



Mizuho Financial Group CSR REPORT 2006

Business Overview

Group Overview

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

On October 1, 2005, the principal functions of the group's companies - banking, securities, trusts, and asset management - were reorganized into three global groups with a view to providing faster, more precise responses to the diverse needs of customers. Mizuho Corporate Bank leads the Global Corporate Group, which provides borderless services to large companies and financial institutions. Mizuho Bank spearheads the Global Retail Group, which provides services to small and medium-sized enterprises, middle market corporations, and individual customers. And the Global Asset & Wealth Management Group offers services that focus on asset management and investment.

Company Name	Mizuho Financial Group, Inc.
Head Office	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan 100-0004
Established	January 2003
Employees (Consolidated)	45,758 (Not including executive officers, and non-regular and temporary employees)
Total assets (Consolidated)	¥149,612.7 billion
Capital adequacy ratio (Consolidated)	11.62%
Number of Shares Issued and Outstanding	13,284,425.49 shares
Common Stock	12,003,995.49 shares
Preferred Stock	1,280,430 shares

(As of March 31, 2006)

Group Operations

Holding Company

Mizuho Financial Group, Inc. (MHFG)	The financial holding company that manages the companies belonging to the Mizuho Financial Group.
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Global Corporate Group

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.
Mizuho Securities (MHSC)	A wholesale securities company whose customers are institutional investors, corporations, financial institutions and public corporations in Japan and overseas.

Global Retail Group

Mizuho Bank (MHBK)	MHBK primarily serves individuals, SMEs and middle market corporations, and local governments in Japan.
Mizuho Investor Securities (MHIS)	A securities company that focuses on serving the group's customers.
UC Card	A credit card affiliate and processing company.
Mizuho Capital	The group's principal venture capital company.
Shinko Securities	A comprehensive securities company specializing in the middle-market and retail securities businesses.

Global Asset & Wealth Management Group

Mizuho Trust & Banking (MHTB)	A trust bank with strengths in both the corporate and individual markets.
Mizuho Private Wealth Management	A general consulting company that addresses the diverse financial and non-financial needs of ultra-high net worth customers [*] .
Trust & Custody Services Bank (TCSB)	A highly specialized trust bank focusing on asset administration services.
Dai-ichi Kangyo Asset Management (DKA)	An asset management company.
Fuji Investment Management (FIMCO)	An asset management company.
DLIBJ Asset Management (DIAM)	An asset management company.

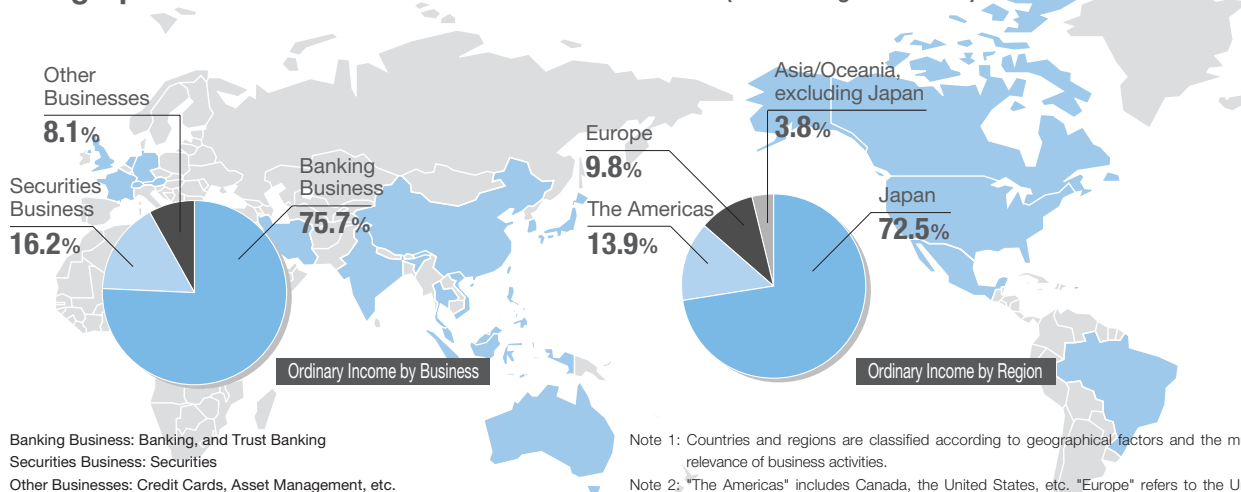
* Customers who have entrusted the group with extremely large amounts of investment assets.

Strategic Group Subsidiaries

Mizuho Financial Strategies	An advisory company that provides regional financial institutions with the expertise to meet their reorganization and revitalization-related needs.
Mizuho Research Institute (MHRI)	A think tank
Mizuho Information & Research Institute (MHIR)	A general information and research company specializing in information technology.

(As of March 2006. MHFG was reorganized into the above three core business groups in October 2005)

Geographical Distribution and Income Overview (Year ending March 2006)



Note 1: Countries and regions are classified according to geographical factors and the mutual relevance of business activities.

Note 2: "The Americas" includes Canada, the United States, etc. "Europe" refers to the United Kingdom and the countries of continental Europe. "Asia & Oceania" includes Hong Kong, Singapore, etc.

Editorial Policy

This report concerns the group's activities in the area of corporate social responsibility (CSR). The objective is to enhance communications with stakeholders by reporting on the group's concept, policies, plans and initiatives in the area of CSR, and to create opportunities for reviewing the current status of these approaches.

The report is organized as follows.

Special Sections: "Finance and CSR" examines society's expectations towards the group in light of the various functions of finance. The individual themes that follow cover the prioritized area of CSR activities pursued by the group, including concrete examples of initiatives in financial education and activities centered on initiatives for environmental issues pursued in the group's main businesses.

Governance & Management: Lays out the group's management principles and policies, provides an overall picture of its CSR activities, and explains the group's system for promoting these activities.

Economic Report: Reports on the status of current activities centered on data that provide an overview of the group's operations.

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

Environmental Report: Covers the group's policies and systems for dealing with environmental issues, environment-related initiatives in its core businesses, and efforts to reduce the environmental impact in relation to its business operations.

Communications: Reports on stakeholder dialogs with experts concerning the group's CSR initiatives.

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

In preparing this report, reference was made to GRI's* Sustainability Reporting Guidelines 2002 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, 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 Selected Terms:

Certain selected terms used in this report are defined 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 (MHBK), Mizuho Corporate Bank (MHCb), Mizuho Securities (MHSC), Mizuho Trust & Banking (MHTB), Mizuho Investors Securities (MHIS), Trust & Custody Services Bank (TCSB), Dai-ichi Kangyo Asset Management (DKA), Fuji Investment Management (FIMCO), DLIBJ Asset Management (DIAM), Mizuho Research Institute (MHRI), Mizuho Information & Research Institute (MHIR), Mizuho Financial Strategies, and Mizuho Private Wealth Management)

Employees

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

Period Covered:

The report primarily covers the period from April 1, 2005 to March 31, 2006, and also incorporates important information since April 2006.

Issue Information:

Issue Date: December 2006

Next Planned Issue: September 2007 (Previous Issue: May 2006)

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Top Commitment

In April 2005, the group adopted a new business strategy known as the “Channel to Discovery” Plan with a view to becoming “a financial partner that helps customers shape their future and achieve their dreams.” This business strategy places CSR initiatives as the “main pillar of corporate activities intended to create and develop new corporate value,” clarifies CSR priority initiatives from a medium- to long-term perspective, and launches specific efforts in each key area.

Towards Sustainable Business Activities

— Full Repayment of Public Funds —

In fiscal 2005, steady implementation of the two pillars of our business strategy, the “Business Portfolio Strategy” and the “Corporate Management Strategy,” enabled us to post profit improvements for the second consecutive fiscal year, and also to achieve additional improvement in financial soundness. Along with sustained profitability and increased financial soundness, the group was able to complete repayment of all public funds totaling ¥2,949 billion in July 2006, that had been provided to us in March 1998 and March 1999. Supported by these public funds for a period of over eight years, we were able to make our business revitalization a success. We would like to take this opportunity to thank our stakeholders for their understanding and support in these endeavors.

Making the most of the Know-how We Have Garnered in Our Core Activities in Nurturing the Next Generation

— Support for Financial Education —

Support for financial education is one of the priorities of the CSR activities pursued by Mizuho.

We have been pushing forward with concrete initiatives in the area of financial education since fiscal 2006, in the belief that passing on the know-how garnered by Mizuho through its core activities in the area of finance is an extremely rational activity.

In the higher education sector, we have established programs that offer lectures and courses at Hitotsubashi University, Waseda University and Keio University. Officers and employees with practical responsibilities at

group companies are dispatched as lecturers to promote training and research activities pertaining to finance, and to support the development of future human resources.

Agreement has also been reached to set up a course at Tokyo University next fiscal year. In the elementary and secondary education sectors, MHFG and MHRI have started working together with Tokyo Gakugei University on joint research concerning financial education. Since we recognize that initiatives must take into account the situation in the classroom in order to provide effective financial education at the elementary and secondary levels, we shall support the type of financial education that children need through joint research with Tokyo Gakugei University, one of Japan’s key training centers for teachers.

By providing support for a wide range of age groups, from the elementary and secondary levels through the higher education level, we hope to deepen understanding of the financial sector’s role in the social infrastructure and to teach the rules of finance, thus encouraging an appreciation of “living finance” at the heart of our daily lives.

Supporting Business and the Environment through the Mechanisms of Finance

— Initiatives for Dealing with Environmental Issues —

Since the environment knows no borders, it is necessary to adopt a global perspective when addressing global warming and other environmental issues. Because of its experience dealing with pollution problems and two oil crises, Japan is an environmentally aware nation that boasts numerous advanced technologies. We believe Japan can make an even greater contribution to the world in the environmental area by providing financial support for companies that possess superior environmental technologies or engage in environmentally aware management practices, and cooperating more closely with industry. Mizuho’s initiatives in this area have just begun. MHCB has adopted the “Equator Principles” and screens financing for large-scale projects from both the environmental and the social perspective, while MHBK is in the process of commercializing finance schemes for environmentally aware companies. However, the group is

committed to responding to society's needs by enhancing its own capabilities as a financial institution through cumulative medium- to long-term efforts in the area of product development and participation in global initiatives, thus making maximum use of its management resources as a comprehensive financial group.

Continuing Dialogs with Stakeholders

— Realizing Highly Responsive Communications —

We published our first report on CSR last fiscal year to promote information sharing on Mizuho's CSR initiatives with our stakeholders. Bearing this in mind, we decided this fiscal year to invite experts on finance, the environment and CSR to provide us with their invaluable inputs and suggestions on the type of CSR activities that the group should engage in. MHBK also invited advisors to offer opinions on how to promote barrier-free access to branches as part of the "Heartful Project." Looking ahead, we intend to continue our dialogs with stakeholders in various forms in order to obtain inspiration to further promote our CSR initiatives.

Fully recognizing the public nature of our status as a financial institution while working to enhance our corporate value, offering products and services that satisfy customers' needs and engaging in CSR initiatives that aim for more harmonious coexistence with society, we at the Mizuho Financial Group stand ready to better serve society in various ways. We hope you will read this, the second edition of our CSR report, and we continue to welcome candid comments and suggestions from our stakeholders.

Mizuho Financial Group, Inc.
President & CEO

J. Maeda





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

Finance and CSR

Facilitating the flow of money (finance) is the core business of financial institutions such as banks and securities companies. Money is often called the lifeblood of the economy, and whether it flows smoothly or not can greatly affect the economy’s development. Financial institutions must not only ensure the smooth flow of money but also play a public role as businesses. As a result, they also shoulder concomitant levels of corporate social responsibility, or CSR.

The Function of Finance

Financial institutions such as banks and securities companies each fulfill their own financial functions.

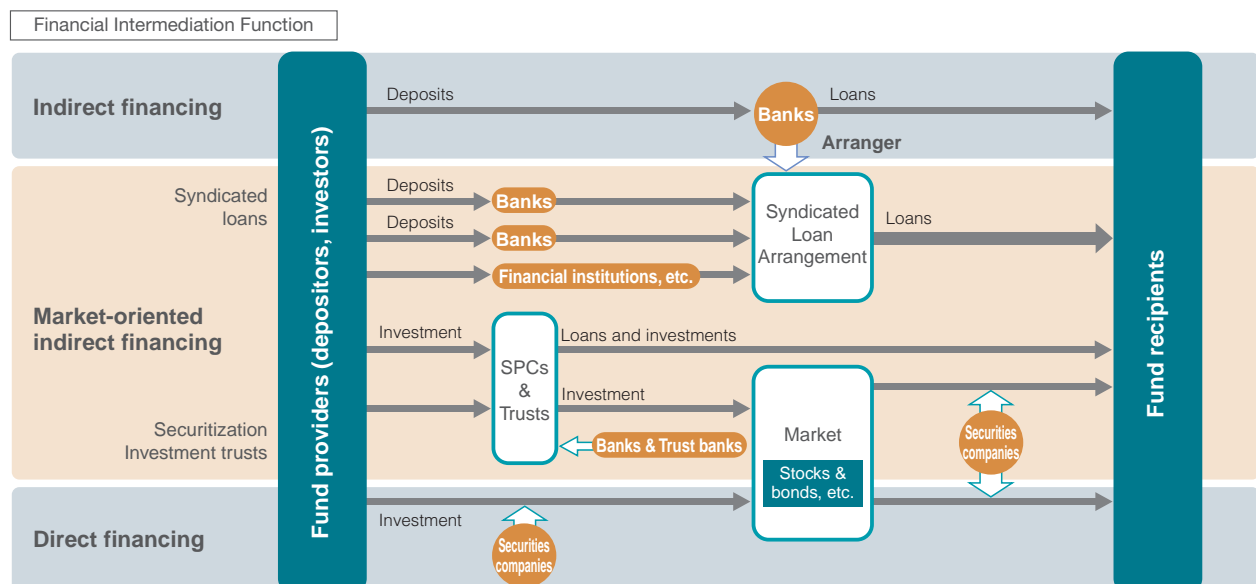
Banks accept deposits of funds from individuals and companies, then lend these funds to other individuals and companies that need them. As they do so, they examine the borrower’s ability to repay these funds in order to control their own risk. In return, they receive interest, part of which they pay to depositors. This is called “indirect financing.”

In contrast, securities companies underwrite, and intermediate trading transactions in, stocks and bonds issued by companies, and national and local governments. In this case, the investors who put up the necessary funds directly receive dividends and interest in return for assuming the final risk arising from price fluctuations in the securities markets. For their part, securities companies receive brokerage commissions for intermediating trading transactions in these instruments. This is called “direct financing.”

In response to the growing diversity of fund procurement needs so apparent today, these traditional functions have been supplemented by syndicated loans

and other instruments that combine direct and indirect financing into a new type of financing known as “market-oriented indirect financing.” The functions that facilitate the flow of money between fund providers and recipients are known collectively as the “financial intermediation functions.”

Finance fulfills another function, known as the “settlement function.” Settlement refers to the act of paying consideration for purchases of goods and services and usually takes the form of bank transfers or credit card payments or, in the case of inter-company transactions, checks or bills. Since these settlements take place via accounts at banks and other entities, they are considered to be one of the functions offered by financial institutions. Financial institutions play an infrastructural role in facilitating the flow of money through safe, accurate settlements.



The Public Nature of Financial Institutions

Of the various financial institutions in existence, ordinary people are most familiar with banks, which provide deposit services for building up savings, fulfill the fund intermediation function, and offer settlement functions. If a bank runs into business difficulties, the impact extends to corporate borrowers and other customers as well as depositors. Moreover, since transactions between banks involve enormous amounts of funds, the failure of a single bank may trigger a chain reaction in which several other banks also fail.

In order to protect depositors and maintain orderly credit conditions, therefore, bank managements are required to maintain a healthy financial base to a much

greater extent than the managements of other companies. The public nature of banks was underlined by the injection of public funds when the collapse of Japan's economic bubble resulted in a crisis in bank management.

All financial institutions, not just banks, endeavor to facilitate financing by protecting assets, intermediating funds and providing settlement functions, thus ensuring that money — the economy's lifeblood — flows smoothly to all corners of society. The financial sector's impact on society is thus considerable because individuals and companies come into contact with financial institutions in numerous aspects of their daily economic activities.

The CSR of Financial Institutions

Given the public nature of financial institutions, what exactly constitutes their CSR?

First, they must follow sound management practices in order to maintain orderly credit conditions and protect depositors. Financial institutions constitute the foundations of economic society, so the stability of their management affects economic development. They must also facilitate financing by promptly providing the funds that certain sectors need for societal reasons. We at Mizuho refer to these as our "intrinsic business responsibilities."

Second, their core business lies in making responsible loans and investments to ensure sustainable development. In other words, they make the most of financial mechanisms for society in order to shape a better future. Since financial institutions interface with various economic entities, and their behavior affects the behavior of many companies and individuals, they are expected to bring the achievement of a sustainable society closer. Their initiatives as corporate citizens

should involve finely-tuned activities that contribute to society but cannot be fulfilled through their core activities, thus helping to create a society in which people can live with hope and a sense of security. Mizuho's environmental finance and other responsible investment and financing activities take social issues into consideration on the one hand, and its social contributions focus on supporting financial education as a means of passing on the know-how it has garnered in its core activities to the next generation through training.

Third, they must enhance their business management abilities in order to ensure the effectiveness of their CSR activities. More specifically, this means quick and accurate decision making, and building a corporate governance framework centered on a holding company that steadily implements measures throughout the entire group. It also means focusing on dialog with stakeholders, and ensuring transparency and trust as a company. Mizuho is working toward advanced corporate governance and highly responsive communications.

The CSR of Financial Institutions, and Mizuho's CSR Priorities

The CSR of Financial Institutions	Mizuho's CSR Priorities
1 Maintain orderly credit conditions and protect depositors • Sound management • Facilitate financing	Intrinsic Business Responsibilities
2 Finance that shapes the future • Responsible investment and financing activities to ensure sustainable development • Finely-tuned activities that contribute to society but cannot be fulfilled through their core activities	Environmental Initiatives
3 Enhance the quality of corporate management to achieve substantial progress in CSR activities ... • Enhance governance • Dialog with stakeholders	Support for Financial Education
	Enhance Corporate Governance
	Highly Responsive Communications

Special Section

Financial Education

Mizuho supports financial education by making the most of the extensive practical knowledge and know-how concerning finance that it has accumulated through its core business activities. Through these initiatives, the group contributes to the acquisition of financial awareness and the ability to resolve the various issues that may arise in daily life, the spread of advanced, practical financial knowledge, and the encouragement of academic research related to finance.

Joint Research with Tokyo Gakugei University

Contact with society through money (finance) is unavoidable, not only for university students and working adults but also for elementary and middle school students. For this reason, acquiring knowledge of money (finance) from the early stages of the school education process is extremely important for the healthy development of the children on whom the future of society depends.

In April 2006, therefore, the group initiated joint research with Tokyo Gakugei University, one of Japan's top teacher training centers, with a view to ensuring that financial education be carried out in an appropriate manner at school and in society.

Financial education has many facets, from helping people avoid the multiple indebtedness and damage from financial crimes that have become such a social issue today, to making use of financial services for planning their future lives. It also nurtures a sense of morality in one's life as a member of society, such as in meeting one's obligations (keeping one's word), while contributing to career education by fostering one's philosophies toward life and work. Since financial education involves a wide range of subjects, such as social studies, civics (politics, economics, ethics and modern society), home economics and morals, Tokyo Gakugei University teachers from a broad range of fields that coincide with the research subjects are participating in this joint research.

The joint research will continue for a period of three years through fiscal 2008, and cover the development of financial education textbooks and other educational tools for elementary and secondary level students, as well as practical financial education courses at the university's affiliated schools and neighboring schools, and public lectures on financial education. Through this joint research, we intend to repay society by developing effective educational methodologies and teaching tools for use in classrooms, and publishing the results as they emerge.



Yasuhiko Washiyama, President, Tokyo Gakugei University (left), and Terunobu Maeda, President & CEO, Mizuho Financial Group (right), making the announcement of the joint research

Working together on Financial Education

We have very high expectations of our current joint research with Mizuho on financial education. In addition to matching Japan's educational needs, it makes unprecedented comprehensive use of the wide-ranging know-how that Tokyo Gakugei University has built up in the fields of research and education, and of its extensive relationships with affiliated schools and various other educational institutions.

In the process of considering the sincere proposals received from Mizuho in connection with joint research, the university looked into establishing an Industry-Academia Liaison Promotion Headquarters, which was subsequently inaugurated in April 2006.

Using this joint research as a model case for a new style of industry-academia liaison, we plan to move ahead with proactive efforts to promote such relationships in the future.

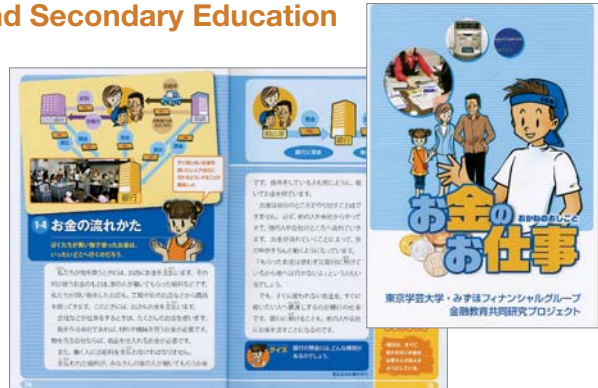


Chairman,
Industry-Academia Liaison
Promotion Headquarters
Tokyo Gakugei University
Professor
Sadao Hasegawa

Development of Textbooks for Elementary and Secondary Education

We have brought together school education and financial practice to create textbooks from which pupils of elementary and secondary schools can easily learn about banking functions and other roles played by finance.

These textbooks are used when elementary and secondary school students visit bank branches to learn about work practices, as well as in Tokyo Gakugei University's affiliated schools and neighboring schools, and their contents will be gradually upgraded in line with actual results in the classroom.



The textbook, "Working with Money," is the fruit of our joint research

Contents of the Textbook "Working with Money"

1 How Money Works

- What is Money?
- What Kinds of Money are There?
- I Want to Use New Money
- How Money Flows

2 The Bank's Roles

- How to Deposit Money
- How to Borrow Money
- How to Remit Money
- How to Make Payments Easily
- How to Change Money into Foreign Currencies
- The Government also Borrows Money

3 Money in Our Daily Lives

- If You Receive a Strange Telephone Call
- If You Lose Your Cash Card
- Using a Credit Card to Make Purchases
- What Does it Mean when the Yen Strengthens or Weakens?
- Prices Rise and Fall
- What Does it Mean when People Say the Economy is Good?

