

# MIZUHO



Mizuho Financial Group

Interim Report  
(April ~ September 2002)

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2002

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Mizuho Holdings, Inc.

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# Financial Highlights (Consolidated)

## Mizuho Holdings

For the Six Months ended September 30, 2002 and 2001	Millions of yen		Thousands of U.S. dollars
	September 30, 2002	September 30, 2001	September 30, 2002
Total Income	¥ 1,812,892	¥ 2,791,104	\$ 14,787,051
Total Expenses	1,713,725	3,193,716	13,978,184
Income (Loss) before Income Taxes and Minority Interests	99,167	(402,612)	808,867
Net Income (Loss)	39,029	(264,637)	318,348
Cash Dividends	—	—	—

At September 30 and March 31, 2002	Millions of yen		Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2002
Total Assets	¥ 143,047,455	¥ 151,312,427	\$ 1,166,781,857
Securities	25,520,325	24,108,931	208,159,262
Loans and Bills Discounted	76,118,242	84,593,656	620,866,574
Deposits	77,929,763	85,606,235	635,642,442
Total Shareholders' Equity	3,715,697	4,731,420	30,307,481

For the Six Months ended September 30, 2002 and 2001	yen		U.S. dollars
	September 30, 2002	September 30, 2001	September 30, 2002
<b>Per Share</b>			
Net Income (Loss) (Common Stock)	¥ 4,139.96	¥ (28,753.60)	\$ 33.77
Cash Dividends per Share:			
Common Stock	—	—	—
Preferred Stock			
First Series Class I Preferred Stock	—	—	—
Second Series Class II Preferred Stock	—	—	—
Third Series Class III Preferred Stock	—	—	—
Fourth Series Class IV Preferred Stock	—	—	—
Fifth Series Class V Preferred Stock	/	—	/
Sixth Series Class VI Preferred Stock	—	—	—
Seventh Series Class VII Preferred Stock	—	—	—
Eighth Series Class VIII Preferred Stock	—	—	—
Ninth Series Class IX Preferred Stock	—	—	—
Tenth Series Class X Preferred Stock	—	—	—

Note : All outstanding Fifth Series Class V Preferred Stock was converted into Common Stock on February 1, 2002.

At September 30 and March 31, 2002	September 30, 2002	March 31, 2002
<b>Capital Adequacy</b>		
Risk-based Capital Ratio (BIS Capital Ratio)	10.42%	10.56%

## Ratings

At December 31, 2002	Fitch		JCR		Moody's		R&I		Standard & Poor's	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Mizuho Holdings	A-	F2	—	—	—	—	A	a-1	—	—
Mizuho Corporate Bank	A-	F2	—	—	A3	P-1	A	a-1	BBB	A-3
Mizuho Bank	A-	F2	—	—	A3	P-1	A	a-1	BBB	A-3
Mizuho Securities	—	—	—	J-1	—	—	—	a-1	—	—
Mizuho Trust & Banking	A-	F2	—	—	A3	P-1	A	a-1	—	—

## A Message from the President & CEO of Mizuho Holdings



**Terunobu Maeda**  
President & CEO, Mizuho Holdings

On behalf of the Mizuho Financial Group, I would like to take this opportunity to extend my sincere thanks to our shareholders and customers for your continued support.

### ● Interim Results for Fiscal 2002

An analysis of the world economic conditions in the first half of fiscal 2002 shows that personal consumption sentiment in the United States was depressed due to declines in stock prices and it raised concerns that the U.S. economy was heading for a slowdown, affecting the economies of Europe and Asia. While the Japanese economy turned to a slight recovery since the beginning of the year 2002, the outlook remains as uncertain as deflation continues and the stock market remains stagnant.

The harsh conditions facing the financial sector persist. In addition to seeking an early resolution of the non-performing loan ("NPL") issue and reinforcing the business structures, financial institutions are aiming for higher profitability amid the intensified competition caused by a series of consolidations and reorganizations of larger financial groups.

Given these conditions, on April 1, 2002, the Mizuho Financial Group consolidated and reorganized the operations of Dai-ichi Kangyo Bank, Fuji Bank and Industrial Bank of Japan into Mizuho Corporate Bank and Mizuho Bank under Mizuho Holdings through the corporate split and merger process. Mizuho Securities and Mizuho Trust & Banking also became direct subsidiaries of Mizuho Holdings through corporate splits, whereby a new organization centered on four core subsidiaries was created. The aim of the reorganization is to become an innovative financial services group that will lead the new era through cutting-edge, comprehensive financial services by dealing with changes in the business environment and strengthening our capability to respond to our customer requirements.

I would like to also reiterate my deepest regret and apologies for your inconvenience and concern on our group as a result of causing the computer systems problems in our domestic services, such as ATM service problems and delays in automatic debit transactions in connection with the launching of Mizuho Corporate Bank and Mizuho Bank. We have conducted thorough investigations to ascertain the causes, and everyone from senior executives to each employee is making every effort not to repeat similar problems through the implementation of preventative measures established for bringing stability to our systems and business operations.

Against this background, we maintained our commitment to putting the customer first while continuing the previous fiscal year's efforts to reinforce our financial strength and earnings base. As a result, our Total Income came to ¥1,812.8 billion, Income before Income Taxes and Minority Interests to ¥99.1 billion and Net Income to ¥39.0 billion in the first half of the fiscal 2002.

### ● Outlook for Fiscal 2002

In the second half of fiscal 2002, we will further accelerate the final disposal of NPLs and strengthen our efforts in corporate revival with a view to the early resolution of the NPL issue. Unfortunately, we expect this to result in a loss for the full fiscal year. In light of retaining internal reserves, we do not plan to pay any dividends on common stock for fiscal 2002. However, we intend to pay the prescribed dividends on each type of preferred stock for the fiscal year.

## ● The "Change & Speed-Up Program"

In light of the increasingly severe business environment in which the financial sector finds itself, the Japanese government announced its "Program for Financial Revival" in October 2002 with a view to rebuilding confidence in the Japanese financial system. In November 2002, we responded to these environmental changes by announcing "Mizuho Change & Speed-Up Program" to accelerate our efforts to further strengthen our earnings base. Three elements make up the program's framework: "Change and accelerate the implementation of business strategies," "Accelerate cost structure reforms," and "Strengthen corporate governance and reinforce a merit-based remuneration system."

The first of these elements aims to further enhance group company expertise to properly respond to customer and business needs, and accelerate the business strategies by making maximum use of the group's enormous customer base and each company's core strengths. The second aims to aggressively pursue the consolidation benefits while accelerating efforts to cut operating costs by carrying out such drastic restructuring plans as reducing the salaries of all executives and employees. The third aims to encourage group cohesiveness and create a dynamic and innovative organization.

## ● Outline of "Business Reorganization"

In December, we announced the "Business Reorganization" to Reform the Mizuho Financial Group' as part of our strategic program for implementing the above mentioned Change & Speed-Up Program. The main elements of the program are the further reinforcement of comprehensive financial services capabilities, and the acceleration of NPL disposal and aggressive pursuit of the corporate revival business based on the purpose of the Program for Financial Revival.

Further reinforcement of comprehensive financial services capabilities involves the establishment of a new financial holding company, Mizuho Financial Group, Inc. In addition to managing the existing four core subsidiaries of the group, the new Mizuho Financial Group will directly manage other primary subsidiaries to enhance group-wide synergy and strengthen its profitability swiftly. We will also place Mizuho Holdings, the existing holding company, as an intermediate holding company to pursue collaboration between Mizuho Corporate Bank and Mizuho Bank as well as between the banking and securities subsidiaries according to the customer segments by placing Mizuho Securities under Mizuho Corporate Bank, and Mizuho Investors Securities under Mizuho Bank, respectively. Moreover, we will strategically reorganize our trust, asset management and custody businesses subsidiaries including merging Mizuho Trust & Banking and Mizuho Asset Trust & Banking, and place these companies directly under Mizuho Financial Group.

As for the acceleration of NPL disposal and aggressive pursuit of the corporate revival business along with the objectives of the Program for Financial Revival, assessments of assets will be further tightened by refining the self-assessment standards and early termination of the NPL issue, utilizing a separate entity and/or framework for corporate revival will be pursued.

By encouraging everyone in the group from senior executives to each employee to implement the above measures, we aim to enhance our competitiveness, secure high-level and stable profitability in order to maximize the corporate value of the group.

We look forward to the continuing support of our shareholders and customers.

January 2003



**Terunobu Maeda**

President & CEO  
Mizuho Holdings

## **Mizuho Corporate Bank**

Mizuho Corporate Bank (“MHC B”) aims to provide adequate responses to the ever-diversifying, increasingly sophisticated financial and business strategy needs of domestic and overseas customers by offering optimal solutions that use our state-of-the-art financial technology (“FT”) and information technology (“IT”).

More specifically, we have channeled as many of our management resources as possible into product businesses such as syndication, securitization, real estate finance and acquisition finance so that we can offer our customers at home and abroad high value-added products and services that make the most of our advanced FT. As part of these efforts, we established a more powerful business promotion structure in December 2002, when we carried out organizational changes involving the setting up of the Syndicated Finance Business Unit, the Financial Products Unit and the Asset Management & Transaction Banking Unit.

Further, in order to fully utilize the group's comprehensive financial services capabilities, we will strengthen cooperation between group companies such as Mizuho Bank (“MHBK”), Mizuho Securities (“MHSC”) and Mizuho Trust & Banking (“MHTB”) still further while providing our customers with powerful support for their global business development through our well-established international network.

In order to strengthen our earnings and financial structures, we are devoting considerable effort in expanding our non-interest income and reinforcing our portfolio management structure with a view to greatly enhancing our capital and asset efficiency.

## **Mizuho Bank**

MHBK aims to become the customer's bank of choice and best partner by offering comprehensive, high value-added financial services that provide maximum customer satisfaction.

More specifically, we will offer our individual customers products and services that are tailored to their diverse financial needs, build a more convenient channel network, and take advantage of the group's all-round capabilities to provide highly specialized private banking services.

For our corporate customers, we will provide cutting-edge solutions that match their specific business strategies in areas such as high-quality funding and investment banking, syndication, derivatives, assistance with public offerings and support for overseas business development. We will also focus on supporting new businesses, venture companies and other growth companies.

As for local governments, we will promote top-level proposals for efficient finance and investment methods as well as methods to improve the efficiency of public services to satisfy the increasingly diverse and sophisticated challenges that customers face as a result of institutional reforms and deregulation.

## **Mizuho Securities**

MHSC aims to become a truly global investment bank, providing the best possible solutions for the wide-ranging needs of our customers centered on domestic and overseas institutional investors, corporations, financial institutions and public corporations as a market leader in the securities and investment banking businesses.

More specifically, we will focus on bond-related business, equity-related business, M&A and other aspects of the financial advisory business and structured finance as our core business areas in order to resolve customers' funding and investment needs and the issues they face in the areas of business and financial strategies. To this end, we will offer the best possible products and services backed by our sophisticated and powerful research capabilities (information-gathering and analysis), sales capabilities (ability to provide information) and advanced FT, while at the same time offering financial services that will win the customer's enduring trust over the long term.

We also allocate our management resources flexibly in response to risk management requirements and the business environment. While striving to maximize corporate value through building a company with the kind of constitution that generates profits whatever the market environment, we also aim to contribute to an increase in shareholders' value for investors in MHFG.

## **Mizuho Trust & Banking**

MHTB provides customers with optimal services as a trust bank with a specialized ability to make full use of our expertise in four key trust business areas aimed at corporate customers: pension trust and asset management, custodial services, stock transfer agency services and securitization. Through our merger with Mizuho Asset Trust & Banking ("MHAT") in March 2003, we aim to fortify our trust services and become a trust bank whose strengths and excellence are truly of world standard.

Specifically, we plan to offer various solutions as a "strategic pensions partner" while supplying high-level custody services in close cooperation with the Trust & Custody Services Bank. We will also utilize the world-class know-how we have accumulated to date in providing leading-edge securitization products, and consultation services in connection with legal and business practices, including measures to deal with corporate realignments.

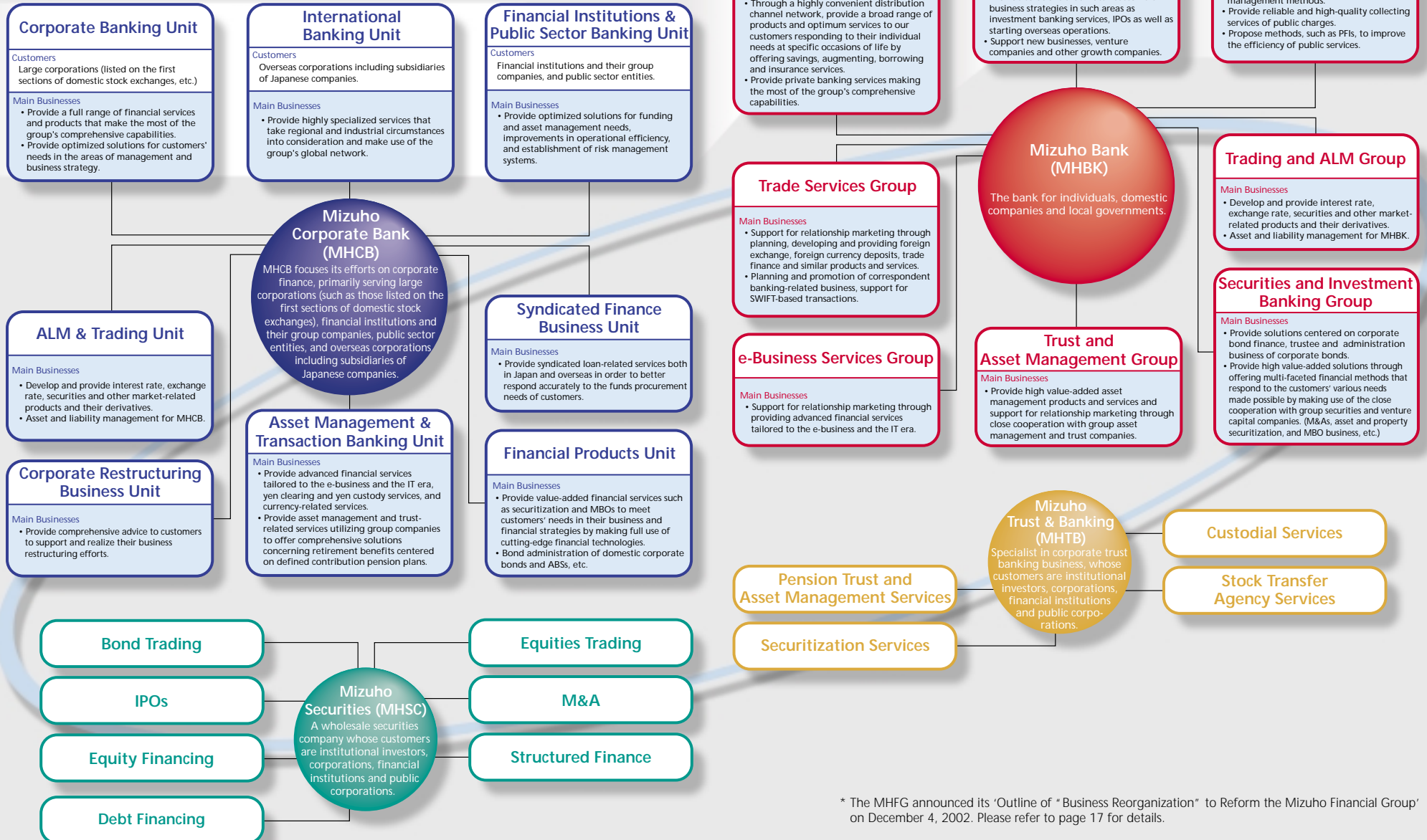
Also, we have established a first-class risk management system in order to fulfill our responsibilities as a trustee. At the same time, we are making proactive use of the franchise system in trust services, which has recently been expanded in scope, as we continue to enhance the mechanisms we use to provide customers with proper specialist services at all times.

In March 2003, we will add MHAT's private banking, real estate and asset management product businesses for individuals to the above-mentioned operations, thereby providing both corporate and individuals with a complete line-up of trust services.

\* The merger with MHAT is subject to approval from the appropriate regulatory authorities.

# Business Outline of Mizuho Corporate Bank, Mizuho Bank, Mizuho Securities and Mizuho Trust & Banking

The Mizuho Financial Group ("MHFG") aims to become a comprehensive financial services group that offers accurate and rapid responses to diverse needs of customers by ensuring that group companies enhance their expertise and provide high value-added financial services while reinforcing cooperation among group companies.

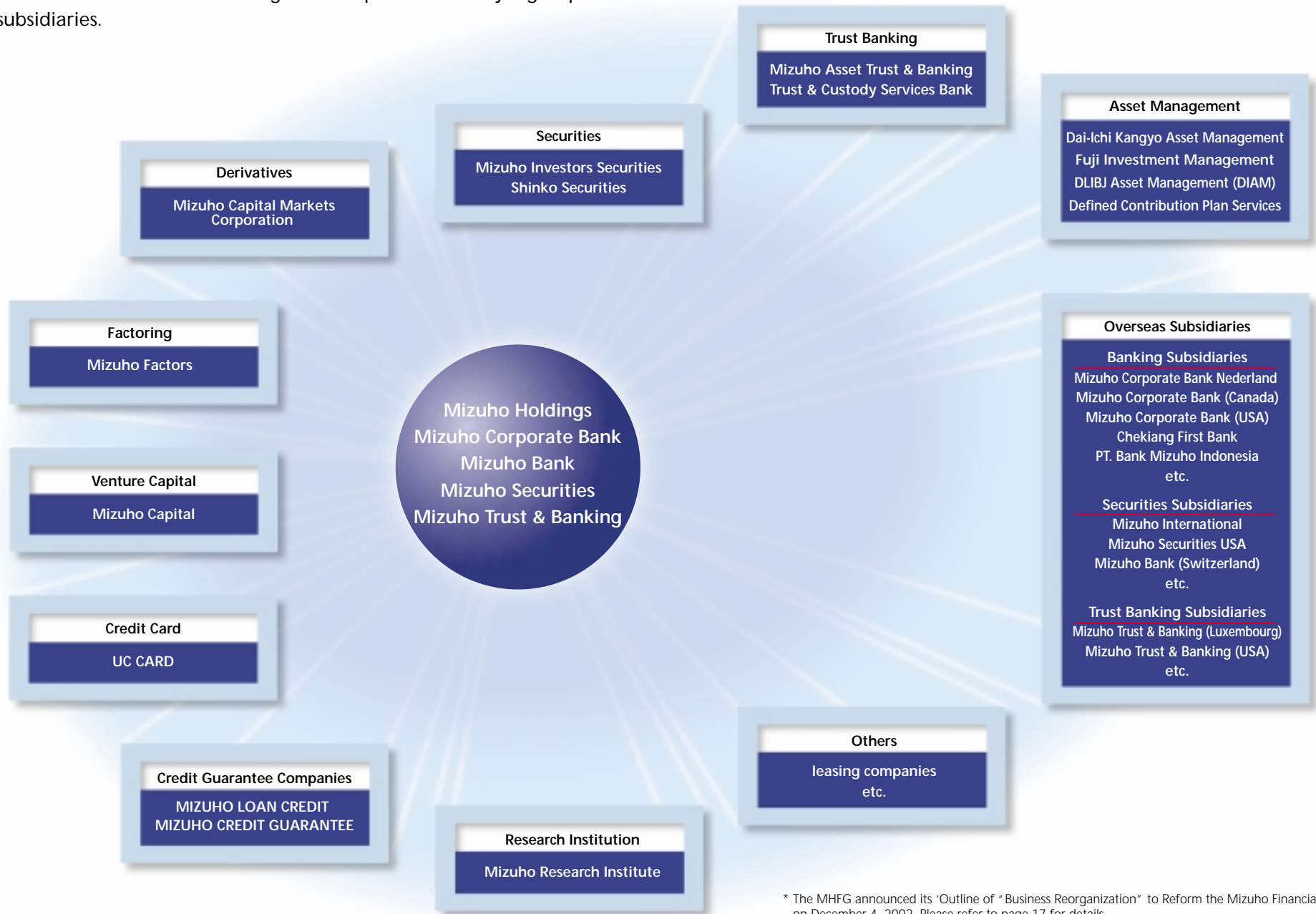


\* The MHFG announced its "Outline of "Business Reorganization" to Reform the Mizuho Financial Group" on December 4, 2002. Please refer to page 17 for details.



## Major Financial Subsidiaries of Mizuho

The Mizuho Financial Group ("MHFG") provides high-value added comprehensive financial services through the cooperation of major group financial subsidiaries.



\* The MHFG announced its "Outline of "Business Reorganization" to Reform the Mizuho Financial Group" on December 4, 2002. Please refer to page 17 for details.

### ■ Proactive Approach to Syndicated Loan Business

As top players in Japan's syndicated loan market, Mizuho Bank ("MHBK") and Mizuho Corporate Bank ("MHCB") are actively engaged in the syndication business, utilizing their high-level arrangement capabilities and the broadly based distribution network they have built up from strong relationships with financial institutions at home and abroad. During fiscal 2002, the two banks have worked to expand their syndicated loan operations, promoting their arrangement services for medium-sized and middle market enterprises and satisfying customers' needs to refinance bonds and fund M&A activities. In December 2002, MHCB decided to position the syndication business as the core of a new financial business model for the future, upgrading its Syndication Division into the Syndicated Finance Business Unit and greatly increasing its staff. In line with our ongoing commitment to revolutionizing business models for financial institutions, we aim to expand this market.

### ■ Commitment to Corporate Revitalization

In light of recent economic conditions, Mizuho Financial Group ("MHFG") has taken a proactive approach to corporate revitalization, establishing specialist sections with a view to supporting customers revive their businesses.

