

Mizuho Securities Business Strategy

14 May 2009

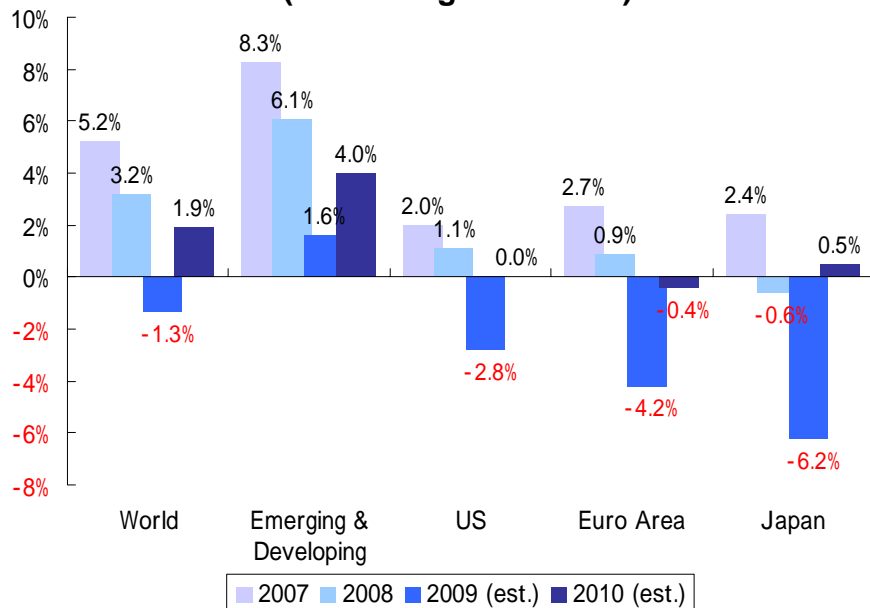
**Mizuho Securities Co., Ltd.
President Keisuke Yokoo**

1	Basic Business Strategy Concepts
2	Priority Action Plans
3	Business Segment Strategies
4	In Conclusion
Appendix	Corporate Overview of Mizuho Securities

Business Environment (1): Global Economy

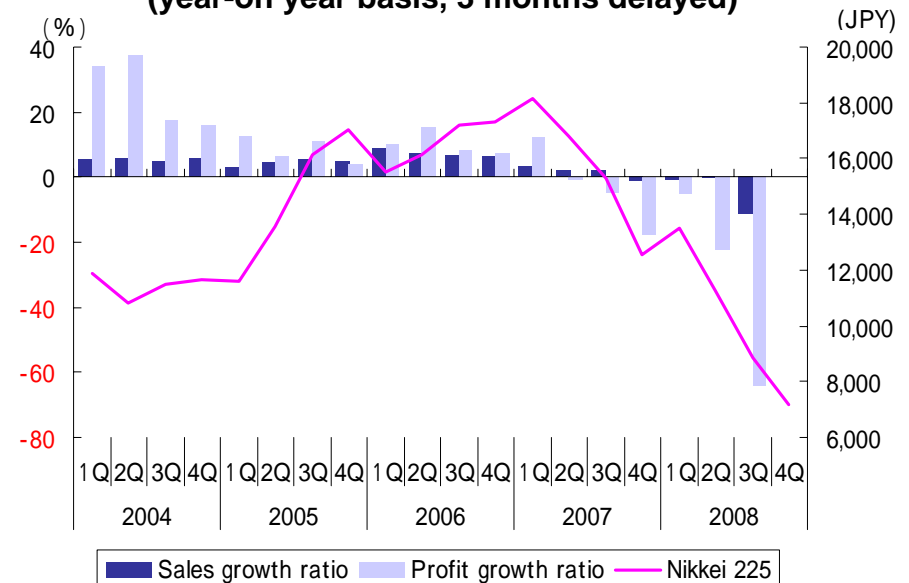
- Difficult economic conditions look set to continue for the next one to two years
 - Slowdown of global economy
 - Japanese economy: relative downturn greater than other economies
 - Emerging & developing economy: likely to maintain higher economic growth ratio
 - Worsening corporate sales and profits, and sluggish stock markets

**World Economic Outlook Projections
(real GDP growth ratio)**



(Source) IMF

**Trend of Corporate Sales / Profits in Japan
(year-on year basis, 3 months delayed)**

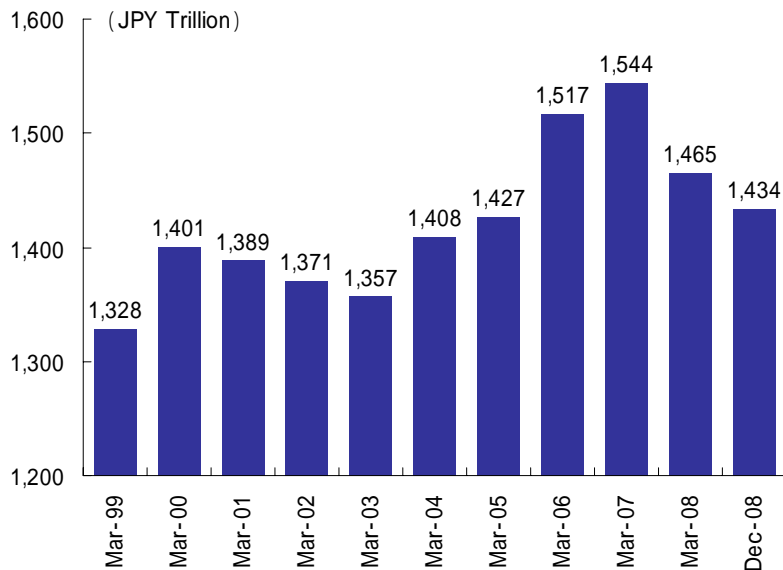


(Source) MOF, *Financial Statements Statistics of Corporations*
Bloomberg

Business Environment (2): Household Financial Assets in Japan

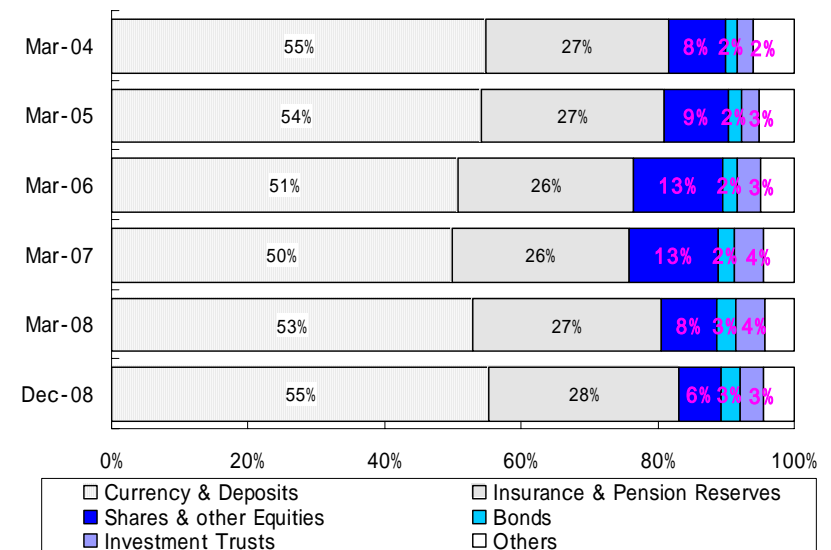
- Household financial asset growth at sluggish pace (or decreasing) amid difficult economic and market conditions
 - Deterioration in value due to declining stock prices, etc.
 - Decrease in household risk tolerance, “flight to quality (safe assets)”
- But, shift from “savings to investments” will continue
 - Household asset management needs to grow over the medium to long-term due to ageing population and maturing economy (asset management as a provision for the future)
 - Heightened role of securities companies as reliable asset management advisors

