



Mizuho Financial Group CSR REPORT 2005

Business Overview

Group Overview

Mizuho Financial Group (MHFG) was inaugurated in September 2000 with the establishment of Mizuho Holdings as a holding company for its subsidiaries Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan. Today, Mizuho Financial Group serves as the financial holding company for a corporate group that provides comprehensive financial services, including banking, securities, trust and asset management.

On October 1, 2005, the principal functions of the group's companies—banking, securities, trust, and asset management—were reorganized into three global groups. The Global Corporate Group is led by Mizuho Corporate Bank and provides borderless services to large companies and financial institutions, the Global Retail Group is spearheaded by Mizuho Bank and provides services to small and medium-sized enterprises, middle market corporations, and individual customers, and the Global Asset & Wealth Management Group offers services with focus on asset management and investment. MHFG has converted to a structure capable of promptly and precisely responding to the diverse needs of customers.

| | |
|---------------------------------------|---|
| Company Name | Mizuho Financial Group, Inc. |
| Head Office | 1-5-5 Otemachi Chiyoda ward, Tokyo 100-0004 |
| Establishment | January 2003 |
| Employees (Consolidated) | 45,966 <small>(Employees (not including part-time and temporary employees) and executive officers)</small> |
| Total assets (Consolidated) | ¥146.887 trillion |
| Capital adequacy ratio (Consolidated) | 10.73% |
| Total outstanding shares | 13,409,425.49 |
| Common shares | 12,003,995.49 |
| Preferred shares | 1,405,430 |

(As of September 30, 2005)

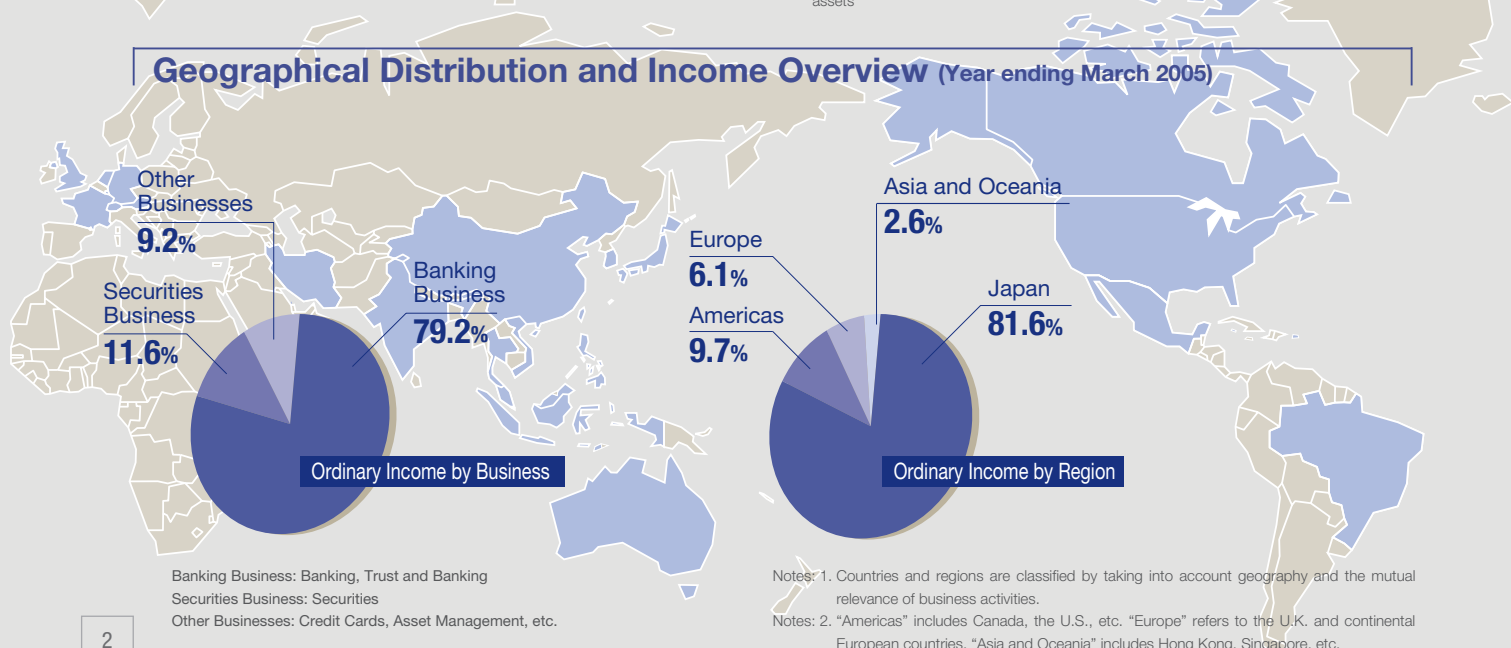
Group Operations

| Holding Company | | Global Asset & Wealth Management Group | |
|-----------------------------------|---|--|---|
| Mizuho Financial Group, Inc. | Financial holding company that manages the companies in the Mizuho Financial Group. | Mizuho Trust & Banking (MHTB) | A trust bank that possesses strengths in both the corporate and individual markets. |
| Global Corporate Group | | Mizuho Private Wealth Management | A general consulting company that addresses the diverse financial and non-financial needs of ultra-high net worth customers*. |
| Mizuho Corporate Bank (MHCB) | MHCB focuses on corporate finance, primarily serving large corporations (such as those listed on the first sections of domestic stock exchanges), financial institutions and their group companies, public sector entities, and overseas corporations including subsidiaries of Japanese companies. | Trust & Custody Services Bank (TCSB) | A highly specialized trust bank focusing on the custody business. |
| Mizuho Securities (MHSC) | A wholesale securities company whose customers are institutional investors, corporations, financial institutions and public corporations in Japan and overseas. | Dai-ichi Kangyo Asset Management (DKA) | An asset management company. |
| Global Retail Group | | Fuji Investment Management (FIMCO) | An asset management company. |
| Mizuho Bank (MHBK) | MHBK serves primarily individuals, SMEs, and middle market corporations, and local governments in Japan. | DLIBJ Asset Management (DIAM) | An asset management company. |
| Mizuho Investor Securities (MHIS) | A securities company that focuses on serving the group's customers. | Strategic Group Subsidiaries | |
| UC Card | Credit card affiliate and processing company. | Mizuho Financial Strategies | An advisory company providing expertise to meet the reorganization and revitalization-related needs of regional financial institutions. |
| Mizuho Capital | The group's principal venture capital company. | Mizuho Research Institute (MHR) | A think tank. |
| Shinko Securities | A comprehensive securities company that focuses on the middle and retail markets. | Mizuho Information & Research Institute (MHIR) | A general information and research company focusing on information technology. |

(As of December 2005)

* Customers who have entrusted the group with extremely large amounts of investment assets

Geographical Distribution and Income Overview (Year ending March 2005)



Editorial Policy

This report constitutes the first report put out by the group on corporate social responsibility (CSR). The aim of the report is to enhance communication with stakeholders by conveying the group’s initiatives in the area of CSR as well as to serve as an opportunity for reviewing the current status of those initiatives. MHFG plans to issue CSR reports annually.

The report is organized as follows.

Special Section: Three special sections are provided to facilitate consideration of the group’s CSR activities.

“What is Finance?” explains the roles played by finance in society. “Mizuho—Soaring to a New Phase” introduces the history of MHFG from its founding to present, and then highlights the roles the group will strive to fulfill in the future. “Finance that Shapes the Future” introduces the main businesses of the group.

Governance & Management: Lays out the group’s management principles and polices and provides an overall picture of its CSR activities. This section also explains the group’s system for promoting these activities.

Economic Report: Reports the status of current activities primarily with data that provide an overview of the group’s operations.

Social Report: Reports the group’s initiatives through its relationships with four types of stakeholders: customers, shareholders, employees and local communities.

Environmental Report: Provides a summary of environment-related activities at group companies and reports on initiatives at MHFG to reduce environmental impact.

Third-Party Opinion: The group solicited an assessment and statement on its overall CSR initiatives from an independent third-party.

In preparing this report, reference was made to GRI’s* Sustainability Reporting Guidelines and Financial Services Sector Supplement. Financial information, including risk management and activities to improve asset quality, is provided in the Disclosure Report, which is issued separately. Please refer to it in conjunction with the CSR Report.

* GRI stands for Global Reporting Initiative. It is an international organization established in 1997 for the purpose of creating globally applicable guidelines related to sustainability reports issued by corporations and other bodies.

Scope of Select Terms:

This report defines the scope of select terms as follows.

Mizuho Financial Group (MHFG)

Refers to Mizuho Financial Group, Inc. on a non-consolidated basis.

The group, Mizuho and any “first-person” narrative

Refers to Mizuho Financial Group, Inc. and its principal group companies in Japan and overseas. (Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, Mizuho Investors Securities, Trust & Custody Services Bank, Dai-Ichi Kangyo Asset Management, Fuji Investment Management, DLIBJ Asset Management, Mizuho Research Institute, Mizuho Information & Research Institute, Mizuho Advisory, Mizuho Financial Strategies, and Mizuho Private Wealth Management)

Employees

A collective designation for all employees working at the group in Japan and overseas, except non-permanent and temporary employees and executive officers.

Period Covered: The report primarily covers the period from April 1, 2004 to March 31, 2005, and also incorporates important information since April 2005.

Issue Date: May 2006

Next Planned Issue: November 2006

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Message from Management



Mizuho Financial Group, Inc.
President & CEO

T. Maeda

Why is Mizuho Financial Group, Inc. (MHFG) releasing its first CSR Report? What is the significance of that?

Mizuho organized itself around a holding company in April 2002, beginning a system of business segmentation by group companies tailored to specific customer segments and company functions. Since then our response to some very challenging management issues—a systems failure, handling of bad debts, repaying public funds, and so on—has taken on new speed, allowing us to carry out management reform. As a result, we have come to recognize a turning point in our management from the conventional “emergency-reaction” mode, aiming to regain customers’ trust, to a “future-minded, customer-oriented” approach in which we help build a better future for our customers.

Reflecting this, our “Channel to Discovery” Plan, the business strategy announced in April 2005, includes stronger CSR initiatives among our management goals. Factors stimulating this reinforcement of CSR include the expanding scope of our business activities and the increasing globalization of our market, which in turn have changed the role that we as an enterprise are expected to play and now we must take pro-social and

pro-environmental initiatives as a natural part of our duties.

To meet these social needs, take a long term perspective and actively engage in high-quality CSR initiatives, we have compiled our wide-ranging efforts made so far into this CSR Report so that we can share this information with our stakeholders and facilitate future dialogue with them.

What is MHFG’s perspective on CSR?

Upon the establishment of a joint holding company in September 2000, we formulated the Mizuho Code of Conduct, which has been adopted by each of our group companies. The Mizuho Code of Conduct does not specifically use the term CSR but it does set out Mizuho’s basic stance, which not only directs us to comply with the law but also defines the attitude we should take to our customers, stockholders, local communities, employees, suppliers and government authorities and how best to deal with environmental issues. This is to say, our belief in conducting our business activities with a three-pronged awareness of

economic, social and environmental issues has been with us since the launch of the group.

Our “Channel to Discovery” Plan, moreover, says that CSR initiatives are the “main pillar of corporate activities intended to create and develop new corporate value,” and reconfirms the importance of this in our current business environment. We believe that this is an inevitable element for our group to achieve sustainable development together with society. Simultaneous with this, we decided on five key activities to engage in immediately: taking pro-environmental initiatives, supporting financial education, enhancing governance, achieving highly responsive communication and promoting unified group-wide initiatives.

What are the unique features of MHFG’s CSR?

We offer a very wide range of financial services, because at its core Mizuho has a bank, a securities company and a trust bank and it also encompasses a credit card company, a venture capital company, an investment advisory company, a think tank, an IT strategy company and more. Together, we believe that we can deal flexibly with whatever needs we face, by each of these enterprises using its expertise in its own field while practicing CSR in line with the group’s primary business under a unified group policy.

A dialogue that brings together people from different industries and fields can lead to new solutions. Fortunately, our group does business with a vast range of customers—individuals, small and medium-sized enterprises, large corporations and non-Japanese entities—and like us, these customers are working for the benefit of society and the environment in many different ways. Now we seek to promote our CSR initiatives by leading an even more multifaceted dialogue with our customers, shareholders, local communities, business partners, employees, government agencies and other stakeholders and making full use of our management resources, thereby offering solutions to social, environmental and other problems that cut across many fields of business.

* * *

In the “Channel to Discovery” Plan, we have stated that we seek to be “a financial partner that helps customers shape their future and achieve their dreams.” Taken from the CSR perspective, this means not only offering quality, leading-edge financial products and services, but also remaining fully aware of our public mission as part of the economic and social infrastructure, smoothing the flow of financing and contributing to the healthy development of the economy and society in Japan and abroad.

We have begun actively initiating CSR activities under the leadership of the holding company, but in the future each group company will be taking more specific initiatives. MHFG seeks to keep up an ongoing dialogue with our stakeholders while steadily undertaking CSR initiatives of even greater quality. We welcome and look forward to candid comments and suggestions from our stakeholders.





Mizuho is committed to provide financial education to the next generation of children who will take the reins of the future. It is our hope that by acquiring financial knowledge and developing the ability to take on all of life's challenges, they will open new frontiers to a prosperous future.

These special sections were included to help readers assess Mizuho's social responsibilities as a financial institution.

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What roles does finance play in society? Often likened to the lifeblood of the economy, money is indispensable to our economic activities. Financial institutions support economic activities by facilitating the flow of money. As needs have diversified alongside changes in economic and social structures, the roles expected of financial institutions have also grown more advanced and diversified.

This section touches on the roles which Japan's banks, securities companies, and trust banks have fulfilled, and at the same time introduces new financial methods that are emerging as needs diversify.

Conventional Financial Functions

Roles Played by Banks

1. Financial Intermediation for Collecting and Supplying Necessary Funds— Leading Actor in Indirect Financing

Banks receive the surplus funds of individuals, companies and other institutions in the form of deposits, store them safely and provide savings instruments. Using these collected deposits as the source, banks make loans to individuals who need money to purchase a house, for example, or companies that need funding to build a factory, and then collect interest on the loans. Banks then use this loan interest to pay interest to depositors.

Loans, however, are not always paid back. A person taking out a mortgage may become unemployed and be unable to repay the money, or a company that has built a factory may not be able to pay back the loan because a product did not sell as well as expected.

One task of a bank, then, is to minimize, to the extent possible, the risk that loans will become delinquent and not be repaid.

For this reason, when making loans, banks conduct investigations to make sure that the repayment schedule is feasible given the person's income, in the case of individual customers, and that repayment can be anticipated with certainty given the company's earnings, in the case of corporate customers. In addition, after making a loan, banks continuously monitor repayment status and other conditions. Recently, for smaller corporate loans, banks have been working to implement scoring systems that render sales, earnings, financial position and other indicators into a numerical score and to automatically conduct screening in order to promptly meet the financial needs of customers by accelerating the credit analysis process.

Credit risk is ascertained through screening and monitoring, and is controlled by diversifying the recipients of loans to large numbers of individuals and

companies. In this way, banks work to safely manage the important deposits that are entrusted to them by depositors.

It would be exceedingly difficult for individual depositors to ascertain credit risk for companies and individuals in need of funding due to the nature of available information and highly specialized risk analysis as well as to the costs involved, including time requirements. Moreover, the amounts to be invested and the term desired by depositors would not always match the amounts to be borrowed and term desired by the borrowers.

It is here that banks step in to facilitate the flow of funds between depositors and borrowers. This is why bank lending is also referred to as indirect financing.

2. Settlement to Facilitate Economic Activity

We do not necessarily make payment in cash when shopping at stores or receiving services. People sometimes pay via bank transfer or use credit cards.

For transactions among companies, payment via checks and bills is also utilized. Payment can be made to the recipient's account without having to carry around large sums of cash, and the transaction provides recipients with the sense of security as in a cash transaction.

Payments made to compensate for goods or services is called settlement. Banks provide this settlement function, which serves to facilitate economic activity. They also work to keep security systems in place so that transactions can be conducted safely and reliably.

In Japan, where cash transactions are prevalent, it is important to be able to withdraw cash at any time and place. Given this, in addition to banking locations, ATM networks could be considered public infrastructure.

Roles Played by Securities Companies

Actor in Direct Financing

When companies procure funds, one method available to them is to go to a bank to borrow money through indirect financing. They are also able to receive funds directly from investors by issuing stocks or bonds. In the case of the government and local municipal bodies, they issue government bonds and municipal bonds. This way of raising funds is called direct financing. In this case, investors directly invest in the company by purchasing stocks or bonds, so while they bear risks such as price declines, they also directly receive dividends or interest.

In this way, securities markets connect investors with companies and government bodies in need of funding. Securities companies intermediate transactions on securities markets. They provide support for the

issuance of stocks and bonds and on the other hand sell stocks and bonds to investors. Via the market, investors can also trade stocks and bonds they have purchased. In addition, securities companies also provide information and investment advice to help investors. All of the various business activities of securities companies require professional expertise.

There are various types of securities companies: retail securities companies that focus on transactions with individual investors, wholesale securities firms that specialize in intermediating companies and securities markets, and general securities companies that offer a full line of services.

Roles Played by Trust Banks

Managing and Investing Assets

In addition to banking functions, trust banks are involved in trusts, which manage and invest assets that include real estate, financial assets, and monetary claims like accounts receivable and loans.

For example, in the case of real estate, a variety of specialized know-how—in purchasing, development, maintenance, leasing, disposal, etc.—is required to manage and utilize a wide range of assets like office buildings, commercial facilities and residential properties. Trust banks have specialists with ample experience in each area to manage and utilize real estate. With the full-fledged arrival of an aged society close at hand, in recent years, the need has been mounting for corporate pension asset management and testamentary trusts for smoothly passing on assets and

businesses to family members and successors.

Moreover, the asset management and investment function of trusts can also be used in raising funds. Companies entrust the management, utilization, collection and disposal of a variety of assets, including their real estate, accounts receivable and software licenses, to trust banks. The beneficiary rights (right to receive profit generated by trust assets) are converted to cash by selling them to investors.

When the assets possessed by an organization are converted to cash by utilizing trusts or other instruments, it is called liquidation. Income is generated for investors in forms such as lease payments on real estate, collection of accounts receivable and licensing fees.

Diversification of Needs and the Changing Role of Finance

Responding to Market-Oriented Indirect Financing

Methods for procuring funds have been growing more diverse and have included the utilization of liquidation. Sales of investment trusts, which benefit from diversification, even in small investment lots, have also been active.

Syndicated loans are also on the rise. This type of financing involves a lead bank which serves as an arranger in negotiating loan terms, managing collateral, and concluding agreements, and works to solicit financial institutions to participate in the syndication.

These new financial instruments that combine indirect and direct financing are called market-oriented indirect financing. As this type of financing develops, financial intermediary functions—loan syndication, securitization, administrative processing, sales of financial instruments, etc.—will become increasingly differentiated, and financial institutions will be required to demonstrate expertise in each area.

Enhancing Sales Channels and Consulting Capacities

Financial institutions have traditionally provided financial products and services largely through branches, but more recently have begun to offer their products and services via the Internet and cell phones as well, providing greater convenience for customers. In addition, approval has been granted for the sale of insurance products and investment trusts as well as

securities brokerage services at bank counters. Thus, financial institutions are now also able to offer a variety of financial products and services at a single location (one-stop channel).

