of Incorporation) to the Shareholders of Preferred Stock or Registered Preferred Stock Pledges in priority to the Shareholders of Common Stock or Registered Common Stock Pledges.

Article 17. *(Distribution of Residual Assets)*

1. In respect of distribution of residual assets, the Company shall pay to the Shareholders of Preferred Stock or Registered Preferred Stock Pledges in priority to the Shareholders of Common Stock or Registered Common Stock Pledges in such amount as provided for below:

Classes XI through XIII preferred stock: 1,000 yen per share

2. No distribution of residual assets other than those provided for in the preceding paragraph shall be made to any Shareholder of Preferred Stock or Registered Preferred Stock Pledgee.

Article 18. *(Voting Rights)*

The Shareholders of Preferred Stock shall not have voting rights at a general meeting of shareholders; provided, however, that the Shareholders of Preferred Stock may have voting rights from the date of a general meeting of shareholders, in the case where a proposal on the Preferred Stock Dividends is not submitted to such general meeting of shareholders, or immediately after the closing of a general meeting of shareholders, in the case where a proposal on the Preferred Stock Dividends is rejected at such general meeting of shareholders, until, in either case, such time as the resolution of a general meeting of shareholders is passed to grant the Preferred Stock Dividends.

Article 19. *(Consolidation or Split of Preferred Stock, Free Allotment of Stock and Rights to Receive Allotment of Offered Stock, etc.)*

1. The Company shall not consolidate or split any preferred stock, and shall not make any free allotment of any stock for the Shareholders of Preferred Stock.

2. The Company shall not grant the Shareholders of Preferred Stock any rights to receive allotment of offered stock, offered stock acquisition rights, bonds with stock acquisition rights, or offered stock acquisition rights and bonds, either of which are capable of being transferred separately from the others and shall not make any free allotment of any stock acquisition rights for the Shareholder of Preferred Stock.

Article 20. *(Acquisition of Preferred Stock)*

1. In respect of Classes XII and XIII preferred stock, the Company may acquire each such class of preferred stock, in whole or in part, on the date separately determined by a resolution of a general meeting of shareholders, after such time and at such acquisition price as respectively determined by a resolution of the Board of Directors relating to the issuance of the relevant preferred stock.

2. In the case of a partial acquisition pursuant to the preceding paragraph, such redemption shall be made by way of lot or pro rata allocation.

Article 21. *(Request for Acquisition of Preferred Stock)*

Any holder of Classes XI and XII preferred stock may request to the Company to acquire the relevant preferred stock held by such Shareholder of Preferred Stock during the period in which such Shareholder of

Preferred Stock is entitled to request such acquisition as determined by a resolution of the Board of Directors relating to the issuance of the relevant preferred stock (hereinafter referred to as the “Period for Acquisition Request”). The Company shall deliver its own common stock to such Shareholder of Preferred Stock, in exchange for the Company’s acquisition of the relevant preferred stock. The terms of acquisition, including the number of the common stock to be delivered per one (1) share of the relevant preferred stock upon such request for acquisition, shall be determined by a resolution of the relevant Board of Directors.

Article 22. (*Mandatory Acquisition of Preferred Stock*)

1. The Company may acquire any of Classes XI and XII preferred stock, in respect of which a request for acquisition has not been made during the Period for Acquisition Request, on the day immediately following the last day of such period (hereinafter referred to as the “Mandatory Acquisition Date”) and instead, the Company shall deliver its own common stock to holders of the relevant preferred stock. In this case, the number of shares of the common stock to be delivered in exchange for the acquisition of one (1) share of the relevant preferred stock shall be obtained by dividing the amount equivalent to the subscription money per one (1) share of the relevant preferred stock by the current market price of a share of the common stock of the Company (with respect to the Eleventh Series of Class XI Preferred Stock, 1,000 yen; the same shall apply hereinafter); provided, however, that such current market price of a share of the common stock shall be the daily average price of closing prices (including the closing bid or offered price) of the common stock of the Company (in regular trading) as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding any trading day or days on which no closing prices or closing bids or offered prices are reported) commencing on the 45th trading day prior to the Mandatory Acquisition Date, and such calculation shall be made to units of 0.01 yen, and by rounding up to the nearest 0.1 yen when equal to or more than 0.05 yen and disregarding amounts less than 0.05 yen.

2. In respect of Classes XI and XII preferred stock, the number of common stock referred to in the preceding paragraph shall not exceed the number of shares obtained by dividing the amount equivalent to the subscription money per one (1) share of each such class of preferred stock by the minimum acquisition price determined by the resolution of the Board of Directors relating to the relevant issuance of the preferred stock.

3. In the calculation of the number of common stock provided for in the preceding two (2) paragraphs, any number less than one (1) share shall be treated pursuant to the provisions provided for in Article 234 of the Law.

Article 23. (*Order of Priority*)

All classes of preferred stock authorized to be issued by the Company shall rank *pari passu* with each other in respect of the payment of the Preferred Stock Dividends and the Preferred Stock Interim Dividends, and the distribution of residual assets.

