Information Material related to Risk Management

(September 2014)

Mizuho Financial Group

One MIZUHO
Building the future with you

Forward-looking Statements

This presentation contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.
In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.
We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; decrease in the market liquidity of our assets; revised assumptions or other changes related to our pension plans; a decline in our deferred tax assets; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our Medium-term Business Plan, realize the synergy effects of ‘One MIZUHO’ and implement other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; and changes to applicable laws and regulations.
Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information—Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”) and our report on Form 6-K furnished to the SEC on January 27th, 2015, both of which are available in the Financial Information section of our web page at www.mizuho-fg.co.jp/english/ and also at the SEC’s web site at www.sec.gov.
We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.

Definitions

New Bank (Mizuho Bank) was established on July 1, 2013 through the merger between former Mizuho Bank and former Mizuho Corporate Bank (surviving entity)

Figures of Mizuho Bank up to 1Q FY2013 are simple aggregate figures of former Mizuho Bank and former Mizuho Corporate Bank

FG: Mizuho Financial Group, Inc.
BK: Mizuho Bank, Ltd.
TB: Mizuho Trust & Banking Co., Ltd.
SC: Mizuho Securities Co., Ltd.

former CB: Former Mizuho Corporate Bank before the merger
former BK: Former Mizuho Bank before the merger

2 Banks: Aggregate figures for BK and TB on a non-consolidated basis
BK+TB+SC: Aggregate figures for BK, TB and SC (including major subsidiaries) on a non-consolidated basis

Unless otherwise specified, the financial figures used in this presentation are based on Japanese GAAP
This presentation does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities

Contents

1. Major Risk Types and Management

- Mizuho Financial Group (the group) classifies its risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manages each type of risk according to its characteristics.

Risk Type	Definition	Management Structure, etc.
Credit Risk	● The risk of losses that may be incurred due to a decline in, or total loss of, the value of assets (including off-balance-sheet instruments), as a result of deterioration in obligors' financial position	● Adopting two different but mutually complementary approaches; "credit management," in which we manage the process for each individual transaction and individual obligor, and "credit portfolio management," in which we utilize statistical methods to assess the potential for losses related to credit risk
Market Risk	● The risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates ● The risk of losses incurred when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual	● Setting limits for VaR and for losses ● Setting position limits based on interest rate sensitivity as needed, for banking activities
Liquidity Risk	● The risk of losses arising from funding difficulties due to a deterioration in our financial position that makes it difficult for us to raise necessary funds or that forces us to raise funds at significantly higher interest rates than usual	● Measuring liquidity risk using indicators pertaining to the state of funding, such as limits on funds raised in the market ● Defining the liquidity categorization (liquidity stages) which reflect the states of funding, ranging from "normal" to ""anxious" and "crisis" and specifying the management actions to be executed when the stage is "anxious" or "crisis" (in addition, detailing a plan of immediate operations in emergency situations)
Operational Risk	● The risk of loss that the group may incur resulting from inadequate or failed internal processes, people and systems or from external events	● Determining risk management policies concerning risk management structures and methods for each kind of risk, with recognition that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory change risk and reputational risk ● Measuring operational risk (Operational VaR) on a regular basis

2. Risk-weighted Assets (RWA) by Risk Type and Operating Entity

(JPY Tn)

	Credit Risk		Market Risk		Operational Risk		Total	
	Sep. 14	Change from Mar. 14	Sep. 14	Change from Mar. 14	Sep. 14	Change from Mar. 14	Sep. 14	Change from Mar. 14
FG (Consolidated)	**54.9**	**0.8**	**2.8**	**-0.0**	**3.0**	**-0.1**	**60.8**	**0.5**
BK (Consolidated)	50.6	0.9	1.4	0.5	2.1	-0.0	54.2	1.4
BK (Non-consolidated)	49.8	0.9	1.4	0.4	1.9	-0.0	53.1	1.3
TB (Consolidated)	2.3	0.0	0.0	-0.0	0.2	-0.0	2.5	0.0
TB (Non-consolidated)	2.3	0.0	0.0	-0.0	0.1	-0.0	2.5	0.0

- Total RWA of FG (consolidated) as of September 30, 2014 was JPY 60.8Tn
- Credit Risk was JPY 54.9Tn, constituting about 90% of total RWA
- Total RWA of BK (consolidated) as of September 30, 2014 was JPY 54.2Tn, constituting about 90% of total RWA
- Total RWA of FG (consolidated) increased by JPY 0.5Tn from March 31, 2014. Mainly due to increase in Credit Risk by JPY 0.8Tn.
  (see page 6 for details)

3. Credit Risk (1) Outstanding Loan Balances and Non-Accrual, Past Due & Restructured Loans

(JPY Bn)