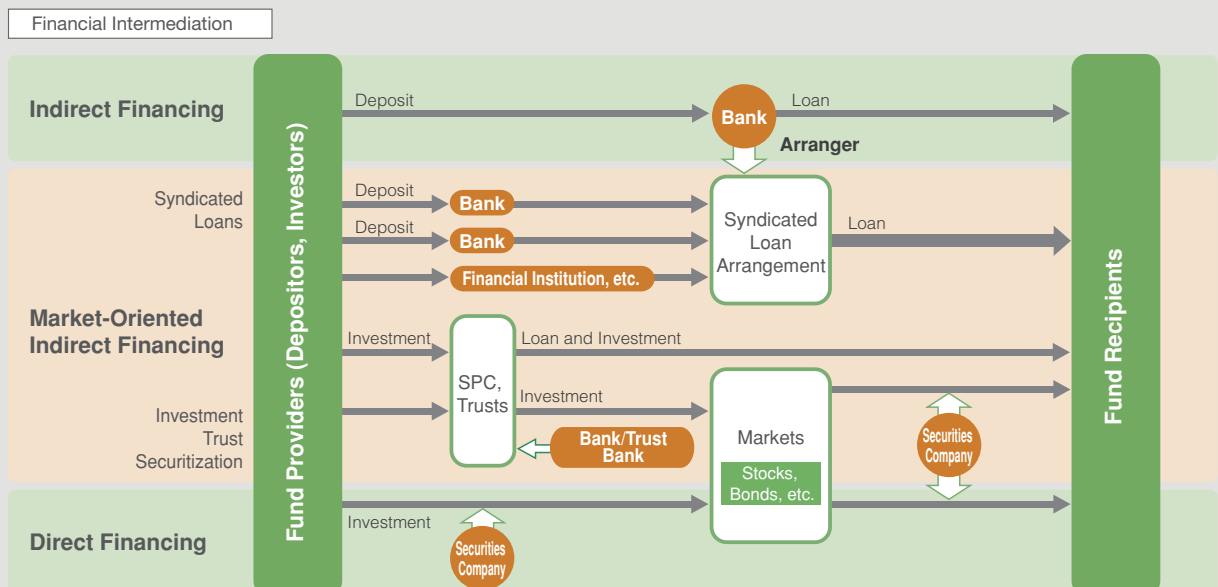
And, because each customer differs in terms of values, risk tolerance, and the types and amounts of assets possessed, there has been increasing demand for diverse products that meet particular needs as well as for detailed consulting services.

Providing Solutions

As Japan's economic structure undergoes substantial change, the requirements of companies vis-à-vis financial institutions have not been limited to financing and support for their financial strategies, but have extended to providing a variety of solutions—for restructuring existing businesses, moving into new businesses, mergers and acquisitions, and alliance strategy. Financial institutions must meet the diverse needs of a wide range of companies—from startups to major multinational corporations.

Consolidating Financial Functions

In order to meet these diversifying needs, there is a global trend, among large financial groups, to integrate financial functions of banks, securities companies, trust banks, etc. and to closely link them while demonstrating expertise of each. Mizuho, with no exception, will also provide better financial products, services and solutions by maximizing collective group strengths.



Public Nature of Finance and Recent Financial Trends in Japan

Public Nature of Banks and Obligatory Financial Health

Banks play an important role in the economy and society, fulfilling the function of intermediating funds by providing depository services, the basic savings instrument, and settlement services. If a bank goes under, it affects not only depositors, but also companies borrowing loans and a wide variety of other customers.

In addition, banks handle money transfers to other banks and transactions between banks involving large volumes of funds, so if one bank goes bankrupt, other banks have the potential to be impacted into a chain reaction.

In this way banks have a highly public nature that impacts society greatly if they fail. For this reason there is a framework of maintaining

sound credit conditions and protecting depositors.

In addition to a licensing system for establishing banks in Japan, the Financial Services Agency ensures that banks are managed in a sound manner under various regulations and inspections such as the following: capital adequacy regulations that require banks to secure shareholders' equity above a certain percentage, large exposure regulations that limit the amount of loans that can be made to a single company and prevent the concentration of loan risk.

In addition, in order to protect depositors from a bank failure, deposits of up to ¥10 million in principal and interest are guaranteed, in principle, by deposit insurance.

Financial System Instability Caused by the Collapse of the Economic Bubble

The destabilization of the financial system in the latter half of the 1990's after the collapse of Japan's economic bubble again called into question the public nature and soundness of banks.

Investment in real estate and stock increased and asset prices rose due to long-term monetary easing during a phase of dramatic yen appreciation following the Plaza Accord in 1985. Rising asset prices increased the value of collateral and, against this backdrop, there were increasing numbers of individuals and companies that invested in real estate and stock by borrowing. This caused further spikes in asset prices and led to the emergence of an economic bubble.

Furthermore, at that time large companies were moving away from dependence on banks and shifting from bank loans to direct financing using commercial paper, corporate bonds and other instruments, which occurred as financing methods were being deregulated. For this reason, banks sought out investment opportunities for deposits, increasingly utilizing mortgage-backed financing and investing into real estate and stock purchases.

In time, regulations on total exposure to land-related financing by banks were implemented and interest rates were raised dramatically, putting a damper on the expectation that stocks and real estate would continue to rise. When this happened, asset prices plunged at the beginning of the 1990's and led to the collapse of the bubble. As a result, companies were saddled with excessive debt vis-à-vis assets, which had dropped in value, and the increased

burden of interest payments caused by rising interest rates adversely affected earnings, as some companies began having trouble paying back their borrowings. Moreover, companies' financial performance stagnated due to an extended deflationary period in the latter half of the 1990's, which made solving the problem of excessive debt even more difficult.

The financial position of banks worsened each year because of increasing amounts of non-performing loans and decreasing unrealized gains due to falling stock prices. While banks made efforts through streamlining and other measures, the latter half of the 1990's witnessed the emergence of bank failures.

In the midst of these developments, there were fears that weakness of the financial system would interfere with the smooth supply of funds to companies, so schemes to inject banks with public funds and measures to promote the processing of non-performing loans were formulated. By that time, banks had borne losses from dealing with bad debt in the amount of ¥96 trillion, the majority of which was absorbed by income from their main business activities or unrealized gains on stock. This provided an economic cushion during recessions. Nevertheless, ¥12 trillion in public funds was still injected to cover the shortfalls.

As a result of banks making steady progress in disposing of non-performing loans, at present most banks have nearly completed addressing their financial issues and have begun to work to further enhance their financial services.

Financial Industry Reorganization

As economic globalization has accelerated, competition that transcends national borders has grown more intense. To come out ahead in the global financial markets, financial institutions must have customer service capacities capable of meeting diversifying financial needs, a stable customer base, and a sturdy financial foundation that is trusted by customers and the market, among other attributes. Major banks have moved forward with consolidating their management by utilizing a financial holding company* structure.

Management consolidation has enabled companies to provide multifaceted financial services that transcend the conventional sectors occupied by banks, securities companies, and trust banks, and to develop innovative financial products. There has also been an increase in investment in IT systems to respond to the progress of information-communication technology as well as steps to cut cost. Consolidation has also led to the establishment of stable customer, income and financial bases.

* A financial holding company possesses stock in companies involved in financial services; its primary business activity is management.

Mizuho—Soaring to a New Phase

Mizuho's Timeline

September 2000

Joint holding company Mizuho Holdings, Inc. established by Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan.

October 2000

Mizuho Securities and Mizuho Trust & Banking established through the merger of the three banks' securities subsidiaries and trust bank subsidiaries.

April 2002

The three banks consolidated and reorganized into Mizuho Bank and Mizuho Corporate Bank through corporate splits and mergers. Mizuho Securities and Mizuho Trust & Banking become direct subsidiaries of Mizuho Holdings.

November 2002

"Change & Speed-Up Program" launched.

February-March 2003

Business Reorganization was implemented (restructuring of the group management system based on a newly established financial holding company, Mizuho Financial Group, Inc.). Drastic financial processes implemented and ¥1.1 trillion in funds raised.

July 2003

Mizuho's "Corporate Revitalization Project" launched.

September 2004

Non-performing loans reduced by half, six months ahead of the target set by the Financial Revitalization Program.

December 2004

System integration at Mizuho Bank completed.

April 2005

"Channel to Discovery" Plan announced.

October 2005

Mizuho's "Corporate Revitalization Project" completed.

(As of October 31, 2005)

Mizuho is ready to soar to a new phase as we consider the kind of roles we should play in the future. This section introduces the direction we are heading while discussing the process that has taken it from its establishment to the present.

The Advent of Mizuho

Mizuho was born out of the merger of three banks: Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan.

The three banks established Mizuho Holdings, a joint holding company, in September 2000. In April 2002, the banks split up and merged to consolidate and reorganize into Mizuho Bank (a retail bank with individuals, regular domestic business enterprises, and local government bodies as principal customers) and Mizuho Corporate Bank (wholesale bank with

large companies, financial institutions, their group companies, public agencies and corporations, and overseas companies as principal customers).

The two banks along with Mizuho Securities and Mizuho Trust & Banking constituted the four core companies. Through these companies, a management foundation was formed pivoting on the holding company and characterized by different companies handling distinct customer segments and functions.

Settlement System Trouble and Reconfirming Our Responsibility to the Public

Unfortunately, when this consolidation and reorganization took place, we experienced some problems in our settlement systems. The ATM online system at Mizuho Bank did not function properly and there were delays in processing account transfers both at Mizuho Bank and Mizuho Corporate Bank as well as delays in transfers to other banks, which seriously affected customers and many others.

Through these systems failures, we were made acutely aware of the public responsibilities inherent in our operations, as settlement could be considered a part of the social infrastructure. To ensure an incident like this does not happen again, project management functions and risk management structures were strengthened, and executives and employees across the group have worked to prevent recurrence.

Restructuring the Group Management Structure through Business Reorganization

- Reform and Expedite Business Strategy
- Accelerate Cost Structure Reforms
- Strengthen Corporate Governance and Fully Implement a Merit System

We launched our "Change & Speed-Up Program" in November 2002 based on these objectives. In December of the same year, a business reorganization involving reviewing group strategy was decided upon in order to dramatically improve our ability to provide comprehensive financial services, and in March 2003, the group management structure was reorganized.

Specifically, the links between banking and

securities were strengthened for each customer segment by reorganizing Mizuho Investors Securities into a subsidiary of Mizuho Bank and Mizuho Securities into a subsidiary of Mizuho Corporate Bank. Furthermore, trust services were integrated by merging Mizuho Asset Trust & Banking with Mizuho Trust & Banking. In addition, a system was adopted in which a newly established financial holding company, Mizuho Financial Group, Inc., would directly manage major group companies, which include these companies as well as strategic subsidiaries like credit card companies, asset management firms, and systems-related companies.

“Corporate Revitalization Project”—Resolving Financial Issues

Under the new management structure, the Corporate Revitalization Project was established in order to resolve financial issues such as non-performing loans.

In July 2003, debt owed by customers in need of revitalization or restructuring was detached from the main bank and separated among four newly established subsidiaries specialized in corporate revitalization. ^(Note 1)

In addition, a revitalization advisory company ^(Note 2)

with advanced expertise both domestically and abroad was established to support the four new companies. With these developments, the Corporate Revitalization Project was launched to simultaneously help early achievement of our corporate customers’ revitalization and further reinforcement of the credit creation function, as the group worked to resolve the financial issues.

^{Note 1.} The four companies are Mizuho Project, Mizuho Corporate, Mizuho Global and Mizuho Asset. On October 1, 2005 Mizuho’s Corporate Revitalization Program, which played a major role in cleaning up the group’s non-performing loans, ended and the four subsidiaries were merged with their respective parent companies. (Mizuho Project to Mizuho Bank, Mizuho Corporate and Mizuho Global to Mizuho Corporate Bank, and Mizuho Asset to Mizuho Trust & Banking.)

“Channel to Discovery” Plan—Entering a New Phase

As a result of reorganizing the group’s management structure, implementing drastic financial processes, and decisively reforming management to increase capital of over ¥1 trillion, the group successfully resolved its financial issues and has made steady progress in reforming its cost structure. Systems integration at Mizuho Bank—the biggest issue of the group—has

been completed, and nearly half of the public funds has been paid back as of March 2005. ^(Note 3) Based on a recognition that the group has moved from a period of “emergency-reaction” to a “future-minded, customer-oriented” transition phase, the group announced its new business strategy, the “Channel to Discovery” Plan.

^{Note 2.} Mizuho Advisory, which was established as a revitalization advisory company, transferred advisory services related to corporate revitalization to Mizuho Holdings, and on October 1, 2005, Mizuho Holdings transferred them to Mizuho Financial Strategy Co., Ltd., an advisory company for financial institutions involved in corporate revitalization, business management and alliance promotion.

^{Note 3.} Approximately 80% repaid as of October 31, 2005.

Overview of the “Channel to Discovery” Plan

■ Full Repayment of Public Funds

We are committed to fully repaying public funds during fiscal 2006.

■ Development of New Business Portfolio Strategy

We will reorganize the group into three global groups; Global Corporate, Global Retail, and Global Asset & Wealth Management, in accordance with customer needs.

■ Development of New Corporate Management Strategy

We will seek to list on the New York Stock Exchange as early as feasible.

We will promote CSR activities befitting a globally active financial group.

We will work to establish a brand that epitomizes a “future-minded, customer-oriented” company.

■ Formulation of a New Medium-Term Business Plan

We will strive for net business profits of ¥1.18 trillion and consolidated net income of ¥650 billion in fiscal 2007.

Regarding the Erroneous Sell Order

We would like to sincerely apologize for the tremendous inconvenience that was caused to everyone involved when Mizuho Securities placed an erroneous sell order for shares. Mizuho Securities is working to prevent the recurrence of such incidents by improving its systems, reviewing business processes and taking other measures as well as by further strengthening its management preparedness.

“Future-Minded, Customer-Oriented”—Helping Create a Better Future

Mizuho is a financial conglomerate with activities spanning the globe, so we have customers in various regions of the world. For the group, which develops highly public businesses as infrastructure for local communities where sales activities are conducted, society as a whole can be considered our customer in the broad sense.

We are committed to become “a financial partner that helps customers shape their future and

achieve their dreams.”

While placing an emphasis on dialogue with stakeholders both in Japan and overseas and responding with a high degree of sensitivity to the needs of the international community, we intend to contribute to the healthy development of economies and societies by conducting responsible business activities that take into account social sustainability.

The New Mizuho Brand

Mizuho will work to acquire the unwavering trust of customers and society by strengthening its brand strategy in order to respond to the needs and expectations of customers and to achieve sustainable development into the future.

We at Mizuho Financial Group aim to become

“A financial partner that helps customers shape their future and achieve their dreams.”

Channel to

■ Brand Slogan

Meanings Embraced in “Channel to Discovery”

The slogan expresses the role Mizuho will play, not only to realize today’s dreams, but also to discover new possibilities that lie ahead and to create a better future.



■ Brand Promise

In order to establish a brand befitting a “future-minded, customer-oriented” company, Mizuho promises its customers that it will put the following into practice.

To customers ranging from domestic retail, corporate to international, Mizuho Financial Group is comprised of enterprising, spirited professionals who use creative and original methods to respond to customers’ needs today, while helping them achieve a bright future tomorrow. Because we want to play a meaningful role in our customers’ lives by always being available to them, we offer a full range of leading-edge products and services designed to help them achieve their goals and make their lives more enjoyable and gratifying.

Discovery

■ Brand Strength

The words “Enterprising,” “Open” and “Leading-edge” concisely express both Mizuho’s strengths and objectives. All employees are committed to helping customers shape their future and achieve their dreams by sharing and putting these words into practice.

| Enterprising

“Enterprising” means we have the passion and power to help customers find the right path. We think creatively about our business and each of us is empowered to make a difference in our customers’ lives. We keep focused on our customers’ needs and continuously strive to help them achieve their dreams.

| Open

“Open” means we are flexible and are open to new ideas and new ways to serve our customers. We listen sincerely to our customers and treat them with fairness and kindness any time we have the chance.

| Leading-Edge

“Leading-edge” means we have the foresight to “light the future.” In other words, each of us should anticipate how society and customers change. As a result of this, we introduce the most advanced and unique products and services to better serve our customers. Because of our innovative mindset, we help our customers achieve a better and bright future.

Finance that Shapes the Future

Utilizing our financial capabilities, we support the development of a sustainable future by fostering socially responsible, environmentally conscious businesses. This section introduces standards related to social and environmental impact that are employed when making decisions on whether or not to provide financing. It also gives examples of contributions we have made through financial services to the fight against global warming.

Supporting Meaningful Businesses that are both Socially Responsible and Environmentally Conscious, with our Financial Capabilities

Equator Principles—Social and Environmental Standards

A method known as project financing plays an important role in financing large-scale government and private-sector development projects like electric power, mineral resources development, petrochemical plants, and telecommunications.

Project financing is a financing method that focuses on the cash flow generated by the project and does not depend on the credit rating of the sponsor planning it. For example, in the case of electric power projects, loans are repaid with revenue from utility charges on electricity sold; in the case of freeway projects, they are repaid with revenue from tolls.

When a large-scale development project is conducted in a developing nation, social and environmental problems are often generated. If these sorts of problems arise, there is a chance that the responsibility of the financial institution that provided financing as a lender will be called in question. Conversely, the emergence of problems of this nature can often be curtailed by not financing projects likely to incur them. Or, as a condition of providing financing, a financial institution can require that measures be taken to avoid the problems.

Against this backdrop, in June 2003, standards were drawn up for financial institutions to confirm whether projects financed through project financing schemes would be carried out while considering their impact on local communities and the environment. These voluntary standards, which were formulated by ten U.S. and European banks and apply to private-sector banks in common, are referred to as the Equator Principles*. The principles apply to projects of at least \$50 million irrespective of the region or sector in which the project is developed. The framework classifies projects into three categories, A, B, and C (see page 17), based on its impact on society and the environment, size, location and other factors, and encourages measures to be taken in accordance with the assessed level.



* The official website of the Equator Principles can be found at: <http://www.equator-principles.com>.

Becoming the First Bank in Japan to Adopt the Equator Principles

In October 2003, Mizuho Corporate Bank, the group member involved in large-scale project finance, became

the first Japanese bank to adopt the Equator Principles. This was made possible by the fact that the philosophy embodied by the Equator Principles was in accord with the Mizuho Code of Conduct (see page 22), which declares our goal of building a compliance framework that is applicable worldwide. Observing the principles enables the group itself to assess social and environmental risk and to consider countermeasures together with customers and other stakeholders.

Framework for Implementing the Equator Principles

Mizuho Corporate Bank launched the EP Unit in its Project Finance Division and created the Equator Principles Implementation Manual so that the principles would be applied to actual business operations. The manual is made up of a screening form and environmental check lists organized by industrial sector.

The screening form is a tool for allowing project finance officers to ascertain and assess the degree of impact the project is likely to have on society and the environment. Based on the results of the assessment, the project is categorized as A, B or C. Projects that receive an A or B are reviewed by the EP Unit in accordance with the sector-specific environmental checklists.