CHAPTER IV

GENERAL MEETINGS OF SHAREHOLDERS

Article 24. (*Convocation of General Meetings of Shareholders*)

An ordinary general meeting of shareholders of the Company shall be convened no later than 3 months from the last day of each business year and an extraordinary general meeting of shareholders shall be convened whenever necessary.

Article 25. (*Place where General Meetings of Shareholders shall be Convened*)

General meetings of shareholders shall be convened within the wards of Tokyo.

Article 26. *(Person Authorized to Convene General Meetings of Shareholders and the Chairman of the Meeting)*

1. The President shall convene and preside over the general meeting of shareholders.
2. In the case where the President is unable so to act, one of the other Director(s) in the order previously determined by the Board of Directors shall take such person's place.

Article 27. *(Disclosure of Reference Materials, etc. for General Meetings of Shareholders via Internet)*

The Company may, at the time of convocation of a general meeting of shareholders, deem to have provided shareholders with information with respect to matters which shall be stated or indicated in the reference materials for a general meeting of shareholders, business reports, non-consolidated financial documents and consolidated financial documents by disclosing those by way of using the Internet as provided for in the ordinances of the Ministry of Justice.

Article 28. *(Method of Adopting Resolutions)*

1. Unless otherwise provided for by laws or regulations or these Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the meeting who are entitled to exercise their voting rights.
2. Resolutions of a meeting of shareholders governed by Article 309, Paragraph 2 of the Law shall be adopted by an affirmative vote of not less than two-thirds (2/3) of the voting rights held by the shareholders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.

Article 29. *(Voting by Proxy)*

1. Shareholders may exercise their voting rights at the relevant general meeting of shareholders by a proxy who shall also be a shareholder of the Company holding voting rights at such meeting.
2. The shareholder or his/her proxy shall submit to the Company a document evidencing the authority of such proxy to act as such at each general meeting of shareholders.

Article 30. *(Minutes of General Meetings)*

The minutes of general meetings of shareholders shall be prepared in writing or by electromagnetic file as provided for in laws and regulations.

Article 31. *(General Meetings of Holders of Classes of Stock)*

1. Unless otherwise provided for by laws or regulations or these Articles of Incorporation, resolutions of a general meeting of holders of classes of stock shall be adopted by an affirmative vote of a majority of the voting rights held by the holders present at the meeting who are entitled to exercise their voting rights.
2. Resolutions provided for in Article 324, Paragraph 2 of the Law shall be adopted by an affirmative vote of not less than two-thirds (2/3) of the voting rights held by the holders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the holders entitled to exercise their voting rights.
3. The provisions of Articles 25 through 27 and 29 and the preceding Article shall apply *mutatis mutandis* to the general meetings of holders of classes of stock.

CHAPTER V
DIRECTORS AND BOARD OF DIRECTORS

Article 32. *(Number)*

The Company shall have not more than fifteen (15) Directors.

Article 33. *(Method of Appointment)*

1. The Director(s) shall be appointed at a general meeting of shareholders.
2. A resolution for the appointment of Director(s) shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.
3. Cumulative voting shall not be used for the appointment of Director(s).

Article 34. *(Method of Dismissal)*

A resolution for the dismissal of Director(s) shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the relevant general meeting of shareholders who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.

Article 35. *(Term of Office)*

The term of office of Director(s) shall expire at the closing of the ordinary general meeting of shareholders concerning the last business year ending within two (2) years after their appointment.

Article 36. *(Representative Director(s) and Director(s) with Titles)*

1. The Representative Director(s) shall be designated by a resolution of the Board of Directors.
2. The President shall be appointed by a resolution of the Board of Directors.
3. The Board of Directors may, by its resolutions, appoint Chairman, Deputy Chairman, Deputy President(s), Senior Managing Director(s) and Managing Director(s).

Article 37. *(Duties of the President)*

The President shall oversee the operations of the Company.

Article 38. *(Person Authorized to Convene Meetings of the Board of Directors and Chairman of the Meeting)*

1. Unless otherwise provided for by laws or regulations, the President shall convene and preside over the meeting of the Board of Directors.
2. In the case where the President is unable so to act, one of the other Director(s) in the order previously determined by the Board of Directors shall take such person's place.

Article 39. *(Notice to Convene Meetings of the Board of Directors)*

1. Notice to convene a meeting of the Board of Directors shall be given to each Director and Corporate Auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened.
2. A meeting of the Board of Directors may be held without taking the procedures of convocation with the consent of all the Directors and Corporate Auditors.

Article 40. *(Method of Adopting Resolutions of the Board of Directors)*

Resolutions of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present at the relevant meeting who shall constitute a majority in number of all the Directors entitled to take part in the vote.

Article 41. *(Minutes of Meetings of the Board of Directors)*

The minutes of the meetings of the Board of Directors shall be prepared in writing or by electromagnetic file as provided for in laws and regulations, the Director(s) and Corporate Auditors present thereat shall affix their names and seals thereon, or electronic signatures thereto.