More specifically, MHBK set up Business Advisory Office within its Credit Supervision III Division in July 2002 to bring together the know-how it has accumulated over the years in the area of corporate revitalization. MHCB has also channeled considerable resources into providing business support for customers with technological expertise and growth potential, establishing six new divisions – Corporate Restructuring Divisions No. 1 through No. 5, and the International Corporate Restructuring Division – in October 2002.

Meanwhile, Mizuho Securities ("MHSC") is contributing to its customers' business revival efforts through its M&A know-how.

### ■ Support for Japanese Companies' Business Development into Asia

MHFG is involved in multifaceted efforts to expand its financial services to support the active business development of Japanese companies into Asia, particularly China. In July 2002, MHCB established the China Business Promotion Division, setting up a database that brings together the information and know-how accumulated within the group and using it to support services that meet the various needs of each customer advancing into this market. In September, it concluded a comprehensive business tie-up agreement with four major Chinese banks, and became the first financial institution to sign an investment business cooperation agreement with the Shanghai Waigaoqiao Free Trade Zone the largest such area in China. These moves are part of MHCB's ongoing efforts to strengthen its regional networks and expand its regional financial services centered on Chinese yuan business. In December, it established a special line of credit for Japanese small and medium-sized, and middle market enterprises developing business into China.

### ■ Strengthening Ability to Provide Smaller Businesses with Funding Solutions

MHBK is working to provide smaller businesses with various solutions according to customer segments.

Specifically, for relatively small customers, it has expanded the coverage and improved the contents of "Business Partner," a loan product using automatic screening models. For customers with substantial funding needs, it has started selling "Vendor Finance" in the form of finance guaranteed by leasing companies and using machine tools and other equipment as collateral. It is also working to provide solutions for healthy funding demand by acting as a lead arranger of CLOs and CBOs in the Tokyo Metropolitan Government's efforts to foster a bond market.

For highly entrepreneurial customers aiming to go public in the future, MHBK has started handling "Stock Subscription Rights Financing" whereby it offers preferential interest rates in exchange for acquiring stock subscription rights.

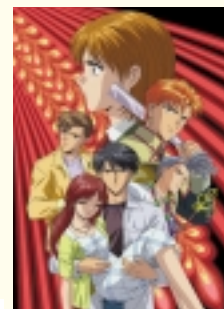
MHBK is also reinforcing the functions of "Mizuho Business Mall," which provides information services through the internet.

## ■ Commitment to Funding Based on Property Rights

MHFG is strengthening its services in the area of funding based on intellectual property rights.

MHBK has long been active in lending that uses intangibles such as copyrights as collateral, and in securitizing the profit distribution rights inherent in copyrights. More recently, it has entered the business of securitizing the subsidiary revenues from sales of videos and character goods that derive from popular animation movies following the completion of first-run cinema showings and TV broadcasts. As its first offering in this field, Mizuho Trust & Banking (“MHTB”) issued trust certificates in trust based on the secondary income from several dozen works and sold them to corporate customers.

MHCB also provides its customers with funds capitalized through asset-backed finance on the cashflow generated by patents, trademarks, broadcasting rights and other intangibles. In line with the recent reform of international accounting rules regarding intangible assets, it has been working to develop new financial products derived from economic value of corporate brands, for instance, which is making the most of the global marketing strengths offered by its large customer base of major enterprises.



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## ■ Puts Together One of the World's Largest and Japan's First Synthetic CLO (September 2002)



Working with MHSC, which acted as lead manager and advisor, MHCB has succeeded in putting together one of the world's largest-ever synthetic CLOs as part of its strategic portfolio management. The transaction is referenced to loan credits worth approximately ¥1.3 trillion extended to some 150 large Japanese companies. While the loan credits remain on the bank's books, it has offloaded default risk on the loans externally using a type of guarantee called “Protection,” without affecting transactional relationships with its customers in any way. In becoming the first of Japan's Big Four banking groups to succeed in this way, MHFG has taken an epoch-making step, and the CLO was welcomed by investors at home and overseas, despite the fact that it amounted to over ¥1 trillion. Moreover, the deal received *IFR* magazine's Asia-Pacific Securitization of the Year and Japanese Securitization of the Year awards as its success greatly contributed to the development of the securitization market.

## ■ Environment-Related Project Finance

MHCB is actively involved in financing environment-related projects in areas like wind power generation and waste disposal.

MHCB has provided finance for wind power generation projects in Hokkaido and Chiba Prefectures and is the only financial institution to have joined the Japan Wind Power Association. In the area of waste disposal, MHCB continues to arrange finance for several projects during fiscal 2002, following the Omuta Refuse Derived Fuel generation project, and Fukuoka Clean Energy project both in Fukuoka Prefecture.

MHCB intends to make use of numerous financing methods based on a flexible conceptual approach that involves a deeper understanding of the business so that it can contribute to the development of a recycling-oriented society.

### ■ Provides Advice on JAL and Japan Air System Management Integration (October 2002)

MHSC acted as adviser to Japan Airlines when it integrated its operations with those of Japan Air System. The two firms used a stock transfer scheme to establish a holding company named Japan Airlines System, which will head the new "JAL Group." The new group is due to strengthen its operations as a world-class air transportation group with well-balanced domestic and international services.

In providing advice, MHSC drew on the original skills it had accumulated through its experience in putting together deals, and was joined by MHC's Industry Research Division, which was able to apply its specialist knowledge of the airline business as well as the expertise MHFG acquired when it was established through its corporate split and merger process.



Joint Press Conference

### ■ Defined Contribution Pension Business

As a frontrunner in the Japanese defined contribution pension business, we are channeling our total resources into providing solutions for corporate management issues in this area by supporting the formation of assets for the employees to enjoy in their retirement. MHBK launched its administration business in October 2002. MHC also plans to start offering products during fiscal 2002.

### ■ Group Banks Launch Operations as Franchises in Trust Services

In April 2002, MHBK and MHC started operations as franchises for trust services, introducing corporate customers who are interested in trust products to MHTB. In the following six months, over 200 contracts were concluded for pension trusts, stock transfer agency services, specified money trusts (*tokkin funds*) and monetary claims trusts.

Currently these services are offered at 273 MHBK branches and all MHC offices. MHBK plans to start offering the services at another 100 branches or more by February 2003.

### ■ Start of New Services Associated with the Use of IT at Shareholders' Meetings

MHTB has given top priority to developing IT systems for shareholders' meetings as a key element of the infrastructure needed for the stock transfer agency business. While paying particular attention to security, it started offering the system at shareholders' meetings in June 2002, where it was used as a low-cost system to allow shareholders to exercise their rights electronically. It also offered a service that makes it possible to monitor at anytime the state of voting on proceedings via the Internet. MHTB will start making "e-notifications" and "e-claims" available from March 2003 shareholders' meetings. The ability to use new electronic methods for various procedures will offer issuers and shareholders much greater speed and convenience.

## ■ Joint Operations with the Group's Securities Company and Trust Bank

To enable customers to take better advantage of our high quality "one-stop" financial services utilizing the group's all-round capabilities, we are offering banking (provided by MHBK and MHCB), trust banking (provided by Mizuho Asset & Trust Banking) and securities (provided by Mizuho Investors Securities) services through joint operations.

In October 2002, we opened the first branch to offer banking and securities services on the same premises following the relaxation of regulations that required clear separation between banking and securities operations. In November, we opened the first joint branch in Japan to feature banking, securities and trust banking services.

In December 2002, we were operating 18 joint bank/trust bank branches, 11 joint bank/securities branches and one joint bank/securities/trust bank branch.



Joint bank/securities branch in Shakujii, Tokyo.

## ■ Sales of Individual Variable Annuities Commenced (October 2002)



MHBK began offering individual variable annuities ("IVAs") at its branches. IVAs have the features of insurance, pension as well as mutual funds. The policyholders of IVAs invest the premiums into several separate accounts, each of which has its own unique investment targets and policies. The amount of annuity benefit depends on the performance of the accounts they choose. The death protection is also provided to meet the policyholders' needs.

Taking the fact that the population in Japan is aging rapidly as our business opportunity, we not only offer IVAs but also provide our consulting services tailored for each customer's life plan, helping make customer's retirement more comfortable.

## ■ Starts Accepting Unsecured Personal Loan Applications Via the Internet (October 2002)

MHBK has started accepting applications via the Internet for the five types of unsecured personal loans, including loans for education, new car purchases and card loans.

Without visiting branches, anyone can easily apply for the loans anytime only by filling out the application form on MHBK's web site. MHBK notifies applicants of the results of its tentative credit assessment within a week to ten days. In the midst of changing lifestyles and the rapid spread of the Internet, more and more customers desire to apply for personal loans from their homes or workplaces. We satisfy such needs with this online application service.

## ■ Mini Encyclopedias about Japan Presented to Primary Schools Nationwide

As part of MHFG's community activities, we published a mini encyclopedia about Japan for children and presented some 24,000 copies to primary schools throughout Japan at the start of the new school term in September 2002. We are delighted to have received many compliments to the effect that the photos are beautiful and the text easy to understand, making the books ideal for researching facts about Japan.



MHFG is highly ranked in a wide range of financial services in Japan.

### Supporting the Financial Needs of Households

- ¥34 trillion in personal assets under management (No. 1 among Japanese banks)
- ¥9 trillion in residential housing loan portfolio (No. 1 among Japanese banks)
- 6.7 million customers utilizing membership-style banking services (No. 1 among Japanese banks)
- 9,265 testamentary trusts entrusted (No. 1 in industry sector)
- MHBK's 661 full-service branches; approximately 5,400 automated outlets (locations of ATM including joint-use ATMs at convenience stores) in Japan

\*All figures are as of September 30, 2002

### Supporting the Financial Needs of Corporations

- US\$26.9 billion (46.7% share) in arrangement of domestic syndicated loans (No. 1 among Japanese banks) from January 1 to June 30, 2002
- ¥473.7 billion in lead management of domestic straight bond issues excluding city bank issues, self-financing issues, and retail investors targeted issues (No. 2 among industry sector) from April 1 to September 30, 2002
- ¥314 billion in lead management of FILP agency bond issues (No. 1 in industry sector) from April 1 to September 30, 2002
- 76 arrangements (No. 2 in industry sector) and US\$5 billion (No. 3 in industry sector) in M&A advisory banking transactions in which Japanese companies operating in Japan were merged or acquired (announcement basis from January 1 to September 30, 2002)
- ¥5 trillion in domestic pension funds under management (No. 1 in industry sector) as of June 30, 2002
- ¥3.3 trillion in asset securitization of monetary claims trust (No. 1 in industry sector) as of September 30, 2002
- ¥1.5 trillion in retirement benefit funds entrusted (No. 1 in industry sector) as of September 30, 2002

### Supporting Global Business

- US\$241 million in arrangement of global project finance (No.3 among Japanese banks) from January 1 to June 30, 2002
- 45% share in yen custody services for foreign institutional investors (No. 1 among Japanese banks) as of September 30, 2002
- 34% share in foreign exchange (yen clearing) services (No. 1 among Japanese banks) as of September 30, 2002

\* All figures are aggregates of the group companies and approximated.

## Towards Changing the Mizuho Financial Group

In order to attain maximum corporate value by increasing its competitiveness and securing high and stable profits, we announced the 'Outline of the "Mizuho Change & Speed-up Program" ' on November 25, 2002 and the 'Outline of "Business Reorganization" to Reform the Mizuho Financial Group' on December 4, 2002. The text of the respective announcements is as follows.

### Outline of the "Mizuho Change & Speed-Up Program"

On April 1, 2002, through the corporate split and merger process, the Mizuho Financial Group ("MHFG") adopted a new business model and launched legally separate subsidiaries based on customer segments and business lines. While we are striving to further strengthen the earning capabilities in accordance with the objectives of "Program for Financial Revival" issued by the Financial Services Agency on October 30, 2002, we have formulated and will execute the "Mizuho Change & Speed-Up Program" to accelerate the efforts to achieve our goal of *being an innovative financial services group that will lead the new era through offering cutting-edge, comprehensive financial services.*

#### Framework of the "Mizuho Change & Speed-Up Program"

1. Change and accelerate the deployment of business strategies.
2. Accelerate cost structure reforms.
3. Strengthen corporate governance and reinforce a merit-based remuneration system.

By everyone in the Mizuho organization from senior executives to each and every employee working hardest to execute the Program, we aim to improve our competitive edge and enhance the corporate value of the MHFG.

#### 1. Change and accelerate the deployment of business strategies

Based on a clear vision of the future, Mizuho Corporate Bank, Ltd. ("MHCB"), Mizuho Bank, Ltd. ("MHBK"), and other group companies will further enhance their expertise to properly respond to customer and business needs, and accelerate the business strategies by making maximum use of the group's enormous customer base and each company's core strengths.

##### (1) Mizuho Corporate Bank

###### *"The overwhelming market leader in market-oriented indirect financing"*

- We will breakaway from the conventional business model that is dependant on volume of assets, and carry out a significant reallocation of management resources, as well as wide-ranging organizational reforms by the end of December 2002, so as to swiftly realize a market-oriented indirect financing model with the syndication business at its core.
- Target: Ratio of non-interest income to total gross profit = 50%

##### a) Expansion of the syndication business

- Expand the arranger business to act as a bridge between borrowers and investors in the market.
  - establishment of the Syndication Business Unit with a staff of 200 (to be carried out in December)
  - expansion of cross border transactions working together with the group's overseas offices
- Increase the efficient use of assets through securitization and strengthening portfolio management.
- Reform both the asset structure and the funding structure resulting from squeezing the balance of bank debenture issuances.
- Increase in earnings from fee commissions.

**b) Strengthening of the solution business**

- Significantly strengthen the products marketing and processing business.
  - reorganization and expansion of the Financial Products Business Unit and the Financial Services Unit; an increase by 230 staff (to be carried out in December)
  - expansion of fee businesses such as structured finance, defined contribution pensions, trade finance and clearing / settlement
- Strengthen industry research capabilities.
  - enhancement of strategic advisory functions to customers through its corporate research capabilities
- Pursue the corporate revival business.
  - establishment of the Corporate Restructuring Business Unit, six divisions staffed by 150 (carried out in October)
  - providing services for corporate reorganization conducted by specialists

**c) Strategic restructuring of the international business**

- Strengthen businesses with the 10 thousand Japanese corporate customers in overseas market.
- Especially strengthen support to Japanese corporations expanding their operations into China.
  - establishment of the China Business Promotion Division (carried out in July)
  - setting up a business alliance with China's four major commercial banks in RMB business (carried out in October)
- Review business with non-Japanese customers, and restructure overseas network.
  - ¥3 trillion risk asset reduction related to non-Japanese customers (to be carried out during the current fiscal year)
  - further reduction in number of overseas offices

**d) Aggressive reallocation of management resources to strategic business areas (to be carried out in December)**

- Eliminate planning divisions of all groups and business units.
- Drastically reduce the corporate and administrative staff and reallocate human resources in strategic business areas.
  - syndication and solution business areas: +580 employees (redoubling from current status)
  - planning and administration areas, etc.: -1,100 employees

**(2) Mizuho Bank**

*“Aiming to be the customer’s bank of choice and best business partner by achieving the highest level of customer satisfaction through providing high value-added comprehensive financial services.”*

- While MHBK enjoys its predominant position supported by both its nation-wide network and enormous customer base, it will carry out drastic cost reductions ahead of schedule in order to establish its competitive edge in terms of cost, speed and service quality, and accelerate strategic deployment according to customer segmentation.
- Target: Expense ratio= 40% range

**a) Cost reduction ahead of schedule**

- Realize cost competitiveness through branch consolidation and staff reduction well ahead of schedule.
  - consolidation of 120 branches during the next year and a half (network of 440 branches by the end of March 2004)
  - reduction in employees (4,000) one year ahead of schedule

**b) Strategic deployment according to customer segmentation**

**<Individual customers>**

- Expand “Prime” customers, who utilize MHBK as their primary financial institution, through marketing based on customer segmentation.
  - expansion of “Mizuho Value Program,” a membership-style banking service, from the present 6.8 million members to 10 million by the end of March 2005
  - growth in the volume of home mortgage loans with more variety in the product line and the quicker approval process



<Small and medium-sized corporations>

- Provide stable services to meet the customers' funding needs and offer high value-added services.
  - staff of 500 to exclusively seek new customers
  - increase of specialists by 100 in the area of solution businesses
  - support for the customers' business restructuring by the Corporate Consulting Department
- Establish low cost and high quality operations for small business loans with quick responses to customers' funding needs
  - expansion of direct marketing by the Business Finance Center (staffed by 100 experts)
  - product enhancement of the "Business Partner" (unsecured loan product utilizing automatic credit scoring model)
- Secure appropriate loan spreads which reflect credit risks.
- Secure appropriate level of fees and commissions which reflect operating costs.

### (3) Strategy for securities and trust banking businesses

Mizuho Securities Co., Ltd. ("MHSC"), Mizuho Trust & Banking Co., Ltd. ("MHTB") and other securities and trust banking arms of MHFG will further strengthen their capabilities in their respective strategic business areas, and actively pursue the synergies with other group companies.

#### a) Group's securities business strategy

- Strengthen the equity-related business and secure profitability.
  - joint marketing for underwriting business among group securities companies (in addition to Mizuho Investors Securities Co., Ltd. ("MHIS"), MHSC will establish a joint marketing relationship with Shinko Securities Co., Ltd.)
  - increasing human resources in MHSC's equity business (40 professionals including analysts)
- Strengthen cooperation in the area of business with individual customers.
  - aggressive promotion of setting up one-stop shopping branches by MHBK and MHIS where their operations are placed under one roof (increase in the number of one-stop shopping branches from the current 12 locations to 100)

#### b) Group's trust banking business strategy

- Increase in the number of branches licensed under franchise system in trust services (MHTB+MHBK, MHCB).
  - increase in the number of such branches from the current 291 by 100
- Fortify group business promotion activities in the testamentary trust and real estate businesses.
  - promotion of setting up one-stop shopping branches by MHBK and Mizuho Asset Trust & Banking Co., Ltd. (MHAT) (50% of MHAT's branches are now in such a format)

## 2. Accelerate cost structure reforms

While aggressively pursuing the consolidation effects, MHFG will accelerate its efforts to cut operating costs by carrying out such drastic restructuring plans as reducing the salaries of all executives and employees.

- Fiscal 2005 expense target: ¥730 billion  
(¥170 billion (20%) reduction as compared with the budget for fiscal 2002)

a) Additional decrease in the number of board members and executive officers (-20%), and 30% cut in yearly compensation.

b) Number of employees: reduction of 6,300 employees

- 24,000 employees as of March 2005 (11,000 (30%) reduction as compared with March 1999)

c) Salaries: general managers –20%, average –10% cut in annual compensation

- Decrease the base salary and bonus of employees (subject to negotiations with the employees' union.)
- Reinforce compensation systems based on the employee's performance.
  - wider deviation in performance evaluations in bonus, promotions, and so on
  - acceleration of conversion to "professional staff" job classification (annual salary system linked to performance and expertise)

d) Number of domestic branches: reduction of 120

Number of overseas offices: reduction of 13

- Domestic — 460 branches as of March 2004 (185 (30%) reduction compared with March 1999)
- Overseas — 43 offices as of March 2004 (70 (60%) reduction compared with March 1999)

### 3. Strengthen corporate governance and reinforce a merit-based remuneration system

We aim to aggressively strengthen corporate governance, focus on more speedy managerial decision making and reinforce a merit-based remuneration system. Our employees with unique talent and multi-faceted expertise endeavor to create a professional group with a challenging spirit to achieve their objectives of providing the best solution to customers, resulting in encouraging the group's cohesiveness and creating an energetic organization.

a) Strengthen corporate governance

- Achieve a management structure that is slim and speedy.
  - one-CEO structure
  - reduction in number of board members and executive officers by 20% (30% reduction as compared with March 2002)
- Secure transparency in management and clear accountability.
  - increase in the number of outside directors
  - establishment of an advisory board (carried out in July)

b) Development and advancement of young employees

- Place younger employees as branch general managers ("GMs").
  - introduction of a job application system for branch GM positions from employees (implementation in January 2003)
  - employees in their 30s will be eligible, to be placed in 50 branches (10% of all domestic branches)
- Dynamic rejuvenation in the organization.
  - introduction of a "New Career Path Development Program" (early retirement plan) (January to March 2003: 500 employees)

c) The right person in the right job

- Expand the job application system.
- Assure placement of the right person in the right job through large-scale personnel transfers.

d) Realization of fair performance evaluations

- Expand the 360-degree evaluation for all managers (5,000 employees) (during this fiscal year).
- Enforce "Mizuho evaluation standard," a uniform personnel evaluation system throughout the group companies.

e) Enhancing common consciousness as a member of the Mizuho Financial Group

- Establish the "Mizuho Group Award" (during second half of fiscal 2002)

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## ***Outline of “Business Reorganization” to Reform the Mizuho Financial Group***

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

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

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

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

### **Framework of the “Business Reorganization”**

#### **1. Further reinforcement of comprehensive financial services capabilities**

- (1) Establish a new financial holding company named “Mizuho Financial Group, Inc.” (“MHFG”) in order to dramatically improve the comprehensive financial services capabilities of the group.
- (2) Place the existing holding company as an intermediate holding company for the group’s banks and securities subsidiaries to strengthen the synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries according to customer segments.
- (3) Strategically reorganize trust, asset management, and custody business subsidiaries and place these companies directly under the new financial holding company.

#### **2. Acceleration of non-performing loan (“NPL”) disposal and aggressive pursuit of the corporate revival business based on the purpose of the Program for Financial Revival**

- (1) Further tighten assessment of assets by elaborating the self-assessment standard.
- (2) Promptly conduct disposition or revival of the NPLs that are classified as “claims for special attention” or below by separating these NPLs from the group’s banking sector through the utilization of a separate entity and/or framework for corporate revival.