Household Financial Asset Trends



(Source) BOJ, *Flow of Funds*

Breakdown of Household Financial Assets



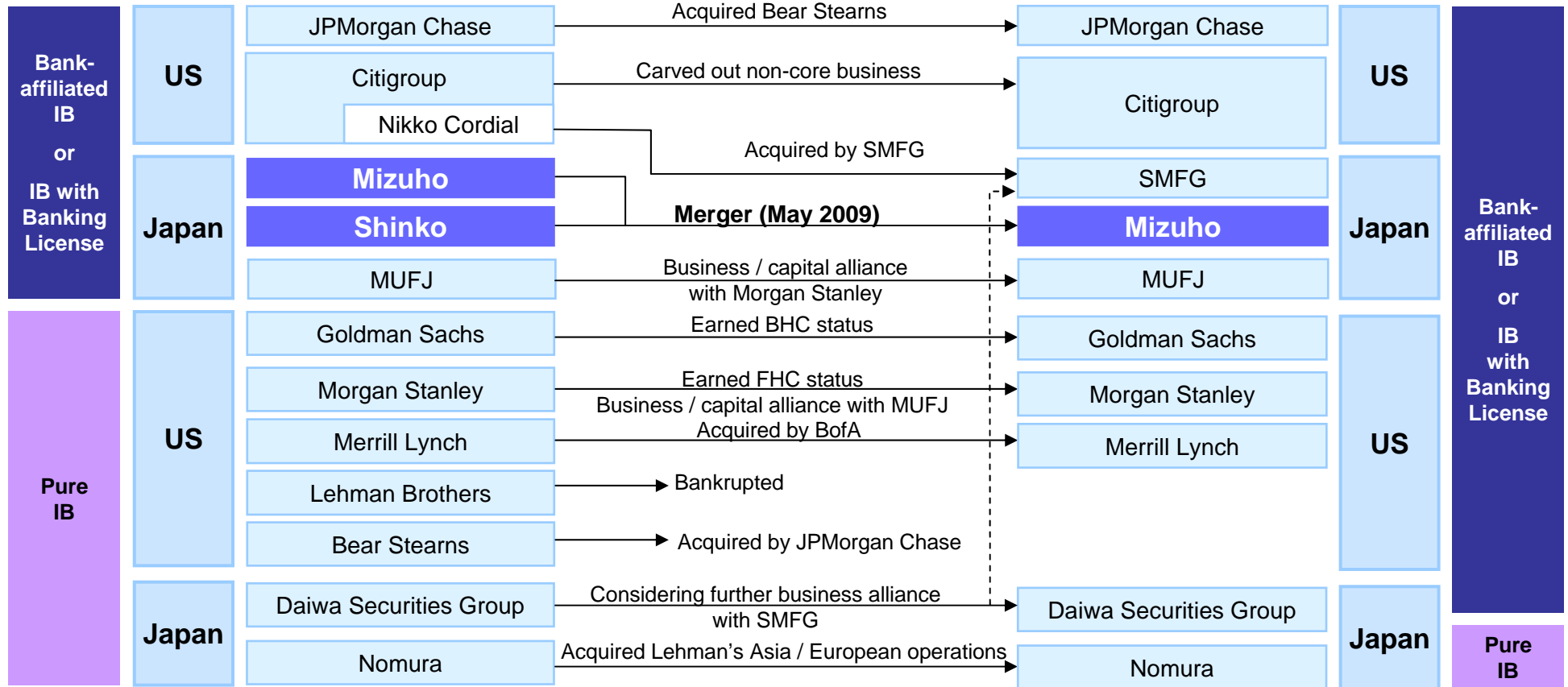
(Source) BOJ, *Flow of Funds*

Business Environment (3): Changes to Regulatory Framework

- Enhancement of regulatory coordination on global basis
 - Regulatory framework has been enhanced amid worsening and persistent financial market turmoil stemming from the US subprime loan issues
 - Enhanced function of Financial Stability Forum (FSF)
 - Strengthening of coordination among financial regulators in different markets/countries
- Global regulatory trends
 - Broker/dealer regulations tightened and increasingly integrated with banking regulations
 - Requirements for improving quality/quantity of capital
 - Increase in capital charges on trading assets, etc.
 - New regulations on leverage implemented
 - Requirements for improving transparency
 - Strengthening of regulations on credit rating agencies, hedge funds, OTC derivative transactions, etc.
 - Requirements for improving reward structures, fair value calculation methodology, etc.

Business Environment (4): Securities Industry Trends

- Failure of highly leveraged business operations
 - Return to traditional investment banking business areas
- Bank affiliation/acquisition of banking licenses
 - Strengthening of capital base



Mizuho Securities Business Strategy

- Business strategy is based on business environment and strategic advantages
 - Focus on client-oriented business model
 - Establish strong business management base resilient to changes in business environment

Business Environment

- Difficult economic and market conditions to continue for some time
- Regulatory authorities weighing up need for further improvements to risk management capabilities
- Bank-affiliated securities companies can leverage their strategic advantages

Twin Pillars of Business Strategy

Focus on client-oriented business model

Back to basics: "Reliable solution provider for clients"

Establish a strong business management base resilient to changes in business environment

Promotion of
Group
Collaboration

Maximization
of
Merger
Synergy

Strategic Advantages

- Full-line client base (wholesale, middle and retail)
- Strong management base as a Mizuho Financial Group (MHFG)-affiliated securities company
- Outstanding capability for product / service development, and global network

Focus on Client-oriented Business Model (1)

- Effective combination of domestic/overseas business strategies
 - Dual growth strategy
 - Market share increase strategy; domestic, US and EU (i.e., mature) markets
 - New business development strategy; Asia and Middle East (i.e., emerging) markets
 - MHSC to pursue client-oriented businesses in each market

	Domestic	Overseas	
		US and EU	Emerging (Asia & ME)
Market Recognition	Mature		Emerging
Focus on Realizing Profit Growth	Increase market share in each business area		New business development in rapidly growing capital markets
	Focus on cross-border transactions through collaboration between MHSC and its overseas subsidiaries		
Strategic Initiatives	<ul style="list-style-type: none"> • Strengthening of full-line marketing, product, research, and sales capability • Maximization of synergy 	<ul style="list-style-type: none"> • Strengthening of client service and marketing capability • Promotion of localization 	<ul style="list-style-type: none"> • Expansion of networks • Development of business infrastructure
	Collaboration with Mizuho Corporate Bank (MHCB), MHFG companies and business partners		

Focus on Client-oriented Business Model (2)

- Business Segment Strategy

Business Segment	Principles	Strategies
Corporate Investment Services & Retail Business	Providing clients with high value-added products/services (solutions)	<ul style="list-style-type: none"> • Providing various investment products in response to client investment needs and level of risk tolerance • Providing high value-added asset management advice
Global Investment Banking	Focusing on businesses less dependent on balance sheet	<ul style="list-style-type: none"> • Strengthening marketing capability with regard to corporate finance transactions through closer collaboration with other business segments • Providing high value-added advice and solutions on client business/financial strategies
Global Markets & Products	Increasing client order flow	<ul style="list-style-type: none"> • Increasing client order flow by enhancing research, order execution, and product capability • Pursuing sales & trading business model focused on client needs

Establishment of Strong Business Management Base

- **Cost-conscious business management**
 - Maintaining costs at optimal levels based on view that difficult business environment is set to continue for some time
 - Streamlining overlapping businesses and increasing variable cost ratio
- **Strengthening of risk management and internal control capability**
 - Stringent management of internal risk limits and risk associated with securitization products, etc.
 - Further strengthening of internal control capability, taking into consideration recent global regulatory requirements
- **Efficient capital and balance sheet management**
 - Promoting disciplined and efficient capital allocation in response to recent global regulatory trends
 - Improving efficiency of balance sheet management and reducing leverage by focusing on client-oriented businesses



