UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of December 2024

Commission File Number 001-33098

Mizuho Financial Group, Inc.
(Translation of registrant's name into English)

5-5, Otemachi 1-chome
Chiyoda-ku, Tokyo 100-8176
Japan
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F ☒ Form 40-F ☐

This report on Form 6-K shall be deemed to be incorporated by reference into the prospectus forming a part of Mizuho Financial Group, Inc.'s Registration Statement on Form F-3 (File No. 333-282497) and to be a part of such prospectus from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBITS

Exhibit Number	
15.	Acknowledgment Letter of Ernst & Young ShinNihon LLC
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page for the Company's Interim Report on Form 6-K for the six months ended September 30, 2024, has been formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 26, 2024

Mizuho Financial Group, Inc.

By: /s/ Masahiro Kihara

Name: Masahiro Kihara

Title: President & Group CEO

In this report, yen figures and percentages presented in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, have been rounded to the figures shown, and yen figures and percentages presented in accordance with accounting principles generally accepted in Japan, or Japanese GAAP, have been truncated to the figures shown, in each case, unless otherwise specified. Accordingly, the sum of the figures presented in tables or otherwise herein may not match the total amount.

Unless otherwise specified, for purposes of this report, we have presented our financial information in accordance with U.S. GAAP.

Table of Contents

Recent Developments

The following is a summary of significant business developments since March 31, 2024 relating to Mizuho Financial Group, Inc.

Operating Environment

As to the recent economic environment, developed countries in Europe and the United States have begun to cut interest rates in response to the slowdown in inflation. In the United States, although the labor market has been slowing due to the effects of monetary tightening, the economy has remained resilient, driven by consumption by high-income earners. On the other hand, in Europe, consumption and corporate activities have continued to stagnate. In China, the economy has lacked strength due to the correction in the real estate market and sluggish consumer spending.

In Japan, the economy has been experiencing a moderate recovery. While low growth in overseas economies has weighed on production in the manufacturing sector, capital investment and wages have been on an increasing trend on the back of high corporate profits. Going forward, a moderate recovery is likely to continue, led by domestic demand, as high corporate profits continue to be allocated to capital investment and wage increases, while the trend of passing on costs due to yen depreciation and increased labor costs to prices continues. In light of these circumstances, the Bank of Japan ("BOJ") decided to raise its policy interest rate in July 2024. It is expected that the BOJ will continue to determine its monetary policy by assessing developments in wages and prices and other trends of the economy going forward.

In the United States, the economy has continued to grow steadily, driven by consumption by high-income earners, even under the rapid monetary tightening by the Federal Reserve Board ("FRB"). On the other hand, due to the impact of monetary tightening, corporations have been refraining from hiring, and the labor market is slowing down. Additionally, inflation has slowed steadily as a result of the easing of labor and supply shortages. Based on these circumstances, the FRB decided to lower its policy interest rate at the meetings of the Federal Open Market Committee held in September and November 2024. However, since there are concerns that the rise in crude oil prices and other factors will extend to commodity prices, it is expected that the FRB will determine future policies carefully while keeping an eye on inflation and economic conditions.

In Europe, the economy has continued to experience low growth. Consumer spending has been stagnant, and the impact of monetary tightening has exerted downward pressure on companies' investment demand. In addition, inflation has slowed as a result of a pause in the passing of rising energy costs onto consumers and the economic downturn. The European Central Bank decided to lower its policy interest rate at its meeting held in June and three consecutive meetings held since September 2024, in response to the economic downturn and the slowdown in inflation. However, the labor market remains tight and the risk of a resurgence in wages and price inflation remains.

In Asia, the economy has been lacking momentum. In China, although government support measures and robust exports have supported the economy, the prolonged correction in the real estate market and weak consumer spending have resulted in an economy lacking momentum. In addition, conflicts between the United States and China continue to pose a high degree of uncertainty with respect to China's trade and national security.

In emerging countries, the economy is beginning to recover due to the improved market conditions for semiconductors. However, the market improvement is skewed towards export goods such as electrical machinery, and the economy has not yet fully recovered.

As for the future outlook of the global economy, growth is expected to remain sluggish, as the effects of monetary tightening will continue in Europe and the United States, and the slowdown in the Chinese economy will weigh on the global economy. On the other hand, depending on the circumstances, such as the effects of the economic downturn due to previous monetary tightening in Europe and the United States being worse than expected, heightened tensions in the Middle East, and policy changes following the U.S. presidential election, there is a risk of turmoil in financial and capital markets and further economic deterioration, which may also adversely affect the Japanese economy.

Key indicators of Japanese economic conditions in recent periods include the following:

- Japan's real gross domestic product on a quarterly basis, compared to the corresponding period of the previous year, decreased by 0.9% in the quarter ended June 30, 2024, and increased by 0.5% in the quarter ended September 30, 2024. The gross domestic product increased consecutively from the quarter ended June 30, 2021 through the quarter ended December 31, 2023, decreased in the two consecutive quarters ended June 30, 2024, and increased in the quarter ended September 30, 2024.
- In September 2016, the BOJ introduced "quantitative and qualitative monetary easing with yield curve control" by strengthening its two previous policy frameworks, namely "quantitative and qualitative monetary easing ("QQE")" and "QQE with a negative interest rate." These policies aimed to drive the observed consumer price index to a level exceeding the price stability target of 2% and to maintain the index above that target in a stable manner. Under this policy framework, the BOJ set a guideline for market operations: regarding short-term interest rates, the BOJ would apply an interest rate of negative 0.1% to certain excess balances in current accounts held by financial institutions at the BOJ; and regarding long-term interest rates, it would purchase Japanese government bonds to control long-term interest rates so that the yield of 10-year Japanese government bonds would remain at around 0%.

  In December 2022, the BOJ decided to expand the range in which it allowed the yield of 10-year Japanese government bonds to fluctuate, from between around plus or minus 0.25% to between around plus or minus 0.5%, in order to improve market function and encourage the smoother formation of the entire yield curve, while maintaining accommodative financial conditions.

  In October 2023, the BOJ decided to further increase flexibility in the conduct of yield curve control. While the BOJ would maintain the target level of the yield of 10-year Japanese government bonds at around zero percent, it would conduct yield curve control with an upper bound of 1.0 % for these yields as a reference.

  In March 2024, the BOJ expressed the view that its policy frameworks of "quantitative and qualitative monetary easing with yield curve control" and the negative interest rate policy since 2016 have fulfilled their roles because the BOJ assessed that a virtuous cycle between wages and prices had emerged, and judged that the price stability target of 2 percent had come in sight and would be achieved in a sustainable and stable manner towards the end of the projection period of the January 2024 Outlook Report (Outlook for Economic Activity and Prices). As the guideline for market operations, the BOJ decided to (i) end the negative interest rate policy and encourage the uncollateralized overnight call rate to remain at around 0 to 0.1 percent, and (ii) eliminate the yield curve control and abolish the yield target level on 10-year Japanese government bonds.

  In July 2024, the BOJ decided (i) to encourage the uncollateralized overnight call rate to remain at around 0.25 percent, and (ii) on a plan to reduce the amount of its monthly outright purchases of Japanese government bonds by about 400 billion yen each calendar quarter in principle down to about 3 trillion yen during a period from January to March 2026.
- The yield on newly issued 10-year Japanese government bonds, which is a key long-term interest rate indicator, was 0.727% as of March 29, 2024 and increased to 0.861% as of September 30, 2024. Thereafter, the yield increased further to 1.048% as of November 29, 2024.
- According to Teikoku Databank, a Japanese research institution, there were 4,208 corporate bankruptcies in the six months ended September 30, 2023, involving approximately ¥1.6 trillion in total liabilities, 4,673 corporate bankruptcies in the six months ended March 31, 2024, involving

approximately ¥0.8 trillion in total liabilities, and 4,990 corporate bankruptcies in the six months ended September 30, 2024, involving approximately ¥1.3 trillion in total liabilities. The number of corporate bankruptcies has increased for six consecutive half-year periods since the second half of fiscal year 2021.

- The Nikkei Stock Average, which is an average of the price of 225 stocks listed on the Tokyo Stock Exchange, decreased by 6.1% to ¥37,919.55 as of September 30, 2024 compared to March 29, 2024. Thereafter, the Nikkei Stock Average increased to ¥38,208.03 as of November 29, 2024.
- The yen to U.S. dollar spot exchange rate, according to the BOJ, was ¥151.34 to $1.00 as of March 29, 2024 and strengthened to ¥142.38 to $1.00 as of September 30, 2024. Thereafter, the yen weakened to ¥149.99 to $1.00 as of November 29, 2024.

Developments Relating to Our Capital

All yen figures and percentages in this subsection are truncated.

We have been pursuing the optimal balance between capital adequacy, growth investment and enhancement of shareholder return.

In the six months ended September 30, 2024, we maintained a sufficient capital base compared to regulatory minimum requirements, mainly as a result of earning ¥566.1 billion of profit attributable to owners of parent (under Japanese GAAP).

Our Common Equity Tier 1 capital ratio under Basel III as of September 30, 2024 was 13.69%.

With respect to redemptions of previously issued securities, we redeemed various securities that are eligible regulatory capital instruments under Basel III upon their respective initial optional redemption dates or their respective maturity dates. As for Additional Tier 1 capital, in December 2024, we redeemed ¥140.0 billion of unsecured perpetual subordinated bonds with an optional redemption clause and a write-down clause issued by Mizuho Financial Group in July 2019. As for Tier 2 capital, in July 2024 and December 2024, we redeemed ¥80.0 billion and ¥25.0 billion of unsecured fixed-term subordinated bonds with a write-down clause issued by Mizuho Financial Group in July 2014 and December 2014, respectively. In June 2024 and October 2024, as for Tier 2 capital, we also redeemed ¥55.0 billion and ¥117.0 billion of unsecured fixed-term subordinated bonds with an optional redemption clause and a write-down clause issued by Mizuho Financial Group in June 2019 and October 2019, respectively.

Meanwhile, as for the new issuances of Additional Tier 1 capital, in April 2024, we issued ¥162.0 billion and ¥68.0 billion of unsecured perpetual subordinated bonds with an optional redemption clause and a write-down clause through public offerings to wholesale investors in Japan. In July 2024, as for Additional Tier 1 capital, we also issued ¥56.5 billion and ¥28.0 billion of unsecured perpetual subordinated bonds with an optional redemption clause and a write-down clause through public offerings to wholesale investors in Japan. With respect to the new issuances of Tier 2 capital, in July 2024, we issued ¥64.0 billion of unsecured fixed-term subordinated bonds with a write-down clause through a public offering to retail investors in Japan. In July 2024, as for Tier 2 capital, we also issued ¥136.0 billion of unsecured fixed-term subordinated bonds with an optional redemption clause and a write-down clause through a public offering to retail investors in Japan.

Interim cash dividends for the fiscal year ending March 31, 2025 were ¥65.0 per share of common stock, an increase of ¥15.0 per share compared to ¥50.0 for the fiscal year ended March 31, 2024.

On November 14, 2024, our Board of Directors resolved to repurchase shares of our common stock and cancel all of the repurchased shares. The resolution authorized the repurchase of up to the lesser of (i) an aggregate of 50,000,000 shares of our common stock and (ii) an aggregate of ¥100 billion between November 15, 2024 and February 28, 2025. During November 2024, we repurchased 6,130,200 shares of our common stock for ¥23.1 billion in aggregate.

We maintain our shareholder return policy of progressive dividends as our principal approach while executing flexible and intermittent share repurchases. In addition, as for dividends, we will decide based on the steady growth of our stable earnings base, taking a dividend payout ratio of 40% as a guide into consideration. As for share repurchases, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution.

Developments Relating to Our Business

Strategic Capital and Business Alliance between Mizuho Financial Group and Rakuten Card

On November 13, 2024, we resolved to enter into a strategic capital and business alliance ("the Alliance") with Rakuten Card Co., Ltd. ("Rakuten Card"), a consolidated subsidiary of Rakuten Group, Inc. ("Rakuten Group"). In conjunction with the Alliance, we and Rakuten Group executed a share transfer agreement on November 13, 2024, pursuant to which Rakuten Group transferred 14.99% of Rakuten Card's common stock to us for ¥165 billion on December 1, 2024.

In addition, on the same date, Mizuho Financial Group, Mizuho Bank, UC Card Co., Ltd., each, our consolidated subsidiary, Orient Corporation, our equity-method affiliate, Rakuten Group and Rakuten Card announced the formation of a business alliance that aims to transform Japan's digital payment landscape. We and Rakuten Group decided to leverage the strengths of these six key companies to develop new, highly convenient retail business models in the increasingly competitive payments industry, that will strengthen customer loyalty and develop solutions that meet the needs of affiliate stores.

Disposing of Our Cross-shareholdings

Reflecting the potential impact on our financial position associated with the risk of stock price fluctuation, as a basic policy, unless we consider the holdings to be meaningful, we will not hold the shares of other companies as cross-shareholdings. Even if we consider the holdings to be meaningful, we will also endeavor to reduce them through dialogue with the issuing companies. As part of the medium-term business plan for the three fiscal years ending March 31, 2026, we are continuing our basic policy of reducing cross-shareholdings. During the six months ended September 30, 2024, we have sold ¥36.9 billion of cross-shareholdings under Japanese GAAP on an acquisition cost basis.

Others

Russia-Ukraine situation

As of March 31 and September 30, 2024, our direct net country exposure to Russia was $1.12 billion and $1.13 billion, respectively, which were only a small percentage of our total exposure. The Russian related exposure figures are on an aggregate basis of Mizuho Bank and Mizuho Trust & Banking, each on a consolidated basis, and take into account the guarantee amount in the country where the risk exists, and the exposure primarily consisted of outstanding loans, commitment lines, guarantee transactions and derivatives-related credit. Included within this exposure are loans made by AO Mizuho Bank (Moscow). Loans of AO Mizuho Bank (Moscow) decreased by $0.05 billion from $0.09 billion as of March 31, 2024 to $0.04 billion as of September 30, 2024.

Considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating, we incorporated the estimated impact of the Russia-Ukraine situation into the macroeconomic scenario used for determining the allowance for credit losses on loans.

Accounting Changes

See note 2 to our consolidated financial statements included elsewhere in this report.

Operating Results

The following table shows certain information as to our income, expenses and net income attributable to MHFG shareholders for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023	Six months ended September 30, 2024	Increase (decrease)
	(in billions of yen)		
Interest and dividend income	¥2,717	¥3,169	¥ 452
Interest expense	2,081	2,579	498
Net interest income	636	590	(46)
Provision (credit) for credit losses	(2)	(2)	1
Net interest income after provision (credit) for credit losses	638	592	(47)
Noninterest income	992	1,337	346
Noninterest expenses	1,039	1,153	113
Income before income tax expense	591	777	186
Income tax expense	178	228	50
Net income	413	548	136
Less: Net income (loss) attributable to noncontrolling interests	106	(15)	(121)
Net income attributable to MHFG shareholders	¥ 307	¥ 563	¥ 256

The following is a discussion of major components of our net income attributable to MHFG shareholders for the six months ended September 30, 2023 and 2024.

Net Interest Income

The following table shows the average balance of interest-earning assets and interest-bearing liabilities, interest amounts and the annualized average interest rates on such assets and liabilities for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023			Six months ended September 30, 2024			Increase (decrease)		
	Average balance	Interest amount	Interest rate	Average balance	Interest amount	Interest rate	Average balance	Interest amount	Interest rate
	(in billions of yen, except percentages)								
Interest-bearing deposits in other banks	¥ 64,922	¥ 485	1.49%	¥ 73,732	¥ 503	1.36%	¥ 8,811	¥ 19	(0.13)%
Call loans and funds sold	5,086	17	0.67	1,059	13	2.51	(4,027)	(4)	1.84
Receivables under resale agreements and securities borrowing transactions	18,062	308	3.41	24,379	468	3.83	6,317	159	0.42
Trading account assets	20,441	337	3.29	23,943	412	3.43	3,501	75	0.15
Investments	33,662	129	0.77	28,872	234	1.62	(4,790)	105	0.85
Loans	96,506	1,440	2.98	97,503	1,538	3.15	997	98	0.17
Total interest-earning assets	238,679	2,717	2.27	249,487	3,169	2.53	10,808	452	0.26
Deposits	141,795	1,030	1.45	140,638	1,155	1.64	(1,157)	125	0.19
Call money and funds purchased	2,334	13	1.11	2,758	7	0.52	424	(6)	(0.59)
Payables under repurchase agreements and securities lending transactions	32,774	731	4.45	40,856	1,057	5.16	8,082	327	0.72
Other short-term borrowings(1)	4,063	42	2.08	4,218	67	3.17	154	24	1.08
Trading account liabilities	6,590	85	2.57	5,759	114	3.95	(830)	29	1.38
Long-term debt	15,412	180	2.33	16,549	178	2.15	1,137	(1)	(0.18)
Total interest-bearing liabilities	202,968	2,081	2.04	210,778	2,579	2.44	7,810	498	0.40
Net	¥ 35,711	¥ 636	0.23	¥ 38,709	¥ 590	0.09	¥ 2,998	¥ (46)	(0.13)

Note:
(1) Other short-term borrowings consist of due to trust accounts, commercial paper and other short-term borrowings.

Interest and dividend income increased by ¥452 billion, or 16.7%, from the six months ended September 30, 2023 to ¥3,169 billion in the six months ended September 30, 2024 due mainly to increases in interest income from receivables under resale agreements and securities borrowing transactions and investments. These increases were due mainly to an increase in interest income at our overseas subsidiaries. The changes in the average yields on interest-earning assets contributed to an overall increase in interest and dividend income of ¥352 billion, and the changes in average balances of interest-earning assets contributed to an overall increase in interest and dividend income of ¥100 billion, resulting in a ¥452 billion increase in interest and dividend income.

Interest expense increased by ¥498 billion, or 23.9%, from the six months ended September 30, 2023 to ¥2,579 billion in the six months ended September 30, 2024 due mainly to increases in interest expense on payables under repurchase agreements and securities lending transactions and deposits. These increases were due mainly to an increase in interest expense at our overseas subsidiaries. The changes in average interest rates on interest-bearing liabilities contributed to an overall increase in interest expense of ¥293 billion, and the changes in average balances of interest-bearing liabilities contributed to an overall increase in interest expense of ¥205 billion, resulting in a ¥498 billion increase in interest expense.

As a result of the foregoing, net interest income decreased by ¥46 billion, or 7.2%, from the six months ended September 30, 2023 to ¥590 billion in the six months ended September 30, 2024. Average interest rate spread declined by 0.13 percentage points from the six months ended September 30, 2023 to 0.09% in the six months ended September 30, 2024. The decline of the average interest rate spread was due mainly to a rise in the average yield on interest-bearing liabilities, which more than offset the effect of a rise in average interest rate on interest-earning assets.