Article 42. *(Regulations of the Board of Directors)*

Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors prescribed by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

Article 43. *(Liability Limitation Agreements with Outside Director(s))*

Pursuant to the provisions provided for in Article 427, Paragraph 1 of the Law, the Company may enter into liability limitation agreements with any Outside Director which limit the liability provided for in Article 423, Paragraph 1 of the Law to the higher of either (i) the pre-determined amount not less than twenty million (20,000,000) yen or (ii) the amount prescribed in laws and regulations, provided that such Outside Director is bona fide and without gross negligence in performing his/her duty.

CHAPTER VI

CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS

Article 44. *(Number)*

The Company shall have not more than six (6) Corporate Auditors.

Article 45. *(Method of Appointment)*

1. The Corporate Auditors shall be appointed at a general meeting of shareholders.
2. A resolution for appointment of Corporate Auditors shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.

Article 46. *(Term of Office)*

The term of office of Corporate Auditors shall expire at the closing of the ordinary general meeting of shareholders concerning the last business year ending within four (4) years after their appointments.

Article 47. *(Full-Time Corporate Auditor(s))*

The Board of Corporate Auditors shall, by its resolution, designate full-time Corporate Auditor(s).

Article 48. *(Notice to Convene Meetings of the Board of Corporate Auditors)*

1. Notice to convene a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened.

2. A meeting of the Board of Corporate Auditors may be held without taking the procedures of convocation with the consent of all the Corporate Auditors.

Article 49. (*Method of Adopting Resolutions of the Board of Corporate Auditors*)

Resolutions of a meeting of the Board of Corporate Auditors shall be adopted by an affirmative vote of a majority of the Corporate Auditors, unless otherwise provided for by laws or regulations.

Article 50. (*Minutes of Meetings of the Board of Corporate Auditors*)

The minutes of the meetings of the Board of Corporate Auditors shall be prepared in writing or by electromagnetic file as provided for in laws and regulations, and the Directors and Corporate Auditors present thereat shall affix their names and seals thereon or electronic signatures thereto.

Article 51. (*Regulations of the Board of Corporate Auditors*)

Matters concerning the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors prescribed by the Board of Corporate Auditors, in addition to laws and regulations and these Articles of Incorporation.

Article 52. (*Liability Limitation Agreements with Outside Corporate Auditor(s)*)

Pursuant to the provisions provided for in Article 427, Paragraph 1 of the Law, the Company may enter into liability limitation agreements with any Outside Corporate Auditor which limit the liability provided for in Article 423, Paragraph 1 of the Law to the higher of either (i) the pre-determined amount not less than twenty million (20,000,000) yen or (ii) the amount prescribed in laws and regulations, provided that such Outside Corporate Auditor is bona fide and without gross negligence in performing his/her duty.

**CHAPTER VII
ACCOUNTING**

Article 53. (*Business Year*)

The business year of the Company shall be the one-year period from April 1 of each year through March 31 of the following year.

Article 54. (*Dividends from Surplus Approved by Resolution of Ordinary General Meeting of Shareholders*)

Dividends from the surplus approved by a resolution of an ordinary general meeting of shareholders shall be distributed to the shareholders or registered stock pledgees appearing in writing or electronically in the register of shareholders as of the end of March 31 of each year.

Article 55. (*Interim Dividends*)

The Company may, by a resolution of the Board of Directors, distribute interim dividends provided for in Article 454, Paragraph 5 of the Law to the shareholders or registered stock pledgees appearing in writing or electronically in the register of shareholders as of the end of September 30 of each year.

Article 56. (*Prescription for Payment of Dividends*)

In the case where the dividends from its surplus are distributed by cash, the Company shall be released from the obligation to pay such dividends from the surplus which have not been received after the lapse of five (5) years from the date of commencement of payment thereof.

SUPPLEMENTARY PROVISIONS

Article 1. *(Effective Date)*

1. Amendments in relation to Article 6, Articles 9 through 11, Articles 13 through 17 (but with respect to Article 14, only the amended portion concerning the register of fractional shares, fractional shares and shares constituting less than one (1) unit), Article 22, Article 31, Article 54 and Article 55 of the Articles of Incorporation, the deletion of Article 9 of the Articles of Incorporation prior to the amendment, and the renumbering of the articles in conjunction with these amendments shall become effective on the day preceding the day on which the “Law for Partial Amendments to the Law Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities” (Law No. 88 of 2004, the “Settlement Rationalization Law”) is enforced.

2. The provisions of Article 6 of the Articles of Incorporation prior to the amendment shall be amended as set forth below and such amendments shall apply until the effective date set forth in the preceding paragraph.

Article 6. *(Total Number of Authorized Shares)*

The total number of shares that the Company is authorized to issue shall be 28,790,759 shares, and each total number of the classes of shares that the Company is authorized to issue shall be as set forth below; provided, however, that in the case where a cancellation of shares is made, the number of shares that the Company is authorized to issue shall be reduced by the number of shares so canceled:

Common stock:	24,392,259 shares
Class XI preferred stock:	1,398,500 shares
Class XII preferred stock:	1,500,000 shares
Class XIII preferred stock:	1,500,000 shares

3. In the case where a cancellation of shares, as set forth in the proviso of Article 6 of the immediately preceding paragraph, is made before the effective date set forth in Paragraph 1, the number of shares so cancelled multiplied by one thousand (1,000) will be reduced from the total number of shares of the Company authorized to be issued and from the total number of shares in the relevant share class of the Company authorized to be issued as provided for in Article 6 of the Articles of Incorporation (i.e., Article 6 of the Articles of Incorporation which will become effective on the effective date stipulated in Paragraph 1).