Maximization of Merger Synergy & Promotion of Group Collaboration (1)

- Maximization of Synergy
 - Maximize merger synergy in each business area by combining strategic advantages of former Shinko Securities in middle/retail markets and of former MHSC in the wholesale/institutional markets
- Promotion of Group Collaboration
 - Promote closer collaboration with MHC B and Mizuho Financial Group (MHFG) companies
 - Success already achieved by leveraging the FHC status in the US (capital market business marketing by dual-hat bankers)

Strategic advantages of former Shinko

- 99 domestic business network
- Strong client base (1.4 million client accounts)
- Top-tier IPO underwriting lead manager
- Strong track record of participation in numerous IPO deals
- Strong placement power in the middle / retail markets

Synergy

Strategic advantages of former MHSC

- Global network
- Close business relationship with domestic / overseas institutional investors and MHC B's clients
- Strong track record as a managing underwriter in large debt / equity finance deals
- Top-tier presence in underwriting and M&A advisory league tables
- Product / service development and research capability

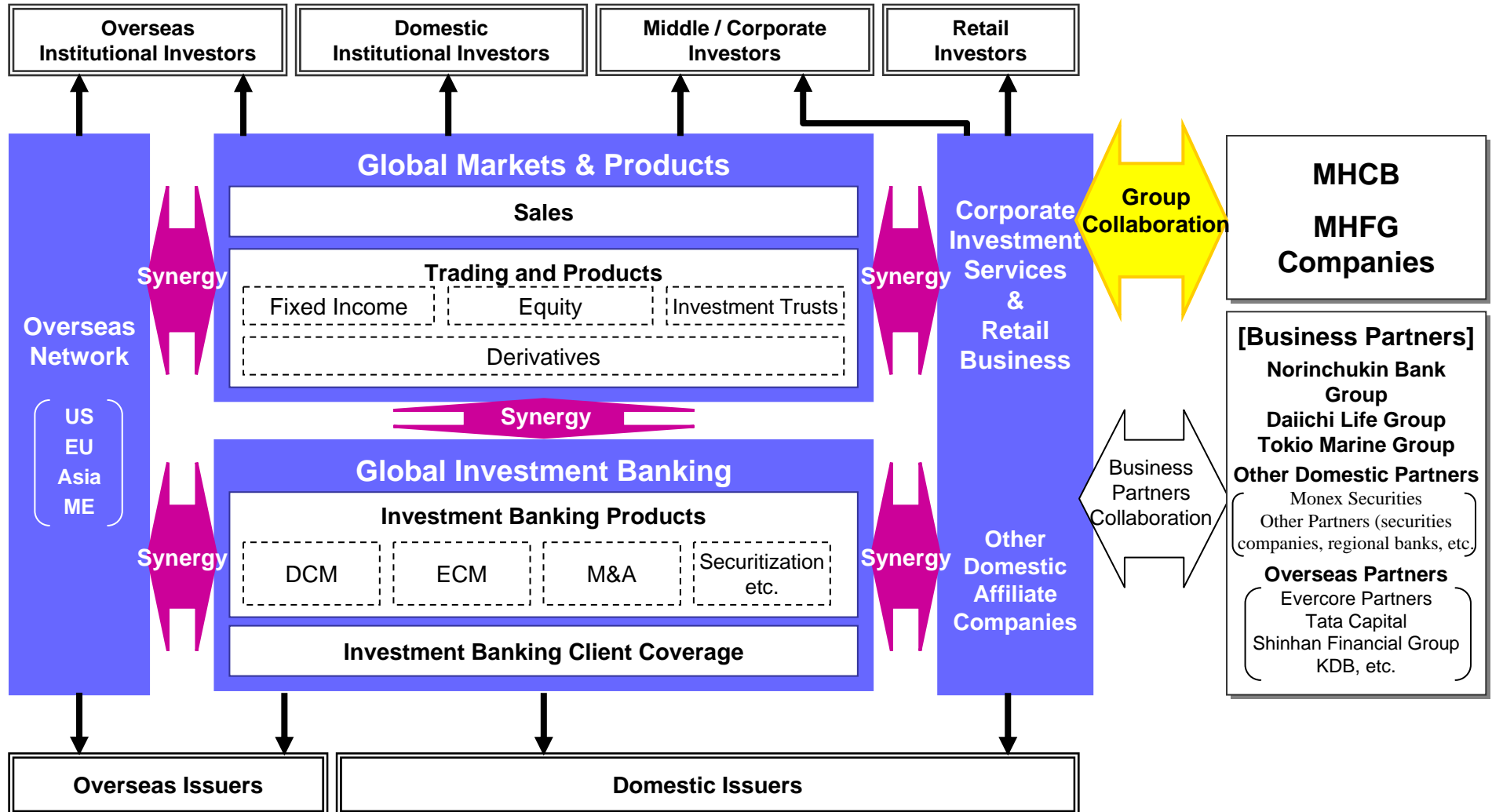
Close collaboration with MHC B and MHFG companies

Enhancing product development capability and client services

Increasing MHSC's corporate value

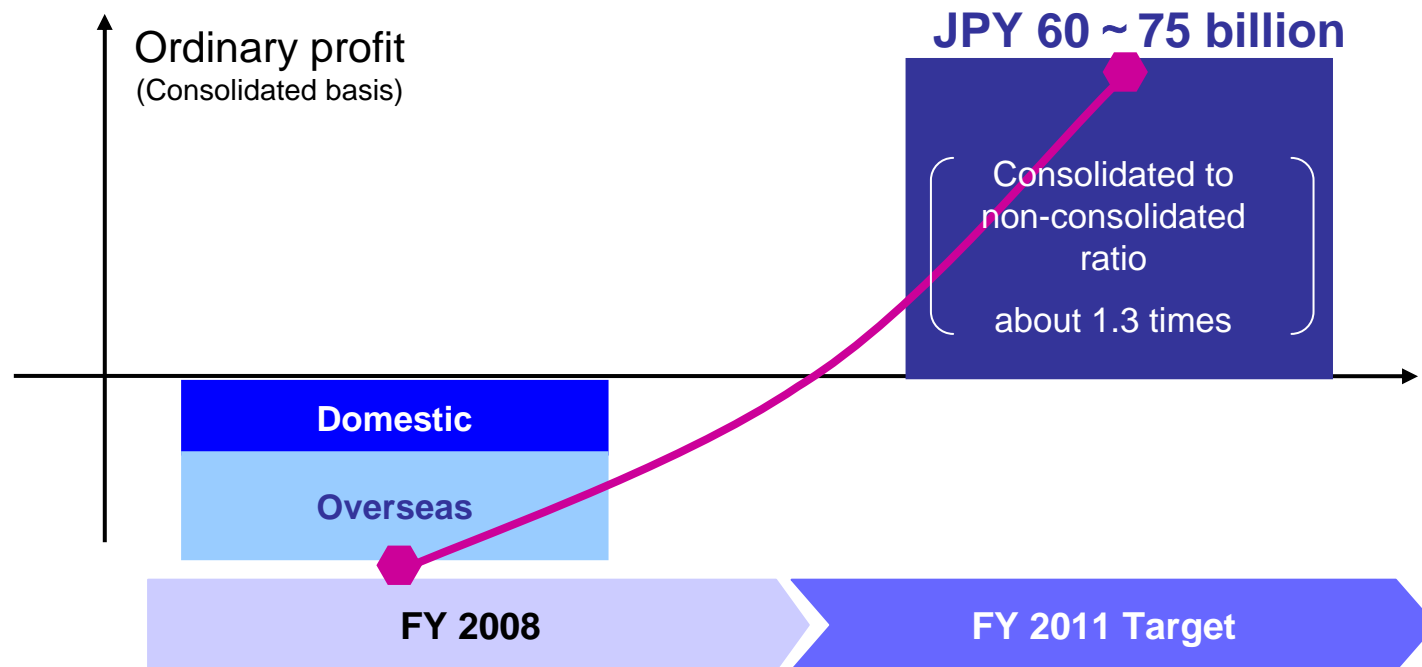
Maximization of Merger Synergy & Promotion of Group Collaboration (2)