Sector-specific environmental checklists provide a list of items related to environmental and social consciousness that reflect the particular characteristics of each industry. Based on environmental assessment reports prepared by the project sponsor and other data, the impact of the project on society and the environment is ascertained and evaluated. The checklists were created based on guidelines prepared by the World Bank and the International Finance Corporation. For sectors that do not appear directly in the guidelines like pipelines and LNG plants, Mizuho independently surveyed them. Various elements were additionally taken from the environmental guidelines put out by the Japan Bank for International Cooperation, which has been involved in many joint financing projects.

This framework for implementing the Equator Principles was put into full-fledged practice starting in October 2004, and as of September 2005, 17 projects had been screened.

Project to Lay an Oil Pipeline to Connect the Caspian Sea with the Mediterranean Sea

The BTC Project is a representative example of project financing conducted in accordance with the Equator Principles.

The BTC Project is a construction of an oil pipeline from Baku, Azerbaijan through Tbilisi, Georgia to the port of Ceyhan, Turkey on the Mediterranean Sea. It will be the first pipeline to connect the Caspian Sea and the Mediterranean Sea, its name derived from the first letter of each of the cities.

To date, oil from Azerbaijan has been primarily sent to the Black Sea via pipelines through Russia or Georgia, then transported via oil tankers to the Mediterranean Sea via Istanbul, Turkey. However, a direct transport route to the Mediterranean Sea has been desired because the Bosphorus in Istanbul is narrow, restrictions have been tightened on the passage of large oil tankers, and a significant amount of time is required for transport.

The oil pipeline will extend a total of some 1,750 kilometers and one million barrels of oil is expected to pump through it each day. The pipeline has spurred the development of oil fields in areas surrounding



The pipeline passes through highlands in Georgia.

the Caspian Sea, and this is expected to contribute to more stable energy supplies worldwide. In addition, Japanese companies have invested in the BTC Project, so it will also help Japan stably



secure and supply energy resources. For the countries in the region, economic development is expected from tax revenues on the pumped oil and greater exports of crude oil. With respect to the environment, the project will lower the risk of marine contamination because it will reduce the distance requiring transport via ships, and tankers will not have to pass through the narrow straights.

Acting as one of the lead banks, Mizuho Corporate Bank arranged a private-sector financing group, and in February 2004 the group of 15 banks made the decision to underwrite approximately ¥900 million of the total project cost of some \$3,600 million. This project involves joint financing by the International Finance Corporation, the European Bank for Reconstruction and Development, and the Japan Bank for International Cooperation.

Equator Principles Becoming the International Standard

As of the end of September 2005, 34 major banks around the world had adopted the Equator Principles. Nowadays, these signatory banks collectively represent more than 80% of global project finance. We intend to continue to give consideration to the social and environmental impact of projects it finances by appropriately putting the Equator Principles Implementation Manual into practice while making improvements to it.

| Screening Conducted based on the Equator Principles Implementation Manual | | | |
|---|---|----------|---------------------------------|
| Category | Description | Screened | Projects Sector |
| A | A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. | 1 | Oil and Natural Gas Development |
| | | 1 | Mining Development |
| B | A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas-including wetlands, forests, grasslands, and other natural habitats-are less adverse than those of Category A projects. | 2 | Oil and Natural Gas Development |
| | | 3 | Petrochemical Plants |
| | | 3 | LNG Plants |
| | | 4 | Electric Power Plant |
| C | A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. | 1 | Pipelines |
| | | 2 | Electric Power Plant |
| Total | | 17 | — |

(October 2004 to September 2005)

Eco Fund—Environmentally Conscious Investment Trust

DLIBJ Asset Management, an investment management company that combines the group's capacities with the Dai-ichi Mutual Life Insurance Group's information resources, investment know-how, and highly specialized staff, has managed the Eco Fund, an environmentally-conscious investment trust, since October 1999.

Based on a philosophy of introducing the concept of socially responsible investment* to Japan, the Eco Fund, which has been in existence for over six years now, pursues relatively high stock price performance while indirectly supporting environmentally advanced companies. While changing the mix of issues of the portfolio, the Eco Fund has played a role in promoting corporate environmental awareness since the early days of Japanese SRI funds.



* Socially responsible investment is an investment method that uses ethical standards when selecting investment target companies. In addition to traditional investment standards derived from financial analysis, it uses social standards related to the potential investment target's consciousness of its social responsibilities; that is, it looks to see if the company is involved in environmental protection activities, whether or not there is racial discrimination, whether the company takes a cooperative stance toward improving the position of its employees, whether there is an equal opportunity with respect to the employment of women, and other factors. At the same time, socially responsible investment seeks to deliver stable, periodic income.

Supporting the Growth of Cutting-Edge Companies Involved in Creating the Future of Energy

New Business Team for Startup Companies

Mizuho Bank's New Business Team is dedicated to providing financing for startup companies in sectors where growth is anticipated, including information technology, biotechnology, life sciences, environment, nano-technology, and media content. Around ten staff members with specialized expertise in each of these cutting-edge fields conduct business research and help bank branches prepare financing projects.

The first company the New Business Team was involved in providing financing to was The First Energy Service Company, Ltd. (FESCO), which offers services in support of energy savings to companies and local government bodies, a sector referred to as the ESCO business.* Ever since FESCO's establishment in 1997 as

Japan's first ESCO provider, it has promoted the ESCO industry in Japan and contributed to energy conservation. At present, its core business is the installation of systems to supply electricity and heat and reduce energy consumption, which take place of onsite generators at factories and buildings. The company was provided financing in October 2003 to construct facilities necessary to replace onsite power generation.

The group's Mizuho Capital invested in this company before it listed.

*The Energy Service Company (ESCO) provides services for surveying and diagnosing energy consumption patterns at client factories, buildings and other facilities and services for conducting integrated design, construction and operation of energy-saving facilities and systems. Capital investment funds required for energy-saving measures and interest are guaranteed to be covered by reduced energy costs, and in most cases facilities are owned to take place of capital investment.

Financing Power Generation with Natural Energy for Further Growth

FESCO has steadily expanded its operations, and in 2006 entered the market for biomass* power generation.

Presently, concern is mounting regarding the problem of climate change due to the increase of greenhouse gases in the atmosphere. In addition, crude oil prices continue to rise due to uncertainty over the future of oil sources and other factors. In the midst of this, biomass has garnered attention as a classic, yet new source of energy.

The company established three electric power subsidiaries in Fukushima, Yamaguchi and Oita Prefectures, and is progressing on the construction of biomass power plants that use scrap lumber as their main source of fuel. FESCO aims to make biomass power a core business on par with its energy savings support services. Mizuho Bank has served as the lead bank in arranging a four-bank loan syndication for Shirakawa Wood Power, one of the subsidiaries FESCO operates which is located in Fukushima Prefecture. The bank has arranged ¥2.7 billion in funds for the approximately ¥4.5 billion

facilities project.

We plan to continue to actively provide financing for businesses like FESCO's that take both the environment and the economy into account and tie corporate growth with the creation of a more sustainable society.



Rendering of Shirakawa Wood Power's power facilities

*Biomass is a resource derived from wood, waste products and other organic material. It is a natural resource that will not be depleted if used appropriately because it is a part of nature's cycle and does not cause any increase in carbon dioxide. In addition, unlike oil and coal, there is very little unevenness in its geographic distribution; there are various types of biomass in every region of the world and it has been used on a small scale since ancient times.

Supporting Business with Information and Knowledge

Reliable information and ample wisdom is indispensable to shaping the future in the best way possible. This section introduces various ways in which customers have been supported by Mizuho Information & Research Institute, a general information and research company rooted in IT that has an ample track record particularly in global warming and climate change.

●Helping Reduce the Environmental Impact of the Aichi World Expo

Mizuho Information & Research Institute provides support for companies and public bodies in formulating environmental strategies and building environmental management systems, among other activities.

The World Exposition held in Aichi, Japan (EXPO 2005 Aichi Japan) from March 25 to September 25, 2005 on the theme of "Nature's Wisdom" sought to limit the environmental impact caused by venue construction and expo operations. The institute was contracted by the Japan Association for the 2005 World Exposition to build an environmental management system for expo operations, create environmental guidelines, and conduct surveys

and inspections, including web-based surveys on the environment for visitors, on an ongoing basis since fiscal 1998. Through these activities the institute provided support for the promotion of environmentally-conscious activities at the expo.



Garbage separation and collection at the Expo 2005 Aichi

Demonstrating Group Synergies and Supporting Greenhouse Gas Emissions Trading

Start of Emissions Trading

The Kyoto Protocol went into effect on February 16, 2005. Japan and other countries that have signed the accord have an obligation to reduce greenhouse gases such as carbon dioxide.

Emissions trading is one of the frameworks that has been implemented in order to promote the reduction of greenhouse gases. It encourages the overall reduction of global greenhouse gases through a mechanism for buying and selling reductions in greenhouse gas emissions. Emissions trading is already actively used in the private sector in Europe, but as of present, there are still very few reduction projects that have been registered with the United Nations, which is necessary in order for reductions

in greenhouse gases made by a country to be considered under the Kyoto Protocol.

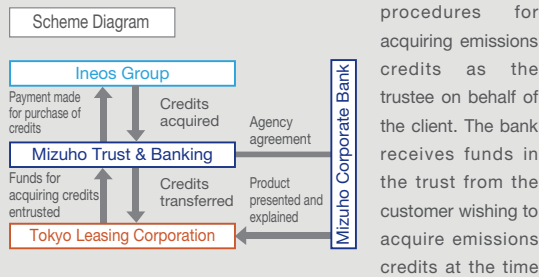
Mizuho concluded an agreement to provide Tokyo Leasing Co., Ltd. with 150,000 tons-CO₂* worth of emissions credits obtained by the Japanese affiliate of the U.K.'s Ineos Group from a hydrofluorocarbon decomposition project in Korea. This was one of the world's first transactions involving emissions credits derived from a reduction project registered with the UN.

* Tons-CO₂ is a unit of measure that converts greenhouse effects into carbon dioxide (CO₂) and expresses the amount in terms of its weight (tons). 150,000 tons-CO₂ refers to greenhouse effects equivalent to 150,000 tons of carbon dioxide. Hydrofluorocarbons produce substantial greenhouse effects; depending on their type, they possess greenhouse effects equivalent to 140 to 11,700 tons of carbon dioxide.

Combined Know-How to Reduce Risk for Customers

Companies have traditionally thought that trading emissions credits derived from overseas projects has substantial risk. The project must be registered and verified as to whether reductions are the same as planned in order for the UN to finally grant the credits. There is a fear that if procedures are delayed or the project fails emissions credits will not be delivered even though payment was made.

Using a new method, Mizuho Trust & Banking administers the



procedures for acquiring emissions credits as the trustee on behalf of the client. The bank receives funds in the trust from the customer wishing to acquire emissions credits at the time

of the contract, then, during the period until the credits are obtained, the bank invests the trust money in financial instruments. When the credits are actually acquired, the money in the trust is exchanged for the credits.

This transaction scheme was developed by combining the know-how of group companies, including Mizuho Corporate Bank, Mizuho Trust & Banking and Mizuho-DL Financial Technology.

We plan to continue to support projects and businesses that work to create a better future by leveraging the expertise of each group company in its respective business field and generating synergies.



Hydrofluorocarbon decomposition plant of Ineos Group

●To Think About the Future of the Automobile


Mizuho Information & Research Institute provides support for estimating and analyzing greenhouse gases and for devising countermeasures in response to requests from companies and public bodies. In November 2004 the institute and Toyota Motor Corp. released a joint research report on the amount of greenhouse gas emissions released in the production of various automotive fuels.

The use of automotive fuels such as natural gas, synthetic fuels, biomass fuels and hydrogen, besides traditional gasoline and diesel fuel, have been actively researched, due to the increasing diversification of propulsion

systems, such as for gasoline, gasoline-hybrid and fuel cell vehicles. We conducted this study to understand and objectively evaluate the load that various propulsion systems and the use of their fuels might inflict on the environment, while also realizing that study of this topic is very important when considering the use of next-generation automotive fuels. It is the first research to be done in accordance with conditions in Japan. The report has been made available to the public in both Japanese and English, and we expect this report to accelerate other surveillance studies and discussions concerning future automotive fuels.



Well-to-Wheel Analysis of Greenhouse Gas Emissions of Automotive Fuels in the Japanese Context - Well-to-Tank Report -

A watercolor illustration of a landscape. The scene features a winding river or stream in shades of blue and green, flowing through a valley. The banks are covered in yellow and green foliage. Several trees with dark grey and brown trunks and foliage are scattered across the landscape. The background is a mix of light blue and white, suggesting a sky or distant hills. The overall style is soft and artistic, with visible brushstrokes and blended colors.

Keeping our social responsibility in mind, we seek to reconcile economic growth with environmental protection.

We provide financial products and services that contribute to preservation of the environment while undertaking our own initiatives to save resources and energy.



This section covers Mizuho's CSR-related structures/frameworks, philosophy and plans and the details of its initiatives and their results.

| | |
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| Social Report | 32 |
| Environmental Report | 42 |

Mizuho's CSR

As Japan's leading comprehensive financial group operating worldwide with its core business in banking, the group bears heavy social responsibilities, and a duty to fulfill its public mission. This section provides an overview of the group's activities in the area of corporate social responsibility.

What Corporate Social Responsibility Means to Mizuho

What is the significance of Mizuho in society? What roles should we play as a public institution? At Mizuho, we consider our corporate social responsibility to be continually posing these questions and responding to them. As a basic philosophy that serves to underpin our CSR activities, we base ourselves on the Basic Principles of Consolidation, and have compiled the Mizuho Code of Conduct. Mizuho's operations are of a highly public nature, so it is incumbent upon us to earn the unwavering trust of customers and society as a whole by practicing sound and appropriate management and faithfully carrying out our business. We have also been charged with the mission of contributing to the healthy and sustainable development of the global

economy by protecting depositors, working to facilitate financing and conducting responsible loans and investments.

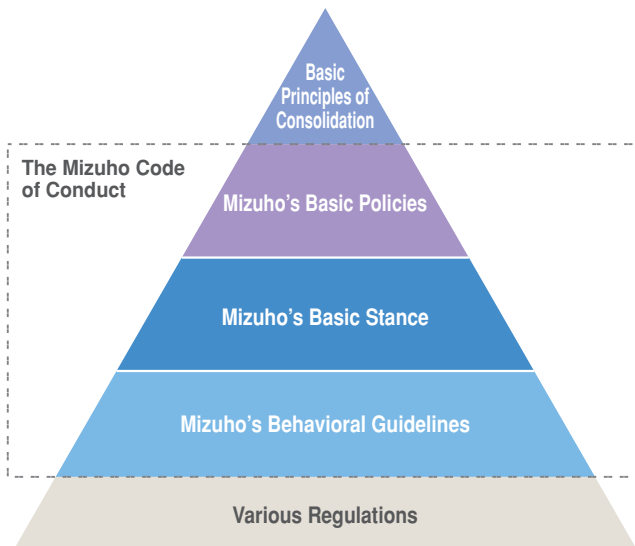
In addition to fulfilling the primary responsibilities inherent in our business activities, we also bear economic, legal, ethical and community development responsibilities. We recognize the importance of fulfilling our basic responsibilities—ensuring compliance at all levels, improving customer satisfaction, respecting human rights, reducing our environmental impact, carrying out activities that help communities—as well as the importance of keeping sincere, transparent communication channels with the general public.

The Mizuho Code of Conduct

“The Mizuho Code of Conduct” was drawn up in October 2000 with the establishment of a joint holding company for Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan to serve as ethical standards that must be observed in putting the Basic Principles of Consolidation into practice. It provides concrete standards that constitute guideposts when making

management decisions and conducting business.

Mizuho's Basic Policies are the group's overall policies. Under these policies is Mizuho's Basic Stance toward each type of stakeholder as well as Mizuho's Behavioral Guidelines, which prescribes more specific guidelines related to the conduct of both executives and employees.



Basic Principles of Consolidation

When Mizuho was first established, it was decided that a new comprehensive financial group would be created based on the following five basic principles, in order to soar into the 21st century.

- Offer a wide range of the highest-quality financial services to our customers.
- Maximize shareholder value and, as the leader of Japan's financial services industry, earn the trust of society at large.
- Offer attractive and rewarding job opportunities for employees.
- Fully utilize the advantages and strengths of each bank and maximize the benefit of the consolidation through cost reductions.
- Create a new corporate climate and culture.

Mizuho's Basic Policies

1 Social Responsibilities and Public Mission

- As Japan's leading comprehensive financial group, we will remain conscious of the importance of our social responsibilities and public mission at all times, and dedicate ourselves to sound management based on self-responsibility.
- We will encourage close communication with society, and work to ensure that our corporate activities conform to social common sense.

2 The "Customer First" Principle

- We will place our customers first and ensure that they are provided with the best possible services at all times.
- We believe that earning the customer's trust is the basis for winning the trust of shareholders, the local community and all other stakeholders.

3 Complying with Laws and Regulations

- We will strictly observe all laws and regulations, and pursue fair and honest corporate activities that conform to the norms accepted by society.
- We will also comply with international rules and the laws prevailing in different regions around the world, and respect their customs and cultures.

4 Respect for Human Rights

- In addition to ensuring that we respect everyone, including our customers, executives and employees, and value fundamental human rights in all our activities, we will work to create a corporate culture in which the spirit of respect for human rights is all-pervasive.

(Text excerpts only)

Mizuho's Basic Stance

- 1 Basic Stance toward Customers
- 2 Basic Stance toward Shareholders
- 3 Basic Stance toward the Community
- 4 Basic Stance toward Employees
- 5 Basic Stance toward Suppliers and Competitors
- 6 Basic Stance toward Political and Governmental Officials

(Heading excerpts only)

Mizuho's Behavioral Guidelines

- 1 Maintaining Order in the Workplace
- 2 Prohibition on Private Use of Corporate Assets
- 3 Appropriate Management of Information
- 4 Prohibition on Conflicts of Interest
- 5 Temperate Private Behavior

(Heading excerpts only)

Mizuho's Social Responsibilities and its Key Area of Focus

Intrinsic Business Responsibilities

- Maintaining trust and protecting depositors.
- Contributing to the healthy and sustainable development of the global economy by working to facilitate financing and conducting responsible loans and investments.
- Faithfully carrying out business activities through sound and appropriate management, and earning the unwavering trust of customers and society as a whole.



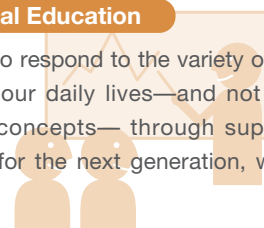
Environmental Initiatives

- Providing financial services in line with environmental policies to prevent global warming, etc. and reducing our own consumption of resources, in recognition that restricting and reducing environmental impact is globally shared challenge.



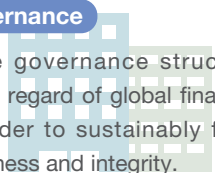
Support for Financial Education

- Cultivate the ability to respond to the variety of issues that directly affect our daily lives—and not merely teaching financial concepts—through supporting financial education for the next generation, who will take on the future.



Advanced Corporate Governance

- Establishing a corporate governance structure capable of eliciting the high regard of global financial and capital markets in order to sustainably fulfill corporate activities with fairness and integrity.



Highly Responsive Communications

- Ensuring transparency in corporate activities by further promoting disclosure, achieving communication with stakeholders with an emphasis on dialogue.



Corporate Governance

Mizuho devotes its efforts to make corporate management more transparent and efficient by separating the functions of supervision and execution of duties. This section contains a report on the group's management and corporate governance structure.