4. Amendments to Article 12 and Article 14 (but with respect to Article 14, only the amended portion concerning share certificates) of the Articles of Incorporation shall become effective on the date the Settlement Rationalization Law becomes effective.

5. Amendments to Article 5 of the Articles of Incorporation and Paragraph 2 of this Article shall become effective when the proposed amendments to the Articles of Incorporation are approved at the sixth (6th) ordinary general meeting of shareholders.

Article 2. *(Issuance of Share Certificates)*

In accordance with Article 6, Paragraph 1 of the supplementary provisions of the Settlement Rationalization Law, it is deemed to have been resolved that the Articles of Incorporation would be amended in order to abolish the provision of the Articles of Incorporation that the Company issue share certificates, of which the effective date being the date such Law becomes effective. Accordingly, the provisions of Article 7 of the Articles of Incorporation shall be abolished after such Law becomes effective.

Article 3. *(Miscellaneous)*

These supplementary provisions shall be deleted after the Settlement Rationalization Law becomes effective.

[Translation]

This is a translation of a document written in Japanese, and has been prepared for reference purpose only.

Share Handling Regulations

(as of November 16, 2007)

Mizuho Financial Group, Inc.

**SHARE HANDLING REGULATIONS
OF
MIZUHO FINANCIAL GROUP, INC.**

**CHAPTER I
GENERAL PROVISIONS**

Article 1. *(Purposes)*

Denominations of share certificates of the Company, and operations relating to shares and fractional shares and handling fees therefor shall be governed by these Regulations pursuant to the provisions of Article 12 of the Articles of Incorporation; provided, however, that operations of the beneficial shareholders shall be governed by the rules of Japan Securities Depository Center, Incorporated (hereinafter referred to as the “JASDEC”) as well as these Regulations.

Article 2. *(Shareholder Register Manager, etc.)*

The shareholder register manager and the transfer agent for fractional shares of the Company (hereinafter referred to as the “Shareholder Register Manager, etc.”) and their handling offices and liaison offices shall be as follows:

Shareholder Register Manager and Transfer Agent for fractional shares:
Mizuho Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome, Chuo-ku, Tokyo

Handling Office:
Stock Transfer Agency Department of the Head Office of Mizuho Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome, Chuo-ku, Tokyo

Liaison Offices:
All branches in Japan of Mizuho Trust & Banking Co., Ltd.
Head office and all branches in Japan of Mizuho Investors Securities.

Article 3. *(Denominations of Share Certificates)*

Denominations of share certificates issued by the Company shall be for one (1), ten (10), and one hundred (100) shares; provided, however, that, if necessary, the Company may issue share certificates for any number of shares exceeding one hundred (100) shares.

Article 4. *(Method of Requests and Reports, etc.)*

1. All procedures including requests and reports with respect to the business delegated to the Shareholder Register Manager, etc. by the Company shall be made to the Shareholder Register Manager, etc.

2. All procedures including requests, reports, applications and petitions provided for in this Article shall be made in the form prescribed by the Company with the seal impression affixed which has been reported in accordance with the provisions of Article 15.

3. If any requests, reports, applications and petitions provided for in the preceding paragraph shall be made by a proxy, a document certifying the authorization of such proxy shall be submitted.

4. If any requests, reports, applications and petitions provided for in the second paragraph shall be required to be made with the consent of a curator (*hosanin*) or an assistant (*hojonin*), a document certifying such consent shall be submitted.

CHAPTER II
REGISTRATION, ETC. OF TRANSFER OF SHARES

Article 5. *(Registration of Transfer of Shares)*

1. In the case of a request for the written or electronic records on the register of shareholders (hereinafter referred to as the “Registration of Transfer of Shares”), a designated written request therefor shall be submitted, together with the share certificates concerned setting forth the name of the person so requesting.

2. In the case of a request for the Registration of Transfer of Shares acquired as the result of inheritance, testament or merger of companies, etc. other than assignment, a document certifying such acquisition shall be submitted, in addition to the procedures provided for in the preceding paragraph; provided, however, that if no share certificates have been issued for such shares, submission of share certificates shall not be required.

Article 6. *(Registration of Transfer of Shares Where Special Procedures Shall be Required by Laws or Regulations)*

In case the special procedures shall be required by laws or regulations for the Registration of Transfer of Shares, a designated written request therefor shall be submitted, together with the share certificates concerned setting forth the name of the person so requesting and a document certifying the completion of such procedures.

Article 7. *(Register of Fractional Share)*

The provisions of the second paragraph of Article 5 shall apply *mutatis mutandis* to a request for any change in entry, whether written or electronic, in the register of fractional shares as the result of inheritance, testament or merger of companies, etc. other than assignment.

Article 8. *(Written or Electronic Records in the Register of Beneficial Shareholders)*

The written or electronic records in the register of beneficial shareholders shall be made, based upon a notice with respect to beneficial shareholders submitted by the JASDEC and a beneficial shareholder’s card.