Provision (Credit) for Credit Losses

Credit for credit losses for the six months ended September 30, 2024 was ¥2 billion, substantially unchanged from the corresponding period in the previous fiscal year.

Noninterest Income

The following table shows a breakdown of noninterest income for the six months ended September 30, 2023 and 2024:

	Six months ended September 30,		Increase (decrease)
	2023	2024	
	(in billions of yen)		
Fee and commission	¥ 524	¥ 573	¥ 49
Fee and commission from securities-related business	117	127	10
Fee and commission from deposits business	8	8	—
Fee and commission from lending business	112	118	7
Fee and commission from remittance business	52	50	(1)
Fee and commission from asset management business	56	62	6
Fee and commission from trust related business	62	64	2
Fee and commission from agency business	19	20	1
Fee and commission from guarantee related business	21	23	2
Fees for other customer services	78	100	23
Foreign exchange gains (losses)—net	23	(120)	(143)
Trading account gains (losses)—net	(258)	802	1,060
Investment gains (losses)—net	495	(122)	(617)
Debt securities	4	12	8
Equity securities	490	(134)	(624)
Equity in earnings (losses) of equity method investees—net	47	9	(38)
Gains on disposal of premises and equipment	8	72	64
Other noninterest income	153	123	(30)
Total noninterest income	¥ 992	¥1,337	¥ 346

Noninterest income increased by ¥346 billion, or 34.9% from the six months ended September 30, 2023 to ¥1,337 billion in the six months ended September 30, 2024. The increase was due mainly to trading account gains—net of ¥802 billion compared to trading account losses—net of ¥258 billion in the corresponding period in the previous fiscal year, offset in part by investment losses—net of ¥122 billion compared to investment gains—net of ¥495 billion in the corresponding period in the previous fiscal year.

Fee and commission

Fee and commission increased by ¥49 billion, or 9.3%, from the six months ended September 30, 2023 to ¥573 billion in the six months ended September 30, 2024. The increase was due mainly to increases in fees for other customer services of ¥23 billion and fee and commission from securities-related business of ¥10 billion. The increase in fees for other customer services was mainly due to an increase in financial advisory fees by our U.S. subsidiary. The increase in fee and commission from securities-related business was due mainly to an increase in fee and commission from securities-related business at our overseas securities subsidiaries.

Foreign exchange gains (losses)—net

Foreign exchange gains (losses)—net was a loss of ¥120 billion in the six months ended September 30, 2024 compared to a gain of ¥23 billion in the corresponding period in the previous fiscal year. The change from foreign exchange gains—net to foreign exchange losses—net was due mainly to fluctuations in foreign exchange rates in the six months ended September 30, 2024.

Trading account gains (losses)—net

Trading account gains (losses)—net was a gain of ¥802 billion in the six months ended September 30, 2024 compared to a loss of ¥258 billion in the corresponding period in the previous fiscal year. The change from trading account losses—net to trading account gains—net was due mainly to an increase in gains related to change in the fair value of our portfolio of foreign currency-denominated securities for which the fair value option was elected due mainly to a fall in U.S. long-term interest rates, partially offset by a decrease in gains on derivatives.

Investment gains (losses)—net

Investment gains (losses)—net was a loss of ¥122 billion in the six months ended September 30, 2024 compared to a gain of ¥495 billion in the corresponding period in the previous fiscal year, among which investment gains (losses)—net related to equity securities was a loss of ¥134 billion in the six months ended September 30, 2024 compared to a gain of ¥490 billion in the corresponding period in the previous fiscal year. The change from investment gains—net to investment losses—net related to equity securities was due mainly to a decrease in gains related to changes in the fair value of Japanese equity securities in the six months ended September 30, 2024, which mostly reflected the relative weakness in market conditions compared to gains in the corresponding period in the previous fiscal year. For further information, see note 3 to our consolidated financial statements included elsewhere in this report.

Noninterest Expenses

The following table shows a breakdown of noninterest expenses for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023	2024	Increase (decrease)
	(in billions of yen)		
Salaries and employee benefits	¥ 371	¥ 430	¥ 60
General and administrative expenses	347	401	54
Occupancy expenses	81	85	4
Fee and commission expenses	119	134	15
Provision (credit) for credit losses on off-balance-sheet instruments	7	(17)	(24)
Other noninterest expenses	114	120	5
Total noninterest expenses	¥1,039	¥1,153	¥113

Noninterest expenses increased by ¥113 billion, or 10.9%, from the six months ended September 30, 2023 to ¥1,153 billion in the six months ended September 30, 2024. The increase was due mainly to increases in salaries and employee benefits of ¥60 billion, and general and administrative expenses of ¥54 billion.

Salaries and employee benefits

Salaries and employee benefits increased by ¥60 billion, or 16.1%, from the six months ended September 30, 2023 to ¥430 billion in the six months ended September 30, 2024. The increase was due mainly to an increase in personnel costs at our overseas subsidiaries.

General and administrative expenses

General and administrative expenses increased by ¥54 billion, or 15.6%, from the six months ended September 30, 2023 to ¥401 billion in the six months ended September 30, 2024. The increase was due mainly to an increase in property expenses at a domestic bank subsidiary.

Income Tax Expense

The following table shows certain information as to our income, income tax expense and net income attributable to MHFG shareholders for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023	2024	Increase (decrease)
	(in billions of yen)		
Income before income tax expense	¥591	¥777	¥ 186
Income tax expense	178	228	50
Current tax expense	124	200	76
Deferred tax expense	54	29	(26)
Net income	413	548	136
Less: Net income (loss) attributable to noncontrolling interests	106	(15)	(121)
Net income attributable to MHFG shareholders	¥307	¥563	¥ 256

Income tax expense increased by ¥50 billion from the six months ended September 30, 2023 to ¥228 billion in the six months ended September 30, 2024. Current tax expense in the six months ended September 30, 2024 increased by ¥76 billion from the corresponding period in the previous fiscal year to ¥200 billion. The increase in current tax expense was due mainly to an increase in the taxable income of our principal banking subsidiaries. Deferred tax expense in the six months ended September 30, 2024 decreased by ¥26 billion from the corresponding period in the previous fiscal year to ¥29 billion. The change in deferred tax expense was due primarily to changes in temporary differences of our principal banking subsidiaries.

We consider the sales of available-for-sale securities and equity securities to be a qualifying tax-planning strategy that is a possible source of future taxable income to the extent necessary in the future mainly with respect to our principal banking subsidiaries in Japan. The reliance on this tax-planning strategy of our subsidiaries in Japan was at immaterial levels of overall deferred tax assets as of September 30, 2024.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests was a loss of ¥15 billion in the six months ended September 30, 2024 compared to income of ¥106 billion in the corresponding period in the previous fiscal year.

Net Income Attributable to MHFG Shareholders

As a result of the foregoing, net income attributable to MHFG shareholders increased by ¥256 billion, or 83.4%, from the corresponding period in the previous fiscal year to ¥563 billion in the six months ended September 30, 2024.

Business Segments Analysis

Our business segment information is prepared based on the internal management reporting systems used by management to measure the performance of our business segments under Japanese GAAP. Since figures reported to management are prepared under Japanese GAAP, they are not consistent with the consolidated financial statements prepared in accordance with U.S. GAAP. This difference is addressed in note 20 to our consolidated financial statements included elsewhere in this report, where a reconciliation to U.S. GAAP of the total amount of all business segments is provided.

We manage our group under an in-house company system based on our diverse customer segments. The aim of this system is to leverage our strengths and competitive advantage, which is the seamless integration of our banking, trust banking and securities functions under a holding company structure, to speedily provide high-quality financial services that closely match customer needs.

Specifically, the company system is classified into the following five in-house companies, each based on a customer segment: the Retail & Business Banking Company (“RBC”); the Corporate & Investment Banking Company (“CIBC”); the Global Corporate & Investment Banking Company (“GCIBC”); the Global Markets Company (“GMC”); and the Asset Management Company (“AMC”). These customer segments are regarded as our operating segments and constitute reportable segments.

As background, effective as of April 1, 2023, we partially restructured our in-house company system. CIBC was newly established through the integration of a former in-house company named the Corporate & Institutional Company and the investment banking functions of a former unit named the Global Products Unit. With the new establishment of CIBC above, a former in-house company named the Global Corporate Company changed its name to GCIBC.

For a brief description of each of our business segments, see note 20 to our consolidated financial statements included elsewhere in this report.

Results of Operations by Business Segment

Consolidated Results of Operations

Consolidated gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥230.3 billion, compared to the six months ended September 30, 2023, to ¥1,561.5 billion. Consolidated general and administrative expenses for the six months ended September 30, 2024 increased by ¥89.6 billion compared to the six months ended September 30, 2023, to ¥885.7 billion. Consolidated equity in earnings of equity method investees-net for the six months ended September 30, 2024 increased by ¥4.2 billion, compared to the six months ended September 30, 2023, to ¥27.7 billion. Consolidated net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥142.2 billion, compared to the six months ended September 30, 2023, to ¥696.6 billion.

	Mizuho Financial Group (Consolidated)						
	RBC	CIBC	GCIBC	GMC	AMC	Others(6)	Total
	(in billions of yen)						
Six months ended September 30, 2023(1):							
Gross profits + Net gains (losses) related to ETFs and others(2)	¥347.9	¥261.6	¥344.4	¥285.1	¥27.5	¥ 64.4	¥1,331.2
General and administrative expenses(3)	308.7	104.0	178.1	153.8	17.1	34.3	796.1
Equity in earnings (losses) of equity method investees-net	5.7	3.8	13.2	—	(0.9)	1.6	23.5
Amortization of goodwill and others	—	0.4	0.4	—	3.2	0.1	4.2
Net business profits (losses)(4) + Net gains (losses) related to ETFs and others	¥ 44.9	¥161.1	¥179.1	¥131.3	¥ 6.2	¥ 31.6	¥ 554.3
Fixed assets(5)	¥498.9	¥152.3	¥188.9	¥ 86.4	¥ —	¥781.9	¥1,708.6

	Mizuho Financial Group (Consolidated)						
	RBC	CIBC	GCIBC	GMC	AMC	Others(6)	Total
	(in billions of yen)						
Six months ended September 30, 2024(1):							
Gross profits + Net gains (losses) related to ETFs and others(2)	¥379.8	¥301.2	¥385.1	¥401.3	¥29.5	¥ 64.4	¥1,561.5
General and administrative expenses(3)	343.6	116.6	217.1	168.0	18.2	22.0	885.7
Equity in earnings (losses) of equity method investees-net	4.2	5.8	13.4	—	0.2	3.9	27.7
Amortization of goodwill and others	—	0.4	3.1	—	3.0	0.2	6.9
Net business profits (losses)(4) + Net gains (losses) related to ETFs and others	¥ 40.5	¥190.0	¥178.2	¥233.2	¥ 8.4	¥ 46.0	¥ 696.6
Fixed assets(5)	¥549.2	¥150.5	¥188.3	¥ 87.8	¥ —	¥873.1	¥1,849.0

Notes:

(1) Income and expenses of foreign branches of Mizuho Bank and foreign subsidiaries with functional currencies other than Japanese Yen have been translated for purposes of segment reporting using the budgeted foreign currency rates. Prior period comparative amounts for such foreign currency income and expenses have been translated using current period budgeted foreign currency rates.

(2) "Gross profits + Net gains (losses) related to ETFs and others" is reported instead of sales reported by general corporations. Gross profits is defined as the sum of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income. Net gains (losses) related to ETFs and others consist of net gains (losses) on ETFs held by Mizuho Bank and Mizuho Trust & Banking on their non-consolidated basis and net gains (losses) on operating investment securities of Mizuho Securities on its consolidated basis. For the six months ended September 30, 2023 and 2024, net gains (losses) related to ETFs and others amounted to ¥18.3 billion and ¥40.8 billion, respectively, of which ¥17.2 billion and ¥37.2 billion are included in GMC, respectively.

(3) "General and administrative expenses" excludes non-allocated gains (losses), net.

(4) Net business profits (losses) is used in Japan as a measure of the profitability of core banking operations, and is defined as gross profits (as defined above) less general and administrative expenses (excluding non-allocated gains (losses), net) plus equity in earnings (losses) of equity method investees-net less amortization of goodwill and others. Measurement of net business profits (losses) is required for regulatory reporting to the Financial Services Agency of Japan.

(5) "Fixed assets" is presented based on Japanese GAAP and corresponds to the total amount of the following U.S. GAAP accounts: Premises and equipment-net; Goodwill; Intangible assets; and right-of-use assets related to operating leases included in Other assets. The above table does not include other asset amounts because "Fixed assets" is the only balance sheet metric that management uses when evaluating and making decisions pertaining to the operating segments. "Others" in "Fixed assets" includes assets of headquarters that have not been allocated to each segment, "Fixed assets" pertaining to consolidated subsidiaries that are not subject to allocation, consolidating adjustments, and others. Certain "Fixed assets" expenses have been allocated to each segment using reasonable allocation criteria.

(6) "Others" includes the following items:
- profits and expenses pertaining to consolidated subsidiaries that are not subject to allocation;
- consolidating adjustments, including elimination of internal transaction between each segment;
- equity in earnings (losses) of equity method investees-net that are not subject to allocation; and
- profits and losses pertaining to derivative transactions that reflect the counterparty risk of the individual parties and other factors in determining fair market value.

RBC

Gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥31.9 billion, or 9.1%, compared to the six months ended September 30, 2023, to ¥379.8 billion. The increase was attributable mainly to an increase in non-interest income and an improvement in deposit income due to the rise in JPY interest rates.

General and administrative expenses for the six months ended September 30, 2024 increased by ¥34.8 billion or 11.2%, compared to the six months ended September 30, 2023, to ¥343.6 billion.

As a result, net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 decreased by ¥4.4 billion, or 9.8%, compared to the six months ended September 30, 2023, to ¥40.5 billion.

CIBC

Gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥39.5 billion, or 15.1%, compared to the six months ended September 30, 2023, to ¥301.2 billion. The increase was attributable mainly to increases in deposit and loan income.

General and administrative expenses for the six months ended September 30, 2024 increased by ¥12.6 billion, or 12.1%, compared to the six months ended September 30, 2023, to ¥116.6 billion.

As a result, net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥28.9 billion, or 17.9%, compared to the six months ended September 30, 2023, to ¥190.0 billion.

GCIBC

Gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥40.6 billion, or 11.8%, compared to the six months ended September 30, 2023, to ¥385.1 billion. The increase was attributable mainly to a recovery in capital markets-related income and an increase in credit-related income.

General and administrative expenses for the six months ended September 30, 2024 increased by ¥39.0 billion, or 21.9%, compared to the six months ended September 30, 2023, to ¥217.1 billion.

As a result, together with an increase in amortization of goodwill and others, net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 decreased by ¥0.8 billion, or 0.4%, compared to the six months ended September 30, 2023, to ¥178.2 billion.

GMC

Gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥116.1 billion, or 40.7%, compared to the six months ended September 30, 2023, to ¥401.3 billion. The increase was attributable mainly to an increase in banking income and strong results in fixed income, currencies, commodities and equities.

General and administrative expenses for the six months ended September 30, 2024 increased by ¥14.2 billion, or 9.2%, compared to the six months ended September 30, 2023, to ¥168.0 billion.

As a result, net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥101.9 billion, or 77.6%, compared to the six months ended September 30, 2023, to ¥233.2 billion.

AMC

Gross profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥1.9 billion, or 7.1%, compared to the six months ended September 30, 2023, to ¥29.5 billion. The increase was attributable mainly to an increase in revenue from publicly offered investment trusts.

General and administrative expenses for the six months ended September 30, 2024 increased by ¥1.1 billion, or 6.7%, compared to the six months ended September 30, 2023, to ¥18.2 billion.

As a result, net business profits + net gains related to ETFs and others for the six months ended September 30, 2024 increased by ¥2.2 billion, or 35.2%, compared to the six months ended September 30, 2023, to ¥8.4 billion.

Financial Condition

Assets

Our assets as of March 31, 2024 and September 30, 2024 were as follows:

	As of		
	March 31, 2024	September 30, 2024	Increase (decrease)
	(in billions of yen)		
Cash and due from banks	¥ 2,046	¥ 2,191	¥ 144
Interest-bearing deposits in other banks	72,067	70,483	(1,583)
Call loans and funds sold	1,392	1,243	(149)
Receivables under resale agreements	20,535	22,659	2,124
Receivables under securities borrowing transactions	2,352	2,176	(175)
Trading account assets	36,760	37,819	1,060
Investments	27,798	27,030	(769)
Loans	98,445	97,103	(1,342)
Allowance for credit losses on loans	(750)	(716)	34
Loans, net of allowance	97,695	96,387	(1,307)
Premises and equipment-net	1,714	1,744	29
Due from customers on acceptances	438	373	(64)
Accrued income	692	667	(25)
Goodwill	164	161	(4)
Intangible assets	45	40	(5)
Deferred tax assets	196	171	(25)
Other assets	8,280	7,663	(617)
Total assets	¥272,173	¥270,806	¥(1,367)

Total assets decreased by ¥1,367 billion from March 31, 2024 to ¥270,806 billion as of September 30, 2024. The decrease was due mainly to decreases of ¥1,583 billion in interest-bearing deposits in other banks and ¥1,307 billion in loans, net of allowance, offset in part by an increase of ¥2,124 billion in receivables under resale agreements.

Loans

Loans outstanding

The following table shows our loans outstanding as of March 31, 2024 and September 30, 2024:

	As of				Increase (decrease)	
	March 31, 2024		September 30, 2024			
	(in billions of yen, except percentages)					
Domestic:						
Corporate:						
Large companies	¥45,921	46.6%	¥45,790	47.2%	¥ (130)	0.5%
Small and medium-sized companies	2,436	2.5	2,327	2.4	(109)	(0.1)
Retail:						
Housing loan	7,170	7.3	6,957	7.2	(213)	(0.1)
Others	1,403	1.4	1,343	1.4	(60)	0.0
Sovereign	2,447	2.5	2,512	2.6	65	0.1
Banks and other financial institutions	1,231	1.3	757	0.8	(475)	(0.5)
Total domestic	60,608	61.6	59,686	61.5	(922)	(0.1)
Foreign:						
Corporate[(1)]	33,905	34.4	33,597	34.6	(308)	0.2
Retail	10	0.0	10	0.0	—	0.0
Sovereign	687	0.7	673	0.7	(14)	0.0
Banks and other financial institutions	3,235	3.3	3,138	3.2	(97)	(0.1)
Total foreign	37,837	38.4	37,417	38.5	(419)	0.1
Total loans before allowance for credit losses on loans	¥98,445	100.0%	¥97,103	100.0%	¥(1,342)	—

Note:
(1) Corporate of foreign included ¥176 billion and ¥168 billion of lease receivables that were receivables arising from direct financing leasing at March 31, 2024 and September 30, 2024, respectively.