<Working with Money Quiz>

<Money Flow Chart>

Financial Education at Tokyo Gakugei University Takehaya Middle School

As part of this joint research project, Mizuho cooperated in civics lessons at Tokyo Gakugei University Takehaya Middle School in Bunkyo Ward, Tokyo in July 2006. Using part of the textbook created through the joint research, teachers from the school lectured on the roles that banks play, after which Mizuho employees participated in answering questions from pupils.



A lesson at Tokyo Gakugei University Takehaya Middle School

Public Lectures on Financial Education

We held public lectures entitled "Let's Talk About Money in the Classroom — The Future of Financial Education," covering practical financial education methods that teachers can use in the classroom. Held in Tokyo's Kokubunji on August 24, and Tokyo's Shinjuku on August 25, the lectures were well-received and elicited many useful comments from a large number of teachers.



Public lecture

Establishing Lectures and Courses at Universities

Individual group companies have for some time established lectures and courses at universities in Japan and overseas. Based on these experiences, we decided to make the fullest possible use of the practical financial knowledge gained by the group through its comprehensive financial services in such areas as banking, securities, trusts and asset management in fiscal 2006 by dispatching officers and employees with ample practical expertise from throughout the group to give lectures at universities. More specifically, lectures were held in the first half of the term at Hitotsubashi University, and in the second half at Waseda University and Keio University.

The lectures were tailored to the specific needs of each individual university and designed to provide a deep understanding and grasp of the substance of contemporary finance business, taking concrete cases of financial practices and having students systematically discuss financial operations in general, centered on banking.

After evaluating and verifying the results obtained in fiscal 2006, we intend to extend the initiative in fiscal 2007 by establishing a donated course at the Faculty of Economics, Tokyo University, in addition to continuing existing courses.

Lectures Focusing on the Cutting Edge of Finance: Hitotsubashi University

The lecture series is entitled “Financial Frontier.” Focusing on the most advanced state-of-the-art initiatives in financial practices, MHRI coordinated the course, which considered Japan’s economy, changes in the industrial structure and the evolution of the financial system. It also looked at the transformations taking place in financial solutions such as syndicated loans and securitization as part of the response to change in corporate finance, and projected developments in the finance business.



Lecture at Hitotsubashi University

Contents of Lectures at Hitotsubashi University

- 1 Changes in the Economy, Industrial Structures and Financial Systems, and the Diversification of Financial Needs
- 2 The Non-performing Loan Problem and the Corporate Revitalization Business
- 3 Market-oriented Indirect Financing (Financial Vision Forum)
- 4 Syndicated Loans and Loan Trading
- 5 The Securitization and Liquidation Businesses
- 6 Project Finance
- 7 PFI
- 8 Small Businesses and the Use of a Scoring System
- 9 Diversification of Sales Channels and Retail Business
- 10 Private Banking
- 11 Trust Business
- 12 Sophistication of Risk Management
- 13 New Business Models for Coping with Diversifying Financial Needs (Summary)

Operational Changes Arising from Market Development: Waseda University

The lecture course is entitled “Changes in the Financial Markets and Financial Institutions.” Focusing on changes in the environment affecting financial institutions, the lectures cover everything from traditional operations to present-day financial practices. They discuss the significance and effects of the varied funding methods that financial institutions offer companies as financial solutions, providing concrete examples. Together with case studies, they also cover channel strategies and risk management, which mega banks position as vital management strategies for strengthening their structural foundations.



Statue of Waseda founder Shigenobu Okuma, and the university lecture hall

Financial Practices Relating to Corporate Funding: Keio University

The lecture series is entitled “Contemporary Corporate Finance.” Lectures cover new corporate funding methods to cope with changes in Japan’s industry and the financial environment. Following general remarks on conventional corporate finance, the lectures deal with three categories of corporate funding: 1) funding using asset holdings; 2) funding through loans; and 3) equity finance. The course concludes with lectures on new business models to deal with diversifying financial needs.



Keio University's library and statue of Yukichi Fukuzawa

Course Established at the Faculty of Economics, Tokyo University

Endorsing Tokyo University’s Faculty of Economics’ ongoing plans to establish a new finance department, Mizuho reached agreement with the university’s Faculty of Economics to cooperate in various ways in July 2006.

As part of this cooperation, we will establish the “Mizuho Financial Group Course on Risk Management at Financial Institutions” for three years starting in fiscal 2007, thus cooperating in reinforcing the curriculum in the run-up to establishing the finance department by offering a comprehensive finance-related course.

For three years starting fiscal 2006, we are due to put up funds for the “Financial Research Development Fund”

to support preparations for establishing the planned new finance department in the Faculty of Economics and contribute to subsequent financial education and research, thereby cooperating in promoting the department’s development.



The Yasuda Auditorium at Tokyo University

Status of Donated Courses and Lectures in Fiscal 2006

	Educational Institution	Course, Main theme	How operated	
Domestic	Mizuho Financial Group, Inc	Faculty of Commerce and Management, Hitotsubashi University	Financial Frontier	Dispatch professors and lecturers, hold symposiums
		Faculty of Political Science and Economics, Waseda University	Changes in the Financial Markets, and Financial Institutions	Dispatch lecturers
		Faculty of Business and Commerce, Keio University	Contemporary Corporate Finance	Dispatch lecturers
	Mizuho Securities	Faculty of Economics, Kyoto University Graduate School of Economics/ Faculty of Economics, Kyoto University	Corporate Finance-related (14 courses)	Dispatch lecturers, invite professors/assistant professors, hold symposiums
		Faculty of Commerce and Management, Hitotsubashi University Graduate School of Commerce and Management, Hitotsubashi University	Financial Strategy Theory Corporate Finance Theory	Dispatch professors and lecturers, hold symposiums
		Graduate School of Global Business, Meiji University	Corporate Finance Theory (Special Theory)	Dispatch professors and lecturers, hold symposiums
	Joint operations of Mizuho Securities and Shinko Securities	Open Education Center, Waseda University	Corporate Finance and Frontiers of Investment Banking Business (Introduction) / (Practice and Applications)	Dispatch lecturers, internships (MHSC)
Faculty of Economics, Keio University		Corporate Finance Theory	Dispatch lecturers	
Mizuho Investors Securities	Nippon Bunri University	Overview of Financial and Capital Markets, and Practices	Dispatch lecturers	
Overseas	Mizuho Securities	Fudan University (China)	Financial and Capital Markets	Dispatch lecturers
		Peking University (China)	Financial and Capital Markets, Corporate Finance, Corporate Governance	Dispatch lecturers, joint lectures with Waseda University

Cooperation with Chiba University in Lectures on Career Education

Working together with companies, Chiba Prefectural Board of Education and the Association of Corporation and Education, Chiba University's Faculty of Education is conducting lectures with a view to training teachers who can implement career education (education to nurture each child's ideas about work and occupations).

In cooperation with these lectures, Mizuho dispatched employees in May 2006 to explain the importance of imparting a correct understanding of finance as a vital part of society's infrastructure to children from an early age by speaking about basic financial knowledge and the work ethic they have acquired through their work experiences.

These lectures also included a project to create teaching materials for career education in the classroom, and in July 2006, MHBK's Tokyo Chuo Branch cooperated in this project, welcoming a visit by students

to gather information for video training materials.

In order to convey in an easy to understand format how deposits are made, how finance flows, and what happens during a bank employee's workday, the video teaching materials show MHBK employees responding to interviews and cooperating in reenactments of lending negotiations with customers.



Career education lecture at Chiba University



Material-gathering by Chiba University students

Career Education for the Classroom

At a time when the problems of "Freeters" (freelance arbeiterers or part-timers) and "NEETs" (people who are Not in Education, Employment or Training) are in the spotlight in Japan, it is necessary to take initiatives in the area of career education to heighten people's awareness about occupations while they are still children.

To promote career education, it is extremely important that children also correctly understand finance, which is an essential factor in society's development.

Understanding how money flows helps one understand the dynamically linked mechanisms of society. This in turn is highly effective in fostering desirable attitudes to work and occupations in children.

We are delighted that Mizuho understands the need for initiatives in the area of career education and is cooperating with us in these endeavors.



Chairman,
The Association of
Corporation and Education
(Assistant Professor, Chiba
University)

Daisuke Fujikawa

Financial Education Overseas

Mizuho's efforts in the area of financial education are not confined to Japan.

In order to provide education to students and adults from low- and moderate-income households, volunteer staffers from Mizuho Corporate Bank of California have been trained in the financial literacy curriculum sponsored by the Federal Deposit Insurance Corporation (FDIC). They have also hosted a seminar on the issue of fraudulent financial practices victimizing senior citizens.

At the Los Angeles Branch of MHCBC, several employees have volunteered to participate in the financial literacy programs offered by Junior Achievement* and have started putting their learning into practice by visiting classrooms at local public schools.

* Junior Achievement: JA is a private sector not-for-profit organization inaugurated in 1919 in the United States, and engages in economic education activities throughout the world.

Workplace Visits

To support financial education and contribute to local communities, we accept requests for workplace visits

from middle schools and also provide financial education.

Visits to Mizuho Headquarters

As part of Otsuma-Tama Middle School's career guidance activities, we cooperated in helping eighth graders with their summer vacation workplace visit projects.

In August 2006, we invited five eighth graders from the school to visit MHBK's Tokyo Chuo Branch and MHCN's Head Office.

The pupils visited MHBK's deposit, loan and foreign exchange counters, the large safety-deposit boxes in the branch basement, and the MHIS booths established within MHBK's branch premises.

At MHCN, employees briefed them on the bank's role, and responded to interviews conducted by the pupils concerning work in a bank.

The pupils also visited the staff canteen and the Health Development Center, which looks after employees' health. Both of these facilities provide the many employees working at the Otemachi Head Office Building with substantial support in their daily lives.

Our efforts in these areas won high praise from the staff and pupils of Otsuma-Tama Middle School.



Visit to MHBK's Tokyo Chuo Branch

Visits to Mizuho Branches

MHBK's Kumegawa Branch accepted three local eighth graders for two days in November 2005 for the second successive fiscal year. The pupils had lessons on general finance, observed and gained some hands-on experience in branch operations, and visited some customers.

In February 2006, five local seventh graders also visited MHBK's Koganei Branch where they were briefed on branch operations in general, and toured the branch to observe each section at work.

We believe that such activities are important from the

viewpoint of both financial education and fostering desirable attitudes to work and occupations in children. We plan to strengthen these activities as part of our contribution to local communities.



Visit to MHBK's Koganei Branch

Application of Joint Research Results at Mizuho's Branches

In August 2006, MHBK's Kameari Branch accepted three local eighth graders for lectures on the mechanisms of finance, explanations on banking operations and a guided tour around the branch. They also practiced counting banknotes and greeting customers in the branch lobby. Participants in the joint research project with Tokyo Gakugei University* also joined the proceedings, making use for the first time of the teaching materials and manuals prepared as part of the joint research. When asked for their impressions of the materials, the students said the textbooks stimulated their interest further by

explaining everything very clearly and giving them a good understanding of the mechanisms of banking. We will continue to make the most of the results of our joint research in the future.

* Please refer to pages 10-11 for more information on our joint research with Tokyo Gakugei University.



Visit to MHBK's Kameari Branch

Special Section

Finance that Shapes a Better Future

Through our financing mechanisms, we can support the development of a sustainable future by fostering socially responsible and environmentally conscious businesses. Mizuho stands ready to support individuals, companies and overseas customers in various ways, not only to realize their current dreams but also to discover the new possibilities that lie before them and create a better future.

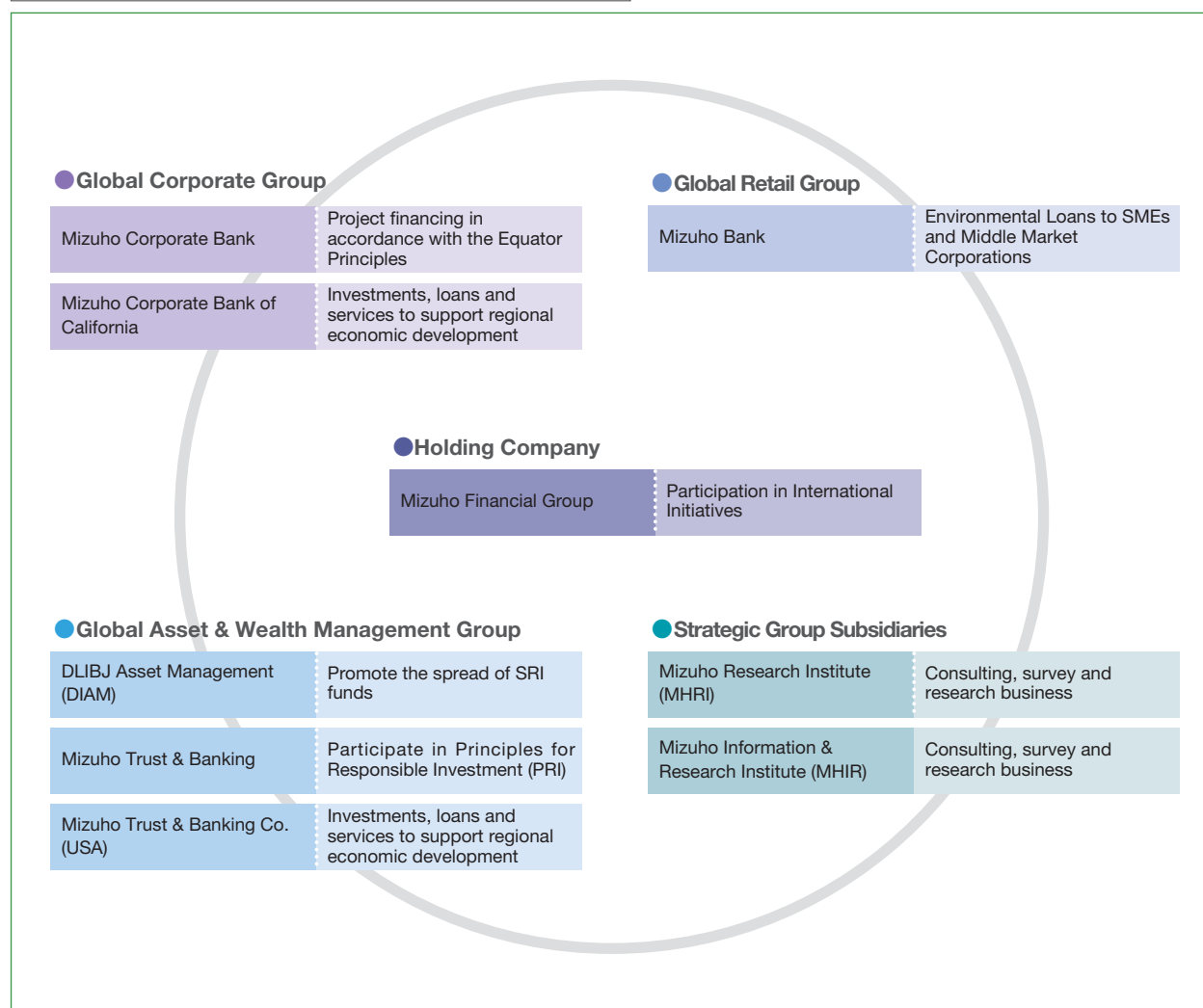
Using the Group's Comprehensive Strengths for a Sustainable Future

With their wide-ranging contact points with society, financial institutions are in a position to share the future with their stakeholders and provide the support necessary for its realization. Mizuho's three global groups — the Global Corporate Group, the Global Retail Group, and the Global Assets & Wealth Management Group — work together to provide support in order to realize our stakeholders' various dreams and possibilities.

The future that our stakeholders desire is premised on the idea of sustainable development. People will only be able to live with a sense of safety and security if there is balanced development in three areas — the economy, society and the environment.

Mizuho participates in international initiatives designed to support sustainable development.

Initiatives for Sustainable Development Adopted by the Global Groups



Promote Project Finance in Accordance with the Equator Principles

The method known as project financing plays an important role in financing large-scale government and private-sector development projects. Project financing focuses on the cash flow generated by the project as a source of funds for repayments, and does not depend on the credit rating of the sponsor.

Since large-scale development projects in developing nations have major social and environmental impacts, interest in corporate social responsibility increases, creating a tendency to focus more on the involvement of the financial institutions who provide the financing for the projects. Against this background, ten western banks consulted environmental NGOs and other organizations concerning voluntary standards to be adopted in common by private banks, formulating the Equator Principles in June 2003. The Equator Principles constitute a framework for project financing and take into consideration the impact on the natural environments and societies of the regions where the development is taking place. Target projects are classified into three categories, A through C, according to their social and environmental impacts, and environmental assessments and action plans are required for each.

Adoption of the Equator Principles and Establishment of a Dedicated Unit for their Promotion

In October 2003, MHC B became the first Japanese bank to adopt the Equator Principles. The EP Unit established within the Project Finance Division created the Equator Principles Implementation Manual and started actual screenings of applicable deals according to the Manual. In March 2006, MHC B established the Sustainable Development Department to strengthen business initiatives that take society and the environment into account on the basis of these Principles. In doing so, it made the transition to a global approach to screening, aimed at project financing deals and financial advisory (FA) deals in Tokyo and its overseas offices (New York, London, Singapore, Hong Kong and Sydney).

The Sustainable Development Department reviews individual deals centered on project finance in accordance with the requirements of the Principles, identifies and assesses the social and environmental impact of the projects, and submits screening reports to the Credit Division. In deals where MHC B plays the role of environmental organizer, it performs similar assessments and provides the resulting information to the banks participating in the syndication. The documentation also includes provisions that require borrowers to submit

regular reports on conformance to the action plan and on compliance. Since the Implementation Manual was drawn up, 36 environmental reviews have been conducted (as of August 31, 2006), four of which involved MHC B as environmental organizer.

The Department also participates in regular meetings with environmental NGOs, and acts as an interface for dialog with them. It distributes a newsletter to concerned parties internally approximately once a month, and helps MHC B as an adopter of the Equator Principles by engaging in educational and training activities, and distributing information. MHC B won high praise from the Financial Times for drawing up the manual and its stance on disclosing information, and was nominated for the Sustainable Bankers of the Year award in June 2006.

After the Equator Principles were revised in July 2006 following amendments to the environmental policies of the International Finance Corporation (IFC), MHC B readopted the new Principles. The announcement of the new, revised Principles came after consultations with 25 world NGOs and global oil and mining companies, plus a joint conference between NGOs and adopter financial institutions held in London. Overall, the new Principles are stricter and constitute social and environmental standards of higher quality. Lowering the minimum total capital costs of projects to which they apply from US\$50 million to US\$10 million extends their reach, while adopter financial institutions are obliged to submit status reports on their implementation of the Equator Principles.

Kaeng Khoi 2 Combined Cycle Gas Turbine Power Project, Thailand

Having conducted screenings based on the Equator Principles and worked as lead arranger in putting together finance for the Kaeng Khoi 2 Combined Cycle Gas Turbine Power Project in Thailand, MHC B signed a financing contract in November 2005. Since this deal calls for the Electricity Generating Authority of Thailand to purchase power generated by the plant for 25 years, it will contribute to the stability of the power supply in Thailand, where the estimated peak demand in 2015 is expected to reach double the fiscal 2004 level.



Distant view of power facility No. 1 under construction (June 7, 2006)

Environmental Loans to SMEs and Middle Market Corporations

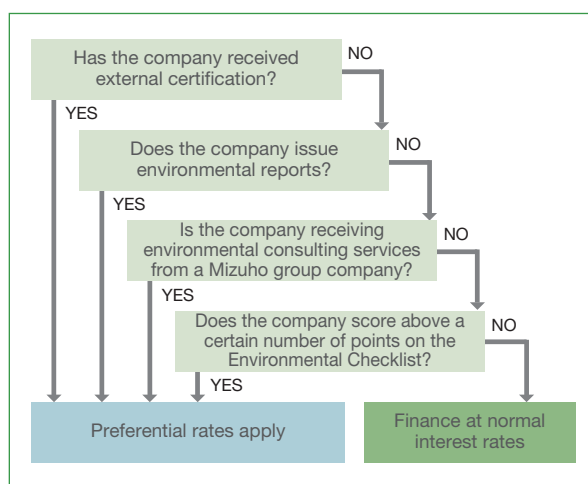
In December 2005, MHBK established the Finance Scheme for Environmentally Conscious Companies to support the environmentally aware activities of SMEs and middle market corporations. This scheme makes use of the bank's existing "Mizuho Long Partner" product and offers environmentally conscious companies preferential interest rates.

The standards for recognizing companies as environmentally conscious include companies that: (1) have acquired external certification such as ISO14001; (2) issue environmental reports; or (3) receive environmental consulting services from Mizuho group companies. One of the other main features of this scheme is its support for SMEs and middle market corporations that plan to adopt environmentally conscious initiatives going forward, but are currently unable to do so adequately. Judgment as to their eligibility is based on the "Environmental Checklist" prepared by MHBK in cooperation with MHIR. The list comprises a total of 28 items in seven areas of environmental activity, and companies that obtain a certain number of points or more are eligible. MHIR reviews the comments entered in the checklists and interviews candidates on their

environmental awareness. It also follows up on their environmental consciousness after financing is granted.

At present, the scheme is introduced through MHBK's branches, but in future, front-line opinions will be used to make improvements in the checklist, and in developing new products.

The Financing Decision Process



Promote the Spread of SRI Funds from an Original Perspective

In the early days of Japanese SRI funds in 1999, DLIBJ Asset Management Co., Ltd. (DIAM) established the Eco Fund to invest in companies that focused on responding to environmental issues. In December 2005, it established the "Happy Clover SRI" Fund, which invests 25% of its total net assets in Japanese firms with proactive approaches to CSR and the remainder to resource-rich countries with high ratings. In cooperation with the Bank



Pamphlet for the Oze Kiko natural environment protection fund

of Iwate, DIAM also set up the "Iwagin Hiraizumi" Fund in December 2004. The Bank of Iwate donates some of its remuneration from the Fund to a fund that promotes the designation of the town of Hiraizumi as a World Heritage site, thus supporting the registration of Hiraizumi's cultural heritage as a World Heritage site.

Based on this

product approach, DIAM also set up the "Oze Kiko" (Oze Travelogue) Fund in May 2006. This Fund was realized in cooperation with the Gunma Bank, Daishi Bank and Toho Bank. It is following the investment methodology of the Happy Clover SRI, and also donates part of its remuneration to The Oze Preservation Foundation, thus contributing to the preservation of the natural environment of the wetland of Oze.