Article 9. *(Beneficial Shareholders’ Cards)*

Beneficial shareholders shall submit a beneficial shareholder’s card through a participant of JASDEC.

Article 10. *(Integration)*

In case a shareholder recorded in writing or electronically in the register of shareholders and a beneficial shareholder recorded in writing or electronically in the register of beneficial shareholders are deemed to be the same person according to his/her address and names recorded therein, the number of shares recorded in each register shall be integrated with respect to the exercise of shareholders’ rights.

CHAPTER III
REGISTRATION OF PLEDGES AND INDICATION OF TRUST ASSETS

Article 11. *(Registration of Pledges and Cancellation Thereof)*

In case registration of a pledge or change or cancellation thereof is requested in respect of shares, a designated written request therefor bearing signatures of both the pledgor and the pledgee shall be submitted, together with the share certificates concerned setting forth the name of such pledgee.

Article 12. (*Indication of Trust Assets and Cancellation Thereof*)

In case indication of trust assets or cancellation thereof is requested in respect of shares, a designated written request therefor shall be submitted either by the trustor or the trustee, together with the share certificates concerned.

CHAPTER IV

NON-POSSESSION OF SHARE CERTIFICATES

Article 13. (*Application for Non-possession of Share Certificates*)

1. In case non-possession of share certificates by a shareholder is applied for, a designated written application therefor shall be submitted, together with the share certificates concerned; provided, however, that, if no share certificates have been issued for such shares, submission of share certificates shall not be required.

2. All share certificates in regard to which an application referred to in the preceding paragraph has been made shall be placed in non-possession status.

Article 14. (*Request for Issuance of Share Certificates Placed in Non-possession Status*)

In case a shareholder who has applied for non-possession of share certificates subsequently requests the issuance of the share certificates, a designated written request therefor shall be submitted.

CHAPTER V

NOTIFICATIONS

Article 15. (*Reports of Addresses, Names, and Seal Impressions of Shareholders, etc.*)

1. Shareholders, beneficial shareholders and registered stock pledgees or their legal representatives shall report their addresses, names and seal impressions by submitting shareholders' cards or beneficial shareholders' cards, etc.; provided, however, that a foreigner who has the custom of affixing his/her signature may substitute his/her specimen signature for such seal impression.

2. The same procedures shall be taken in the case of any change in the matters referred to in the preceding paragraph.

Article 16. (*Reports of an Address to Which Notices Shall Be Sent to Shareholders, etc. Residing Overseas*)

1. Shareholders, beneficial shareholders and registered stock pledgees or their legal representatives who reside outside Japan shall, either appoint a standing proxy in Japan or designate an address to which notices shall be sent, and report thereof, in addition to the procedures provided for in the preceding Article.

2. The provisions of the preceding Article shall apply *mutatis mutandis* to the standing proxy.

Article 17. (*Representative of a Corporation*)

1. In case a shareholder, a beneficial shareholder and a registered stock pledgee is a corporation, the name of one (1) of the representatives of such corporation shall be notified.

2. In the case of any change in the representative provided for in the preceding paragraph, a designated written report therefor shall be submitted, together with such certificate of matters to be registered, etc.

Article 18. (*Representative of Shareholders Who Jointly Own Shares*)

1. Shareholders or beneficial shareholders who jointly own shares shall appoint one (1) representative and report thereof.

2. The same procedures shall be taken in the case of any change in the representative provided for in the preceding paragraph.

Article 19. (*Representative of Unincorporated organization*)

1. In case a shareholder, a beneficial shareholder or a registered stock pledgee is an unincorporated organization, the name of one (1) of the representatives of such organization shall be notified.

2. The same procedures shall be taken in the case of any change in the representative provided for in the preceding paragraph.

Article 20. (*Change in the Register of Shareholders and the Register of Beneficial Shareholders, or Change of Indication of Share Certificates*)

In case any changes in entry are made in the register of shareholders and the register of beneficial shareholders, or any change is made of the indication of share certificates for any of the following reasons, a designated report therefor shall be submitted, together with the share certificates concerned and a certified copy of extract of the family register or a certificate of matters to be registered, etc. ,as the case may be.; provided, however, that no share certificates are required to be submitted if such share certificates have not been issued or in the case of any change in entry in the register of beneficial shareholders and the register of fractional shares.

- (1) Change of family name or given name;
- (2) Appointment, change or removal of a legal representative such as an agent of a person having parental authority, guardian, etc.;
- (3) Change of trade name or name of a juridical person; and
- (4) Change of corporate organization.

Article 21. (*Special Exception for Notifications of Beneficial Shareholders*)

In case a report is submitted by a beneficial shareholder or a legal representative in accordance with the provisions in this chapter, such report shall be submitted through a participant of JASDEC; provided, however, that if any change of registered seal impression only shall be made, reports through a participant of JASDEC shall not be required.

Article 22. (*Mutatis Mutandis*)

- 1. The provisions in this Chapter shall apply *mutatis mutandis* to the trustor and the trustee of trust assets.
- 2. The provisions of Articles 15 through 19 shall apply *mutatis mutandis* to the holder of fractional shares, and the provision of Article 20 shall apply *mutatis mutandis* to the register of fractional shares.