#### **3. Further reinforcement of financial strength**

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

#### **4. Strict implementation of the “Mizuho Change & Speed-up Program” (announced on November 25, 2002)**

## 1. Further reinforcement of comprehensive financial services capabilities

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### (1) Establish a new financial holding company named “Mizuho Financial Group, Inc.” (“MHFG”) in order to dramatically improve the comprehensive financial services capabilities of the group.

- a) In addition to the existing group management framework centered on the four core subsidiaries, MHFG will directly manage other primary subsidiaries, enhance group-wide synergy and strengthen its profitability swiftly.
- b) MHFG will realize the consolidation effects promptly by strengthening cost competitiveness through consolidation of the group’s affiliates and utilization of a common infrastructure, etc.
  - Promptly consolidate systems related subsidiaries and asset management subsidiaries.
  - Further expand the earning base in such growing business areas as credit card and asset management businesses, and promote various measures such as utilization of the group’s research institutions and common IT infrastructure.

### (2) Place the existing holding company as an intermediate holding company for the group’s banks and securities subsidiaries to strengthen the synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries according to customer segments.

- a) In conjunction with the establishment of MHFG, Mizuho Holdings, Inc. (“MHHD”) will be reformed as an intermediate holding company to manage the banking and securities business sector.
  - The intermediate holding company will be devoted to further strengthen synergistic cooperation between MHBK and MHCB, as well as between the banking and securities subsidiaries.
- b) According to customer segments, Mizuho Securities Co., Ltd. (“MHSC”) will be placed under MHCB, and Mizuho Investors Securities Co., Ltd. (“MHIS”) will be placed under MHBK.
- c) MHSC will transfer its retail business to MHIS.
  - MHFG will request to revise Article 65 of the Securities and Exchange Law to enable MHBK and MHIS, and MHCB and MHSC, respectively, to merge to enhance customer convenience.
- d) A joint marketing relationship between MHSC and Shinko Securities Co, Ltd. has already been established for the underwriting business.

### (3) Strategically reorganize trust, asset management, and custody business subsidiaries and place these companies directly under the new financial holding company.

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

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

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### **(1) Further tighten assessment of assets by elaborating the self-assessment standard.**

- a) Elaborate the self-assessment standard based on the “Framework of the New Financial Administration” included in the Program for Financial Revival.
  - Elaborate the self-assessment standard, including application of Discounted Cash Flow type methods to large borrowers who are classified as “claims for special attention.”

### **(2) Promptly conduct disposition or revival of the NPLs that are classified as “claims for special attention” or below by separating these NPLs from the group’s banking sector through the utilization of a separate entity and/or framework for corporate revival.**

- a) MHBK, MHCB and MHAT will separate and remove NPLs that are classified as “claims for special attention” or below and accelerate their final disposition and corporate revival.
- b) Pursue early termination of the NPL issue, utilizing a separate entity and/or framework for corporate revival.
- c) Make a prompt assessment of NPLs as to the possibility of revival and accelerate disposition or support by strengthening cooperation with Resolution and Collection Corporation, Corporate Revivals Organization and other corporate reconstruction funds.
  - Having separated and removed NPLs, MHBK, MHCB and MHAT will further strengthen their fund providing function in their respective marketplaces.

## **3. Further reinforcement of financial strength**

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### **(1) Raise capital through the market in order to further reinforce the group's financial strength.**

- a) MHFG will raise the capital necessary for this reorganization through the market.

### **(2) Make a conservative review of deferred tax assets based on risk scenarios.**

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

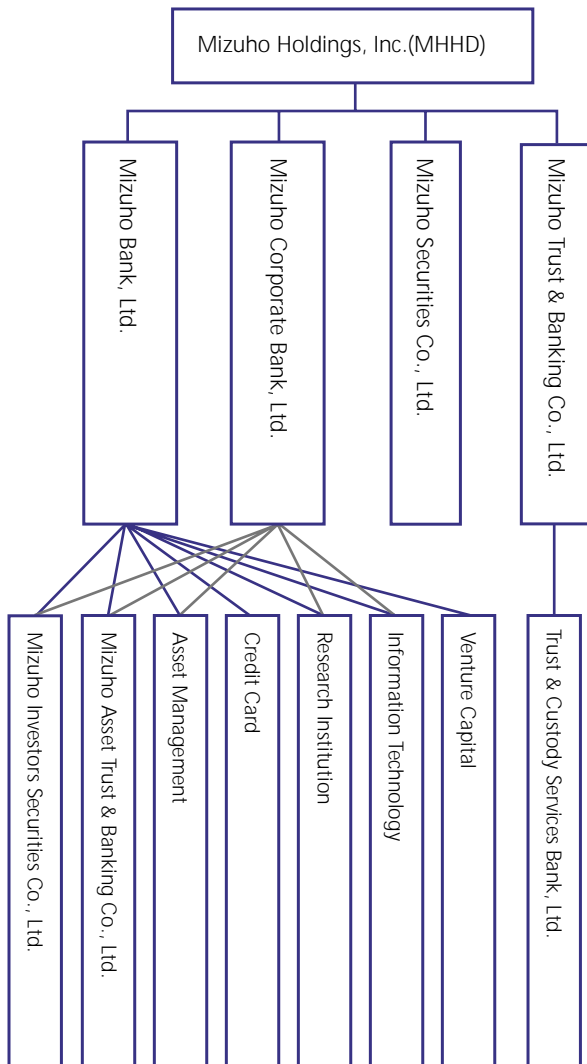
## **4. Strict implementation of the “Mizuho Change & Speed-up Program”**

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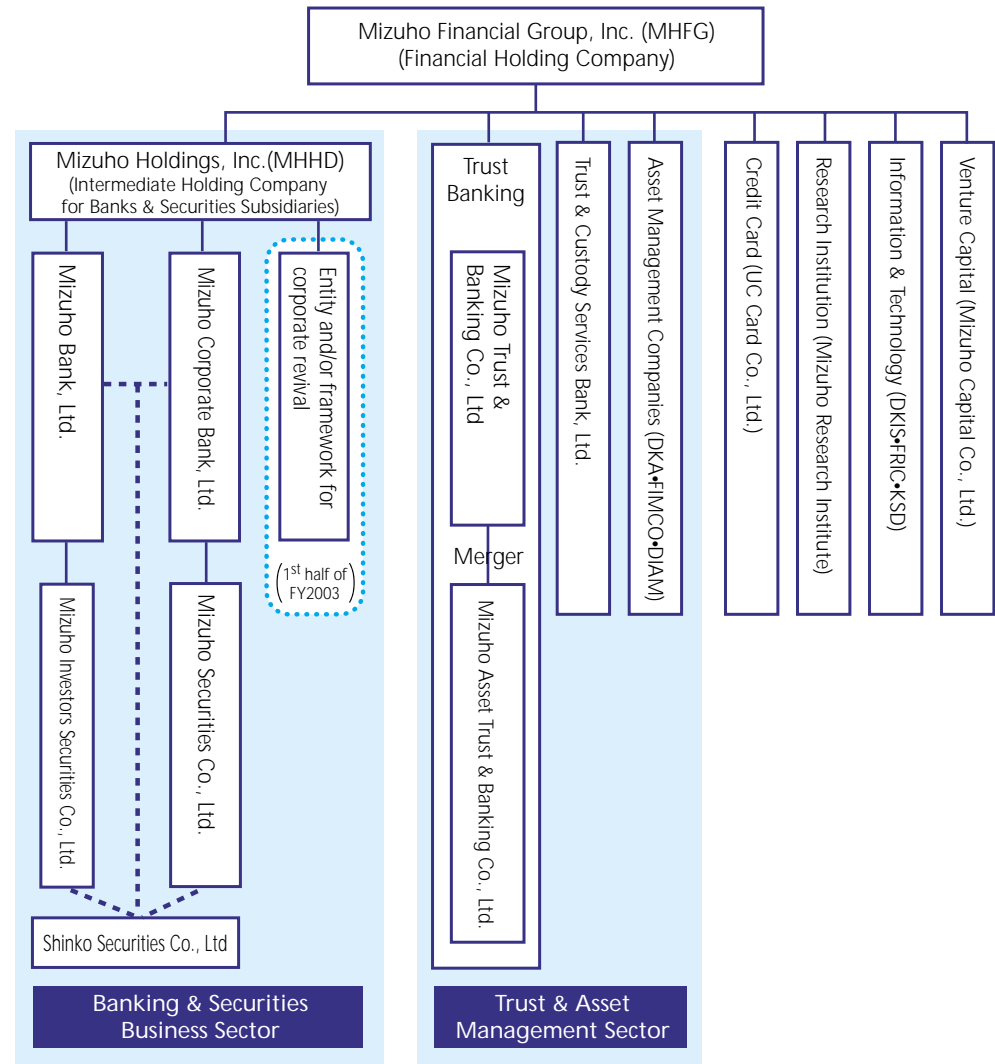
On November 25, 2002, the Mizuho Financial Group announced the “Mizuho Changing & Speed-up Program” which includes cost structure reforms and strengthening of corporate governance. Please refer to page 13 for details.

## Reorganization Structure

### 【Before Reorganization】



### 【After Reorganization】



## ● Results for the Six Months ended September 30, 2002

### Consolidated Accounts

#### 1. Scope of Consolidation and Application of the Equity Method

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002(a)	March 31, 2002(b)	September 30, 2001	Change (a)-(b)	companies
Number of consolidated subsidiaries	160	171	309	(11)	
Number of affiliates accounted for under the equity method	34	30	83	4	

At September 30, 2002, the number of consolidated subsidiaries of Mizuho Holdings, Inc. ("MHHD") decreased by 11 to 160, and the number of affiliates accounted for under the equity method increased by 4 to 34 from the end of the previous fiscal year. The major consolidated subsidiaries are Mizuho Bank, Ltd., Mizuho Corporate Bank, Ltd., Mizuho Securities Co., Ltd., and Mizuho Trust & Banking Co., Ltd. The major affiliates accounted for by the equity method were The Chiba Kogyo Bank, Ltd. and Shinko Securities Co., Ltd.

#### 2. Consolidated Profits and Losses

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)	Billions of yen
<b>Consolidated Gross Profits</b>	<b>¥ 1,098.3</b>	<b>¥ 2,462.0</b>	<b>¥ 1,237.4</b>	<b>¥ (139.1)</b>	
Net Interest Income	654.6	1,527.6	746.2	(91.6)	
Net Fiduciary Income	22.5	54.4	22.1	0.4	
Net Fee and Commissions Income	180.7	501.0	217.7	(36.9)	
Net Trading Income	123.6	178.8	100.0	23.6	
Net Other Operating Income	116.7	199.9	151.3	(34.6)	
General and Administrative Expenses	651.5	1,368.2	637.8	13.6	
Credit-related Costs	300.7	2,487.6	1,037.5	(736.8)	
Net Gains (Losses) related to Stocks and Other Securities	(55.3)	116.7	65.6	(120.9)	
Equity in Earnings (Losses) from Investment in Affiliates	(6.8)	(6.7)	(1.0)	(5.7)	
Others	15.3	(141.2)	(29.1)	44.4	
Income (Loss) before Income Taxes and Minority Interests	99.1	(1,425.1)	(402.6)	501.7	
Income Taxes—Current	15.6	110.4	18.8	(3.2)	
Income Taxes—Deferred	12.8	(545.9)	(136.1)	149.0	
Minority Interests in Net Income (Loss)	31.6	(13.7)	(20.6)	52.3	
<b>Net Income (Loss)</b>	<b>39.0</b>	<b>(976.0)</b>	<b>(264.6)</b>	<b>303.6</b>	
<b>Net Income (Loss) per Share of Common Stock (Yen)</b>	<b>¥ 4,139.96</b>	<b>¥ (108,003.27)</b>	<b>¥ (28,753.60)</b>	<b>¥ 32,893.56</b>	

Notes: 1. Consolidated Gross Profits: Net Interest Income + Net Fiduciary Income + Net Fee and Commissions Income + Net Trading Income + Net Other Operating Income.  
2. Credit-related Costs = Expenses related to Portfolio Problems + Provision of General Reserve for Possible Losses on Loans.

#### (1) Consolidated Gross Profits

Consolidated Gross Profits decreased by ¥139.1 billion to ¥1,098.3 billion in comparison with the corresponding interim period of the previous fiscal year.

Net Interest Income decreased by ¥91.6 billion to ¥654.6 billion, as a result of weak domestic funding demand, and other.

Net Fiduciary Income increased by ¥0.4 billion to ¥22.5 billion.

Net Fee and Commissions Income decreased by ¥36.9 billion to ¥180.7 billion, mainly because of a decline in Remittance Commissions.

Because of a rise in profits on derivatives for trading transactions and others, Net Trading Income increased by ¥23.6 billion to ¥123.6 billion.

Net Other Operating Income decreased by ¥34.6 billion to ¥116.7 billion.

#### (2) General and Administrative Expenses

While efforts were made to curtail personnel expenses, rising depreciation expenses and other costs caused General and Administrative Expenses to increase by ¥13.6 billion from the corresponding interim period of the previous fiscal year to ¥651.5 billion.

#### (3) Credit-related Costs

Credit-related costs fell by ¥736.8 billion from the corresponding interim period of the previous fiscal year to ¥300.7 billion because of deceleration of new non-performing loans ("NPLs") and a decline in loan balances to be provided reserves.

#### (4) Net Gains (Losses) Related to Stocks and Other Securities

Net Gains related to Stocks and Other Securities decreased by ¥120.9 billion from the corresponding interim period of the previous fiscal year, resulting in a loss of ¥55.3 billion, mainly as a result of the devaluation of stocks and other securities amounting to ¥76.3 billion due to the decline in the stock market.

#### (5) Net Income (Loss)

As a result of the above, Income before Income Taxes and Minority Interests amounted to ¥99.1 billion.

Net Income rose by ¥303.6 billion to ¥39.0 billion from the corresponding interim period of the previous fiscal year after reflecting Income Taxes–Current, Income Taxes–Deferred and Minority Interests in Net Income to Income before Income Taxes and Minority Interests.

#### Use and Source of Funds

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	Average balance				Yield				Billions of yen
	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)	
	<b>Use of Funds</b>	<b>¥ 132,795.9</b>	<b>¥ 130,664.1</b>	<b>¥ 128,914.1</b>	<b>¥ 3,881.7</b>	<b>1.64%</b>	<b>2.31%</b>	<b>2.50%</b>	<b>(0.86)%</b>
Due from Banks	8,689.0	3,724.3	4,215.2	4,473.7	0.55	2.84	2.47	(1.92)	
Call Loans and Bills Purchased	6,431.6	1,886.3	1,741.0	4,690.6	0.22	0.88	1.05	(0.83)	
Receivables under Resale Agreements	4,324.7	3,265.7	3,778.9	545.7	3.82	8.01	7.59	(3.77)	
Guarantee Deposit Paid under Securities Borrowing Transactions	5,054.6	/	/	5,054.6	0.02	/	/	0.02	
Securities	26,021.5	30,046.6	26,807.3	(785.7)	1.36	1.71	2.06	(0.70)	
Loans and Bills Discounted	80,682.3	88,835.8	89,776.3	(9,093.9)	1.90	2.31	2.44	(0.54)	
<b>Source of Funds</b>	<b>¥ 133,495.1</b>	<b>¥ 126,610.8</b>	<b>¥ 127,366.1</b>	<b>¥ 6,128.9</b>	<b>0.64%</b>	<b>1.17%</b>	<b>1.37%</b>	<b>(0.73)%</b>	
Deposits	84,844.4	81,877.5	80,717.1	4,127.3	0.27	0.61	0.74	(0.47)	
Debentures	14,820.4	16,878.0	17,450.4	(2,630.0)	0.92	1.01	0.98	(0.06)	
Call Money and Bills Sold	14,408.3	8,280.1	8,346.6	6,061.7	0.08	0.39	0.26	(0.18)	
Payables under Repurchase Agreements	7,680.9	7,095.4	7,501.1	179.8	3.11	4.91	5.08	(1.97)	
Guarantee Deposit Received under Securities Lending Transactions	3,402.3	/	/	3,402.3	0.37	/	/	0.37	
Commercial Paper	276.7	1,545.1	1,736.9	(1,460.2)	0.36	1.26	1.40	(1.04)	
Borrowed Money	2,479.2	3,695.3	4,080.6	(1,601.3)	1.37	2.54	2.27	(0.90)	

#### Net Fee and Commissions Income

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002	September 30, 2001(b)	Change (a)-(b)
<b>Fee and Commissions Income</b>	<b>¥ 213.2</b>	<b>¥ 544.2</b>	<b>¥ 264.5</b>	<b>¥ (51.2)</b>
Deposits, Debentures and Lending Business	47.0	123.7	64.6	(17.6)
Remittance Business	55.4	115.8	57.3	(1.9)
Securities-related Business	37.9	85.1	40.3	(2.4)
Agency Business	17.2	41.1	15.9	1.2
Safe Custody and Safety Deposit Box Business	5.4	8.3	5.4	0.0
Guarantee Business	18.2	39.4	15.8	2.3
Trust-related Business	16.1	23.8	9.8	6.2
<b>Fee and Commissions Expenses</b>	<b>¥ 32.5</b>	<b>¥ 43.1</b>	<b>¥ 46.8</b>	<b>¥ (14.3)</b>
Remittance Business	13.8	27.5	13.6	0.2



### 3. Consolidated Assets and Liabilities

At September 30, 2002 and 2001, and at March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
<b>Total Assets</b>	<b>¥ 143,047.4</b>	<b>¥ 151,312.4</b>	<b>¥ 163,736.9</b>	<b>¥ (8,264.9)</b>
Cash and Due from Banks	6,326.7	11,720.1	5,848.9	(5,393.3)
Trading Assets	9,098.1	7,951.4	11,019.1	1,146.6
Securities	25,520.3	24,108.9	25,801.7	1,411.3
Loans and Bills Discounted	76,118.2	84,593.6	90,587.6	(8,475.4)
Other Assets	4,866.6	11,067.7	15,219.0	(6,201.1)
Customers' Liabilities for Acceptances and Guarantees	4,948.8	4,923.2	5,896.7	25.6
<b>Total Liabilities</b>	<b>138,281.4</b>	<b>145,629.9</b>	<b>157,669.8</b>	<b>(7,348.4)</b>
Deposits	77,929.7	85,606.2	85,198.4	(7,676.4)
Debentures	13,783.5	15,310.8	16,715.7	(1,527.3)
Call Money and Bills Sold	10,380.1	9,453.6	7,867.0	926.4
Other Liabilities	4,242.0	11,278.1	16,957.4	(7,036.1)
<b>Minority Interests</b>	<b>1,050.2</b>	<b>951.0</b>	<b>765.7</b>	<b>99.1</b>
<b>Shareholders' Equity</b>	<b>¥ 3,715.6</b>	<b>¥ 4,731.4</b>	<b>¥ 5,301.3</b>	<b>¥ (1,015.7)</b>

#### (1) Assets

Loans and Bills Discounted at the end of the interim term decreased by ¥8,475.4 billion from the end of the previous fiscal year to ¥76,118.2 billion, primarily as a result of declining demand for funds and progress in removing NPLs from the balance sheet. Non-Accrual, Past Due & Restructured Loans amounted to ¥5,424.8 billion, or 7.13% to total Loans and Bills Discounted.

Securities increased by ¥1,411.3 billion to ¥25,520.3 billion. At the end of the interim term, Net Unrealized Losses on Other Securities (available for sale) amounted to ¥526.2 billion.

Total Assets came to ¥143,047.4 billion.

#### Market Value of Securities

At September 30, 2002 (a)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 24,116.0	¥ 398.6	¥ 924.8	¥ 23,589.8
Stocks*2	5,886.3	216.9	882.9	5,220.3
Bonds	12,886.6	36.5	10.6	12,912.5
Others	5,343.0	145.1	31.3	5,456.9
<b>Total</b>	<b>¥ 48,231.9</b>	<b>¥ 797.1</b>	<b>¥ 1,849.6</b>	<b>¥ 47,180.4</b>
<b>Change (a)-(b)</b>	<b>¥ 1,011.1</b>	<b>¥ (1,011.1)</b>	<b>¥ (1,011.1)</b>	<b>¥ (1,011.1)</b>

At March 31, 2002 (b)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 23,231.1	¥ 459.8	¥ 1,347.5	¥ 22,343.5
Stocks*2	7,092.2	409.5	1,156.1	6,345.6
Bonds	11,104.0	15.4	29.0	11,090.5
Others	5,034.7	34.8	162.3	4,907.2
<b>Total</b>	<b>¥ 46,462.0</b>	<b>¥ 919.5</b>	<b>¥ 1,554.9</b>	<b>¥ 45,816.6</b>
<b>Change (a)-(b)</b>	<b>¥ 1,769.9</b>	<b>¥ (1,122.4)</b>	<b>¥ (705.3)</b>	<b>¥ 1,363.8</b>

At September 30, 2001	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 25,126.3	¥ 478.1	¥ 1,629.1	¥ 23,975.4
Stocks*2	7,352.5	388.2	1,542.5	6,198.2
Bonds	12,380.1	22.9	32.9	12,370.0
Others	5,393.6	67.0	53.5	5,407.0
<b>Total</b>	<b>¥ 40,252.5</b>	<b>¥ 946.3</b>	<b>¥ 1,658.0</b>	<b>¥ 39,540.8</b>
<b>Change (a)-(b)</b>	<b>¥ 7,984.4</b>	<b>¥ (1,019.2)</b>	<b>¥ (808.4)</b>	<b>¥ 6,156.8</b>

Change (a)-(b)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 884.9	¥ (61.2)	¥ (422.6)	¥ 1,246.3
Stocks*2	(1,205.9)	(192.6)	(273.1)	(1,125.3)
Bonds	1,782.5	21.0	(18.3)	1,822.0
Others	308.3	110.3	(131.0)	549.6
<b>Total</b>	<b>¥ 779.8</b>	<b>¥ (322.5)</b>	<b>¥ (643.9)</b>	<b>¥ 813.6</b>

\*1 In addition to the balances shown in the above table, Other Securities included securities without market values such as unlisted stock (excluding OTC stock) of ¥538.4 billion, ¥320.7 billion and ¥249.9 billion, and non-publicly offered bonds of ¥1,000.0 billion, ¥851.5 billion and ¥946.3 billion as of September 30, 2002 and 2001, and March 31, 2002, respectively.