DIAM is also involved in arranging funds that aim to facilitate the reflow of funds to local economies. In March 2005, it set up the "Niono Harmony" Fund in cooperation with Shiga Bank. This Fund invests in trust beneficiary rights backed by local financial institutions' loan claims on regional companies, thereby facilitating the flow of finance by directly linking Shiga Bank's customers with SMEs within the prefecture. In February 2006, DIAM joined with the Bank of Yokohama in setting up the "Hamagin Housing Loan Securitization Investment Trust 06-02." This fund invests in housing loan claim trust beneficiary rights backed by housing loans held by the Bank of Yokohama, and contributes to regional development by directly linking customers of the Bank with local customers who have taken out housing loans.

Consulting, Survey and Research Services

To support the initiatives that a wide range of stakeholders, including companies and government agencies, have adopted with a view to creating a sustainable society, MHIR and MHRI offer consulting, surveys and research services pertaining to various aspects of CSR, including the environment.

For companies, they support the creation of environmental management systems, the development of environmentally conscious products and services, quantitative environmental assessments and market surveys. For government agencies such as the Ministry of the Environment and the Ministry of Economy, Trade and Industry, they support proposals for environmental policies

and systems, and offer survey and research services.

Such consulting, surveys and research services are comprehensive, targeting global warming, CO2 reduction, resources and energy, chemical compounds, air, soil and water pollution and other environmental issues, and CSR.

Number of consulting, survey and research projects implemented

Target	FY2004	FY2005
Consulting, surveys and research services for private companies	170	204
Consulting, surveys and research services for government agencies	127	123
Publication of other reports, etc.	37	51

Working for Regional Economic Development — the Community Reinvestment Act

The federal Community Reinvestment Act (“CRA”) was enacted in the U.S. in 1977 with a view to encouraging financial institutions to help meet the credit needs of individuals and companies in local communities, including low- and moderate-income households, consistent with safe and sound banking operations. Under this law, financial regulatory agencies regularly examine the extent to which financial institutions are meeting its requirements through their actual investments and grants, as well as their community activities, and assign CRA ratings according to

a four-tier rating scale: Outstanding, Satisfactory, Needs to Improve, and Substantial Noncompliance.

Mizuho group members Mizuho Corporate Bank (USA), Mizuho Corporate Bank of California and Mizuho Trust & Banking Co. (USA) are subject to CRA oversight, and have all been assigned Outstanding ratings, the top assessment.

In particular, Mizuho Corporate Bank (USA) has US\$51.9 million in CRA loans and investments in the five boroughs of New York City, signifying a major contribution to regional economic development.

Participation in International Initiatives

CSR is predicated on a company’s sustainability, so it is important to implement CSR through core activities. Investment and financing activities that take into consideration social and environmental awareness as well as economic aspects are therefore important elements of the CSR of financial institutions. As this kind of thinking steadily takes root, the Responsible Finance approach, which takes a step beyond the use of SRI (socially responsible investment) funds as investment products, is gradually expanding.

Mizuho recently announced that it would participate in three international initiatives — the UNEP Finance Initiative, the UN Principles for Responsible Investment (PRI), and the UN Global Compact — in order to further promote its CSR activities through its core business as a financial institution.



*1



*2



*3

*1 UNEP Finance Initiative (UNEP FI)

Aims to identify, promote and realize the adoption of best environmental and sustainability practice at all levels of financial institution operations.

*2 UN Principles for Responsible Investment (PRI)

Aims to ensure that institutional investors and pension funds, etc., incorporate environmental, social, and corporate governance (ESG) issues into their decision-making processes.

*3 UN Global Compact

Encourages companies and civil society organizations from all over the world to support and implement ten universal principles in the areas of human rights, labor, the environment and anti-corruption.



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

Mizuho's CSR

Mizuho has heavy social responsibilities and a public mission to fulfill as Japan's leading comprehensive financial group with worldwide operations centered on banking. This section provides an overview of the group's activities in the area of corporate social responsibility.

Mizuho's CSR

What is Mizuho's significance to society? What roles should we play as a public institution? At Mizuho, we believe it is our corporate social responsibility to continue asking — and answering — these questions. Drawing on the Basic Principles of Consolidation, we have compiled the Mizuho Code of Conduct to serve as the basic philosophy underpinning our CSR activities.

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 making 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, and carrying out activities that help communities — as well as the importance of maintaining sincere, transparent communication channels with the general public.

The Mizuho Code of Conduct

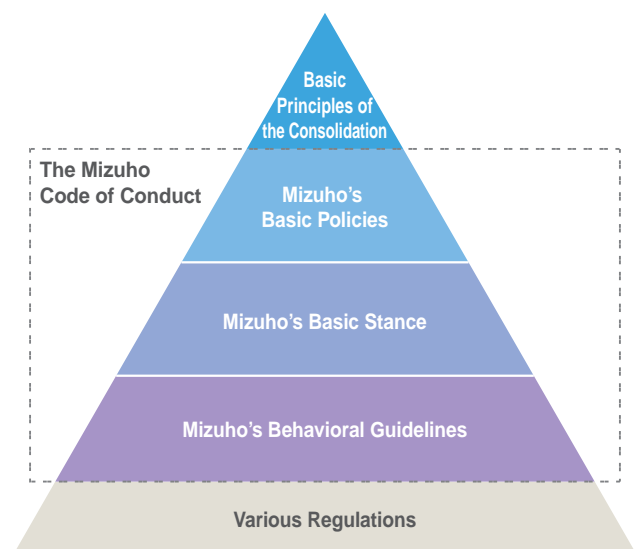
When a joint holding company was established by Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan in October 2000, "The Mizuho Code of Conduct" was drawn up to provide the ethical standards that must be observed in putting the Basic Principles of Consolidation into practice. The Code lays down concrete rules that must be observed in all business and operational decisions and actions.

Mizuho's Basic Policies govern the group as a whole, Mizuho's Basic Stance delineates its approach to different types of stakeholders, and Mizuho's Behavioral Guidelines prescribe more specific guidelines concerning the conduct of group officers and employees.

Basic Principles of the Consolidation

When Mizuho was created, it was decided that the new comprehensive financial group would use the following five basic principles as a springboard for success in 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 entity's business area and function, 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 communications 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 are committed to strict observance of all laws and regulations as we pursue our corporate activities in a fair and honest manner in conformance with the norms accepted by society.
- We will 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, officers 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)

* Please refer to the Social Report (p. 34-51) for details of 1 through 4.

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

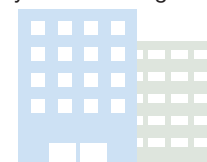
Intrinsic Business Responsibilities

- ▶ Maintain trust and protect depositors.
- ▶ Contribute to the healthy and sustainable development of the global economy by working to facilitate financing, and making responsible loans and investments.
- ▶ Earn the unwavering trust of customers and society as a whole by faithfully carrying out business activities through sound and appropriate management.



Enhance Corporate Governance

- ▶ Establish a corporate governance structure capable of earning a reputation for excellence in global financial and capital markets by maintaining fairness and integrity in our corporate activities.



Environmental Initiatives

- ▶ Recognizing that restricting and reducing impact on the global environment is a shared challenge, provide financial services in line with environmental policies to prevent global warming, etc. and reduce our own consumption of resources.



Support for Financial Education

- ▶ Support financial education for the next generation on whom society's future depends to enable them not only to acquire financial awareness but also to cope with the issues they will face in their daily lives.



Highly Responsive Communications

- ▶ Realize responsive communications with stakeholders by further promoting information disclosure to ensure greater transparency in corporate activities.



Corporate Governance

Mizuho endeavors to make corporate management more transparent and efficient by separating supervisory functions from the executive functions. This section contains a report on the group's management and corporate governance structure.

Group Management Framework

The group has adopted a management control system whereby the holding company, Mizuho Financial Group, Inc. (MHFG), exercises managerial control over group companies. MHFG manages core group companies* directly and other group companies indirectly via the core group companies.

* Core group companies: 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 Financial Strategies, and Mizuho Private Wealth Management.

The Corporate Governance Structure

We will devote our efforts to making our group management more transparent and efficient and carry out our business activities with honesty and integrity, and in conformity with social standards. To this end, we position compliance as one of the fundamental principles of sound business management and comply strictly with all laws, ordinances, rules and regulations. Our corporate governance structure is described below.

Corporate Auditors

MHFG has adopted a corporate auditor system whereby corporate auditors monitor whether operational execution by directors is legal by attending board meetings and expressing their views. At present, three of the five auditors are external corporate auditors.

Board of Directors

The Board of Directors determines management policies and other important matters for the holding company and the group, and oversees the manner in which directors and executive officers fulfill their duties. In order to further strengthen the management oversight functions of the Board of Directors, the group has appointed external directors whose position is independent of the actual execution of duties. Three of the current nine directors are external directors.

Internal Audit Group

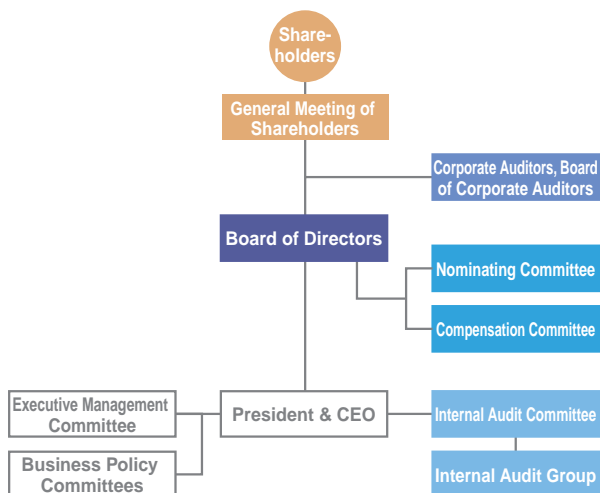
The Internal Audit Committee (chaired by the President & CEO) was established independently of the operating divisions to conduct deliberations and make decisions on important matters concerning internal audits. External experts (currently one lawyer and one certified public accountant) participate in the Internal Audit Committee as special members 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 controls, and puts forward proposals concerning methods for solving problems.

Nominating Committee, Compensation Committee

The Nominating Committee is composed of directors, including external directors. Both it, and the Compensation Committee, were established as consultative bodies to the Board of Directors and endeavor to ensure transparency and objectivity in director-related personnel affairs and compensation.

The Corporate Governance Structure



(as of June 27, 2006)

Business Execution

In executing business, Mizuho attaches the greatest importance to enhancing efficiency and effectiveness, and ensuring thoroughgoing risk management and compliance. This section covers the group's system for business execution.

Business Execution

MHFG has adopted the Executive Officer System in order to separate the managerial auditing function from the executive function, and clarify lines of authority and responsibility. The President & CEO of MHFG manages the entire group according to the fundamental management policies determined by the Board of Directors. MHFG's groups and divisions manage and administer the group companies under their jurisdiction.

The Executive Management Committee was established as a consultative body to assist the president

in discussing important matters related to the execution of duties. The Business Policy Committees were established to carry out comprehensive deliberations and coordination related to a wide range of company-wide issues spanning the managerial duties of executive officers. Five other committees have been established to deal with specific company-wide issues. These committees discuss, disseminate information and promote policies concerning the operations under their jurisdiction.

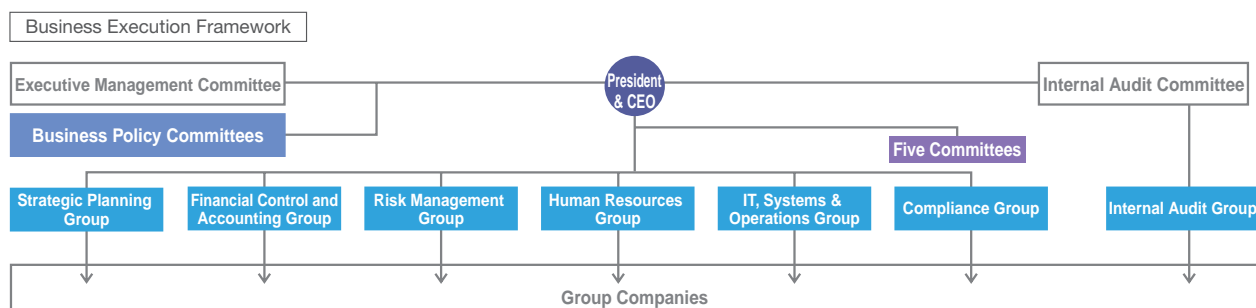
Meanwhile, group companies engage in business operations in their respective operating domains in line with the basic policies formulated by MHFG.

Business Policy Committees

- **Portfolio Management Committee:** Discusses, coordinates and monitors basic portfolio policies and their implementation.
- **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:** With the participation of external experts (one lawyer and one certified public accountant) as special members, discusses and coordinates legal compliance oversight, and matters related to antisocial elements and the handling of accidents.
- **Information Security Management Committee:** Discusses and coordinates the promotion of policies on information management, risk management pertaining to information security, compliance with the Law Concerning the Protection of Personal Information, and rules and regulations concerning information management.
- **Disclosure Committee:** Discusses and coordinates matters pertaining to disclosure, particularly statutory disclosure and timely disclosure, in order to maintain an approach to disclosure that wins investors' trust, and to assure internal controls.
- **CSR Committee:** Discusses and coordinates matters concerning the status of CSR related initiatives, key matters to be addressed, action plans and CSR reports.

Five Committees

- **Emergency Task Force:** Discusses, disseminates information and promotes policies concerning measures to deal with emergency situations.
- **Human Rights Awareness and Promotion Committee:** Discusses, disseminates information and promotes policies concerning 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:** Discusses, disseminates information and promotes policies concerning the employment of handicapped people and securing their role in the workplace.
- **Social Contribution Committee:** Discusses, disseminates information and promotes policies concerning activities that contribute to society. Conducts discussions related to original projects and support for social contributions by employees.
- **Environmental Issues Committee:** Discusses, disseminates information and promotes policies concerning global environmental initiatives, including reductions of the group's own environmental impact and support for customers' environmental responses.



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. Managing these risks in an appropriate manner is an essential factor in increasing corporate value. 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 and 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.

We recognize that appropriate risk management and control measures are issues of key importance to management, and 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, which 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.

While conforming to the basic policies determined by MHFG, each group company endeavors to improve its risk management, works to strengthen controls, and adopts the most appropriate risk management measures for its business and the size and profiles of its risk exposures.

MHFG receives applications and reports concerning the risk management situation at core group companies regularly or when otherwise required, and issues appropriate instructions as necessary. Each group company has also established its own risk management structure, receives reports on the status of risk at its own group companies and issues appropriate instructions to them.

We endeavor to obtain the clearest possible grasp of the group's overall risk exposure, and have implemented measures to ensure such risks do not exceed shareholder's equity and other measures of financial strength in accordance with the risk capital allocation framework.

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," and use the following two mutually supplementary approaches to manage it.

The first of these is to curb losses arising from the emergence of credit risk by controlling the entire process for each individual transaction, from granting the credit through to recovery, on the basis of assessments of the credit standings of the counterparties involved.

MHBK, MHCB and MHTB use uniform credit ratings to monitor the status of their borrowers in a timely manner, reviewing these ratings whenever there is a change in a borrower's credit status as well as on a regular basis.

The second is to manage the portfolio using statistical methods to measure the potential occurrence of credit loss in order to identify it and devise appropriate responses.

The group uses two figures in managing its portfolios. "Expected loss" is the average amount of loss forecast for the next twelve months. "Unexpected loss" is maximum excess amount in the case where losses exceed the expected loss. Using these, the group identifies and manages the structure of its overall portfolio to ensure that risk is diversified and that credit is not concentrated excessively in certain companies, corporate groupings or sectors.

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 measure and control it in an appropriate manner. From the perspective of quantitative controls in particular, limits have also been set for VAR and losses. When setting these limits, core group companies submit applications to the holding company, which then approves them after taking into consideration the business strategies for the entire group, past performance and risk bearing capacity.

The risk management divisions of the holding company and core group companies monitor adherence to the above-mentioned limits by identifying market risk using appropriate methods to measure risk volumes according to the nature and characteristics of their risk exposures, as well as their profit and loss situations. They also submit daily reports to their Presidents & CEOs and other members of management, and regular reports to their Boards of Directors and Executive Management Committees.

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 setting management indices such as limits on funds raised in the market.

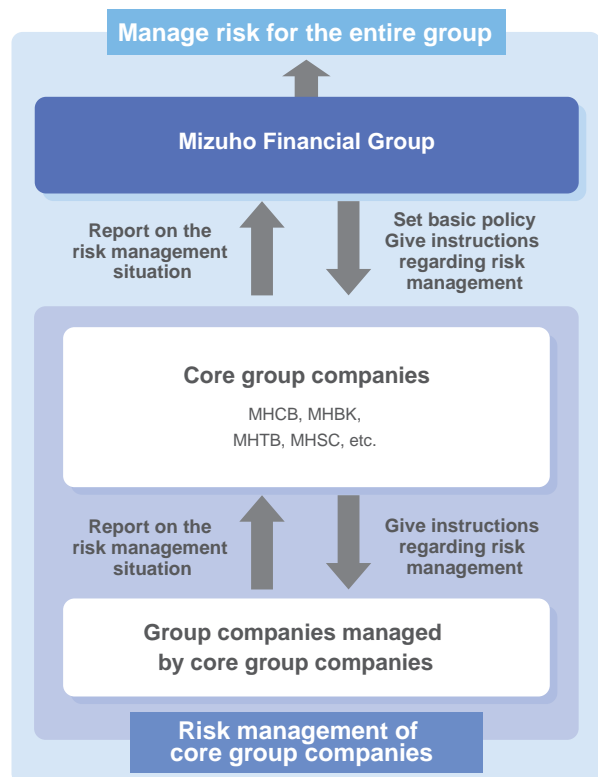
Operational Risk Management

We define operational risk as “the risk that the group may incur losses as a result of inadequate or failed internal processes, personnel and systems, or external events.”

In our view, operational risk encompasses a wide range of risks, including IT risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory risk, and reputational risk. We identify and manage risk in an appropriate manner, stipulating basic risk management policies concerning risk management structures and methods for each type of risk.

We would like to sincerely apologize for the great inconvenience caused to all parties involved when Mizuho Securities placed an erroneous stock brokerage order for shares in December 2005. To prevent the recurrence of such incidents, we are endeavoring to win back the confidence of the market by further strengthening our group management systems, including risk management and internal controls.

MHFG's Risk Management Structure



Approach to Basel II

Current regulations for international standards of the health of banks, first implemented in 1992, will be revised in light of developments in risk management methods. These amended regulations, known as “Basel II,” are scheduled to be implemented in Japan beginning March 2007.

These regulations focus on three main points. The first is minimum capital requirements relating to risk which should be maintained by banks, with respect to which the calculation method for credit risk will be changed and operational risk will be added. The second is a regulatory review process with respect to assessment of risks that cannot be fully addressed through minimum capital requirements alone. The third is market discipline allowing for assessment by the market through appropriate disclosure.

Based on the principles of Basel II, we are moving forward with preparations to implement the prescribed procedures by the time of effectiveness.

Compliance

Mizuho is working to achieve global standards in compliance. This section reports on our approach to compliance, and on the operating structure and activities we use to ensure it.

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 conforms 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 Presidents & CEOs of MHFG, MHCB and MHBK oversee compliance at their respective companies and chair discussions regarding important compliance-related matters at meetings of their respective compliance committees. The three companies also have their own individual compliance divisions headed by chief compliance officers for compliance planning and implementation.

The head of each organizational unit of each group company is responsible for guidance and implementation in connection with compliance, while the compliance officer or compliance administrator at each unit monitors compliance.

MHFG monitors the status of compliance management at the core group companies and adopts appropriate responses where necessary. The core group companies themselves monitor and manage compliance at their own subsidiaries.

Specific methods for checking the status of compliance management to ensure thoroughgoing compliance include primary self-checks conducted by each organizational unit and secondary checks carried out by the internal audit section.

Compliance levels are also among the criteria included in the personnel assessments called “360-degree” performance evaluations, and are carried out not only by the supervisor, but also by subordinates and colleagues from other units who have close working relationships with the person being evaluated.

Compliance Structure



Compliance Manual

In order to offer concrete compliance guidelines, we have prepared a comprehensive compliance manual that provides an easy to understand introduction to the laws, ordinances and rules that must be observed and the compliance activities that must be practiced according to the nature of the business operations of individual group companies.

Education and Training

We carry out on-the-job training using case studies on concrete themes in regular group training sessions sponsored by the Human Resources Division, or in training sessions carried out by each organizational unit under instructions from compliance control divisions.

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. Implementation levels are followed up every six months, and the status and results are reported to the Board of Directors.

Compliance Hotline

We have established compliance hotlines directly to compliance control divisions at each group company as lifelines to enable employees to submit reports on compliance problems for which appropriate steps cannot be taken under the standard compliance reporting system. We have also established an interface with a law firm to ensure confidentiality and protect the privacy of the person involved in the consultation. MHFG has also established the Internal Control and Audit Hotline to receive reports from inside and outside the company concerning internal controls and audits of accounts and financial reports.

Maintain Sound and Normal Relationships with Government Authorities

Relationships with Public Officials, etc.

The group has adopted a basic stance of maintaining sound, transparent relationships with political and administrative entities and personnel, and avoiding acts that encourage mutual dependence or collusion. To sustain this basic stance, it operates a strict compliance mechanism based on the above-mentioned compliance structure and activities. The compliance manual also provides clear explanations of this basic stance and the compliance mechanism, and promotes dissemination of knowledge about them through compliance training, etc.

For example, strict performance standards have been laid down to ensure that entertainment and exchanges of gifts with public officials, etc. (including politicians) do not promote expectations of special favors or encourage suspicions of bribery and corruption in relationships with politicians and administrators. Compliance officers or compliance administrators at each unit and compliance division are also obliged to implement a priori checks.

Relationships with Foreign Public Officials

With regard to relationships with public officials of foreign countries, employees are obliged to check for conformity with the Unfair Competition Prevention Law, the criminal codes of host countries, and host country domestic laws based on the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Involvement in Political Activities

The group has adopted a policy whereby it takes a cautious approach to donations to political activities in order to avoid illegal political donations or payoffs.

Enforcing Compliance and Internal Controls

In January 2006, a former employee of Mizuho Bank was arrested on suspicion of embezzling customers' deposits, and in February 2006, an employee who had been a section chief at a branch was arrested on suspicion of leaking customers' personal information outside the bank. Mizuho Bank subsequently received an operational improvement order from the Financial Services Agency (FSA) in connection with these cases.

In August 2006, Mizuho Bank received a warning from the Fair Trade Commission because of suspicions that indications of the applicable interest rates used in leaflets for the Long-term Fixed-rate Housing Loan Campaign and the Special Rate Housing Loan Campaign from March 1 through 31, 2006 misled general consumers.