CHAPTER VI

REISSUANCE OF SHARE CERTIFICATES DUE TO REASONS OTHER THAN LOSS

Article 23. (*Reissuance due to Stock Split or Consolidation*)

In case issuance of new share certificates shall be requested for the purpose of stock split or consolidation of share certificates, a designated written request therefor shall be submitted, together with the share certificates concerned.

Article 24. (*Reissuance due to Defacement or Mutilation*)

In case a request for reissuance of share certificates due to defacement or mutilation of any share certificate shall be made, a designated written request therefor shall be submitted, together with the share certificate concerned; provided, however, if it is difficult to discern whether such share certificate is genuine or not, the procedures provided for in Chapter VII (*Registration of Loss of Share Certificates, etc.*) shall be taken.

Article 25. (*Reissuance due to Completion of Columns*)

In the case of completion of columns regarding acquirers of any share certificate, the Company shall collect such share certificate and issue a new share certificate.

CHAPTER VII

REGISTRATION OF LOSS OF SHARE CERTIFICATES, ETC.

Article 26. (*Request for Registration of Loss of Share Certificates*)

1. A person who requests for the registration of loss of share certificates (hereinafter referred to as “Person Requesting Registration of Lost Share Certificates”) shall submit a designated written application therefor, together with a document certifying acquisition of the share certificates, a document certifying loss of the share certificates, and a written identification of the applicant; provided, however, that, if the Person Requesting Registration of Lost Share Certificates is a registered holder thereof, such person shall submit a document certifying loss of the share certificates only, in addition to the designated written application.

Article 27. (*Application for Cancellation by the Registrant Regarding Loss of Share Certificates*)

In case the registrant regarding loss of share certificates shall apply for a cancellation of the registration provided for in the preceding Article, a designated written application therefor shall be submitted.

Article 28. (*Application for Cancellation of the Registration of Loss of Share Certificates by the Holders of Such Share Certificates*)

In case a person holding share certificates, which have been registered as lost, shall apply for the cancellation of such registration of loss of share certificates, a designated written application therefor shall be submitted, together with the share certificates concerned and a written identification of the applicant; provided, however, that, if an application for cancellation is made by a shareholder or a registered stock pledgee of the lost share certificates, submission of a written identification of the applicant shall not be required.

Article 29. (*Mutatis Mutandis Application to Provisions Concerning Notifications*)

In case the registrant regarding loss of share certificates who is a person other than a shareholder or a registered stock pledgee shall request for any change in the written or electronic records in the register of lost share certificates, the provisions of Articles 15 through 20 shall apply *mutatis mutandis*.

CHAPTER VIII

PURCHASE OF FRACTIONAL SHARES

Article 30. (*Method of Request for Purchase*)

In the case of a request to purchase fractional shares, a designated written request (hereinafter referred to as the “Written Request for Purchase”) therefor shall be submitted at the handling office or any of the liaison offices of the transfer agent provided for in Article 2.

Article 31. *(Method of Determination of Purchase Price)*

The purchase price per share of fractional shares requested for purchase shall be the amount obtained by multiplying the last reported price per share on the market established by the Tokyo Stock Exchange on the day on which the Written Request for Purchase provided for in the preceding Article is received at the share handling office or at any of the liaison offices of the transfer agent by the ratio of such fractional shares requested for purchase to one (1) share, provided, however, that if the shares are not traded on the market established by the Tokyo Stock Exchange on such day, or such day falls on a holiday of the said Stock Exchange, the purchase price per share of fractional shares shall be the amount obtained by multiplying the price per share at which the shares are first sold on the market established by the Tokyo Stock Exchange by the ratio of such fractional shares requested for purchase to one (1) share.

Article 32. *(Payment of Purchase Price)*

1. Unless otherwise provided by the Company, the Company shall pay to the person who has requested for purchase, the purchase price determined pursuant to the preceding Article after deducting therefrom the handling fees provided for in the third paragraph of Article 46, no later than the fourth (4th) business day commencing on the day (in case the purchase price pursuant to the preceding Article has not yet been decided up to such day, the day shall be the decision date of the purchase price pursuant to the same Article) on which the Written Request for Purchase provided for in Article 30 is received at the share handling office of the transfer agent, at the place where the request for purchase is received; provided, however, that if the purchase price reflects the ex-dividends from surplus (including interim dividends, the same shall apply hereinafter) price or ex-rights price, and the fourth (4th) business day described in this Article falls under the fixed date to receive dividends from surplus or rights, the payment shall be made on the following business day.

2. The person who has requested for purchase may request that the payment be made by way of transfer to a bank account designated by him/her or by cash payment by Japan Post Bank (*Yucho Ginko Genkinbarai*) to the address of such person. If this is the case, the payment of the purchase price shall be deemed to be completed, concurrently with arrangement for payment by transfer or by voucher for disbursement through Japan Post Bank (*Hurikaeharaidashi-shousho*).

Article 33. *(Transfer of Purchased Shares)*

The title to the fractional shares, for which a Request for Purchase has been made, shall be transferred to the Company on the day on which the payment procedures provided for in the preceding Article have been completed.