Group Management Framework

The group operates under a framework in which Mizuho Financial Group, Inc. (MHFG), a financial holding company, controls the management of the group companies. MHFG directly manages core group

companies* and indirectly manages the other group companies via the core group companies.

* Core group companies:

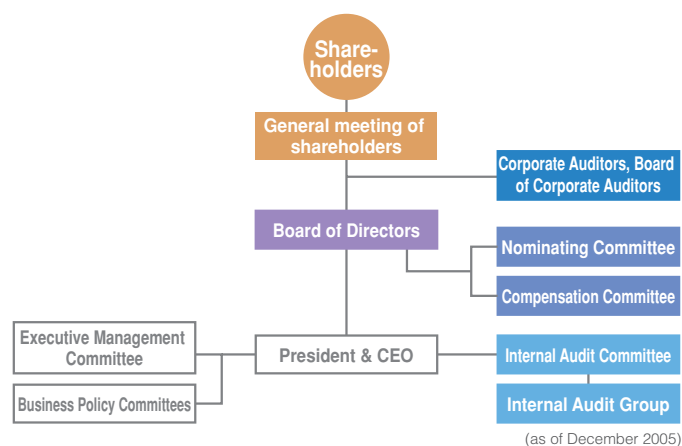
The core group companies are Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities and Mizuho Trust & Banking. Strategic companies are Mizuho Investors Securities, Trust & Custody Services Bank, Dai-Ichi Kangyo Asset Management, Fuji Investment Management, DLIBJ Asset Management, Mizuho Research Institute, Mizuho Information & Research Institute, Mizuho Private Wealth Management and Mizuho Financial Strategies.

The Corporate Governance Structure

The group seeks transparent and highly efficient business management. This is why we have put into

place the corporate governance structures described below.

Corporate Management Structure



Internal Audit Group

The Internal Audit Committee (chaired by the President & CEO), which is independent of operating divisions, was established to conduct deliberations and make decisions on important matters concerning internal audit. External experts (at present, one lawyer and one certified public account) take part in the Internal Audit Committee in order to reinforce its expertise and ensure objectivity.

Serving under the Internal Audit Committee, the Internal Audit Group conducts impartial inspections and evaluations regarding the appropriateness and effectiveness of internal administration and makes proposals regarding ways of solving problems.

Corporate Auditors

Mizuho Financial Group has adopted a corporate auditor system. Corporate auditors monitor the legality of the execution of duties of the directors by attending Board of Directors meetings and by offering opinions. At present, three of the five auditors are external corporate auditors.

Board of Directors

The Board of Directors determines the group's management policies and other important matters and oversees the exercise of functions of corporate executive officers and directors. In order to further strengthen the management oversight functions of the Board of Directors, the group receives external directors with a stance independent of execution of duties. Of the nine directors, three are external directors at present.

Nominating Committee, Compensation Committee

The Nominating Committee composed of directors, including external directors, and the Compensation Committee that acts as a consultative body to the Board of Directors were established in order to ensure transparency/objectivity regarding director-related personnel affairs and compensation.

Executive Structure

Mizuho believes in the importance of enhancing efficiency and effectiveness and of paying thorough attention to risk management and compliance in the execution of duties. This section covers the group's system for the execution of duties.

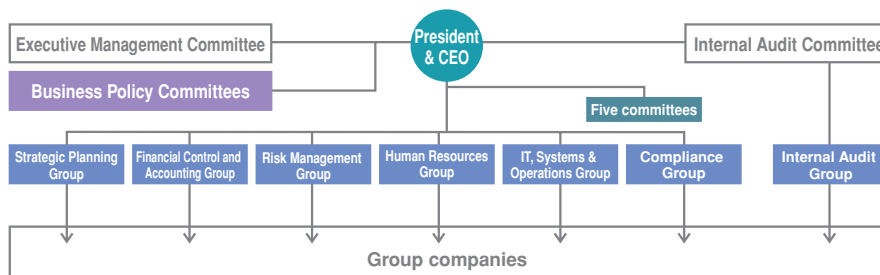
Executive Structure

With respect to the execution of duties, an executive officer system has been introduced to separate the functions of supervising business management and executing work duties and to draw a line between authority and responsibility. As the chief executive in the execution of duties, the President & CEO of MHFG oversees the group's overall operations and the groups and divisions carry out the business management of each of their respective group companies in charge.

The Executive Management Committee has been established as a consultative body to assist the president in discussing important matters related to the execution of duties.

The Business Policy Committees have been established to carry out comprehensive deliberations and coordination related to a wide range of companywide issues that cut across the managerial duties of executive officers. In addition, five committees have been established to deal with specific companywide issues. These committees carry out consultations, thoroughly share knowledge and perform the duties that they control.

Meanwhile, the group companies perform duties in their respective operating domains, taking account of the basic policies formulated by MHFG.



Five committees

● **Emergency Task Force:** Conducts consultations, thoroughly shares knowledge and carries out policies related to countermeasures in emergency situations.

● **Human Rights Awareness and Promotion Committee:** Conducts consultations, thoroughly shares knowledge and carries out policies related to human rights initiatives. The objective is to create a corporate culture filled with a spirit of respect for human rights.

● **Committee to Encourage Employment of People with Disabilities:** Conducts consultations, thoroughly shares knowledge and carries out policies related to the employment of handicapped people and securing their role in the workplace.

● **Social Contribution Committee:** Conducts consultations, thoroughly shares knowledge and carries out policies related to activities to contribute to society. Conducts discussions related to original projects and support for social contributions by employees.

● **Environmental Issues Committee:** Conducts consultations, thoroughly shares knowledge and carries out policies related to global environmental issues, including reductions of the group's own environmental impact and support for customers' environmental initiatives.

Business Policy Committees

● **Portfolio Management Committee:** Conducts deliberations, coordination and monitoring regarding basic portfolio policy and operations.

● **ALM & Market Risk Management Committee:** Conducts deliberations, coordination and performance measurement regarding basic ALM policy and risk planning, funding and investment and market risk control.

● **Compliance Committee:** Including external experts (one lawyer and one certified public accountant), this committee conducts deliberations and coordination regarding legal compliance oversight and matters related to antisocial forces and accident handling.

● **Information Security Management Committee:** Conducts deliberations and coordination related to the promotion of policies on information management, management of risk involved in information security, compliance with the Law Concerning the Protection of Personal Information and rules and regulations concerning information management.

● **Disclosure Committee:** Conducts deliberations and coordination related to important matters in information disclosure required by law and timely disclosure in order to maintain a disclosure system that can be trusted by investors and maintain internal controls.

● **CSR Committee:** Conducts deliberations and coordination related to the status of CSR related initiatives, key matters to be addressed, action plans and CSR reports.

Risk Management

Further progress in financial deregulation and internationalization has led to rapid growth in the diversity and complexity of banking operations, exposing financial institutions to various kinds of risk. This section covers the group's basic approach to risk management and its risk management structure.

Basic approach to risk management and risk management structure

We classify our risk into credit risk, market risk, liquidity risk, operational risk, and manage each type of risk according to its characteristics. In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses, both qualitatively and quantitatively, in order to keep risk within managerially tolerable limits.

Recognizing that appropriate risk management and control measures are issues of key importance to management, we are taking steps to strengthen our risk management structure.

Comprehensive risk management structure

MHFG's Board of Directors has laid down the Basic Policies for Risk Management that are applicable to the entire group. These policies clearly define the kinds of risks to be managed, establish the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. They also provide for audits to measure the effectiveness and suitability of the risk management structure.

Each group company, while conforming to the basic policies that are determined by MHFG, improves the level of its risk management, works to strengthen the control, and adopts the most appropriate risk management measures for its business and the size and profiles of its risk exposures.

MHFG regularly and as required receives reports and applications concerning the risk management situation from core group companies. Each core group company also establishes the organizational structure of their own group companies and reports the situation to MHFG, thus allowing MHFG to control the overall risk of the whole group.

In addition, we endeavor to obtain the clearest possible grasp of the group's overall risk exposure. In accordance with the risk capital allocation framework, we have implemented measures to keep such risks within the financial base and other measures of financial strength of each of the group companies as well as that of MHFG.

The status of usage of risk capital allocated to each group company is regularly monitored and reported to the Board of Directors.

Credit risk management

We define credit risk as "The group's exposure to the risk that it might incur losses because of a decline in, or total loss of, the value of assets (including off-balance-sheet assets) as a result of deterioration in a counterparty's financial position."

Credit risk management has become increasingly complex because of financial deregulation, internationalization and the growing sophistication of transactions. As a result, the group manages it by two methods: controlling the entire process of each individual transaction, from extending credit to recovery, on the basis of assessments of the credit standings of the counterparties involved, and managing the entire portfolio using statistical methods to measure potential loss.

Market risk management

We define market risk as "the risk that the group could incur losses because of fluctuations in interest rates, stock prices and foreign exchange rates" and measures, monitors and controls the level of market risk by applying risk factors according to the profiles of risks at the level of both the holding company and each group company.

To manage market risk, a variety of limits are set, taking into account business strategies, historical limit usage ratios, and risk-bearing capacity.

Liquidity risk management

We define liquidity risk as "the risk of losses arising when the group faces funding difficulties because a deterioration in its financial position makes it difficult to raise the necessary funds, or when it is forced to procure funds at much higher interest rates than usual."

Liquidity risk is controlled by using indices pertaining to cash flow such as limits on funds raised in the market.

Operations risk management

We define operational risk as "the risk of loss that the group may incur resulting from inadequate or failed internal processes, people and systems, or from external events."

We consider operational risk as a wide range of risks, including IT risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory risk, and reputational risk. We have laid down risk management policies concerning risk management structures and methods for each kind of risk, and is working to further develop and strengthen control structures.

Compliance

Mizuho is working to achieve world-class legal compliance. This section covers our approach to legal compliance as well as the systems and activities to ensure compliance.

Approach to compliance

We are acutely conscious at all times of our social responsibilities and public mission as Japan's leading comprehensive financial services group. We, therefore, work to ensure that we observe all laws and regulations, and pursue corporate activities in a fair and honest manner that conform to the norms accepted by society.

Placing thoroughgoing compliance as one of the fundamental principles of sound business management, each group company pursues compliance and establishes its own compliance structure in line with the basic policies indicated by MHFG.

Compliance structure and activities

The respective President & CEOs of MHFG, MHCN and MHBK oversee compliance and conduct discussions regarding important compliance-related matters with the Compliance Committee (chaired by the President & CEO).

In addition, an individual compliance division has been established under the Chief Compliance Officer (CCO) to plan and carry out compliance activities.

Furthermore, the head of every organizational unit of each group company is responsible for guiding and implementing compliance measures. A separate compliance officer or a compliance administrator posted at each organizational unit checks the compliance status.

MHFG uses reports, etc. to ascertain the status of compliance management at the core group companies and undertakes an appropriate response if needed. Compliance at subsidiaries of the core group companies is monitored and managed by the core group companies themselves.

With respect to specific methods of checking the compliance status, we work to ensure thorough compliance by having each division conduct a primary self-check, with the secondary check carried out by the internal audit section. Additionally, the compliance status is one of the criteria included in the personnel evaluation done by managers, subordinates and colleagues from other departments with close working relationships forming a 360-degree performance evaluation.

Compliance manual

In order to provide concrete compliance guidelines, we have prepared a comprehensive compliance manual that clearly states the laws, ordinances and rules to be observed and the compliance activities to be practiced according to each type of work at the group companies.

Education and training

We carry out on-the-job training incorporating cases that follow concrete topics in regular group training sessions sponsored by the Human Resources Division or in training sessions carried out by each organizational unit under the instructions of divisions in charge of compliance.

Compliance programs

Each group company formulates a compliance program every fiscal year as a concrete action plan to put in place various systems, training sessions and checks associated with compliance. The implementation status of the programs is followed up every six months, and the status and results are reported to the Board of Directors.

Compliance hotline

We have long had a compliance consultation desk as a relief measure for compliance problems for which appropriate steps cannot be taken under the standard compliance reporting system. We further reinforced the system to ensure confidentiality and privacy protection by setting up a Compliance Hotline in April 2003, using an external law office.

Mizuho's Stakeholders

We will carry out our social responsibility by communicating with great sensitivity to stakeholders. This section covers our approach and relationship with stakeholders.

Approach to stakeholders

Being a property of shareholders, corporations such as financial institutions that have a public role have a major influence on society and consequently have heavy responsibilities toward society.

For this reason, we believe that it is crucial to conduct well-balanced corporate management by disclosing information to various stakeholders and hold two-way dialog with them while reviewing our relationship to society. In addition, we seek to fulfill our social responsibilities to all stakeholders and enhance corporate value in the belief that these are preconditions of being a sustainable enterprise.

We classify stakeholders into the following categories: customers, shareholders, regional/local communities, employees, suppliers, competitors and government authorities.



Customers

We serve an extremely broad set of customers, ranging from depositors and borrowers, trust consignor clients and beneficiaries and investors, who are individuals, enterprises and public service corporations. Moreover, clientele is geographically diverse, with customers around the world.

We facilitate communication with our customers by listening to them through “customers’ voice cards,” call centers and studies of customer satisfaction in addition to our website, direct mail and direct dialogs at branches and through sales activities. The information on customers’ opinions gathered through these methods is used to improve service and business quality in a variety of ways.



Regional and local communities

We maintain deep involvement with regional and local communities via our business activities at 728 locations in 27 countries (671 domestic and 57 abroad) and through each and every employee. In other words, we position regional and local communities as the backbone of Mizuho’s existence. Consequently, we believe in the key role of contributing to the development of local communities while conducting business that harmonizes our own profit with that of local communities.

In addition to normal business activities, we work for interaction with local communities through active social contributions.





Shareholders

As of the end of September 2005, 12,003,995.49 common stocks and 1,405,430 preferred stocks had been issued. These figures include 425,000 preferred stocks issued to the government (the Resolution and Collection Corporation) in order to borrow public funds. In October 2005, 125,000 of these stocks were redeemed and canceled. Our goal is to buy back all such stocks from the government in 2006, thus making full repayment of all public funds. Japanese institutional shareholders own 62.24% of MHFG's common stocks, non-Japanese institutional shareholders own 25.68% and individuals own 12.08%. We intend to maintain and expand our assets and improve our profitability in an attempt to keep the trust and meet the expectations of all shareholders. In order to gain broad understanding from all shareholders, we firmly maintain the accuracy and reliability of our financial affairs, taxation and accounting system and closely monitor whether they are functioning appropriately and effectively on the basis of a rigorous internal control system. Furthermore, we are augmenting our internal control system by further strengthening independent internal audit functions.



The Group



Government authorities

We maintain relationships with the government of Japan as well as governments of many other countries around the world in a variety of areas. Whether to follow laws and regulations in the course of conducting business, use necessary public services, act as a lender of funds for a government or national projects or as a borrower of funds provided by central banks, we observe all national laws in every case and maintain sound and normal relationships with domestic and foreign regulatory authorities and politicians that have jurisdiction over our business.



Employees

As of the end of September 2005, the number of the group's employees on a consolidated basis was 45,966, who play an active role in 27 countries with the majority of them in Japan.

Human resources are Mizuho's most important business resource. There is no more crucial source of competitiveness than human resources. We enhance the value of each and every employee by aggressively investing in human resources in the belief that doing so will create permanent value for Mizuho. Based on this view, we work to create a free and open work environment that appeals to employees being work-friendly and rewarding.

Moreover, we conduct compliance education and training, ensure thorough observance of labor laws, pay close attention to safety and health in the workplace, and set up a hotline to address discrimination and sexual harassment.



Suppliers and competitors

In our group, transactions with suppliers take place via orders for systems and purchases of goods and services.

We maintain sound and transparent relationships with suppliers in an effort to receive the best quality and services. In order to elevate business efficiency, we work with suppliers as business partners, with the goals of coexistence and co-prosperity. For this reason, we request their understanding of "The Mizuho Code of Conduct" ethics.

Conforming to the principle of self-responsibility, which is a premise of the market economic structure, we compete in a fair, transparent and free manner based on the attitude of self-support and independence.

Mizuho's Economic Performance

This section reports on our financial condition and results of operations – the results of our business activities from the viewpoint of economic relationships with stakeholders.

Approach to economic reporting in this CSR Report

For a company to continue to exist, it must improve its financial soundness by continuously securing profits. Moreover, to conduct business activities aimed at sustainable development, it must fully acknowledge its relationship with various stakeholders.

This economic report attempts to view the

financial condition and results of operations of Mizuho Financial Group from this standpoint, presenting representative features of its improving financial soundness as well as business performance, such as the profit situation from the standpoint of its economic relationship with stakeholders.

* Please refer to the Financial Report, Annual Report and their Interim Reports for detailed figures on financial condition and results of operations.

Improvement of financial soundness

MHFG seeks to improve its financial soundness by expanding top-line profits (gross profits) and cutting costs. At the same time, we attempt to increase shareholder's equity by accumulating retained earnings.

As a result of recording taxable income, the ratio of consolidated Net Deferred Tax Assets to Tier I Capital, which was 24.0% at the end of fiscal 2004, was reduced to 19.6% as of September 30, 2005.

With respect to NPLs, we had achieved the target to reduce the NPL ratio by 50% under the Financial Revitalization Program by the end of September 2004, and we continue to further improve.

*1 Three banks

Mizuho Bank, Mizuho Corporate Bank, and Mizuho Trust & Banking.

*2 Revitalization subsidiaries

Please refer to page 13 of this report.

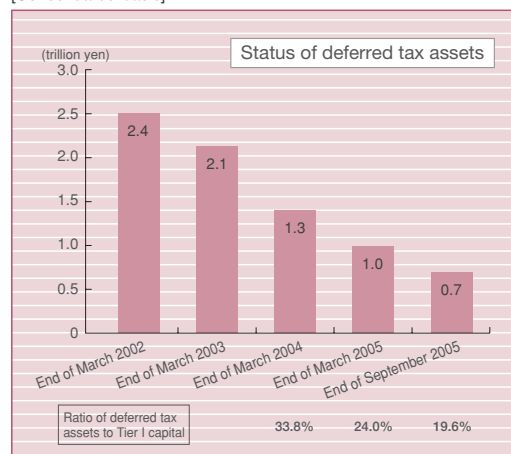
(In 100M of yen)

| [Consolidated basis] | FY2004 results | | FY2005 interim results | |
|--|----------------|-------------------------------|------------------------|-------------------------------|
| | | Change from previous year-end | | Change from previous year-end |
| Capital Adequacy Ratio (BIS Capital Ratio) | 11.91% | +0.56% | 10.73% | -1.18% |
| Tier I capital ratio | 6.19% | +0.44% | 5.44% | -0.75% |
| Net deferred tax assets | 10,028 | -3,300 | 7,588 | -2,440 |
| To Tier I capital ratio | 24.0% | -9.7% | 19.6% | -4.3% |

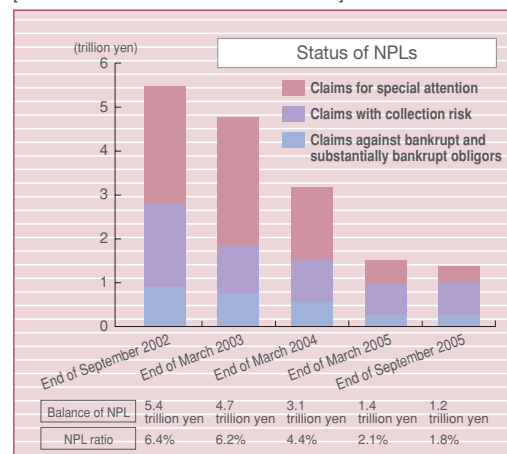
[Three banks¹ and revitalization subsidiaries²] (In 100M of yen)

| | FY2004 results | | FY2005 interim results | |
|---|----------------|-------------------------------|------------------------|-------------------------------|
| | | Change from previous year-end | | Change from previous year-end |
| Disclosed Claims under the Financial Reconstruction Law | 14,956 | -16,953 | 12,975 | -1,981 |
| NPL ratio | 2.16% | -2.23% | 1.85% | -0.31% |

[Consolidated basis]



[Three banks and revitalization subsidiaries]

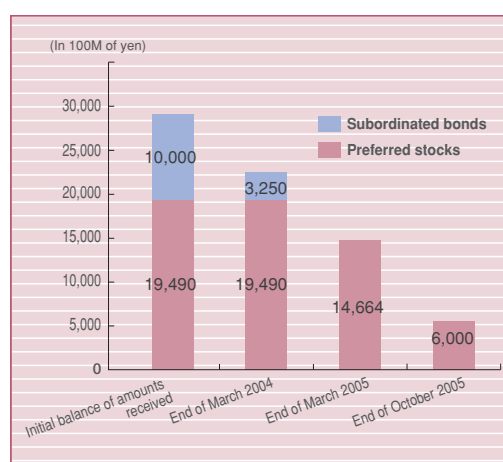


Repayment of public funds

MHFG is making progress in repaying public funds by steadily accumulating retained earnings to ensure levels of Capital Adequacy Ratio which is necessary in operating as a global financial institution.