We would like to express our deepest apologies for the trouble these cases have caused our customers and other stakeholders. We are striving to further enhance and strengthen our compliance and internal control systems, and prevent any recurrence.

Mizuho's Stakeholders

We shall fulfill our social responsibilities through highly responsive communications with stakeholders. This section covers our approach to, and relationships with our stakeholders.

Approach to Stakeholders

Corporations are the property of their shareholders. At the same time, corporations such as financial institutions also play a public role, which means they not only have a major impact on society but also bear heavy responsibilities toward society.

For this reason, we believe it is crucial to disclose information to a wide range of stakeholders as part of an interactive dialog with them, while reviewing our relationship with society and engaging in well-balanced corporate management. We also believe that for an enterprise to be sustainable, it must fulfill its social responsibilities to all stakeholders and enhance its corporate value.

We classify our stakeholders as follows: customers, shareholders, regional/local communities, employees, suppliers, competitors and government authorities.



Customers

Our customer base is extremely broad, ranging from depositors and borrowers, trust consignors and beneficiaries, and investors, and from individuals and enterprises to public service corporations. It is also geographically diverse, since we have customers around the world.

We promote communications with our customers through mechanisms such as "customers' voice cards," call centers and customer satisfaction surveys, which allow them to voice their opinions, as well as through our website, direct mail and direct dialog at branches, and through sales activities. The customers' opinions gathered through these methods are used to improve services and business quality in a variety of ways.



The Community

We maintain deep ties with regional and local communities via our business activities at 764 locations (705 domestic and 59 abroad) in 27 countries/regions as of the end of March 2006, and also through each and every employee, to the extent that in many ways these communities may be considered the backbone of Mizuho's existence. For this reason, we believe it is extremely important to contribute to the development of local communities through business activities that harmonize our own profits with society's interests.

In addition to normal business activities, we endeavor to interact with local communities through proactive social action programs.





Shareholders

As of March 31, 2006, we issued 12,003,995.49 common stocks and 1,280,430 preferred stocks. However, in July 2006, we redeemed and cancelled 300,000 preferred stocks that had been issued to the government (the Resolution and Collection Corporation) in order to borrow public funds, thereby repaying the public funds in full. Japanese institutional shareholders own 56.82% of MHFG's common stocks, non-Japanese institutional shareholders 29.91% and individuals 13.27%. We intend to maintain and expand our assets and improve our profitability with a view to keeping the trust and meeting the expectations of our shareholders. In order to win the broad understanding of our shareholders, we rigorously maintain the accuracy and reliability of our financial, taxation and accounting practices, and a stringent internal control system to closely monitor whether they are functioning appropriately and effectively. We are also working to enhance our internal control system by further strengthening our independent internal audit functions.



Government Authorities

We have multifaceted relationships with the governments of Japan and many other countries around the world. Whether it is a matter of following laws and regulations in conducting business, using public services necessary for business, lending funds for government or national projects, or borrowing funds from central banks, we observe all national laws and maintain sound and normal relationships with domestic and foreign regulatory authorities and politicians with jurisdiction over our operations.



Employees

On a consolidated basis, there were 45,758 employees working for the group in 27 countries/regions, centered on Japan, as of March 31, 2006.

Personnel are Mizuho's most important business resource, the unrivaled cornerstone of the group's competitive advantage. We believe that enhancing the value of each and every employee through proactive investment in human resources will lead to the creation of permanent value for Mizuho. In line with this approach, we are working to create a free and open workplace environment that is attractive to employees because it is work-friendly and rewarding.

We also provide compliance education and training, ensure rigorous observance of labor laws, pay close attention to safety and health in the workplace, and provide a hotline to address discrimination and sexual harassment.



Suppliers and Competitors

Our transactions with suppliers arise through orders for IT systems and purchases of goods and services.

We maintain sound and transparent relationships with suppliers in order to ensure that we receive the best quality and services, treating them as business partners as we work to enhance business efficiency and ensure mutual prosperity. For this reason, we ask them to understand and conform to "The Mizuho Code of Conduct."

In line with the principles of self-responsibility on which the market economic structure is premised, we compete in a fair, transparent and free manner based on a strong sense of self-help and independence.

Mizuho's Economic Performance

This section reports on our financial condition and the results of group business activities from the perspective of our economic relationships with our stakeholders.

Approach to Economic Reporting in this CSR Report

For a company to continue to exist, it must strengthen its financial position by securing profits on an ongoing basis. It must also be fully aware of its relationships with its various stakeholders in order to engage in business activities that aspire to sustainable development.

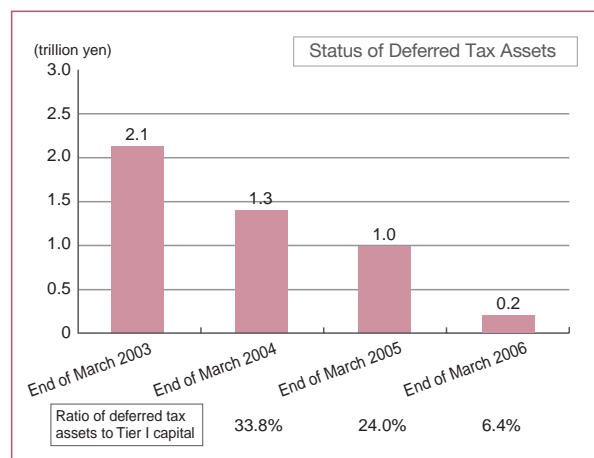
This economic report therefore introduces those aspects of MHFG's financial condition and earnings that are distinctive from the perspective of strengthening its financial profile, and attempts to identify figures pertaining to the profit situation from the perspective of its economic relationships with stakeholders.

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

[Consolidated basis]

	Fiscal 2005 year-end results	
		Compared with fiscal 2004 year-end
BIS capital adequacy ratio	11.62%	-0.29%
Tier I capital ratio	5.89%	-0.30%
Net deferred tax assets	¥295.7 billion	-¥707.1 billion
Ratio to Tier I capital	6.4%	-17.5%

[Consolidated basis]



Improvement in Financial Health

The group is working to strengthen its overall earning power centered on its customer segments with a view to steadily building up its retained earnings and boosting its shareholders' equity. As it continued its conservative and strict assessment of asset recoverability, the ratio of net deferred tax assets to consolidated Tier I capital declined to 6.4% at the end of fiscal 2005 as a result of recording taxable income and the increased amount of Unrealized Gains on Other Securities.

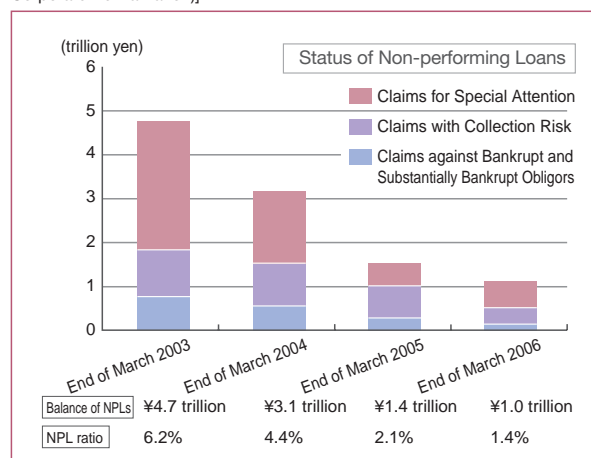
As a result of further improvements in financial soundness, moreover, non-performing loans (NPLs) fell by ¥442.8 billion year-on-year to ¥1,052.8 billion at the end of fiscal 2005, lowering the NPL ratio by 0.74% year-on-year to 1.41%.

[Aggregated Figures for Three Banks (Including Financial Subsidiaries for Corporate Revitalization)]

	Fiscal 2005 year-end results	
		Compared with fiscal 2004 year-end
Disclosed Claims under the Financial Reconstruction Law	¥1,052.8 billion	-¥442.8 billion
NPL ratio	1.41%	-0.74%

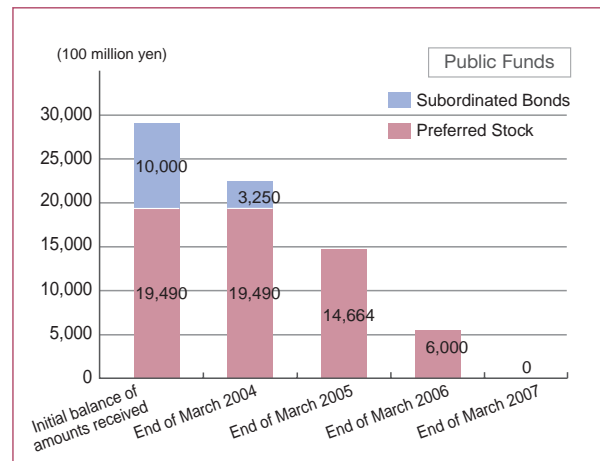
"Aggregated Figures for Three Banks (Including Financial Subsidiaries for Corporate Revitalization)" refers to the non-consolidated aggregated totals for MHBK, MHCB and MHTB, plus the financial subsidiaries for corporate revitalization under their umbrellas. The financial subsidiaries for corporate revitalization merged with their parent banks on October 1, 2005.

[Aggregated Figures for Three Banks (Including Financial Subsidiaries for Corporate Revitalization)]



Repayment of Public Funds

We repurchased and cancelled preferred stock of public funds of ¥616.4 billion (on an issued-price basis) in August 2005, ¥250.0 billion (ditto) in October 2005, and ¥600.0 billion (ditto) in July 2006. We completed the repayment of all public funds, the original amount of which was ¥2,949.0 billion, including the subordinated bonds of public funds which we redeemed in full during fiscal 2004.



Profit Situation and Economic Relationships with Stakeholders

(100 million yen)

FY2005 Consolidated Statement of Income (extracts of major items)		
Ordinary Income		35,575
	Credit costs for trust accounts	-14
Ordinary Expenses		-26,364
	General and Administrative Expenses	-10,952
	Personnel Expenses	-4,840
	Non-personnel Expenses	-5,563
	Taxes	-547
	Expenses Related to Portfolio Problems (including Provision for General Reserve for Possible Losses on Loans)	-847
	Other	-14,565
Ordinary Profits		9,210
Net Extraordinary Gains		590
	Reversal of Reserves for Possible Losses on Loans, etc.	1,393
Income before Income Taxes and Minority Interests		9,801
Income Tax Expenses - Current		-640
Income Tax Expenses - Deferred		-1,850
Minority Interests in Net Income		-811
Net Income		6,499

Credit-related Costs	532
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* Credit-related Costs=Expenses Related to Portfolio Problems (including Provision for General Reserve for Possible Losses on Loans) + Reversal of Provision for Reserves for Possible Losses on Loans, etc. + Credit Costs for Trust Accounts

Increase/decrease in Retained Earnings	+4,496
Cash Dividend	-758

(100 million yen)

Economic Relationships with Stakeholders (Pro Forma Calculation)	
Sales to customers	35,575
Purchase from customers (cost price)	14,565
Purchase from customers (Expenses related to Portfolio Problems)	—
Shareholders	1,570
Regional and local communities	Please refer to Social Report
Officers and employees	4,840
Suppliers (buying-in of goods)	5,563
Government	1,188

Methods Used for Pro Forma Calculations of "Economic Relationships with Stakeholders"

- **Sales to customers:** Ordinary Income
- **Purchase from customers (cost price):** Ordinary Expenses minus General and Administrative Expenses and Expenses Related to Portfolio Problems (including Provision for General Reserve for Possible Losses on Loans).
- **Purchase from customers (Expenses related to Portfolio Problems):** Credit-related Costs.
*Not stated for fiscal 2005 because of reversal of Credit-related Costs.
- **Shareholders:** Total for Cash Dividend and Minority Interest in Net Income
- **Local community:** Please refer to "Breakdown of Social Contribution Spending by Area" in the Social Report.
- **Employees and officers:** 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

Mizuho Financial Group aims to be number one in customer satisfaction. This section reports on our efforts to earn the satisfaction and trust of our customers.

Basic Stance Toward Customers

- We will constantly strive to satisfy customers, earn their trust, and build long-term relationships.
- We will know our customers well and deal with them in good faith.
- We will provide customers with ample information and offer them top-class comprehensive financial services.
- We will manage the assets of our customers with due and diligent care.
- We will work to educate ourselves in order to acquire exceptional discernment and specialized knowledge and skills that benefit customers.

Aiming to be Number One in Customer Satisfaction

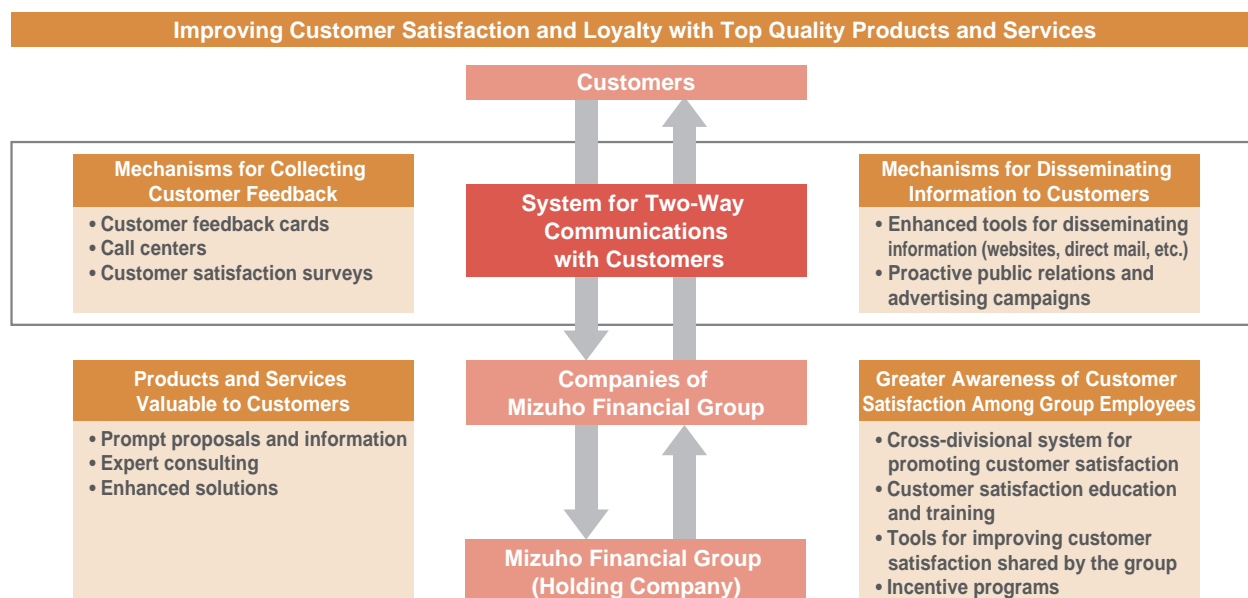
Endeavoring to root ourselves in the corporate culture of a service provider that always puts the customer above all else, we work to ensure all employees constantly seek to provide the best possible services to customers. When a customer comes to us with a complaint or criticism, we are committed to solving the problem by listening sincerely and responding promptly and appropriately. We actually consider such customer grievances to be a resource that can be put to use by management to investigate and analyze the reasons why problems occur and to clarify their

nature. Feedback from customers helps us prevent the recurrence of similar problems, and in product development and service improvements. We use it in this way to improve the management quality of the group as a whole.

Communicating with Customers

Two-way communication is essential to understanding the wants and needs of customers as well as to identifying areas where they are not entirely satisfied. We therefore have mechanisms both for collecting the comments and opinions of customers and for disseminating information to them.

Aiming to be Number One in Customer Satisfaction



Solicitation Policy for Financial Products

Mizuho Financial Group is committed to properly marketing its financial products to customers under the following common group policy.

1. Offer financial products that are appropriate for the level of knowledge, experience, and asset condition of clients.
2. Provide explanations that enable clients to fully understand the nature and risks inherent in financial products and thus enable them to make their own judgments regarding transactions.
3. Never mislead clients by making strong statements containing judgmental content or offering inaccurate information.
4. Never solicit clients at times or in places that are inconvenient for clients.
5. Work to expand training systems and put internal rules in place that promote appropriate sales activities in accordance with this policy.

Collecting Customer Feedback

Customer Feedback Cards

Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking and Mizuho Investors Securities use customer feedback cards to collect a wide-range of comments and opinions from customers (Mizuho Bank collected around 170,000 of the cards from customers in fiscal 2005).



Sample "Customer feedback card"
(Mizuho Bank)

Call Centers

Call centers have been set up at the group's banks, securities companies and trust and banking companies involved in retail operations. The call centers respond to inquiries that come in from customers via the phone. Their requests and opinions are then compiled by departments in charge of customer service. (Mizuho Bank received some 2,550,000 inquiries over the phone in fiscal 2005.)

Customer Satisfaction Surveys

In addition to customer feedback cards and call centers, we administer customer satisfaction surveys to gauge the degree to which customers are satisfied with their interactions with us. The surveys are in support of our aim to become number one in customer satisfaction

Incorporating Customer Feedback

Feedback from customers is reported back to each group company's management through their respective departments in charge of customer service, compiled and analyzed by Mizuho Financial Group's CS Research Institute, and used to improve the quality of management for the group as a whole. Initiatives that were originally given impetus by opinions or requests received from customers are introduced on the websites listed below.

Web Links (Japanese only)

- **Mizuho Bank**
<http://www.mizuho-bank.co.jp/company/activity/cs.html>
- **Mizuho Corporate Bank**
<http://www.mizuho-cbk.co.jp/company/activity/cs.html>
- **Mizuho Trust & Banking**
http://www.mizuho-tb.co.jp/company/topics/ft_torikumi.html
- **Mizuho Securities**
http://www.mizuho-sc.com/ja/mission_statement/customers_satisfaction/index.html
- **Mizuho Investors Securities**
<https://www.mizuho-isec.co.jp/corp/cs.html>
- **Trust & Custody Services Bank**
<http://www.tcsb.co.jp/about/efforts.html>
- **Dai-Ichi Kangyo Asset Management**
http://www.dka.co.jp/dkaStatic/pdf/NEWS/060630_FG_Torikumi.pdf
- **Fuji Investment Management**
<http://www.fimco.co.jp/company/customer.html>
- **DLIBJ Asset Management**
<http://www.diam.co.jp/ICSFiles/afidfile/2006/06/21/CS060630.pdf>
- **Shinko Securities**
<http://www.shinko-sec.co.jp/ir/cs.html>

Mechanisms for Disseminating Information to Customers

We are striving to promptly and reliably provide a variety of information for non-marketing purposes to customers using appropriate, effective methods, including our website, direct mail, email and newspaper advertising.

Offering Convenience and Comfort

In order to ensure customer transactions are safe and convenient, we continued in fiscal 2005 to actively bolster security measures for cash card and Internet banking transactions.

These efforts are continuing in fiscal 2006 as well. In the first half we plan to introduce an identification system that uses finger vein biometric authentication* in order to dramatically improve the safety of ATM transactions by customers at Mizuho Bank.

* Finger vein biometric authentication is a method that verifies a customer's identity by reading the veins in the person's finger every time an ATM transaction is made. It complements conventional password identification.

Converting Cash Cards to IC Cards

Mizuho Bank has already issued over three million IC cash cards, and they are now compatible with some 3,000 ATMs, which is over half of our nationwide network. These measures are to ensure customers can use their IC cash cards to conduct safe, secure transactions. In addition, Mizuho Trust & Banking began issuing IC cash cards in April 2006 and has made all its ATM machines compatible with them.

● Mizuho Bank IC Cash Cards



Mizuho Mileage Club card



Regular deposit cash card for individual customers

● Mizuho Trust & Banking IC Cash Card



Regular deposit cash card for individual customers

Changing ATM Usage Limits

In order to limit damage from stolen or counterfeited cash cards, starting in September 2005 we lowered the per-day usage limit at Mizuho Bank ATMs for transactions not compatible with IC cash cards. Mizuho Trust & Banking instituted the same policy in July the same year.

Both banks also initiated a service that allows customers to set their own usage limits. The aim of the service is to improve both security and customer convenience by ensuring customers can use their cards to conduct transactions in line with their respective needs.

Strengthening Security of ATMs

Mizuho Bank and Mizuho Trust & Banking installed rearview mirrors to prevent peering from behind at all their ATMs as well as polarized film to prevent passwords from being stolen when customers are using the ATM screen for transactions.

Compensating Individual Customers for Damage from Card Counterfeiting or Theft

Though the Depositor Protection Law* went into force in February 2006, Mizuho Bank and Mizuho Trust & Banking had already revised their rules for cash cards as of November 2005. In addition to counterfeited cards, the banks also began paying compensation to individual customers for losses from stolen cards.

Mizuho Bank established the Card Security Support Center to serve as a dedicated call center for customers that have been the target of such crimes. At Mizuho Trust & Banking, the Security Planning Office serves the same function.



Card Security Support Center

* The full name of the law is the Law to Protect the Holders of Counterfeit and Stolen ATM Cards.

Strengthening the Security of Internet Banking

The Internet banking service provided by Mizuho Bank to individual customers is called Mizuho Direct, and in August 2005 we introduced an on-screen keyboard*¹ and a variable second password*² as measures for combating spyware*³ and other threats. And, in January 2006 we increased the maximum password length to 32 digits.

Additionally, to encourage customers to install security measures on their own computers, like anti-virus and anti-spyware software, we distribute general security software (trial version) on a CD-ROM, provide an informative site on Internet security, and otherwise work to ensure the conditions are in place for making Internet banking safe and convenient.

Further, we have been strengthening security for e-commerce with corporate customers in an effort to improve both security and convenience for customers.



On-screen keyboard



Variable password

*¹ The on-screen keyboard allows customers to enter their passwords using only their mouse.

*² The customer's second password has six digits and is used for transfers between accounts, transfers to outside accounts and other transactions. The variable password involves the customer entering four digits of the six-digit password. The digits and their sequence are specified by Mizuho Bank and changed every time the password is used.

*³ Spyware is software that steals passwords and other user information by infiltrating the user's computer without his or her awareness when a file attached to an email is opened, etc.

Ensuring Information Security

Given that Mizuho Financial Group provides a comprehensive array of financial services, using customer information and other information assets appropriately is a source of our competitiveness. We also consider the appropriate protection of information assets to be an important societal responsibility. Each group company therefore has a department in charge of information security and is involved in bolstering security measures related to information management.