Areas in which MHSC is realizing merger synergy and promoting Group collaboration



FY 2011 Profit Target

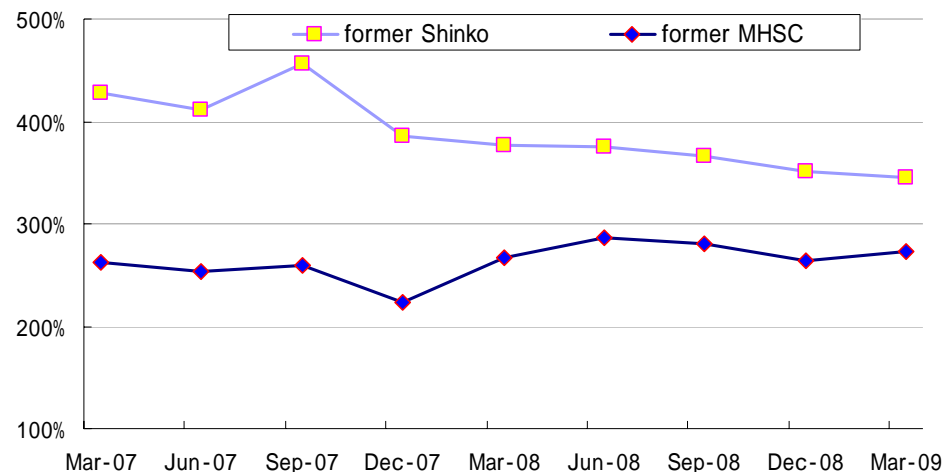
- Business Environment Outlook
 - MHSC expects economy to continue to weaken for some time, turning toward recovery in latter half of 2010
- Profit Target
 - Ordinary profit JPY 60~75 billion (FY2011, consolidated basis)



Basic Financial Strategy Concepts

- Maintain balance between retained earnings and shareholder returns
 - Stable dividend policy (baseline)
 - Maintain balance between retained earnings and shareholder returns, taking into consideration uncertain market conditions and global regulatory trends regarding capital adequacy at financial institutions
- Stringent balance sheet control
 - Promote less leveraged business operations focusing on client-oriented businesses in order to expand stable revenue base and improve balance sheet and capital management efficiency
 - Maintain stable funding structure dependent primarily on long-term debts (bonds and borrowings)
 - Capital management from diverse perspectives (e.g.: increased awareness of Basel II based capital adequacy ratio and Financial Instruments and Exchange Act related capital adequacy ratio, etc.)

**Capital Adequacy Ratio of former Shinko & former MHSC
(Financial Instruments and Exchange Act basis)**



1	Basic Business Strategy Concepts
2	Priority Action Plans
3	Business Segment Strategies
4	In Conclusion
Appendix	Corporate Overview of Mizuho Securities

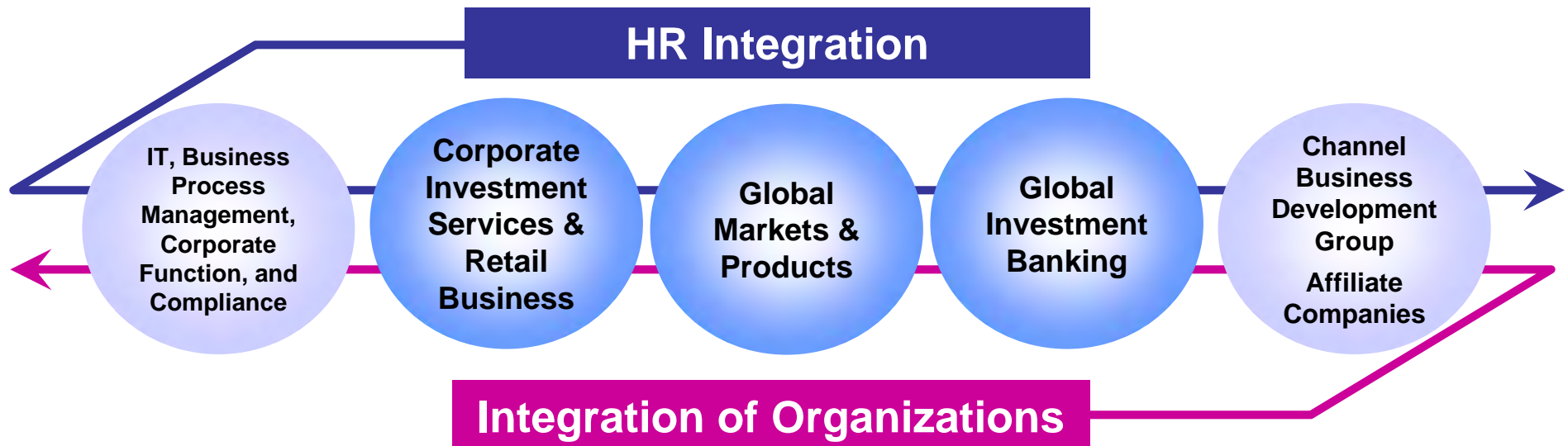
Action Plans

- 6 Priority Action Plans

	Rapid integration of organizations and human resources	<ul style="list-style-type: none"> Rapid integration of organizations and human resources so that MHSC can realize merger synergy as soon as possible
	Early realization of merger synergy	<ul style="list-style-type: none"> Early realization of merger synergy (both revenue and costs)
	Strengthening of retail business	<ul style="list-style-type: none"> Strengthening of retail business by leveraging full-line business capability
	Strengthening of equity business	<ul style="list-style-type: none"> Strengthening of equity business (increasing market share in the ECM business, and increasing client order flow in the equity sales and trading business)
	Promotion of further collaboration with MHC B & MHFG companies	<ul style="list-style-type: none"> Further collaboration with MHC B and MHFG companies (e.g., implementation of dual-hat marketing initiatives in Japan) taking into consideration the upcoming firewall deregulation in Japan, scheduled for June 2009
	Promotion of global strategy	<ul style="list-style-type: none"> Promotion of US full-line securities business strategy and Asian business development strategy

Action Plan (1): Rapid Integration of Organizations and HR

- Rapid Integration: Top Priority Post-merger Action Plan
 - Promote rapid integration of organizations and human resources so that MHSC can effectively commence other priority action plans and realize merger synergy as soon as possible
 - Develop new corporate culture



Action Plan (2): Early Realization of Merger Synergy

- Increase revenue base by leveraging complementary strategic advantages of both companies
 - Strengthening of underwriting business by realizing synergy through combination of broad/close relationship with corporate clients (former MHSC) and nationwide retail distribution network (former Shinko Securities)
 - Increase market share in ECM business (IPO, follow-on offering, etc.)
 - Promote retail-targeted corporate bond underwriting business
 - Expansion of sales and trading revenue base by promoting order-flow matching between global institutional investors closely related to the former MHSC, and domestic middle / retail investors covered by the nationwide sales network of the former Shinko Securities
- Cost reduction by streamlining overlapping businesses and organizations
 - Promote rapid streamlining of overlapping businesses and organizations