Loans are generally carried at the principal amount adjusted for unearned income and deferred net nonrefundable loan fees and costs. The total amounts of unearned income and deferred net nonrefundable loan fees and costs were ¥268 billion and ¥257 billion at March 31, 2024 and September 30, 2024, respectively.

Total loans before allowance for credit losses on loans decreased by ¥1,342 billion from March 31, 2024 to ¥97,103 billion as of September 30, 2024.

Loans to domestic borrowers decreased by ¥922 billion from March 31, 2024 to ¥59,686 billion as of September 30, 2024 due mainly to decreases in loans to banks and other financial institutions, and housing loans.

Loans to foreign borrowers decreased by ¥419 billion from March 31, 2024 to ¥37,417 billion as of September 30, 2024 due mainly to a decrease in loans to corporate borrowers.

Within our loan portfolio, the proportion of loans to domestic borrowers against total loans decreased from 61.6% to 61.5%, while that of loans to foreign borrowers against total loans increased from 38.4% to 38.5%. Loans to foreign borrowers were regionally diversified.

Nonaccrual Loans

Balance of nonaccrual loans

The following table shows our nonaccrual loans as of March 31, 2024 and September 30, 2024:

	As of					
	March 31, 2024		September 30, 2024		Increase (decrease)	
	Nonaccrual loans	Ratio to total loans	Nonaccrual loans	Ratio to total loans	Nonaccrual loans	Ratio to total loans
	(in billions of yen, except percentages)					
Domestic:						
Corporate:						
Large companies	¥ 967	2.1%	¥ 873	1.9%	¥ (94)	(0.2)%
Small and medium-sized companies	97	4.0	86	3.7	(12)	(0.3)
Retail:						
Housing loan	35	0.5	32	0.5	(3)	0.0
Others	49	3.5	47	3.5	(3)	(0.1)
Total domestic	1,149	1.9	1,037	1.7	(111)	(0.2)
Foreign	127	0.3	108	0.3	(19)	0.0
Total nonaccrual loans	¥1,276	1.3	¥1,145	1.2	¥(131)	(0.1)

Total nonaccrual loans decreased by ¥131 billion, or 10.3%, from March 31, 2024 to ¥1,145 billion as of September 30, 2024. Nonaccrual loans to domestic borrowers decreased by ¥111 billion due mainly to a decrease in nonaccrual loans to large companies. Nonaccrual loans to foreign borrowers decreased by ¥19 billion. The relative impact of foreign currency fluctuations on such amount was immaterial.

Reflecting the aforementioned change, the percentage of nonaccrual loans within total loans decreased from 1.3% as of March 31, 2024 to 1.2% as of September 30, 2024. The percentage of nonaccrual loans net of allowance for credit losses on loans to total loans net of allowance for credit losses on loans decreased from 0.54% as of March 31, 2024 to 0.45% as of September 30, 2024 due to a larger percentage decrease in nonaccrual loans net of allowance for credit losses on loans than the percentage decrease in total loans net of allowance for credit losses on loans.

Allowance for Credit Losses on Loans

Balance of allowance for credit losses on loans

The following table summarizes changes in our allowance for credit losses on loans in the six months ended September 30, 2023 and 2024:

	Domestic					
	Corporate	Retail	Sovereign	Banks and other financial institutions	Foreign[2]	Total
	(in billions of yen)					
Six months ended September 30, 2023						
Balance at beginning of period	¥506	¥ 64	¥—	¥ 1	¥131	¥701
Provision (credit) for credit losses on loans	35	1	—	(1)	(33)	3
Charge-offs	(14)	(2)	—	—	(7)	(24)
Recoveries	1	1	—	—	1	3
Net charge-offs	(13)	(1)	—	—	(6)	(20)
Others [1]	—	—	—	—	47	47
Balance at end of period	¥528	¥ 63	¥—	¥—	¥138	¥730

	Domestic					
	Corporate	Retail	Sovereign	Banks and other financial institutions	Foreign[2]	Total
	(in billions of yen)					
Six months ended September 30, 2024						
Balance at beginning of period	¥564	¥ 56	¥—	¥—	¥130	¥750
Provision (credit) for credit losses on loans	(7)	1	—	—	4	(2)
Charge-offs	(11)	(2)	—	—	(12)	(26)
Recoveries	7	1	—	—	1	8
Net charge-offs	(4)	(2)	—	—	(11)	(18)
Others [1]	—	—	—	—	(15)	(15)
Balance at end of period	¥553	¥ 54	¥—	¥—	¥108	¥716

Notes:
(1) Others includes primarily foreign exchange translation.
(2) The majority of total foreign consist of corporate.

Allowance for credit losses on loans decreased by ¥34 billion, or 4.6%, from March 31, 2024 to ¥716 billion as of September 30, 2024 due to charge-offs of loans to certain foreign borrowers and certain domestic corporate borrowers. As a result, the percentage of allowance for credit losses on loans against total loans decreased by 0.02 percentage points to 0.74%.

We recorded a credit for credit losses on loans of ¥2 billion in the six months ended September 30, 2024 compared to a provision for credit losses on loans of ¥3 billion in the six months ended September 30, 2023. The change was due mainly to a change from provision to credit for credit losses on loans to domestic corporate borrowers, resulting from a decrease in the balance of loans.

Charge-offs increased by ¥2 billion from the six months ended September 30, 2023 to ¥26 billion for the six months ended September 30, 2024.

Investments

The majority of our investments are available-for-sale and held-to-maturity securities, which as of March 31, 2024 and September 30, 2024 were as follows:

	As of								
	March 31, 2024			September 30, 2024			Increase (decrease)		
	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)
	(in billions of yen)								
Available-for-sale securities:									
Debt securities:									
Japanese government bonds	¥10,968	¥10,974	¥ 6	¥10,499	¥10,495	¥ (3)	¥(470)	¥(479)	¥(10)
Other than Japanese government bonds	6,744	6,739	(5)	7,050	7,039	(11)	306	300	(6)
Total	¥17,712	¥17,713	¥ 1	¥17,548	¥17,534	¥ (14)	¥(164)	¥(180)	¥(16)
Held-to-maturity securities:									
Debt securities:									
Japanese government bonds	¥ 519	¥ 512	¥ (7)	¥ 459	¥ 451	¥ (9)	¥ (60)	¥ (61)	¥ (1)
Agency mortgage-backed securities	3,528	3,351	(177)	3,605	3,500	(105)	77	149	73
Total	¥ 4,048	¥ 3,863	¥(185)	¥ 4,064	¥ 3,951	¥(113)	¥ 17	¥ 88	¥ 71

Available-for-sale securities measured at fair value decreased by ¥180 billion from March 31, 2024 to ¥17,534 billion as of September 30, 2024. Held-to-maturity securities measured at amortized cost increased by ¥17 billion from March 31, 2024 to ¥4,064 billion as of September 30, 2024. See note 3 to our consolidated financial statements for details of other investments included within investments.

Trading Account Assets

Trading account assets increased by ¥1,060 billion from March 31, 2024 to ¥37,819 billion as of September 30, 2024. The increase was due mainly to our purchases of U.S. Treasury bonds and the reduction of unrealized losses on U.S. Treasury bonds in an environment of declining interest rates in the United States.

Liabilities

The following table shows our liabilities as of March 31, 2024 and September 30, 2024:

	As of		
	March 31, 2024	September 30, 2024	Increase (decrease)
	(in billions of yen)		
Deposits	¥172,362	¥168,990	¥(3,372)
Due to trust accounts	246	341	95
Call money and funds purchased	1,661	2,820	1,159
Payables under repurchase agreements	38,105	38,718	613
Payables under securities lending transactions	1,350	1,441	91
Other short-term borrowings	3,645	4,294	649
Trading account liabilities	20,621	19,684	(937)
Bank acceptances outstanding	438	373	(64)
Income taxes payable	88	169	81
Deferred tax liabilities	32	32	—
Accrued expenses	649	548	(101)
Long-term debt	16,277	16,236	(42)
Other liabilities	6,269	6,298	29
Total liabilities	¥261,742	¥259,942	¥(1,800)

Total liabilities decreased by ¥1,800 billion from March 31, 2024 to ¥259,942 billion as of September 30, 2024. The decrease was due primarily to a decrease of ¥3,372 billion in deposits, offset in part by an increase of ¥2,607 billion in short-term borrowings. We analyze short-term borrowings, consisting of due to trust accounts, call money and funds purchased, payables under repurchase agreements, payables under securities lending transactions and other short-term borrowings, on a combined basis.

Deposits

The following table shows a breakdown of our deposits as of March 31, 2024 and September 30, 2024:

	As of		
	March 31, 2024	September 30, 2024	Increase (decrease)
	(in billions of yen)		
Domestic:			
Noninterest-bearing deposits	¥ 33,555	¥ 32,881	¥ (674)
Interest-bearing deposits	95,039	92,539	(2,500)
Total domestic deposits	128,594	125,421	(3,174)
Foreign:			
Noninterest-bearing deposits	3,360	2,715	(645)
Interest-bearing deposits	40,408	40,854	446
Total foreign deposits	43,768	43,569	(199)
Total deposits	¥172,362	¥168,990	¥(3,372)

Total deposits decreased by ¥3,372 billion from March 31, 2024 to ¥168,990 billion as of September 30, 2024. Domestic deposits decreased by ¥3,174 billion from March 31, 2024 to ¥125,421 billion as of September 30, 2024. Domestic noninterest-bearing deposits decreased by ¥674 billion from March 31, 2024 to ¥32,881 billion as of September 30, 2024 due mainly to a decrease in current deposits, offset in part by an increase in other deposits. Domestic interest-bearing deposits decreased by ¥2,500 billion from March 31, 2024 to ¥92,539 billion as of September 30, 2024 due mainly to a decrease in ordinary deposits, offset in part by increases in negotiable certificates of deposit and time deposits. Foreign deposits decreased by ¥199 billion from March 31, 2024 to ¥43,569 billion as of September 30, 2024 due mainly to a decrease in current deposits, offset in part by an increase in ordinary deposits.

Short-term Borrowings

The following table shows a breakdown of our short-term borrowings as of March 31, 2024 and September 30, 2024:

	As of								
	March 31, 2024			September 30, 2024			Increase (decrease)		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in billions of yen)								
Due to trust accounts	¥ 246	¥ —	¥ 246	¥ 341	¥ —	¥ 341	¥ 95	¥ —	¥ 95
Call money and funds purchased, and payables under repurchase agreements and securities lending transactions	8,165	32,951	41,116	26,799	16,180	42,979	18,634	(16,772)	1,863
Other short-term borrowings	2,189	1,456	3,645	2,828	1,466	4,294	639	10	649
Total short-term borrowings	¥10,599	¥34,407	¥45,007	¥29,968	¥17,645	¥47,613	¥19,369	¥(16,762)	¥2,607

Total short-term borrowings increased by ¥2,607 billion from March 31, 2024 to ¥47,613 billion as of September 30, 2024. Domestic short-term borrowings increased by ¥19,369 billion due mainly to an increase in payables under repurchase agreements. Foreign short-term borrowings decreased by ¥16,762 billion due mainly to a decrease in payables under repurchase agreements.

Trading Account Liabilities

Trading account liabilities decreased by ¥937 billion from March 31, 2024 to ¥19,684 billion as of September 30, 2024. The decrease was due mainly to a decrease in securities sold for short sales related to hedging activities.

Equity

The following table shows a breakdown of equity as of March 31, 2024 and September 30, 2024:

	As of		
	March 31, 2024	September 30, 2024	Increase (decrease)
	(in billions of yen)		
MHFG shareholders' equity:			
Common stock	¥ 5,834	¥ 5,833	¥ (1)
Retained earnings	3,120	3,544	424
Accumulated other comprehensive income (loss), net of tax	985	1,002	18
Treasury stock, at cost	(9)	(10)	—
Total MHFG shareholders' equity	9,929	10,370	440
Noncontrolling interests	502	494	(8)
Total equity	¥10,431	¥10,864	¥433

Total equity increased by ¥433 billion from March 31, 2024 to ¥10,864 billion as of September 30, 2024 due mainly to an increase in retained earnings.

Retained earnings increased by ¥424 billion from March 31, 2024 to ¥3,544 billion as of September 30, 2024. The increase was due primarily to net income attributable to MHFG shareholders for the six months ended September 30, 2024 of ¥563 billion, offset in part by dividend payments of ¥140 billion.

Accumulated other comprehensive income, net of tax, increased by ¥18 billion from March 31, 2024 to ¥1,002 billion as of September 30, 2024. The increase was due primarily to foreign currency translation adjustments of ¥30 billion, offset in part by net unrealized losses on available-for-sale securities of ¥10 billion.

Noncontrolling interests decreased by ¥8 billion from March 31, 2024 to ¥494 billion as of September 30, 2024.

Liquidity

We continuously endeavor to enhance the management of our liquidity profile to meet our customers' loan demand and deposit withdrawals and respond to unforeseen situations such as adverse movements in stock prices, foreign currency exchange rates, interest rates and other markets or changes in general domestic or international conditions. We manage our liquidity profile through the continuous monitoring of our cash flow situation, the enforcement of upper limits on funds raised in financial markets and other means as further set forth in "Item 11. Quantitative and Qualitative Disclosures about Credit, Market and Other Risk—Liquidity Risk Management" in our most recent Form 20-F.

Deposits, based on our broad customer base and brand recognition in Japan, have been our primary source of liquidity. Our total deposits decreased by ¥3,372 billion, or 2.0%, from March 31, 2024 to ¥168,990 billion as of September 30, 2024.

Secondary sources of liquidity include short-term borrowings such as call money and funds purchased and payables under repurchase agreements. We also issue long-term debt, including both senior and subordinated debt, as additional sources for liquidity. We utilize short-term borrowings to diversify our funding sources and to manage our funding costs. We raise senior and subordinated long-term debt for the purpose of improving our total loss absorbing capacity and capital adequacy ratios, which also enhances our liquidity profile. We believe we are able to access such sources of liquidity on a stable and flexible basis based on our current credit ratings. The following table shows credit ratings assigned to us and to our principal banking subsidiaries by S&P and Moody's as of November 30, 2024:

	As of November 30, 2024			
	S&P		Moody's	
	Long-term	Short-term	Long-term	Short-term
Mizuho Financial Group	A-	—	A1	P-1
Mizuho Bank	A	A-1	A1	P-1
Mizuho Trust & Banking	A	A-1	A1	P-1

We source our funding in foreign currencies primarily from corporate customers, foreign governments, financial institutions and institutional investors, through short-term and long-term financing, under terms and pricing commensurate with our credit ratings above, and customer deposits. In the event of future declines in our credit quality or that of Japan in general, we expect to be able to purchase foreign currencies in sufficient amounts using the yen funds raised through our domestic customer base. As further measures to support our foreign currency liquidity, we hold foreign debt securities and maintain credit lines and swap facilities denominated in foreign currencies.

In order to maintain appropriate funding liquidity, our principal banking subsidiaries hold highly liquid investment assets such as Japanese government bonds as liquidity reserve assets. We monitor the amount of liquidity reserve assets and report such amount to the Risk Management Committee, the Balance Sheet Management Committee and our President & Group CEO on a regular basis. Minimum regulatory reserve amounts, or the reserve amount deposited with the Bank of Japan pursuant to applicable regulations that is calculated as a specified percentage of the amount of deposits held by our principal banking subsidiaries, are excluded in connection with our management of liquidity reserve asset levels. We established and apply classifications for the cash flow conditions affecting the group, including the amount of liquidity reserve assets, that range from "Normal" to "Anxious" and "Crisis" categories, and take appropriate actions based on such conditions. As of September 30, 2024, the balance of Japanese government bonds included within our investments and measured at fair value was ¥10.5 trillion (excluding held-to-maturity securities), and a majority of this amount was classified as the principal component of liquidity reserve assets.

Under the regulatory liquidity requirements in Japan that consist of the liquidity coverage ratio ("LCR") standard and the net stable funding ratio ("NSFR") standard, the regulatory minimum requirements of LCR and NSFR are 100% on both a consolidated and non-consolidated basis for banks with international operations or on a consolidated basis for bank holding companies with international operations. Under the disclosure guidelines of the Financial Services Agency, banks and bank holding companies with international operations are required to disclose the three-month averages of daily LCR and to disclose NSFR on a quarterly basis. Set forth below are the averages of the daily end balances of consolidated LCR data of Mizuho Financial Group, and consolidated and non-consolidated LCR data of our principal banking subsidiaries, each for the three months ended September 30, 2024, and consolidated NSFR data of Mizuho Financial Group, and consolidated and non-consolidated NSFR data of our principal banking subsidiaries, each as of September 30, 2024. The figures are calculated based on our financial statements prepared in accordance with Japanese GAAP and the guidelines on LCR and NSFR established by the Financial Services Agency. All yen figures in this table are truncated.

Liquidity Coverage Ratio (LCR)

	For the three months ended September 30, 2024
	(in billions of yen, except percentages)
Mizuho Financial Group (Consolidated)	
Total high-quality liquid assets (“HQLA”) allowed to be included in the calculation (weighted)	¥ 85,792
Net cash outflows (weighted)	64,850
LCR	132.3%
Mizuho Bank (Consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 81,543
Net cash outflows (weighted)	62,216
LCR	131.0%
Mizuho Bank (Non-consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 80,155
Net cash outflows (weighted)	60,301
LCR	132.9%
Mizuho Trust and Banking (Consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 1,853
Net cash outflows (weighted)	963
LCR	192.9%
Mizuho Trust and Banking (Non-consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 1,780
Net cash outflows (weighted)	860
LCR	207.7%

Net Stable Funding Ratio (NSFR)

	As of September 30, 2024
	(in billions of yen, except percentages)
Mizuho Financial Group (Consolidated)	
Available stable funding (weighted)	¥113,188
Required stable funding (weighted)	95,625
NSFR	118.3%
Mizuho Bank (Consolidated)	
Available stable funding (weighted)	¥107,766
Required stable funding (weighted)	89,705
NSFR	120.1%
Mizuho Bank (Non-consolidated)	
Available stable funding (weighted)	¥103,793
Required stable funding (weighted)	85,271
NSFR	121.7%
Mizuho Trust and Banking (Consolidated)	
Available stable funding (weighted)	¥ 3,515
Required stable funding (weighted)	2,801
NSFR	125.4%
Mizuho Trust and Banking (Non-consolidated)	
Available stable funding (weighted)	¥ 3,440
Required stable funding (weighted)	2,724
NSFR	126.2%

For more information on LCR and NSFR, see "Item 4. Information on the Company—Supervision and Regulation—Liquidity" in our most recent Form 20-F.