In September 2005, all divisions of Mizuho Financial Group acquired ISMS certification (Ver. 2.0) and BS7799-2 certification for information security management, and along with the internationalization of standards, in September 2006, we acquired certification for ISO/IEC27001 and JISQ27001. Our goal was to ensure the effectiveness of our approach to information security through third-party verification. Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking, Mizuho Investors Securities, Trust & Custody Services Bank, and Mizuho Information & Research Institute have also been certified in specific business areas.

We are working to strengthen information management further by expanding the scope of certification and other means.



IS97580 / ISO IEC27001

Certification logos for information security management
(Mizuho Financial Group)

Protecting Personal Information

With regard to protecting the personal information of our customers, along with complying with Japan's Personal Data Protection Law and other related laws and ordinances, privacy policies have been established at group companies that layout our policies related to protecting personal information and our approach to the handling of it. The privacy policies are published on the companies' websites.

Mizuho Financial Group is committed to handling the personal information of our customers appropriately and providing financial products and services with higher added value. Because we fully recognize the importance of personal information, it is managed stringently and every effort is made to ensure its security.

Barrier-Free Initiatives

Public demand is mounting for improvement in the accessibility of facilities used by large numbers of people, in light of the ongoing aging of Japanese society and increasing opportunities for physically challenged people to participate in society. We believe that because we have a public mission it is essential that we strive to be a bank that is highly accessible to the elderly and all other customer segments of the population.

Background to the Heartful Project

Japanese society is rapidly aging and it is estimated that in 2014 one out of four Japanese citizens will be at least 65 years old. At the same time, there has been a strong push to make the active participation of physically challenged people in society and the economy a reality. Against this backdrop, the Accessible and Usable Building Law*1 and the Barrier-Free Transportation Law*2 were enacted, and there has come to be mounting societal demand for improving the accessibility of facilities used by large numbers of people. In light of these developments, Mizuho Bank is promoting multifaceted barrier-free initiatives in the form of the Heartful Project. Our goal in these activities is to be a bank that is easy for anyone to use regardless of age, gender or disability.

*1 Accessible and Usable Building Law: Act on Buildings Accessible and Usable by the Elderly and Physically Challenged

*2 Barrier-Free Transportation Law: Law for Promoting Easily Accessible Public Transportation Infrastructure for the Aged and the Physically Challenged

Overview of the Heartful Project

Mizuho Bank brought in experts in barrier-free and universal design to spearhead the Heartful Project together with the Mizuho Research Institute, which has

experience in administering surveys on barrier-free and universal design for public institutions and transit corporations.

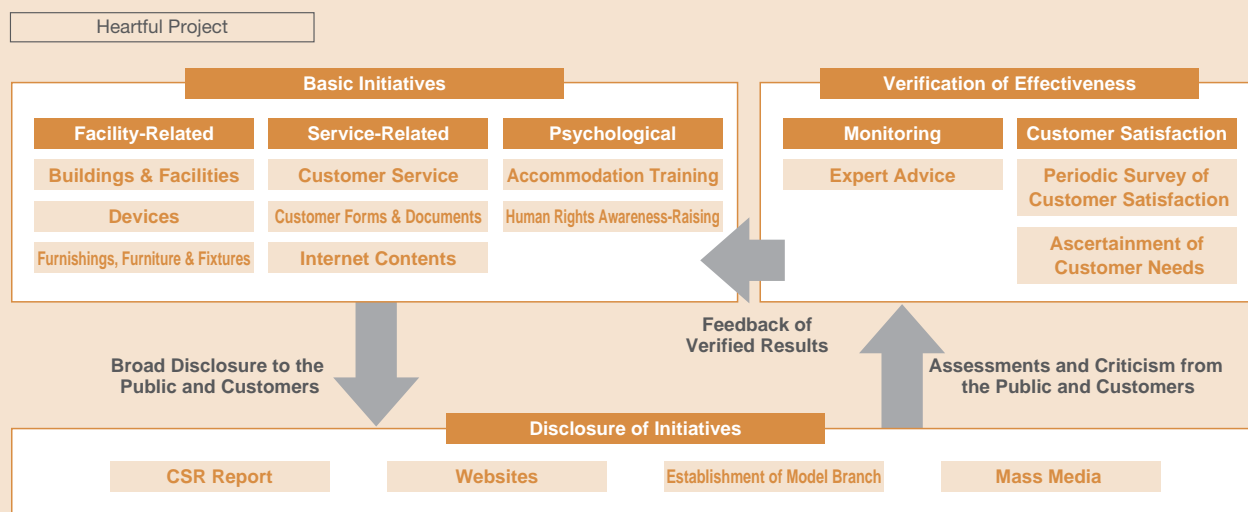
The basic initiatives of the Heartful Project are aimed at bringing down facility-related barriers for buildings and facilities, and other devices; service-related barriers such as in customer service, and forms, documents and Internet contents for customers; and psychological barriers in the minds of each and every officer and employee. The effectiveness of these basic initiatives will be periodically reviewed in an effort to improve their quality.

Major Initiatives for the Future

Mizuho Bank plans to carry out the following initiatives.

Bringing Down Facility-Related Barriers

Unless it would be exceptionally difficult to do so because of the structure of the building, we will progressively make our banking locations and facilities barrier free. This will involve eliminating steps, widening passageways, putting in automatic doors, installing customer elevators and restrooms, and installing ATMs that can be used by people with visual impairments.



Major Initiatives

- Eliminate steps
- Create wider passageways
- Install automatic doors
- Establish parking spaces for drivers in wheelchairs
- Install and enhance customer elevators
- Install and enhance customer restrooms
- Install ATMs accessible to people with visual impairments etc.

Creating Barrier-Free Services

We will create product pamphlets and web pages with an emphasis on ease of understanding.

Major Initiatives

- Create easy-to-understand product pamphlets
- Create easy-to-use web pages that are accessible to everyone
- Have whiteboards for written communication available at business counters etc.

Removing Psychological Barriers

Employees will undergo training in serving elderly customers and physically challenged customers.

Major Initiatives

- Customer service training manuals and videos for serving elderly customers and physically challenged customers
- Training for bank officers and employees
- Acquisition of "Care-Fitter Level 2" certification*1 for Lobby Concierge*2 etc.

*1 Care-Fitter Level 2: Private-sector service certification granted by the Nippon Care-Fit Service Association, a non-profit organization

*2 Lobby Concierge: Staff in charge of helping customers and providing general customer service in the lobby of our banking locations



A whiteboard for written communication at a business counter

Advice from Barrier-Free Advisors

We received the following advice from experts employed as barrier-free advisors at the Barrier-Free Advisor Conference held on July 18, 2006.

Kuniko Obinata

Torino Paralympic Gold Medalist
Serves on the steering committee of the Japan Paralympic Committee



I have high expectations for this project, which seeks to make banks easy to use for every type of customer, including the elderly, physically challenged people, people with children, and pregnant women. For the project to take root, I think mechanisms are necessary for gathering ideas from staff members on the frontlines and actualizing those ideas. I would also like to see the opinions of physically challenged employees actively taken up and used to make improvements. If this project results in a change of consciousness in each and every bank employee I think it would provide the public with a substantial amount of information.

Yoshihiko Kawauchi

Licensed Architect, First Class
Received "First Ron Mace Designing for the 21st Century Award" at the International Conference for Universal Design



In developing banking facilities, every employee must think about how they will actually be used by customers at the site and approach the project from a broad perspective. For physically challenged customers, I think it would be a good idea to provide information on the accessibility of each branch, like that provided on the Internet for the transit system (by the Foundation for Promoting Personal Mobility and Ecological Transportation). I would like to see this project continue to make improvements based on customer feedback and response, in order to remove facility, service and psychological barriers.

Satoshi Kose

Professor, Faculty of Design, Shizuoka University of Art and Culture
Specialty: Building safety planning
Received "First Ron Mace Designing for the 21st Century Award" at the International Conference for Universal Design.



I think there are very few dangerous areas at banks, but there are still some places that tend to trip up customers at general facilities. In promoting barrier-free initiatives at bank branches, I would want the initiatives to adequately consider safety issues. I am involved in discussions on barrier-free standardization by the ISO, so I've witnessed the fact that approaches to barrier-free initiatives are evolving everyday. I think this project will also proceed through trial and error, but I would like to see it progress based on the careful consideration of customer needs.

Gihei Takahashi

Professor, Department of Human Life Design, Toyo University
Specialty: Barrier-free and universal design
Participates in the Cabinet Office's Central Council for Promotion of Measures for Persons with Disabilities



In promoting barrier-free initiatives, I think it is best to stay flexible because of differences in branch sizes and local conditions. Barrier-free standards are also changing frequently, so one should keep an open mind. In terms of customer service, it is important to understand the feelings and needs of each and every customer and to maintain a flexible approach. When a customer service initiative doesn't work, it should be communicated throughout the organization and used to establish solutions going forward. Steadily carrying out the initiatives of this project should have an impact on the bank's reputation 10 or 20 years from now.

Relationship with Shareholders and Investors

Mizuho Financial Group is committed to an open form of management that emphasizes proactive communication with shareholders and investors. This section reports on our efforts to meet the expectations and earn the trust of shareholders and investors.

Basic Stance Toward Our Shareholders

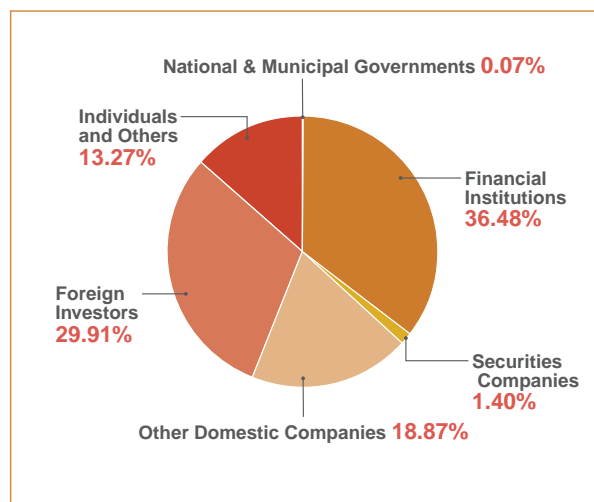
- In order to earn the trust of our shareholders, we will endeavor to preserve and enhance the group's assets.
- We will strengthen our internal control systems through appropriate accounting, effective internal auditing and other measures.
- We will proactively disclose information and improve managerial transparency to ensure our business operations are accurately conveyed to our shareholders.

Communication with Shareholders

General Meeting of Shareholders

We hold our annual general meeting of shareholders at the end of June each year on a date that avoids the most popular dates on which other companies' meetings are held. Our fourth general meeting of shareholders was held in Hall A of the Tokyo International Forum on June 27, 2006, and attended by 1,859 shareholders. We gave a presentation using ample visual aids. The presentation was followed by a lively question and answer session between shareholders and top management. We are making efforts to make sure that the letter sent out to convene the meeting provides greater detail and is sent out early in advance, and also to post it on our website in both Japanese and English at the same time the letter is sent out.

Shareholders (Common Stock)



As of March 2006

Shareholders not able to attend the meeting can cast their votes in writing or via the Internet. Also, our participation in the voting platform administered by Investor Communications Japan starting with the meeting in June 2006 makes it easy for institutional investors inside and outside of Japan to exercise their shareholder rights. Further, we disclose the proceedings of the meeting to the mass media and post the presentation on our operations and the message from the president on our website for about three months following each meeting.

Report to Our Shareholders

We distribute the "Report to Our Shareholders" following general meetings of shareholders and interim results presentations in order to inform shareholders of our business operations, financial performance and other management information. The report uses full color graphs, tables, photos and other visual features to make it easy to read and understand. Starting with the report delivered to shareholders in June 2006, we included a questionnaire card for shareholders to provide their opinions on the report. The Report to Our Shareholders is made available on our website along with our Business Report, which is appended to the letter convening the general meeting of shareholders.



Questionnaire Card and Report to Our Shareholders



Mizuho's Investor Relations

One of the highest management priorities of Mizuho Financial Group is to continue to disclose information to our shareholders and investors in a fair, timely and appropriate manner, in order that they may form proper judgments and appraisals of the group. Our Disclosure Policy provides our basic principles of disclosure on the group and a framework for Disclosure Controls and Procedures. The policy is published in our annual report and on our website.

In accordance with the abovementioned policy, and with due attention to two-way communication, we endeavor sincerely to facilitate a proper understanding of our management strategies, financial condition and other matters. In this way, we aim to earn the trust of the market.

Proactive IR Activities by Top Management

In addition to regular IR presentations in Japan by top management, we hold group meetings during IR activities overseas. Additionally, in fiscal 2005 we held three IR meetings regarding business strategies for our specific business segments and participated in three seminars for investors held by securities companies in Japan and overseas. We endeavor to take advantage of every opportunity to deepen the understanding of the group among shareholders and investors both inside and outside Japan.



IR presentations of financial results for fiscal 2005 held for Japanese institutional investors and analysts

Utilization of a Wide Range of Disclosure Channels

On the Mizuho Financial Group website, we disclose presentation materials and audio archives of such IR presentations, as well as a variety of other materials including financial statements and other financial information, press releases, annual reports, and information on CSR activities. Moreover, we hold

conferences in both Japanese and English via the Internet following the announcements of financial results. We also issue pamphlets and other publications that provide information on the group and send out press releases through our email distribution service. These efforts reflect our commitment to effectively utilizing the latest disclosure methods and tools to provide more fair and widespread disclosure to meet the diverse needs of shareholders and investors.

Web Links

● Investors Relations

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



Mizuho Financial Group's Website

Proactive Response to SRI (Socially Responsible Investment) Funds

With the increasing number of corporate governance-related funds and SRI-related funds backed by the growing attention on CSR, along with further enhancing our CSR initiatives, we are also working to ensure that those initiatives are accurately understood by active responses to questionnaires and inquiries from such funds and SRI-related research firms.

Securing Further Transparency

We have just completed listing on the New York Stock Exchange (NYSE) on November 8, 2006 to enhance transparency in our corporate governance as well as raise investors' trust in us. In connection with the listing, we established a framework to provide disclosure based on U.S. generally accepted accounting principles, which are deemed to be one of the global standards used by leading global companies. We will also continue to strengthen internal controls and enhance the transparency of corporate disclosure in line with compliance requirements of the U.S. Sarbanes-Oxley Act, which sets one of the strictest standards in the world today.

Relationship with Employees

Mizuho Financial Group believes that raising the value of each and every employee will translate into development for the group as a whole. This section reports on our approach to employees as well as our programs and initiatives for helping them thrive.

Basic Stance Toward Employees

- We will help employees live healthy, fulfilling lives and ensure their workplace environments are comfortable, safe and conducive to work.
- We will create workplaces where people working together respect one another and are not subject to discrimination or harassment of any kind.

* 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

The most important business resource of Mizuho Financial Group is our people, and it is precisely our people who are the font of our unrivaled competitive advantage. We believe that raising the value of each and every person through aggressive investment in human resources will lead to the development of the group as a whole. Our vision for human resources is to improve responsibility, opportunity and employability, what we call ROE Qualities, and create appealing, fulfilling workplaces, in order to bring about enduring value.



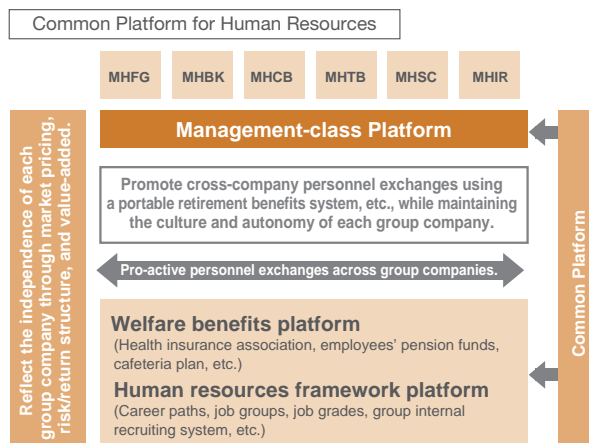
Harnessing Group Synergies in Human Resources

Employees are employed by each group company, which aims to be a group of specialists that leverages individuality and prioritizes speed. At the same time, employees are transferred between companies to bring about synergies and ensure that human resources are deployed so that the right people are in the right positions. In order to make sure there is continuation in the basic pay and benefit packages of employees who are transferred, group companies share a common platform for a portion of their personnel systems and personnel policies are basically consistent among the companies.

Employee Classifications

Employees are classified into administrative employees (professional, managerial, specialist), general staff, professional contract employees, and non-regular employees, etc., depending on each person's specialization and skills as well as their approach to their lifestyle and career. The classifications have differing job descriptions, duties and compensation structures.

- **Professional Track:** This track allows employees to utilize advanced, specialized knowledge and skills, creativity, planning ability and other skills while working continuously in a specialized business area. The annual salary system for this track is largely based on individual contracts that emphasize performance.
- **Managerial Track:** This track allows employees to utilize advanced, specialized knowledge and skills, creativity, planning ability and other skills while working in a variety of business areas.
- **Specialist Track:** This track enables employees to utilize specialized skills and practical ability based on extensive experience and knowledge in a specific area.



Performance-Based Systems

In order to adequately reward employees for their contributions, we have introduced a merit-based evaluation system and conduct fair assessments based on job descriptions and performance. The results of the evaluations are incorporated into bonus and salary revisions for each term as well as retirement benefits and other perks. Medium- to long-term contributions and performance are also considered. The system therefore serves to sustain or raise the motivation of employees.

Training and Improving Experties

Education, Training and Self-Study

We regard our education and training system as a means of actualizing ROE Qualities and therefore put effort into developing educational systems for each group company and commonly for the group as a whole.

Training at individual group companies involves highly specialized education in line with each company's particular business model. The companies also actively keep their training programs open to one another.

Common training for the group as a whole centers on Mizuho University, where outside resources are utilized to provide advanced, interdisciplinary educational programs. The curriculum at the school is designed in the mold of an actual university and includes the Mizuho Advanced Management Program, Mizuho Program for Management Development, Mizuho College, Mizuho Knowledge Forum, External Assignment Program and Overseas Education Program.

Utilizing Professional Staff

Personnel who continue to work in a specialized area of business and possess advanced, specialized knowledge and skills or sophisticated creative and planning abilities

are classified as following the professional career track or as professional contract employees. The annual salary system for professional staff is largely based on individual contracts aimed at maximizing performance.

Professional staff are actively hired from outside the organization, though they also include transfers of existing employees.

Utilizing and Motivating Personnel

We have established a framework for respecting the individual desires of employees that is designed to improve their motivation, bring about career growth and lead to results.

Rookie Job Request Program

When new hires are transferred for the first time, we strongly consider the jobs that they have indicated they want to do when deciding on their next assignment. The application process includes guidance counseling and other measures to help them make an informed decision.

Branch Manager Recruitment Program

We initiated a recruitment program for branch managers in January 2003 in order to develop younger employees faster, and fast-track their promotion. The program recruits employees in their thirties for branch manager positions at Mizuho Bank. Fifty-two younger and mid-level employees had completed the program as of May 2006, and they are being successively promoted to the position of branch manager.

Job Recruiting Program

We run a job recruiting program for employees who want to advance their career and acquire a higher level of specialization. Recruiting takes place for many jobs across group companies, so employees do not have to stay at their current company, but can take on the challenge of a job of their choosing.

Employee Data

	March 2004 ^{*1}			March 2005 ^{*2}			March 2006 ^{*2}		
	Employees	Average Age	Average Length of Service (yrs)	Employees	Average Age	Average Length of Service (yrs)	Employees	Average Age	Average Length of Service (yrs)
Professional Track	358	38.8	8.6	389	39.3	10.0	430	39.7	10.4
	42	35.9	5.3	47	36.7	6.4	50	37.8	7.0
Managerial Track	17,998	40.1	17.6	19,106	40.0	17.1	18,935	40.2	17.2
	282	35.9	12.6	967	33.4	10.3	1,149	33.6	10.4
Specialist Track	98	50.0	28.4	217	37.2	17.1	211	37.8	17.7
	11,289	34.3	13.4	10,048	34.3	13.4	9,624	34.9	13.8
General Staff	538	50.9	12.6	266	50.4	13.4	252	51.1	14.2
	-	-	-	-	-	-	-	-	-
Professional Contract Employees	215	37.4	1.1	368	37.4	1.3	513	37.6	1.5
	117	31.2	1.3	183	32.0	1.4	240	33.5	1.6
Non-regular employees	364	57.4	5.1	409	53.9	4.6	505	50.9	3.7
	1,626	48.4	6.6	1,760	48.2	6.5	1,795	48.3	6.3
Overseas ^{*3}	3,960	-	-	3,912	-	-	4,343	-	-

Men Women

^{*1} Data for March 31, 2004 are for Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, and Mizuho Financial Group, Inc.

^{*2} Data for March 31, 2005 onward are for Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, Mizuho Financial Group, Inc., and Mizuho Information & Research Institute.

^{*3} Numbers of overseas employees account for locally hired employees at the branches, representative offices and subsidiaries of Mizuho Corporate Bank, Mizuho Securities and Mizuho Trust & Banking.

Enhancing Employment Conditions

We create appealing, fulfilling workplace environments while paying considerable attention to safety and health issues so that motivated employees are able to demonstrate their abilities to the fullest extent possible.

Safety and Health Initiatives

We are involved in a variety of initiatives to improve the safety and health of employees that include administering various health exams, helping employees manage their health under the direction of industrial physicians and other specialists, and establishing the Health Committee. Such initiatives are in accordance with laws and ordinances concerning occupational safety and health. In addition, since 2004 we have made mental health a major pillar of our program for helping employees maintain or improve their overall health. Training sessions are held for employees and managers, workplace stress levels are monitored, and consultation opportunities are made available.

Work-Related Accidents

(No.)

	Fiscal 2003	Fiscal 2004	Fiscal 2005
Work-related accidents	100	118	105
(Resulted in leave)	25	29	15
Commuting-related accidents	77	63	68
(Resulted in leave)	30	23	18
Total	177	181	173
(Resulted in leave)	55	52	33

* Data compiled for Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, and Mizuho Financial Group, Inc. Data for Mizuho Information & Research Institute was added beginning May 2005.

* No accidents resulted in death.

A Healthy Relationship Between Management and Employees

Mizuho Financial Group builds relationships with employees in which both parties respect one another's position, work together to maintain or improve working conditions and boost our economic standing, and contribute to the national economy through healthy corporate development.

In accordance with labor law, group companies engage in required labor negotiations with parties representing a majority of employees at each business location (either a union or employee representative). We have also established good relationships with our employees in part by explaining important matters pertaining to management policies and organizational restructuring. In addition, a portion of the members of the abovementioned Health Committee, the Labor-Management Committee, and other bodies are appointed based on recommendations and nominations by individuals representing a majority of employees.