2 Banks	Sep. 2014		Change		Mar. 2014	
	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans
Domestic Total (excluding Loans Booked Offshore)	56,437.5	714.3	-755.1	-85.4	57,192.7	799.8
Overseas Total (including Loans Booked Offshore)	15,336.2	90.5	1,534.2	-19.4	13,802.0	110.0
Total	71,773.8	804.8	779.0	-104.9	70,994.8	909.8

(Reference) Status of Loans by Region

(JPY Bn)

2 Banks	Sep. 2014		Change		Mar. 2014	
	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans	Outstanding Balance	Non-Accrual, Past Due & Restructured Loans
Asia	5,908.2	17.6	597.7	-6.8	5,310.4	24.4
Central and South America	3,780.4	137.0	227.0	-26.1	3,553.4	163.2
North America	4,381.6	1.7	488.1	1.6	3,893.5	0.1
Eastern Europe	29.2	4.6	3.4	0.2	25.8	4.3
Western Europe	2,642.6	30.5	-22.8	-11.4	2,665.4	41.9
Other	1,590.7	9.9	114.8	-1.4	1,475.9	11.3
Total	18,332.9	201.6	1,408.2	-43.8	16,924.6	245.4

Major factors of decrease / increase

- Due to the depreciation of the Japanese yen and other factors, amounts of Outstanding Balances increased for overseas
- Due to improvement of customer's categorization achieved through our efforts to support revitalization of customer companies and other factors, amounts of Non-Accrual Past Due & Restructured Loans decreased for both domestic and overseas

(Note1) Amounts of Outstanding Balances are the aggregate figures for banking and trust accounts, and amount of Non-Accrual, Past Due & Restructured Loans are the aggregate figures for banking accounts and trust accounts with contracts indemnifying the principal amounts.

(Note2) "Status of Loans by Region" is based on the location of its head office.

3. Credit Risk (2) Credit Risk-weighted Assets by Asset Class and Ratings Segment

(JPY Tn)

	Credit RWA			EAD			Risk Weight		
	Mar. 14	Sep. 14	Change from Mar. 14	Mar. 14	Sep. 14	Change from Mar. 14	Mar. 14	Sep. 14	Change from Mar. 14
Internal ratings-based approach	46.7	47.7	0.9	173.7	174.3	0.6	26.9%	27.3%	0.4%
Corporate, etc.	28.5	27.6	-0.8	148.1	148.3	0.2	19.2%	18.6%	-0.5%
Corporate[1]	25.3	24.4	-0.9	63.4	66.0	2.6	39.9%	36.9%	-3.0%
Ratings A1-B2	11.0	11.5	0.5	42.2	45.6	3.4	26.0%	25.3%	-0.7%
Ratings C1-D3	11.2	10.6	-0.5	18.2	18.0	-0.1	61.4%	58.7%	-2.7%
Ratings E1-E2	2.8	1.9	-0.8	1.9	1.4	-0.4	143.3%	132.6%	-10.6%
Ratings E2R-H1	0.3	0.2	-0.0	1.0	0.8	-0.1	32.5%	32.5%	-0.0%
Sovereign	1.0	1.1	0.0	77.9	75.3	-2.5	1.3%	1.4%	0.1%
Ratings A1-B2	0.9	1.0	0.1	77.8	75.2	-2.5	1.2%	1.4%	0.2%
Ratings C1-D3	0.0	0.0	-0.0	0.0	0.0	-0.0	86.1%	70.0%	-16.1%
Ratings E1-E2	0.0	0.0	-0.0	0.0	0.0	-0.0	85.6%	50.8%	-34.8%
Ratings E2R-H1	0.0	0.0	-0.0	0.0	0.0	-0.0	60.4%	60.5%	0.0%
Bank	1.7	1.7	0.0	6.5	6.7	0.1	26.5%	26.2%	-0.3%
Ratings A1-B2	1.3	1.4	0.0	5.9	6.1	0.1	23.0%	22.8%	-0.2%
Ratings C1-D3	0.3	0.3	-0.0	0.5	0.5	0.0	63.5%	61.9%	-1.5%
Ratings E1-E2	0.0	0.0	0.0	0.0	0.0	0.0	131.4%	171.7%	40.3%
Ratings E2R-H1	0.0	0.0	-0.0	0.0	0.0	-0.0	42.1%	26.2%	-15.9%
Specialized lending[2]	0.3	0.3	-0.0	0.2	0.2	-0.0	147.6%	144.1%	-3.5%
Retail	5.1	5.2	0.0	13.5	13.4	-0.1	37.8%	38.7%	0.9%
Residential mortgage	3.4	3.4	0.0	10.3	10.2	-0.1	33.2%	34.1%	0.9%
Qualifying revolving loan	0.2	0.3	0.0	0.4	0.4	0.0	67.6%	66.3%	-1.2%
Other retail	1.3	1.3	0.0	2.7	2.7	-0.0	50.5%	51.5%	1.0%
Equities	6.0	7.4	1.3	4.2	4.8	0.5	141.2%	155.3%	14.0%
PD/LGD approach	1.6	5.2	3.6	1.1	4.1	2.9	136.6%	127.0%	-9.5%
Transitional measure applied	2.8		-2.8	2.6		-2.6	108.1%		
Market-based approach	1.6	2.2	0.6	0.4	0.6	0.1	328.7%	324.9%	-3.7%
Securitizations	0.5	0.5	-0.0	3.0	3.0	0.0	19.1%	16.3%	-2.8%
Regarded-method exposure	4.2	5.1	0.8	1.7	2.1	0.4	243.7%	233.4%	-10.3%
Others	2.1	1.7	-0.3	2.9	2.5	-0.4	74.6%	71.0%	-3.5%
Standardized approach	4.6	4.4	-0.2	7.1	8.5	1.3	64.7%	51.5%	-13.1%
CVA risk	2.4	2.4	0.0						
Central counterparty-related	0.2	0.3	0.0						
Total	**54.0**	**54.9**	**0.8**	**180.8**	**182.9**	**2.0**	**29.8%**	**30.0%**	**0.1%**