\*2 Market value of Stocks is determined based on the average market prices during one-month periods before the balance sheet date.

## (2) Liabilities and Minority Interests

Deposits decreased by ¥7,676.4 billion from the end of the previous fiscal year to ¥77,929.7 billion. Debentures decreased by ¥1,527.3 billion to ¥13,783.5 billion. Total Liabilities fell by ¥7,348.4 billion to ¥138,281.4 billion.

Minority interests increased by ¥99.1 billion to ¥1,050.2 billion.

## (3) Shareholders' Equity

Shareholders' Equity decreased by ¥1,015.7 billion from the end of the previous fiscal year to ¥3,715.6 billion, primarily because of accelerated disposals of NPLs, and disposal of unrealized losses by offsetting with Additional Capital Surplus resulted from the Corporate Split and Merger Process.

The consolidated Risk-based Capital Ratio (BIS Capital Ratio) maintained at the healthy level of 10.42%.

### Risk-Based Capital Ratio (BIS Capital Ratio)

At September 30, 2002 and 2001 and at March 31, 2002		September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
		Billions of yen			
<b>BIS Capital Ratio</b>		<b>10.42%</b>	<b>10.56%</b>	<b>10.53%</b>	<b>(0.14)%</b>
<b>Tier I Ratio</b>		<b>5.26%</b>	<b>5.33%</b>	<b>5.33%</b>	<b>(0.07)%</b>
<b>Tier I</b>	<b>(A)</b>	<b>¥ 4,286.6</b>	<b>¥ 5,028.9</b>	<b>¥ 5,391.0</b>	<b>¥ (742.2)</b>
Capital Stock		2,572.0	2,572.0	2,569.9	—
Capital Surplus		353.7	2,203.7	2,203.7	(1,849.9)
Retained Earnings		983.5	46.1	801.6	937.3
Minority Interest in Consolidated Subsidiaries		1,045.6	952.6	761.9	92.9
Preferred Shares issued by overseas SPC		958.9	872.5	497.1	86.3
Unrealized Losses on Other Securities		(509.2)	(559.6)	(709.3)	50.4
Treasury Stock		(1.0)	(1.2)	/	0.2
Foreign Currency Transaction Adjustments		(101.6)	(120.1)	(128.6)	18.5
Goodwill Equivalent		(0.3)	(0.2)	(0.2)	(0.1)
Consolidation Differences Equivalent		(56.0)	(64.2)	(107.9)	8.2
<b>Tier II</b>	<b>(B)</b>	<b>4,286.6</b>	<b>5,028.9</b>	<b>5,391.0</b>	<b>(742.2)</b>
45% of Unrealized Gains on Securities		—	—	—	—
45% of Revaluation Reserve for Premises		308.3	391.3	399.8	(82.9)
General Reserve for Possible Losses on Loans		924.8	953.4	877.2	(28.5)
Debt Capital		3,709.5	3,974.5	4,727.8	(264.9)
Perpetual Subordinated Debt		1,591.6	1,710.0	1,994.6	(118.3)
Subordinated Debt Redeemable Preferred Shares		2,117.9	2,264.5	2,733.2	(146.5)
<b>Deductions from Capital</b>	<b>(C)</b>	<b>89.3</b>	<b>98.3</b>	<b>127.5</b>	<b>(8.9)</b>
<b>Capital</b>	<b>(A)+(B)-(C)</b>	<b>¥ 8,483.9</b>	<b>¥ 9,959.5</b>	<b>¥ 10,654.5</b>	<b>¥ (1,475.5)</b>
<b>Risk-adjusted Assets</b>		<b>¥ 81,363.5</b>	<b>¥ 94,288.7</b>	<b>¥ 101,128.6</b>	<b>¥ (12,925.2)</b>
Assets Exposed to Credit Risk		80,623.0	93,276.5	99,873.0	(12,653.4)
On-balance-sheet Items		74,836.9	85,791.7	91,538.5	(10,954.8)
Off-balance-sheet Items		5,786.1	7,484.8	8,334.5	(1,698.6)
Market Risk Equivalent Divided by 8%		740.4	1,012.1	1,255.5	(271.7)
(Reference) Market Risk Equivalent		59.2	80.9	100.4	(21.7)

## Aggregated Figures of the Two Banks

The following "aggregated figures" are the sum of the non-consolidated results of Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. for the six months ended September 30, 2002 ("aggregated figures of the Two Banks"). The interim and full-year figures for fiscal 2001 comprised the sum of the non-consolidated results of The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited ("aggregated figures of the Three Former Banks".)

### 1.MHHD Consolidated Figures and Aggregated Figures of the Two Banks

#### Differences between MHHD Consolidated Figures and Aggregated Figures of the Two Banks

For the Fiscal Years ended September 30,	2002				2001			
	MHHD (Consolidated) (a)	Aggregated Figures of the Two Banks (b)	(a) - (b)	(b) / (a)	MHHD (Consolidated) (a)	Aggregated Figures of the Three Former Banks (b)	(a) - (b)	(b) / (a)
<b>Gross Profits</b>	¥ 1,098.3	¥ 846.8	¥ 251.4	77.1%	¥ 1,237.4	¥ 972.4	¥ 264.9	78.6%
Net Interest Income	654.6	578.3	76.2	88.4	746.2	659.5	86.7	88.4
Net Fiduciary Income	22.5	—	22.5	—	22.1	—	22.1	—
Net Fee and Commissions Income	180.7	106.0	74.7	58.7	217.7	115.0	102.6	52.8
Net Trading Income	123.6	54.8	68.8	44.3	100.0	81.1	18.8	81.2
Net Other Operating Income	116.7	107.6	9.0	92.2	151.3	116.6	34.7	77.1
Credit-related Costs	300.7	268.9	31.7	89.4	1,037.5	861.6	175.9	83.0
<b>Net Income (Loss)</b>	<b>39.0</b>	<b>52.3</b>	<b>(13.3)</b>	<b>134.1</b>	<b>(264.6)</b>	<b>(149.2)</b>	<b>(115.3)</b>	<b>56.4</b>

At September 30 and March 31, 2002	September 30, 2002				March 31, 2002			
	MHHD (Consolidated) (a)	Aggregated Figures of the Two Banks (b)	(a) - (b)	(b) / (a)	MHHD (Consolidated) (a)	Aggregated Figures of the Three Former Banks (b)	(a) - (b)	(b) / (a)
<b>Total Assets</b>	¥ 143,047.4	¥ 137,139.8	¥ 5,907.5	95.9%	¥ 151,312.4	¥ 140,985.9	¥ 10,326.4	93.2%
Securities	25,520.3	24,916.5	603.7	97.6	24,108.9	24,049.0	59.8	99.8
Loans and Bills Discounted	76,118.2	72,287.8	3,830.3	95.0	84,593.6	80,574.3	4,019.3	95.3

### 2.Aggregated Profits and Losses

Net Business Profits for the Two Banks (before Provision (Reversal) of General Reserve for Possible Losses on Loans) decreased by ¥156.0 billion from the corresponding interim period of the previous fiscal year (aggregated figures of the Three Former Banks) to ¥387.8 billion, primarily because of a decrease in Net Interest Income.

Against the background of decline in the stock market, Losses on Devaluation of Stocks and Other Securities caused Net Loss related to Stocks and Other Securities of ¥48.1 billion.

Expenses related to Portfolio Problems decreased by ¥492.6 billion to ¥283.1 billion because of deceleration of new NPLs and a decline in loan balances to be provided reserves.

Net Income thus increased by ¥201.6 billion to ¥52.3 billion.

**Profits and Losses (Aggregated Figures)**

Billions of yen

 For the Six Months ended September 30, 2002 and 2001,  
and for the Fiscal Year ended March 31, 2002

	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
Domestic Gross Profits	¥ 638.2	¥ 1,303.7	¥ 707.7	¥ (69.4)
International Gross Profits	208.6	526.1	264.7	(56.0)
<b>Gross Profits</b>	<b>846.8</b>	<b>1,829.9</b>	<b>972.4</b>	<b>(125.5)</b>
Net Interest Income	578.3	1,335.2	659.5	(81.1)
Net Fee and Commissions Income	106.0	231.6	115.0	(9.0)
Net Trading Income	54.8	118.5	81.1	(26.3)
Net Other Operating Income	107.6	144.4	116.6	(8.9)
Net Gains related to Bonds	78.9	62.7	79.6	(0.7)
General and Administrative Expenses (Excluding Non-recurring Expenses)	459.0	871.7	428.4	30.5
<b>Net Business Profits (before Provision (Reversal) of General Reserve for Possible Losses on Loans)</b>	<b>387.8</b>	<b>958.2</b>	<b>543.9</b>	<b>(156.0)</b>
Excluding Net Gains related to Bonds	308.9	895.4	464.3	(155.3)
Provision (Reversal) of General Reserve for Possible Losses on Loans (A)	(14.2)	214.3	85.7	(100.0)
<b>Net Business Profits</b>	<b>402.1</b>	<b>743.8</b>	<b>458.1</b>	<b>(56.0)</b>
Net Non-recurring Gains (Losses)	(331.2)	(2,211.4)	(720.5)	389.3
Net Gains (Losses) related to Stocks and Other Securities	(48.1)	(73.4)	87.4	(135.6)
Expenses related to Portfolio Problems (B)	283.1	1,979.5	775.8	(492.6)
Others	0.1	(158.4)	(32.1)	32.3
<b>Income (Loss) before Income Taxes</b>	<b>70.8</b>	<b>(1,467.6)</b>	<b>(262.3)</b>	<b>333.2</b>
Income Taxes—Current	0.2	3.5	3.0	(2.8)
Income Taxes—Deferred	18.2	(561.4)	(116.1)	134.4
<b>Net Income (Loss)</b>	<b>¥ 52.3</b>	<b>¥ (909.6)</b>	<b>¥ (149.2)</b>	<b>¥ 201.6</b>
(Reference) Credit-related Costs (A)+(B)	¥ 268.9	¥ 2,193.9	¥ 861.6	¥ (592.7)

**○ Gross Profits**

Gross profits decreased by ¥125.5 billion to ¥846.8 billion in comparison with the corresponding interim period of the previous fiscal year, primarily due to a decline of ¥81.1 billion in Net Interest Income.

**Breakdown of Gross Profits (Aggregated Figures)**

Billions of yen

 For the Six Months ended September 30, 2002 and 2001,  
and for the Fiscal Year ended March 31, 2002

	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Net Interest Income</b>	<b>¥ 578.3</b>	<b>¥ 1,335.2</b>	<b>¥ 659.5</b>	<b>¥ (81.1)</b>
Domestic Operations	485.4	1,108.2	582.1	(96.7)
International Operations	92.9	226.9	77.3	15.5
<b>Net Fee and Commissions Income</b>	<b>106.0</b>	<b>231.6</b>	<b>115.0</b>	<b>(9.0)</b>
Domestic Operations	76.2	156.6	78.4	(2.1)
International Operations	29.7	75.0	36.6	(6.8)
<b>Net Trading Income</b>	<b>54.8</b>	<b>118.5</b>	<b>81.1</b>	<b>(26.3)</b>
Domestic Operations	20.4	34.5	24.2	(3.7)
International Operations	34.3	84.0	56.9	(22.5)
<b>Net Other Operating Income</b>	<b>107.6</b>	<b>144.4</b>	<b>116.6</b>	<b>(8.9)</b>
Domestic Operations	56.0	4.2	22.8	33.2
International Operations	51.5	140.1	93.8	(42.2)
<b>Gross Profits</b>	<b>¥ 846.8</b>	<b>¥ 1,829.9</b>	<b>¥ 972.4</b>	<b>¥ (125.5)</b>

## (1) Net Interest Income

Net Interest Income decreased by ¥ 81.1 billion from the corresponding interim period of the previous fiscal year to ¥ 578.3 billion. Income from international operations increased by ¥15.5 billion to ¥92.9 billion, while income from domestic operations decreased by ¥96.7 billion to ¥485.4 billion because of a decline in outstanding loans due to weak domestic funding demand and other factors.

### Breakdown of Net Interest Income (Aggregated Figures)

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	Average balance				Yield				Billions of yen
	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)	
<b>Total</b>									
<b>Use of Funds</b>	¥ 124,598.9	¥ 118,491.2	¥ 117,831.2	¥ 6,767.6	1.51%	2.02%	2.17%	(0.66)%	
Loans and Bills Discounted	76,300.8	82,752.1	82,845.6	(6,544.8)	1.80	2.08	2.18	(0.38)	
Securities	24,421.8	26,728.1	26,088.6	(1,666.8)	1.37	1.84	2.11	(0.74)	
<b>Source of Funds</b>	125,876.9	115,585.4	114,981.2	10,895.7	0.58	0.91	1.08	(0.50)	
Deposits and Debentures	96,812.1	95,123.3	94,320.4	2,491.7	0.36	0.65	0.77	(0.41)	
Interest Margins	/	/	/	/	0.93	1.11	1.09	(0.16)	
Loan and Deposit Rate Margin (including Expenses)	/	/	/	/	1.44	1.43	1.41	0.03	
<b>Domestic Operations</b>									
<b>Use of Funds</b>	105,519.4	96,404.9	95,801.8	9,717.6	1.17	1.47	1.57	(0.40)	
Loans and Bills Discounted	66,290.7	70,154.7	70,881.0	(4,590.3)	1.58	1.68	1.73	(0.15)	
Securities	19,419.0	20,822.1	20,415.0	(995.9)	0.77	0.94	1.18	(0.41)	
<b>Source of Funds</b>	106,995.1	95,315.9	94,427.5	12,567.6	0.25	0.32	0.36	(0.11)	
Deposits and Debentures	85,262.4	80,773.8	79,346.5	5,915.9	0.21	0.28	0.32	(0.11)	
Interest Margins	/	/	/	/	0.92	1.15	1.21	(0.29)	
Loan and Deposit Rate Margin (including Expenses)	/	/	/	/	1.37	1.40	1.41	(0.04)	
<b>International Operations</b>									
<b>Use of Funds</b>	21,573.4	24,710.9	24,488.1	(2,914.7)	3.12	4.10	4.45	(1.33)	
Loans and Bills Discounted	10,010.0	12,597.3	11,964.5	(1,954.5)	3.30	4.30	4.90	(1.60)	
Securities	5,002.7	5,906.0	5,673.5	(670.8)	3.68	5.03	5.45	(1.77)	
<b>Source of Funds</b>	21,375.7	22,894.1	23,012.3	(1,636.6)	2.28	3.43	4.07	(1.79)	
Deposits and Debentures	11,549.7	14,349.4	14,973.9	(3,424.1)	1.44	2.74	3.16	(1.72)	
Interest Margins	/	/	/	/	0.84	0.67	0.38	0.46	
Loan and Deposit Rate Margin (including Expenses)	/	/	/	/	1.86	1.56	1.74	0.12	

## (2) Net Fee and Commissions Income

Net Fee and Commissions Income decreased by ¥ 9.0 billion from the corresponding interim period of the previous fiscal year to ¥ 106.0 billion.

### Breakdown of Net Fee and Commissions Income (Aggregated Figures)

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Fee and Commissions Income</b>	¥ 147.3	¥ 333.3	¥ 167.5	¥ (20.2)
Deposits, Debentures and Lending Business	38.8	95.5	49.2	(10.4)
Remittance Business	54.8	114.5	56.8	(2.0)
Securities-related Business	14.4	28.6	14.2	0.2
Agency Business	11.3	27.7	13.7	(2.4)
Safe Custody and Safety Deposit Box Business	4.5	6.5	4.6	(0.1)
Guarantee Business	9.5	22.8	10.9	(1.4)
<b>Fee and Commissions Expenses</b>	41.3	101.6	52.5	(11.1)
Remittance Business	13.5	28.7	14.3	(0.8)

### (3) Net Trading Income

Net Trading Income decreased by ¥ 26.3 billion from the corresponding interim period of the previous fiscal year to ¥54.8 billion.

### (4) Net Other Operating Income

Net Other Operating Income decreased by ¥8.9 billion from the corresponding interim period of the previous fiscal year to ¥107.6 billion, primarily due to lower Profits on Foreign Exchange Transactions.

#### Breakdown of Net Other Operating Income (Aggregated Figures)

Billions of yen

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Total</b>	<b>¥ 107.6</b>	<b>¥ 144.4</b>	<b>¥ 116.6</b>	<b>¥ (8.9)</b>
Profits on Foreign Exchange Transactions	27.7	91.1	39.5	(11.7)
Net Gains related to Bonds	78.9	62.7	79.6	(0.7)
<b>Domestic Operations</b>	<b>56.0</b>	<b>4.2</b>	<b>22.8</b>	<b>33.2</b>
Net Gains related to Bonds	51.9	4.7	24.0	27.8
<b>International Operations</b>	<b>51.5</b>	<b>140.1</b>	<b>93.8</b>	<b>(42.2)</b>
Profits on Foreign Exchange Transactions	27.7	91.1	39.5	(11.7)
Net Gains related to Bonds	26.9	58.0	55.5	(28.5)

### ○ General and Administrative Expenses

Despite ongoing efforts to rationalize general management and increase efficiency, General and Administrative Expenses increased by ¥30.5 billion from the corresponding interim period of the previous fiscal year to ¥459.0 billion as a result of higher Non-personnel Expenses relating to the consolidation.

Personnel Expenses decreased by ¥10.3 billion to ¥162.0 billion, primarily reflecting a reduction in the number of personnel resulting from the restructuring process.

Non-personnel Expenses increased by ¥38.5 billion to ¥272.2 billion, in part because of cost increases relating to the consolidation.

#### Breakdown of General and Administrative Expenses (Excluding Non-Recurring Expenses) (Aggregated Figures)

Billions of yen

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Personnel Expenses</b>	<b>¥ 162.0</b>	<b>¥ 345.2</b>	<b>¥ 172.4</b>	<b>¥ (10.3)</b>
Salaries and Remuneration	88.0	208.2	102.0	(13.9)
<b>Non-personnel Expenses</b>	<b>272.2</b>	<b>479.6</b>	<b>233.7</b>	<b>38.5</b>
Miscellaneous Taxes	24.6	46.7	22.3	2.2
<b>Total</b>	<b>¥ 459.0</b>	<b>¥ 871.7</b>	<b>¥ 428.4</b>	<b>¥ 30.5</b>

### ○ Net Business Profits

Net Business Profits (before Provision (Reversal) of General Reserve for Possible Losses on Loans) decreased by ¥156.0 billion from the corresponding interim period of the previous fiscal year to ¥387.8 billion.

## ○ Net Non-Recurring Gains (Losses) and Net Income (Loss)

### (1) Net Gains (Losses) Related to Stocks and Other Securities

Net Gains related to Stocks and Other Securities decreased by ¥135.6 billion from the corresponding interim period of the previous fiscal year to a loss of ¥48.1 billion, mainly as a result of the devaluation of stocks and other securities amounting to ¥67.6 billion.

### (2) Expenses Related to Portfolio Problems

Expenses related to Portfolio Problems decreased by ¥492.6 billion from the corresponding interim period of the previous fiscal year to ¥283.1 billion, because of deceleration of new NPLs and a decline in loan balances to be provided reserves.

Expenses related to Portfolio Problems mainly consisted of Losses on Write-offs of Claims of ¥199.7 billion and Provision of Specific Reserve for Possible Losses on Loans of ¥43.3 billion.

### Breakdown of Net Non-Recurring Gains (Losses) (Aggregated Figures)

Billions of yen				
For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Net Gains (Losses) Related to Stocks and Other Securities</b>	¥ (48.1)	¥ (73.4)	¥ 87.4	¥ (135.6)
Gains on Sales of Stocks and Other Securities	30.7	299.7	271.3	(240.6)
Losses on Sales of Stocks and Other Securities	10.8	38.8	12.5	(1.6)
Losses on Devaluation of Stocks and Other Securities	67.6	335.4	173.1	(105.5)
Provision (Reversal) of Reserves for Possible Losses on Securities	0.9	0.0	(0.0)	1.0
Gains on Derivatives other than for Trading	0.5	1.0	1.7	(1.2)
<b>Expenses Related to Portfolio Problems</b>	<b>283.1</b>	<b>1,979.5</b>	<b>775.8</b>	<b>(492.6)</b>
Losses on Write-offs of Claims	199.7	1,083.2	372.6	(172.8)
Net Provision of Specific Reserve for Possible Losses on Loans	43.3	608.6	302.5	(259.1)
Losses on Sales of Loans to CCPC	2.8	54.9	18.4	(15.6)
Provision of Reserve for Possible Losses on Loans Sold	16.9	15.9	12.6	4.3
Losses on Support of Specific Borrowers	0.0	144.2	—	0.0
Provision of Reserve for Possible Losses on Support of Specific Borrowers	—	17.2	53.2	(53.2)
Provision of Reserve for Possible Losses on Loans to Restructuring Countries	(9.6)	5.2	(1.1)	(8.5)
Provision of Reserve for Contingencies	3.8	—	—	3.8
Other Losses on Sales of Loans	25.9	49.9	17.4	8.5
<b>Others</b>	<b>0.1</b>	<b>(158.4)</b>	<b>(32.1)</b>	<b>32.3</b>
<b>Net Non-recurring Losses</b>	<b>¥ (331.2)</b>	<b>¥ (2,211.4)</b>	<b>¥ (720.5)</b>	<b>¥ 389.3</b>

### (3) Income Taxes

Income Taxes—Current amounted to ¥0.2 billion, and Income Taxes—Deferred amounted to ¥18.2 billion.