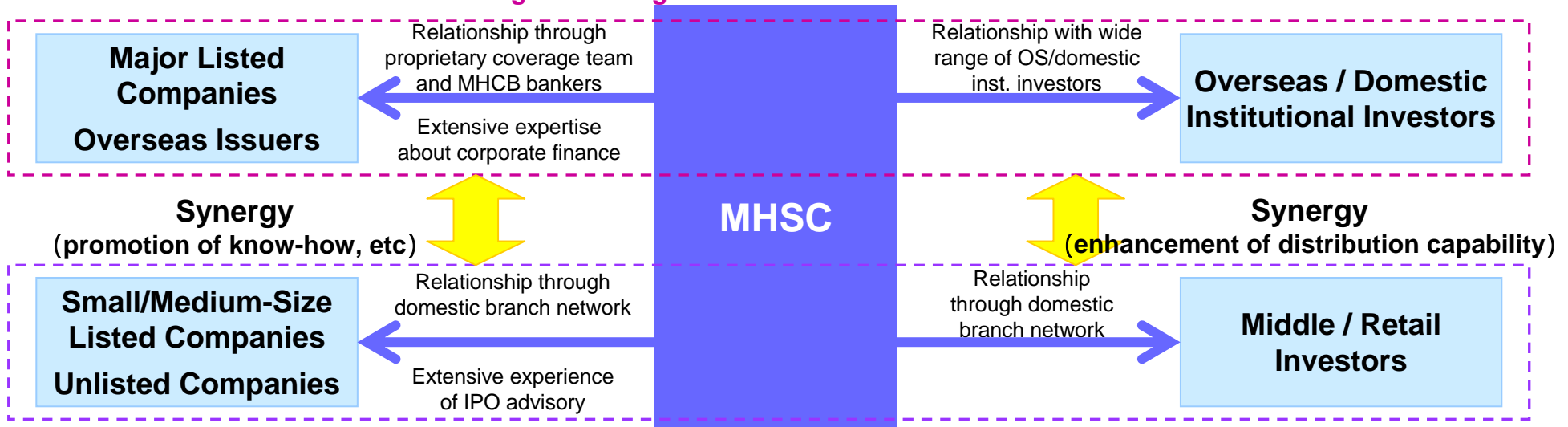
Action Plan (3): Strengthening of Retail Business

- Expand retail client base by leveraging “Mizuho” brand awareness and nationwide sales office network (refer to pg.34)
 - Strengthen high-net-worth business
 - Enhance segment-based marketing capabilities and promotion
 - Aim to become reliable “primary advisor” for clients, best able to meet their needs
 - Further enhance call center services
 - Promote telemarketing aimed at high-net-worth clients
 - Expand call center functionality (increase from 100 to 200 staff)
 - Expand product line-up to respond to diverse client needs
 - Fully leverage product structuring and development capability of the former MHSC with regard to capital market and international products
 - Enhance sales representative consulting skills
 - Strengthen area-specific client services
 - Develop human resources that can serve as lecturers at branch seminars and provide clients with timely and useful market information
 - Enhance marketing skills by distribution channels

Action Plan (4): Strengthening of Equity Business

- Capital markets business: Strengthen ECM business by combining strategic advantages of both companies
 - Enhance distribution capability
 - Fully leverage full-line investor client base previously inaccessible to MHSC
 - Strengthen marketing capability to issuers
 - Strengthen marketing capability to issuers through promotion of both companies' know-how and expansion of client base
- Sales and trading business: Increase client order flow
 - Develop electronic trading capability in anticipation of updates to TSE next-generation trading system

Areas in which former MHSC had strategic advantages



Areas in which former Shinko had strategic advantages

Action Plan (5): Further Collaboration with MHCBC / MHFG Companies

- Success achieved in US
 - Implementation of capital markets business marketing initiatives by dual-hat bankers (between MHSC US subsidiary and MHCBC US subsidiary) (from June 2007)
 - Significant contribution already made to promotion of MHSC's US debt underwriting business
- Further strengthening of group collaboration on global basis, taking into account upcoming firewall deregulation in Japan
 - Further collaboration with MHCBC in domestic corporate finance business (also considering implementation of “dual-hat marketing initiatives” in Japan)
 - Develop multilateral collaborative relationship with MHCBC on global basis
 - Promote collaboration with MHFG companies

US Investment Grade Corporate Debt Bookrunner Ranking (CY 2008)

(Unit: USD million, %)

Rank	Bookrunner	Amount	Mkt. share	# of deals
1	Bank of America Merrill Lynch	119,530.94	18.6	282
2	JP Morgan	94,992.89	14.8	243
3	Citi	89,859.54	14.0	191
4	Barclays Capital	67,368.11	10.5	166
5	Morgan Stanley	51,989.05	8.1	137
6	Goldman Sachs & Co	50,965.56	7.9	121
7	Deutsche Bank AG	37,593.42	5.8	103
8	Credit Suisse	32,710.62	5.1	76
9	Wells Fargo & Co	25,722.78	4.0	82
10	UBS	20,103.14	3.1	72
11	RBS	19,400.15	3.0	74
12	HSBC Holdings PLC	12,504.48	1.9	39
13	BNP Paribas SA	4,958.61	0.8	29
14	Bank of New York Mellon Corp	2,313.62	0.4	17
15	RBC Capital Markets	1,638.62	0.3	11
16	Scotiabank-Bank of Nova Scotia	1,556.14	0.2	16
17	SunTrust Banks	1,483.47	0.2	12
18	Daiwa Securities SMBC	1,285.39	0.2	4
19	Mizuho Financial Group	1,121.26	0.2	10

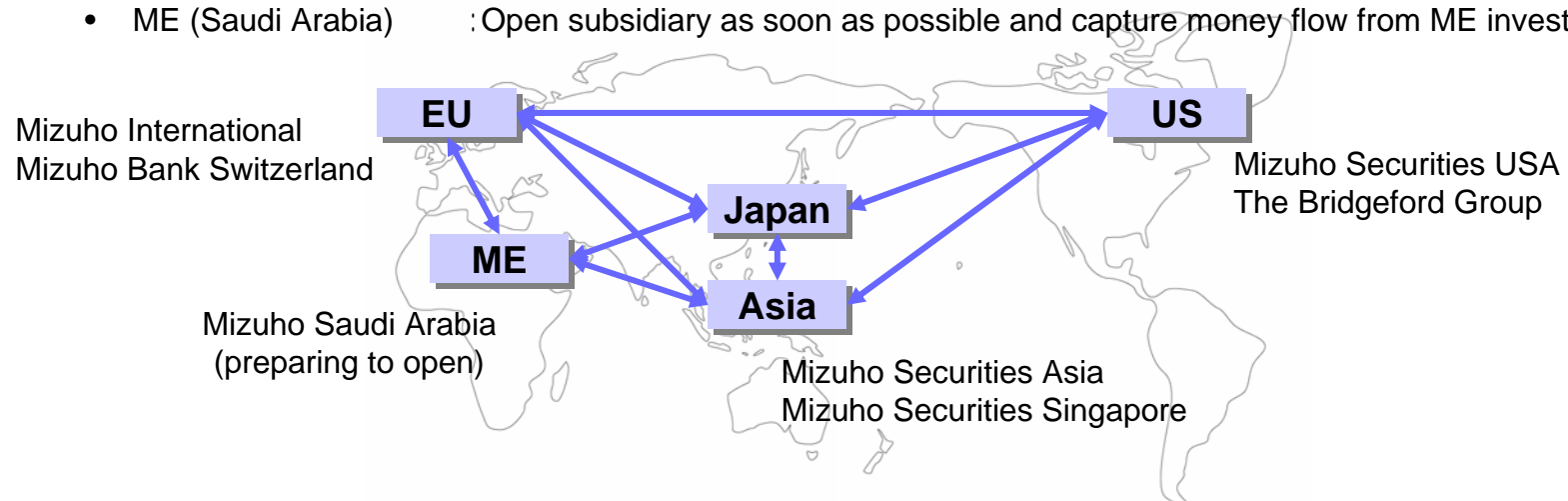
(Source) Thomson Financial

【Track record as a joint bookrunner】

- Mizuho Securities USA (MSUSA), US subsidiary of MHSC, became the first Japanese bank-affiliated securities company to act as a joint bookrunner in a US corporate bond offering in May 2008 (Issuer: Entergy Gulf States Louisiana)
- So far, MSUSA has participated in over 10 debt offering deals as a joint bookrunner (e.g.: Time Warner Cable offering in June 2008)