Credit RWA increased by JPY 0.8Tn from March 2014

■ Major factors of increase

- Equities +JPY 1.3Tn
  Mainly due to as follows
  - shift of measurement approach from Traditional measure applied to PD/LGD or Market- based approach because of expiration of the applicable period
  - an increase in the price of stock in our portfolio
- Regarded-method exposure +JPY 0.8Tn
  Mainly due to an increase in exposure to funds

■ Major factors of decrease

- Corporate -JPY 0.9Tn
  Mainly due to an improvement in quality of credit exposure

*1: "Corporate" does not include specialized lending exposure under supervisory slotting criteria
*2: Specialized lending exposure under supervisory slotting criteria

(Reference) Relationship between Obligor Ratings, Definition of Obligor Classifications of Self-Assessments and Claims Disclosed under the Financial Reconstruction Law

<table>
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<tr><td rowspan="4">Normal Obligors</td><td>A1-A3</td><td>Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.</td><td rowspan="2">Investment Grade Zone</td><td rowspan="6">Normal Claims</td></tr>
<tr><td>B1-B2</td><td>Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.</td></tr>
<tr><td>C1-C3</td><td>Obligors whose certainty of debt fulfillment and their level of credit risk poses no problems for the foreseeable future.</td><td rowspan="4">Non-investment Grade Zone</td></tr>
<tr><td>D1-D3</td><td>Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future environmental changes is low.</td></tr>
<tr><td rowspan="3">Watch Obligors</td><td>E1</td><td rowspan="3">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.</td></tr>
<tr><td>E2</td></tr>
<tr><td>R</td><td rowspan="4">Default</td><td>Claims for Special Attention</td></tr>
<tr><td>Intensive Control Obligors</td><td>F1</td><td>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).</td><td>Claims with Collection Risk</td></tr>
<tr><td>Substantially Bankrupt Obligors</td><td>G1</td><td>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.</td><td rowspan="2">Claims against Bankrupt and Substantially Bankrupt Obligors, and equivalent</td></tr>
<tr><td>Bankrupt Obligors</td><td>H1</td><td>Obligors who have already gone bankrupt, from both a legal and/or formal perspective.</td></tr>
</table>

4. Liquidity Risk Status of Liquid Assets

Mizuho Financial Group (Consolidated)

(JPY Bn)

	Mar. 2014	Sep. 2014
Cash and Due from Banks (including Due from Central Banks)	20,610.2	23,260.6
Trading Securities	7,038.3	9,246.6
Securities	43,307.9	45,208.2
Bonds Held to Maturity	4,040.0	4,867.1
Other Securities	39,267.8	40,341.1
Japanese Stocks	3,110.8	3,470.1
Japanese Bonds	25,094.5	25,354.0
Japanese Government Bonds	22,057.5	22,353.6
Japanese Local Government Bonds	244.6	241.6
Japanese Corporate Bonds	2,792.3	2,758.6
Other	11,062.4	11,517.0
Foreign Bonds	9,114.2	9,042.8
Other	1,948.2	2,474.1
Total	**70,956.5**	**77,715.6**
Portion pledged as collateral	-23,298.0	-21,965.8
Total after the deduction above	**47,658.4**	**55,749.7**

(Note 1) All securities included in the table above have fair value.
(Note 2) Portion pledged as collateral mainly consists of securities and others collateralized for borrowed money, foreign and domestic exchange transactions or derivatives transactions, or substituted for margins for futures transactions.