CHAPTER IX

ADDITIONAL PURCHASE OF FRACTIONAL SHARES

Article 34. *(Method for Request for Additional Purchase)*

In case a holder of fractional shares requests that the Company sell to the holder of fractional shares the fraction of a share that would, together with the fractional shares owned by such holder of fractional shares, constitute one share (hereinafter referred to as the "Request for Additional Purchase"), a designated written request (hereinafter referred to as the "Written Request for Additional Purchase") therefor shall be submitted, together with the advanced payment provided for in the following Article, at the handling office or any of the liaison offices of the transfer agent provided for in Article 2.

Article 35. *(Advanced payment)*

1. The advanced payment shall be the amount obtained by multiplying the last reported price per share on the market established by the Tokyo Stock Exchange on the preceding business day on which the Written

Request for Additional Purchase provided for in the preceding Article is received at the share handling office or at any of the liaison offices of the transfer agent by the ratio of such fractional shares requested for additional purchase to one (1) share, and multiplying the result by 1.3, provided, however, that if the shares are not traded on the market established by the Tokyo Stock Exchange on such day, the advanced payment shall be the amount obtained by multiplying the last reported price per share at which the shares are sold on the market established by such Stock Exchange on the nearest preceding day prior to such day by the ratio of such fractional shares requested for additional purchase to one (1) share, and multiplying the result by 1.3. Any fraction less than one thousand (1,000) yen as a result of such calculation shall be rounded up.

2. If the Request for Additional Purchase provided for in the preceding Article is made but the amount of the advanced payment is less than the amount determined in accordance with the preceding paragraph, the Company shall not handle such Request for Additional Purchase.

Article 36. *(Request for Additional Purchase of Number of Shares Exceeding the Remaining Number of Treasury Stock, etc.)*

If an aggregate number of fractional shares for which the Request for Additional Purchase is made on the same day exceeds the number of shares reserved by the Company as treasury stock and treasury fractional shares for sale, none of such Request for Additional Purchase made on such day shall become effective.

Article 37. *(Effective Date of Request for Additional Purchase)*

The Request for Additional Purchase shall become effective as of the date on which the Written Request for Additional Purchase provided for in Article 34 and the advanced payment provided for in Article 35 are received at the handling office or any of the liaison offices of the transfer agent.

Article 38. *(Suspension Period of Request for Additional Purchase)*

1. The Company shall suspend acceptance of the Requests for Additional Purchase during the period from the twelfth (12th) business day preceding March 31 through to March 31 and the period from the twelfth (12th) business day preceding September 30 through to September 30 every year.

2. Notwithstanding the preceding paragraph, the Company may, whenever it deems necessary, establish any other periods during which the Company shall suspend acceptance of the Requests for Additional Purchase.

Article 39. *(Method of Determination of Additional Purchase Price)*

1. The additional purchase price per share of fractional shares requested for additional purchase shall be the amount obtained by multiplying the last reported price per share on the market established by the Tokyo Stock Exchange on the effective date of the Request for Additional Purchase by the ratio of such fractional shares requested for additional purchase to one (1) share, provided, however, that if the shares are not traded on the market established by the Tokyo Stock Exchange on such day, or such day falls on a holiday of the said Stock Exchange, the purchase price per share of fractional shares shall be the amount obtained by multiplying the price per share at which the shares are first sold on the market established by the Tokyo Stock Exchange thereafter by the ratio of such fractional shares requested for additional purchase to one (1) share.

2. In case the amount of the advanced payment provided for in Article 35 is less than the total amount of the additional purchase price for shares provided for in the preceding paragraph and the handling fees provided for in the third paragraph of Article 46 (hereinafter referred to as the "Additional Purchase Proceeds"), the Company shall request the shareholder who made such Request for Additional Purchase to pay such shortfall. In this case, if such shortfall remains unpaid for the period of five (5) business days from the day following the day on which the Company has made a request for payment thereof, such Request for Additional Purchase shall become invalid.

Article 40. *(Receipt of Additional Purchase Proceeds)*

1. The Company shall receive the Additional Purchase Proceeds from the advanced payment on the date on which is the sixth (6th) business day from the day following the day on which the additional purchase price has been determined, or on which the shortfall referred to in paragraph 2 of the preceding Article has been paid; provided, however, that if the additional purchase price reflects the ex-dividends from surplus (including interim dividends, the same shall apply hereinafter) price or ex-rights price, and such sixth (6th) business day described in this Article falls under the fixed date to receive dividends from surplus or rights, the payment shall be made on the following business day.

2. The balance obtained by deducting the Additional Purchase Proceeds provided for in the preceding paragraph from the advanced payment shall be refunded to the holder of fractional shares who made the relevant Request for Additional Purchase by way of transfer to a bank account designated by him/her or by cash payment by Japan Post Bank (*Yucho Ginko Genkinbarai*).

Article 41. *(Transfer of Title to Fractional Shares Purchased Additionally)*

The title to the fractional shares regarding which a Request for Additional Purchase has been made shall be transferred to the holder of fractional shares who made such Request for Additional Purchase on the day on which the Company duly receives the Additional Purchase Proceeds provided for in the preceding Article.