Action Plan (6): Promotion of Global Strategy

- Strengthen cross-border collaboration (promote parent-subsidiary and subsidiary-subsidiary transactions)
 - Capture global investment money flow
 - Promote collaboration of product development initiatives on global basis
- Promote growth strategies based on characteristic of each market
 - US & EU (mature markets): increase market share in each business area
 - US : Strengthen presence in US capital markets by enhancing full-line securities business platform and leveraging collaboration with MHC B
 - EU (UK) : Restructure business model as hub of client-oriented business in Europe
 - Asia & ME (emerging markets): new business development in rapidly growing capital markets
 - Asia (HK) & Singapore : Penetrate into rapidly growing Asian corporate finance market and capture money flow from Asian investors
 - ME (Saudi Arabia) : Open subsidiary as soon as possible and capture money flow from ME investors



1	Basic Business Strategy Concepts
2	Priority Action Plans
3	Business Segment Strategies
4	In Conclusion
Appendix	Corporate Overview of Mizuho Securities

Global Investment Banking

Goal (FY 2011)

- Establish firm position as leading Japanese investment bank
- Secure top-tier presence as:
underwriter of yen-denominated products; and
financial advisor for M&A deals involving Japanese corporations

Key Initiatives

- Strengthen corporate client base by further promoting collaboration with MHC B and MHFG companies, taking into consideration future FW deregulation in Japan
- Enhance corporate finance consulting and execution capabilities (fully leverage benefits to execution capabilities of full-line investor client base established through the merger)
- Enhance M&A advisory and execution capabilities, especially cross-border capabilities (further promote collaboration with overseas business partners such as Evercore Partners, etc.)

Back to Basics

Focus on providing clients with investment banking solutions such as underwriting, financial advice, etc.

Global Markets & Products

Goal (FY 2011)

- **Become top fixed income house in Japan**
- **Establish brand recognition as leading player in terms of research and order execution capabilities**

Key Initiatives

- Reinforce relationship with domestic investors and capture money flow from overseas investors
- Further promote global sales and trading operations (promote collaboration with US, UK, and Hong Kong subsidiaries)
- Promote Asian equity businesses
- Enhance product development and sales capability for middle and retail clients
- Enhance electronic trading capability

Back to Basics

Pursue sales and trading business model focusing on client needs
(enhance product, research, and order execution capabilities)

Corporate Investment Services & Retail Business

Goal (FY 2011)

- Expand client base by leveraging “Mizuho” brand awareness
- Establish recognition as “No. 1 partner” for clients
 - ✓ Aim to become No. 1 in client satisfaction among securities companies in Japan

Key Initiatives

- Expand product line-up in order to meet diversified client needs
- Strengthen sales representatives’ consulting skills in accordance with client segments
- Aim to become a reliable “primary advisor” to high net worth clients for both sales promotion purposes and to develop long-term relationships focusing on future generations
- Promote cross-selling by enhancing equity product marketing skills and skills which have broad utility in investment advisory business
- Develop and reinforce relationship with middle market clients
- Fully leverage collaboration with MHCB and MHFG companies

Back to Basics

Focus on providing optimal investment products to diverse range of clients

1	Basic Business Strategy Concepts
2	Priority Action Plans
3	Business Segment Strategies
4	In Conclusion
Appendix	Corporate Overview of Mizuho Securities

In Conclusion

**Strive to provide clients with unrivalled
high-quality products and services
in order to become
the most reliable securities company / investment bank**

Adapt to drastic changes in the business environment

**Win in the fierce competition following structural
changes in the securities industry**

1	Basic Business Strategy Concepts
2	Priority Action Plans
3	Business Segment Strategies
4	In Conclusion
Appendix	Corporate Overview of Mizuho Securities

Corporate Overview

Trade Name	Mizuho Securities Co., Ltd.
Address of main office	Otemachi First Square, 1-5-1, Otemachi, Chiyoda-ku, Tokyo
Date of merger	May 7, 2009
Name and title of the representative	Chairman Takashi Kusama President Keisuke Yokoo
Capital	¥ 125,167 million
Number of employees	6,419 (The figure is the simple aggregation of the two companies as of March 31, 2009)
Value of client assets	¥ 20.5 trillion (The figure is the simple aggregation of the two companies as of March 31, 2009)
Number of sales offices	101 domestic, 10 overseas (as of May 7, 2009)
Listing of shares	TSE 1st Section / OSE 1st Section / NSE 1st Section

Management Philosophy

Philosophy

Fair & Positive

Policy

Mizuho Securities will always strive to provide clients with unrivalled professional service whilst remaining a responsible member of the capital markets and contributing to the everlasting development of society

Corporate Vision

Mizuho Securities is committed to becoming the most reliable investment bank with a truly global reach

Commitment

- Commitment to our stakeholders



“Client First”

Provide the best possible financial services from the client’s perspective via our professional, highly-knowledgeable and trustworthy staff

“Team Spirit”

Create a corporate culture which cultivates strong teamwork to produce maximum potential from individual staff know-how

“Value Enhancement”

Aim to increase corporate value as a core company of the Mizuho Financial Group

“Market Leader”

Be an integral member of the capital markets while contributing to their sound development via diligent and fair execution of deals

“Corporate Citizenship”