- **Management Conference:** Place for discussing management policies and performance and for resolving disputes or potential disputes when they arise.
- **Central Labor Conference:** Place for discussing matters pertaining to employee working conditions, including working hours and benefits.
- **Workplace Conference:** Place for discussing working conditions, benefits, maintaining discipline, improving efficiency, and workplace-related grievances at the business location level.

Human Rights and Diversity

Emphasis on Human Rights Training

Group companies strive to raise awareness of human rights issues, starting with the problem of discrimination, in order to foster a corporate culture that instinctively respects human rights. Employees at all our workplaces undergo mandatory human rights training*¹ annually, while special training is also held for officers, branch managers and staff members involved in promoting human rights awareness. Our rank-specific training programs*² also incorporate a unit on human rights awareness into their curricula. Moreover, group employees, including those at affiliates, receive a pamphlet on human rights issues in order to elevate awareness throughout the group.

*¹ Attended by approximately 42,000 group employees.

*² The programs include training for new branch managers, new senior/assistant managers, new employees, and new mid-career hires.

Eliminating Discrimination and Prejudice

Employees are thoroughly educated regarding HIV and AIDS in order to completely eliminate discrimination and prejudice. We try to deepen their understanding of the issues involved by publishing an educational column on HIV and AIDS in our company newsletter and posting it on our intranet. Training is also held for new employees.

We otherwise endeavor to create workplaces that are free of all other forms of discrimination and harassment, including discrimination by nationality, gender and creed.

Hiring People with Disabilities

Mizuho Financial Group promotes the hiring of people with disabilities on an ongoing basis to keep a constant employment ratio above the statutory level. As of June 2006, our employee ratio for people with disabilities was 1.99%*, which exceeds the legal requirement.

* The ratio is for the total of six group companies: Mizuho Bank, Mizuho Corporate Bank, Mizuho Securities, Mizuho Trust & Banking, Mizuho Financial Group, Inc., and Business Challenge, a special subsidiary.

Employment Ratio for People with Disabilities

Fiscal Year	2004	2005	2006
Employment Ratio	1.95%	1.93%	1.99%

Overseas Initiatives

Mizuho's overseas activities extend to 59 locations in 26 countries/regions around the world. Locally hired national staff provide support for our activities in each of these regions. Our basic stance toward employees and vision for human resources apply to all Mizuho employees regardless of whether they are located in Japan or abroad. The hiring of employees overseas, though, is modified to take into account the business characteristics of each region and local practices. Each office independently hires highly specialized personnel.

Education and training are also generally conducted independently by each location to develop human resources in line with specific company needs, but at Mizuho Corporate Bank, middle managers who play central roles at overseas locations are invited to Japan where they undergo a training program to provide them the comprehensive knowledge and frameworks needed for branch management. The program consists of meetings with relevant executives and department managers as well as working sessions with colleagues of business divisions, and is designed to integrate domestic and overseas operations.

Creating Workplaces that Leverage Diversity

Mizuho Financial Group has a performance-based personnel system to fully bring out the abilities of employees. Employee performance and contribution level are incorporated into bonuses to a considerable degree and ample benefit packages are provided to support employees in all aspects of their lives. In particular, we have worked to enhance our childcare leave programs in light of the importance having and raising children has in the lives of employees and to accommodate the societal need for support in fostering the next generation. At the same time we are in the process of developing programs to help

promote the actualization of women's abilities, which constitutes a "Positive Action" to ensure men and women receive equal opportunity and equal treatment as required by the Equal Employment Opportunity Law. In conjunction with these initiatives, we have clarified our basic policy on developing appealing, fulfilling workplaces that utilize diversity and provide opportunities for motivated women employees to fully demonstrate their abilities, knowledge and skills. The policy consists of the "Four R's." Going forward, we plan to develop a variety of measures based on this policy.

	Policy	Specific Initiatives / Achievements
Recruit	<ul style="list-style-type: none"> Actively utilize necessary personnel Make women at least 20% of new graduate hires for our managerial career track 	<p>Employment Ratio: We have already achieved the 20% target by holding seminars for women college students, and having female managers introduce the active role of women in the group and our "Positive Actions."</p>
Raise	<ul style="list-style-type: none"> Make more certain that evaluations are fair and just Raise the ratio of women in managerial positions by a factor of 1.5 by the end of fiscal 2008, compared to fiscal 2004 Provide support for skill and knowledge acquisition through expanded training programs 	<p>Promotion of Women Managers: We will apply our Expert Program to specific female employees expected to be promoted to managerial ranks or higher, and consider ways to help further their careers. Women employees on the managerial track will be developed individually as candidates for management positions.</p>
Retain	<ul style="list-style-type: none"> Develop working conditions that motivate employees Provide support for balancing work and family life Bolster frameworks to minimize the difficulties posed by childbirth and child-raising in particular 	<p>Development of Working Environments: 1) We will enhance child-raising and nursing care related programs, and ensure the programs are fully implemented in order to support employees involved in child-raising or nursing care to balance their work and family lives. 2) In April 2005 we established a "general employer action plan" in accordance with the Law for Measures to Support the Development of the Next Generation, and have already set about enhancing the system to exceed initial targets. (Described below)</p> <ol style="list-style-type: none"> Extension of childcare leave (until the child is two) Reduction of, or exemption from, overtime work; enhancement of program for working shorter hours (until one month after the child enters elementary school) Extension of spousal maternity leave (five days per year) Enhancement of nursing care leave (five days per child per year) <p>Balancing Work and Family Life: 1) Supply and demand for daycare facilities in the Tokyo area is extremely tight, so we are currently preparing to provide daycare centers at our Tokyo business locations sometime in fiscal 2006. 2) We have clarified procedures for receiving workplace-related documents during leave, and established BabyLife, a web-based community site that serves as a forum to offer opportunities for employees on leave to freely share their thoughts with one another and provide various types of information from the group.</p>
Relate	<ul style="list-style-type: none"> Promote proactive dialogue inside and outside the group Promote a change in consciousness for the organization as a whole 	<p>Promoting Dialogue: In considering policies, we will strive to understand the issues involved through, for example, forming committees of working mothers at group companies as well as project teams of women employees who are active at their workplaces. In June 2006, we administered a cross-company questionnaire targeted at employees that had taken childcare leave, as one of our efforts to ensure the frank opinions of employees are reflected in our policies.</p> <p>Changing Consciousness: In addition to enhancing our programs, we will conduct training for managers to ensure the programs are effective on a practical level, and we will focus on changing the consciousness of employees and managers by creating and distributing guidebooks, and other means.</p>

Relationship with Local Communities

As a good corporate citizen, Mizuho Financial Group is committed to contributing to the local communities that constitute its foundation. This section reports on our approach to corporate citizenship and provides specific examples of our activities in this area.

Basic Stance Toward the Community

- We will fulfill the roles expected of a good corporate citizen in partnership with local communities.
- We will actively engage in activities that contribute to society.

Approach to Corporate Citizenship

Our basic stance to corporate citizenship consists of fulfilling the roles expected of a good corporate citizen in partnership with local communities. For this to take place there must be close communication with the public and activities must be in line with the mores and expectations of society.

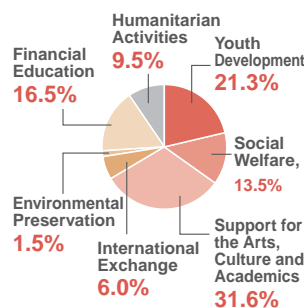
Given this understanding, Mizuho Financial Group fully regards corporate citizenship as one of its social responsibilities and works to disclose information so that the public gains an understanding of its activities. As a specific measure for carrying out corporate citizenship on an ongoing basis, we have established Operating Standards for Social Contributions and Environmental Issues. The standards are regularly reviewed in order to accommodate societal changes.

The standards categorize corporate citizenship activities into seven areas: youth development, social welfare, support for the arts, culture and academics, international exchange, environmental preservation, financial education and humanitarian activities. Activities are considered from a variety of perspectives — whether they contribute to the local community, whether they substantially benefit the public and can earn the public's acceptance, and whether they are original and progressive with respect to issues facing society — and their results are objectively assessed.

Corporate citizenship includes social contribution through financial assistance and social contribution through unpaid volunteering. We separately examine the status of all our activities and work to make them more efficient.

We strive to find ways to contribute to society through our main line of business by leveraging our expertise as a financial institution as well as ways to contribute that do not have any direct relationship to our operations. The latter includes activities that can be carried out by the group to help build a sustainable society, such as providing grants and other assistance for social causes and academic research. We are committed to understanding the needs of the public through every point of contact we

have with them, which includes of course our network of locally rooted bank branches, and we plan to continue to find new ways of serving the public into the future.



FY2005 Corporate Citizenship Outlays

Total MHFG Outlays: ¥152 million

Outlays on initiatives that fall under two categories are split half and half between the two categories.

Standards for Assessing Corporate Citizenship Programs

We have established the following operating standards to guide us in assessing whether to implement a particular corporate citizenship program. Once a program is implemented it is our basic policy to continue to carry it out, though programs are also periodically reviewed to accommodate changes that take place in society over time.

Operating Standards for Social Contributions and Environmental Issues

1 Program Areas

Corporate citizenship activities are conducted in the following areas.

- ① Youth development
- ② Social welfare
- ③ Support for the arts, culture and academics
- ④ International exchange
- ⑤ Environmental preservation
- ⑥ Financial education
- ⑦ Humanitarian activities

2 Program Assessment Standards

Whether to implement any given program is assessed with the following standards.

- ① Community contribution — Whether the program contributes to the development of the local community.
- ② Public acceptance — Whether the program substantially benefits society and whether it gains the widespread acceptance of the public.
- ③ Originality — Whether the program is original and progressive with respect to social issues.

3 Program Format

Programs are carried out in the following formats.

- ① Independently planned programs
- ② Support for the group's philanthropic foundations
- ③ Donations
- ④ Support for volunteer activities engaged in by officers and employees

Youth Development

Yellow Badge Traffic Safety Campaign

Every year, first-graders start the school year with brand new knapsacks and yellow badges. 2006 marks the 42nd year of the Yellow Badge Campaign, which began in 1965. The campaign started after a newspaper featured a letter sent by a mother who had lost her child in a traffic accident to the prime minister at the time, Eisaku Sato, asking for traffic accidents to be somehow eliminated. The campaign was initially launched for the purpose of providing yellow armbands to all incoming first grade students around the country in order to protect the children from traffic accidents, improve traffic safety and make progress toward eliminating such accidents completely. The armbands were subsequently replaced with yellow badges and, beginning in 1968, students wearing the badge were covered by traffic accident insurance. Every year, the Japan Traffic Safety Association administers a traffic safety slogan contest, with the best slogan receiving the Prime Minister's Award and being featured on the badge for that year.

When the campaign was first launched, distribution of



First-graders adorned with their Yellow Badges attend traffic safety school in Tokyo with the mascot Pipo-kun

the badges was limited to certain regions, but now with the help of police departments and educational institutions all incoming first-graders in Japan

receive one. Every year from February to April Yellow Badge presentation ceremonies are held around the country at the branch locations and offices of the four cosponsoring companies. At the ceremony for Tokyo, after the badges are presented a traffic safety lesson is held with the help of the Tokyo Metropolitan Police Department to teach the new students about traffic rules. A total of 52 million badges have been handed out over the 42 years of the campaign, and the number of families with two generations of badge-wearers is increasing. The campaign is conducted by Mizuho Financial Group, Inc., Sompo Japan Insurance, Meiji Yasuda Life Insurance Company and The Dai-ichi Mutual Life Insurance Company.



2006 Yellow Badge presentation ceremony in Tokyo



Social Welfare

Mizuho Charity Fund

The Mizuho Charity Fund is a program for collecting donations to promote corporate citizenship activities by group officers and employees. The donations are taken out of the monthly paychecks of employees on a voluntary basis.

In the interest of fairness a steering committee decides on donation recipients and amounts. The money is used to provide donations to victims of large-scale natural disasters, support the volunteer activities of officers and employees, and to help other worthy causes.

In fiscal 2005 donations were made to help those affected by Hurricane Katrina in the U.S., the earthquake in northern Pakistan, and the landslide on the island of

Leyte in the Philippines. In addition, grants were made to eight organizations in support of the volunteer activities of employees.



Donation to a local non-profit organization to help the victims of the Leyte landslide in the Philippines

Community Relations

Belonging to the Local Community

Nihonbashi is the name of a famous bridge in the Nihonbashi district of Tokyo's Chuo Ward. It is known as the starting point for the old Gokaido road system, which included the Tokaido road, and in the center of the bridge there is a marker indicating the start of all roads in Japan.

The Nihonbashi Preservation Society, which was started by local residents in 1968, spearheads a cleanup of the bridge every year in July.

Officers and employees of the Nihonbashi Branch of Mizuho Bank participate in the event every year to help local residents clean up this symbol of the community and the surrounding area.

The event was held for the 36th time on July 23, 2006. Twenty-three officers and employees from the branch

participated and cleaned the bridge together with local community members and volunteers from nearby companies. As a locally rooted bank, Mizuho is involved as a member of its community.



Officers and employees helping clean the famous road marker on Nihonbashi

Lobby Exhibitions

In an effort to forge closer ties with local communities, some of our branches hold exhibitions in their lobbies that incorporate their own characteristics and the characteristics of their communities. Mizuho Bank's Toyama Branch holds ongoing lobby exhibitions that are rooted in the local community and are intended to strengthen ties with it. Customers have praised the exhibitions, commenting that they actively look forward to seeing them.

Mizuho Bank's Fukuyama Branch exhibits Western paintings, Japanese paintings, sculpture, works of pressed flowers and other artistic creations by local amateur artists. The exhibition changes every month and provides enjoyment to customers. These lobby exhibitions at the Fukuyama Branch have a long history. A rose exhibition was held fifty years ago to provide support for the building of a rose garden in Fukuyama, which provided the impetus for today's Fukuyama Rose Festival.

Such locally rooted activities by the branch continue to be carried out through the present day.



"My Quilt Exhibition" in April and May 2006 at the Toyama Branch featured the creations of its customers



A lobby exhibition in May 2006 at the Fukuyama Branch displayed dolls made from leftover kimono cloth

Support for Small Business

As a part of our support for small, medium-sized and middle market companies, which are the drivers of Japan's economic development, we have provided assistance for the Medium and Small Business Research Institute since it was first established in 1966. We support the institute in its empirical research and in its work to

honor outstanding companies around Japan.

In addition, the Charitable Trust for Mizuho New Business Fund was established in 1996 to provide grants from a public interest standpoint to deserving businesses that are not adequately supported by conventional bank financing or venture capital.

Environmental Preservation

Environmental Art Contest

Mizuho Financial Group supports the All-Japan Elementary and Junior High School Students' Environmental Art Contest, which is administered by the All-Japan Elementary and Junior High School Environmental Education Research Group. The contest is held to provide the opportunity for students throughout Japan to think about the importance of nature and the characteristics of highly livable places. 2006 marked the tenth time the contest has been held.

The topic for this year's contest was "Let's All Protect Our Valuable Natural Environment" and the contest received a total of 4,469 entries from elementary and junior high school students. Forty entries were chosen for a range of awards that include the Encouragement Award from the Minister of Education, Culture, Sports, Science and Technology, the Minister of the Environment Award and the Mizuho Award. Award winners received an award certificate and a book containing all the winning entries.

The contest is cosponsored by Mizuho Financial Group, Inc., Meiji Yasuda Life Insurance Company, and Marubeni Corporation.



Mizuho Award — Elementary School Division
Tsumugi Mori



Mizuho Award — Junior High School Division
Rune Kondo

Support for the Arts and Culture

Coming-of-Age Day Concert

Mizuho Financial Group has sponsored a concert on Coming-of-Age Day every year since 1990. As a part of our support for young artists, we organize a concert featuring artists approaching their 20th birthday, the legal age of adulthood in Japan. One of the goals of the concert is to popularize classical music among young people, who are the future of Japan. Fifty groups of 100 people turning 20 years old that year are invited following a public application process. The theme for 2006 was "Colors," and the attendees got to enjoy the music of the American composer George Gershwin in a variety of styles.



A performance of the music of George Gershwin by the New Japan Philharmonic

La Folle Journée au Japon

Mizuho Financial Group was one of the local companies that cosponsored the 2006 "Days of Enthusiasm" Music Festival, "La Folle Journée au Japon." The Tokyo International Forum served as the main venue for the festival, which was held from April 29 to May 6, 2006, but events were also held throughout Tokyo's Marunouchi and Yurakucho districts.

The event enables a wide variety of people to gain familiarity with classical music in an accessible way. It is the Japan version of a classical music festival that began in 1995 in the port town of Nantes, located in the northwest of France, to facilitate development of that region.

The 2006 festival celebrated the 250th anniversary of

Mozart's birth and attracted a total of 695,000 people.



The theme of the festival in 2006 was "Mozart and His Friends."
Photo: Yasuo Kubo

Activities of Philanthropic Foundations

Serving the Public through Philanthropic Foundations

Mizuho Financial Group has five philanthropic foundations in Japan with differing objectives. Through these foundations we provide support for the welfare of the elderly and people with disabilities, education and scholarships, international exchange, and academic research.



Presentation of a vehicle to a welfare facility (Mizuho Welfare Foundation)

<p>Mizuho Scholarship Foundation (Established 1954)</p> <p>Provides scholarships for deserving students facing economic hardship.</p>	<p>Mizuho Foundation for the Promotion of the Sciences (Established 1957)</p> <p>Provides research grants in engineering and law, administers essay contests in law and economics, and provides scholarships to foreign exchange students in Japan.</p>	<p>Mizuho Education Welfare Foundation (Established 1972)</p> <p>Supports education in remote regions, education for children with disabilities, and the welfare of the elderly in the form of grants, sporting goods, books, and vehicles for use by welfare facilities.</p>	<p>Mizuho Welfare Foundation (Established 1980)</p> <p>Provides assistance for people with disabilities in the form of grants, electric wheelchairs and vehicles for use by welfare facilities. Funds are also provided for translating books into Braille for university students with visual impairments.</p>	<p>Mizuho International Foundation (Established 1991)</p> <p>Awards scholarships to foreign exchange students in Japan and trains personnel for international exchange.</p>
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Relationship with International Society

Activities in North America

Mizuho USA Foundation

Mizuho USA Foundation spearheads Mizuho’s activities in North America. It was founded in January 2003 with the integration of foundations belonging to the former Industrial Bank of Japan and the former Dai-Ichi Kangyo Bank. The foundation currently uses its approximately \$14 million endowment to make grants to a wide variety of programs administered by charitable organizations that address the important need to improve the quality of life in low- and moderate-income communities. They specifically include homelessness prevention, job training and mediation for young people and welfare recipients, financial literacy education, and seminars to promote homeownership and home improvement. In addition to making charitable donations for causes such as these, the foundation also has the following three programs designed to facilitate volunteering by group employees.

- **Matching Gift Program:** Dollar-for-dollar match for donations made by employees
- **Community Involvement Grants Program:** Up to \$2000 in assistance provided for volunteer activities sponsored by Mizuho offices in the U.S. with local organizations.
- **Volunteer Incentive Program:** Up to \$500 in assistance provided to organizations at which employees volunteer on their own initiative

As a result, the foundation donated a total of \$487,494 in 2005 to non-profit organizations in New York,

Los Angeles, San Jose and other cities and to support the volunteer activities of employees.



Employees of Mizuho Corporate Bank that participated in “Everybody Wins!” a reading/mentoring program to improve reading skills and school performance

Mizuho Corporate Bank (Canada)

The “Prince Takamado Gallery of Japan” exhibition opened at Toronto’s Royal Ontario Museum in December 2005. Mizuho Corporate Bank (Canada) spearheaded Japan-affiliated companies in responding to a donation campaign by contributing a total of 25,000 Canadian dollars. Established to commemorate 75 years of friendly relations between Japan and Canada, the gallery was named after Prince Takamado for the work he did to improve relations between the two countries.



Her Highness Princess Takamado and the Director & CEO of the Royal Ontario Museum view the exhibition at the gallery opening
Images courtesy of the Royal Ontario Museum Governors
Photo: Jeff Speed

Mizuho Corporate Bank, New York Branch

The New York Branch of Mizuho Corporate Bank donated extra office furniture and supplies to Covenant House, an organization serving at-risk and homeless youths, and PerScholas, an organization dedicated to addressing the digital divide and increasing low income families' access to technology by providing them with computers and other items.

Mizuho Corporate Bank of California

Mizuho Corporate Bank of California endorses the activities of charitable organizations like Foodbank, Five Acres and El Centro del Pueblo that are involved in tackling social problems in the U.S. They provide support for abused children and the homeless, job training for low-income groups and other services. The bank's employees are involved in volunteer activities in connection with these organizations.

Activities in Europe

The London Branch of Mizuho Corporate Bank held a charity auction using its intranet and offered dinner and tea sets, dishware and supplies no longer needed by the branch up for sale to employees. The money raised from employees purchasing the items was donated to charities chosen in advance. A total of £2,221 was donated to four charities, the BBC Children in Need Appeal, the Royal National Institute for the Blind, Macmillan Cancer Relief and the Alzheimer's Society.

The JP Morgan Chase Corporate Challenge is an annual charity road race series held at various locations around the world. The London Branch of Mizuho Corporate Bank has participated in the event every year since 2002. Sixty-six employees of the London Branch and Mizuho International participated in the 2006 event.



Members of the Mizuho team that participated in the charity road race

Activities in Asia

Corporate citizenship activities by Mizuho in Asia are conducted through funds established in each country and also include autonomous activities by each branch and office. Around 20 employees of PT. Bank Mizuho Indonesia visited orphanages and nursing homes in Jakarta to deepen relations with the people living at the facilities, provide donated clothing and donate five million rupiah collected through employee fundraising activities.



Employees of PT. Bank Mizuho Indonesia who visited orphanages and nursing homes in Indonesia

Mizuho Foundations and Funds in Asia

Country/Region	Foundation/Fund	Established	Activities
Hong Kong	Mizuho-Wing Hang Bank Scholarship Foundation	1989	Provides education grants to non-profit organizations in Hong Kong and scholarships to university students in Hong Kong.
Taiwan	Mizuho Aishin Charity Fund	1989	Primarily provides support in the areas of education, medicine and social welfare.
China	University of International Business and Economics (Mizuho Foundation)	1995	Provides support for the education of young students who plan to work in China's financial industry in the future.
Thailand	Mizuho Asia Fund	1998	A charitable trust that supports healthy youth development, sports and initiatives to eliminate drug use in ASEAN countries.