As of the end of October 2005, we had repaid 2,349.0 billion yen of the 2,949.0 billion yen of the public funds initially borrowed, which represents a repayment rate of 79.6%. We intend to pay the remaining 600 billion yen in full by the end of March 2007.

In addition, we fully repaid the Subordinated Bonds among the public funds in fiscal 2004, and the convertible Preferred Stock were purchased and cancelled by the end of October 2005.



Profit situation and economic relationship between stakeholders

(In 100M of yen)

| FY2004 Consolidated Statement of Income Operations (extracts of major items) | | |
|--|---|---------|
| Ordinary Income | | 30,391 |
| | Credit costs for trust accounts | -27 |
| Ordinary Expenses | | -23,817 |
| | Operating profit | -10,913 |
| | Personnel Expenses | -4,822 |
| | Non-personnel Expenses | -5,496 |
| | Taxes | -594 |
| | Expenses related to Portfolio Problems including Provision for General Reserve for Possible Losses on Loans | -2,319 |
| | Others | -10,584 |
| Extraordinary Gains | | 6,574 |
| Extraordinary Profits and Loss | | 2,855 |
| | Reversal of Reserves for Possible Losses on Loans, etc. | 1,407 |
| Income Before Income Taxes and Minority Interests | | 9,430 |
| Income Taxes – Current | | -198 |
| Income Taxes – Deferred | | -2,352 |
| Minority Interests in Net Income | | -606 |
| Net Income | | 6,273 |
| Credit-related Costs | | -939 |
| Increase/decrease in Retained Earnings | | + 5,859 |
| | Cash Dividend | -742 |

* Credit-related Costs = Expenses related to Portfolio Problems + Provision for General Reserves for Possible Losses on Loans + Reversal of Reserves for Possible Losses on Loans, etc. + Credit Costs for Trust Accounts

(In 100M of yen)

| Economic relationship with stakeholders (proforma calculation) | |
|--|-------------|
| Sales to customers | 30,391 |
| Purchase from customers (cost price) | 10,584 |
| Stocking from customers (Expenses related to Portfolio Problems) | 939 |
| Shareholders | 1,349 |
| Local community | see page 38 |
| Executives and employees | 4,822 |
| Suppliers (purchase of goods) | 5,496 |
| Government | 792 |

Method of making proforma calculation of "economic relationship with stakeholders"

- Sales to customers: "Ordinary Income"
- Purchase from customers (cost price): "Ordinary expenses" less "operating expense" and "Expenses related to Portfolio Problems + Provision for General Reserve for Possible Losses on Loans."
- Purchase from customers (Expenses related to NPLs): "Credit-related Costs"
- Shareholders: Total of the amount of Cash Dividend and Minority Interest in Net Income
- Local community: Please refer to the social report entitled "Breakdown of Social Contribution Spending by Area"
- Employees and executives: Personnel Expenses within General and Administration Expenses
- Suppliers: Non-personnel Expenses within General and Administration Expenses
- Government: Total of Miscellaneous Taxes within General and Administration Expenses and Income Taxes - Current

Relationship with Customers

We aim to be No.1 in CS (Customer Satisfaction). This section covers initiatives to provide satisfaction and gain customer trust.

Basic Stance toward Customers

- We will make constant efforts to satisfy customers win their trust, and build long-term relationships based on trust.
- We will get to know customers well and deal with them sincerely.
- We will provide customers with ample information and offer them comprehensive financial services of the highest quality.
- We will manage customers' assets with due and diligent care.
- We will work assiduously at self-education with a view to acquiring the kind of informed outlook, specialist knowledge and skills that will be useful to customers.

Aiming to be No.1 in CS

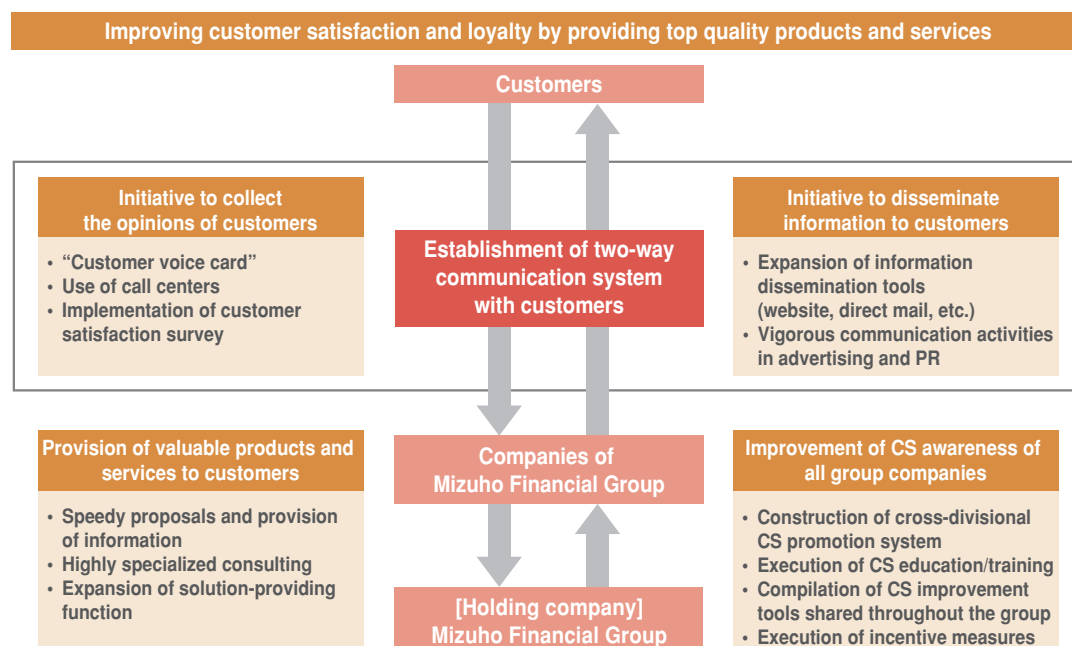
Taking to heart our corporate culture as a services provider and to place customers first, we instill in all employees the rule of always acting to provide the best services to customers. We also respond sincerely to customer complaints and criticism, and will resolve problems with prompt and appropriate measures. Moreover, we regard such complaints and criticism as important managerial resource, and will use them, by analyzing the cause and clarifying the problem,

for preventative measures or to improve product development and services, thus improving the business quality of the entire group.

Communication with customers

Two-way communication is the key to understanding the requests and complaints of customers. We undertake bi-directional initiatives both to collect customer opinions and to disseminate information to customers.

Business aimed to be No.1 in CS



Mechanism to collect customer opinions

Customer Voice Card

Mizuho Bank, Mizuho Corporate Bank, and Mizuho Trust & Banking have “Customer Voice Card” to gather a wide range of opinions from customers.

Call Centers

Call centers have been set up at the banks, securities companies, trust banks of the group that conduct retail business to answer customer enquiries by telephone. The opinions and requests received by call centers are collected at the sections responsible for customer service (in fiscal 2004, Mizuho Bank received about 500,000 inquiries and requests of various kinds by telephone).

Survey on Customer Satisfaction

In addition to Customer Voice Cards and practical use of call centers, we implement business policies aimed at being No. 1 in CS, and carry out surveys on customer satisfaction in order to learn how satisfied customers are dealing with the group.

Mechanism to reflect customer opinions in business

The opinions received from customers are reported to each company’s management via the customer service sections of each group company. The opinions are analyzed at the CS Research Institute of Mizuho Financial Group and put to practical use to improve the business quality of the entire group.

Obtaining JIS Certification for Complaint Management

Based on Japanese Industrial Standards (JIS Z 9920) Guidelines for Addressing Complaints, Mizuho Trust & Banking has set up a system to address complaints. In September 2001, it was the first Japanese entity to acquire third party certification according to this standard. We aim to improve customer satisfaction and confidence based on this standard.

Mechanism to disseminate information to customers

We attempt to communicate non-marketing information to customers as quickly and accurately as possible using appropriate, effective methods via our websites, direct mail, e-mail, and newspaper ads.

Ensuring customer safety

As part of improving security, starting March 2005, Mizuho Bank switched from issuing ordinary bank deposit cash cards to IC cash cards equipped with IC chips for individual customers, which make forgery difficult (*1). To further enhance security, the bank reduced the withdrawal limit at ATMs that do not handle IC cash cards starting September 2005 (*2). The bank will also strive to improve security further and advance its attempt to limit damage from forgeries by introducing biometric identification. The bank will also look into ways of preventing theft-related and other illegal withdrawals. Moreover, to prevent damage from crimes such as billing fraud, the bank is calling for attention to stop such crimes by providing information to customers via ATMs, direct mail, notices in bank branches, and websites.

Information Security

As a group providing comprehensive financial services, we regard the proper use of customer information and other information assets as a source of competitive strengths of the group, and consider the protection of its information assets as an important social responsibility. Consequently we designate a section responsible for information management in each of the group companies.

As of September 2005, Mizuho Financial Group obtained certification of Information Security Management Systems under the “Conformity Assessment Scheme for ISMS (Ver.2.0)” and “BS 7799-2” for all divisions. Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking, Trust & Custody Services Bank and Mizuho Information & Research Institute also obtained certification for specific divisions.

We are making an effort to further strengthen our information management system by obtaining similar certification.

Protection of Personal Information

With respect to protecting personal information of customers, all the group companies have established privacy policies in accordance with the group policies on protecting personal information and the group approach to use personal information complying with the Personal Data Protection Law in Japan. Such policies are also published on the group websites, etc.

Seeking to supply financial products and services with even higher added value, we use personal information of customers with due care. With respect to using personal information of customers, we are working to ensure safety by undertaking strict information management that takes full account of its importance.



Customer voice card



IC cash card

*1 Mizuho Trust & Banking is planning to introduce this measure from April 2006.

*2 Mizuho Trust & Banking has been implementing this measure since July 2005.



IS97580/BS7799 IJ01675/ISMS

Information Security Management System Certification Logo

Relationship with Shareholders

Our goal is to achieve “management with openness.” As such, we emphasize proactive communication with our shareholders. This section covers our initiatives to enhance the confidence and meet the expectations of our shareholders.

Basic Stance toward Shareholders

- In order to win our shareholders’ trust, we will endeavor to preserve and enhance the group’s assets.
- We will strengthen our internal control systems through appropriate accounting, effective internal audit, etc.
- We will proactively disclose information and enhance the transparency of our management to ensure that our shareholders have an accurate grasp of the details of our business.

Communication with our shareholders

General meeting of shareholders

The ordinary general meeting of shareholders is held at the end of June and avoids the peak dates of other companies’ shareholders meetings. More than 1,500 shareholders gather for the meeting every year. We strive to provide a more visualized overview of business activities by utilizing a large screen. The meeting features a vigorous exchange of questions and answers between top management and shareholders.

Those shareholders who do not attend the general meeting can still exercise their voting rights by written document or through the Internet. In addition to disclosing the proceedings of general shareholders meetings to the media, the group’s website publishes the overview of business activities and the message from the President & CEO, for about three months after the general meeting.

Report to our shareholders

In order to inform all shareholders about the group’s business and provide an overview of its settlement of financial accounts, we deliver our “Report to our Shareholders” after the general meeting of shareholders and the announcement of interim results. From the viewpoint of readability and simplicity, we use graphs, tables and photos.

The Report to our Shareholders is disclosed on the website along with the Business Report that is enclosed together in the notice of the convocation of the general meeting of shareholders.

Communication with investors

We formulated our IR policy by keeping in mind “transparency,” “fairness,” “timeliness,” “continuity,” and “interactiveness” in our IR activities. The policy is published on our website.

Based on the IR policy, we are voluntarily and proactively deploying our IR activities in various ways.

Proactive IR activities by top management

Top management is actively engaged in IR activities overseas as well as periodic IR presentations in Japan, aiming to deepen the understanding of Mizuho by domestic and foreign investors.

Utilization of a wide range of information disclosure channels

On our website, we disclose presentation materials as well as audio archives from IR presentations and annual reports in both English and Japanese. In addition, conferences via the Internet are conducted in both Japanese and English. We also issue a variety of publications such as Mini-Disclosure Reports (in Japanese). In this way, we are utilizing a wide range of disclosure channels meeting the diverse needs of our investors.

The following websites contain “IR information” and “Stock information”:

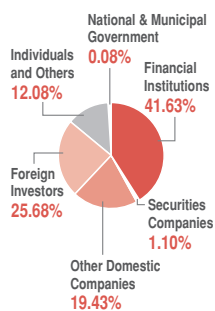
<http://www.mizuho-fg.co.jp/english/ir/index.html>
<http://www.mizuho-fg.co.jp/english/stock/index.html>

Toward further transparency

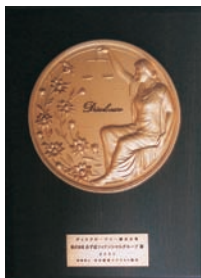
We began preparations for listing on the NYSE as early as feasible to secure the transparency in our corporate governance and to enhance investor trust. As part of our preparations for listing, we aim to establish the framework to provide investors with disclosure based on U.S. generally accepted accounting principles, which are deemed to be one of the global standards used by leading global companies, and aim to establish disclosure and internal control systems in compliance with the U.S. Sarbanes-Oxley Act, which sets the strictest standard in the world today.

* This statement does not constitute an offer of any securities of MHFG for sale.

Classification by Types of Shareholders (common shares)



* as of the end of September 2005



We received the “FY2005 Award for Excellence in Corporate Disclosure” in the banking sector following an evaluation by The Security Analysts Association of Japan of our IR activities and attitude toward information disclosure.

Relationship with Employees

We believe that enhancing the value of each and every employee will lead to the development of the group as a whole. This section covers our vision toward employees, and the systems and initiatives put in place to allow employees to play active roles.

Basic Stance toward Employees

- We will enable our employees to achieve a healthy life style, creating an environment where employees may work in comfort and safety.
- We will create a workplace where people may work together in mutual respect and without discrimination or harassment.

* Policies and programs described in this section are generally applicable to domestic employees, while others may apply to employees hired at our overseas branches, subsidiaries and affiliated companies.

Vision for human resources

Our employees are the group’s most important business resource. They are our unrivaled source of competitiveness. We raise each person’s value by positive investments in human resources in the belief that doing so leads to the development of the entire group.

The group and its employees have set a shared vision for human resources as follows: We promote the “ROE” principle for human resources with a view to lasting value creation and creating an attractive and fulfilling working environment for employees.

“ROE”
principle for
human
resources

Responsibility: Observe the principles of independent judgment and self-accountability.

Opportunity: Provide equal opportunity.

Employability: Develop expertise to enhance competitiveness.

Establishing a corporate culture full of vitality

We have established the following five values as the group’s common code of conduct:

These values, serving as the axis of our personnel evaluation system, along with the “360-degree employee performance evaluation,”* shall be instilled in all employees of the group.

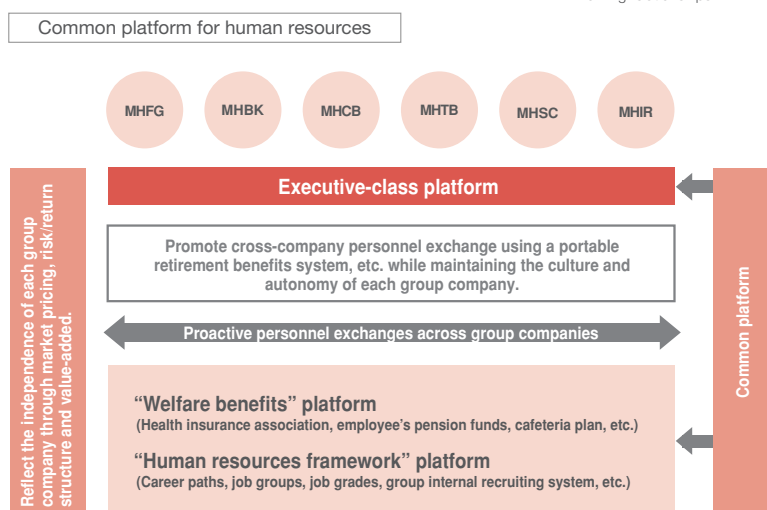
- 1) Possessing a “customer-first” corporate objective.
- 2) Facing the challenges of innovation.
- 3) Being rational and fair in making decisions.
- 4) Placing importance on speed.
- 5) Being accountable for all actions.

The group’s human synergy

Employees are placed in a group company with the aim of creating a team of specialists that can deliver maximum innovativeness and speed. At the same time, facilitated by the group’s uniform compensation system (a group-wide platform for human resources), we are able to maximize group synergy through cross-company personnel transfers to place the right person in the right job.

The platform has 15 job-ranks and five managerial ranks (associate, leader, manager, senior manager and executive). This forms the basis of a personnel compensation system for cross-company transfers. We also have set up a merit-based evaluation system to conduct fair evaluations in accordance with jobs and performances.

* 360-degree employee performance evaluation
Personnel evaluation scheme whereby personal evaluations of managers involve subordinates and persons from other divisions with whom they have close working relationships.



(as of October 31, 2005)

Three Career Paths

Corresponding to employees' approach to lifestyles and careers, and also depending on the specialty or skill possessed, we have three career paths – “Managerial Career Path,” “Expert Career Path,” and “Professional Career Path.”

Managerial Career Path

This path allows the employee to demonstrate advanced specialized knowledge/skill or creativity/planning ability while working in a variety of business areas.

Expert Career Path

This path allows the employee to demonstrate expert skill and business ability based on extensive experience and knowledge in specific areas.

Professional Career Path

This path allows the employee to demonstrate advanced specialized knowledge/skill or creativity/planning ability by working in specialized business areas. An annual performance-based salary system is applied with contracts that emphasize results.