Take full responsibility as a member of society and contribute to its betterment

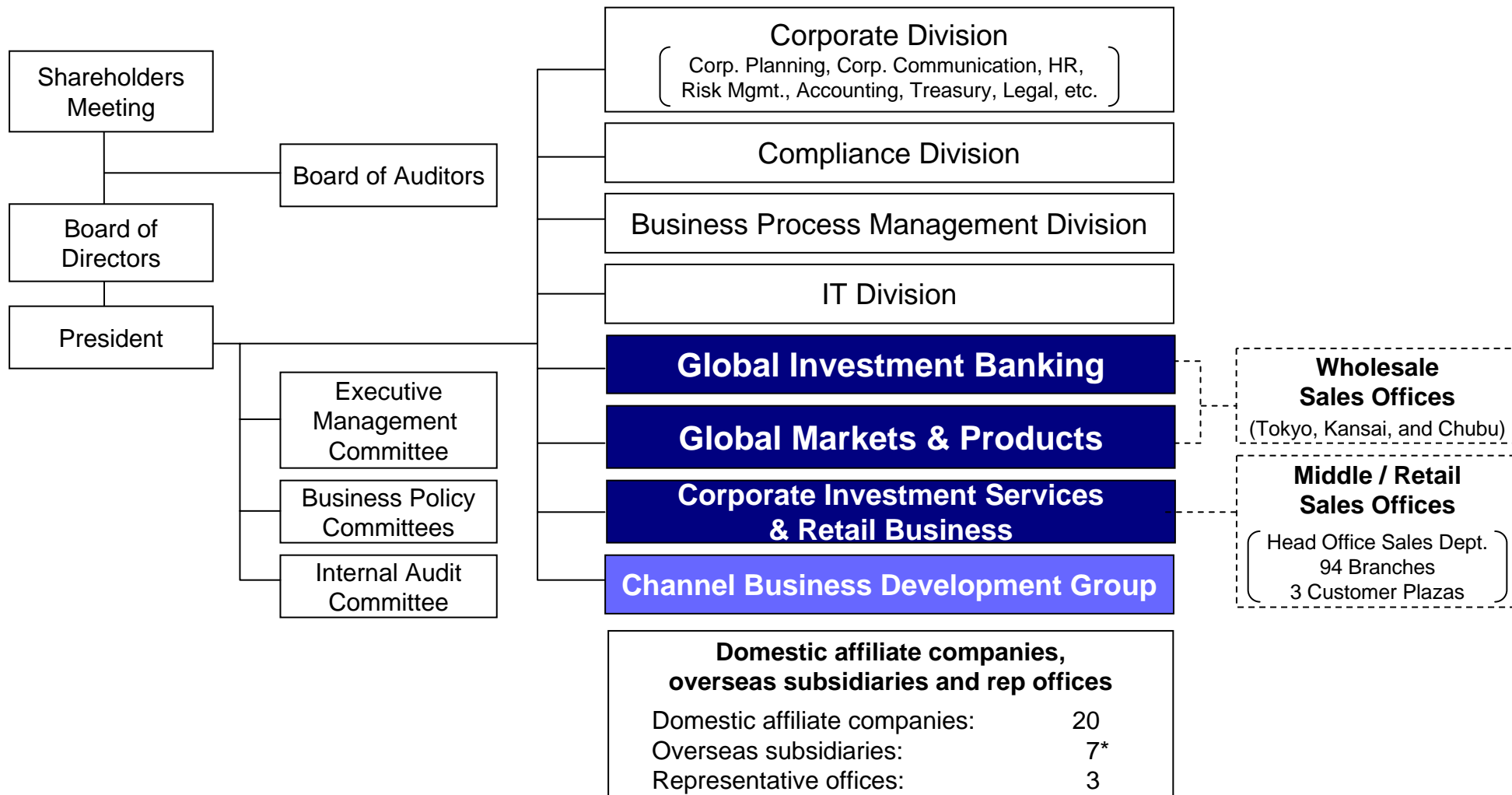
Principles for Employee Conduct

Employee Activity Policy: **TOP FLAGSHIP**

A Flagship Company Leading the Capital Markets

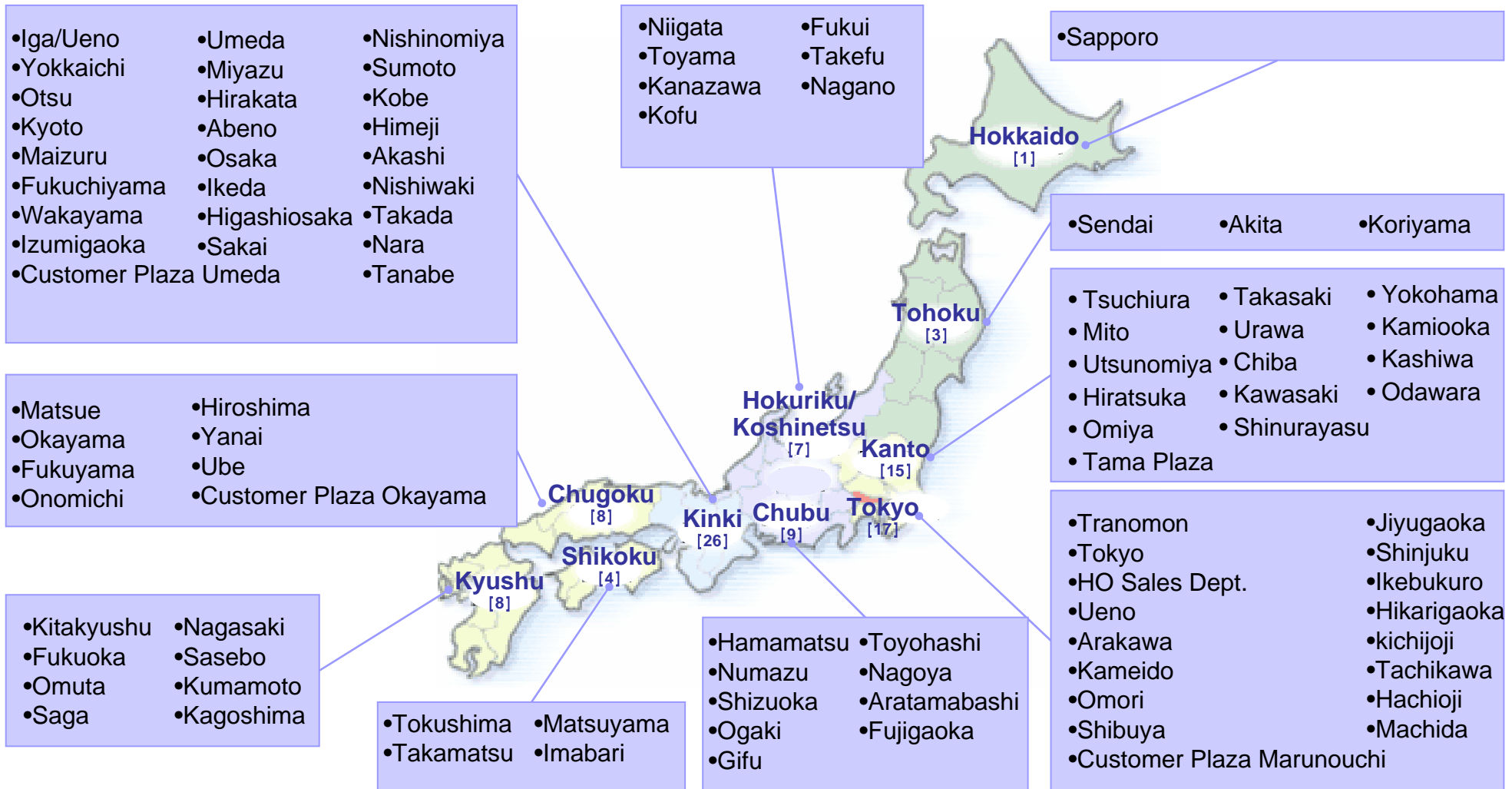
T	rust	➔	Awareness that all activities are born from a trust relationship with clients, fellow employees and society
O	peness	➔	Aim for the benefit of all society by sharing information with others and actively including their opinions
P	erformance	➔	Strive towards improving the quality of personal activities and gain an improved evaluation from others
F	un	➔	Personally work towards creating a workplace with a healthy mind and soul by working with a cheerful and fun attitude
L	eadership	➔	Create a bright future for both clients and the firm by steering clients towards an enhanced level of business
A	dvisor	➔	Provide the best possible service by advising clients whilst always considering their needs
G	lobal Outlook	➔	Work with international perspective whilst respecting people, with the purpose of contributing to society
S	incerity	➔	Work diligently, seriously and responsibly, yet with sincerity
H	igher Perspective	➔	Work with strength, to further contribute to the shaping the capital markets from your own activities
I	nnovation	➔	Always have an innovative mind which looks towards the creation of a bright new future
P	rofessional	➔	Always work towards polishing your specialty, ability and personal nature, as a responsible member of the capital markets