Off-balance-sheet Arrangements

See note 14 and note 15 to our consolidated financial statements included elsewhere in this report.

Capital Adequacy

All yen figures and percentages in this subsection are truncated. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Regulatory Capital Requirements

The capital adequacy guidelines applicable to Japanese banks and bank holding companies each with international operations supervised by the Financial Services Agency, including us, require them to measure and apply capital charges with respect to their credit risk, market risk and operational risk.

Under the guidelines, banks and bank holding companies have several choices for the methodologies to calculate their capital requirements for credit risk and market risk, and under the finalized Basel III reforms, the standardized approaches and the advanced measurement approaches for operational risk are replaced with a single revised standardized approach to be used by all banks. We started to adopt the advanced internal ratings-based approach for the calculation of credit risk on March 31, 2009, and have adopted the advanced internal ratings-based approach which was revised under the Basel III finalization framework since March 31, 2024. The Basel III finalization framework has applied to us on a transitional basis from March 31, 2024, including the revisions to the capital floor which were phased in from March 31, 2024, with an initial capital floor of 50%. For the calculation of market risk and operational risk, we had adopted the advanced measurement approach and the internal model approach, respectively, until March 30, 2024, and have adopted the standardized approach for the calculation of both risks since March 31, 2024.

As a bank and bank holding company with international operations, Mizuho Bank and Mizuho Trust & Banking are required to have a minimum Common Equity Tier 1 ratio of 4.5%, Tier 1 capital ratio of 6.0%, and total capital ratio of 8.0% on both a consolidated and non-consolidated basis, and Mizuho Financial Group is required to have the same minimum Common Equity Tier 1 ratio, Tier 1 capital ratio, and total capital ratio on a consolidated basis.

In addition, we are also subject to capital conservation buffers and countercyclical buffers, and Mizuho Financial Group is also subject to additional loss absorbency requirements for a global systemically important bank ("G-SIB") and domestic systemically important bank ("D-SIB"). These buffer requirements must be met with Common Equity Tier 1 capital. The capital conservation buffer and the additional loss absorbency requirements currently applicable to us are 2.5% and 1.0%, respectively. The countercyclical buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures, which, ranging from 0% to 2.5%, would be imposed on banking organizations, subject to national discretion by the respective regulatory authorities. See "Item 4.B. Information on the Company—Business Overview—Supervision and Regulation—Japan—Capital Adequacy" in our most recent Form 20-F.

We are required to maintain a minimum leverage ratio of 3.15% from April 1, 2024, which ratio had been 3.0% until March 31, 2024. In addition, Mizuho Financial Group is subject to the leverage ratio buffer requirement for G-SIBs of 0.55% from April 1, 2024, which had been 0.5% until March 31, 2024, and thus the minimum leverage ratio requirement together with the minimum leverage ratio buffer requirement applicable to Mizuho Financial Group from April 1, 2024 is 3.70% in total. The leverage ratio is a measure of non-risk based capital adequacy that is calculated by dividing Tier 1 capital (as numerator) by the total exposure (denominator), with adjustments made to on- and off-balance assets. See "Item 4.B. Information on the Company—Business Overview—Supervision and Regulation—Japan—Leverage Ratio" in our most recent Form 20-F.

Under Total Loss Absorbing Capacity ("TLAC") regulations, Mizuho Financial Group is required to meet minimum TLAC requirements of at least 18% of the resolution group's risk-weighted assets and at least 7.10% from April 1, 2024, which had been 6.75% until March 31, 2024, of its total exposure. Japanese G-SIBs are allowed to count the Japanese Deposit Insurance Fund Reserves in an amount equivalent to 3.5% of their consolidated risk-weighted assets as their external TLAC. See "Item 4.B. Information on the Company—Business Overview—Supervision and Regulation—Japan—Total Loss Absorbing Capacity" in our most recent Form 20-F.

Consolidated Capital Adequacy Ratios, Leverage Ratios and TLAC Ratios

Our consolidated capital adequacy ratios, leverage ratios and TLAC ratios as of March 31 and September 30, 2024, calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency, were as set forth in the following table:

	As of		
	March 31, 2024	**September 30, 2024**	**Increase (decrease)**
	(in billions of yen, except percentages)		
Common Equity Tier 1 (CET1) capital	¥ 9,259.9	¥ 9,554.7	¥ 294.8
Additional Tier 1 capital	1,541.8	1,871.1	329.3
Tier 1 capital	10,801.8	11,425.8	624.0
Tier 2 capital	1,512.7	1,587.4	74.7
Total capital	¥ 12,314.6	¥ 13,013.2	¥ 698.6
Risk-weighted assets	¥ 72,720.2	¥ 69,760.2	¥(2,960.0)
CET1 capital ratio	12.73%	13.69%	0.96%
Required CET1 capital ratio(1)	8.09%	8.12%	0.03%
Tier 1 capital ratio	14.85%	16.37%	1.52%
Required Tier 1 capital ratio(1)	9.59%	9.62%	0.03%
Total capital ratio	16.93%	18.65%	1.72%
Required total capital ratio(1)	11.59%	11.62%	0.03%
CET1 available after meeting the bank's minimum capital requirements	8.23%	9.19%	0.96%
Total Exposure(2)	¥229,376.8	¥227,154.7	¥(2,222.1)
Leverage ratio(3)	4.70%	5.02%	0.32%
External TLAC ratio (risk-weighted assets basis, excluding capital buffers)	25.35%	27.38%	2.03%
External TLAC ratio (total exposure basis, including capital buffers)(4)	9.17%	9.52%	0.35%

Notes:

(1) The required ratios described above, as of March 31 and September 30, 2024, include the capital conservation buffer of 2.5%, the countercyclical capital buffer of 0.09% and 0.12%, respectively, and the additional loss absorbency requirements for G-SIBs and D-SIBs of 1.00%, which are all in addition to the regulatory minima. The respective required amounts are determined by applying the ratios to the sum of the risk-weighted assets. These buffers and additional loss absorbency requirements are applied to us but not to our banking subsidiaries.

(2) As of March 31 and September 30, 2024, our total exposures (excluding the impact of any applicable exemption of deposits with the Bank of Japan) were ¥287,489.9 billion and ¥285,268.8 billion, respectively.

(3) As of March 31 and September 30, 2024, our leverage ratios on a consolidated basis (excluding the impact of any applicable exemption of deposits with the Bank of Japan) were 3.75% and 4.00%, respectively.

(4) As of March 31 and September 30, 2024, our external TLAC ratios on a total exposure basis (excluding the impact of any applicable exemption of deposits with the Bank of Japan) were 7.32% and 7.58%, respectively.

Our total capital ratio as of September 30, 2024 was 18.65%, an increase of 1.72% compared to March 31, 2024. Our Tier 1 capital ratio as of September 30, 2024 was 16.37%, an increase of 1.52% compared to

March 31, 2024. Our CET1 capital ratio as of September 30, 2024 was 13.69%, an increase of 0.96% compared to March 31, 2024. The increase in our CET1 capital ratio, Tier 1 capital ratio and total capital ratio were due mainly to a decrease in the risk weighted assets. We believe that we were in compliance with all capital adequacy requirements to which we were subject as of September 30, 2024.

Principal Banking Subsidiaries

Capital adequacy ratios and leverage ratios of our principal banking subsidiaries, on a consolidated basis, as of March 31 and September 30, 2024, calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency, were as set forth in the following table:

	As of		
	March 31, 2024	September 30, 2024	Increase (decrease)
Mizuho Bank			
Common Equity Tier 1 capital ratio	11.26%	12.35%	1.09%
Tier 1 capital ratio	13.60%	15.30%	1.70%
Total capital ratio	15.76%	17.71%	1.95%
Leverage ratio	4.21%	4.64%	0.43%
Mizuho Trust & Banking			
Common Equity Tier 1 capital ratio	28.98%	31.71%	2.73%
Tier 1 capital ratio	28.98%	31.71%	2.73%
Total capital ratio	28.99%	31.72%	2.73%
Leverage ratio	11.62%	12.65%	1.03%

We believe each of our principal banking subsidiaries was in compliance with all capital adequacy requirements to which it was subject as of September 30, 2024.

Our securities subsidiary in Japan is also subject to the capital adequacy requirement under the Financial Instruments and Exchange Act. Under this requirement, securities firms whose total assets exceed ¥1 trillion, such as Mizuho Securities, must maintain a minimum capital adequacy ratio of 120% both on a consolidated and non-consolidated basis calculated as a percentage of capital accounts less certain assets, as determined in accordance with Japanese GAAP, against amounts equivalent to market, counterparty and basic risks. Specific guidelines are issued as a ministerial ordinance and a regulatory notice that detail the definition of essential components of the capital ratios, including capital, disallowed assets and risks, and related measures. Failure to maintain a minimum capital ratio will trigger mandatory regulatory actions. For example, each on a non-consolidated basis, a capital ratio of less than 140% will call for regulatory reporting, a capital ratio of less than 120% may lead to an order to change the business conduct or place the property in trust and a capital ratio of less than 100% may lead to a temporary suspension of all or part of the business operations and further, to the cancellation of the license to act as a securities broker and dealer. We believe, as of September 30, 2024, that our securities subsidiary in Japan was in compliance with all capital adequacy requirements to which it was subject.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Assets:		
Cash and due from banks	2,046,324	2,190,690
Interest-bearing deposits in other banks	72,066,719	70,483,229
Call loans and funds sold	1,392,098	1,243,380
Receivables under resale agreements	20,534,728	22,658,874
Receivables under securities borrowing transactions	2,351,784	2,176,330
Trading account assets (including assets pledged that secured parties are permitted to sell or repledge of ¥11,722,063 million at March 31, 2024 and ¥14,973,316 million at September 30, 2024)	36,759,812	37,819,313
Investments (Note 3):		
Available-for-sale securities (including assets pledged that secured parties are permitted to sell or repledge of ¥2,692,031 million at March 31, 2024 and ¥1,493,506 million at September 30, 2024), net of allowance	17,713,335	17,533,830
Held-to-maturity securities (including assets pledged that secured parties are permitted to sell or repledge of ¥3,767,997 million at March 31, 2024 and ¥3,941,003 million at September 30, 2024)	4,047,547	4,064,370
Equity securities	5,152,893	4,470,908
Other investments	884,496	960,427
Loans (Notes 4 and 5)	98,444,745	97,102,970
Allowance for credit losses on loans	(750,071)	(715,747)
Loans, net of allowance	97,694,674	96,387,223
Premises and equipment-net	1,714,485	1,743,562
Due from customers on acceptances	437,529	373,318
Accrued income	691,529	666,655
Goodwill	164,458	160,640
Intangible assets	44,984	39,582
Deferred tax assets	195,606	170,975
Other assets (Note 6)	8,280,151	7,662,932
Total assets	272,173,152	270,806,238

The following table presents the assets of consolidated variable interest entities ("VIE"s), which are included in the consolidated balance sheets above. The assets in the table below can be used only to settle obligations of consolidated VIEs.

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Assets of consolidated VIEs:		
Cash and due from banks	6,989	4,563
Interest-bearing deposits in other banks	139,150	94,967
Call loans and funds sold	132,212	121,755
Trading account assets	2,450,810	2,318,147
Investments	241,303	227,299
Loans, net of allowance	9,136,505	8,486,127
All other assets	524,395	499,114
Total assets	12,631,365	11,751,972

See the accompanying Notes to the Consolidated Financial Statements

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Unaudited)—(Continued)

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Liabilities and equity:		
Deposits:		
Domestic:		
Noninterest-bearing deposits	33,554,817	32,881,309
Interest-bearing deposits	95,039,351	92,539,349
Foreign:		
Noninterest-bearing deposits	3,359,545	2,714,703
Interest-bearing deposits	40,408,034	40,854,325
Due to trust accounts	245,611	340,922
Call money and funds purchased	1,660,682	2,819,989
Payables under repurchase agreements (Note 19)	38,104,868	38,717,817
Payables under securities lending transactions (Note 19)	1,350,435	1,441,083
Other short-term borrowings (including liabilities accounted for at fair value of ¥153,044 million at March 31, 2024 and ¥331,911 million at September 30, 2024) (Note 17)	3,644,912	4,293,643
Trading account liabilities	20,621,160	19,684,194
Bank acceptances outstanding	437,529	373,318
Income taxes payable	87,994	169,058
Deferred tax liabilities	31,685	31,509
Accrued expenses	649,010	547,542
Long-term debt (including liabilities accounted for at fair value of ¥2,876,287 million at March 31, 2024 and ¥3,594,809 million at September 30, 2024) (Note 17)	16,277,331	16,235,764
Other liabilities (Note 6)	6,268,999	6,297,911
Total liabilities	261,741,965	259,942,433
Commitments and contingencies (Note 14)		
Equity:		
MHFG shareholders' equity:		
Common stock (Note 7)-no par value, authorized 4,800,000,000 shares, and issued 2,539,249,894 shares at March 31, 2024 and September 30, 2024	5,833,660	5,833,124
Retained earnings	3,120,236	3,543,801
Accumulated other comprehensive income (loss), net of tax (Note 8)	984,578	1,002,164
Less: Treasury stock, at cost-Common stock 4,739,805 shares at March 31, 2024, and 4,291,043 shares at September 30, 2024	(9,403)	(9,540)
Total MHFG shareholders' equity	9,929,071	10,369,549
Noncontrolling interests	502,116	494,256
Total equity	10,431,187	10,863,804
Total liabilities and equity	272,173,152	270,806,238

The following table presents the liabilities of consolidated VIEs, which are included in the consolidated balance sheets above. The creditors or investors of the consolidated VIEs have no recourse to the MHFG Group, except where the Group provides credit enhancement through guarantees or other means.

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Liabilities of consolidated VIEs:		
Payables under securities lending transactions	44,013	78,712
Other short-term borrowings	247,180	474,424
Trading account liabilities	37,147	22,026
Long-term debt	1,465,149	1,701,007
All other liabilities	1,069,472	1,034,913
Total liabilities	2,862,962	3,311,082

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in millions of yen)	
Interest and dividend income:		
Loans, including fees	1,440,256	1,538,327
Investments:		
Interest	74,857	174,608
Dividends	54,359	59,321
Trading account assets	336,858	412,287
Call loans and funds sold	17,084	13,341
Receivables under resale agreements and securities borrowing transactions	308,485	467,838
Deposits in other banks	484,683	503,210
Total interest and dividend income	2,716,582	3,168,932
Interest expense:		
Deposits	1,029,823	1,154,538
Trading account liabilities	84,881	114,152
Call money and funds purchased	13,046	7,226
Payables under repurchase agreements and securities lending transactions	730,675	1,057,333
Other short-term borrowings	42,473	66,956
Long-term debt	179,703	178,302
Total interest expense	2,080,600	2,578,506
Net interest income	635,982	590,426
Provision (credit) for credit losses (Notes 3 and 5)	(2,484)	(1,505)
Net interest income after provision (credit) for credit losses	638,466	591,931
Noninterest income (Note 16):		
Fee and commission income	523,998	572,869
Foreign exchange gains (losses)-net	22,548	(120,497)
Trading account gains (losses)-net	(257,638)	801,981
Investment gains (losses)-net:		
Debt securities	4,403	12,139
Equity securities	490,375	(133,889)
Equity in earnings (losses) of equity method investees-net	46,741	9,086
Gains on disposal of premises and equipment	8,261	72,346
Other noninterest income	152,903	123,285
Total noninterest income	991,591	1,337,318
Noninterest expenses:		
Salaries and employee benefits	370,573	430,166
General and administrative expenses	346,743	400,866
Occupancy expenses	81,136	84,747
Fee and commission expenses	119,116	134,029
Provision (credit) for credit losses on off-balance-sheet instruments	7,398	(16,777)
Other noninterest expenses	114,269	119,599
Total noninterest expenses	1,039,235	1,152,631
Income before income tax expense	590,822	776,618
Income tax expense (Note 11)	178,289	228,475
Net income	412,532	548,143
Less: Net income (loss) attributable to noncontrolling interests	105,520	(15,033)
Net income attributable to MHFG shareholders	307,013	563,176
	(in yen)	
Earnings per common share (Note 10):		
Basic net income per common share	121.06	222.07
Diluted net income per common share	121.04	222.03
Dividends per common share	50.00	65.00

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in millions of yen)	
Net income (Note)	412,532	548,143
Other comprehensive income (loss), net of tax	217,532	18,873
Total comprehensive income	630,065	567,016
Less: Total comprehensive income (loss) attributable to noncontrolling interests	106,744	(13,745)
Total comprehensive income attributable to MHFG shareholders	523,321	580,761

Note: The amounts that have been reclassified out of Accumulated other comprehensive income (loss), net of tax into net income are presented in Note 8 “Accumulated other comprehensive income (loss), net of tax.”

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

	Six months ended September 30, 2023	2024
	(in millions of yen)	
Common stock:		
Balance at beginning of period	5,832,729	5,833,660
Performance-based stock compensation program	(215)	(537)
Other	(80)	1
Balance at end of period	5,832,435	5,833,124
Retained earnings:		
Balance at beginning of period	2,442,153	3,120,236
Net income attributable to MHFG shareholders	307,013	563,176
Dividends declared	(107,883)	(139,610)
Other	381	—
Balance at end of period	2,641,663	3,543,801
Accumulated other comprehensive income (loss), net of tax (Note 8)(Note):		
Balance at beginning of period	649,395	984,578
Change during period	216,308	17,586
Balance at end of period	865,702	1,002,164
Treasury stock, at cost:		
Balance at beginning of period	(8,786)	(9,403)
Purchases of treasury stock	(2,360)	(2,773)
Disposal of treasury stock	2,707	2,636
Balance at end of period	(8,440)	(9,540)
Total MHFG shareholders' equity	9,331,361	10,369,549
Noncontrolling interests:		
Balance at beginning of period	809,643	502,116
Transactions between the MHFG Group and the noncontrolling interest shareholders	(11,493)	11,892
Dividends paid to noncontrolling interests	(11,483)	(6,008)
Net income (loss) attributable to noncontrolling interests	105,520	(15,033)
Other	1,224	1,288
Balance at end of period	893,411	494,256
Total equity	10,224,772	10,863,804

Note: The amounts that have been reclassified out of Accumulated other comprehensive income (loss), net of tax into net income are presented in Note 8 "Accumulated other comprehensive income (loss), net of tax."