Measures for rejuvenation and management of human resources

Job application system for branch managers

We introduced an internal job application system for branch general manager positions in January 2003 to encourage the quick development and advancement of younger employees. Focused on staff in their thirties, this system has produced 51 successful young and mid-level officers, as of the end of October 2005, who were appointed as branch managers as positions became available.

Group-wide job application system

We have introduced a group-wide job application system to encourage employees to pursue their own career and to acquire greater specialization. Recruitment is carried out on a cross-company basis for many cross-disciplinary jobs. This allows employees to seek jobs they desire irrespective of their current company affiliation. This system will be expanded in the future to broaden the scope of jobs covered.

Education/training system

We have put in place an education/training system that is uniform and shared among group companies as a means of realizing “ROE on human resources investments.”

We conduct highly specialized education/training activities in accordance with each company's respective business models and aggressively share the training system of companies within the group. Moreover, we are setting up the “Mizuho University” as a common training platform throughout the group and implementing advanced cross-disciplinary training programs using outside resources at all group companies. The university is setting up programs that literally envision the curricula of a university. Among these are “Mizuho AMP” (Advanced Management Program), “Mizuho PMD” (Program for Management Development), and “Mizuho College,” as well as “Mizuho Knowledge Forum,” “External Assignment Program,” and “Overseas Education Program.”

Basic data on domestic employees ^{*1}

| | As of March 31, 2004 ^{*2} | | | As of March 31, 2005 ^{*3} | | |
|---------------------------|------------------------------------|---------------|---------------------|------------------------------------|---------------|---------------------|
| | Managerial Career | Expert Career | Professional Career | Managerial Career | Expert Career | Professional Career |
| Number of employees | | | | | | |
| Male | 17,998 | 98 | 358 | 19,106 | 217 | 389 |
| Female | 282 | 11,289 | 42 | 967 | 10,048 | 47 |
| Total | 18,280 | 11,387 | 400 | 20,073 | 10,265 | 436 |
| Average age | | | | | | |
| Male | 39.7 | 49.5 | 38.4 | 39.5 | 36.8 | 38.8 |
| Female | 35.4 | 33.8 | 35.5 | 32.9 | 33.9 | 36.2 |
| Total | 39.6 | 33.9 | 38.1 | 39.2 | 33.9 | 38.5 |
| Average length of service | | | | | | |
| Male | 17.6 | 28.4 | 8.6 | 17.1 | 17.1 | 10.0 |
| Female | 12.6 | 13.4 | 5.3 | 10.3 | 7.6 | 6.4 |
| Total | 17.5 | 13.5 | 8.3 | 16.8 | 7.8 | 9.6 |

^{*1} Does not cover general affairs or non-regular staff.

^{*2} Data as of March 31, 2004 is tabulated for five companies: Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, and Mizuho Financial Group, Inc.

^{*3} Data as of March 31, 2005 is tabulated for six companies: Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, Mizuho Financial Group, Inc. and Mizuho Information & Research Institute.

Support for family-related matters

The following measures have been advocated from April 2005 in order to balance the work life and family life of employees who need to provide family nursing care.

Augmentation of various child-care systems

- 1) Expansion of the scope of applicants of the child-care leave systems.
- 2) Extension of the period of child-care leave.
- 3) Relaxation of the limit on number of leaves.
- 4) Delivery of work materials during leave.
- 5) Overtime exemption measure for employees with preschool infants.
- 6) Creation of nursing holidays.
- 7) Expansion of spouse maternity leave.
- 8) Introduction of a day care expense subsidy system.

Augmentation of various nursing care-related systems

- 1) Expansion of scope of applicants of family nursing care leave.
- 2) Relaxation of the limit on number of leaves.
- 3) Delivery of work materials during leave.
- 4) Overtime exemption measure for employees who provide nursing care to family members.

Thorough education of the system

- 1) Education of employees on support for family-related matters.
- 2) Production/distribution of brochures to explain systems.
- 3) Provision of information to help balance work life and family life.
- 4) Regular labor-management discussions to balance work life and family life.

Initiatives for positive action

Aiming to rejuvenate the organization by actively utilizing female employees and raising their morale, we are conducting "Positive Action"* initiatives on a group-wide basis. A manager in charge of positive action is assigned in the Human Resources Division of each group company to regularly share information on the state of progress and to actively promote a wide range of measures to achieve positive action targets throughout the group.

Goals and description of initiatives in recruitment and job placement

High targets, well over the current situation, have been set with the objective of facilitating the rapid penetration and firm establishment of positive action. Furthermore, we are assigning female employees to positions where they can exercise their capabilities by taking advantage of the business model of each group company.

Goals

- 1) The ratio of female employees in the five group companies (Mizuho Financial Group, Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, and Mizuho Trust & Banking) to be raised to 20% for managerial career path positions.
- 2) The ratio of female employees in managerial-level positions to be increased 1.5-fold from April 2004 to March 2009.
- 3) Assign female employees effectively to benefit from the business model of each company.

Measures

- Since fiscal 2003, we have been supporting "Seminar on Improving Careers for Female Students," which is sponsored by Nikkei DISCO. At these seminars, female employees of the group's core positions present their practical experiences and group initiatives. In addition, we hold our own seminars targeted to female students in Tokyo and Osaka.
- Expert programs are applied to expert career path employees who have the potential to be appointed to management positions in order to facilitate their consideration of career improvement; managerial career path employees are also trained individually as candidates for appointment to management-level positions.
- A wide range of measures are carried out at each company.

| | |
|------------------------|---|
| Mizuho Bank | <ul style="list-style-type: none"> • Positive appointment to managerial-level staff (chief manager and above) in administrative divisions (deposit/exchange areas) at business offices. • Set-up a managerial career Financial Consultant course as leaders of our consulting business designed for individual customers, which is one of our core businesses, and actively appoint female employees. |
| Mizuho Corporate Bank | <ul style="list-style-type: none"> • The bank reviews supervisory managerial appointment needs in sales departments, sales administration departments, and administration departments to find new positions with the proper mix of authority and administrative work load. • Positions related to expert programs are identified and steps are taken to encourage appointment to assistant manager positions and carrying out training and follow-up training for appointees. • A mentor system has been introduced aimed at new female employees who are candidates for managerial career path positions and support is provided for fast-tracked adaptation within the organization. |
| Mizuho Securities | <ul style="list-style-type: none"> • Female employees themselves have launched their own committee (Miw-Net) under direct control of the president to suggest work-friendly workplaces. In addition, a committee (Mom Net) of working mothers has been launched as a part of these activities. |
| Mizuho Trust & Banking | <ul style="list-style-type: none"> • The company is encouraging the appointment of female employees to chief management and group leader positions in administration departments. • The company actively promotes hiring and appointment of female employees by setting up new managerial career path positions (trust financial consulting course) for personnel who will be in charge of financial consulting in the trust area for individual customers. |

* Positive Action

Initiatives undertaken vigorously and voluntarily to eliminate the actual disparities between male and female workers in the workplace and to encourage females to highlight their capabilities.

Relationship with Local Communities

As a good corporate citizen, we intend to contribute to local communities that are the foundations of our existence. This section covers our approach to social contributions and provides examples.

Basic Stance toward the Community

- We will fulfill the role of a “good corporate citizen.”
- We will actively engage in activities that contribute to society.

Approach to social contributions

Mizuho’s basic stance is to act as a “Good Corporate Citizen” working hand-in-hand with local communities. Consequently, it must communicate closely with communities and its activities must fit in with each community’s rules of behavior and expectations.

This is why we treat our social contributions as one of our social responsibilities and work at information disclosure in hopes of gaining the understanding of the society.

With respect to this point, we have set up the “Operating Standards for Social Contributions and Environmental Issues” as concrete measures to continuously guide the implementation of social contributions. Moreover, we conduct periodic reviews to accommodate changes in the society.

Under these operating standards, the following seven areas have been classified for social contributions.

1) Nurturing young people, 2) social welfare, 3) promotion of the arts, culture and academic studies, 4) international exchange, 5) global environment preservation, 6) training in finance, and 7) humanitarian activities. Moreover, we examine the implementation of such social contributions from various viewpoints and evaluate the benefits objectively in terms of contributions to the development of local communities, initiatives with outstanding benefits of public interest that will gain communities’ understanding, and originality and progressiveness regarding community-related issues.

Social contributions may be classified into contributions that require economic assistance and contributions that need volunteers. We hope to make more effective contributions by understanding these individual implementation factors.

The question is how to make social contributions

by making use of the expertise that we possess as a financial institution. A further question is what social contributions we can make to build a sustainable society, in terms of furtherance/support to welfare and the arts and academic studies even when such contributions have no direct relationship to our main business. Our branches, which are deeply rooted in local communities, are searching for the best ways to make social contributions by understanding needs as they bear on society.

Standards for executing social contribution programs

To assess the execution of social contribution programs, we have set down the following standards. Because societies change with time, we conduct regular reviews while maintaining a continued approach regarding program execution.

Standards for social contribution and environmental issues

1 Scope of implementation

Covers the following areas:

- 1 Nurturing young people
- 2 Social welfare
- 3 Promotion of the arts, culture and academic studies
- 4 International exchange
- 5 Global environment preservation
- 6 Training in finance
- 7 Humanitarian activities

2 Assessment standards regarding execution

Assessment is carried out based on the following standards:

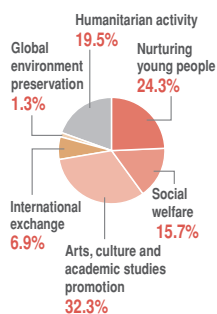
- 1 Contributions to local communities: Initiatives to contribute to the development of local communities.
- 2 Acceptance from society: Initiatives with significant public benefits that may gain broad understanding from society.
- 3 Originality: Original, advanced initiatives on social issues.

3 Format of implementation

Carried out in the following formats:

- 1 Original plans/programs
- 2 Support for the group’s social contribution foundations.
- 3 Donations
- 4 Support for volunteer activities of executives and regular employees.

Breakdown of social contribution outlays by area



Items that are placed in two categories are calculated with 1/2 the amount of money per area.

Total sum of outlays of Mizuho Financial Group: 133 million yen.

Initiatives for financial education

Mizuho Securities has long played a key role within the group toward the nurturing of youth. It has been contributing to courses at universities, such as at the Graduate School of Kyoto University, Faculty of Economics, Keio University, and four others, including the invitation and dispatch of teachers in cooperation with companies within the group.

Efforts are not limited to Japan; we also have established college courses financially maintained by private donations at Peking University and Fudan University in China and sent lecturers there.

However, our vision is not limited to the university scene. We carry out “workplace experience” programs at the branch level by cooperating with elementary and junior high schools.

To teenage children, a “bank” may mean nothing more than a place where there is a reception desk and ATM. However, the question is what kind of work takes place behind the reception desk, how it supports the bank, and how this function serves to build Japan’s finance business. We want them to understand and get a sense of the total scheme by viewing linkages within the overall flow. This is why we cooperate at the branch level in accommodating requests by local educational institutions.

For example, Mizuho Bank’s Kumegawa Branch (Higashimurayama city, Tokyo) has held presentations on a wide range of businesses, accepting three local eighth graders for a two-day period from January 2005, covering the topic “What is a bank?,” including checking of seals as well as handling of public lottery, foreign currency, and traveler’s checks. Moreover, in cooperation with customers of four of our branches, they visited companies accompanied by bank

officers, thereby learning about a wide range of bank services, including sales visits regarding loans and tours of operations. The junior high schools that took part welcomed this experience, even announcing it at school events.

Aiming to provide financial training rooted in local communities, the Fukushima Branch (Fukushima city) provided an opportunity for two sixth graders to experience our business. They learned banking through tasks such as counting notes and making coin rolls, which deepened their understanding of banking. The elementary school teachers who took part said: “Children think of this as a chance to think about their futures. Moreover, they sensed the importance of human relations and work.”

It is important to carry out such initiatives on a continuing basis. As a financial institution that is deeply rooted in local communities, we would like to further cultivate activities that contribute to communities and society from a long-term viewpoint.



Experience study: visit to a manufacturer of fermented soybeans (Kumegawa Branch)

Sponsored academic courses at universities

(In FY 2004 and in FY 2005)

| | Educational Institute | Course, Main theme | How operated | |
|-----------------------------|---|---|---|---|
| Domestic | Mizuho Securities | Graduate School of Economics/ Faculty of Economics, Kyoto University | Corporate finance theory | Dispatch of lecturers, invitations to professors/ assistant professors |
| | | Faculty of Commerce and Management, Hitotsubashi University | Corporate finance theory | Dispatch of lecturers |
| | | Graduate School of Commerce and Management, Hitotsubashi University | Corporate finance theory | Dispatch of lecturers |
| | | Graduate School of Global Business, Meiji University | Corporate finance | Dispatch of lecturers |
| | Joint operations of Mizuho Securities and Shinko Securities | Open Education Center, Waseda University | Corporate financing and frontiers of investment banking business | Dispatch of lecturers |
| | | Faculty of Economics, Keio University | Corporate financing theory | Dispatch of lecturers, invitations to professors/ lecturers |
| | | Chuo Graduate School of Accounting | Practice and application of corporate finance | Dispatch of lecturers |
| | | College of Social Relations, Rikkyo University | Japanese financial capital markets | Dispatch of lecturers |
| | | Center for Business Creator Promotion, Rikkyo University | Corporate finance | Dispatch of lecturers |
| Mizuho Investors Securities | Nippon Bunri University | Outline and practice of finance and stock markets | Dispatch of lecturers | |
| Overseas | Mizuho Securities | Fudan University (China) | Capital markets, cross border transactions | Dispatch of lecturers |
| | | Peking University (China) | Capital markets, corporate finance, governance | Lecturer dispatch, joint lecture with Waseda University |

Nurturing young people

The Yellow Badge Traffic Safety Campaign

Every year, first-graders start school with brand-new knapsacks and Yellow Badges. We have been undertaking the initiative to present Yellow Badges with traffic accident insurance to children who are just beginning school.

The incident that triggered this initiative occurred in 1965, when a mother lost her beloved child in a traffic accident. The newspaper article mentioned the mother's letter addressed to then-Prime Minister Eisaku Sato asking for the elimination of traffic accidents. As a financial institution with a nationwide branch network, we asked ourselves how we could help protect children from traffic accidents. Based on the hope of ensuring traffic safety and eliminating traffic accidents, this thought led to the launch of a campaign to deliver eye-catching yellow armbands to first-graders nationwide. The armband was later switched to a badge fastened by a safety pin. Every year, the Japan Traffic Safety Association runs a contest for traffic safety slogans. The traffic safety slogan of that year, which won the top award of the Prime Minister's Prize, Children's Division, was inscribed on all of the Yellow Badges in that year, and this practice has continued to this day. Initially, the

area of distribution was limited, however, it has developed into a nationwide initiative by gradually getting the cooperation of police-related organizations and educational institutions. The campaign takes place



Yellow-Badge presentation ceremony (2005 in Tokyo)

every year from February to April and the presentation of Yellow Badges takes place nationwide in branches of the group and the three other sponsor companies. Traffic safety lessons are held after the presentation ceremony in Tokyo with programs to teach first-graders safety rules. The number of badges distributed over 41 annual campaigns totals 50,560,000. This initiative is carried out jointly by MHFG, Sompo Japan Insurance, Meiji Yasuda Life Insurance Company and The Dai-ichi Mutual Life Insurance Company.



A traffic-safety classroom (in Tokyo) featuring Peepo-kun and the Yellow Badge



Social welfare

Mizuho Charity Fund

The Mizuho Charity Fund is a donation system to encourage social contributions by the group executives and employees through voluntary monthly donations from their salaries. Decisions on where to make donations and the amounts are made by a steering committee in an effort to be fair; donations are used to buy vehicles to be presented to welfare institutions, as relief aid for natural disasters, and to support volunteer activities in which executives and employees take part themselves.

In fiscal 2004, donations were made for relief of victims of the Niigata Prefecture Chuetsu Earthquake and the earthquake and tsunami that hit Sumatra. In addition, grants were made to four groups to support volunteer activities in which executives and employees took part themselves.



Donation to Thai government for victims of the earthquake and tsunami that hit Sumatra

Community exchange and promotion

Putting down roots in local communities

Deeply rooted in regions, our branches are facilities that are closely associated with local communities. The Kobuna-cho Branch (Chuo ward, Tokyo) symbolizes this banking image.

This branch holds “the cutting the New Year’s rice cake” ceremony annually in January. The ceremony features the participation of Kobuna-cho community and other local associations as well as MHFG executives. In 2005, it was held on January 11. Led by the chairman of Kobuna-cho community association, Mizuho Bank’s President & CEO Mr. Sugiyama, MHFG President & CEO Mr. Maeda, and others host the gathering, and many local residents were treated with barreled rice wine and sweet bean soup.

This is a “traditional event,” dating from 1897. With a history of more than a century, it symbolizes the ways in which we cultivate ties with the local community. This branch was formerly the head office of Yasuda Bank.

Similarly, the “Yakumo Shrine Tenno Festival” takes place every four years in Kobuna-cho which has 340 years of history. Kobuna-cho inherited this festival from Kodenma-cho

in 1666. The branch is located next to the great sacred arch, which is the entranceway to the shrine. A large sacred palanquin called “Mikoshi,” about three meters tall, is kept in the branch’s lobby for about two months before the festival. As a member of the local neighborhood association, we support this traditional event both by carefully preserving this “Mikoshi” and by employees of the branch taking part in the festival carrying it.



The cutting of the New Year’s rice cake at Kobuna-cho Branch – a tradition of over a century.

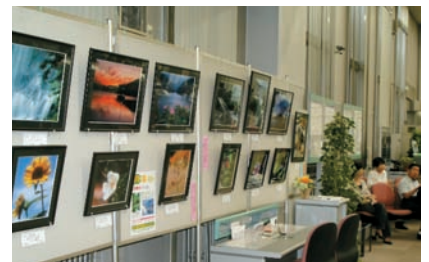


Large “Mikoshi” about three meters tall

Exhibition in lobby

Taking advantage of the branch’s local and community characteristics, some branches hold an exhibition at the lobbies in an effort to forge even closer ties with the communities. Moreover, branches have set up a bookshelf to hold books donated by customers and employees, which are lent to customers free of charge.

Mizuho Bank’s Hachioji Branch (Hachioji city, Tokyo) stages a photograph exhibition by a local club every month. As such, it acts as a forum for communication between fellow-enthusiasts, featuring a name-book in which attendees can write down their impressions. Similarly, Mizuho Bank’s Oyama Branch (Itabashi ward, Tokyo) has been offering its “Oyama Library” ever since the branch’s opening in 1989. It is used by many customers.



Using a poster board in the lobby, 20-30 photographs are on exhibit (Hachioji Branch)

Promotion of small and medium-sized enterprises, middle market corporations

MHFG has been assisting the Medium and Small Business Research Institute since its launch in 1966 as a part of the promotion of small and medium-sized enterprises, and middle market corporations, which have been a driving force of Japanese economic growth. We support the Institute’s empirical studies and research and its awards program to find

outstanding enterprises uncovered nationwide.

Additionally, we established the Charitable Trust for Mizuho New Business Fund in 1996. The Fund provides grants from a public interest standpoint to deserving enterprises that are not adequately supported by conventional bank financing or venture capital.