Article 42. *(Delivery of Share Certificates)*

The Company shall, without delay, issue share certificates for the shares which become a full share as a result of the Request for Additional Purchase, and deliver such share certificates to the person who made such Request for Additional Purchase.

CHAPTER X PREFERRED STOCK

Article 43. *(Method for Request for Acquisition)*

1. In case an acquisition of preferred stock shall be requested, a designated written request therefor shall be submitted, together with the preferred share certificates concerned, at the handling office or any of the liaison offices of the shareholder register manager provided for in Article 2; provided, however, that, if no preferred share certificates have been issued for such shares, submission of preferred share certificates shall not be required.

2. In case a request for acquisition provided for in the preceding paragraph is made by a beneficial shareholder, such request shall be submitted through a participant of JASDEC and JASDEC.

3. The request for acquisition may not be withdrawn after submission of such request.

Article 44. *(Effectiveness of Acquisition)*

The acquisition shall be effective concurrently with arrival of the request and the certificates of preferred stock concerned provided for in the preceding Article at the handling office or any of the liaison offices of the shareholder register manager provided for in Article 2.

Article 45. *(Request for Issuance of New Shares at Mandatory Acquisition)*

1. If a mandatory acquisition of preferred stock as provided for in Article 20 of the Articles of Incorporation of the Company shall be made, a request for issuance of certificates of common stock shall be made, and a designated written request shall be submitted, together with the preferred share certificates concerned; provided, however, that if no preferred share certificates have been issued for such shares, submission of preferred share certificates shall not be required.

2. The provision of the second paragraph of Article 43 shall apply *mutatis mutandis* to the case of the preceding paragraph.

CHAPTER XI HANDLING FEES

Article 46. (*Handling Fees*)

Handling fees in connection with shares of the Company shall be as follows (not including consumption tax):

1. In the case of issuance of share certificates pursuant to Article 14 (Request for Issuance of Share Certificates Placed in Non-possession Status), Article 23 (Reissuance due to Stock Split or Consolidation) or Article 24 (Reissuance due to Defacement or Mutilation);

250 yen per one share certificate.

2. In the case of a request for registration of loss of share certificates pursuant to Article 26 (*Request for Registration of Loss of Share Certificates*):

10,000 yen per one application for registration of loss of share certificates; 500 yen per one lost share certificate.

3. In the case of purchase of fractional shares pursuant to Article 30 (*Method of Request for Purchase*) and sale of fractional shares pursuant to Article 34 (*Method for Request for Additional Purchase*):

The fees shall be calculated by dividing proportionally the amount of handling fees per share calculated by the following formula (In case of any amount less than one yen, such amount shall be disregarded) by the relevant number of fractional shares so purchased or sold (In case of any amount less than one yen, such amount shall be disregarded);

(1) In case the purchase price or additional purchase price per share shall be: Not more than one million yen (¥1,000,000):

1.15% of the amount involved (If the amount per share obtained by the above formula is less than two thousand five hundred yen (¥2,500), the fees shall be two thousand five hundred yen (¥2,500).)

(2) In case the purchase price or additional purchase price per share shall be : More than one million yen (¥1,000,000):

0.9% of the amount involved + ¥2,500

CHAPTER XII
METHOD OF REQUEST OR NOTICE
WITH RESPECT TO GENERAL MEETINGS OF SHAREHOLDERS

Article 47. *(Method to Exercise Shareholders' Proposal Rights)*

1. In case shareholders, pursuant to laws and ordinances, shall exercise their rights to Director(s), which includes the right to (a) request to convene a general meeting of shareholders, (b) request to add certain matters to the agenda for a general meeting of shareholders or (c) request the summary of proposals, which are planned to be submitted to a general meeting of shareholders, with regard to the agenda for such meeting, to be notified to the shareholders, such execution of rights shall be made in writing.

2. If the Company, pursuant to the request provided for in the preceding paragraph, shall set forth a description with regard to reasons for proposal or matters concerning the appointment of Director(s) or Corporate Auditor(s), etc., in the reference materials for a general meeting of shareholders, and such description exceeds 400 characters, such description may be set forth in an outline thereof.

3. Notification by shareholders to the Company of matters they request to be explained at a general meeting of shareholders, pursuant to applicable laws and regulations, shall be made in written form.

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Takashi Tsukamoto, Chief Financial Officer of Mizuho Financial Group, Inc. (the “company”), certify that:

1. I have reviewed this annual report on Form 20-F of the company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: September 4, 2008

By: /s/ Takashi Tsukamoto

Name: Takashi Tsukamoto

Title: Chief Financial Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the annual report of Mizuho Financial Group, Inc. on Form 20-F for the year ended March 31, 2008 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the United States Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Terunobu Maeda, the Chief Executive Officer, and Takashi Tsukamoto, the Chief Financial Officer of Mizuho Financial Group, Inc., each certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Mizuho Financial Group, Inc.

Date: September 4, 2008

By: /s/ Terunobu Maeda

Name: Terunobu Maeda
Title: Chief Executive Officer

By: /s/ Takashi Tsukamoto

Name: Takashi Tsukamoto
Title: Chief Financial Officer