### (4) Net Income

Net Income thus increased by ¥201.6 billion from the corresponding interim period of the previous fiscal year to ¥52.3 billion.

### 3. Aggregated Assets and Liabilities

At September 30, 2002 and 2001, and at March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
<b>Total Assets</b>	<b>¥ 137,139.8</b>	<b>¥ 140,985.9</b>	<b>¥ 148,356.3</b>	<b>¥ (3,846.0)</b>
Cash and Due from Banks	7,596.4	11,385.9	5,492.8	(3,789.4)
Trading Assets	5,142.9	5,347.4	7,583.2	(204.5)
Securities	24,916.5	24,049.0	25,152.1	867.4
Loans and Bills Discounted	72,287.8	80,574.3	84,205.9	(8,286.4)
Other Assets	4,229.0	8,852.9	12,670.0	(4,623.8)
Customers' Liabilities for Acceptances and Guarantees	6,220.7	6,391.8	7,562.6	(171.1)
<b>Total Liabilities</b>	<b>133,200.5</b>	<b>135,908.1</b>	<b>142,652.4</b>	<b>(2,707.6)</b>
Deposits	76,007.7	82,484.9	80,825.6	(6,477.2)
Debentures	13,885.8	15,805.5	17,152.7	(1,919.6)
Call Money	13,574.7	7,437.0	5,132.3	6,137.7
Other Liabilities	3,294.4	8,907.8	14,064.4	(5,613.4)
Acceptances and Guarantees	6,220.7	6,391.8	7,562.6	(171.1)
<b>Shareholders' Equity</b>	<b>3,939.2</b>	<b>5,077.7</b>	<b>5,703.8</b>	<b>(1,138.4)</b>
Net Unrealized Losses on other Securities, net of Taxes	(458.0)	(530.3)	(664.6)	72.3

#### Market Value of Securities (Aggregated Figures)

At September 30, 2002 (a)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 22,263.4	¥ 355.5	¥ 836.9	¥ 21,782.0
Stocks*2	5,420.5	183.4	796.9	4,807.0
Bonds	12,001.6	32.6	10.4	12,023.8
Others	4,841.2	139.3	29.5	4,951.0

At March 31, 2002 (b)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 21,336.3	¥ 411.7	¥ 1,273.0	¥ 20,475.0
Stocks*2	6,550.3	368.5	1,091.2	5,827.5
Bonds	10,398.2	12.7	28.7	10,382.2
Others	4,387.7	30.4	153.0	4,265.1

At September 30, 2001	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 22,783.4	¥ 418.9	¥ 1,498.6	¥ 21,703.8
Stocks*2	6,720.9	342.4	1,423.5	5,639.8
Bonds	11,370.0	18.3	31.0	11,357.3
Others	4,692.4	58.1	44.0	4,706.5

Change (a)-(b)	Billions of yen			
	Cost	Gross unrealized		Market value
		Gains	Losses	
Other Securities*1	¥ 927.1	¥ (56.2)	¥ (436.0)	¥ 1,307.0
Stocks*2	(1,129.7)	(185.0)	(294.3)	(1,020.5)
Bonds	1,603.4	19.9	(18.2)	1,641.6
Others	453.5	108.9	(123.4)	685.8

\*1 In addition to the balances shown in the above table, Other Securities included securities without market values.

\*2 Market value of Stocks is determined based on the average market prices during one-month periods before the balance sheet date.



### **(1) Assets**

Total Assets decreased by ¥3,846.0 billion from the end of the previous fiscal year to ¥137,139.8 billion.

Securities increased by ¥867.4 billion to ¥24,916.5 billion. At the end of the interim term, Net Unrealized Losses on Other Securities amounted to ¥481.4 billion.

Loans and Bills Discounted decreased by ¥8,286.4 billion to ¥72,287.8 billion, primarily as a result of declining demand for funds and progress in removing NPLs from the balance sheet. Non-Accrual, Past Due & Restructured Loans amounted to ¥4,878.2 billion, or 6.75% to total Loans and Bills Discounted.

### **(2) Liabilities**

Total Liabilities decreased by ¥2,707.6 billion from the end of the previous fiscal year to ¥133,200.5 billion.

Deposits decreased by ¥6,477.2 billion from the end of the previous fiscal year to ¥76,007.7 billion.

Debentures decreased by ¥1,919.6 billion to ¥13,885.8 billion.

### **(3) Shareholders' Equity**

Shareholders' Equity decreased by ¥1,138.4 billion from the end of the previous fiscal year to ¥3,939.2 billion, primarily because of accelerated disposals of NPLs, and disposal of unrealized losses by offsetting with Additional Capital Surplus resulted from the Corporate Split and Merger Process.

## ● Disclosure of Asset Quality

The following "consolidated figures" are those of Mizuho Holdings, Inc. ("MHHD".)

The following "aggregated figures" are the sum of the non-consolidated results of Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. for the six months ended September 30, 2002 ("aggregated figures of the Two Banks"). The interim and full-year figures for fiscal 2001 comprised the sum of the non-consolidated results of The Dai-ichi Kangyo Bank, Limited, The Fuji Bank, Limited and The Industrial Bank of Japan, Limited ("aggregated figures of the Three Former Banks".)

## ○ Disposal of Problem Loans

In line with the call for drastic measures included in the government's Emergency Economic Policy Package, the Two Banks have been accelerating the removal of non-performing loans ("NPLs") from the balance sheet. During the first half of the fiscal year, aggregated figures of Credit-related Costs for the Two Banks amounted to ¥268.9 billion and consolidated Credit-related Costs for MHHD amounted to ¥300.7 billion, because of deceleration of arising new NPLs and a decline in Loans and Bills Discounted.

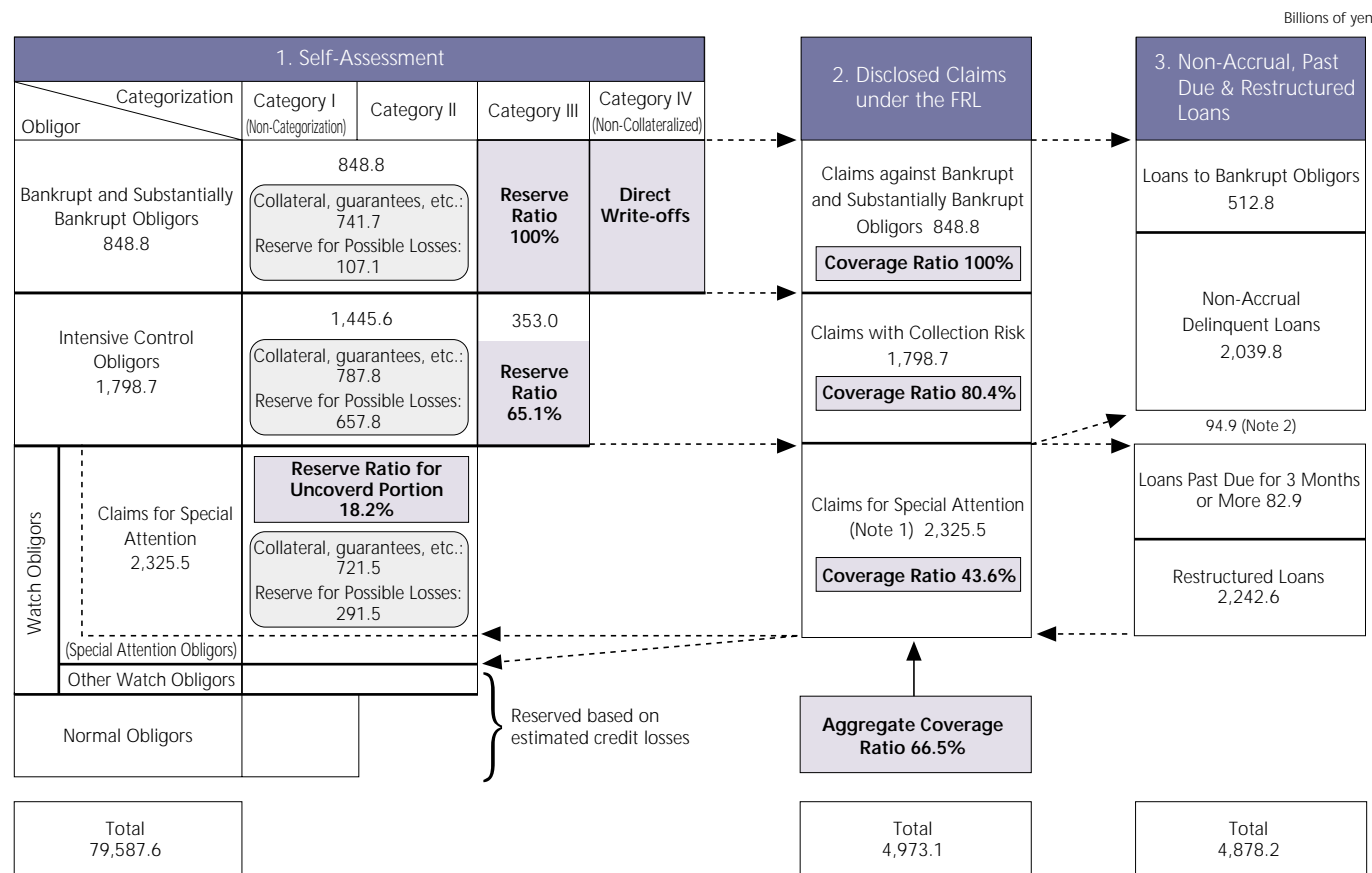
### Credit-related Costs (Aggregated Figures)

Billions of yen

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002

	September 30, 2002 (a)	March 31, 2002	September 30, 2001 (b)	Change (a)-(b)
<b>Credit-related Costs</b>	<b>¥ 268.9</b>	<b>¥ 2,193.9</b>	<b>¥ 861.6</b>	<b>¥ (592.7)</b>
Expenses Related to Portfolio Problems	283.1	1,979.5	775.8	(492.6)
Losses on Write-offs of Claims	199.7	1,083.2	372.6	(172.8)
Net Provision of Specific Reserve for Possible Losses on Loans	43.3	608.6	302.5	(259.1)
Losses on Sales of Loans to CCPC	2.8	54.9	18.4	(15.6)
Provision of Reserve for Possible Losses on Loans Sold	16.9	15.9	12.6	4.3
Losses on Support of Specific Borrowers	0.0	144.2	—	0.0
Provision of Reserve for Possible Losses on Support of Specific Borrowers	—	17.2	53.2	(53.2)
Provision of Reserve for Possible Losses on Loans to Restructuring Countries	(9.6)	5.2	(1.1)	(8.5)
Provision of Reserve for Contingencies	3.8	—	—	3.8
Other Losses on Sales of Loans	25.9	49.9	17.4	8.5
Provision (Reversal) of General Reserve for Possible Losses on Loans	(14.2)	214.3	85.7	(100.0)

○ Overview of Disclosure of Problem Loans at September 30, 2002 (Aggregated Figures)



Notes: 1. Claims for Special Attention includes loans only and is equal to the total amount of Loans Past Due for 3 Months or More and Restructured Loans. Claims for Special Attention obligors includes all claims, not limited to loans, against Special Attention Obligor.  
 2. The difference between total Non-Accrual, Past Due & Restructuring Loans and total Disclosed Claims under the FRL represents claims other than loans included in Disclosed Claims under the FRL.  
 3. FRL: Financial Reconstruction Law (described on page 34)

## ○ Claims Disclosed under the Financial Reconstruction Law

Based on the provisions of the Financial Reconstruction Law ("FRL"), Claims Disclosed under the FRL are classified as Claims against Bankrupt and Substantially Bankrupt Obligors, Claims with Collection, Claims for Special Attention and Nomal Claims.

They are based on the obligor classifications used for self-assessments as follows: claims on Bankrupt and Substantially Bankrupt Obligors are disclosed as Claims against Bankrupt and Substantially Bankrupt Obligors, claims on Intensive Control Obligors are presented as Claims with Collection Risk, and among those claims on Watch Obligors, amounts equivalent to Loans Past Due for 3 Months or More and Restructured Loans under Non-Accrual, Past Due & Restructured Loans are disclosed as Claims for Special Attention.

On the basis of the aggregated figures of the Two Banks at the end of the first half of the fiscal year, the balance of the total amount of Claims against Bankrupt and Substantially Bankrupt Obligors, Claims with Collection Risk and Claims for Special Attention decreased by ¥50.5 billion from the end of the previous fiscal year to ¥4,973.1 billion, or 6.24% to the total Loans and Bills Discounted. Of this total, the balance of Claims against Bankrupt and Substantially Bankrupt Obligors decreased by ¥211.4 billion and ¥231.3 billion in Claims with Collection Risk, as the removal of NPLs from the balance sheet was accelerated through selling them to the Resolution and Collection Corp. ("RCC") and direct write-offs, and the Two Bank's efforts to actively tackle the issue of corporate revitalization resulted in the improvement of the obligors classification. In contrast, Claims for Special Attention increased by ¥392.3 billion. Not only did new NPLs arise because recent economic conditions caused a deterioration in the financial condition of certain customers, but some customers had their obligor classification raised from that of Intensive Control Obligors following corporate revitalization efforts.

Coverage ratios against the above claims in the form of reserves, collateral and guarantees at the end of the first half of the fiscal year stood at 100% for Claims against Bankrupt and Substantially Bankrupt Obligors, 80.4% for Claims with Collection Risk, 43.6% for Claims for Special Attention, and 66.5% overall.

On a consolidated basis for MHHD, the total amount of Claims against Bankrupt and Substantially Bankrupt Obligors, Claims with Collection Risk and claims for Special Attention came to ¥5,548.2 billion.

## ○ Non-Accrual, Past Due & Restructured Loans

Non-Accrual, Past Due & Restructured Loans are disclosed under the provisions of the Banking Law of Japan and refer collectively to Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans.

They are based on the obligor classifications used for self-assessments as follows: loans to Bankrupt Obligors are disclosed as Loans to Bankrupt Obligors, loans to Substantially Bankrupt Obligors and Intensive Control Obligors are disclosed as Non-Accrual Delinquent Loans, and loans to Watch Obligors that meet certain conditions are disclosed as Loans Past Due for 3 Months or More or Restructured Loans.

On a consolidated basis for MHHD, Non-Accrual, Past Due & Restructured Loans decreased by ¥42.3 billion from the end of the previous fiscal year to ¥5,424.8 billion. On the basis of the aggregated figures for the Two Banks, they decreased by ¥29.5 billion to ¥4,878.2 billion.

## ○ Management of Loans

### Credit Ratings

One of the most important elements of the Two Bank's risk management is to follow objective indications of a customer's creditworthiness through the unified 16-grade credit rating system. In principle, ratings apply to all borrowers and are subject to regular reviews at least once a year to promptly reflect their term-end corporate results, as well as special reviews as required whenever a borrower's credit standing changes. This enables the Two Banks to monitor both individual borrowers and the status of the overall portfolio in a timely fashion. Since credit ratings are considered to be a primary phase of the self-assessment process described below, they are linked to the obligor classifications used in asset self-assessments of assets.

### Self-Assessments

"Self-assessments" relate to the procedures carried out by banks as one of the measures of credit risk management. They also enable the banks to prepare financial statements that reflect the actual quality of their assets by ascertaining the status of these assets in preparation for making the appropriate write-offs and provisions based on generally accepted accounting principles.

Specifically, the borrowers are categorized into five obligor classifications according to creditworthiness, then assets are classified into four categories according to asset recovery risk and risk of impairment (for details, please refer to the Definitions of Obligor Classifications and Definitions of Categories of Self-Assessments described on page 36).

## Write-Offs and Provisions

As a rule, write-offs and provisions are made according to obligor classifications and asset categories on the basis of self-assessment results. The method of write-offs and provisions at the end of the first half of the fiscal year is described below.

The results of write-offs and reserve provisions of the Two Banks at the end of the first half of the fiscal year are described on page 33.

### Normal Obligors

Appropriate the expected amount of losses over a year computed based on the expected loss ratio for General Reserve for Possible Losses on Loans.

### Watch Obligors

Appropriate the expected amount of losses over three years computed based on the expected loss ratio for General Reserve for Possible Losses on Loans. As for any claims against obligors equivalent to Loans Past Due for 3 Months or More and/or Restructured Loans under Non-Accrual, Past Due & Restructured Loans, appropriate the projected balance after deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount recoverable from the guarantors of the claims for General Reserve for Possible Losses on Loans.

### Intensive Control Obligors

Appropriate, either of the amounts calculated in (1) or (2) below and after the deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount recoverable from the guarantors of the claims.

(1) An amount based on a comprehensive evaluation of the obligor's ability to pay.

(2) An amount determined by multiplying the aforementioned balance by the expected loss ratio for the next three years.

### Substantially Bankrupt Obligors

Appropriate the following amounts for Specific Reserve for Possible Losses on Loans or write-offs:

the entire balance after the deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount recoverable from the guarantors of the claims.

### Bankrupt Obligors

Appropriate the following amounts for Specific Reserve for Possible Losses on Loans or write-offs:

the entire balance after the deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount recoverable from the guarantors of the claims.

Definition of Obligor Classifications and Definitions of Categories of Self-Assessments

	Definition of Obligor Classifications	Category I (Non-Categorized)	Category II	Category III	Category IV (Non-Collateralized)
Normal Obligors	Obligors whose business conditions are favorable and who are deemed not to have any particular problems in terms of their financial position.	All credit given to Normal Obligors.			
Watch Obligors	Obligors who require close watching going forward because there are problems with their borrowings, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions as a result of their poor or unstable business conditions.		Credit given to Watch Obligors other than those included in Category I.		
Intensive Control Obligors	Obligors who are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans (including obligors who are receiving ongoing support from financial institutions).	Credit to borrowers which have pledged collateral or are covered by guarantees, considered of high quality, such as deposit collateral.	Credit to borrowers which are covered by general collateral, such as real estate and guarantees.	Credit given to Intensive Control Obligors other than those included in Category I and Category II.	
Substantially Bankrupt Obligors	Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable of restructuring.			The difference between the assessed value and market value of collateral on credit to Bankrupt and Substantially Bankrupt Obligors (i.e., the portion of loans for which final collection problems or losses are anticipated).	
Bankrupt Obligors	Obligors who have already gone bankrupt, from both a legal and/or formal perspective.			Credit to Bankrupt and Substantially Bankrupt Obligors, other than those in Category I, Category II and Category III (credit that is judged to be unrecoverable or without value).	