International exchange

Overseas social contributions

The Mizuho USA Foundation, Mizuho's largest overseas philanthropic organization, was formed by the merger of the former IJB and DKB foundations established in 1989 and 1991. The foundation provides grants to nonprofit organizations for a wide range of programs, including the prevention of homelessness, vocational training and job placement for young people and those on welfare, financial literacy education, and homeownership seminars. In addition, we support nonprofit organizations with which our employees serve as volunteers.

In 2004, the foundation made contributions totaling US\$452,330. That included charitable grants to nonprofit organizations in New York, Los Angeles, and San Jose, as well as matching gifts for donations made by employees and support for organizations with which our employees volunteer.



We participated in the charity walk "March of Dimes," collecting donation of about \$46,000, which ranked us in the top 10 among New York enterprises.

| Overseas foundations/funds | | | |
|----------------------------|--|-------------|--|
| National/Regional | Foundation/Fund name | Established | Activities |
| U.S.A. | Mizuho USA Foundation | 1989 | Activities centered on donations to groups assisting the revitalization of local low-income groups or non-profit organizations. Aid to non-profit organizations in which Mizuho's employees are performing volunteer activities. |
| Hong Kong | Mizuho-Wing Hang Bank Scholarship Foundation | 1989 | Education grants to Hong Kong non-profit organizations and scholarships were paid to students resident in Hong Kong. |
| Taiwan | Mizuho Aishin Charity Fund | 1989 | Funds to support mainly education-, medical care-, and welfare-related programs. |
| China | University of International Business and Economics (Mizuho Foundation) | 1995 | Funds to support training of young people who will play an active role in China's financial industry. |
| Thailand | Mizuho Asia Fund | 1998 | Charitable trust with the objectives of providing sound education, eliminating drug use, and promoting sports in ASEAN countries. |

Activities of philanthropic foundations

Social contributions via foundations

MHFG has five different domestic philanthropic foundations which support initiatives to assist the welfare of the elderly and the handicapped, endowments for education and scholarships, international exchange, and academic research.

Mizuho Scholarship Foundation
(established in 1954)

The foundation provides scholarships to deserving students who face economic hardships.

Mizuho Foundation for the Promotion of Sciences
(established in 1957)

Provides research grants in engineering and law. Public essay contests in law and economics. Provides scholarships to foreign exchange students in Japan.

Mizuho Education Welfare Foundation
(established in 1972)

Assistance to education in remote regions, education of physically and mentally handicapped children, and the welfare of the elderly (presentation of grants, tools for mobility, books, and vehicles for welfare facilities).

Mizuho Welfare Foundation
(established in 1980)

Assistance in connection with the welfare of the disabled (grants, donations of electric wheelchairs and welfare vehicles). Funds for translating books into Braille for visually impaired university students.

Mizuho International Foundation
(established in 1991)

Scholarships for foreign exchange students in Japan. Training for personnel in international exchange.



Presentation of vehicles for welfare facilities (Mizuho Welfare Foundation)



Presentation of children's books to elementary schools located in remote regions (Mizuho Education Welfare Foundation)

Environmental Initiatives

We recognize that maintaining and preserving the environment is the foundation of sustainable development of the society and economy. Thus, each group company conducts activities based on environment-related policies formulated in the Mizuho Code of Conduct.

Mizuho's environmental initiatives and main environmental impacts

We have been compiling our Environment Directory since 2002, listing the various environment-related operations and initiatives undertaken by group companies in an effort to encourage information sharing about environmental problems and to step up services.

As an enterprise centered on financial services, we have direct impact on the environment related to the use of electricity, water, gasoline, and paper, as well as indirect environmental

impact, through the provision of financial services including investment and financing as well as purchasing of products and services. In an effort to reduce environmental impact, we will put in place a more systematic framework to deal with issues previously handled individually by group companies. With more training and education opportunities, we will plan to provide financial services to promote environmental sustainability.

Environment-related business within the group, outline of such business, company names, etc.

| Category | Operations | Respective business responsibilities | Company name | Page |
|-----------------------------------|--|---|--|---------|
| Oversight | Oversight of environmental initiatives | Decisions/coordination on environment-related policies. | Mizuho Financial Group | P.44 |
| Environment-related initiatives | Environmental risk management/screening and assessment | Evaluation/assessment of environmental risk in financing/project finance. | Mizuho Financial Group Mizuho Bank Mizuho Corporate Bank | P.16-17 |
| | Investment/financing/product development | Environment-related project finance, sale of SRI. | Mizuho Bank Mizuho Corporate Bank Mizuho Capital | P.16-17 |
| | Advisory consulting | Support for global-warming measures. Consulting on Environmental management environmental technology development and commercialization and market analysis. Technological assessment of enterprises with environmental technology. Analysis/simulation of natural environment. Chemical Management. | Mizuho Bank Mizuho Corporate Bank Mizuho Research Institute Mizuho Information & Research Institute Mizuho-DL Financial Technology | P.18-19 |
| | Study/research | Research and consultation of environment policies at national and local government levels. Foreign policy and market research. Support for individual environmental measures. | Mizuho Corporate Bank Mizuho Research Institute Mizuho Information & Research Institute | P.18-19 |
| Reduction of environmental impact | Office environmental management | Energy saving, reduction of paper resources. Separation/recycling of garbage, use of eco-cars. | Administrative divisions of each group company | P.45 |



Mizuho Financial Group Inc.
Executive Officer
General Manager of Corporate
Communications and Head of CSR
Promotion Office

Yoshiaki Ohashi

Aiming to augment environmental initiatives

There are various environmental issues that require continuous measures in domestic and international arenas, which include global warming, climate change, resource issues of energy, water, deforestation, and contamination by toxic substances. Measures for environmental problems peculiar to an area are needed both at home and abroad. These issues are closely linked to economic and social problems in local, national, regional and global societies. As such, they

are now important business issues for enterprises.

Each group company has led its initiatives individually in environmental protection, including conducting environmental impact assessments in large project finance cases. We intend to aggressively carry out such initiatives by further promoting coordination both inside and outside of the group in an effort to reinforce such initiatives in the financial services area.

Direct environmental impact from business activities

We have been measuring and managing direct environmental impact from business activities at nine locations within our main business facilities.

Initiatives to reduce CO₂ emissions and save energy



Data on emissions of greenhouse gases within the group

(CO₂ conversion: unit ton)

| Name of company | Name of building, etc. | 2002 | 2003 | 2004 |
|---|----------------------------|--------|--------|--------|
| Mizuho Bank | Uchisaiwai-cho Head Office | 12,744 | 11,509 | 11,535 |
| | Otemachi Headquarters *1 | 6,363 | 6,091 | 6,133 |
| | Administration center 1 *2 | 13,672 | 13,064 | 12,806 |
| | Administration center 2 | 16,750 | 16,257 | 16,001 |
| | Information center *2 | 24,932 | 26,049 | 26,366 |
| Mizuho Corporate Bank | Marunouchi Head Office | 7,373 | 7,079 | 7,249 |
| | Information Center | 6,794 | 6,293 | 6,002 |
| Mizuho Trust & Banking | Head Office | 4,041 | 3,989 | 3,971 |
| Mizuho Information & Research Institute | Information Center | 3,644 | 3,267 | 3,516 |
| Total | | 96,313 | 93,598 | 93,579 |

*1 Includes MHFG *2 Excludes annex

Note: The volume of emissions of greenhouse gases is converted into CO₂ emissions caused by the use of electricity, heating, and fuel according to "Document on Results of Preventing Global-warming Measures," submitted to the government of Tokyo in June 2005.

To address global warming issues, we have developed our implementation plans for nine major locations in Tokyo and carried them out for the last three years, under the direction of the government of Tokyo. They are Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking, and Mizuho Information & Research Institute as mentioned above. In fiscal 2004, which was the final year of the program, Mizuho Bank's Uchisaiwai-cho Head Office, Otemachi headquarters, Administration Center 1, Mizuho Corporate Bank Information Center, Mizuho Trust &

Banking, and Mizuho Information & Research Institute achieved their targets. More specifically, CO₂ emissions have been reduced by 2.8% over the past three years by initiatives such as switching to highly energy-efficient facilities and equipment when upgrading facilities and equipment, and through energy-efficient operation of facilities and computers at administration centers, etc. In our energy usage at these facilities, about 94% of the CO₂ emissions come from the use of electricity. We intend to continue reducing the use of energy in the future.

Water usage



Water usage data

(unit: m³)

| Name of company | Name of building, etc. | 2002 | 2003 | 2004 |
|---|----------------------------|---------|---------|---------|
| Mizuho Bank | Uchisaiwai-cho Head Office | 138,547 | 126,093 | 125,437 |
| | Otemachi Headquarters *1 | 45,122 | 47,895 | 44,802 |
| | Administration center 1 *2 | 95,694 | 87,527 | 85,334 |
| | Administration center 2 | 122,934 | 115,900 | 115,918 |
| | Information center *2 | 27,468 | 41,794 | 36,140 |
| Mizuho Corporate Bank | Marunouchi Head Office | 110,165 | 103,959 | 109,954 |
| | Information Center | 42,744 | 37,997 | 31,954 |
| Mizuho Trust & Banking | Head Office | 53,773 | 54,110 | 57,948 |
| Mizuho Information & Research Institute | Information Center | 32,977 | 29,627 | 31,504 |
| Total | | 669,424 | 644,902 | 638,991 |

*1 Includes MHFG *2 Excludes annex

The volume of water used at these nine facilities in fiscal 2004 was 638,991 m³. At present, each facility is carrying out individual initiatives such as introduction of water saving equipment and recycling of toilet water. Seeking to save water, we have reduced the volume of water used by 4.5% over the past three years.



Initiatives aimed at saving resources and recycling

We are carrying out recycling of paper and garbage¹ at the main facilities of Mizuho Bank and Mizuho Corporate Bank (Uchisaiwai-cho Head Office/Otemachi headquarters/Marunouchi Head Office). In addition, we are recycling bottles, cans, PET bottles, fluorescent lamps, and toner cartridges.

Similarly, among the automobiles used by Mizuho Bank, 21.7% are designated low pollution vehicles².

¹ Paper and garbage includes paper, wastepaper (tissue), shredder garbage, important documents, newspapers and magazines, and cardboard.

² Designated low pollution vehicles refer to the number of vehicles used in Tokyo that comply with Tokyo-designated standards for low pollution vehicles.

What are the “GRI Sustainability Reporting Guidelines (GRI Guidelines)”?

The GRI Guidelines are a framework for reporting on an organization’s performance from three perspectives—economic, environmental and social—when preparing for the organization’s sustainability report. The major roles of the GRI Guidelines are: 1) to present reporting principles and specific content of the reports, 2) to assist the organization in presenting a balanced and reasonable picture of their economic, environmental, and social performance, 3) to promote comparability of reports, while taking into account the organization’s industrial sector and regional factors, 4) to support benchmarking and assessment of the reporting organization’s initiatives and 5) to serve as an instrument to facilitate stakeholder engagement.

- The GRI Guidelines were formulated and announced by the Global Reporting Initiative, an international non-governmental organization established jointly in 1997 by the US non-profit CERES (Coalition for Environmentally Responsible Economies) and the United Nations Environment Program (UNEP). For details, see the following site: <http://www.globalreporting.org/> Mizuho refers constantly to the GRI Guidelines, using them to gauge the progress of our information disclosures and assure comparability with other companies’ reports.
- In the table, the mark “—” indicates that this item does not apply to Mizuho. Parts in gray could not be reported. The note “Other” means that the relevant information is disclosed in other media.
- Notes in parentheses in the Remarks column indicate the part of the page where the information may be found.

<Reference guidelines>

- Sustainability Reporting Guidelines 2002
- Financial Services Sector Supplement

Sustainability Reporting Guidelines 2002

| Item | Indicator | Page (s) | Remarks |
|-------------------------------|---|------------|---|
| 1 Vision and Strategy | | | |
| 1.1 | Statement of the organization’s vision and strategy regarding its contribution to sustainable development | 4-5, 22-23 | |
| 1.2 | Statement from the CEO (or equivalent senior manager) describing key elements of the report | 4-5 | |
| 2 Profile | | | |
| Organizational Profile | | | |
| 2.1 | Name of reporting organization | 2 | |
| 2.2 | Major products and/or services, including brands if appropriate | 2, 16-19 | |
| 2.3 | Operational structure of the organization | 2 | |
| 2.4 | Description of major divisions, operating companies, subsidiaries, and joint ventures | 2 | |
| 2.5 | Countries in which the organization’s operations are located | 2 | |
| 2.6 | Nature of ownership; legal form (e.g.: joint-stock corporation, limited-liability corporation, etc. | 2 | |
| 2.7 | Nature of markets served | 8-11 | |
| 2.8 | Scale of the reporting organization | 2, 30-31 | |
| 2.9 | List of stakeholders, key attributes of each, and relationship to the reporting organization | 28-29 | |
| Report Scope | | | |
| 2.10 | Contact person(s) for the report, including e-mail and web addresses | 51 | |
| 2.11 | Reporting period (e.g., fiscal/calendar year) for information provided | 3 | |
| 2.12 | Date of most recent previous report (if any) | - | This is our first report |
| 2.13 | Boundaries of report (countries/regions, products/services, divisions/facilities/joint ventures/subsidiaries) and any specific limitations on the scope | 3 | |
| 2.14 | Significant changes in size, structure, ownership, or products/services that have occurred since the previous report | - | This is our first report |
| 2.15 | Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organizations | 2,13 | (Reorganization into Three Global Groups) |
| 2.16 | Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods) | - | This is our first report |
| Report Profile | | | |
| 2.17 | Decisions not to apply GRI principles or protocols in the preparation of the report | - | Refer to GRI Guidelines |
| 2.18 | Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits | | |

| Item | Indicator | Page (s) | Remarks |
|--|--|--|--|
| 2.19 | Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information | - | This is our first report |
| 2.20 | Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report | | |
| 2.21 | Policy and current practice with regard to providing independent assurance for the full report | 50 | |
| 2.22 | Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organization’s activities, including facility-specific information (if available) | 3 | |
| 3 Governance Structure and Management Systems | | | |
| Structure and Governance | | | |
| 3.1 | Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization | 24-25 | |
| 3.2 | Percentage of the board of directors that are independent, non-executive directors | 24 | |
| 3.3 | Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities | | |
| 3.4 | Board-level processes for overseeing the organization’s identification and management of economic, environmental, and social risks and opportunities | | |
| 3.5 | Linkage between executive compensation and achievement of the organization’s financial and non-financial goals (e.g., environmental performance, labor practices) | | |
| 3.6 | Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies | 25 | |
| 3.7 | Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation | 14-15, 22-23 | |
| 3.8 | Mechanisms for shareholders to provide recommendations or direction to the board of directors | | |
| Stakeholder Engagement | | | |
| 3.9 | Basis for identification and selection of major stakeholders | 28-29 | |
| 3.10 | Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group | 28-29, 32-34 | |
| 3.11 | Type of information generated by stakeholder consultations | 28-29, 32-33 | |
| 3.12 | Use of information resulting from stakeholder engagements | 28-29, 32-33 | |
| Overarching Policies and Management Systems | | | |
| 3.13 | Explanation of whether and how the precautionary approach or principle is addressed by the organization | 16-17 | (Equator Principles) |
| 3.14 | Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses | 16-17 | (Equator Principles) |
| 3.15 | Principal memberships in industry and business associations, and/or national/international advocacy organizations | 46 | The Group is a member of the Japanese Bankers Association |
| 3.16 | Policies and/or systems for managing upstream and downstream impacts | | |
| 3.17 | Reporting organization’s approach to managing indirect economic, environmental, and social impacts resulting from its activities | 16-17 | (Equator Principles) |
| 3.18 | Major decisions during the reporting period regarding the location of, or changes in, operations | - | No major changes. |
| 3.19 | Programs and procedures pertaining to economic, environmental, and social performance | 30-45 | |
| 3.20 | Status of certification pertaining to economic, environmental, and social management systems | 33 | (Compliant Response Management System, Information Security Management System) |
| 4 GRI Content Index | | | |
| 4.1 | A table identifying location of each element of the GRI Report Content, by section and indicator | 46-49 | |
| 5 Performance Indicators | | | |
| Integrated Indicators | | | |
| 5.1 | Systemic indicators | Indicators that relate the activity of an organization to the larger economic, environmental, and social systems of which it is a part | |
| 5.2 | Cross-cutting indicators | Indicators that directly relate two or more dimensions of economic, environmental, and social performance. Examples: Eco-efficiency measures such as the amount of emissions per unit of output or per monetary unit of turn over. | |

| Item | Indicator | Page (s) | Remarks |
|---|---|----------|---|
| Economic Performance Indicators [Core Indicators] | | | |
| Customers | | | |
| EC1 | Monetary flow indicator: Net sales | 2, 30-31 | |
| EC2 | Geographic breakdown of markets | 2 | |
| Suppliers | | | |
| EC3 | Monetary flow indicator: Cost of all goods, materials, and services purchased | 31 | |
| EC4 | Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements | | |
| Employees | | | |
| EC5 | Monetary flow indicator: Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region | 31 | |
| Providers of Capital | | | |
| EC6 | Monetary flow indicator: Distributions to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed. This includes all forms of debt and borrowings, not only long-term debt | 31 | |
| EC7 | Increase/decrease in retained earnings at end of period | 31 | |
| Public Sector | | | |
| EC8 | Monetary flow indicator: Total sum of taxes of all types paid broken down by country | | |
| EC9 | Subsidies received broken down by country or region | | |
| EC10 | Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group | 38 | |
| Economic Performance [Additional Indicators] | | | |
| Suppliers | | | |
| EC11 | Supplier breakdown by organization and country | | |
| Public Sector | | | |
| EC12 | Total spent on non-core business infrastructure development. This is infrastructure built outside the main business activities of the reporting entity such as a school, or hospital for employees and their families | | |
| Public Sector | | | |
| EC13 | The organization's indirect economic impacts | | |
| Environmental Performance Indicators [Core Indicators] | | | |
| Materials | | | |
| EN1 | Total materials use other than water, by type | - | The Group does not engage in manufacturing |
| EN2 | Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organization | - | The Group does not engage in manufacturing |
| Energy | | | |
| EN3 | Direct energy use | | |
| EN4 | Indirect energy use | - | The Group's impact is considered very small |
| Water | | | |
| EN5 | Total water use | 45 | |
| Biodiversity | | | |
| EN6 | Location and size of land owned, leased, or managed in biodiversity-rich habitats | - | The Group does not have such lands |
| EN7 | Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments | | |
| Emissions, Effluents, and Waste | | | |
| EN8 | Greenhouse gas emissions (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆) | 45 | |
| EN9 | Use and emissions of ozone-depleting substances | | |
| EN10 | NO _x , SO _x , and other significant air emissions by type | | |
| EN11 | Total amount of waste by type and destination | | |
| EN12 | Significant discharges to water by type: See GRI Water Protocol | | |
| EN13 | Significant spills of chemicals, oils, and fuels in terms of total number and total volume | - | The Group has experienced no spills |
| Products and Services | | | |
| EN14 | Significant environmental impacts of principal products and services | 16-17 | |
| EN15 | Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed | - | The Group does not engage in manufacturing |
| Compliance | | | |
| EN16 | Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional, and local regulations associated with environmental issues. Explain in terms of countries of operation | - | The Group had no violations |

