

## A Message from the Group CEO



I would like to express my sincerest thanks for your continued interest in and support of our group.

Reviewing the recent economic environment, in the United States, gradual recovery in the economy continues supported by positive trends in housing investment. However, there is increasing uncertainty as to the future of the economy including the direction that the large-scale austerity measures may take. In Europe, the economies of the region are gradually slowing down, with the fiscal problems experienced by certain countries impacting the real economy. While frameworks to support the countries experiencing financial crises have been laid out, including the establishment of the European Stability Mechanism (ESM), prospects for the Eurozone's debt problems to resolve themselves drastically and speedily are slim, and it is difficult to predict the effects on the global economy. In Asia, although the growth rate of the region as a whole is relatively strong, nevertheless it is declining. Observed in China, for example, are a drop in exports to Europe and the rising pressure for inventory adjustments in various industries.

In Japan, whereas factors to underpin the economy, such as the demand for reconstruction following the Great East Japan Earthquake, exist, the economy is not showing much improvement, mainly due to the slowdown in overseas economies. Looking forward, while there are prospects for the economy to be back on course for recovery, thanks to the new administration's economic stimulus measures, there are also several causes for concern, such as a further downturn in overseas economies

and changes in financial and capital markets. There is a risk that these factors may act as a drag on the economy.

### Progress in "Mizuho's Transformation Program"

Amid this environment, we have been taking aggressive initiatives to strengthen the three areas cited in Mizuho's Transformation Program, which was originally announced in May 2010. Reviewing the initiatives that we took, although certain issues still remain to be addressed, we believe we have made steady progress.

First, regarding our Program for Improving Profitability, our consolidated net income for the first half of fiscal 2012 amounted to ¥184.2 billion, mainly due to net losses related to stocks impacted by the decline in stock prices. However, in our main earnings generating businesses, consolidated net business profits amounted to ¥499.3 billion on the back of favorable results coming from our overseas business and Trading and Others and improvement in the performances of our securities subsidiaries. Thus, our attainment ratio was approximately 60% against our planned net business profits for fiscal 2012. Under our Program for Enhancing the Financial Base, we made major progress in strengthening the quality and quantity of our capital. Our consolidated Tier 1 capital ratio was 12.68%, already meeting our medium-term target of a 12% level. As regards our Program for Strengthening Front-Line Business Capabilities, we have implemented various measures, including streamlining and rationalizing our corporate management functions, reforming the structure of our IT costs and consolidating operations. We believe the foundation to prepare for the upcoming merger of Mizuho Corporate Bank and Mizuho Bank is being established successfully. Meanwhile, bearing in mind the computer system failures our group experienced in March 2011, which caused inconvenience to all of our customers, we have been implementing initiatives based on our Business Improvement Plans, which were submitted in June 2011. These initiatives include improving our response mechanism to deal with the occurrence of crises and verifying their effectiveness through training, improving our business administration, and enhancing our systems risk management capabilities. We will continue to be keenly aware of our public mission as financial institutions that bear responsibilities for the settlement system and take all necessary measures to ensure their stable operations.

Fiscal 2012, ending March 31, 2013, is the final year

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of our Transformation Program. We have positioned this fiscal year as a year for consummating our drive to deal with the previously mentioned three issues and, thus, strengthen our profitability, financial base and front-line business capabilities. We will, therefore, devote our fullest efforts to achieving the targeted ¥500 billion in consolidated net income. We plan to make a cash dividend payment of ¥6 per share of common stock for fiscal 2012, unchanged from our existing estimate, as well as make dividend payments on preferred stock as prescribed. Meanwhile, we started to pay an interim dividend on both our common stock and preferred stock from fiscal 2011.

### Transformation into “One Bank” and Integrated Group Management

In the last fiscal year, we set the course of our management policy to establish a new corporate structure and strengthen corporate governance to attain the “advanced and integrated group management.” More specifically, we have implemented a set of measures, starting with turning our trust banking and two securities subsidiaries into our wholly-owned subsidiaries in September 2011. We also merged Mizuho Securities and Mizuho Investors Securities in January 2013, and, furthermore, we are planning to conduct a merger of Mizuho Corporate Bank and Mizuho Bank in July this year. In addition, we plan to turn the new Mizuho Securities (established after the merger of Mizuho Securities and Mizuho Investors Securities) into a directly-held subsidiary of the holding company in the first half of fiscal 2013. By creating this group structure, we aim to maximize our differentiating features and our advantages as the only financial group in Japan with banking, trust banking and securities functions under one umbrella and, thereby, further improve customer convenience.

Regarding the merger of Mizuho Corporate Bank and Mizuho Bank, we implemented the “substantive one bank” structure in April 2012, prior to the effective date of the merger. This structure, under which Mizuho Corporate Bank and Mizuho Bank are managed as if they were “one bank,” was implemented in order to respond to all the needs of our customers more properly and flexibly than before. Nine months have now passed since we implemented this policy, and initiatives are proceeding steadily to draw fully on the strengths and advantages of both banks as well as offer products and services across group companies. We feel these initiatives have had a major positive impact in accelerating the emergence of

group synergies.

The preparations for the merger is progressing smoothly, and by further strengthening collaboration among banking, trust banking and securities businesses of the group, we will provide an effective and multifaceted range of financial services directly and speedily to our customers going forward. At the same time, we aim to maximize group profitability by enhancing further the integrated group-wide business operations and optimization of management resources through strengthening group governance and improving group management efficiency.

Mizuho is determined to make a fresh start by returning to the basics of our “customer first policy” as the core principle of our management. In order to become the most-trusted financial institution, serving society at large, the group will work as one on various issues under our slogan—“One MIZUHO: Building the future with you.” With this as a guiding principle, all of us, the management and the employees, will ask ourselves the question, “What are the best services we can offer to each of our customers?” We think this will enable us to further increase the quality of our services and become the “number one financial services provider.” In addition, by further building on these initiatives as a base, we will seek to create a unified corporate culture common to all group entities and work to enhance Mizuho's brand image.

Furthermore, we will endeavor to fulfill our social mission as a financial institution, and, in the facilitation of financing, we will continue to devote our efforts to providing our customers with a smooth supply of funds. We sincerely appreciate your continuing support for these endeavors.

January 2013



Yasuhiro Sato  
Group CEO

Chairman of the Board of Directors  
Mizuho Financial Group, Inc.

Note: The above contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. See the disclaimer at the bottom of page 1 of this Interim Review for information regarding factors that could cause actual results to differ from those in the forward-looking statements.