**Connection between Credit Ratings, Definition of Obligor Classifications of Self-Assessments, Claims Disclosed under the FRL and Non-Accrual, Past Due & Restructured Loans**

Definition of Obligor Classifications of Self-Assessment	Credit Ratings (Major Category)	Definition of Ratings	Claims Disclosed under the FRL	Non-Accrual, Past Due & Restructured Loans
Normal Obligors	A	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.	Normal Claims	
	B	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.		
	C	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.		
	D	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future environmental changes is low.		
Watch Obligors	E	Please refer to the definition for Watch Obligors in the " Definition of Obligor Classifications and Definitions of Categories of Self-Assessments."	Claims for Special Attention	Restructured Loans
				Loans Past Due for 3 Months or More
Intensive Control Obligors	F	Please refer to the definition for Intensive Control Obligors in the " Definition of Obligor Classifications and Definitions of Categories of Self-Assessments."	Claims with Collection Risk	Non-Accrual Delinquent Loans
Substantially Bankrupt Obligors	G	Please refer to the definition for Substantially Bankrupt Obligors in " Definition of Obligor Classifications and Definitions of Categories of Self-Assessments."	Claims against Bankrupt and Substantially Bankrupt Obligors	
Bankrupt Obligors	H	Please refer to the definition for Bankrupt Obligors in the " Definition of Obligor Classifications and Definitions of Categories of Self-Assessments."		Loans to Bankrupt Obligors

## ○ Status of Disclosed Claims under the FRL (Consolidated)

### Disclosed Claims under the FRL (After Direct Write-offs of Category IV Loans)

At September 30, 2002	Billions of yen September 30, 2002
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 971.9
Claims with Collection Risk	2,041.1
Claims for Special Attention	2,535.1
<b>Total</b>	<b>¥ 5,548.2</b>

Note:	Billions of yen September 30, 2002
Amount of Direct Write-offs	¥ 2,717.6

## ○ Status of Disclosed Claims under the FRL (Aggregated Figures)

### Disclosed Claims under the FRL (After Direct Write-offs of Category IV Loans)

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 848.8	¥ 1,060.3	¥ 944.2	¥ (211.4)
Collateral, guarantees, etc.	741.7	930.1	832.1	(188.4)
Reserve for Possible Losses	107.1	130.2	112.0	(23.0)
Claims with Collection Risk	1,798.7	2,030.1	2,116.8	(231.3)
Collateral, guarantees, etc.	787.8	961.6	951.5	(173.7)
Reserve for Possible Losses	657.8	682.8	754.9	(25.0)
Claims for Special Attention	2,325.5	1,933.2	2,517.0	392.3
Collateral, guarantees, etc.	721.5	561.0	802.3	160.5
Reserve for Possible Losses	291.5	280.5	449.9	10.9
<b>Subtotal</b>	<b>4,973.1</b>	<b>5,023.7</b>	<b>5,578.0</b>	<b>(50.5)</b>
Collateral, guarantees, etc.	2,251.1	2,452.7	2,586.0	(201.6)
Reserve for Possible Losses	1,056.5	1,093.6	1,317.0	(37.1)
Normal Claims	74,614.5	87,497.1	91,637.2	(12,882.6)
<b>Total</b>	<b>¥ 79,587.6</b>	<b>¥ 92,520.9</b>	<b>¥ 97,215.3</b>	<b>¥ (12,933.2)</b>

Note:	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Amount of Direct Write-offs	¥ 2,197.4	¥ 2,519.3	¥ 2,081.3	¥ (321.8)



**Status of Coverage on Disclosed Claims under the FRL**

	Billions of yen			
At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
<b>Coverage Amount</b>	¥ 3,307.6	¥ 3,546.4	¥ 3,903.1	¥ (238.8)
Reserve for Possible Losses on Loans	1,024.1	1,061.2	1,097.9	(37.1)
Reserve for Possible Losses on Support of Specific Borrowers	32.4	32.4	219.1	—
Collateral and Guarantees	2,251.1	2,452.7	2,586.0	(201.6)
<b>Coverage Ratio (after Direct Write-offs of Category IV Loans)</b>	<b>66.5%</b>	<b>70.6%</b>	<b>70.0%</b>	<b>(4.1)%</b>
Claims against Bankrupt and Substantially Bankrupt Obligors	100.0	100.0	100.0	—
Claims with Collection Risk	80.4	81.0	80.6	(0.6)
Claims for Special Attention	43.6	43.5	49.8	0.1
<b>Coverage Ratio (before Direct Write-offs of Category IV Loans)</b>	<b>76.8</b>	<b>80.4</b>	<b>78.1</b>	<b>(3.6)</b>
<b>Reserve Ratio against Non-collateralized Claims</b>				
Claims against Bankrupt and Substantially Bankrupt Obligors	100.0%	100.0%	100.0%	—%
Claims with Collection Risk	65.1	63.9	64.8	1.2
Claims for Special Attention	18.2	20.4	25.9	(2.2)
<b>Reserve Ratio against Other Claims</b>				
Claims against Watch Obligors excluding Claims for Special Attention	4.16%	4.56%	3.69%	(0.40)%
Normal Claims	0.16	0.16	0.08	0.00

## ○ Status of Non-Accrual, Past Due & Restructured Loans (Consolidated)

### [Consolidated]

#### Non-Accrual, Past Due & Restructured Loans (After Direct Write-offs of Category IV Loans)

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
	Billions of yen			
Loans to Bankrupt Obligors	¥ 558.0	¥ 639.2	¥ 586.5	¥ (81.2)
Non-Accrual Delinquent Loans	2,332.4	2,698.5	2,911.8	(366.1)
Loans Past Due for 3 Months or More	85.7	69.7	155.5	16.0
Restructured Loans	2,448.6	2,059.6	2,589.9	389.0
<b>Total</b>	<b>¥ 5,424.8</b>	<b>¥ 5,467.2</b>	<b>¥ 6,244.0</b>	<b>¥ (42.3)</b>

Note:

	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
	Billions of yen			
Amount of Direct Write-offs	¥ 2,627.7	¥ 2,925.4	¥ 2,652.2	¥ (297.7)

#### Ratio to Total Loans (After Direct Write-offs of Category IV Loans)

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	0.73%	0.76%	0.65%	(0.02)%
Non-Accrual Delinquent Loans	3.06	3.19	3.21	(0.13)
Loans Past Due for 3 Months or More	0.11	0.08	0.17	0.03
Restructured Loans	3.22	2.43	2.86	0.78
<b>Non-Accrual, Past Due &amp; Restructured Loans / Total Loans</b>	<b>7.13%</b>	<b>6.46%</b>	<b>6.89%</b>	<b>0.66%</b>

#### Status of Loan Loss Reserves

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
	Billions of yen			
<b>Reserve for Possible Losses on Loans (After Direct Write-offs of Category IV Loans)</b>	<b>¥ 1,815.6</b>	<b>¥ 1,949.8</b>	<b>¥ 1,909.1</b>	<b>¥ (134.1)</b>
General Reserve for Possible Losses on Loans	924.8	953.4	877.2	(28.5)
Specific Reserve for Possible Losses on Loans	868.3	962.4	1,004.6	(94.0)
Reserve for Possible Losses on Loans to Restructuring Countries	22.4	34.0	27.2	(11.5)
Reserve for Possible Losses on Support of Specific Borrowers	—	—	195.5	—
Reserve for Possible Losses on Loans Sold	¥ 47.8	¥ 49.6	¥ 121.9	¥ (1.8)

Note:

	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
	Billions of yen			
Amount of Direct Write-offs (Specific Reserve for Possible Losses on Loans)	¥ 2,719.1	¥ 3,040.0	¥ 2,749.0	¥ (320.8)

#### Reserve Ratios for Non-Accrual, Past Due & Restructured Loans

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Before Direct Write-offs of Category IV Loans	56.32%	59.46%	54.56%	(3.14)%
After Direct Write-offs of Category IV Loans	33.47	35.66	33.71	(2.19)

Note: Reserve ratio: (Reserve for Possible Losses on Loans + Reserve for Possible Losses on Support of Specific Borrowers) / Total Non-Accrual, Past Due & Restructured Loans.

**[Trust Account]**
**Non-Accrual, Past Due & Restructured Loans (After Direct Write-offs of Category IV Loans)**

	Billions of yen			
At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	¥ 8.9	¥ 11.3	¥ 23.5	¥ (2.3)
Non-Accrual Delinquent Loans	20.1	30.0	43.3	(9.9)
Loans Past Due for 3 Months or More	1.7	0.9	1.1	0.7
Restructured Loans	25.5	30.1	31.2	(4.6)
<b>Total</b>	<b>¥ 56.3</b>	<b>¥ 72.5</b>	<b>¥ 99.2</b>	<b>¥ (16.2)</b>

**Ratio to Total Loans (After Direct Write-offs of Category IV Loans)**

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	1.10%	1.24%	2.30%	(0.14)%
Non-Accrual Delinquent Loans	2.47	3.28	4.24	(0.81)
Loans Past Due for 3 Months or More	0.21	0.10	0.11	0.11
Restructured Loans	3.14	3.29	3.06	(0.15)
<b>Non-Accrual, Past Due &amp; Restructured Loans / Total Loans</b>	<b>6.93%</b>	<b>7.91%</b>	<b>9.72%</b>	<b>(0.98)%</b>

**[Consolidated & Trust Account]**
**Non-Accrual, Past Due & Restructured Loans (After Direct Write-offs of Category IV Loans)**

	Billions of yen			
At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	¥ 566.9	¥ 650.6	¥ 610.1	¥ (83.6)
Non-Accrual Delinquent Loans	2,352.5	2,728.6	2,955.1	(376.1)
Loans Past Due for 3 Months or More	87.4	70.6	156.7	16.7
Restructured Loans	2,474.2	2,089.8	2,621.2	384.4
<b>Total</b>	<b>¥ 5,481.2</b>	<b>¥ 5,539.7</b>	<b>¥ 6,343.2</b>	<b>¥ (58.5)</b>

**Ratio to Total Loans (After Direct Write-offs of Category IV Loans)**

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	0.74%	0.76%	0.67%	(0.02)%
Non-Accrual Delinquent Loans	3.06	3.12	3.23	(0.13)
Loans Past Due for 3 Months or More	0.11	0.08	0.17	0.03
Restructured Loans	3.22	2.44	2.86	0.77
<b>Non-Accrual, Past Due &amp; Restructured Loans / Total Loans</b>	<b>7.13%</b>	<b>6.48%</b>	<b>6.92%</b>	<b>0.65%</b>

## ○ Status of Non-Accrual, Past Due & Restructured Loans (Aggregated Figures)

### Non-Accrual, Past Due & Restructured Loans (After Direct Write-offs of Category IV Loans)

At September 30, 2002 and 2001, and at March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	¥ 512.8	¥ 583.8	¥ 553.2	¥ (71.0)
Non-Accrual Delinquent Loans	2,039.8	2,390.6	2,405.5	(350.8)
Loans Past Due for 3 Months or More	82.9	67.7	149.7	15.2
Restructured Loans	2,242.6	1,865.5	2,367.2	377.0
<b>Total</b>	<b>¥ 4,878.2</b>	<b>¥ 4,907.8</b>	<b>¥ 5,475.7</b>	<b>¥ (29.5)</b>

Note:

	Billions of yen			
	September 30, 2002(a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Amount of Direct Write-offs	¥ 2,131.5	¥ 2,414.9	¥ 1,998.3	¥ (283.4)

### Ratio to Total Loans (After Direct Write-offs of Category IV Loans)

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Loans to Bankrupt Obligors	0.71%	0.72%	0.66%	(0.01)%
Non-Accrual Delinquent Loans	2.82	2.96	2.86	(0.14)
Loans Past Due for 3 Months or More	0.11	0.08	0.18	0.03
Restructured Loans	3.10	2.31	2.81	0.79
<b>Non-Accrual, Past Due &amp; Restructured Loans / Total Loans</b>	<b>6.75%</b>	<b>6.09%</b>	<b>6.50%</b>	<b>0.66%</b>

### Status of Loan Loss Reserves

At September 30, 2002 and 2001, and at March 31, 2002	Billions of yen			
	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
<b>Reserve for Possible Losses on Loans (After Direct Write-offs of Category IV Loans)</b>	<b>¥ 1,562.3</b>	<b>¥ 1,689.5</b>	<b>¥ 1,559.1</b>	<b>¥ (127.2)</b>
General Reserve for Possible Losses on Loans	753.9	788.6	650.3	(34.6)
Specific Reserve for Possible Losses on Loans	787.4	869.3	884.2	(81.8)
Reserve for Possible Losses on Loans to Restructuring Countries	20.8	31.5	24.5	(10.6)
<b>Reserve for Possible Losses on Support of Specific Borrowers</b>	<b>32.4</b>	<b>32.4</b>	<b>219.1</b>	<b>—</b>
<b>Reserve for Possible Losses on Loans Sold</b>	<b>46.7</b>	<b>48.2</b>	<b>118.2</b>	<b>(1.5)</b>
Loans to CCPC	60.5	82.3	192.6	(21.7)

Notes: 1.

	Billions of yen			
	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Amount of Direct Write-offs (Specific Reserve for Possible Losses on Loans)	¥ 2,197.5	¥ 2,519.3	¥ 2,081.3	¥ (321.8)

2. CCPC: Cooperative Credit Purchasing Company, Ltd.

### Reserve Ratios for Non-Accrual, Past Due & Restructured Loans

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002 (a)	March 31, 2002 (b)	September 30, 2001	Change (a)-(b)
Before Direct Write-offs of Category IV Loans	54.10%	57.92%	51.64%	(3.82)%
After Direct Write-offs of Category IV Loans	32.69	35.09	32.48	(2.40)

Note: Reserve ratio: (Reserve for Possible Losses on Loans + Reserve for Possible Losses on Support of Specific Borrowers) / Total Non-Accrual, Past Due &amp; Restructured Loans.

○ Status of Loans by Industry (Aggregated Figures)

Outstanding Loans by Industry

At September 30, 2002 and 2001, and at March 31, 2002	September 30, 2002		March 31, 2002		September 30, 2001	
	Outstanding Balance	Composition	Outstanding Balance	Composition	Outstanding Balance	Composition
<b>Domestic Offices (excluding Loans Booked at Offshore Markets)</b>	<b>¥ 64,958.5</b>	<b>100.00%</b>	<b>¥ 71,102.8</b>	<b>100.00%</b>	<b>¥ 74,665.1</b>	<b>100.00%</b>
Manufacturing	9,579.1	14.75	11,173.4	15.71	11,458.4	15.35
Agriculture	72.9	0.11	74.3	0.10	98.2	0.13
Forestry	3.3	0.00	3.3	0.00	3.5	0.01
Fishery	7.5	0.01	59.0	0.08	60.6	0.08
Mining	69.8	0.11	82.0	0.12	85.2	0.11
Construction	2,186.8	3.37	2,552.3	3.59	2,757.6	3.69
Utilities	1,003.5	1.54	1,226.1	1.72	1,557.9	2.09
Transportation & Communication	3,271.8	5.04	3,803.1	5.35	4,143.3	5.55
Wholesale, Retail & Restaurant	8,917.0	13.73	10,365.4	14.58	10,805.0	14.47
Finance & Insurance	7,116.0	10.95	8,939.5	12.57	9,156.5	12.26
Real Estate	7,118.0	10.96	8,016.8	11.28	7,989.2	10.70
Services	10,955.5	16.87	10,866.5	15.28	11,751.2	15.74
Local Government	227.7	0.35	241.5	0.34	230.0	0.31
Others	14,428.9	22.21	13,699.0	19.27	14,567.8	19.51
<b>Overseas Offices and Loans Booked at Offshore Markets</b>	<b>7,329.3</b>	<b>100.00</b>	<b>9,471.4</b>	<b>100.00</b>	<b>9,540.8</b>	<b>100.00</b>
Governments	202.1	2.76	435.4	4.60	408.3	4.28
Financial Institutions	306.2	4.18	391.0	4.13	472.5	4.95
Others	6,820.9	93.06	8,644.9	91.27	8,659.9	90.77
<b>Total</b>	<b>¥ 72,287.8</b>	<b>/</b>	<b>¥ 80,574.3</b>	<b>/</b>	<b>¥ 84,205.9</b>	<b>/</b>

Billions of yen

## Disclosed Claims under the FRL by Industry

	September 30, 2002		March 31, 2002		Billions of yen September 30, 2001
	Disclosed Claims under the FRL	Coverage on Disclosed Claim under the FRL	Disclosed Claims under the FRL	Coverage on Disclosed Claim under the FRL	Disclosed Claims under the FRL
At September 30, 2002 and 2001, and at March 31, 2002					
<b>Domestic Offices (excluding Loans Booked at Offshore Markets)</b>	<b>¥ 4,543.2</b>	<b>67.2%</b>	<b>¥ 4,551.0</b>	<b>71.4%</b>	<b>¥ 5,170.0</b>
Manufacturing	699.9	60.6	450.3	69.6	319.4
Agriculture	3.0	83.3	2.8	85.2	21.7
Forestry	0.4	75.6	0.4	75.8	0.1
Fishery	0.5	92.1	0.2	79.1	0.1
Mining	0.4	55.2	0.5	66.1	2.4
Construction	305.6	56.9	398.2	61.7	582.4
Utilities	17.4	77.4	11.2	88.6	10.4
Transportation & Communication	78.1	74.7	76.4	65.1	76.7
Wholesale, Retail & Restaurant	880.4	69.3	938.2	74.1	910.2
Finance & Insurance	343.1	62.1	408.3	70.6	481.1
Real Estate	1,066.8	70.9	1,160.7	74.5	1,409.3
Services	782.2	63.0	771.9	68.3	1,023.7
Local Government	0.3	17.0	0.3	44.5	—
Others	364.6	84.0	330.9	89.0	332.0
<b>Overseas Offices and Loans Booked at Offshore Markets</b>	<b>429.8</b>	<b>59.2</b>	<b>472.6</b>	<b>63.6</b>	<b>407.9</b>
Governments	26.5	41.8	24.3	38.3	10.3
Financial Institutions	29.8	41.3	6.9	71.2	8.9
Others	373.5	61.9	441.2	65.0	388.7
<b>Total</b>	<b>¥ 4,973.1</b>	<b>66.5%</b>	<b>¥ 5,023.7</b>	<b>70.6%</b>	<b>¥ 5,578.0</b>

## Non-Accrual, Past Due &amp; Restructured Loans by Industry

	Billions of yen		
	September 30, 2002	March 31, 2002	September 30, 2001
At September 30, 2002 and 2001, and at March 31, 2002			
<b>Domestic Offices (excluding Loans Booked at Offshore Markets)</b>	<b>¥ 4,482.9</b>	<b>¥ 4,488.3</b>	<b>¥ 5,119.0</b>
Manufacturing	677.0	429.8	314.4
Agriculture	2.9	2.8	21.7
Forestry	0.4	0.4	0.1
Fishery	0.4	0.2	0.1
Mining	0.4	0.5	2.3
Construction	300.1	380.6	581.5
Utilities	16.4	10.3	9.4
Transportation & Communication	77.8	76.1	76.3
Wholesale, Retail & Restaurant	875.8	933.3	888.0
Finance & Insurance	334.6	408.1	480.3
Real Estate	1,065.1	1,159.6	1,407.1
Services	768.1	756.3	1,006.8
Local Government	0.3	0.3	—
Others	362.9	329.4	330.4
<b>Overseas Offices and Loans Booked at Offshore Markets</b>	<b>395.2</b>	<b>419.4</b>	<b>356.6</b>
Governments	26.5	21.3	10.3
Financial Institutions	27.4	4.4	4.9
Others	341.2	393.6	341.4
<b>Total</b>	<b>¥ 4,878.2</b>	<b>¥ 4,907.8</b>	<b>¥ 5,475.7</b>

○ Status of Loans by Nationality of Borrowers (Aggregated Figures)

**Loans to Asia**

At September 30, 2002 and 2001, and at March 31, 2002	Outstanding Balance			Non-Accrual, Past Due & Restructured Loans		
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002	March 31, 2002	September 30, 2001
	Billions of yen					
Hong Kong	¥ 303.7	¥ 511.3	¥ 538.4	¥ 12.2	¥ 4.9	¥ 7.3
Thailand	268.7	340.5	318.5	40.0	37.8	39.0
China	205.8	243.2	237.9	5.6	7.6	20.1
Singapore	166.1	164.5	144.3	3.5	4.6	5.9
Republic of Korea	151.1	213.8	196.3	2.3	3.8	3.4
Indonesia	146.5	182.0	199.8	48.2	59.8	46.1
Others	291.5	392.0	384.3	11.8	21.2	18.6
<b>Total</b>	<b>¥ 1,533.7</b>	<b>¥ 2,047.6</b>	<b>¥ 2,019.7</b>	<b>¥ 123.8</b>	<b>¥ 139.8</b>	<b>¥ 140.8</b>

**Loans to Central and South America**

At September 30, 2002 and 2001, and at March 31, 2002	Outstanding Balance			Non-Accrual, Past Due & Restructured Loans		
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002	March 31, 2002	September 30, 2001
	Billions of yen					
Mexico	¥ 66.1	¥ 92.1	¥ 85.3	¥ 0.0	¥ 0.8	¥ 1.9
Chile	44.2	54.0	51.6	—	—	—
Brazil	37.0	41.2	39.0	1.2	—	—
Colombia	34.7	39.4	38.8	0.4	0.4	0.4
Argentina	25.9	30.4	30.3	15.8	19.1	—
Others	41.2	37.3	33.9	1.4	1.6	1.5
<b>Total</b>	<b>¥ 249.4</b>	<b>¥ 294.7</b>	<b>¥ 279.1</b>	<b>¥ 19.1</b>	<b>¥ 22.1</b>	<b>¥ 3.9</b>

**Loans to Russia**

At September 30, 2002 and 2001, and at March 31, 2002	Outstanding Balance			Non-Accrual, Past Due & Restructured Loans		
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002	March 31, 2002	September 30, 2001
	Billions of yen					
Russia	¥ 17.9	¥ 19.6	¥ 18.4	¥ 2.2	¥ 3.2	¥ 3.3

## ○ Results of Removal of Problem Loans (Aggregated Figures)

Under the government's Emergency Economic Policy Package, major banks are required to remove existing Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (under the FRL) in the first half of fiscal year 2000 and before from their balance sheets within two years. Half of any such new claims in the second half of fiscal year 2000 and after should be removed within one year, 80% within two years, and 100% within three years.

Therefore, with regard to recovery and final disposals of NPLs, various measures were adopted by the Two Banks, including strengthening their management and collection systems through bulk sales and centralized management of NPLs by specialist departments, which enabled them to accelerate their final disposals of NPLs.

As a result of accelerating final disposal, NPLs removed from the balance sheet on a principal basis were approximately ¥720.0 billion in the second half of fiscal 2000, ¥550.0 billion in the first half of fiscal 2001, ¥1,160.0 billion in the second half of fiscal 2001, and ¥1,020.0 billion in the first half of fiscal 2002.

As a result, we made steady progress in removing problem loans from the balance sheet, achieving a removal ratio of 86% for existing NPLs that must be disposed of by the end of March 2003 (i.e., arising up to and including the first half of fiscal 2000), including claims for which the steps leading to removal from the balance sheet have been taken.

### Problem Loans in the First Half of Fiscal Year 2000 and Before

#### The Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (Under the FRL)

	Billions of yen					
	At September 30, 2000	At March 31, 2001	At September 30, 2001	At March 31, 2002 (a)	At September 30, 2002 (b)	Change (b)-(a)
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 1,039.9	¥ 663.8	¥ 609.3	¥ 398.6	¥ 314.7	¥ (83.9)
Claims with Collection Risk	1,425.5	1,080.9	782.3	414.0	271.2	(142.8)
<b>Total</b>	<b>¥ 2,465.4</b>	<b>¥1,744.8</b>	<b>¥1,391.7</b>	<b>¥ 812.6</b>	<b>¥ 585.9</b>	<b>¥ (226.7)</b>

Note: The balance at September 30, 2002 includes the claims of ¥240.8 billion, for which the steps leading to off-balancing were taken.

