



As President and Group CEO of Mizuho Financial Group, I would like to express our deep appreciation for your continued interest in and support of our group.

First of all, I would like to take this opportunity to express our most sincere apologies to our stakeholders for the inconvenience and concern that we have caused in relation to the administrative order which Mizuho Financial Group and Mizuho Bank received.

### **Administrative Order to Mizuho Financial Group and Mizuho Bank**

On September 27, 2013, Mizuho Bank received an administrative order to take measures aimed at preventing and terminating transactions with anti-social elements in relation to a portion of certain joint loans. On December 26, Mizuho Financial Group, the holding company, and Mizuho Bank received an additional administrative order. Since severing relationships with anti-social elements is one of our primary responsibilities as a financial institution, the finding of this insufficiency in our activities is most regrettable and we take this matter with the utmost seriousness.

The business improvement plan, which we have already submitted to the Japanese Financial Services Agency, is progressing as planned, making use of our combined group strengths.

Furthermore, on December 26, to further enhance our group governance, we have decided basic policies for the establishment of a strong governance system, as well as establishment of designated organizations to strengthen our crisis management capabilities.

Through these measures, we will establish a forward-looking advanced management structure, and use it as a base for Mizuho's growth through contribution to customers, the economy, and society.

### **Domestic and International Economic Environment**

Reviewing the recent economic environment, visible signs of underlying strength, such as the bottoming out of the gradual slowdown in the European economy, are now being demonstrated by the global economy, which has continued weak recovery.

In the United States, moderate recovery in the economy continues due to an improvement in employment conditions which is reflected in the increase in consumer spending and other factors, although the risk of an economic slowdown remains. In Europe, signs of bottoming out can be seen as the GDP growth rate in the Euro area has become positive again, due to the improvement in company performances. In Asia, as the Chinese government has maintained its policy of restricting excess investment, the growth rate is relatively low compared to recent previous levels.

In Japan, on the other hand, gradual recovery in the economy continues due to the improved export situation following the depreciation of the yen against other currencies and the effects of economic measures and monetary policies, as well as other factors.

### **Summary of Financial Results for the First Half of Fiscal 2013**

Amid this environment, we were able to make a favorable start towards achieving the targets in our new medium-term business plan, the "One MIZUHO New Frontier Plan."

First of all, we made a strong start in our net income, reporting a record level of ¥429.7 billion, which was 85% against the original earnings plan. Income from Trading & Others decreased, however, Customer Group's income increased mainly due to higher income from domestic business, particularly Non-interest Income, as well as income from overseas business, particularly in Asia. Net Operating Revenues of Mizuho Securities also increased mainly due to increases in equity brokerage commissions as well as commissions and fees related to sales of investment

trusts. We also made steady progress in fully realizing our strength of integrated management of banking, trust, and securities functions, in terms of both structure and revenues. We attained 80% of our annual targets during the interim period for the One MIZUHO Synergy.

Next, concerning capital adequacy, we have exceeded the Common Equity Tier 1 capital ratio (on a fully-effective basis, including the Eleventh Series Class XI Preferred Stocks\*) of 8%, a target level we set in our medium-term business plan.

\*Although preferred stocks are not classified as Common Equity Tier 1 (CET1) capital under Basel III, our calculation includes the Eleventh Series Class XI Preferred Stock (mandatory conversion date: July 2016) in CET1 capital.

## Full-scale Start of the One MIZUHO Structure

In July 2013, Mizuho Bank and Mizuho Corporate Bank merged as planned, and the new Mizuho Bank was born.

We have made steady progress toward our objective of establishing the new group management structure. Our trust banking and securities companies became wholly-owned subsidiaries in September 2011; we commenced operations as a substantive one bank in April 2012; and launched a new “Mizuho Securities” in January 2013. As a result of this merger, the initiatives we have been implementing to date have been completed for the time being, and we have now formed a structure with the holding company determining and promoting group-wide strategies in a unified manner and with a sense of speed.

By establishing this new group management structure, we aim to further maximize our differentiating features and strengths as a financial group in Japan with banking, trust, and securities functions under one umbrella and, thereby, further improve customer convenience.

For the new Mizuho Bank, now that the merger has been concluded, we are well aware that this fiscal year will be a time when its true strength will be tested. As Japan's leading bank with one of the largest customer base in the country, and under the banner of “One MIZUHO,” Mizuho Bank will draw on the group's comprehensive capabilities, our group's biggest competitive advantage, which is to meet the diverse needs of our customers through services only Mizuho can provide, and will contribute to the prosperity of economies and societies throughout the world. Furthermore, we will endeavor to fulfill our social mission as a financial institution, and continue to devote our efforts to providing our customers with a smooth supply of funds.

## In Conclusion

In view of the administrative order, to attain our stated objective of being “the most trusted” financial group, we will not stop with just severing relationships with anti-social elements. We must also strongly renew our awareness of the necessity of creating more enhanced governance systems and taking drastic steps to improve our corporate culture.

I will take the lead in devoting our fullest efforts to restoring customer confidence and will address forthrightly the issues we face. We must reflect sincerely on these issues and understand this as a time for strengthening our awareness of our social responsibilities and public mission as a financial institution and to devote our utmost efforts to building a stronger organization.