Environmental Policies and Structures

Recognizing that maintaining and preserving the natural environment is the basis of sustainable social and economic development, we have set forth basic policies in The Mizuho Code of Conduct for group companies to follow in their ongoing activities.

Mizuho's Basic Policies

- We are aware that it is our social responsibility to take into account environmental issues as we try to maintain a balance between economic development and environmental preservation.
- In compliance with laws and ordinances relating to the environment, we will engage in energy and resource conservation efforts that include separating and collecting garbage by type, and using recycled materials.
- In addition to supporting environmental protection organizations and our customers' programs for dealing with environmental issues, we offer financial products and services that contribute to environmental preservation.

Significant Environmental Impacts

As an enterprise that is engaged primarily in financial services, we have a direct environmental impact through our use of electricity, water, gasoline, and paper, etc. We also have an indirect environmental impact through the provision of financial services including investment and financing as well as purchases of products and services. In addition to moving steadily ahead with the initiatives already launched by individual group companies, we will adopt integrated group-wide efforts to reduce the environmental burden, pay due attention to our direct environmental impact, and endeavor to provide financial services that take environmental impact into consideration.

Group Promotion Framework

The CSR Promotion Office of MHFG's Corporate Communications Division formulates and promotes plans pertaining to CSR initiatives and submits related proposals to the relevant departments. It also collects information on CSR, disseminates information to core group companies, and engages in internal and external communications activities concerning CSR initiatives. Since fiscal 2005, departments in charge of CSR-related matters have been established at core group companies to improve the framework for promoting and cooperating in CSR initiatives, including those related to the environment in each group company.

Group companies already engage in environmental due diligence activities, plan and market environmentally conscious products, and offer environmental advisory services.

Surveys on the environmental impacts from business operations of ten core group companies were initiated in fiscal 2006, and studies into identifying the details and the establishment of countermeasures are underway.

Group companies engage in a wide range of business activities while working together. With regard to environmental issues also, they make use of the expertise and channels available within the group to provide customers with high value-added services while working to reduce the group's environmental impact.

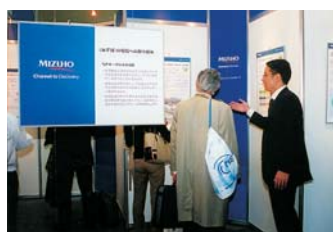
Environmental Communications

Mizuho Exhibits at "Eco-Products 2005"

Mizuho exhibited at Japan's largest environmental exhibition, the Eco-Products 2005 ("Eco Style Fair") at Tokyo Big Sight exhibition center on December 15-17, 2005. Our booth attracted many visitors, and some 837



Mizuho was the first bank from the private sector to have a booth at the Eco-Products exhibition



Display panel explaining Mizuho's environmental activities

people cooperated in completing our questionnaire.

Responding to questions about the relationship between finance and environmental protection, we introduced various activities in which we are involved, including finance for renewable energy such as wind power generation, environmental impact assessments, environmental management consulting and information services. Based on our visitors' comments and impressions, we shall endeavor to promote understanding of the relationship between finance and the environment, and to offer financial services that better meet our customers' needs.

Exhibit at the 3rd World Congress of Environmental and Resource Economists

Mizuho supported the 3rd World Congress of Environmental and Resource Economists held in Kyoto July 3-7, 2006. In addition to offering the keynote session on "Finance and Environmental and Resource Economics," we had a booth introducing our environment-related business. Some 1,200 prominent economists from all over the world, including a Nobel prizewinner, attended the congress, and academic research reports on the environment and economics in a sustainable society and similar subjects were submitted. Prince Akishino attended the congress, while then-Minister of the Environment Yuriko Koike visited the Mizuho booth and listened carefully to the presentations.



Former Minister Koike
visiting the Mizuho booth

Renewable Energy Finance Team Inaugurated

In January 2006, MHC B established a team to specialize in renewable energy at its Americas Financial Product's Division (New York Branch). In addition to proactively involving itself in wind power generation and other renewable energy and environment-related projects, it is an industry partner in the Landfill Methane Outreach Program for efficient use of methane generated by waste landfills, which is being promoted by the U.S. Environmental Protection Agency (EPA), and where Mizuho provides various kinds of information and financial advice.

Environmental Initiatives of Group Companies

Category	Operations	Applicable Business Sectors	Company Name
Oversight	Oversight of environmental initiatives	Decisions and coordination concerning environment-related policies	Mizuho Financial Group
Environment-related Initiatives in Core Business Activities	Environmental risk management and screening	Environmental risk evaluations and assessments for finance and project finance	Mizuho Bank Mizuho Corporate Bank Mizuho Trust & Banking
	Investment and finance operations, product development, etc.	Environment-related project finance, SRI development, and environment-related finance	Mizuho Bank Mizuho Corporate Bank DLIBJ Asset Management (DIAM)
	Advisory and consulting services	Surveys of global trends in resources, energy and other environment-related businesses Support for Green Management, and for marketability assessments and commercialization of environmental technologies Support for countermeasures to deal with global warming and chemical substances Natural environment analyses and simulations	Mizuho Bank Mizuho Corporate Bank Mizuho Research Institute Mizuho Information & Research Institute Mizuho-DL Financial Technology
	Surveys and research	Support for formulating national and local government environmental policies Support for surveys on overseas policy trends Support for individual environmental measures	Mizuho Corporate Bank Mizuho Research Institute Mizuho Information & Research Institute
Reduction of Environmental Impact in Business Operations	Environmental management at business facilities	Energy conservation, reduction of paper resource consumption, separation & recycling of garbage, introduction of low pollution vehicles	Administrative divisions of group companies

Environment-related Initiatives in Core Business Activities

In our core businesses as a financial institution, including finance, investment and advisory business, the group offers financial services that take environmental risk into consideration or support customers' initiatives concerning the environment.

Environmental Due Diligence

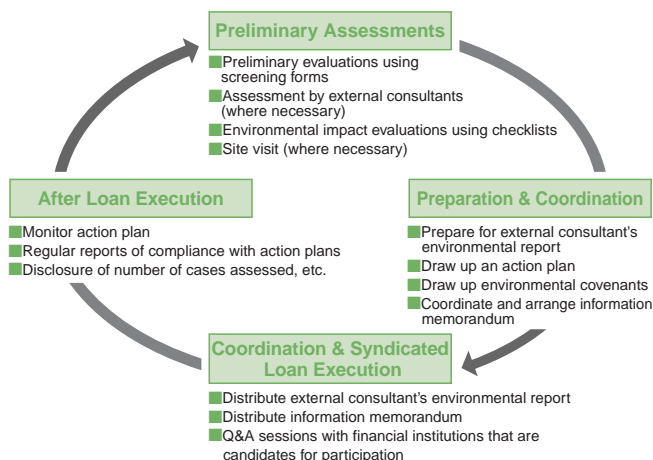
In the case of project finance or real estate-related investment and loans, the group conducts assessments on environmental as well as financial aspects, carrying out evaluations and analyses of the impact the transaction will have on the environment. From the viewpoint of customers and other parties involved in transactions, we believe these environmental evaluations not only enhance the safety of transactions, but also link into the management of the various types of risk that may affect financial positions over the longer term.

Initiatives in Project Finance (The Equator Principles)

MHCB has carried out social and environmental impact assessments in connection with project finance since it adopted the Equator Principles in 2003. In line with the Equator Principles, an independent consultant conducts a social and environmental impact assessment before the project contract is concluded, draws up an action plan if there are any problems, then concludes a contract accordingly.

After the financing has been completed, environmental factors are monitored and regular compliance reports are submitted for confirmation. MHCB conducted 22 social and environmental impact assessments in fiscal 2005 — 14 in Europe, Africa and the Middle East, 6 in Australasia and Asia, and two in the Americas.

The Mechanism of Social and Environmental Impact Assessments under the Equator Principles



Projects Screened Based on the Equator Principles Implementation Manual

Environmental Screening Categories / Project Sectors	Oil, gas & LNG	Mining	Petrochemicals	Power	Infrastructure	Total
A Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented	2	1	0	0	0	3
B Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures	5	0	6	5	1	17
C Projects with minimal or no social or environmental impacts	0	0	0	1	1	2
Total	7	1	6	6	2	22

FY2005 results

Soil Contamination Analysis in Real Estate Trust Business, etc.

To ensure the safety of transactions conducted by customers or related parties, and fulfill its duty of accountability as a professional, MHTB carries out environmental risk analysis as part of its real estate-related business.

In the trust business, detailed environmental risk analysis of land and structures associated with all deals are carried out when arranging real estate securitization (liquidation) schemes. Where necessary, measures are discussed and executed in order to mitigate risk for customers, and efforts made to promote the appropriate maintenance, management and administration of trust real estate.

In the real estate agency business, items related to environmental risk such as soil contamination and asbestos have been added to the "Agency Property Checklist," and all properties handled are subjected to surveys that use this checklist. We endeavor to enhance the safety of transactions by identifying the risks inherent in sales deals on the basis of the results of analysis using the checklist, and providing appropriate advice as specialists in real estate transactions.

In the real estate appraisal business, we appraise real estate in accordance with real estate appraisal criteria, bearing in mind the presence or otherwise of contamination and other circumstances.

Environmentally Conscious Financial Services to Support Customers' Environmental Initiatives

The group offers financial products and services that will help customers advance their environmental initiatives. In addition to providing necessary finance for environmentally conscious projects and assisting companies with environmentally conscious businesses and activities, the group plans products that enable investors to tackle environmental preservation through asset management and investment.

Environment-related Project Finance

The amounts of domestic loans extended to environment-related projects by MHC's Project Finance Divisions are shown below. MHC also provided advisory services as a financial adviser in nine deals in fiscal 2004 and five deals in fiscal 2005.

Environment-related Project Finance Results

Sector	FY2004	FY2005
Wind power generation	¥1.6 billion	¥5.37 billion
Wastes, others	¥3.83 billion	¥1.86 billion
Total	¥5.43 billion	¥7.23 billion

(MHC funding: domestic deals)

DIAM's Socially and Environmentally Conscious Investment Products

Profile Fund Name (Alias)	Set up	Net Asset Balance* (¥ million)	Profile
Eco Fund	October 22, 1999	5,659	Invests in the stocks of Japanese companies that follow environmentally conscious management policies.
DIAM Global Bond Portfolio (Iwagin Hiraizumi)	December 29, 2004	2,694	The Bank of Iwate donates part of its remuneration to a fund to promote the designation of the town of Hiraizumi as a World Heritage site.
Shiga Collaboration CLO Fund (Niono Harmony)	March 10, 2005	4,611	Securitization of loan assets extended by financial institutions in Shiga Prefecture to companies within the prefecture as beneficiary rights, and arranges them into funds for sale to investors.
DIAM High-rating Income Open SRI (Happy Clover SRI)	December 22, 2005	1,823	Invests in public bonds issued by highly rated resource-rich countries and in the stocks of Japanese firms with strong commitments to CSR.
Hamagin Housing Loan Securitization Investment Trust 06-02	February 28, 2006	2,488	Securitization of housing loans extended by the Bank of Yokohama as beneficiary rights, and arranges them into funds for sale to investors within the region.
Natural Environment Protection Fund (Oze Kiko)	May 26, 2006	2,198	Donates part of the remuneration received from sales and management companies to The Oze Preservation Foundation.
Total Balance		19,473	

* (As of June 30, 2006)

Environmental Loans to SMEs and Middle Market Corporations

MHBK offers the Lending Facility for Environmentally Conscious Companies to SMEs and middle market companies that engage in environmentally aware activities. All of MHBK's domestic branches that have dealings with corporates offer this service, and by the end of August 2006 had extended some ¥1 billion in loans.

Lending Facility for Environmentally Conscious Companies

● Eligible companies

SMEs and middle market corporations, etc., with maximum annual turnover of ¥3 billion.

● Loan interest rates

1.5% - 1.9%* (offers even more preferential rates than the normal rates offered by the "Mizuho Long Partner" product)

* (As of September 2006)

● Conditions

Acquisition of external certification (ISO14001, Eco-Action 21 (Japanese Ministry of the Environment), etc.) and evaluation by means of Mizuho's own checklist.

Asset Management & Socially Responsible Investment Products

As an investment management company that combines the capacities of the Mizuho and Dai-ichi Mutual Life Insurance Group in terms of information resources, investment know-how, and highly specialized staff, DLIBJ Asset Management Co., Ltd. (DIAM) offers investment products to major institutional investors centered on pension funds, public funds, financial institutions and industrial corporations. Making the most of its product development capabilities, it develops and delivers various socially and environmentally conscious investment products.

Environment-related Initiatives in Business Operations

We believe the group's main direct impact on the environment is through its office activities. Group companies are therefore focusing on their electricity consumption and paper usage as a means of reducing their environmental burden.

Group Initiatives

In addition to recognizing that our own business operations have an impact on the environment, we have initiated surveys of the environmental burden we generate from our business operations in fiscal 2006 with a view to promoting uniform, group-wide environmental preservation activities.

Based on the results of these surveys, we plan to gradually extend the initiatives already undertaken by nine key group business facilities*¹ in Tokyo to the entire group.

TMG's CO₂ Emission Reduction Program

Under the provisions of the Environmental Security Ordinance of the Tokyo Metropolitan Government (TMG), nine business facilities of MHBK, MHCBC, MHTB and MHIR in the Tokyo Metropolitan Area (TMA) are subject to the "CO₂ Emission Reduction Program."

This program targets business facilities whose greenhouse gas emissions are above a certain minimum volume, and aims to prevent global warming by making it obligatory to submit and disclose CO₂ emission reduction plans for promoting reductions in the greenhouse gas emissions arising from their business operations. Business facilities subject to the program are obliged to draw up their own plans concerning targets for greenhouse gas emission reductions for fiscal 2005 through fiscal 2009. The TMG applies 5-rank assessments (AA, A+, A, B, C) to submitted plans according to target reduction rates and countermeasure details. The plans submitted to the TMG by four of the group's nine facilities in the TMA received AA assessments, four received A+ assessments, and one received an A assessment.

Since electricity consumption accounts for a large proportion of the group's greenhouse gas emissions, energy conservation initiatives are extremely important. For this reason, the nine business facilities are working to achieve their targets through energy conservation efforts

Scope of Environmental Data Covered by this Report

	Energy use (CO ₂ emissions)	Water usage	Introduction of low pollution vehicles * ²	Consumption of resources		Green purchases Stationery, etc.	Industrial waste generation	Storage of toxic substances
				Copy paper	Business forms & ledgers			
Mizuho Financial Group	○	○	○	○	○	○	○	○
Mizuho Bank	Main business facilities * ¹ (5 locations)	○	○	○	○	○	○	○
	Other business facilities and branches		○	○	○	○		
Mizuho Corporate Bank	Main business facilities * ¹ (2 locations)	○	○	○	○	○	○	○
	Domestic branches			○	○	○		
Mizuho Trust & Banking	Head office * ¹	○	○	○	○		○	○
	Other branches			○	○			
Mizuho Information & Research Institute (MHIR)	Information center * ¹	○	○		○		○	○
	Other business facilities				○			
Other group companies * ³				○				

*¹ Nine key group business facilities in Tokyo: Nine locations subject to the Environmental Security Ordinance of Tokyo Metropolitan Government (TMG) "CO₂ Emission Reduction Program."

These nine locations are as follows:

MHBK: Head Office, Otemachi Head Office, two Administration Centers, Information Center

MHCBC: Head Office, Information Center

MHTB: Head Office

MHIR: Information Center.

*² Data concerning the introduction of designated low pollution vehicles apply to the Tokyo Metropolitan Area (TMA) only.

*³ Mizuho Securities, Mizuho Investors Securities, Trust & Custody Services Bank, Dai-ichi Kangyo Asset Management, Fuji Investment Management, DLIBJ Asset Management, Mizuho Research Institute.

aimed at reducing electricity consumption by upgrading to energy-saving air conditioning facilities and lighting, and rigorous measures to ensure that facilities are operated and managed in an appropriate manner. This includes saving water and turning out lights when they are not being used. With five business facilities subject to the CO₂ Emission Reduction Program, MHBK holds a Comprehensive Meeting on Energy Conservation & Global Warming Measures to monitor progress made by countermeasures and study future responses.

In addition to steadily implementing our plans under the TMG's CO₂ Emission Reduction Program, we aim to extend our efforts to reduce the environmental burden beyond the nine key business facilities in the TMA.

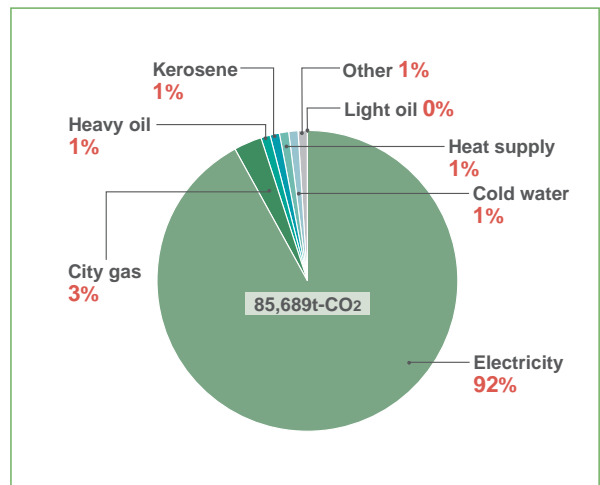
Main Countermeasures Adopted by Key Business Facilities through Fiscal 2009 under the TMG's CO₂ Emission Reduction Program

- Install energy-saving, highly efficient machinery and equipment.
- Ensure that machinery and equipment is operated on an energy-saving basis.
- Encourage energy-saving activities among employees.
- Operate vehicles appropriately, etc.

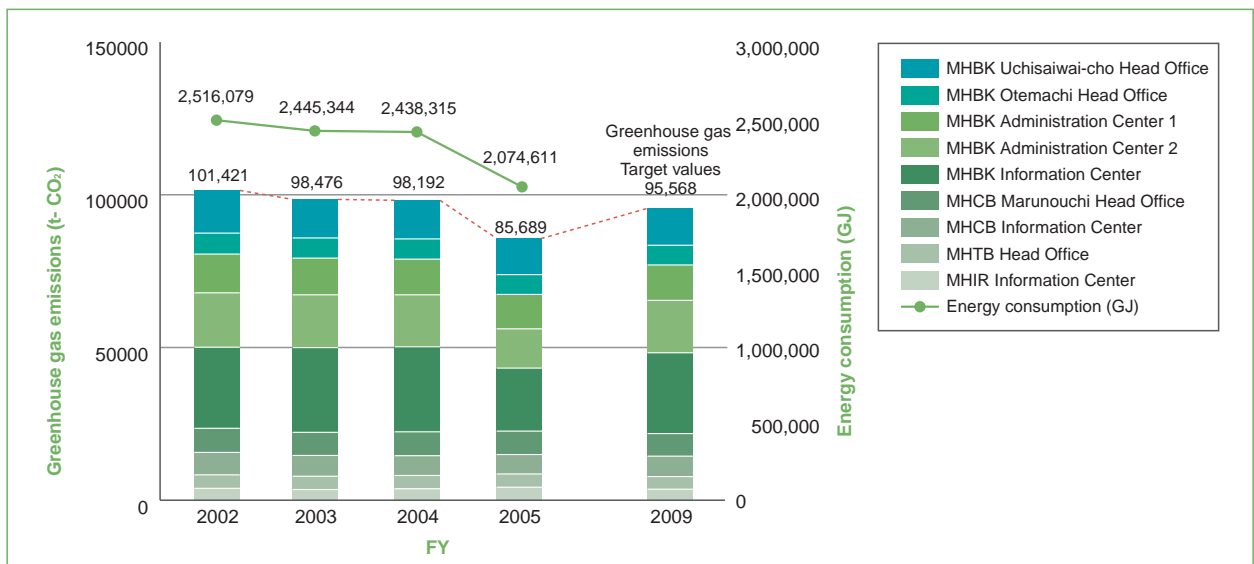


Seals encouraging energy-saving activities at MHBK

Breakdown of Greenhouse Gas Emissions at Nine Key Business Facilities in Fiscal 2005 by Energy Type



Trends in Energy Consumption and Greenhouse Gas Emissions at Nine Key Business Facilities



* Greenhouse gas emissions are calculated in accordance with the Environmental Security Ordinance of Tokyo Metropolitan Government entitled "CO₂ Emission Reduction Program," and submitted to Tokyo Metropolitan Government.

* Greenhouse gas emissions from the nine business facilities in the TMA in fiscal 2005 are affected by a special factor in the form of a temporary decline in electricity consumption following facility upgrades at the Administration Centers.

Paper Usage and Green Purchasing

Paper Usage

With its core businesses in finance such as banking and securities, the group uses a large amount of paper.

In fiscal 2005, core companies*¹ used a total of 3,726t*² of copy paper, 8.87 billion pages on an A4 size conversion basis.

The group recognizes the importance of paper resources, and in addition to purchasing and using recycled paper, will continue its efforts to reduce copy paper usage.

*¹ Core group companies: 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, and Mizuho Information & Research Institute.

*² Converted at the rate of 4.2g per sheet of copy paper.

Green Purchasing of Stationery and Consumables

The group also endeavors to purchase environmentally friendly products (green purchasing) when procuring stationery and consumables. Stationery and consumables include toners, files, notebooks and writing implements. MHBK and MHCB have been monitoring the status of green purchases and reviewing their lists of stationery and other consumables for centralized buying at Head Office with a view to increasing their green purchase ratios.

The two banks introduced a network system for ordering stationery and other consumables in August 2006, eliminating the vouchers used until now for such orders and encouraging operational rationalization by concentrating and consolidating different ordering methods for individual items.

FY2005 Results for Green Purchases

	Green purchase items* ² (% of total items)
Mizuho Bank	35.40%
Mizuho Corporate Bank	31.90%

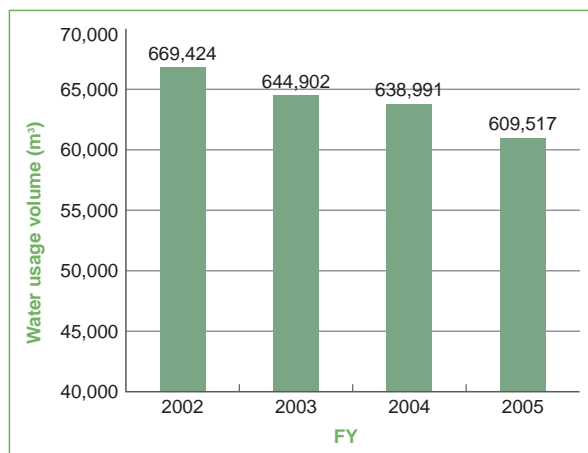
*² Products falling under the Law on Promoting Green Purchasing.