| Item | Indicator | Page (s) | Remarks |
|---|--|----------|---|
| Environmental Performance Indicators [Additional Indicators] | | | |
| Energy | | | |
| EN17 | Initiatives to use renewable energy sources and to increase energy efficiency | 45 | |
| EN18 | Energy consumption footprint (i.e., annualized lifetime energy requirements) of major products | - | The Group does not engage in manufacturing |
| EN19 | Other indirect (upstream/downstream) energy use and implications, such as organizational travel, product life-cycle management, and use of energy-intensive materials. | | |
| Water | | | |
| EN20 | Water sources and related ecosystems/habitats significantly affected by use of water | - | The Group uses tap water |
| EN21 | Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from the sources | | |
| EN22 | Total recycling and reuse of water | | |
| Biodiversity | | | |
| EN23 | Total amount of land owned, leased, or managed for production activities or extractive use | - | The Group does not engage in manufacturing |
| EN24 | Amount of impermeable surface as a percentage of land purchased or leased. | | |
| EN25 | Impacts of activities and operations on protected and sensitive areas | - | The Group does not engage in manufacturing |
| EN26 | Changes to natural habitats resulting from activities and operations and percentage of habitat protected or restored | - | The Group does not engage in manufacturing |
| EN27 | Objectives, programs, and targets for protecting and restoring native ecosystems and species in degraded areas | | |
| EN28 | Number of IUCN Red List species with habitats in areas affected by operations | - | The Group does not engage in manufacturing |
| EN29 | Business units currently operating or planning operations in or around protected or sensitive areas | - | The Group does not engage in manufacturing |
| Emissions, Effluents, and Waste | | | |
| EN30 | Other relevant indirect greenhouse gas emissions. (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆). Report in tons of gas and tons of CO ₂ equivalent for each type of gas emitted from other organizations | | |
| EN31 | All production, transport, import, or export of any waste deemed "hazardous" under the terms of the Basel Convention Annex I, II, III, and VIII | | |
| EN32 | Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff | - | The Group uses public sewage processing |
| Suppliers | | | |
| EN33 | Performance of suppliers relative to environmental components of programs and procedures described in response to Governance Structure and Management Systems section (Section 3.16) | | |
| Transport | | | |
| EN34 | Significant environmental impacts of transportation used for logistical purposes | - | The Group's impact is considered very small |
| Overall | | | |
| EN35 | Total environmental expenditures by type | | |
| Social Performance Indicators: Labor Practices and Decent Work [Core Indicators] | | | |
| Employment | | | |
| LA1 | Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time), and by employment contract (indefinite or permanent/term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country | 36 | |
| LA2 | Net employment creation and average turnover segmented by region/country | | |
| LA3 | Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country. | | |
| LA4 | Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring) | | |
| Health and Safety | | | |
| LA5 | Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases | | |
| LA6 | Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees | | |

| Item | Indicator | Page (s) | Remarks |
|---|---|----------|--|
| LA7 | Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers) | | |
| LA8 | Description of policies or programs (for the workplace and beyond) on HIV/AIDS | | |
| Training and Education | | | |
| LA9 | Average hours of training per year per employee by category of employee | | |
| Diversity and Opportunity | | | |
| LA10 | Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring | 37 | (Positive Action) |
| LA11 | Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate | | |
| Social Performance Indicators: Labor Practices and Decent Work [Additional Indicators] | | | |
| Employment | | | |
| LA12 | Employee benefits beyond those legally mandated | 37 | (Child-care Leave), (Family Nursing Leave) |
| Labor/Management Relations | | | |
| LA13 | Provision for formal worker representation in decision making or management, including corporate governance | | |
| Health and Safety | | | |
| LA14 | Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems | | |
| LA15 | Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements | | |
| Training and Education | | | |
| LA16 | Description of programs to support the continued employability of employees and to manage career endings | 36 | |
| LA17 | Specific policies and programs for skills management or for lifelong learning | 36 | (Mizuho University) |
| Social Performance Indicators: Human Rights [Core Indicators] | | | |
| Strategy and Management | | | |
| HR1 | Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results | 23,25 | |
| HR2 | Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors | 16-17 | (Equator Principles) |
| HR3 | Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring | | |
| Non-discrimination | | | |
| HR4 | Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring | 35 | |
| Freedom of Association and Collective Bargaining | | | |
| HR5 | Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue | | |
| Child Labor | | | |
| HR6 | Description of policy excluding child labor as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring | | |
| Forced and Compulsory Labor | | | |
| HR7 | Description of policy to prevent forced and compulsory labor and extent to which this policy is visibly stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2. | | |
| Social Performance Indicators: Human Rights [Additional Indicators] | | | |
| Strategy and Management | | | |
| HR8 | Employee training on policies and practices concerning all aspects of human rights relevant to operations. Include type of training, number of employees trained, and average training duration | | |
| Disciplinary Practices | | | |
| HR9 | Description of appeal practices, including, but not limited to, human rights issues | 27 | |
| HR10 | Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights) | 27 | |

| Item | Indicator | Page (s) | Remarks |
|--|---|--------------|--|
| Security Practices | | | |
| HR11 | Human rights training for security personnel. Include type of training, number of persons trained, and average training duration | | |
| Indigenous Rights | | | |
| HR12 | Description of policies, guidelines, and procedures to address the needs of indigenous people | | |
| HR13 | Description of jointly managed community grievance mechanisms/authority | | |
| HR14 | Share of operating revenues from the area of operations that are redistributed to local communities | | |
| Social Performance Indicators: [Core Indicators] | | | |
| Community | | | |
| SO1 | Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring | 16-17, 38-41 | (Equator Principles, Corporate Citizenship Activities) |
| Bribery and Corruption | | | |
| SO2 | Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption | | |
| Political Contributions | | | |
| SO3 | Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions | | |
| Social Performance Indicators: [Additional Indicators] | | | |
| Community | | | |
| SO4 | Awards received relevant to social, ethical, and environmental performance | | |
| Political Contributions | | | |
| SO5 | Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates | - | The Group does not make such contributions |
| Competition and Pricing | | | |
| SO6 | Court decisions regarding cases pertaining to anti-trust and monopoly regulations | - | The Group did not have this type of court case |
| SO7 | Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior | 29 | |
| Social Performance Indicators: Product Responsibility [Core Indicators] | | | |
| Customer Health and Safety | | | |
| PR1 | Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring | 33 | |
| Products and Services | | | |
| PR2 | Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling | | |
| Respect for Privacy | | | |
| PR3 | Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy | 33 | (Privacy Policy) |
| Social Performance Indicators: Product Responsibility [Additional Indicators] | | | |
| Customer Health and Safety | | | |
| PR4 | Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches | - | The Group had no violations |
| PR5 | Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services | | |
| PR6 | Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received | 16-17 | (Equator Principles) |
| Products and Services | | | |
| PR7 | Number and type of instances of non-compliance with regulations concerning product information and labeling, including any penalties or fines assessed for these breaches | - | The Group had no violations |
| PR8 | Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction | 32 | (Complaint Response Management System) |
| Advertising | | | |
| PR9 | Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising | | |
| PR10 | Number and types of breaches of advertising and marketing regulations | - | The Group had no violations |
| Respect for Privacy | | | |
| PR11 | Number of substantiated complaints regarding breaches of consumer privacy | - | There were no such complaints |

Financial Services Sector Supplement

| Item | Indicator | Page (s) | Remarks |
|--|--|---------------------|--|
| Social Performance Indicators: All Industry Sectors | | | |
| CSR Management | | | |
| CSR1 | CSR policy on social elements | 16-17, 22-23, 32-38 | |
| CSR2 | CSR organization | 24-25 | |
| CSR3 | Number of instances of CSR audits and time spent on audits | | |
| CSR | Management of sensitive issues | | |
| CSR | Number of violations | | |
| CSR6 | Stakeholder dialogue | | |
| Internal Social Performance | | | |
| INT1 | Internal CSR Policy (CSR affairs in human resources policy) | 22-23, 35-37 | |
| INT2 | Staff turnover and job creation | | |
| INT3 | Employee satisfaction | | |
| INT4 | Senior management remuneration | Other | (Annual Report) |
| INT5 | Bonuses fostering sustainable success | | |
| INT6 | Ratio of pay, including bonuses, given to female and male staff members, by rank | | |
| INT7 | Employee profile, by rank and country (including gender, race, persons with disabilities) | 36 | |
| Performance to Society | | | |
| SOC1 | Value of charitable contributions (donations, employee hours, in-kind gifts, management costs) | 38 | |
| SOC2 | Value of distributions to stakeholders of economic value added | 31 | |
| Suppliers | | | |
| SUP1 | Policy and procedures to screen major supplier's social performance (hiring conditions, work conditions, health and safety conditions) | | |
| SUP2 | Supplier satisfaction (prompt payment, pricing, treatment) | | |
| Social Performance Indicators: By Industry Sector | | | |
| RB1 | Retail Banking Policy (socially relevant elements) | | Retail banking |
| RB2 | Retail Banking: Lending profile (industrial sectors, company sizes, etc.) | Other | (Disclosure Report) Retail banking |
| RB3 | Retail Banking: Lending with high social benefit (amount and percentage) | 18-19 | Retail banking |
| IB1 | Investment banking: Investment policy (socially relevant elements) | 16-17 | (Equator Principles) Investment banking |
| IB2 | Investment banking: Customer profile: Global transaction structure | | Investment banking |
| IB3 | Investment banking: Transactions with high social benefit (amount and percentage) | | Investment banking |
| AM1 | Asset management policy (socially relevant elements) | | Investment banking |
| AM2 | Asset management: Assets under management with high social benefit (amount and percentage) | | Asset management |
| AM3 | Asset management: SRI (socially responsible investment) oriented shareholder activity | | Asset management |
| INS1 | Insurance: Underwriting policy (socially relevant elements) | - | The Group is not involved in the insurance business Insurance |
| INS2 | Insurance: Customer profile (Private: age, gender, ethnicity. Business: Company size, geographical split) | - | The Group is not involved in the insurance business Insurance |
| INS3 | Insurance: Customer complaints (number and content) | - | The Group is not involved in the insurance business Insurance |
| INS4 | Insurance: Insurance with high social benefit (amount and percentage) | - | The Group is not involved in the insurance business Insurance |
| Environmental Performance Indicators | | | |
| F1 | Description of environmental policies used in core business line | Other | "Environmental Activities" on the web (http://www.mizuho-fg.co.jp/english/activity/environment/index.html) All industry sectors |
| F2 | Description of environmental risk evaluation and screening process in core business line. | 16-17 | (Equator Principles) All industry sectors |
| F3 | Identification of threshold values used in environmental risk evaluation procedures in each core business line | 16-17 | (Equator Principles) All industry sectors |

| Item | Indicator | Page (s) | Remarks |
|------|--|----------|---|
| F4 | Description of process for monitoring customer execution and compliance with environmental considerations specified in the risk evaluation process | | Retail banking, commercial banking, corporate banking |
| F5 | Description of process to enhance employee ability to deal with environmental risks and opportunities | | All industry sectors |
| F6 | Number of instances and frequency of audits including inspection of environmental risk systems and procedures related to core business line | | All industry sectors |
| F7 | Description of environmental risk/opportunity dialogue with customers, enterprises in which the organization invests, and business partners. | | All industry sectors |
| F8 | The number and percent of companies in which the reporting organization was involved with environmental problems among the investment and financing targets of a financial institution | | All industry sectors |
| F9 | Percentage of assets subject to positive environmental screening, negative environmental screening and best practices environmental screening | | Asset management |
| F10 | Description of the decision policy on environmental problems relating to stocks with which the reporting organization has voting rights and a right of decision advice | | Asset management |
| F11 | Percentage of asset managed in the form where the reporting organization has stock voting rights and a right of decision advice | | Asset management |
| F12 | Total monetary value of specified environmental products and services subdivided according to core business lines | | All industry sectors |
| F13 | Value of portfolio of core business lines in specified regions and sectors | | All industry sectors |

Third-Party Opinion



Professor, Hitotsubashi University

Kunio Ito

I would like to start by commending MHFG for taking the initiative of issuing this CSR Report. Every business organization has a responsibility as a member of society, and no sector is exempt. In the general perception, however, initiatives to solve environmental problems have come to be seen as a main issue of CSR, so the reality is that interest has focused on the manufacturing industry where goods are actually made. In any environmental problem, however, the connections to the financial industry are multifaceted and deep. In that sense, I hope that the publication of this report will spur interest in CSR of financial institutions.

There are, in addition, three laudable points about this report that I would like to point out.

First, MHFG, as a holding company, has shown leadership in announcing the publication of the CSR Report. Presently, more banks are operating under a holding company, but the role of the holding company is not always clear. I personally believe that the role of a holding company is to practice governance in a very broad sense, which includes assessing the business activities of its group enterprises, occasionally rearranging their business domains and providing support. In that sense, MHFG is to be commended for spurring CSR reporting from its companies. In addition, such CSR initiatives of a holding company are a very significant tool for promoting overall optimization of the group.

Second, this report carefully explains how the financial industry is changing with time. CSR is a wide-ranging concept, and more than a few people believe that CSR initiatives that contribute to the community are philanthropic activities which are necessarily separated from an enterprise's core business. However, the fact is that an enterprise is best able to contribute to society through its core business. If that were not true, there would be no

value in the enterprise's existence. In that sense, I appreciate that this report provides a careful explanation of the role played by MHFG's core business of finance, as well as how that role is changing.

Third, throughout this report examples are provided that demonstrate that the role financial institutions play in terms of environmental issues is, in fact, important. As I said at the beginning, the relationship between the two is not generally understood well enough. However, that perception will certainly change after reading the section of the report entitled "Finance that Shapes the Future." That section illustrates how financial institutions can help control environmental problems and promote environmental contribution, and this discussion is accompanied by the group's "Equator Principles." It says that Mizuho Corporate Bank is the first bank in Japan to adopt those principles. This is a good example of the potential that financial institutions have.

Another noticeable fact about this report is that it mentions both the systems failure caused by the group's financial institution several years ago and a more recent sell-order error by Mizuho Securities. Typically, a business would not want to recall such embarrassing incidents, so the fact that this report addresses them both is very significant. Of course, the group should build a strong CSR system that will prevent such problems in the future.

Reading this report, one gets a good understanding of the importance of CSR of a financial institution. Even though this is MHFG's first CSR report, it is apparent that the report sets a very high standard and strives for balance and ease of understanding. Of course, readers will expect the next report to be of even higher standards. I am eager to see MHFG meet their expectations. Above all, I look forward to seeing the advancement of CSR initiatives appropriate to that level of reporting.



About the Cover

Title: Tomorrow

Artist: Michiharu Saotome

The artwork used on the cover is one in a series of works depicting travel landscapes in Japan. Through vivid colors and a carefree touch that makes use of blurring, the painting portrays the presence and emotions of the artist when encountering the scene along with the air and color of the location.

What can be felt from this painting is a sense of expectation for a bright future that fulfills dreams. It successfully expresses the stance of Mizuho, which seeks to become a financial partner that helps customers shape their future and achieve their dreams.

Please direct opinions and inquiries regarding this report to:

CSR Promotion Office
Corporate Communications
Mizuho Financial Group, Inc.
81-3-5224-1111 (reception)
<http://www.mizuho-fg.co.jp/english/>
1-5-5 Otemachi, Chiyoda ward, Tokyo 100-0004



Team-6 is a national project in Japan launched to reduce greenhouse gas emissions by 6%.

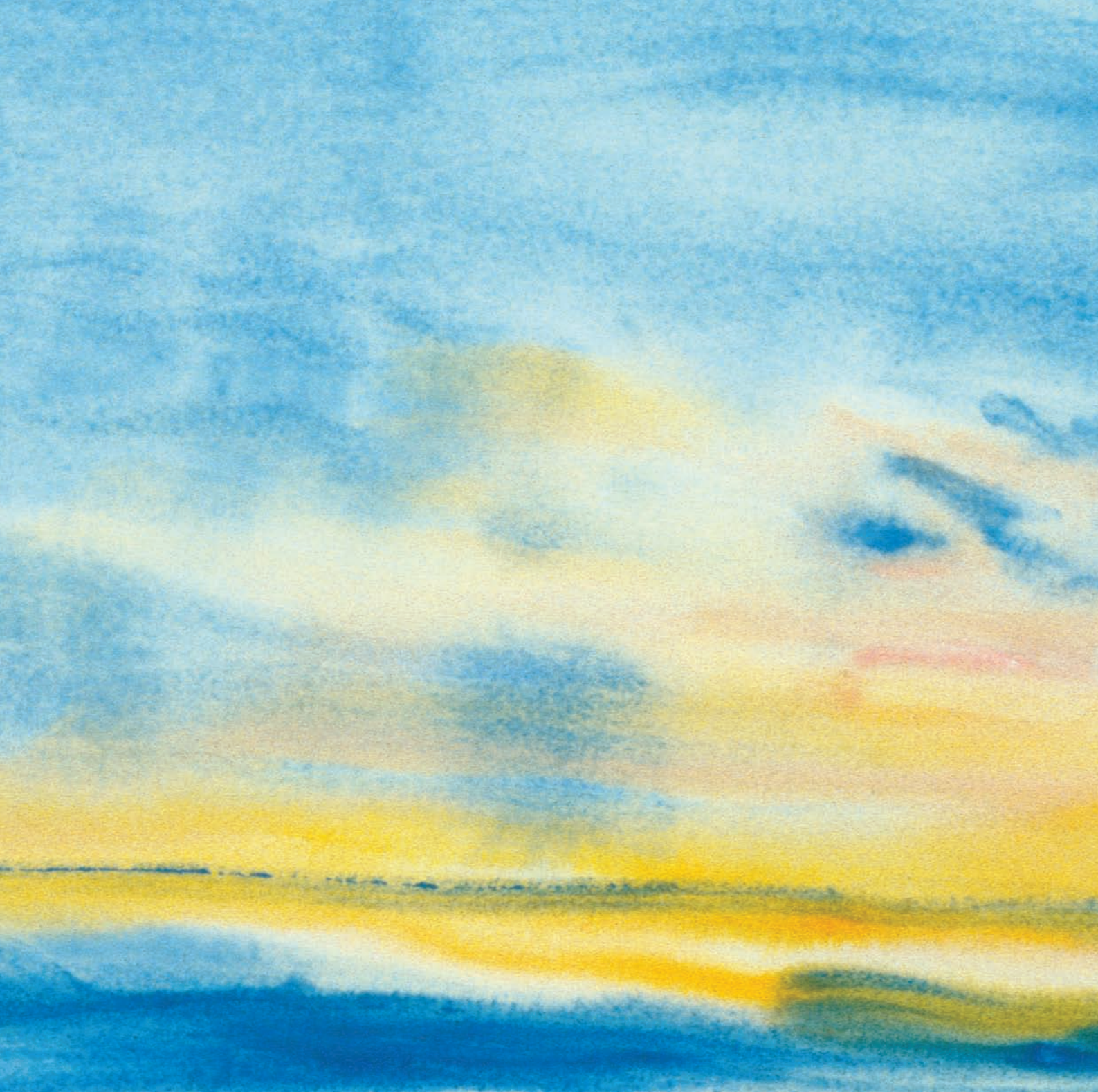
Environmental Considerations in Printing

The following environmental considerations were incorporated into the printing of this report. Direct plate-making using the computer-to-plate method was employed, which does not require film.

The ink uses soybean oil and does not contain any volatile organic compounds, as efforts were made to prevent air pollution.

Paper certified by the Forest Stewardship Council was used, which means the paper was made from forest products that came from forests properly managed in accordance with strict standards that take into account the environment, the economy and society.





MIZUHO

Channel to Discovery