1. Liquid Assets held in our group

- Our group holds plentiful liquid assets, including central bank reserves and government bonds.
- Our group keeps abundant amounts of liquid assets to turn into cash for contingency funding plans even after excluding encumbered assets such as those pledged as collateral.

2. Basel III Liquidity Regulation

- Our group holds adequate high-quality liquid assets required by liquidity regulation.

<Outline of Liquidity Regulation (LCR) >

- LCR (Liquidity Coverage Ratio) will be introduced at the end of March 2015 as a Pillar I requirement of Basel III liquidity regulation.
- After LCR is in effect, we will be required to hold a certain amount of high-quality liquid assets as reserves to meet cash outflows anticipated during a 30 days stress period.

5. BIS Capital

Mizuho Financial Group (Consolidated)

(JPY Bn)

	Mar. 2014	Sep.2014	Change
Common Equity Tier 1 Capital (CET1)	5,304.4	**5,677.2**	372.8
Instruments and Reserves	5,506.5	**5,893.0**	386.4
Capital and Stock surplus	3,051.8	**3,087.5**	35.6
Retained earnings	2,314.7	**2,598.1**	283.3
Earnings to be distributed (-)	88.0	**88.1**	0.1
Other comprehensive income	156.2	**227.0**	70.7
Common share capital issued by subsidiaries and held by third parties	72.4	**70.3**	-2.1
Regulatory Adjustments	202.1	**215.7**	13.6
Intangible assets	85.0	**87.9**	2.8
Net defined benefit asset	53.2	**59.6**	6.4
Investments in the capital of banking, financial and insurance entities	57.0	**57.8**	0.7
Additional Tier 1 Capital (AT1)	1,540.3	**1,539.9**	-0.4
Instruments	1,641.0	**1,641.0**	-0.0
Additional Tie1 capital instruments	-	**-**	-
Eligible Tier 1 capital instruments subject to phase-out arrangements	1,666.5	**1,666.5**	-
AT1 instruments issued by subsidiaries and held by third parties	25.3	**27.9**	2.5
Foreign currency translation adjustments	-50.8	**-53.4**	-2.6
Regulatory Adjustments	100.7	**101.0**	0.3
Intangible assets	75.0	**72.3**	-2.6
Investments in the capital of banking, financial and insurance entities	21.3	**23.9**	2.6
Tier 1 Capital (T1 = CET1 + AT1)	6,844.7	**7,217.2**	372.4
Tier 2 Capital (T2)	1,811.2	**1,950.3**	139.0
Instruments and Provisions	1,993.2	**2,127.6**	134.3
Tier 2 capital instruments	154.3	**264.1**	109.7
Eligible Tier 2 capital instruments subject to phase-out arrangements	1,349.6	**1,196.1**	-153.5
Tier 2 instruments issued by subsidiaries and held by third parties	8.1	**8.9**	0.8
Unrealized gains on other securities	394.1	**573.0**	178.8
Revaluation reserve for land	79.8	**79.8**	-0.0
Regulatory Adjustments	182.0	**177.3**	-4.6
Investments in the capital of banking, financial and insurance entities	180.3	**175.0**	-5.3
Total Capital (TC = T1 + T2)	8,655.9	**9,167.5**	511.5
Risk Weighted Assets	60,274.0	**60,865.9**	591.8

Common Equity Tier 1 Capital Ratio	8.80%	**9.32%**	0.52%
Tier 1 Capital Ratio	11.35%	**11.85%**	0.50%
Total Capital Ratio	14.36%	**15.06%**	0.70%

Key results of new issuance, redemption and others for 1H FY 2014

■ Common Equity Tier 1 Capital

- Net Income for 1H FY 2014: JPY 355.2Bn
- Conversion of Eleventh Series Class XI Preferred Stock to common stock during 1H FY 2014: JPY 34.7Bn

  (Balance of the Eleventh Series Class XI Preferred Stock as of September 2014: JPY 277.8Bn)

■ Additional Tier 1 Capital

<Redemption>

- Preferred Securities: USD 850M, JPY 139.5Bn

■ Tier 2 Capital

<New Issuance>

- Subordinated bonds issued through domestic public offerings: JPY 100.0Bn

<Redemption>

- Subordinated bonds issued through overseas offering: USD 1.5Bn
- Subordinated bonds issued through domestic public offerings: JPY 181.0Bn

(Reference) List of Disclosure Materials related to Risk Management

	Annual Review	(US GAAP) Form 20-F	(US GAAP) Form 6-K	(Pillar 3) Form 6-K	Information Material related to Risk Management	IR Presentation Appendices
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