Reduce Water Usage

The group endeavors to reduce water usage by installing various water-saving facilities.

At MHBK's Otemachi Head Office and MHCB's Head Office, noise-masking devices have been introduced in women's toilets to reduce water usage. At MHBK's Head Office, water used in washrooms is recycled and reused for flushing toilets, making highly effective use of water resources. In fiscal 2005, some 50,000t of recycled water was used, providing approximately 40% of water requirements.

Trends in Water Usage at Nine Key Business Facilities



Reduction of Waste Discharge

Excluding waste OA equipment, the nine key business facilities in the TMA generated approximately 544t of industrial waste (this includes estimates using conversion coefficients to calculate weight from volume in certain cases) in fiscal 2005. With regard to industrial waste treatment, we comply with laws and ordinances by making appropriate use of industrial waste disposal management slips (so-called “manifestos”) under the Waste Disposal Law.

We also work to recycle more paper waste and ensure that paper is properly separated out when disposed of.



Separate waste disposal boxes at MHBK's Otemachi Head Office

Management of Toxic Substances

The ozone-depleting substances used by the main business facilities included specified chlorofluorocarbon CFC11, which is used as a refrigerant for air conditioners and refrigerators, and halon 1301, which is used as a fire extinguishing agent for fire extinguishing equipment. These are steadily being replaced by alternatives whenever facilities and equipment are updated.

The group manages and stores equipment, etc. containing PCBs in an appropriate manner in accordance with the Law Concerning Special Measures against PCB Waste while at the same time submitting the notifications concerning their storage conditions to prefectural and city governments.

Management, etc. of Important Toxic Wastes

		Volumes held at key business facilities
PCB		64t + 13 condensers
Ozone-depleting materials.	Specified chlorofluorocarbon (CFC11)	19 t
	Halon 1301	39 t

(As of March 2005)

Introduction of Designated Low Pollution Vehicles

As of May 2005, MHBK, MHCB, MHTB and MHIS were using 1,254 company cars within the TMA, 687 of which were low pollution vehicles as specified by the TMG (ranked Exceptional, Superior or Excellent low pollution vehicles based on exhaust gas level classification).

These four companies are steadily switching to low pollution vehicles as they replace the cars they use.



Mizuho Financial Group, Inc.
Corporate Communications
Head of CSR Promotion Office
Yasunori Adachi

Promote Environmental Burden Reductions in the Office

The group uses its expertise as a financial institution to promote initiatives to preserve the environment. At the same time, it is important to identify the direct impact it has on the environment through its own business operations, and to reduce its environmental burden.

In order to reduce its own environmental burden, the group has, since April 2006, held numerous meetings and interviews with the people in charge at individual group companies to collect data, and has carried out checks on their management systems.

This is the first time we have attempted to collect environmental data at the group level. In addition to steadily implementing the countermeasures that individual companies have already put in place, it is now necessary for the group to institute integrated group-wide measures. We will continue with this initiative next fiscal year and beyond.

Expectations for Mizuho's CSR Activities

We asked experts on finance, the environment and CSR to talk about their expectations for Mizuho.
(Discussion held June 12, 2006)



CSR as Part of the Core Business of a Financial Institution

Fujii: Financial institutions are special in the sense that they circulate money to all industrial sectors and economic entities. The financial sector must therefore consider what it can do for the sustainability of the planet. I believe this will also contribute to a financial institution's competitiveness.

Sueyoshi: It's certainly true that unlike ordinary companies, the operations of financial institutions have a strong public character. In its environmental and CSR initiatives, I believe that a global financial group like Mizuho must approach the issues from a global perspective.

Akiyama: In my opinion, the way in which people evaluate companies will increasingly go beyond compliance and corporate governance and focus on how they contribute to society's sustainability. It is extremely important to adopt a forward-looking stance on how to realize a company's philosophy through its core business. CSR is not separate from the core business, but is in fact highly significant in creating a better society through the core business. In that sense, I give high marks to Mr. Maeda, Mizuho's President & CEO, for his frequent, proactive remarks concerning the philosophy embodied in Channel to Discovery.

Yamamoto: People expect a great deal of financial institutions because they have such a large social impact. I believe they want financial institutions to exercise their enormous lending power in resolving the problems facing Japan and the entire world.

Ohashi: I am convinced that we must clearly recognize our role as a mega bank. All group members should have a uniform awareness of how to tackle the issues of allocating funds and human resources and, above all, face them with determination.

Mizuho's CSR Activities

Ito: Recently, Mizuho has been very proactive in its approach to financial education, but I don't think we can say that people in general have an adequate basic knowledge of finance. For this reason, I believe it is an extremely good subject for financial institutions to adopt as a CSR initiative. There is the additional advantage that personnel who serve as lecturers return to the company reenergized by the response from their students.

Akiyama: While financial education is part of the company's social contributions on the one hand, it also actually helps with human resource development for employees on the other. If employees remain within the

company all the time, they tend to see only what they are doing and nothing more. Having various forms of contact outside the workplace may help employees understand how others see them and encourage them to take a new look at their own work. I believe these activities are bound to have positive results if they are positioned as employee education and steadily implemented.

Egawa: We shall continue to focus on financial literacy. I am convinced that it really helps to motivate officers and employees. We definitely intend to incorporate into our initiatives the points this dialog has raised, and to continue to move ahead proactively with our activities.

Yamamoto: With regard to staff education, we hope that it will help nurture personnel resources that are good judges of environmental models and sustainable business models. This should enable them to develop and popularize financial products by designing finance and funds that promote environmentally conscious technological innovation.

Fujii: When depositors select a financial institution, they usually check interest rates and choose the one that offers even 0.1% more. In the west, however, interest rates are not the only criterion. People there have started to check whether financial institutions engage in activities that help improve society, and somehow return funds to society. Mizuho offers products for financing environmentally friendly companies, and I believe it can definitely win the support of depositors who look for both economic and social returns.

Yamamoto: Recent scientific opinion suggests that global warming is an extremely serious and imminent danger. We have already reached the stage where we must move decisively.

From this perspective, I believe the adoption of the Equator Principles by financial institutions is a very important environmental initiative. I hear that Mizuho was the first Japanese bank to sign up to the Principles, and would like to see it continue taking the lead over other banks in moving forward rapidly.

Ito: There are three areas where I would like to see all financial institutions, not just Mizuho, take up the challenge. First, I would like to see them reflect their CSR activities and environmental initiatives in the terms on which they extend loans. This will inevitably mean a great deal of research and development work because it means adjusting the lending criteria that constitute the foundations of a bank's creditworthiness.

Second, they should monitor borrowers from the perspectives of CSR and environmental awareness. Originally, the main perspective was credit standing, so this represents a new dimension. Nor is it just a matter of monitoring. They should also consider giving advice and recommendations based on results.



One Akiyama

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Held positions as General Manager of New York Branch, and Director at Mitsubishi Bank; President, Bank of Tokyo-Mitsubishi Trust Company (New York); Executive Vice President, Nikko Asset Management Co. Ltd. Took up present position in 2003. Also Japan representative, Carbon Disclosure Project.



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After being assigned by the Nihon Keizai Shimbun to the reporters' clubs of the Environment Agency (now Ministry of the Environment), the Bank of Japan, and the Ministry of Finance, serves as the newspaper's London correspondent. Participated in the Reuter Foundation Program in 1993, and was Senior Staff Writer, Nihon Keizai Shimbun from the same year. Took up present position in 2006.



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Third, how about asking borrowers to provide explanations about their CSR and environmental initiatives when they give presentations of financial results and the like? In this way, it should be possible to promote CSR and environmental initiatives among a wider range of companies.

Kiyama: With regard to these points, I think it is fair to say that little by little we are starting to make some progress. As a result of adopting the Equator Principles, we are already exploring how far we can take the screening methods used in large deals such as project financing and extend them to general finance. Since this involves changes in finance assessment criteria, we will take our time ensuring that we come up with truly viable solutions.

Spreading CSR Awareness among Employees

Akiyama: Having demonstrated the CSR philosophy and approach to society, the next important step is to ensure that awareness of CSR is disseminated among employees so that they can share it and put it into practice. We must also ensure that employees who properly understand CSR and put it to practical use in their daily duties are properly assessed. For this reason, it is essential to improve institutional mechanisms, including personnel evaluations.

Sueyoshi: I think it's a good idea to issue in-house commendations for environmentally friendly projects, and to establish a proposals mechanism. This should enable employees to understand the company's policy towards valuing the environment and, I believe, lead to new business opportunities by making them more sensitive to customers' needs in this area.

Kiyama: With regard to personnel evaluation mechanisms, the group has established the Mizuho Group Award and other schemes as part of its group-wide, uniform evaluation structure. Under this scheme,



those departments that moved to adopt the Equator Principles were commended in 2005. Normally, commendations apply to deals that lead directly to profits, so this was unusual in that it showed appreciation for realizing a certain philosophy. Looking ahead, we want to increase the number of commendations so as to promote further support for CSR.

Fujii: People are the source of a company's competitiveness. To encourage people to truly belong to a particular company, it is important to offer them a reason

for living and working, not just economic return. Since we spend the majority of our lives in the workplace, I wonder if it is good if the workplace fails to give us this impression. Even if we are selling standard investment trusts, for example, we can use the CSR perspective for explaining SRI funds. We can thus use this approach to obtain the customers' understanding and they will purchase the funds. As a result, we play a useful role in society. If our working methods can mesh with our reason for living in this way, I believe we can increase the company's competitiveness.

Ito: Recently, I've come to believe the main aim of CSR is to synchronize the modus vivendi of the company with that of the employee. Employee support is essential if CSR is to become a driving force. We have learned from our surveys that there is a huge difference between the levels of loyalty to the company displayed by those who know about its environmental initiatives and those who do not. This demonstrates just how important it is for employees to understand their own company's activities. I believe it is a good idea to make proactive use of CSR reports as an in-house communications tool to ensure that employees understand the activities thoroughly.



Kiyama: I have often asked myself how I can define CSR concisely. Any person by nature has the desire to become an excellent human being, and endeavors to refine his or her character. But does an organization or corporation have the same kind of desire for self-improvement? I came to the conclusion that a corporation has the same desire as an individual to form and improve its character, and that CSR probably embodies the activities aimed at doing so. An individual constantly considers his or her thinking while continuing a dialog with society, and if he or she becomes aware of something, reflects on it honestly and corrects it. I believe it is important to continue doing this. Every individual, by nature, almost certainly feels that global warming is a very serious matter. Whenever someone within an organization becomes aware of such matters, therefore, it is a good idea if they mention them whenever they can, foster discussions and eventually encourage change. I believe that Mizuho should aspire to become this kind of organization.

Reflections on these Opinions

This dialog with stakeholders has provided us with many valuable opinions rich with suggestions.

Mizuho has proclaimed its intention to engage in proactive global operations both internally and externally. This dialog has once again reminded us that in the area of CSR, too, people have extremely high expectations of Mizuho as Japan's leading financial group. The areas in which we are expected to act also extend over a wide range, from environmental issues at the global level to

encouragement for suppliers through our core businesses.

Keeping our stakeholders' opinions in mind, we intend to once again sort out those issues that can be dealt with in the short term from those that need to be dealt with in a planned manner over the medium to long term, analyze them, then deal with them through our ongoing CSR activities.

Mizuho Financial Group, Inc.
Executive Officer, General Manager of Corporate
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Yoshiaki Ohashi

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.

- For reference, we have provided a graph at the end of this table showing an update of the information disclosure compared with last year.

<Reference guidelines>

- Sustainability Reporting Guidelines 2002
- Financial Services Sector Supplement

Sustainability Reporting Guidelines 2002

Item	Indicator	Page	Remarks
1 Vision and Strategy			
1.1	Statement of the organization’s vision and strategy regarding its contribution to sustainable development	4, 5, 9, 16, 22, 23	
1.2	Statement from the CEO (or equivalent senior manager) describing key elements of the report	5	
2 Profile			
Organizational Profile			
2.1	Name of reporting organization	2	
2.2	Major products and/or services, including brands if appropriate	2	
2.3	Operational structure of the organization	2, 8-9	
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	8-9	
2.8	Scale of the reporting organization	2	
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organization	30-31	
Report Scope			
2.10	Contact person(s) for the report, including e-mail and web addresses	69	
2.11	Reporting period (e.g., fiscal/calendar year) for information provided	3	
2.12	Date of most recent previous report (if any)	3	
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	-	No significant changes
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	
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)	-	There is no content that needs to be restated
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	33	

Item	Indicator	Page	Remarks
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information	-	No significant changes
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	68	
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, 32	
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	4, 5, 22-23, 34, 40, 42, 46, 52	
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	40	
Stakeholder Engagement			
3.9	Basis for identification and selection of major stakeholders	30-31	
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	17, 34-35, 39, 40-41, 60-63	
3.11	Type of information generated by stakeholder consultations	34-35, 38-39, 40-41, 60-63, 68	
3.12	Use of information resulting from stakeholder engagements	34-35, 38-39, 40-41, 63	
Overarching Policies and Management Systems			
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization	17, 54, 57	
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	19	
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations	64	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	17, 54	
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	-	No significant changes
3.19	Programs and procedures pertaining to economic, environmental, and social performance	17-18, 34-59	
3.20	Status of certification pertaining to economic, environmental, and social management systems	37	
4 GRI Content Index			
4.1	A table identifying location of each element of the GRI Report Content, by section and indicator	64-67	
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	19	

Item	Indicator	Page	Remarks
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.		
Economic Performance Indicators [Core Indicators]			
Customers			
EC1	Monetary flow indicator: Net sales	33	
EC2	Geographic breakdown of markets	2	
Suppliers			
EC3	Monetary flow indicator: Cost of all goods, materials, and services purchased	33	
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	33	
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	33	
EC7	Increase/decrease in retained earnings at end of period	33	
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	46	
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	58	
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	57	
EN4	Indirect energy use	-	The group's impact is considered very small
Water			
EN5	Total water use	56	
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)	57	CO ₂ only
EN9	Use and emissions of ozone-depleting substances	59	
EN10	NO _x , SO _x , and other significant air emissions by type	59	
EN11	Total amount of waste by type and destination	59	
EN12	Significant discharges to water by type: See GRI Water Protocol	58	The group does not engage in manufacturing, therefore this is the same volume as in EN5 (Total water use)
EN13	Significant spills of chemicals, oils, and fuels in terms of total number and total volume	-	The group has experienced no leaks
Products and Services			
EN14	Significant environmental impacts of principal products and services	17, 52	
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

Item	Indicator	Page	Remarks
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	-	There were no such violations
Environmental Performance Indicators [Additional Indicators]			
Energy			
EN17	Initiatives to use renewable energy sources and to increase energy efficiency	57	
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 lifecycle 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	58	
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	59	
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	43	
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	44	
LA4	Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring)	44	

Item	Indicator	Page	Remarks
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	44	
LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	44	
LA7	Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers)	44	
LA8	Description of policies or programs (for the workplace and beyond) on HIV/AIDS	44	
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	25, 44-45	
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	45	
Labor/Management Relations			
LA13	Provision for formal worker representation in decision making or management, including corporate governance	44	
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	44	
Training and Education			
LA16	Description of programs to support the continued employability of employees and to manage career endings	43	
LA17	Specific policies and programs for skills management or for lifelong learning	42-43	
Social Performance Indicators: Human Rights [Core Indicators]			
Strategy and Management			
HR	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	25, 42	
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	17, 22-23, 25, 54	
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	42, 44	
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	22-23	
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	19	
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	19	
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	44	

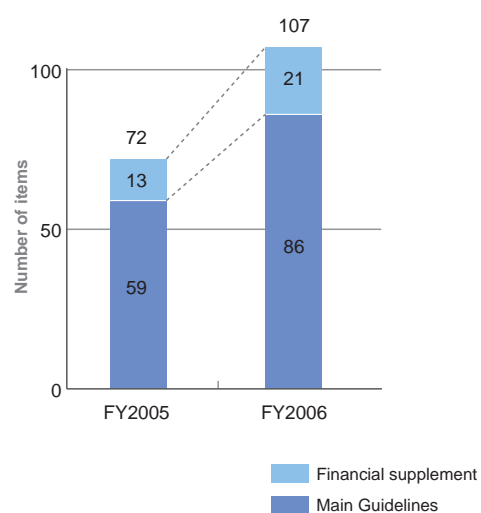
Item	Indicator	Page	Remarks
Disciplinary Practices			
HR9	Description of appeal practices, including, but not limited to, human rights issues	28	
HR10	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)	28	
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	17, 38-39, 54	
Bribery and Corruption			
SO2	Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption	22, 23, 29	
Political Contributions			
SO3	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	22, 23, 29	
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	29	
Competition and Pricing			
SO6	Court decisions regarding cases pertaining to anti-trust and monopoly regulations	-	There was no such 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	36-39	
Products and Services			
PR2	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling	35	
Respect for Privacy			
PR3	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	36-37	
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	-	There were no such 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	17, 19, 37	
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	-	There were no such violations
PR8	Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction	34-35	
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	29	

Financial Services Sector Supplement

Item	Indicator	Page	Remarks	Industry
Respect for Privacy				
PR11	Number of substantiated complaints regarding breaches of consumer privacy	-	There were no such complaints	
Social Performance Indicators: All Industry Sectors				
CSR Management				
CSR1	CSR policy on social elements	9, 16, 22-23		
CSR2	CSR organization	25		
CSR3	Number of instances of CSR audits and time spent on audits			
CSR4	Management of sensitive issues			
CSR5	Number of violations			
CSR6	Stakeholder dialogue	60-63		
Internal Social Performance				
INT1	Internal CSR Policy (CSR affairs in human resources policy)	42, 44-45		
INT2	Staff turnover and job creation			
INT3	Employee satisfaction			
INT4	Senior management remuneration	Other	Annual Report	
INT5	Bonuses fostering sustainable success	43		
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)	43		
Performance to Society				
SOC1	Value of charitable contributions (donations, employee hours, in-kind gifts, management costs)	46-49		
SOC2	Value of distributions to stakeholders of economic value added	33		
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)	38-39		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)			Retail banking
IB1	Investment banking: Investment policy (socially relevant elements)	17, 54		Investment banking
IB2	Investment banking: Customer profile: Global transaction structure			Investment banking
IB3	Investment banking: Transactions with high social benefit (amount and percentage)	55		Investment banking
AM1	Asset management policy (socially relevant elements)			Investment banking
AM2	Asset management: Assets under management with high social benefit (amount and percentage)	18, 55		Asset management
AM3	Asset management: SRI (socially responsible investment) oriented shareholder activity	18-19, 55		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	54		All industry sectors
F2	Description of environmental risk evaluation and screening process in core business line	17, 54		All industry sectors
F3	Identification of threshold values used in environmental risk evaluation procedures in each core business line	17, 54		All industry sectors

Item	Indicator	Page	Remarks	Industry
F4	Description of process for monitoring customer execution and compliance with environmental considerations specified in the risk evaluation process	18, 54		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	18		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	55		All industry sectors
F13	Value of portfolio of core business lines in specified regions and sectors			All industry sectors

Number of Disclosure Items Based on GRI Guidelines



Third-Party Opinion



Professor, Hitotsubashi University

Kunio Ito

I have noticed many improvements and creative features in this second edition of the Mizuho Financial Group's CSR Report.

The first new feature is that while this year's report continues to focus on the three main pillars of CSR as last year — the economy, society and the environment — the reports on the latter two pillars are much more comprehensive. Conventionally, corporate disclosure has tended to concentrate on economic matters. In that sense, disclosure through this type of report is a drastic transformation.

The second feature is that the Social Report included in the publication shows a real understanding of CSR. The true nature of CSR is to reexamine corporate activities from the viewpoint of their relationship with a society comprised of various stakeholders, which would otherwise have a tendency to fall easily into a self-centered or self-righteous management approach. I think this publication has done a good job of giving well-balanced consideration to relationships with customers, shareholders and investors, employees, local communities, and the international community.

This publication's third new feature is that it has newly instituted a dialog with stakeholders, which I believe is a very meaningful idea. I was one of the people involved, and the discussions were quite heated and intense. Some members even pressed Mizuho quite hard on certain points. I was impressed that the participants from Mizuho were very sincere in their responses. As mentioned on page 63, I would really like to see quick measures taken to resolve issues that can be resolved rapidly, and drastic measures taken to resolve issues that need medium- to long-term solutions.

One other thing that impressed me was the participants in the dialog — the fact that the participants included

someone who once worked for a rival bank. Given that financial institutions are usually considered conservative, I consider this to be quite a courageous decision.

Seen from a different perspective, CSR can also be referred to as "symbiosis" or "coexistence," which is significant in the sense of overcoming narrow-minded rivalry. In that sense, I give very high marks to the wisdom shown in this publication because it is consistent with the philosophy behind CSR.

Environmental initiatives are one of the elements this report emphasizes. The report covers contributions as seen from the financial perspective, including the adoption of the Equator Principles and the Finance Scheme for Environmentally Conscious Companies. The potential opportunities and impact of environmental contributions by financial institutions are immeasurable. I have high hopes that they will adopt even bolder innovative measures going forward. At a time when the traditional "main bank" system has allegedly broken down, I hope that financial institutions will be able to fulfill a new, alternative function in the area of environmental contributions.

Once again, the issue of misconduct was raised. I think the fact that this report deals with this issue frankly and honestly is, in itself, worthy of note. Nevertheless, I cannot help feeling that it has happened yet again. Disclosure is important, but it is far more important to emphasize that such events must be nipped in the bud. I really want to see the group reaffirm that trust is the most important intangible asset a company has.

Nevertheless, reading between the lines of this report, I get a very strong impression that Mizuho has adopted a sincere and enthusiastic approach towards CSR. Except that now it means there are even stronger expectations for the future. I truly hope that Mizuho's management and employees will work together to satisfy these expectations.



About the Cover

Title: Breath

Artist: Michiharu Saotome

It's spring, and mists soften the landscape. The buds on the trees are steadily swelling, readying themselves to burst into full growth. It's morning, and as the air steadily fills with spring-like energy, a newly enrolled pupil heads towards school, hand in hand with her older brother.

The breath of spring fills us with vitality. We at Mizuho wish our customers to see us in the same light, as we strive to become "a financial partner that helps customers shape their future and achieve their dreams."

Please direct opinions and inquiries regarding this report to:

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Environmental Considerations in Printing

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

In an effort to curb air pollution, we used ink derived from soybean oil, which contains no volatile organic compounds.

We also used paper certified by the Forest Stewardship Council, which means the paper was made from trees grown in forests properly managed in accordance with strict standards that take into account all aspects of the environment, the economy and society.



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



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