#### Types of Removal of Problem Loans

	Billions of yen	
	The First Half of Fiscal Year 2002	
Liquidation	¥ (62.4)	
Restructure	(85.0)	
Improvement in Business Performance due to Restructuring	(0.1)	
Securitization	(138.3)	
Write-off	155.1	
Other	(95.7)	
Debt Recovery	(69.6)	
Improvement in Business Performance	(26.1)	
<b>Total</b>	<b>¥ (226.7)</b>	

#### Off-Balancing Ratio

	Billions of yen			(Reference)	
	At September 30, 2000	Accumulated Off-Balancing from September 30, 2000	Off-Balancing Ratio	Accumulated Off-Balancing including the Claims in the Above Note	Off-Balancing Ratio
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 1,039.9	¥ (725.2)	69.7%	¥ (955.4)	91.9%
Claims with Collection Risk	1,425.5	(1,154.3)	81.0	(1,164.9)	81.7
<b>Total</b>	<b>¥ 2,465.4</b>	<b>¥ (1,879.5)</b>	<b>76.2%</b>	<b>¥ (2,120.3)</b>	<b>86.0%</b>



## Problem Loans in the Second Half of Fiscal Year 2000

### The Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (Under the FRL)

	Billions of yen		Billions of yen		Change (b)-(a)
	At March 31, 2001	At September 30, 2001	At March 31, 2002 (a)	At September 30, 2002 (b)	
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 141.9	¥ 77.7	¥ 88.7	¥ 61.8	¥ (26.9)
Claims with Collection Risk	531.9	404.0	222.6	186.0	(36.6)
<b>Total</b>	<b>¥ 673.9</b>	<b>¥ 481.8</b>	<b>¥ 311.6</b>	<b>¥ 247.9</b>	<b>¥ (63.6)</b>

Note: The balance at September 30, 2002 includes the claims of ¥43.7 billion, for which the steps leading to off-balancing were taken.

### Types of Removal of Problem Loans

	Billions of yen	
	The First Half of Fiscal Year 2002	
Liquidation	¥ (3.0)	
Restructure	(2.9)	
Improvement in Business Performance due to Restructuring	—	
Securitization	(31.6)	
Write-off	17.7	
Other	(43.7)	
Debt Recovery	(23.7)	
Improvement in Business Performance	(19.9)	
<b>Total</b>	<b>¥ (63.6)</b>	

### Off-Balancing Ratio

	Billions of yen		
	At March 31, 2001	Accumulated Off-Balancing from March 31, 2001	Off-Balancing Ratio
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 141.9	¥ (80.1)	56.4%
Claims with Collection Risk	531.9	(345.9)	65.0
<b>Total</b>	<b>¥ 673.9</b>	<b>¥ (426.0)</b>	<b>63.2%</b>

### (Reference)

Billions of yen	
Accumulated Off-Balancing including the Claims in the Above Note	Off-Balancing Ratio
¥ (122.7)	86.5%
(346.9)	65.2
<b>¥ (469.7)</b>	<b>69.7%</b>

## Problem Loans in the First Half of Fiscal Year 2001

### The Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (Under the FRL)

	Billions of yen			
	At September 30, 2001	At March 31, 2002 (a)	At September 30, 2002 (b)	Change (b)-(a)
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 257.1	¥ 267.4	¥ 223.1	¥ (44.3)
Claims with Collection Risk	930.1	502.7	357.8	(144.9)
<b>Total</b>	<b>¥1,187.3</b>	<b>¥ 770.3</b>	<b>¥ 581.0</b>	<b>¥ (189.2)</b>

Note: The balance at September 30, 2002 includes the claims of ¥192.7 billion, for which the steps leading to off-balancing were taken.

### Types of Removal of Problem Loans

	Billions of yen
	The First Half of Fiscal Year 2002
Liquidation	¥ (18.2)
Restructure	(8.3)
Improvement in Business Performance due to Restructuring	(1.5)
Securitization	(17.9)
Write-off	(9.0)
Other	(134.0)
Debt Recovery	(93.1)
Improvement in Business Performance	(40.9)
<b>Total</b>	<b>¥ (189.2)</b>

### Off-Balancing Ratio

	Billions of yen		
	At September 30, 2001	Accumulated Off- Balancing from September 30, 2001	Off-Balancing Ratio
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 257.1	¥ (34.0)	13.2%
Claims with Collection Risk	930.1	(572.3)	61.5
<b>Total</b>	<b>¥ 1,187.3</b>	<b>¥ (606.3)</b>	<b>51.1%</b>

### (Reference)

	Billions of yen	
	Accumulated Off- Balancing including the Claims in the Above Note	
	Off-Balancing Ratio	
	¥ (220.1)	85.6%
	(578.9)	62.2
	<b>¥ (799.0)</b>	<b>67.3%</b>

## Problem Loans in the Second Half of Fiscal Year 2001

### The Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (Under the FRL)

	Billions of yen		
	At March 31, 2002 (a)	At September 30, 2002 (b)	Change (b)-(a)
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 305.1	¥ 166.8	¥ (138.4)
Claims with Collection Risk	890.3	484.2	(406.3)
<b>Total</b>	<b>¥ 1,195.6</b>	<b>¥ 651.0</b>	<b>¥ (544.8)</b>

Note: The balance at September 30, 2002 includes the claims of ¥159.4 billion, for which the steps leading to off-balancing were taken.

### Types of Removal of Problem Loans

	Billions of yen	
	The First Half of Fiscal Year 2002	
Liquidation	¥ (103.2)	
Restructure	(138.8)	
Improvement in Business Performance due to Restructuring	(26.9)	
Securitization	(44.3)	
Write-off	165.2	
Other	(396.7)	
Debt Recovery	(182.4)	
Improvement in Business Performance	(214.2)	
<b>Total</b>	<b>¥ (544.8)</b>	

### Off-Balancing Ratio

	Billions of yen		
	At March 31, 2002	Accumulated Off-Balancing from March 31, 2002	Off-Balancing Ratio
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 305.1	¥ (138.4)	45.4%
Claims with Collection Risk	890.3	(406.3)	45.6
<b>Total</b>	<b>¥ 1,195.6</b>	<b>¥ (544.8)</b>	<b>45.6%</b>

### (Reference)

Billions of yen	
Accumulated Off-Balancing including the Claims in the Above Note	Off-Balancing Ratio
¥ (292.7)	95.9%
(411.5)	46.2
<b>¥ (704.2)</b>	<b>58.9%</b>

## Problem Loans in the First Half of Fiscal Year 2002

### The Outstanding Balance of Claims against Bankrupt and Substantially Bankrupt Obligors and Claims with Collection Risk (Under the FRL)

	Billions of yen At September 30, 2002
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 82.1
Claims with Collection Risk	499.4
<b>Total</b>	<b>¥ 581.5</b>

Note: The balance at September 30, 2002 includes the claims of ¥70.7 billion, for which the steps leading to off-balancing were taken.

### Off-Balancing Ratio

	Billions of yen			(Reference)	Billions of yen	
	At September 30, 2002	Accumulated Off-Balancing from September 30, 2002	Off-Balancing Ratio		Accumulated Off-Balancing including the Claims in the Above Note	Off-Balancing Ratio
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 82.1	/	/	¥ (70.7)	86.1%	
Claims with Collection Risk	499.4	/	/	—	—	
<b>Total</b>	<b>¥ 581.5</b>	<b>/</b>	<b>/</b>	<b>¥ (70.7)</b>	<b>12.2%</b>	

### (Reference) Category of "Intensive Control Obligors" and below at September 30, 2002

	Billions of yen At September 30, 2002
Claims against Bankrupt and Substantially Bankrupt Obligors	¥ 848.8
Claims with Collection Risk	1,798.7
<b>Total</b>	<b>¥ 2,647.6</b>

### (Reference) Types of Removal of Problem Loans in the First Half of Fiscal Year 2002

	Billions of yen The First Half of Fiscal Year 2002
Liquidation	¥ (186.9)
Restructure	(235.2)
Improvement in Business Performance due to Restructuring	(28.6)
Securitization	(232.3)
Write-off	329.0
Other	(670.3)
Debt Recovery	(368.9)
Improvement in Business Performance	(301.3)
<b>Total</b>	<b>¥ (1,024.4)</b>

# Consolidated Financial Statements of Mizuho Holdings

## Consolidated Balance Sheets

At September 30, 2002 and 2001, and at March 31, 2002	Millions of yen			Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002
<b>Assets</b>				
Cash and Due from Banks	¥ 6,326,761	¥ 11,720,134	¥ 5,848,953	\$ 51,604,902
Call Loans and Bills Purchased	1,821,161	942,285	1,463,670	14,854,501
Receivables under Resale Agreements	5,110,620	1,768,766	3,609,184	41,685,325
Guarantee Deposit Paid under Securities Borrowing Transactions	4,637,828	/	/	37,828,947
Other Debt Purchased	1,729,902	604,395	669,465	14,110,131
Trading Assets	9,098,107	7,951,419	11,019,131	74,209,683
Money Held in Trust	48,096	69,762	251,165	392,307
Securities	25,520,325	24,108,931	25,801,785	208,159,262
Loans and Bills Discounted	76,118,242	84,593,656	90,587,678	620,866,574
Foreign Exchange Assets	681,242	1,186,977	1,181,338	5,556,625
Other Assets	4,866,637	11,067,767	15,219,025	39,695,245
Premises and Equipment	1,715,324	1,753,497	1,735,351	13,991,226
Deferred Debenture Charges	2,021	4,843	5,544	16,488
Deferred Tax Assets	2,186,442	2,509,110	2,253,622	17,833,951
Consolidation Differences	56,024	64,296	107,996	456,974
Customers' Liabilities for Acceptances and Guarantees	4,948,881	4,923,244	5,896,764	40,366,082
Reserve for Possible Losses on Loans	(1,815,665)	(1,949,819)	(1,909,131)	(14,809,667)
Reserve for Possible Losses on Securities	(4,499)	(6,841)	(4,587)	(36,699)
<b>Total Assets</b>	<b>143,047,455</b>	<b>151,312,427</b>	<b>163,736,959</b>	<b>1,166,781,857</b>
<b>Liabilities, Minority Interests and Shareholders' Equity</b>				
<b>Liabilities</b>				
Deposits	77,929,763	85,606,235	85,198,408	635,642,442
Debentures	13,783,539	15,310,890	16,715,716	112,426,917
Call Money and Bills Sold	10,380,132	9,453,692	7,867,022	84,666,664
Payables under Repurchase Agreements	8,494,440	4,855,073	6,513,491	69,285,814
Guarantee Deposit Received under Securities Lending Transactions	4,099,757	/	/	33,440,111
Commercial Paper	378,125	711,382	1,306,389	3,084,219
Trading Liabilities	6,598,423	4,883,842	6,373,495	53,820,747
Borrowed Money	2,434,959	2,553,382	3,787,083	19,861,004
Foreign Exchange Liabilities	245,629	708,231	631,221	2,003,503
Bonds and Notes	2,776,592	2,966,847	4,097,149	22,647,571
Convertible Bonds	/	8,432	7,436	/
Bonds with Stock Option	3,599	/	/	29,360
Due to Trust Accounts	1,460,322	1,776,404	1,530,204	11,911,279
Other Liabilities	4,242,000	11,278,184	16,957,429	34,600,327
Reserve for Bonus Payments	23,370	21,801	23,554	190,621
Reserve for Employee Retirement Benefits	24,250	36,619	80,184	197,806
Reserve for Possible Losses on Loans Sold	47,838	49,647	121,972	390,204
Reserve for Possible Losses on Support of Specific Borrowers	—	—	195,512	—
Other Reserves	139,468	135,154	9,065	1,137,594
Deferred Tax Liabilities	8,089	15,741	15,531	65,986
Deferred Tax Liabilities for Revaluation Reserve for Land	262,305	335,108	342,213	2,139,520
Acceptances and Guarantees	4,948,881	4,923,244	5,896,764	40,366,082
<b>Total Liabilities</b>	<b>138,281,492</b>	<b>145,629,916</b>	<b>157,669,847</b>	<b>1,127,907,771</b>
<b>Minority Interests</b>	<b>¥ 1,050,265</b>	<b>¥ 951,091</b>	<b>¥ 765,762</b>	<b>\$ 8,566,605</b>

Consolidated Financial Statements of Mizuho Holdings

At September 30, 2002 and 2001, and at March 31, 2002	Millions of yen			Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002
<b>Shareholders' Equity</b>				
Common Stock and Preferred Stock	¥ /	¥ 2,572,000	¥ 2,572,000	\$ /
Capital Surplus	/	2,203,747	2,203,747	/
Revaluation Reserve for Land, net of Taxes	/	534,447	546,415	/
Retained Earnings	/	101,133	801,612	/
Net Unrealized Losses on Other Securities, net of Taxes	/	(558,485)	(691,702)	/
Foreign Currency Translation Adjustments	/	(120,167)	(128,672)	/
Subtotal	/	4,732,675	5,303,401	/
Treasury Stock	/	(1,255)	(2,051)	/
<b>Total Shareholders' Equity</b>	<b>/</b>	<b>4,731,420</b>	<b>5,301,350</b>	<b>/</b>
<b>Shareholders' Equity</b>				
Common Stock and Preferred Stock	2,572,000	/	/	20,978,793
Capital Surplus	353,765	/	/	2,885,525
Retained Earnings	983,536	/	/	8,022,317
Revaluation Reserve for Land, net of Taxes	422,905	/	/	3,449,474
Net Unrealized Losses on Other Securities, net of Taxes	(513,863)	/	/	(4,191,386)
Foreign Currency Translation Adjustments	(101,626)	/	/	(828,926)
Treasury Stock	(1,019)	/	/	(8,316)
<b>Total Shareholders' Equity</b>	<b>3,715,697</b>	<b>/</b>	<b>/</b>	<b>30,307,481</b>
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>¥ 143,047,455</b>	<b>¥ 151,312,427</b>	<b>¥ 163,736,959</b>	<b>\$ 1,166,781,857</b>

Notes: 1. The amounts indicated in millions of yen are rounded down by truncating the figures below one million.  
2. The rate of ¥122.60=US\$1.00, the foreign exchange rate on September 30, 2002, has been used for translation.

**Consolidated Statements of Operations**

	Millions of yen			Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002
For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002				
<b>Income</b>				
Interest Income	¥ 1,085,681	¥ 3,020,489	¥ 1,616,091	\$ 8,855,475
Fiduciary Income	22,569	54,443	22,123	184,093
Fee and Commissions Income	213,275	544,238	264,567	1,739,605
Trading Income	123,658	178,884	100,004	1,008,636
Other Operating Income	183,209	651,035	358,268	1,494,371
Other Income	184,497	866,499	430,047	1,504,871
<b>Total Income</b>	<b>1,812,892</b>	<b>5,315,591</b>	<b>2,791,104</b>	<b>14,787,051</b>
<b>Expenses</b>				
Interest Expenses	431,061	1,492,876	869,835	3,515,997
Fee and Commissions Expenses	32,530	43,156	46,845	265,342
Other Operating Expenses	66,498	451,041	206,942	542,401
General and Administrative Expenses	651,558	1,368,206	637,874	5,314,505
Other Expenses	532,076	3,385,481	1,432,219	4,339,939
<b>Total Expenses</b>	<b>1,713,725</b>	<b>6,740,762</b>	<b>3,193,716</b>	<b>13,978,184</b>
<b>Income (Loss) before Income Taxes and Minority Interests</b>	<b>99,167</b>	<b>(1,425,170)</b>	<b>(402,612)</b>	<b>808,867</b>
Income Taxes:				
Current	15,674	110,498	18,892	127,854
Deferred	12,836	(545,923)	(136,169)	104,699
Minority Interests in Net Income (Loss)	31,626	(13,701)	(20,698)	257,966
<b>Net Income (Loss)</b>	<b>¥ 39,029</b>	<b>¥ (976,044)</b>	<b>¥ (264,637)</b>	<b>\$ 318,348</b>

Notes: 1. The amounts indicated in millions of yen are rounded down by truncating the figures below one million.  
2. The rate of ¥122.60=US\$1.00, the foreign exchange rate on September 30, 2002, has been used for translation.

**Consolidated Statements of Capital Surplus and Retained Earnings**

	Millions of yen		Thousands of U.S. dollars
	September 30, 2002		
For the Six Months ended September 30, 2002			
<b>Capital Surplus</b>			
Balance at beginning of Interim Period	¥ 353,765		\$ 2,885,525
Balance at end of Interim Period	353,765		2,885,525
<b>Retained Earnings</b>			
Balance at beginning of Interim Period (the year)	997,265		8,134,303
Increase	2,227		18,165
Decrease	54,986		448,499
Net Income	39,029		318,348
Balance at end of Interim Period	¥ 983,536		\$ 8,022,317

Notes: 1. The amounts indicated in millions of yen are rounded down by truncating the figures below one million.  
2. The rate of ¥122.60=US\$1.00, the foreign exchange rate on September 30, 2002, has been used for translation.

**Consolidated Statements of Retained Earnings**

	Millions of yen	
	March 31, 2002	September 30, 2001
For the Fiscal Year ended March 31, 2002, and for the Six Months ended September 30, 2001		
<b>Retained Earnings</b>		
Balance at beginning of Interim Period (the year)	¥ 1,107,231	¥ 1,107,231
Increase	13,560	2,426
Decrease	43,614	43,408
Net Loss	976,044	264,637
Balance at end of Interim Period (the year)	¥ 101,133	¥ 801,612

Note: The amounts indicated in millions of yen are rounded down by truncating the figures below one million.

**Consolidated Statements of Cash Flows**

 For the Six Months ended September 30, 2002 and 2001,  
 and for the Fiscal Year ended March 31, 2002

	Millions of yen			Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002
<b>I. Cash Flows from Operating Activities</b>				
Income (Loss) before Income Taxes and Minority Interests	¥ 99,167	¥ (1,425,170)	¥ (402,612)	\$ 808,867
Depreciation	52,912	94,749	42,715	431,590
Amortization of Consolidation Differences	7,765	21,162	14,297	63,339
Equity in Losses (Income) from Investments in Affiliates	6,875	6,771	1,089	56,077
Increase (Decrease) in Reserve for Possible Losses on Loans	(133,898)	361,543	276,525	(1,092,156)
Increase (Decrease) in Reserve for Possible Losses on Securities	(2,261)	2,771	354	(18,446)
Decrease in Reserve for Possible Losses on Loans Sold	(1,808)	(149,445)	(77,120)	(14,749)
Increase (Decrease) in Reserve for Possible Losses on Support of Specific Borrowers	—	(159,628)	35,883	—
Increase (Decrease) in Reserve for Contingencies	4,496	110,171	(15,852)	36,677
Increase in Reserve for Bonus Payments	1,568	21,790	23,554	12,793
Increase (Decrease) in Reserve for Employee Retirement Benefits	(11,709)	(35,370)	9,978	(95,514)
Interest Income—accrual basis	(1,085,681)	(3,020,489)	(1,616,091)	(8,855,475)
Interest Expenses—accrual basis	431,061	1,492,876	869,835	3,515,997
Gains on Securities	(22,730)	(201,863)	(162,533)	(185,401)
Losses from Money Held in Trust	1,062	17,502	20,829	8,665
Foreign Exchange Losses (Gains)—Net	135,468	(413,530)	84,400	1,104,966
Losses on Disposal of Premises and Equipment	9,704	33,119	7,820	79,157
Gains on Establishment of Retirement Benefit Trusts	(45,769)	(89,036)	(74,592)	(373,325)
Net Decrease (Increase) in Trading Assets	(1,328,334)	3,150,206	(207)	(10,834,704)
Net Increase (Decrease) in Trading Liabilities	1,861,049	(46,227)	1,522,415	15,179,852
Net Decrease in Loans and Bills Discounted	8,250,101	6,394,050	2,025,650	67,292,836
Net Increase (Decrease) in Deposits	(5,757,558)	6,286,547	2,746,849	(46,962,143)
Net Increase (Decrease) in Negotiable Certificates of Deposit (Liabilities)	(1,943,489)	(1,405,177)	2,322,992	(15,852,281)
Net Decrease in Debentures	(1,527,350)	(2,537,366)	(1,130,040)	(12,458,000)
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	249,633	411,237	73,299	2,036,165
Net Decrease (Increase) in Due from Banks (excluding Deposits with Central Banks)	940,153	1,055,250	(131,245)	7,668,465
Net Decrease (Increase) in Call Loans	(5,604,645)	1,319,767	(2,597,556)	(45,714,891)
Net Decrease (Increase) in Cash Placed as Collateral on Securities Borrowed	3,313,727	(528,551)	(281,736)	27,028,773
Net Increase in Guarantee Deposits Paid under Securities Borrowing Transactions	(4,637,828)	/	/	(37,828,948)
Net Increase (Decrease) in Call Money	4,821,877	(390,433)	1,080,810	39,330,159
Net Increase in Commercial Paper	(330,432)	(1,142,331)	(1,100,938)	(2,695,206)
Net Increase (Decrease) in Cash Received as Collateral for Securities Lent	(4,050,050)	(555,210)	511,690	(33,034,669)
Net Increase in Deposits Received under Securities Lending Transactions	4,099,757	/	/	33,440,111
Net Decrease (Increase) in Foreign Exchanges Assets	505,438	(315,128)	(347,219)	4,122,666
Net Increase (Decrease) in Foreign Exchanges Liabilities	(462,452)	424,834	360,304	(3,772,040)
Net Decrease in Issuance, Redemption of Bonds and Notes	(58,776)	(102,909)	(80,799)	(479,413)
Net Decrease in Due to Trust Accounts	(316,082)	(50,007)	(290,184)	(2,578,157)
Interest and Dividends Income—cash basis	1,127,696	3,095,889	1,668,846	9,198,177
Interest Expense—cash basis	(516,472)	(1,603,992)	(954,086)	(4,212,665)
Others—net	45,404	(3,220,239)	(3,248,304)	370,345
Subtotal	(1,872,409)	6,908,130	1,189,021	(15,272,506)
Cash Paid in Income Taxes	(96,073)	(131,692)	(37,497)	(783,632)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>¥ (1,968,482)</b>	<b>¥ 6,776,438</b>	<b>¥ 1,151,524</b>	<b>\$ (16,056,138)</b>