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six months ended September 30,	
	2023	**2024**
	(in millions of yen)	
Cash flows from operating activities:		
Net income	412,532	548,143
Less: Net income (loss) attributable to noncontrolling interests	105,520	(15,033)
Net income attributable to MHFG shareholders	307,013	563,176
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	103,413	113,666
Provision (credit) for credit losses	(2,484)	(1,505)
Investment losses (gains)-net	(494,778)	121,751
Equity in losses (earnings) of equity method investees-net	(46,741)	(9,086)
Foreign exchange losses (gains)-net	599,299	(138,289)
Deferred income tax expense	54,427	28,554
Net change in trading account assets	(9,320,622)	(2,227,916)
Net change in trading account liabilities	6,268,701	(782,956)
Net change in loans held for sale	62,849	(349,285)
Net change in accrued income	(86,063)	17,426
Net change in accrued expenses	40,257	(4,560)
Other-net	480,177	1,116,447
Net cash used in operating activities	(2,034,549)	(1,552,577)
Cash flows from investing activities:		
Proceeds from sales of Available-for-sale securities	15,907,621	17,329,169
Proceeds from sales of Equity securities (1)	1,482,904	1,903,886
Proceeds from maturities of Available-for-sale securities	18,635,847	10,162,422
Proceeds from maturities of Held-to-maturity securities	286,594	305,114
Purchases of Available-for-sale securities	(37,609,753)	(26,222,916)
Purchases of Held-to-maturity securities	(988,261)	(584,042)
Purchases of Equity securities (1)	(1,832,574)	(1,442,607)
Proceeds from sales of loans	308,035	392,461
Net change in loans	(422,364)	(47,554)
Net change in call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	(1,778,011)	(2,347,575)
Proceeds from sales of premises and equipment	9,825	86,513
Purchases of premises and equipment	(100,783)	(148,496)
Proceeds from sales of investments in subsidiaries (affecting the scope of consolidation)	—	2,970
Purchases of investments in subsidiaries (affecting the scope of consolidation)	(16,320)	—
Net cash used in investing activities	(6,117,242)	(610,656)
Cash flows from financing activities:		
Net change in deposits	(3,204,702)	(2,301,534)
Net change in call money and funds purchased, and payables under repurchase agreements and securities lending transactions	4,961,440	2,524,298
Net change in due to trust accounts	(420,865)	95,310
Net change in other short-term borrowings	(105)	734,376
Proceeds from issuance of long-term debt	1,718,468	1,739,534
Repayment of long-term debt	(1,681,532)	(1,372,648)
Proceeds from noncontrolling interests	27,973	14,984
Payments to noncontrolling interests	(41,473)	(544)
Proceeds from sales of treasury stock	2,707	2,637
Purchases of treasury stock	(2,360)	(2,773)
Dividends paid	(107,843)	(139,510)
Dividends paid to noncontrolling interests	(11,483)	(6,008)
Net cash provided by financing activities	1,240,224	1,288,121
Effect of exchange rate changes on cash and cash equivalents	1,653,638	(564,012)
Net decrease in cash and cash equivalents (2)	(5,257,929)	(1,439,124)
Cash and cash equivalents at beginning of period (2)	67,992,295	74,113,043
Cash and cash equivalents at end of period (2)	62,734,366	72,673,919
Supplemental disclosure of cash flow information:		
Noncash investing activities:		
Transfer of loans into loans held-for-sale	1,621	34,936

Notes:

(1) Proceeds from sales of Equity securities as well as Purchases of Equity securities include cash activity related to Other investments, the amounts of which are not significant.

(2) Cash and cash equivalents consists of Cash and due from banks and Interest-bearing deposits in other banks. Cash deposited with central banks that must be maintained to meet minimum regulatory requirements is classified as restricted cash and included in Cash and cash equivalents.

See the accompanying Notes to the Consolidated Financial Statements.

1. Basis of presentation

Mizuho Financial Group, Inc. ("MHFG") is a joint stock corporation with limited liability under the laws of Japan. MHFG is a holding company for Mizuho Bank, Ltd. ("MHBK"), Mizuho Trust & Banking Co., Ltd. ("MHTB"), Mizuho Securities Co., Ltd. ("MHSC"), Asset Management One Co., Ltd. ("Asset Management One"), and other subsidiaries. MHFG, through its subsidiaries ("the MHFG Group," or "the Group"), provides domestic and international financial services in Japan and other countries. For a discussion of the Group's segment information, see Note 20 "Business segment information."

MHFG and its domestic subsidiaries as well as its foreign subsidiaries maintain their accounting records in accordance with the accounting standards of Japan and those standards of the countries in which they are domiciled. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform them to the accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements are stated in Japanese yen, the currency of the country in which MHFG is incorporated and principally operates.

The accompanying consolidated financial statements include the accounts of MHFG and its subsidiaries. MHFG's interim financial reporting period ends on September 30. Certain of MHFG's subsidiaries have different interim financial reporting periods than September 30. For those subsidiaries with interim financial reporting periods within three months of MHFG's interim financial reporting period, the effect of intervening events that materially affect the financial position or results of operations through the date of each of the periods presented in the MHFG's consolidated financial statements have been considered for adjustment and/or disclosure. When determining whether to consolidate investee entities, the MHFG Group performs an analysis of the facts and circumstances of the particular relationships between the MHFG Group and the investee entities as well as the ownership of voting shares. The consolidated financial statements also include the accounts of VIEs for which MHFG or its subsidiaries have been determined to be the primary beneficiary in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation" ("ASC 810"). All significant intercompany transactions and balances have been eliminated upon consolidation. The MHFG Group accounts for investments in entities over which it has significant influence by using the equity method of accounting. These investments are included in Other investments and the Group's proportionate share of income or loss is included in Equity in earnings (losses) of equity method investees-net.

Certain comparative amounts for the prior period have been reclassified in order to conform to the current period's presentation.

The unaudited interim consolidated financial statements should be read in conjunction with the audited financial statements and related notes included in the MHFG Group's most recent annual report on Form 20-F for the fiscal year ended March 31, 2024.

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. GAAP, but is not required for interim reporting purposes, has been condensed or omitted.

The financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management's estimates and judgment include assumptions pertaining to the allowance for credit losses, valuation of loans held-for-sale, valuation of deferred tax assets, valuation of derivative financial instruments, valuation of investments, valuation of certain other short-term borrowings and long-term debt where the fair value option has been elected, valuation of pension and other employee benefits, and impairment of long-lived assets. During times of geopolitical unrest, such as the Russia-Ukraine situation and economic uncertainty, estimates become more sensitive and it is reasonably possible that actual results could differ from estimates and assumptions made.

Financial instruments—current expected credit losses ("CECL")

CECL established a single allowance framework for all financial assets measured at amortized cost and certain off-balance-sheet instrument exposures. This framework requires management's estimate to reflect credit losses over the instrument's remaining expected life and consider expected future changes in macroeconomic conditions. ASC 326, "Financial Instruments—Credit Losses" ("ASC 326") reflects expected credit losses and requires consideration of a broader range of information such as relevant information about past events including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount, for the purpose of informing credit loss estimates. ASC 326 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. ASC 326 also requires that credit losses on available-for-sale debt securities be presented as an allowance for credit losses rather than as a write-down and limits the amount of the allowance for credit losses to the amount by which fair value is below amortized cost. Per the accounting policy election, the MHFG Group does not record expected credit losses for accrued interest receivables because uncollectible accrued interest is reversed through interest income in a timely manner in line with the Group's nonaccrual and past due policies. The amount of accrued interest receivable reversed through interest income was not significant for March 31, 2024 and September 30, 2024.

Allowance and provision (credit) for credit losses on loans

Each reporting period, the MHFG Group makes adjustments to the allowance for credit losses on loans through Provision (credit) for credit losses in the consolidated statements of income. Loan principal that management judges to be uncollectible, based on detailed loan reviews and a credit quality assessment, is charged off against the allowance for credit losses on loans. In general, the Group charges off loans when the Group determines that the obligor should be classified as substantially bankrupt or bankrupt. See Note 4 "Loans" for the definitions of obligor categories. Obligors in the retail portfolio segment are generally determined to be substantially bankrupt when they are past due for more than six months, and as for obligors in the corporate portfolio segment, the Group separately monitors the credit quality of each obligor without using time-based triggers.

The MHFG Group maintains an appropriate allowance for credit losses on loans to represent management's estimate of the expected credit losses in the Group's loan portfolio. Management evaluates the appropriateness of the allowance for credit losses on loans semi-annually. The allowance considers expected credit losses over the remaining expected lives of the applicable instruments. The expected life of each instrument is determined by considering expected prepayments, contractual terms and cancellation features. The allowance for credit losses involves significant judgments on a number of matters including expectations of future economic conditions, assignment of obligor ratings, valuation of collateral, and the development of qualitative adjustments.

When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. This forward-looking macroeconomic scenario is in line with the scenario used for the Group's business plan. If the scenarios are not reflective of management's expectations, adjustments may be made to the scenarios. After the forecast period, the Group reverts to long-term historical loss experience with a certain graduated transition period, to estimate losses over the remaining lives of financial assets measured at amortized cost and certain off-balance-sheet instruments. The macroeconomic scenario is updated semi-annually in principle and is reviewed to reflect current economic conditions and the Group's expectation of future conditions on a timely basis. For March 31, 2024 and September 30, 2024, the Group used the most recent macroeconomic scenario available during the Group's credit loss estimation process.

In terms of the internal risk ratings, for the corporate portfolio segment, the credit quality review process and the credit rating process serve as the basis for determining the allowance for credit losses on loans. Through such processes, loans are categorized into groups to reflect the probability of default, whereby the MHFG Group's management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analysis of relevant industry segments and current trends. For the retail portfolio segment, the different categories of past due status of loans are primarily utilized in the credit quality review and the credit rating processes as the basis for determining the allowance for credit losses on loans.

In general, the MHFG Group estimates expected credit losses collectively on the loans in the case of normal and watch obligors, considering the risk associated with a particular pool and the probability that the exposures within the pool will deteriorate or default. The allowance for credit losses on nonaccrual loans generally includes the allowance for those loans that were individually evaluated for expected credit losses. See Note 4 "Loans" for the definitions of obligor categories and classification of nonaccrual loans.

The estimation of expected credit losses that are evaluated collectively begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one obligor category or rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to the MHFG Group's estimated exposure at default. The credit loss factors incorporate the probability of default as well as the loss given default based on the historical loss rates. To supplement the historical loss data for overseas obligors, external credit ratings such as S&P are also used to calculate the probability of default. The model and inputs used to determine credit losses on loans that are evaluated collectively are analyzed on a periodic basis by comparing the estimated values with the actual results subsequent to the balance sheet date.

The MHFG Group divides its overall portfolio into domestic and foreign portfolios and categorizes the domestic portfolio into four portfolio segments according to their risk profiles: corporate, retail, sovereign, and banks and financial institutions.

The corporate portfolio segment consists of loans originated primarily by MHBK and MHTB, and includes mainly business loans such as those used for working capital and capital expenditure, as well as loans for which the primary source of repayment of the obligation is income generated by the relevant assets such as project finance, asset finance and real estate finance. The corporate portfolio segment is divided into two classes based on their risk characteristics: large companies, and small and medium-sized companies. For the corporate portfolio segment, the MHFG Group considers key economic factors such as gross domestic products for Japan and each relevant foreign location, where the portfolio is significant, and the interest rates in Japan when estimating the credit loss.

The retail portfolio segment consists mainly of residential mortgage loans originated by MHBK, and it is divided into two classes based on their risk characteristics: housing loans and others. For the retail portfolio segment, the Japanese unemployment rate is applied as a key factor. As it pertains to modified loans to borrowers experiencing financial difficulty in the retail portfolio segment, the restructuring itself, as well as subsequent payment defaults, if any, are considered in determining obligor categories. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off, or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

The allowance recorded for individually evaluated loans is based on (1) the present value of expected future cash flows, after considering the restructuring effect and subsequent payment default with respect to modified loans to borrowers experiencing financial difficulty, discounted at the loan’s post-modification contractual effective interest rate, (2) the loan’s observable market price, or (3) the fair value of the collateral if the loan is collateral dependent. The collateral that the MHFG Group obtains for loans consists primarily of real estate. In obtaining the collateral, the Group evaluates the fair value of the collateral and its legal enforceability. The Group also performs subsequent re-evaluations at least once a year. As it pertains to real estate collateral, valuation is generally performed by an appraising subsidiary which is independent from the Group’s loan origination departments by using generally accepted valuation techniques such as (1) the replacement cost approach, (2) the sales comparison approach or (3) the income approach. In the case of large real estate collateral, the Group generally engages third-party appraisers to perform the valuation.

The MHFG Group’s methodology for determining the appropriate allowance for credit losses on loans also considers the imprecision inherent in the methodologies used. As a result, the amounts determined under the methodologies described above could be adjusted by management to consider the potential impact of other qualitative factors which include, but are not limited to, imprecision in macroeconomic scenario assumptions and emerging risks related to changes in the environment that affect specific portfolio segments including segments impacted by the Russia-Ukraine situation. Considering internal and external factors affecting the credit quality of the portfolio, the Group incorporated the estimated impact of the Russia-Ukraine situation, interest rates hike on domestic obligors and other factors contributing to economic uncertainty into the macroeconomic scenario by using assumptions such as the future outlook of the business environment for specific portfolio segments and the current forecast for the growth rate of gross domestic product.

In terms of the Russia-Ukraine situation, considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating, the MHFG Group incorporated the estimated impact of the Russia-Ukraine situation into the macroeconomic scenario used for determining the allowance for credit losses on loans.

Allowance and provision (credit) for credit losses on off-balance-sheet instruments

The MHFG Group maintains an allowance for credit losses on off-balance-sheet instruments, such as guarantees and standby letters of credit in the same manner as the allowance for credit losses on loans. The Group similarly assesses the expected loss amounts for commitments to invest in securities and commitments to extend credit, considering the probability of drawdowns. The allowance is recorded in Other liabilities. Net changes in the allowance for credit losses on off-balance-sheet instruments are accounted for in Provision (credit) for credit losses on off-balance-sheet instruments in the consolidated statements of income.

Allowance and provision (credit) for credit losses on available-for-sale securities

The MHFG Group performs periodic reviews to identify impaired securities in accordance with ASC 326. Available-for-sale securities are impaired if the fair value is less than the amortized cost (excluding accrued interest receivable). In the case where the Group has the intent to sell an available-for-sale debt security or more likely than not will be required to sell an available-for-sale debt security before the recovery of its amortized cost basis, the entire difference between amortized cost basis and fair value is recognized immediately through earnings. In other cases, the Group evaluates expected cash flows to be received and determines if a credit loss exists, and if so, the amount of the credit loss is recognized in Provision (credit) for credit losses, while the remaining decline in fair value is recognized in other comprehensive income, net of applicable taxes.

2. Issued accounting pronouncements

Adopted accounting pronouncements

In March 2020, the FASB issued ASU No.2020-04, "Reference Rate Reform (Topic 848)—Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU No.2020-04"). The ASU provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform. In January 2021, the FASB issued ASU No.2021-01, "Reference Rate Reform (Topic 848)—Scope" ("ASU No.2021-01"). The ASU clarifies that certain optional expedients and exceptions for contract modifications and hedge accounting apply to derivatives that are affected by the transition. In December 2022, the FASB issued ASU No.2022-06, "Reference Rate Reform (Topic 848)—Deferral of the Sunset Date of Topic 848" ("ASU No.2022-06"). The ASU amends the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. ASU No.2020-04 is effective as of March 12, 2020 through December 31, 2024. ASU No.2021-01 is effective as of January 7, 2021 through December 31, 2024. ASU No.2022-06 is effective as of December 21, 2022 through December 31, 2024. The MHFG Group has elected the practical expedient for modifications of contracts. The practical expedient provides an election to account for certain contract amendments related to reference rate reform without the requirement to assess the significance of the modifications. The main reason for applying the practical expedient is to ease the administrative burden of accounting for contracts impacted by reference rate reform. This election has not had, and is expected to not have, a material impact on the Group's consolidated results of operations or financial condition.

Accounting pronouncements issued but not yet effective as of September 30, 2024

In November 2023, the FASB issued ASU No.2023-07, "Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures" ("ASU No.2023-07"). The amendments in this update improve the annual and interim reportable segments disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU includes a requirement to disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, the title and position of the CODM, an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is required to be adopted on a retrospective basis and will be effective for the MHFG Group for its fiscal year ending March 31, 2025 and for interim periods beginning on April 1, 2025. The Group is currently evaluating the potential impact that the adoption of ASU No.2023-07 will have on disclosures in its consolidated financial statements.

In December 2023, the FASB issued ASU No.2023-09, "Income Taxes (Topic 740)—Improvements to Income Tax Disclosures" ("ASU No.2023-09"). The ASU improves income tax disclosures primarily in relation to the rate reconciliation and information on income taxes paid on an annual basis. The ASU will be effective for the MHFG Group for its fiscal year ending March 31, 2026. The Group is currently evaluating the potential impact that the adoption of ASU No.2023-09 will have on disclosures in its consolidated financial statements.

3. Investments

Available-for-sale and held-to-maturity securities

The amortized cost, net of allowance for credit losses, gross unrealized gains and losses, and fair value of available-for-sale and held-to-maturity securities at March 31, 2024 and September 30, 2024 are as follows:

	Amortized cost (4)(5)	Gross unrealized gains	Gross unrealized losses	Fair value
	(in millions of yen)			
March 31, 2024				
Available-for-sale securities:				
Debt securities:				
Japanese government bonds	10,968,212	9,137	2,956	10,974,393
Japanese local government bonds	591,218	95	7,574	583,739
U.S. Treasury bonds and federal agency securities	147,186	118	252	147,052
Other foreign government bonds	2,044,611	1,739	1,755	2,044,595
Agency mortgage-backed securities (1)	495,057	140	18,225	476,972
Residential mortgage-backed securities	32,120	30	767	31,383
Commercial mortgage-backed securities	800,224	4,787	789	804,222
Japanese corporate bonds and other debt securities	1,817,009	21,958	5,909	1,833,057
Foreign corporate bonds and other debt securities (2)	816,421	1,713	214	817,921
Total	17,712,059	39,718	38,442	17,713,335
Held-to-maturity securities:				
Debt securities:				
Japanese government bonds	519,397	208	7,585	512,020
Agency mortgage-backed securities (3)	3,528,150	9,213	186,460	3,350,904
Total	4,047,547	9,421	194,044	3,862,924
September 30, 2024				
Available-for-sale securities:				
Debt securities:				
Japanese government bonds	10,498,527	489	3,926	10,495,090
Japanese local government bonds	606,801	66	9,540	597,327
U.S. Treasury bonds and federal agency securities	143,145	874	5	144,014
Other foreign government bonds	2,611,742	4,026	1,660	2,614,108
Agency mortgage-backed securities (1)	491,394	94	22,919	468,569
Residential mortgage-backed securities	23,388	21	550	22,859
Commercial mortgage-backed securities	754,995	4,180	825	758,350
Japanese corporate bonds and other debt securities	1,557,272	20,100	6,903	1,570,469
Foreign corporate bonds and other debt securities (2)	860,904	2,711	571	863,044
Total	17,548,168	32,561	46,898	17,533,830
Held-to-maturity securities:				
Debt securities:				
Japanese government bonds	459,436	33	8,883	450,587
Agency mortgage-backed securities (3)	3,604,933	31,081	135,711	3,500,303
Total	4,064,370	31,115	144,594	3,950,890

Notes:

(1) Agency mortgage-backed securities presented in this line consist of Japanese and Foreign agency mortgage-backed securities, of which the fair values were ¥476,947 million and ¥26 million, respectively, at March 31, 2024, and ¥468,546 million and ¥23 million, respectively, at September 30, 2024. All Japanese agency mortgage-backed securities are issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise. Foreign agency mortgage-backed securities primarily consist of Government National Mortgage Association ("Ginnie Mae") securities, which are guaranteed by the United States government.