Organizational Chart



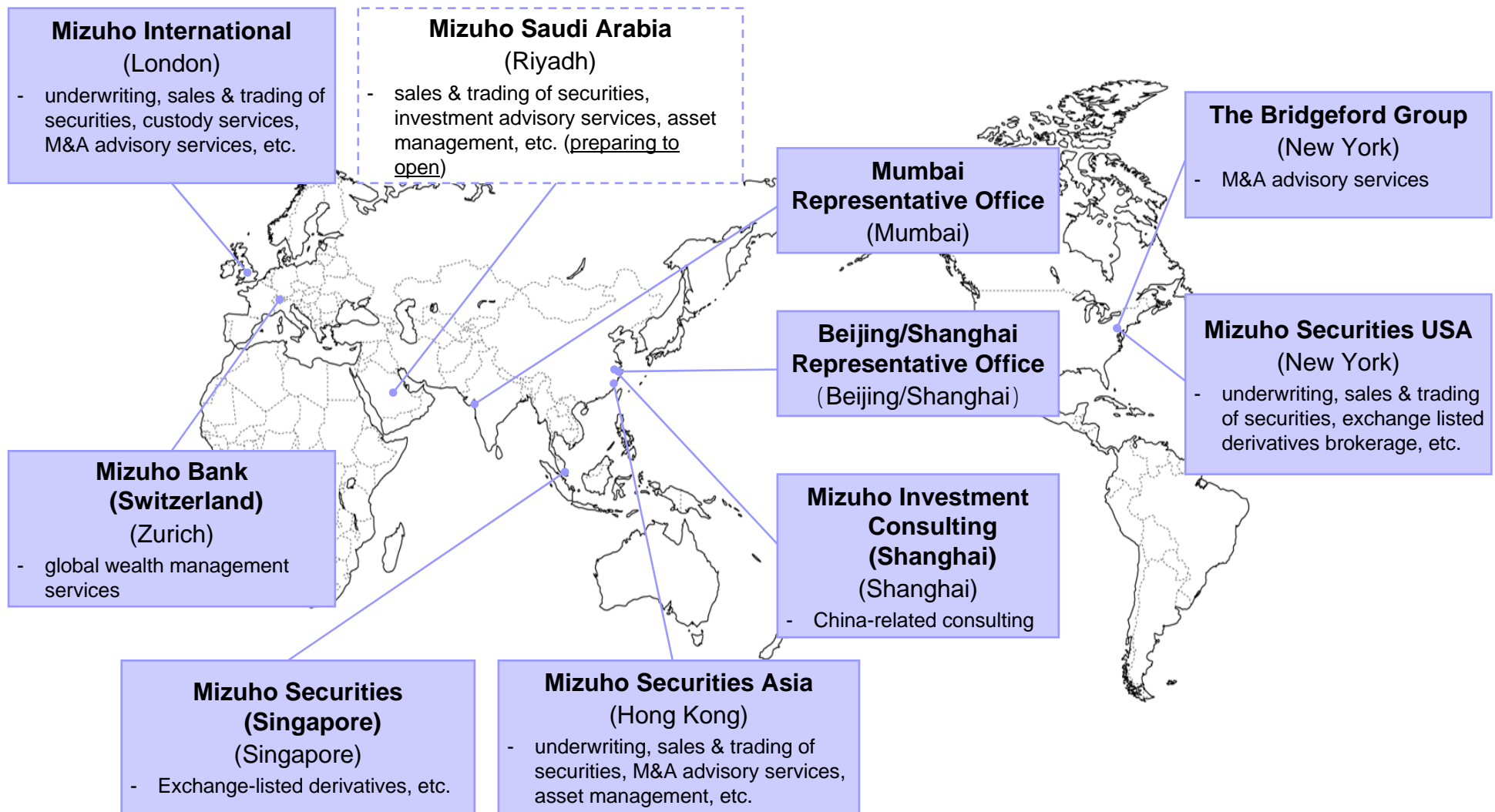
*To increase to 8 following establishment of Mizuho Saudi Arabia (preparing to open)

Domestic Network: 98 Sales Offices



* as of May 7, 2009
excluding wholesale sales offices

Overseas Network: 10 Locations



* as of May 7, 2009

Market Presence (1)

Japanese Straight Bond & FILP Agency Bond Bookrunner Ranking (FY 2008)

(Unit: JPY million, %)

Rank		Bookrunner	Amount	Mkt. Share
1	(1)	Mitsubishi UFJ Securities	27,419	22.46
-	(2)	MHSC	24,250	19.86
2	(3)	Nomura Securities	22,645	18.55
3	(-)	former MHSC	21,268	17.42
4	(4)	Daiwa Securities SMBC	20,949	17.16
5	(5)	Nikko Citigroup Securities	15,211	12.46
6	(6)	Goldman Sachs	4,145	3.4
7	(-)	former Shinko Securities	2,982	2.44
8	(7)	Morgan Stanley	1,742	1.43
9	(8)	Merrill Lynch	1,566	1.28
10	(9)	Toyota Financial Services Securities	1,085	0.89

(Source) I-N Information Systems

Japanese Equity IPO Bookrunner Ranking (FY 2008)

(Unit: USD million, %)

Rank		Bookrunner	Amount	Mkt. Share
1	(1)	Nomura Securities	365.18	56.58
2	(2)	Mizuho Investors Securities	181.26	28.08
-	(3)	MHSC	30.12	4.67
3	(4)	Nikko Citigroup Securities	28.82	4.47
4	(5)	Daiwa Securities SMBC	27.31	4.23
5	(-)	former Shinko Securities	22.88	3.54
6	(-)	former MHSC	7.24	1.12
7	(6)	Takagi Securities	5.19	0.80
8	(7)	Mitsubishi UFJ Securities	4.82	0.75
9	(8)	Tokai Tokyo Securities	2.76	0.43

(Source) Thomson Financial

Market Presence (2)

Japanese Equity Follow-on Offering Bookrunner Ranking (FY 2008)

(Unit: USD million, %)

Rank		Bookrunner	Amount	Mkt. Share
1	(1)	Nomura Securities	2,453.41	38.75
2	(2)	Nikko Citigroup Securities	1,034.17	16.33
3	(3)	Morgan Stanley	804.45	12.70
3	(3)	JP Morgan	804.45	12.70
5	(5)	Daiwa Securities SMBC	745.92	11.78
6	(6)	Goldman Sachs	324.95	5.13
7	(7)	UBS	74.39	1.17
8	(8)	Mitsubishi UFJ Securities	54.36	0.86
-	(9)	MHSC	27.64	0.44
9	(-)	former Shinko Securities	27.64	0.44
10	(10)	Tokai Tokyo Securities	4.34	0.07

* Excluding self-funding deals

(Source) Thomson Financial

Any Japanese Involvement announced M&A Financial Advisor Ranking (CY 2008; by # of deals)

(Unit: USD million, %)

Rank		Financial Advisor	# of Deals	Amount
1	(1)	Nomura	110	30,915.74
2	(2)	Mitsubishi UFJ	91	21,198.63
3	(3)	Citi	87	8,194.10
-	(4)	MHSC	80	7,750.25
4	(-)	former MHSC	71	7,549.74
5	(5)	Daiwa Securities SMBC	71	20,461.46
6	(6)	KPMG	49	6,004.30
7	(7)	GCA Savvian Group	39	17,244.57
8	(8)	Goldman Sachs	34	32,600.39
9	(9)	Frontier Management	31	175.63
22	(-)	former Shinko Securities	9	200.51

(Source) Thomson Financial

This material contains forward-looking statements that are based on our current expectations, including estimates and forecasts, and are subject to significant risks and uncertainties. Actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in overall economic conditions, changes in market rates of interest, declines in the value of equity securities or real estate, and the effect of new legislation or government directives and fluctuations in foreign currency exchange rates. We disclaim any obligation to update or revise the forward-looking statements, except as may be required by the rules of the Tokyo Stock Exchange and any applicable laws and regulations. This statement does not constitute an offer for sale or solicitation for investment or other similar activity in or outside of Japan.