Consolidated Financial Statements of Mizuho Holdings

For the Six Months ended September 30, 2002 and 2001, and for the Fiscal Year ended March 31, 2002	Millions of yen			Thousands of U.S. dollars
	September 30, 2002	March 31, 2002	September 30, 2001	September 30, 2002
<b>II. Cash Flows from Investing Activities</b>				
Payments for Purchase of Securities	¥ (31,062,410)	¥ (58,967,968)	¥ (34,377,074)	¥ (253,363,868)
Proceeds from Sale of Securities	22,316,262	40,450,103	24,930,313	182,024,982
Proceeds from Redemption of Securities	6,747,494	19,571,083	9,102,528	55,036,656
Payments for Increase in Money Held in Trust	(733)	(109,999)	(48,844)	(5,980)
Proceeds from Decrease in Money Held in Trust	18,796	429,371	171,652	153,314
Payments for Purchase of Premises and Equipment	(51,281)	(193,154)	(77,655)	(418,281)
Proceeds from Sale of Premises and Equipment	9,783	35,109	33,999	79,800
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	—	(1,064)	(935)	—
Proceeds from Sale of Stocks of Subsidiaries (affecting the scope of consolidation)	—	318,553	—	—
Payments for Purchase of Stocks of Subsidiaries (not affecting the scope of consolidation)	—	(1,282)	(1,085)	—
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(2,022,088)</b>	<b>1,530,751</b>	<b>(267,101)</b>	<b>(16,493,377)</b>
<b>III. Cash Flows from Financing Activities</b>				
Proceeds from Issuance of Subordinated Borrowed Money	159,000	116,000	116,000	1,296,901
Repayments for Subordinated Borrowed Money	(522,000)	(644,800)	(402,700)	(4,257,749)
Proceeds from Issuance of Subordinated Bonds, Notes and Convertible Bonds	/	274,033	263,800	—
Proceeds from Issuance of Subordinated Bonds, Notes and Bonds with Stock Option	73,000	/	/	595,432
Redemption of Subordinated Bonds, Notes and Convertible Bonds	/	(719,117)	(159,558)	—
Redemption of Subordinated Bonds, Notes and Bonds with Stock Option	(181,322)	/	/	(1,478,973)
Proceeds from Investments in Minority Interests	118,500	379,874	21,856	966,558
Repayments for Minority Interests	—	(16,487)	(15,568)	—
Dividends Paid	(54,985)	(43,393)	(43,364)	(448,496)
Dividends Paid for Minority Interests	(21,594)	(43,421)	(22,480)	(176,139)
Payments for Purchase of Treasury Stock	(88)	(323)	(243)	(723)
Proceeds from Sales of Treasury Stock	—	233	233	—
<b>Net Cash Used in Financing Activities</b>	<b>(429,490)</b>	<b>(697,401)</b>	<b>(242,025)</b>	<b>(3,503,189)</b>
<b>IV. Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(657)</b>	<b>17,731</b>	<b>7,001</b>	<b>(5,366)</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,420,719)</b>	<b>7,627,520</b>	<b>649,399</b>	<b>(36,058,070)</b>
<b>VI. Cash and Cash Equivalents at the Beginning of Interim Period (the year)</b>	<b>9,847,366</b>	<b>2,219,805</b>	<b>2,219,805</b>	<b>80,321,096</b>
<b>VII. Net Increase in Cash and Cash Equivalents Resulting from Inclusion of Subsidiaries in the scope of Consolidation</b>	<b>—</b>	<b>46</b>	<b>46</b>	<b>—</b>
<b>VIII. Net Decrease in Cash and Cash Equivalents Resolved from Exclusion of Subsidiaries from the scope of Consolidation</b>	<b>—</b>	<b>(5)</b>	<b>—</b>	<b>—</b>
<b>IX. Cash and Cash Equivalents at the End of Interim Period (the year)</b>	<b>¥ 5,426,647</b>	<b>¥ 9,847,366</b>	<b>¥ 2,869,251</b>	<b>\$ 44,263,026</b>

Notes: 1. The amounts indicated in millions of yen are rounded down by truncating the figures below one million.

2. The rate of ¥122.60=US\$1.00, the foreign exchange rate on September 30, 2002, has been used for translation.

## Domestic Network of Mizuho

(as of September 30, 2002)

### Mizuho Holdings

Head Office

### Mizuho Corporate Bank

Domestic Network: 33 (Includes head office and 15 offices specializing in collection of accounts receivable)

### Mizuho Bank

Head Office and Branches: 577

Sub-branches: 91

Agencies: 7

### Mizuho Securities

Head Office

### Mizuho Trust & Banking

Head Office and Branches: 8

Sub-branch: 1

## International Network of Mizuho

(as of December 31, 2002)

### Branches, Agencies and Representative Offices

#### The Americas

##### New York Branch

1251 Avenue of the Americas,  
New York, NY 10020, U.S.A.  
TEL 1-212-282-3000

##### Chicago Branch

AT&T Corporate Center, Suite 2600, 227 West  
Monroe Street, Chicago, IL 60606, U.S.A.  
TEL 1-312-855-1111

##### Atlanta Representative Office

One Ninety One Peachtree Tower, Suite 3825, 191  
Peachtree Street, N.E., Atlanta, GA 30303, U.S.A.  
TEL 1-404-524-8770

##### Houston Agency

One Houston Center, Suite 4100,  
1221 McKinney Street, Houston,  
Texas 77010, U.S.A.  
TEL 1-713-759-1800

##### Los Angeles Agency

350 South Grand Avenue, Suite 1500,  
Los Angeles, CA 90071, U.S.A.  
TEL 1-213-243-4500

##### San Francisco Representative Office

One Market, Spear Tower, Suite 1610,  
San Francisco, CA 94105, U.S.A.  
TEL 1-415-981-3131

##### Panama Branch

Plaza Internacional, Via España,  
P.O.Box 2637, Panama 9A,  
Republic of Panama  
TEL 507-269-6111

##### Mexico Representative Office

Edificio Omega, Campos Eliseos No.345-11,  
Col. Chapultepec Polanco, Deleg. Miguel Hidalgo,  
11560 Mexico, D.F., Mexico  
TEL 52-55-5281-5037

##### São Paulo Representative Office

Avenida Paulista, 1274-11º andar, CEP.01310-926,  
São Paulo, SP, Brazil  
TEL 55-11-251-4199

##### Colombia Representative Office

Carrera 7 No.71-52, Torre B. Piso 9, Santafe de  
Bogota, D.C. Colombia

##### Caracas Representative Office

Avenida Principal con 1 ra, Transversal de la  
Castellana, Torre Banco de Lara, Piso 11, Oficina B, La  
Castellana, Municipio Autónomo Chacao, Apartado  
Del Este 60128, Caracas 1060, Venezuela

##### Buenos Aires Representative Office

Av. Dávila 270, Piso 2º, Puerto Viamonte 2, 1107  
Buenos Aires, Argentina

#### Europe and the Middle East

##### London Branch

River Plate House, 7-11 Finsbury Circus,  
London EC2M 7DH, UK  
TEL 44-20-7012-4000

##### Paris Branch

Washington Plaza 40, rue Washington, 75408 Paris  
Cedex 08, France  
TEL 33-1-5383-4100

##### Düsseldorf Branch

Königsallee 60 D, 40212 Düsseldorf,  
F.R. Germany  
TEL 49-211-13020

##### Milan Branch

Via Senato 14/16, 20121 Milan, Italy  
TEL 39-02-760-861

##### Madrid Branch

Torre Picasso Planta 9,  
Plaza Pablo Ruiz Picasso, 1 AZCA,  
28020 Madrid, Spain  
TEL 34-91-597-2612

##### Bahrain Representative Office

Suite 201-202, Entrance 4,  
2nd Floor Manama Center,  
Manama, Bahrain  
(P.O. BOX 5759, Manama, Bahrain)  
TEL 973-224522

##### Tehran Representative Office

3rd Floor, No.1, 14th Street,  
Khaled Eslamboli Avenue, Tehran 1517, Iran  
TEL 98-21-872-6593

#### Asia and Oceania

##### Seoul Branch

Nae Wei Building, 6, 2-ka, Eulji-ro,  
Chung-ku, Seoul, Republic of Korea  
TEL 822-3782-8500

##### Shanghai Branch

25th Floor, HSBC TOWER., 101 Yin Cheng  
East Road, Pudong New Area, Shanghai  
200120, The People's Republic of China  
TEL 86-21-6841-0001

##### Dalian Branch

6th Floor, Senmao Building, Zhongshan  
Road 147, Xigang District, Dalian 116011, The  
People's Republic of China  
TEL 86-411-3602543

##### Beijing Branch

8th Floor, Chang-Fu-Gong Office Building, Jia 26,  
Jianguomenwai Street, Chaoyang District,  
Beijing 100022, The People's Republic of China  
TEL 86-10-6513-9026

##### Shenzhen Branch

21st Floor, Shenzhen International Financial Building,  
Jian She Lu, Shenzhen, Guangdong Province,  
The People's Republic of China  
TEL 86-755-82221918

##### Tianjin Representative Office

Room 2202, Tianjin International Building 75,  
Nanjing Road, Tianjin,  
The People's Republic of China  
TEL 86-22-23305448

##### Nanjing Representative Office

Room 801, Nanjing Grand Hotel, 208 Guangzhou  
Road, Nanjing, Jiangsu Province, The People's  
Republic of China  
TEL 86-25-3329379

##### Wuhan Representative Office

Room 305, Holiday Inn Tian-an Wuhan,  
868 Jiefang Dadao, Wuhan 430022,  
The People's Republic of China  
TEL 86-27-8582-1155

##### Xiamen Representative Office

Room 915, East Ocean Building Hotel, No.1  
Building, Zhongshan Road, Xiamen, Fujian  
361001, The People's Republic of China  
TEL 86-592-202-1111 (ex 2915)

##### Guangzhou Representative Office

12th Floor, Garden Tower, 368 Huanshi  
Dong Lu, Guangzhou 510064,  
The People's Republic of China  
TEL 86-20-8385-8000

##### Hong Kong Branch

17th Floor, Two Pacific Place, 88 Queensway,  
Hong Kong, S.A.R.,  
The People's Republic of China  
TEL 852-2103-3000

##### Taipei Branch

2nd Floor, Hung Kuo Building, 167 Tun Hua  
North Road, Taipei 105, Taiwan  
TEL 886-2-2715-3911

Note : All overseas offices are those of Mizuho Corporate Bank except for offices as indicated as follows:

\* Subsidiary of Mizuho Securities

\*\* Subsidiary of Mizuho Trust & Banking

**Kaohsiung Branch**

12th Floor, No.2, Chung Cheng 3rd Road, Kaohsiung  
800, Taiwan  
TEL 886-7-236-8768

**Manila Branch**

26th Floor, Citibank Tower, Valero Street corner  
Villar Street, Salcedo Village, Makati City,  
Metro Manila, Philippines  
TEL 63-2-848-0001

**Hanoi Branch**

Suite 403-407, 63 LTT Building,  
63 Ly Thai To Street, Hanoi,  
Socialist Republic of Vietnam  
TEL 84-4-826-6553

**Ho Chi Minh City Representative Office**

7th Floor, The Landmark, 5B Ton Duc Thang Street,  
District 1, Ho Chi Minh City,  
Socialist Republic of Vietnam  
TEL 84-8-8228-638

**Bangkok Branch**

18th Floor, TISCO Tower, 48 North Sathorn Road,  
Silom, Bangrak, Bangkok 10500, Thailand  
TEL 66-2-638-0200

**Labuan Branch**

Level 9 (B) & (C), Main Office Tower, Financial Park  
Labuan, Jalan Merdeka, 87000 Federal Territory of  
Labuan, Malaysia  
TEL 60-87-417766

**Labuan Branch, Kuala Lumpur  
Marketing Office**

Level 34, Menara Maxis, Kuala Lumpur City Centre,  
50088 Kuala Lumpur, Malaysia  
TEL 60-3-2070-6880

**Kuala Lumpur Representative Office**

Level 34, Menara Maxis, Kuala Lumpur City Centre,  
50088 Kuala Lumpur, Malaysia  
TEL 60-3-2070-6595

**Singapore Branch**

168 Robinson Road, #13-00 Capital Tower,  
Singapore 068912, Republic of Singapore  
TEL 65-6423-0330

**Mumbai Branch**

Maker Chamber III, 1st Floor, Jambhal Bajaj Road,  
Nariman Point, Mumbai, 400021 India  
TEL 91-22-2288-6638

**New Delhi Representative Office**

DBS Business Centre, 1st Floor, World Trade Tower,  
Barakhamba Lane, New Delhi 110 001 India  
TEL 91-11-2341-2190

**Sydney Branch**

Level 33, 60 Margaret Street, Sydney, N.S.W. 2000,  
Australia  
TEL 61-2-8273-3888

**Yangon Representative Office**

7th Floor, FMI Centre, No.380, Bogyoke Aung San  
Street, Yangon, Myanmar  
TEL 95-1-2341-009

**Jakarta Representative Office**

Plaza BII Menara 2, 24th Floor, Jl. M.H. Thamrin  
No. 51, Jakarta 10350, Indonesia  
TEL 62-21-392-9535

**Subsidiaries**

**Mizuho Corporate Bank (Canada)**

Suite1102, 100 Yonge Street, Toronto, Ontario,  
Canada M5C 2W1  
TEL 1-416-874-0222

**Mizuho Corporate Bank of California**

555 West Fifth Street, Los Angeles, CA 90013, U.S.A.  
TEL 1-213-612-2700

**Mizuho Corporate Bank (USA)**

1251 Avenue of the Americas, New York, NY 10020,  
U.S.A.  
TEL 1-212-282-3030

**Mizuho Capital Markets Corporation**

1440 Broadway, 25th Floor, New York, NY 10018,  
U.S.A.  
TEL 1-212-547-1500

**Mizuho Securities USA Inc. \***

Waterfront Corporate Center, 111 River Street  
11th Floor, Hoboken, NJ 07030, U.S.A.  
TEL 1-201-626-1000

**The Bridgeford Group, Inc. \***

445 Park Avenue, 20th Floor, New York, NY 10022,  
U.S.A.  
TEL 1-212-705-0880

**Mizuho Trust & Banking Co.(USA) \*\***

666 Fifth Avenue, Suite 802, New York, NY 10103,  
U.S.A.  
TEL 1-212-373-5900

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

1133 Avenue of the Americas, 28th Floor, New York,  
NY 10036, U.S.A.  
TEL 1-212-350-7650

**Mizuho Corporate Bank Nederland N.V.**

Apollolaan 171, 1077 AS Amsterdam,  
The Netherlands  
TEL 31-20-5734343

**Mizuho Corporate Bank (Germany)  
Aktiengesellschaft**

Taunustor 2,60311 Frankfurt am Main,  
F.R. Germany  
TEL 49-69-27282-0

**Mizuho Capital Markets (UK) Limited**

River Plate House, 7-11 Finsbury Circus, London  
EC2M 7DH, UK  
TEL 44-20-7972-9900

**Mizuho Corporate Bank-BA  
Investment Consulting GmbH**

Landhausgasse 4/7, 1010 Vienna, Austria  
TEL 43-1-5355868

**Mizuho International plc\***

Bracken House, One Friday Street,  
London EC4M 9JA, UK  
TEL 44-20-7236-1090

**Mizuho Bank (Switzerland) Ltd. \***

Loewenstrasse 32, 8023 Zurich, Switzerland  
TEL 41-1-216-9111

**Mizuho Trust & Banking  
(Luxembourg) S.A. \*\***

1B, Parc d'Activité Syrdall, L-5365 Munsbach,  
Luxembourg  
TEL 352-4216171

**DKB Investment Management  
International Limited**

Edinburgh One, Morrison Street, Edinburgh, EH3  
8BE, UK  
TEL 44-131-655-3200

**Fuji Investment Management  
Company (Europe) Limited**

Bracken House, One Friday Street, London, EC4M  
9JA, UK  
TEL 44-207-776-6400

**DLIBJ Asset Management  
International Ltd.**

Bracken House, One Friday Street, London, EC4M  
9JA, UK  
TEL 44-20-7329-3777

**PT. Bank Mizuho Indonesia**

Plaza BII Menara 2, 24th Floor, Jl. M.H. Thamrin  
No. 51, Jakarta 10350, Indonesia  
TEL 62-21-392-5222

**Mizuho Corporate Asia (HK) Limited**

17th Floor, Two Pacific Place, 88 Queensway,  
Hong Kong, S.A.R., The People's Republic of China  
TEL 852-2103-3040

**Chekiang First Bank Ltd.**

Chekiang First Bank Bldg., 60 Gloucester Road,  
Hong Kong, S.A.R., The People's Republic of China  
TEL 852-2922-1222

**Mizuho Corporate Leasing (Thailand)  
Co., Ltd.**

19th Floor, TISCO Tower 48/44 North Sathorn Road,  
Silom, Bangrak, Bangkok 10500, Thailand  
TEL 662-638-0900

**P.T. Dai-Ichi Kangyo Panin Leasing**

6th Floor, Panin Bank Centre, Jalan Jenderal  
Sudirman (Senayan), Jakarta 10270, Indonesia  
TEL 62-21-725-0285

**P.T. Jaya Fuji Leasing Pratama**

9th Floor, Jaya Bldg., Jalan, M.H. Thamrin 12,  
Jakarta 10340, Indonesia  
TEL 62-21-331-750

**Mizuho Corporate Asia (Singapore)  
Limited**

168 Robinson Rd, #11-02 Capital Tower,  
Singapore 068912, Republic of Singapore  
TEL 65-6416-0290

**Mizuho Capital Markets (HK) Limited**

2502, Gloucester Tower, The Landmark 11 Pedder  
Street, Central, Hong Kong, S.A.R.,  
The People's Republic of China  
TEL 852-2537-3815

**Mizuho Securities Asia Limited\***

Suites 901-907, CITIC Tower,  
1 Tim Mei Avenue, Central, Hong Kong, S.A.R.,  
The People's Republic of China  
TEL 852-2685-2000

**Mizuho Futures (Singapore) Pte.  
Limited\***

Six Battery Road, #18-05 Singapore 049909,  
Republic of Singapore  
TEL 65-221-3633

# Investor Information on Mizuho Holdings

## Date of Establishment

September 29, 2000

## Paid-in Capital

¥2,572,000 million

## Outstanding Shares

10,493,250.71 shares

Common Shares : 9,430,250.71 shares

Preferred Shares : 1,063,000 shares

## Number of Shareholders

Common Shares : 225,060

Preferred Shares : 9

## Principal Shareholders (Common Stock)

	Shares held	Percentage of shares outstanding (%)
The Dai-ichi Mutual Life Insurance Company	379,158.00	4.02
Japan Trustee Services Bank, Ltd. (Trust account)	300,013.00	3.18
The Master Trust Bank of Japan, Ltd. (Trust account)	241,551.00	2.56
NIPPON LIFE INSURANCE COMPANY	210,475.76	2.23
THE YASUDA MUTUAL LIFE INSURANCE COMPANY	175,618.00	1.86
Asahi Mutual Life Insurance Company	175,608.00	1.86
SOMPO JAPAN INSURANCE INC.	147,402.00	1.56
State Street Bank and Trust Company	134,815.00	1.42
UFJ Trust Bank Limited (Trust account A)	121,418.00	1.28
Shinsei Bank, Limited	77,476.12	0.82

(as of September 30, 2002)

## Stock Listings

Tokyo Stock Exchange  
Osaka Securities Exchange  
London Stock Exchange

## Accounting Auditors

Shin Nihon & Co.

## Transfer Agent

Mizuho Trust & Banking Co., Ltd.

## Fiscal Year

April 1 to March 31

## Convocation of General Meetings of Shareholders

A regular general meeting of shareholders of the Company shall be convened no later than three months from the last day of each business year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.

## Record Date

The Company shall deem shareholders having voting rights appearing in writing or digitally on the last register of shareholders (including the register of beneficial shareholders; the same shall apply hereinafter) as of March 31 of each year as the shareholders who shall be entitled to exercise their rights at the regular general meeting of shareholders for the relevant fiscal term.

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

## Dividends

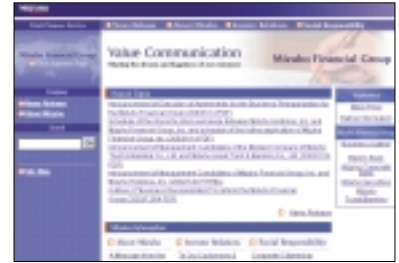
Dividends on shares shall be paid to the shareholders or registered pledgees appearing in writing or digitally on the last register of shareholders as of March 31 of each year or to the holders of fractional shares appearing in writing or digitally on the last register of holders of fractional shares as of March 31 of each year.

## Interim Dividends

The Company may, by a resolution of the Board of Directors, make cash distributions pursuant to the provisions of Article 293-5 of the Commercial Code (referred to as "Interim Dividends" in these Articles of Incorporation) to the shareholders or registered pledgees appearing in writing or digitally on the last register of shareholders as of September 30 of each year or to the holders of fractional shares appearing in writing or digitally on the last register of holders of fractional shares as of September 30 of each year.

## Mizuho Holdings, Inc.

Marunouchi Center Building,  
1-6-1, Marunouchi,  
Chiyoda-ku, Tokyo 100-8208,  
Japan  
Tel. +81-(0)3-5224-1111  
URL: <http://www.mizuho-fg.co.jp/>



## Mizuho Corporate Bank, Ltd.

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



## Mizuho Bank, Ltd.

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



## Mizuho Securities Co., Ltd.

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



## Mizuho Trust & Banking Co., Ltd.

Shinmarunouchi Building,  
1-5-1, Marunouchi,  
Chiyoda-ku, Tokyo 100-8240,  
Japan  
Tel. +81-(0)3-3240-7000  
URL: <http://www.mizuho-tb.co.jp/>



**MIZUHO**

Mizuho Financial Group