(2) Other debt securities presented in this line primarily consist of Foreign negotiable certificates of deposit ("NCDs") and asset-backed securities ("ABS"), of which the total fair values were ¥209,956 million at March 31, 2024, and ¥239,614 million at September 30, 2024.

(3) All Agency mortgage-backed securities presented in this line are Ginnie Mae securities.
(4) Amortized cost, net of the allowance for credit losses, of which the amounts related to available-for-sale securities were ¥nil at both March 31, 2024 and September 30, 2024.
(5) Accrued interest receivables of ¥15,708 million at March 31, 2024, and ¥16,150 million at September 30, 2024 are excluded from amortized cost and included in Accrued income.

Contractual maturities

The amortized cost, net of allowance for credit losses, and fair value of available-for-sale and held-to-maturity securities at September 30, 2024 are shown in the table below based on their contractual maturities. Expected maturities may differ from contractual maturities because some securities are not due at a single maturity date, and some securities, such as mortgage-backed securities, contain embedded call or prepayment options.

Amortized cost	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
			(in millions of yen)		
Available-for-sale securities:					
Debt securities:					
Japanese government bonds	9,774,247	360,659	363,621	—	10,498,527
Japanese local government bonds	72,350	222,980	303,856	7,616	606,801
U.S. Treasury bonds and federal agency securities	56,891	86,254	—	—	143,145
Other foreign government bonds	2,012,643	596,364	1,370	1,365	2,611,742
Agency mortgage-backed securities	—	—	807	490,587	491,394
Residential mortgage-backed securities	—	—	—	23,388	23,388
Commercial mortgage-backed securities	12,300	557,981	184,714	—	754,995
Japanese corporate bonds and other debt securities	225,142	843,518	173,603	315,009	1,557,272
Foreign corporate bonds and other debt securities	523,989	277,361	39,512	20,041	860,904
Total	12,677,562	2,945,117	1,067,483	858,006	17,548,168
Held-to-maturity securities:					
Debt securities:					
Japanese government bonds	40,001	209,888	209,548	—	459,436
Agency mortgage-backed securities	—	—	—	3,604,933	3,604,933
Total	40,001	209,888	209,548	3,604,933	4,064,370

Fair value	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
			(in millions of yen)		
Available-for-sale securities:					
Debt securities:					
Japanese government bonds	9,774,047	359,884	361,158	—	10,495,090
Japanese local government bonds	72,282	220,756	297,181	7,109	597,327
U.S. Treasury bonds and federal agency securities	56,970	87,044	—	—	144,014
Other foreign government bonds	2,013,305	598,068	1,370	1,365	2,614,108
Agency mortgage-backed securities	—	—	798	467,771	468,569
Residential mortgage-backed securities	—	—	—	22,859	22,859
Commercial mortgage-backed securities	12,311	559,133	186,907	—	758,350
Japanese corporate bonds and other debt securities	224,845	840,343	171,853	333,428	1,570,469
Foreign corporate bonds and other debt securities	524,723	278,437	39,586	20,298	863,044
Total	12,678,483	2,943,665	1,058,853	852,829	17,533,830
Held-to-maturity securities:					
Debt securities:					
Japanese government bonds	40,034	207,273	203,280	—	450,587
Agency mortgage-backed securities	—	—	—	3,500,303	3,500,303
Total	40,034	207,273	203,280	3,500,303	3,950,890

Credit losses

The MHFG Group did not recognize allowance for credit losses on available-for-sale securities on March 31 and September 30, 2023 and March 31 and September 30, 2024. The Group did not recognize allowance for credit losses on held-to-maturity securities on March 31 and September 30, 2023 and March 31 and September 30, 2024 because held-to-maturity securities consist of Japanese government bonds and agency mortgage-backed securities like Ginnie Mae securities. See Note 1 "Basis of presentation" for further details of the methodology used to determine the allowance for credit losses.

Continuous unrealized loss position

The following table shows the gross unrealized losses, net of allowance for credit losses, and fair value of available-for-sale securities, aggregated by the length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2024 and September 30, 2024:

	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
	(in millions of yen)					
March 31, 2024						
Available-for-sale securities:						
Debt securities:						
Japanese government bonds	9,019,722	2,448	675,435	508	9,695,157	2,956
Japanese local government bonds	108,071	369	456,471	7,205	564,542	7,574
U.S. Treasury bonds and federal agency securities	113,185	252	—	—	113,185	252
Other foreign government bonds	865,375	1,196	107,238	559	972,613	1,755
Agency mortgage-backed securities (Note)	130,779	1,125	307,777	17,100	438,556	18,225
Residential mortgage-backed securities	645	—	25,220	766	25,865	767
Commercial mortgage-backed securities	18,594	214	138,724	576	157,318	789
Japanese corporate bonds and other debt securities	314,933	893	1,217,858	5,016	1,532,791	5,909
Foreign corporate bonds and other debt securities	203,248	166	24,902	48	228,150	214
Total	10,774,551	6,663	2,953,626	31,779	13,728,177	38,442
September 30, 2024						
Available-for-sale securities:						
Debt securities:						
Japanese government bonds	8,406,275	3,926	—	—	8,406,275	3,926
Japanese local government bonds	89,760	588	489,110	8,953	578,871	9,540
U.S. Treasury bonds and federal agency securities	35,664	5	—	—	35,664	5
Other foreign government bonds	792,307	904	175,015	756	967,321	1,660
Agency mortgage-backed securities (Note)	42,120	336	409,277	22,583	451,397	22,919
Residential mortgage-backed securities	794	1	18,391	549	19,185	550
Commercial mortgage-backed securities	32,920	49	110,829	776	143,749	825
Japanese corporate bonds and other debt securities	169,077	884	1,196,816	6,019	1,365,893	6,903
Foreign corporate bonds and other debt securities	131,905	179	31,382	392	163,287	571
Total	9,700,823	6,870	2,430,819	40,028	12,131,641	46,898

Note: Agency mortgage-backed securities presented in this line consist of Japanese agency mortgage-backed securities, of which the fair values were ¥438,556 million at March 31, 2024, and ¥451,397 million at September 30, 2024. All Japanese agency mortgage-backed securities are issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise.

Available-for-sale securities are considered impaired if the fair value is less than the amortized cost. The MHFG Group recognizes impairment losses in earnings if the Group has the intent to sell the debt security, or if it is more likely than not that the Group will be required to sell the debt security before recovery of its amortized cost. For Japanese government bonds, U.S. Treasury bonds and federal agency securities and Agency mortgage-backed securities, their entire amortized cost bases are expected to be recovered since the unrealized losses had not resulted from credit deterioration, but primarily from changes in interest rates. For the debt securities other than those described above, except for the securities for which credit losses are recognized in income, the Group determined that their entire amortized cost bases are expected to be recovered, after considering various factors such as the extent to which their fair values were below their amortized cost bases, the external and/or internal ratings and the present values of cash flows expected to be collected. Based on the aforementioned evaluation, except for the securities for which credit losses are recognized in income, the Group determined that the debt securities in an unrealized loss position were not considered credit losses.

Realized gains and losses

The following table shows the realized gains and losses on sales of available-for-sale securities for the six months ended September 30, 2023 and 2024. See “Consolidated Statements of Cash Flows (Unaudited)” for the proceeds from sales of investments.

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
Gross realized gains	10,472	10,527
Gross realized losses	(3,990)	(7,168)
Net realized gains (losses) on sales of available-for-sale securities	6,481	3,358

Equity securities

Equity securities include securities which have readily determinable fair values, securities which qualify for the practical expedient to estimate fair value using the net asset value per share (or its equivalent), and securities which are without readily determinable fair values. Equity securities which have readily determinable fair values mainly consist of common stock of Japanese listed companies. Equity securities which are measured based on the net asset value per share (or its equivalent) consist of private equity and real estate funds. Equity securities without readily determinable fair values include non-marketable stock.

Net gains and losses

The following table shows the details of the net gains and losses on Equity securities for the six months ended September 30, 2023 and 2024:

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
Net gains (losses) recognized during the period on equity securities	490,375	(133,889)
Less: Net gains (losses) recognized during the period on equity securities sold during the period	54,483	(16,559)
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting period	435,892	(117,330)

Equity securities without readily determinable fair values

The following table shows carrying amounts of equity securities without readily determinable fair values, for which the measurement alternative is used, and cumulative amounts due to downward adjustments and impairments and upward adjustments, at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Carrying amounts at the end of the period	357,938	424,477
Downward adjustments and impairments	11,002	13,456
Upward adjustments	13,764	13,798

The following table shows amounts recognized in earnings during the period due to downward adjustments and impairments and upward adjustments for equity securities without readily determinable fair values.

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
Downward adjustments and impairments	1,438	2,914
Upward adjustments	66	229

The MHFG Group elected to measure all equity securities without readily determinable fair values, which do not qualify for the practical expedient to estimate fair value, using the measurement alternative, which is made on an instrument-by-instrument basis. Under the measurement alternative, equity securities are carried at cost plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar securities of the same issuer. In addition, the Group assesses whether these equity securities are impaired. Impairment is primarily based on a liquidation value technique that considers the financial condition, credit ratings, and near-term prospects of the issuers. When observable price changes or impairments exist, the securities are adjusted to fair value, with the full difference between the fair value of the security and its carrying amount recognized in earnings.

Other investments

The following table summarizes the composition of Other investments at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Equity method investments	799,527	866,393
Investments held by consolidated investment companies and other	84,969	94,034
Total	884,496	960,427

Equity method investments

Investments in investees over which the MHFG Group has the ability to exert significant influence are accounted for using the equity method of accounting. Such investments included marketable equity securities with carrying values of ¥316,205 million and ¥340,271 million, at March 31, 2024 and September 30, 2024, respectively. The aggregate market values of these marketable equity securities were ¥642,663 million and ¥591,571 million, respectively. The majority of the aggregate market values of these marketable equity securities as of

September 30, 2024 include Orient Corporation, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Mizuho Leasing Company, Limited of which the Group's proportionate shares of the total outstanding common stock were 48.95%, 15.00% and 23.54%, respectively. In addition, equity method investments as of September 30, 2024 include non-marketable equity securities such as Matthews International Capital Management, LLC, Custody Bank of Japan, Ltd., Rakuten Securities, Inc. and Kisetsu Saison Finance (India) Private Ltd. of which the MHFG Group's proportionate shares of the total outstanding common stock were 18.00%, 27.00%, 49.00% and 16.24% respectively.

Investments held by consolidated investment companies

The MHFG Group consolidates certain investment companies over which it has control through either ownership or other means. Investment companies are subject to specialized industry accounting which requires investments to be carried at fair value, with changes in fair value recorded in earnings. The Group maintains this specialized industry accounting for investments held by consolidated investment companies, which consist of marketable and non-marketable investments.

4. Loans

Credit quality information

In accordance with the MHFG Group's credit risk management policies, the Group uses an internal rating system that consists of credit ratings for the corporate portfolio segment and pool allocations for the retail portfolio segment as the basis of its risk management infrastructure. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the ultimate possibility of losses expected on individual loans by taking into consideration various factors such as collateral or guarantees involved. In principle, obligor ratings are applied to all obligors except those to which pool allocations are applied, and are subject to regular review at least once a year as well as special review which is required whenever the obligor's credit standing changes. Pool allocations are applied to small loans that are less than a specified amount by pooling customers and loans with similar risk characteristics, and the risk is assessed mainly based on past due status and managed according to such pools. The Group generally reviews the appropriateness and effectiveness of the approach to obligor ratings and pool allocations once a year in accordance with predetermined policies and procedures.

The Group does not record expected credit losses for accrued interest receivables because uncollectible accrued interest is reversed through interest income in a timely manner in line with the Group's nonaccrual and past due policies for loans. The amount of accrued interest receivables included in Accrued income was ¥260 billion and ¥239 billion at March 31, 2024 and September 30, 2024, respectively.

The Group does not believe that its exposure to any particular geographic area and business sector results in a significant concentration of credit risk.

The table below presents the MHFG Group's definition of obligor ratings used by MHBK and MHTB, and equivalent obligor ratings are determined for the other subsidiaries:

Obligor category [(1)(2)]	Obligor rating	Definition
Normal	A	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is very low.
	B	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, and their level of credit risk is low.
	C	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.
	D	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future economic environmental changes is low.
Watch	E1	Obligors that require observation going forward because of either minor concerns regarding their financial position, or their somewhat weak or unstable business conditions.
	E2	Obligors that require special observation going forward because of problems with their borrowings such as reduced or suspended interest payments, problems with debt fulfillment such as failure to make principal or interest payments, or problems with their financial position as a result of their weak or unstable business conditions.
Intensive control	F	Obligors that are not yet bankrupt but are in financial difficulties and are deemed likely to become bankrupt in the future because of insufficient progress in implementing their management improvement plans or other measures (including obligors that are receiving ongoing support from financial institutions).
Substantially bankrupt	G	Obligors that have not yet become legally or formally bankrupt but are substantially insolvent because they are in serious financial difficulties and are deemed to be incapable of being restructured.
Bankrupt	H	Obligors that have become legally or formally bankrupt.

Notes:

(1) Special attention obligors are watch obligors with modified debt or 90 days or more delinquent debt. Loans to such obligors are considered nonaccrual.

(2) The Group classifies loans to special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans.

The table below presents credit quality information of loans based on the MHFG Group's internal rating system at March 31, 2024 and September 30, 2024:

	March 31, 2024							
	Term loans by origination year							
	2023	2022	2021	2020	2019	Prior to 2019	Revolving Loans(2)	Total
	(in billions of yen)							
Domestic:								
Corporate:								
Large companies:								
Normal obligors	13,870	5,879	4,505	4,328	2,832	4,979	7,847	44,241
Watch obligors excluding special attention obligors	186	42	37	43	184	49	172	713
Nonaccrual loans	157	65	26	61	134	167	356	967
Small and medium-sized companies:								
Normal obligors	430	251	195	150	151	533	494	2,204
Watch obligors excluding special attention obligors	35	15	10	12	15	30	19	135
Nonaccrual loans	8	7	7	8	8	33	26	97
Retail (1):								
Housing Loan:								
Normal obligors	350	391	431	342	360	5,224	—	7,098
Watch obligors excluding special attention obligors	—	—	—	—	—	36	—	37
Nonaccrual loans	—	—	—	—	1	33	—	35
Others:								
Normal obligors	211	71	54	100	48	337	470	1,291
Watch obligors excluding special attention obligors	23	6	5	10	3	7	8	62
Nonaccrual loans	5	2	3	6	2	22	9	49
Sovereign:								
Normal obligors	1,858	47	48	92	66	321	3	2,436
Watch obligors excluding special attention obligors	8	2	1	—	—	—	—	12
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	120	103	262	2	107	110	527	1,231
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Total domestic	17,261	6,882	5,585	5,155	3,911	11,883	9,932	60,608
Foreign:								
Corporate (3):								
Normal obligors	14,106	5,488	2,589	1,028	1,128	1,028	7,706	33,073
Watch obligors excluding special attention obligors	243	83	35	161	22	57	105	705
Nonaccrual loans	60	27	2	5	2	19	13	127
Retail:								
Normal obligors	2	1	1	1	1	3	—	10
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Sovereign:								
Normal obligors	319	215	117	2	4	—	29	686
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	1,674	874	193	21	2	7	448	3,219
Watch obligors excluding special attention obligors	—	6	4	—	6	—	—	16
Nonaccrual loans	—	—	—	—	—	—	—	—
Total foreign	16,403	6,694	2,941	1,219	1,164	1,114	8,302	37,837
Total	33,665	13,575	8,525	6,374	5,075	12,997	18,233	98,445

	September 30, 2024							
	Term loans by origination year							
	2024	2023	2022	2021	2020	Prior to 2020	Revolving Loans[2]	Total
	(in billions of yen)							
Domestic:								
Corporate:								
Large companies:								
Normal obligors	8,794	7,746	5,169	3,987	3,890	6,763	7,847	44,196
Watch obligors excluding special attention obligors	116	83	40	85	32	209	156	721
Nonaccrual loans	46	83	54	37	59	263	332	873
Small and medium-sized companies:								
Normal obligors	216	317	212	168	133	601	459	2,106
Watch obligors excluding special attention obligors	19	26	10	9	9	39	23	136
Nonaccrual loans	1	5	7	6	8	35	23	86
Retail [1]:								
Housing Loan:								
Normal obligors	161	299	380	417	332	5,298	—	6,887
Watch obligors excluding special attention obligors	—	—	—	—	—	36	—	37
Nonaccrual loans	—	—	—	—	—	31	—	32
Others:								
Normal obligors	102	136	62	43	88	344	463	1,237
Watch obligors excluding special attention obligors	11	13	6	4	9	8	8	59
Nonaccrual loans	2	4	2	3	6	22	8	47
Sovereign:								
Normal obligors	1,725	248	47	46	89	349	3	2,506
Watch obligors excluding special attention obligors	—	4	1	—	—	—	—	6
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	75	82	72	253	2	166	107	757
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Total domestic	11,268	9,046	6,062	5,059	4,656	14,165	9,430	59,686
Foreign:								
Corporate [3]:								
Normal obligors	10,579	5,947	4,252	1,719	719	1,650	7,919	32,784
Watch obligors excluding special attention obligors	205	81	84	29	135	85	89	709
Nonaccrual loans	8	25	20	—	7	24	19	104
Retail:								
Normal obligors	1	2	1	1	1	4	—	10
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Sovereign:								
Normal obligors	157	228	236	15	2	4	30	670
Watch obligors excluding special attention obligors	1	1	—	—	—	—	—	2
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	828	826	631	151	36	206	447	3,124
Watch obligors excluding special attention obligors	—	—	3	—	—	8	—	11
Nonaccrual loans	—	—	—	3	—	—	—	3
Total foreign	11,778	7,110	5,227	1,918	900	1,981	8,504	37,417
Total	23,046	16,156	11,288	6,977	5,556	16,146	17,933	97,103

Notes:

(1) The primary component of the retail portfolio segment is housing loans to individuals which obligor category is classified based on past due status. The trigger to reclassify obligors from normal obligors to watch obligors excluding special attention obligors is when the past due status is more than 30 days.