We sincerely appreciate your continuing support for these endeavors.

January 2014



Yasuhiro Sato  
President & Group CEO  
Mizuho Financial Group, Inc.  
President & CEO  
Mizuho Bank, Ltd.

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.

## Mizuho Trust & Banking



As part of the Mizuho group, we would like to take this opportunity to express our most sincere apologies to our valued customers and to society at large for the inconvenience and concern that we have caused in relation to Mizuho Financial Group and Mizuho Bank's administrative order.

We recognize the importance of our responsibility to society as a financial institution and our public mission, and are endeavoring to enhance our compliance and risk management structures.

### Mizuho Trust & Banking's Services

As Mizuho's sole trust bank providing trust functions, we endeavor to meet the various needs of our customers through offering products and services that make use of the special features of trusts. At the same time, we are promoting integrated group management of banking, trust, and securities functions.

For individual customers, we offer comprehensive services unique to trust banks based on our sophisticated expertise. Our services range from asset management, including money trusts and other products, to real estate and consulting on asset and business inheritance.

For corporate customers, we provide the best trust-related solutions to address their management needs through trust services, including real estate-related trusts, securitization, and other services where we have strengths as well as our financial consulting services. Also, we will continue to enhance our service structure for offering advanced products in the pensions and asset management functions.

### To become the "Trust Bank that is Most Trusted by Customers"

Based on the medium-term business plan formulated in April 2013, we will thoroughly pursue integrated

management of banking, trust, and securities functions and endeavor to enhance our trust and consulting functions to provide comprehensive financial services to group customers.

Specifically, we are establishing joint branches with Mizuho Bank and Mizuho Securities and are also setting up Trust Lounges that specialize in offering consultation services, to provide unique trust services, including asset inheritance and real estate-related business. Furthermore, we will accelerate initiatives only Mizuho can provide by taking advantage of our group strengths, such as offering Educational Grant Trusts at Mizuho Bank, enhancing testamentary related business at all branches of Mizuho Securities, and other activities.

To tackle the challenge of expanding the possibilities for new trust products and services, in May 2013, we became the first Japanese trust bank to conclude trust arrangements for solar power generation facilities as part of its activities to broaden services for customers entering the renewable energy source business.

We will continue to strengthen our development of new products and services that respond to a broad spectrum of customer needs, and contribute to economic, social, and regional development by focusing on opening new frontiers in the trust business.

Under the spirit of One MIZUHO, we aim to become the "trust bank that is most trusted by customers."

We sincerely appreciate your continuing patronage.

January 2014



Takeo Nakano  
President & CEO  
Mizuho Trust & Banking Co., Ltd.

## Mizuho Securities



As part of the Mizuho group, we would like to take this opportunity to express our most sincere apologies to our valued customers and other stakeholders for the inconvenience and concern that we have caused in relation to Mizuho Financial Group and Mizuho Bank's administrative order.

We intend to continue focusing on establishing a business operation structure with more reliable procedures to restore public trust.

### Mizuho Securities' Services

Under the slogan of "One MIZUHO: Building the future with you," we will promote seamless collaboration between banking, trust, and securities businesses and thereby provide high-value-added securities services to Mizuho's customers.

For individual customers, we provide financial products including equities, bonds, and investment trusts as well as timely research information, by leveraging our industry-leading branch network and other channels such as the Internet and call centers.

For corporate customers, we offer equities, bonds and other securities underwriting operations, support for listing stocks, advisory services for various types of financial matters and capital management, M&A advisory, structured finance and other solutions closely in line with the business strategies of our customers.

For customers among institutional investors, in addition to providing products and various research reports that suit their investment strategies, we are further reinforcing our execution capabilities, thus meeting the increasingly sophisticated needs of our customers.

### Mizuho Securities' Medium-term Business Plan and Initiatives for 2013

Based on Mizuho's new medium-term business plan, we

have launched our own medium-term business plan covering the period from fiscal 2013 through fiscal 2015.

This year, we made a favorable start by devoting our efforts to addressing the key challenges which confront us, working toward early realization of synergy benefits to be generated by the merger, and steadily implementing our medium-term business plan, which is in its first year.

Also, as a One MIZUHO initiative, we are accelerating integrated management of banking, trust, and securities functions by establishing joint branches with Mizuho Bank and Mizuho Trust & Banking, collaborating on NISA related business with Mizuho Bank, expanding the "dual-hat" structure with Mizuho Bank, and expanding our testamentary-related business by making all our branches agents of Mizuho Trust & Banking.

We set two key goals in our medium-term business plan. First, as a participant in financial and capital markets, we set the goal of striving to provide growth capital through markets and contribute to the economic growth of Japan, Asia, and the world through sound development of markets. Second, we set the goal of working to become a company which helps our customers to build up their assets and enhance their corporate value, and which shares in the joy of their success. To achieve these two objectives, we will build on our current strengths and take our capabilities to the next level as we substantially enhance our collaboration with Mizuho's banking and trust banking arms, to offer even higher-value-added products and services.

We sincerely appreciate your continuing support.

January 2014



Hiroshi Motoyama  
President & CEO  
Mizuho Securities Co., Ltd.