(2) There were no significant revolving line of credit arrangements that converted to term loans during the fiscal year ended March 31, 2024 and the six months ended September 30, 2024.

(3) Corporate of foreign included ¥176 billion and ¥168 billion of lease receivables that were receivables arising from direct financing leasing at March 31, 2024 and September 30, 2024, respectively.

The table below presents gross charge-offs recognized for the six months ended September 30, 2023 and 2024:

	September 30, 2023							
	2023	2022	2021	2020	2019	Prior to 2019	Revolving Loans	Total
	(in billions of yen)							
Domestic:								
Corporate:								
Large companies	2	8	1	—	—	1	1	13
Small and medium-sized companies	—	—	—	—	—	—	1	1
Retail:								
Housing Loan	—	—	—	—	—	1	—	1
Others	—	—	—	—	—	—	—	1
Total domestic	2	9	1	—	—	2	2	16
Foreign:								
Total foreign (Note)	—	—	—	2	—	5	—	7
Total	2	9	1	2	—	7	2	24

	September 30, 2024							
	2024	2023	2022	2021	2020	Prior to 2020	Revolving Loans	Total
	(in billions of yen)							
Domestic:								
Corporate:								
Large companies	4	3	—	—	—	—	2	9
Small and medium-sized companies	1	1	—	—	—	—	1	3
Retail:								
Housing Loan	—	—	—	—	—	1	—	1
Others	—	1	—	—	—	—	—	1
Total domestic	5	4	—	—	—	2	3	14
Foreign:								
Total foreign (Note)	3	4	4	—	—	—	—	12
Total	8	9	4	—	—	2	3	26

Note: The majority of total foreign consist of corporate.

Loans are generally carried at the principal amount adjusted for unearned income and deferred net nonrefundable loan fees and costs. Loan origination fees, net of certain direct origination costs, are deferred and recognized over the contractual life of the loan as an adjustment of yield using a method that approximates the interest method. Interest income on performing loans is accrued and credited to income as it is earned. Unearned income and discounts or premiums on purchased loans are deferred and recognized over the life of the loan using a method that approximates the interest method.

Unearned income and deferred loan fees was ¥268 billion and ¥257 billion at March 31, 2024 and September 30, 2024, respectively.

The Group uses, as a practical expedient, the fair value of the collateral when recording the net carrying amounts of loans and determining the allowance for credit losses of such loans, for which the repayment is expected to be provided substantially through the operation or sale of the collateral, when the borrower is experiencing financial difficulty based on the assessment as of the reporting date. As of September 30, 2024, collateral relating to these loans was primarily comprised of real estate. There were no significant changes in the extent to which collateral secures these loans during this period and no significant concentration of collateral against any portfolio segment.

Nonaccrual loans

Loans are considered nonaccrual when, based on current information and events, it is probable that the MHFG Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loans. Factors considered by management in determining if a loan is nonaccrual include delinquency status and the ability of the debtor to make payments of the principal and interest when due. The Group classifies loans to special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans. Nonaccrual loans include loans past due for 90 days or more and modified loans to borrowers experiencing financial difficulty. There are no loans that are 90 days past due and still accruing. The Group does not have any loans to borrowers that cause management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms for the periods presented other than those already designated as nonaccrual loans. The majority of nonaccrual loans have no contractual delinquency due to interest reductions and/or postponement of principal and interest.

In case loans are designated as nonaccrual loans, interest accruals and the amortization of net origination fees are suspended and capitalized interest is written off. Cash received on nonaccrual loans is accounted for as a reduction of the loan principal if the ultimate collectability of the principal amount is in doubt, otherwise, as interest income. Loans are not restored to accrual status until interest and principal payments are current and future payments are reasonably assured. Nonaccrual loans are restored to accrual loans and accrual status, when the MHFG Group determines that the borrower poses no concerns regarding current certainty of debt fulfillment. In general, such determination is made if the borrower qualifies for an obligor rating of E2 or above and is not classified as a special attention obligor. With respect to modified loans to borrowers experiencing financial difficulty, in general, such loans are restored to accrual loans, and accrual status, when the borrower qualifies for an obligor rating of D or above. The table below presents nonaccrual loans information at March 31, 2024 and September 30, 2024, and interest income recognized on nonaccrual loans for the six months ended September 30, 2023 and 2024:

	March 31, 2024			September 30, 2023
	Amortized cost(1)			
	Nonaccrual loans with an allowance	Nonaccrual loans without an allowance	Total nonaccrual loans	Interest income recognized(2)
	(in billions of yen)			
Domestic:				
Corporate:				
Large companies	950	17	967	6
Small and medium-sized companies	86	12	97	1
Retail:				
Housing Loan	20	15	35	—
Others	31	18	49	—
Total domestic	1,088	61	1,149	7
Foreign:				
Total foreign(3)	124	3	127	4
Total	1,212	64	1,276	11

	September 30, 2024			September 30, 2024
	Amortized cost[(1)]			
	Nonaccrual loans with an allowance	Nonaccrual loans without an allowance	Total nonaccrual loans	Interest income recognized[(2)]
	(in billions of yen)			
Domestic:				
Corporate:				
Large companies	857	16	873	6
Small and medium-sized companies	78	8	86	1
Retail:				
Housing Loan	20	12	32	—
Others	29	17	47	—
Total domestic	984	54	1,037	8
Foreign:				
Total foreign[(3)]	105	2	108	2
Total	1,089	56	1,145	9

Notes:
(1) Amounts represent the outstanding balances of nonaccrual loans. The MHFG Group’s policy for placing loans in nonaccrual status is consistent with the Group’s definition of nonaccrual loans.
(2) Amounts represent the amount of interest income on nonaccrual loans recognized on a cash basis and included in Interest income on loans in the consolidated statements of income.
(3) The majority of total foreign consist of corporate.

The remaining balance of nonaccrual loans that has been partially charged off, was ¥8,168 million and ¥10,071 million as of March 31, 2024 and September 30, 2024, respectively.

Loan modifications to borrowers experiencing financial difficulty

The MHFG Group grants certain modifications of loans to borrowers experiencing financial difficulty. The following table presents loan modifications to borrowers experiencing financial difficulty by type of modification during the six months ended September 30, 2023 and 2024:

	Term extension(2)	Interest rate reduction(2)	Term extension and interest rate reduction(2)	Principal forgiveness	Other	Total(3)(4)
	(in billions of yen)					
September 30, 2023						
Domestic:						
Corporate:						
Large companies	182	—	1	—	6	189
Small and medium-sized companies	26	—	1	—	—	26
Retail:						
Housing Loan	—	—	—	—	—	—
Others	4	—	—	—	—	5
Total domestic	212	—	2	—	6	221
Foreign:						
Total foreign(1)	9	1	22	—	1	33
Total	221	1	25	—	6	254

	Term extension(2)	Interest rate reduction(2)	Term extension and interest rate reduction(2)	Principal forgiveness	Other	Total(3)(4)
	(in billions of yen)					
September 30, 2024						
Domestic:						
Corporate:						
Large companies	149	—	3	—	3	156
Small and medium-sized companies	23	—	—	—	—	24
Retail:						
Housing Loan	—	—	—	—	—	—
Others	4	—	—	—	—	4
Total domestic	176	—	4	—	3	183
Foreign:						
Total foreign(1)	13	—	—	—	—	13
Total	189	—	4	—	3	196

Notes:

(1) The majority of total foreign consist of corporate.

(2) The financial effects of loan modifications, which were largely in the form of term extensions and interest rate reductions, included extending the weighted-average life of the loans by 7.0 months and 7.1 months, and reducing the weighted-average contractual interest rate by 1.2% and 1.4% for the six months ended September 30, 2023 and 2024, respectively.
(3) Commitments to lend to borrowers experiencing financial difficulty that were granted modifications were immaterial at September 30, 2023 and 2024.
(4) The allowance for credit losses on loans is based on macroeconomic-sensitive models that rely on historical performance and macroeconomic scenarios to forecast expected credit losses. Modifications of loans impact expected credit losses by affecting the likelihood of default.

The following table presents the delinquent status of modified loans to borrowers experiencing financial difficulty, including loans that were modified during the six months ended September 30, 2023, and the twelve months ended September 30, 2024:

	30-59 days past due	60-89 days past due	90 days or more past due	Total past due	Current	Total
			(in billions of yen)			
September 30, 2023						
Domestic:						
Corporate:						
Large companies	—	—	4	4	186	189
Small and medium-sized companies	—	—	—	—	26	26
Retail:						
Housing Loan	—	—	—	—	—	—
Others	—	—	—	—	5	5
Total domestic	—	—	4	4	217	221
Foreign:						
Total foreign(Note)	—	—	—	—	33	33
Total	—	—	4	4	250	254

	30-59 days past due	60-89 days past due	90 days or more past due	Total past due	Current	Total
			(in billions of yen)			
September 30, 2024						
Domestic:						
Corporate:						
Large companies	—	—	3	3	152	156
Small and medium-sized companies	—	—	—	—	24	24
Retail:						
Housing Loan	—	—	—	—	—	—
Others	—	—	—	—	4	4
Total domestic	—	—	3	3	180	183
Foreign:						
Total foreign(Note)	—	—	—	—	13	13
Total	—	—	3	3	192	196

Note: The majority of total foreign consist of corporate.

Payment default is deemed to occur when the loan becomes three months past due or the obligor is downgraded to the category of substantially bankrupt or bankrupt. The loans modified and subsequently defaulted during the six months ended September 30, 2023, and the twelve months ended September 30, 2024, were insignificant.

Age analysis of past due loans

The table below presents an analysis of the age of the amortized cost basis in loans that are past due at March 31, 2024 and September 30, 2024:

	30-59 days past due	60-89 days past due	90 days or more past due	Total past due	Current	Total
			(in billions of yen)			
March 31, 2024						
Domestic:						
Corporate:						
Large companies	1	—	35	37	45,884	45,921
Small and medium-sized companies	—	1	5	6	2,431	2,436
Retail:						
Housing Loan	12	7	12	31	7,139	7,170
Others	5	1	10	16	1,387	1,403
Sovereign	—	—	—	—	2,447	2,447
Banks and other financial institutions	—	—	—	—	1,231	1,231
Total domestic	18	9	62	89	60,519	60,608
Foreign:						
Total foreign(Note)	—	—	20	20	37,817	37,837
Total	18	9	82	109	98,335	98,445
September 30, 2024						
Domestic:						
Corporate:						
Large companies	3	2	42	47	45,744	45,790
Small and medium-sized companies	—	1	4	5	2,322	2,327
Retail:						
Housing Loan	13	5	11	28	6,928	6,957
Others	5	1	10	16	1,327	1,343
Sovereign	—	—	—	—	2,512	2,512
Banks and other financial institutions	—	—	—	—	757	757
Total domestic	21	9	66	96	59,590	59,686
Foreign:						
Total foreign(Note)	—	—	16	16	37,402	37,417
Total	21	9	82	112	96,991	97,103

Note: The majority of total foreign consist of corporate.

Net losses on sales of loans

Net losses on sales of loans were ¥11,057 million and ¥3,828 million for the six months ended September 30, 2023 and 2024, respectively. These net losses include unrealized gains and losses on loans held for sale, representing the adjustments to the lower of cost or fair value at the end of each reporting period. The gains and losses on sales of loans are recorded in Other noninterest income and expenses, respectively.

5. Allowance for credit losses on loans

Changes in Allowance for credit losses on loans by portfolio segment for the six months ended September 30, 2023 and 2024 are shown below:

	Domestic					
	Corporate	Retail	Sovereign	Banks and other financial institutions	Foreign [2]	Total
	(in millions of yen)					
Six months ended September 30, 2023						
Balance at beginning of period	505,901	63,541	53	870	130,594	700,959
Provision (credit) for credit losses on loans	35,107	1,224	(10)	(647)	(33,037)	2,637
Charge-offs	(14,081)	(2,157)	—	—	(7,303)	(23,541)
Recoveries	1,086	733	—	—	1,347	3,166
Net charge-offs	(12,996)	(1,424)	—	—	(5,956)	(20,376)
Others [1]	—	—	—	—	46,773	46,773
Balance at end of period	528,013	63,341	43	223	138,374	729,994

	Domestic					
	Corporate	Retail	Sovereign	Banks and other financial institutions	Foreign [2]	Total
	(in millions of yen)					
Six months ended September 30, 2024						
Balance at beginning of period	563,716	55,790	44	273	130,249	750,071
Provision (credit) for credit losses on loans	(6,543)	661	(8)	(61)	3,830	(2,121)
Charge-offs	(11,260)	(2,474)	—	—	(12,145)	(25,880)
Recoveries	6,915	524	—	—	860	8,299
Net charge-offs	(4,345)	(1,951)	—	—	(11,285)	(17,581)
Others [1]	—	—	—	—	(14,621)	(14,621)
Balance at end of period	552,828	54,500	36	211	108,172	715,747

Notes:
(1) Others includes primarily foreign exchange translation.
(2) The majority of total foreign consist of corporate.

6. Other assets and liabilities

The following table sets forth the details of other assets and liabilities at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in millions of yen)	
Other assets:		
Accounts receivable:		
Receivables from brokers, dealers and customers for securities transactions	2,278,334	2,244,459
Other	571,349	438,685
Collateral pledged:		
Collateral pledged for derivative transactions	1,406,369	1,540,730
Margins provided for futures contracts	264,473	285,816
Other	1,014,478	93,368
Prepaid pension cost	763,254	780,009
Right-of-use assets	522,936	496,935
Security deposits	83,204	81,002
Loans held for sale	103,592	452,877
Other [(1)]	1,272,162	1,249,052
Total	8,280,151	7,662,932
Other liabilities:		
Accounts payable:		
Payables to brokers, dealers and customers for securities transactions	1,049,094	1,366,973
Other	639,106	601,395
Guaranteed trust principal [(2)]	785,292	749,711
Lease liabilities	548,699	520,267
Collateral accepted:		
Collateral accepted for derivative transactions	1,382,985	1,076,224
Margins accepted for futures contracts	25,405	17,584
Unearned income	101,150	94,797
Other	1,737,267	1,870,960
Total	6,268,999	6,297,911

Notes:

(1) At March 31, 2024, The MHFG Group included premises and equipment classified as held for sale in Other.

(2) Guaranteed trust principal, included in All other liabilities in the disclosure about consolidated VIEs in the accompanying balance sheets, is a liability of certain consolidated trust arrangements that meet the definition of a VIE for which the MHFG Group provides guarantees for the repayment of principal. See Note 15 “Variable interest entities and securitizations” for further discussion of the guaranteed principal money trusts.

7. Preferred and common stock

Preferred stock

The composition of preferred stock at March 31, 2024 and September 30, 2024 is as follows:

	March 31, 2024		September 30, 2024	
Class of stock	Authorized	Issued	Authorized	Issued
	(number of shares)			
Class XIV preferred stock	90,000,000	—	90,000,000	—
Class XV preferred stock	90,000,000	—	90,000,000	—
Class XVI preferred stock	150,000,000	—	150,000,000	—

Common stock

The number of issued shares of common stock at March 31, 2024 and September 30, 2024 was 2,539,249,894. There was no increase or decrease during the six months ended September 30, 2024.

8. Accumulated other comprehensive income (loss), net of tax

Changes in each component of Accumulated other comprehensive income (loss), net of tax ("AOCI") for the six months ended September 30, 2023 and 2024 are as follows:

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
AOCI, balance at beginning of period	649,395	984,578
Net unrealized gains (losses) on available-for-sale securities:		
Balance at beginning of period	(31,084)	2,061
Unrealized holding gains (losses) during period	2,603	(7,526)
Less: reclassification adjustments for losses (gains) included in net income	(4,346)	(2,560)
Change during period	(1,743)	(10,085)
Balance at end of period	(32,827)	(8,024)
Foreign currency translation adjustments:		
Balance at beginning of period	227,660	467,864
Foreign currency translation adjustments during period	241,136	33,302
Less: reclassification adjustments for losses (gains) included in net income	—	(3,038)
Change during period	241,136	30,264
Balance at end of period	468,795	498,128
Defined benefit plan adjustments:		
Balance at beginning of period	423,677	499,663
Unrealized gains (losses) during period	1,784	6,261
Less: reclassification adjustments for losses (gains) included in net income	(12,530)	(15,611)
Change during period	(10,746)	(9,350)
Balance at end of period	412,931	490,313
Own credit risk adjustments:		
Balance at beginning of period	29,142	14,990
Unrealized gains (losses) during period	(13,133)	6,467
Less: reclassification adjustments for losses (gains) included in net income	794	290
Change during period	(12,339)	6,757
Balance at end of period	16,803	21,747
Total other comprehensive income (loss), net of tax attributable to MHFG shareholders	216,308	17,586
AOCI, balance at end of period	865,702	1,002,164

The following table shows the amounts reclassified out of AOCI into net income during the six months ended September 30, 2024:

	Six months ended September 30, 2024					
	Before tax [1]	Tax effect [2]	Net of tax before allocation to noncontrolling interests	Net of tax attributable to noncontrolling interests [2]	Net of tax attributable to MHFG shareholders	
	(in millions of yen)					
Amounts reclassified out of AOCI into net income:						Affected line items in the consolidated statements of income:
Net unrealized gains (losses) on available-for-sale securities	3,358	(798)	2,560	—	2,560	Investment gains (losses)-net
Foreign currency translation adjustments	3,041	—	3,041	(3)	3,038	Foreign exchange gains (losses)-net Other noninterest income
Defined benefit plan adjustments	22,305	(6,696)	15,610	2	15,611	Salaries and employee benefits
Own credit risk adjustments	(418)	128	(290)	—	(290)	Other noninterest income (expenses)
Total	28,285	(7,366)	20,920	(1)	20,918	

Notes:

(1) The financial statement line item in which the amounts in the before tax column are reported in the consolidated statements of income is listed to the right of the table.

(2) The financial statement line items in which the amounts in the tax effect and the net of tax attributable to noncontrolling interest columns are reported in the consolidated statements of income are Income tax expense and Net income, respectively.

9. Regulatory matters

Regulatory capital requirements

MHFG, MHBK, and MHTB are subject to regulatory capital requirements supervised by the Financial Services Agency in accordance with the provisions of Japan's Banking Act and related regulations. Certain foreign banking subsidiaries are subject to regulation and control by local supervisory authorities, including central banks. Failure to meet minimum capital requirements may initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on the MHFG Group's consolidated financial condition and results of operations.

Capital adequacy ratios and leverage ratios of MHFG, MHBK, and MHTB as of March 31, 2024 and September 30, 2024 calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency are set forth in the following table:

	March 31, 2024		September 30, 2024	
	Amount	Ratio	Amount	Ratio
	(in billions of yen, except percentages)			
Consolidated:				
MHFG:				
Common Equity Tier 1 capital:				
Required [(1)]	5,883	8.09	5,664	8.12
Actual	9,259	12.73	9,554	13.69
Tier 1 capital:				
Required [(1)]	6,973	9.59	6,710	9.62
Actual	10,801	14.85	11,425	16.37
Total risk-based capital:				
Required [(1)]	8,428	11.59	8,106	11.62
Actual	12,314	16.93	13,013	18.65
Leverage Ratio [(2)]:				
Required [(3)]	8,028	3.50	8,404	3.70
Actual	10,801	4.70	11,425	5.02
MHBK:				
Common Equity Tier 1 capital:				
Required	2,968	4.50	2,860	4.50
Actual	7,431	11.26	7,856	12.35
Tier 1 capital:				
Required	3,957	6.00	3,813	6.00
Actual	8,973	13.60	9,724	15.30
Total risk-based capital:				
Required	5,276	8.00	5,084	8.00
Actual	10,400	15.76	11,262	17.71
Leverage Ratio [(2)]:				
Required	6,382	3.00	6,593	3.15
Actual	8,973	4.21	9,724	4.64
MHTB:				
Common Equity Tier 1 capital:				
Required	74	4.50	69	4.50
Actual	476	28.98	488	31.71
Tier 1 capital:				
Required	98	6.00	92	6.00
Actual	476	28.98	488	31.71
Total risk-based capital:				
Required	131	8.00	123	8.00
Actual	476	28.99	489	31.72
Leverage Ratio [(2)]:				
Required	123	3.00	121	3.15
Actual	476	11.62	488	12.65

	March 31, 2024		September 30, 2024	
	Amount	Ratio	Amount	Ratio
	(in billions of yen, except percentages)			
Non-consolidated:				
MHBK:				
Common Equity Tier 1 capital:				
Required	2,716	4.50	2,595	4.50
Actual	6,273	10.39	6,547	11.35
Tier 1 capital:				
Required	3,621	6.00	3,460	6.00
Actual	7,805	12.93	8,405	14.57
Total risk-based capital:				
Required	4,828	8.00	4,614	8.00
Actual	9,185	15.21	9,897	17.15
Leverage Ratio (2):				
Required	5,867	3.00	6,090	3.15
Actual	7,805	3.99	8,405	4.34
MHTB:				
Common Equity Tier 1 capital:				
Required	70	4.50	65	4.50
Actual	446	28.60	452	31.24
Tier 1 capital:				
Required	93	6.00	86	6.00
Actual	446	28.60	452	31.24
Total risk-based capital:				
Required	124	8.00	115	8.00
Actual	446	28.60	452	31.25
Leverage Ratio (2):				
Required	118	3.00	116	3.15
Actual	446	11.31	452	12.24

Notes:

(1) The required ratios described above, at March 31, 2024 and September 30, 2024, include the capital conservation buffer of 2.5%, the countercyclical capital buffer of 0.09% and 0.12%, respectively, and the additional loss absorbency requirements for global systemically important banks ("G-SIBs") and domestic systemically important banks ("D-SIBs") of 1.00%, which are all in addition to the regulatory minima. The respective required amounts are determined by applying the ratios to the sum of the risk weighted assets.

(2) The required and actual amounts described above at March 31, 2024 and September 30, 2024 exclude amounts of deposits to the Bank of Japan.

(3) The required ratios described above, at March 31, 2024 and September 30, 2024, include a leverage ratio buffer required to be met at 50% of the additional loss absorbency requirements applied to the Group as a G-SIB under the finalized Basel III reforms.

MHFG's securities subsidiary in Japan is also subject to the capital adequacy requirement under Japan's Financial Instruments and Exchange Act. Failure to maintain a minimum capital ratio will trigger mandatory regulatory actions.

Management believes, as of each latest balance sheet date, that MHFG, MHBK, MHTB, and their securities subsidiary in Japan and foreign banking subsidiaries were in compliance with all capital adequacy requirements to which they were subject.

10. Earnings per common share

Basic earnings per common share are computed by dividing net income attributable to MHFG common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflect all dilutive potential common shares such as stock options and the common shares of MHFG under the stock compensation programs.

The following table sets forth the computation of basic and diluted earnings per common share for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in millions of yen)	
Net income:		
Net income attributable to MHFG common shareholders	307,013	563,176
Effect of dilutive securities	—	—
Net income attributable to common shareholders after assumed conversions	307,013	563,176

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(thousands of shares)	
Shares:		
Weighted average common shares outstanding	2,535,971	2,536,068
Effect of dilutive securities:		
Stock options and the common shares of MHFG under the stock compensation programs	449	459
Weighted average common shares after assumed conversions	2,536,421	2,536,527

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in yen)	
Earnings per common share:		
Basic net income per common share	121.06	222.07
Diluted net income per common share	121.04	222.03

11. Income taxes

The following table presents the components of Income tax expense for the six months ended September 30, 2023 and 2024:

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in millions of yen)	
Current tax expense	123,862	199,921
Deferred tax expense	54,427	28,554
Total income tax expense	178,289	228,475

The preceding table does not reflect the tax effects of items recorded directly in Equity for the six months ended September 30, 2023 and 2024. The detailed amounts recorded directly in Equity are as follows:

	Six months ended September 30, 2023	Six months ended September 30, 2024
	(in millions of yen)	
Net unrealized gains (losses) on available-for-sale securities:		
Unrealized gains (losses)	521	(3,600)
Less: reclassification adjustments	(2,028)	(798)
Total	(1,508)	(4,399)
Defined benefit plan adjustments:		
Unrealized gains (losses)	818	2,676
Less: reclassification adjustments	(5,419)	(6,696)
Total	(4,601)	(4,020)
Own credit risk adjustments:		
Unrealized gains (losses)	(5,809)	2,887
Less: reclassification adjustments	351	128
Total	(5,458)	3,015
Total tax effect before allocation to noncontrolling interests	(11,567)	(5,403)

The statutory tax rate was 30.62% as of both September 30, 2023 and 2024. The effective tax rates, 30.18% and 29.42% for the six months ended September 30, 2023 and 2024, respectively, differed from the statutory tax rates. The differences between the tax rates for the six months ended September 30, 2023 and 2024 were immaterial.

At September 30, 2024, the MHFG Group had net operating loss carryforwards totaling ¥413 billion.

The total amount of unrecognized tax benefits was ¥6,999 million at September 30, 2024, which would, if recognized, affect the Group’s effective tax rate. The Group classifies interest and penalties accrued relating to unrecognized tax benefits as Income tax expense.

An immaterial portion of unrecognized tax benefits at March 31, 2024 was resolved in the six months period ended September 30, 2024. The amount of additional unrecognized tax benefits for the period was also immaterial. The MHFG Group does not anticipate that increases or decreases of unrecognized tax benefits within the next twelve months would have a material effect on its consolidated results of operations or financial condition.

12. Pension and other employee benefit plans

The following table summarizes the components of net periodic benefit cost of the severance indemnities and pension plans of the MHFG Group for the six months ended September 30, 2023 and 2024:

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
Service cost-benefits earned during the period	13,989	10,846
Interest costs on projected benefit obligations	5,300	6,674
Expected return on plan assets	(17,180)	(15,661)
Amortization of prior service cost (benefits)	(2,444)	(2,711)
Amortization of net actuarial loss (gain)	(14,513)	(19,156)
Special termination benefits	2,014	365
Other	—	1,389
Net periodic benefit cost	(12,833)	(18,253)

In June 2024, based on various approvals, MHFG and certain domestic subsidiaries communicated to their employees an amendment to the defined benefit plans that was effective as of July 1, 2024. In accordance with ASC 715, "Compensation—Retirement Benefits" ("ASC 715"), any change in projected benefit obligations due to a plan amendment is required to be recognized as prior service benefits (cost) as of the amendment date. Accordingly, the MHFG Group recognized ¥9,360 million of prior service benefits for the six months ended September 30, 2024.

13. Derivative financial instruments

The MHFG Group enters into derivative financial instruments in response to the diverse needs of customers, to manage the risk related to the assets and liabilities of the Group, as part of its asset and liability management, and for proprietary trading purposes. The Group is exposed primarily to market risk associated with interest rate, commodity, foreign currency, and equity products. Market risk arises from changes in market prices or indices, interest rates and foreign exchange rates that may result in an adverse change in the market value of the financial instrument or an increase in its funding costs. Exposure to market risk is managed by imposing position limits and monitoring procedures and by initiating hedging transactions. In addition to market risk, the Group is exposed to credit risk associated with counterparty default or nonperformance in respect of transactions. Counterparty credit risk arises when a counterparty fails to perform according to the terms and conditions of the contract and the value of the underlying collateral held, if applicable, is not sufficient to recover resulting losses. The exposure to counterparty credit risk is measured by the fair value of all derivatives and its potential exposure at the balance sheet dates. The exposure to counterparty credit risk is managed by entering into legally enforceable master netting agreements to mitigate the overall counterparty credit risk, requiring underlying collateral and guarantees based on an individual credit analysis of each obligor and evaluating the credit features of each instrument. In addition, credit approvals, limits and monitoring procedures are also imposed.

Notional and fair value amounts of derivative instruments

The following table summarizes the notional and fair value amounts of derivative instruments outstanding as of March 31, 2024 and September 30, 2024. The fair values of derivatives are presented on a gross basis; derivative receivables and payables are not offset. In addition, they are not offset against the amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral under master netting agreements in the consolidated balance sheets, or the table below.

		Fair value			
		Derivative receivables [(2)]		Derivative payables [(2)]	
March 31, 2024	**Notional amount [(1)]**	**Designated as hedges**	**Not designated as hedges**	**Designated as hedges**	**Not designated as hedges**
	(in billions of yen)				
Interest rate contracts	2,297,499	—	8,668	—	8,712
Foreign exchange contracts	300,337	—	5,612	—	5,582
Equity-related contracts	15,914	—	340	—	394
Credit-related contracts	22,969	—	214	—	180
Other contracts	1,039	—	40	—	50
Total	2,637,757	—	14,874	—	14,918

		Fair value			
		Derivative receivables [(2)]		Derivative payables [(2)]	
September 30, 2024	**Notional amount [(1)]**	**Designated as hedges**	**Not designated as hedges**	**Designated as hedges**	**Not designated as hedges**
	(in billions of yen)				
Interest rate contracts	2,443,182	—	8,529	—	8,353
Foreign exchange contracts	312,220	—	5,383	—	5,716
Equity-related contracts	16,110	—	275	—	355
Credit-related contracts	23,357	—	231	—	218
Other contracts	946	—	36	—	33
Total	2,795,815	—	14,453	—	14,674

Notes:
(1) Notional amount includes the sum of gross long and gross short third-party contracts.
(2) Derivative receivables and payables are recorded in Trading account assets and Trading account liabilities, respectively.

The MHFG Group provided and/or accepted cash collateral for derivative transactions under master netting agreements. The cash collateral, which was not offset against derivative positions, was included in Other assets and Other liabilities, respectively, of which the amounts were ¥1,406 billion and ¥1,383 billion at March 31, 2024, and ¥1,541 billion and ¥1,076 billion at September 30, 2024, respectively.

Hedging activities

In order to qualify for hedge accounting, a derivative must be considered highly effective at reducing the risk associated with the exposure being hedged. Each derivative must be designated as a hedge, with documentation of the risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, and how effectiveness is to be assessed prospectively and retrospectively. The extent to which a hedging instrument is effective at achieving offsetting changes in fair value or cash flows must be assessed at least quarterly. The MHFG Group's hedging activities include net investment hedges.

Net investment hedges

The MHFG Group uses forward foreign exchange contracts and foreign currency-denominated debt instruments to protect the value of net investments in non-Japanese subsidiaries from foreign currency exposure. Under net investment hedges, both derivatives and nonderivative financial instruments qualify as hedging instruments. The foreign currency-denominated debt instruments qualifying as hedging instruments include deposits and long-term debt, of which the carrying amounts of the portion designated as net investment hedges are included within the respective items in the consolidated balance sheets as well as relevant accompanying notes. For net investment hedges, the entire change in the fair value of a hedging derivative instrument or nonderivative hedging financial instrument is recorded in Foreign currency translation adjustments within Accumulated other comprehensive income (loss), provided that the hedging instrument is designated as a hedge of the net investment. The gains and losses recorded in other comprehensive income (loss) related to net investment hedges were immaterial.

Derivative instruments not designated or qualifying as hedges

The MHFG Group enters into the following derivative transactions that do not qualify for hedge accounting with a view to implementing risk management strategies: (1) interest-rate swap transactions for the purpose of economically managing the interest-rate risks in deposits, loans, etc., (2) currency swap transactions for the purpose of economically managing the foreign exchange risk of these assets, (3) equity-related derivatives for the purpose of economically managing the risk of stock price fluctuation involved in holding equity products, and (4) credit derivatives for the purpose of economically managing the credit risk in loans, residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), collateralized loan obligations ("CLO") and other similar assets. Such derivatives are accounted for as trading positions. The changes in fair value of these instruments are primarily recorded in Trading account gains (losses)—net, even though they are used to mitigate or transform the risk of exposures arising from banking activities. The net gains (losses) resulting from changes in the fair value of certain credit derivatives where the Group purchases protection to mitigate its credit risk exposure, related to its corporate loan portfolio, is recorded in Other noninterest income (expenses).

The following table summarizes gains and losses on derivatives not designated or qualifying as hedges during the six months ended September 30, 2023 and 2024:

	Gains (losses) recorded in income for six months ended September 30,	
	2023	2024
	(in millions of yen)	
Interest rate contracts	134,778	(70,474)
Foreign exchange contracts	209,185	219,124
Equity-related contracts	341,589	167,248
Credit-related contracts (Note)	27,400	(9,607)
Other contracts	(115,214)	(7,436)
Total	597,737	298,856

Note: Amounts include the net gains (losses) of ¥(365) million and ¥(612) million on the credit derivatives economically managing the credit risk of loans during the six months ended September 30, 2023 and 2024, respectively.

Credit derivatives

A credit derivative is a bilateral contract between a seller and a buyer of protection against the credit risk of a particular entity. Credit derivatives generally require that the seller of credit protection make payments to the buyer upon the occurrence of predefined credit events, which include bankruptcy, dissolution or insolvency of the referenced entity. The MHFG Group either purchases or writes protection on either a single name or a portfolio of reference credits. The Group enters into credit derivatives to help mitigate credit risk in its corporate loan portfolio and other cash positions, to take proprietary trading positions, and to facilitate client transactions.

The notional amount of credit derivatives represents the maximum potential amount of future payments the seller could be required to make. If the predefined credit event occurs, the seller will generally have a right to collect on the underlying reference credit and the related cash flows, while being liable for the full notional amount of credit protection to the buyer. The Group manages credit risk associated with written protection by purchasing protection with identical or similar underlying reference credits, which substantially offsets its exposure. Thus, the notional amount is not necessarily a reliable indicator of the Group's actual loss exposure.

The following table summarizes the notional and fair value amounts of credit derivatives at March 31, 2024 and September 30, 2024:

	March 31, 2024		September 30, 2024	
	Notional amount	Fair value	Notional amount	Fair value
	(in billions of yen)			
Credit protection written:				
Investment grade	6,183	110	4,949	65
Non-investment grade	3,962	37	5,617	108
Total	10,145	147	10,566	174
Credit protection purchased	12,824	(114)	12,791	(161)

Note: The rating scale is based upon either the external ratings or the internal ratings of the underlying reference credit. The lowest investment grade rating is considered to be BBB-, while anything below or unrated is considered to be non-investment grade. Non-investment grade credit derivatives primarily consist of unrated credit default swap indices such as CDX and iTraxx.

The following table shows the maximum potential amount of future payments for credit protection written by expiration period at March 31, 2024 and September 30, 2024:

	Maximum payout/Notional amount	
	March 31, 2024	September 30, 2024
	(in billions of yen)	
One year or less	1,254	1,307
After one year through five years	8,610	8,857
After five years	281	403
Total	10,145	10,566

Note: The maximum potential amount of future payments is the aggregate notional amount of the credit derivatives where the Group wrote the credit protection, and it has not been reduced by the effect of any amounts that the Group may possibly collect on the underlying assets and the related cash flows, nor netted against that of credit protection purchased.

Credit-related contingent features

Certain of the MHFG Group's derivative instruments contain provisions that require the Group's debt to maintain an investment grade credit rating from the major credit rating agencies. If the Group's debt credit rating were to fall below investment grade, the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments which are in net liability positions for the Group.

The following table shows the quantitative information about derivative instruments with credit-risk-related contingent features at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in billions of yen)	
Aggregate fair value of derivative instruments with credit-risk-related contingent features in net liability positions	1,304	1,353
Collateral provided to counterparties in the normal course of business	1,025	1,162
Amount required to be posted as collateral or settled immediately if credit-risk-related contingent features were triggered	279	190

14. Commitments and contingencies

Obligations under guarantees

The MHFG Group provides guarantees or indemnifications to counterparties to enhance their credit standing and enable them to complete a variety of business transactions. A guarantee represents an obligation to make payments to third parties if the counterparty fails to fulfill its obligation under a borrowing arrangement or other contractual obligation.

The Group records all guarantees and similar obligations subject to ASC 460, "Guarantees" ("ASC 460") at fair value in the consolidated balance sheets at the inception of the guarantee.

The table below summarizes the maximum potential amount of future payments by type of guarantee at March 31, 2024 and September 30, 2024. The maximum potential amount of future payments disclosed below represents the contractual amounts that could be required to be repaid in the event of the guarantees being executed, without consideration of possible recoveries under recourse provisions or from collateral held. With respect to written options included in derivative financial instruments in the table below, in theory, the MHFG Group is exposed to unlimited losses; therefore, the table shows the notional amounts of the contracts as a substitute for the maximum exposure.

	March 31, 2024	September 30, 2024
	(in billions of yen)	
Performance guarantees	3,896	4,092
Guarantees on loans	348	201
Guarantees on securities	93	88
Other guarantees	3,543	3,294
Guarantees for the repayment of trust principal	16	14
Liabilities of trust accounts	599	613
Derivative financial instruments	113,108	72,908

The table below presents the maximum potential amount of future payments of performance guarantees, guarantees on loans, guarantees on securities and other guarantees classified based on internal ratings at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in billions of yen)	
Investment grade	6,095	5,797
Non-investment grade	1,784	1,879
Total	7,879	7,676

Note: Investment grade in the internal rating scale generally corresponds to BBB- or above in the external rating scale.

Other off-balance-sheet instruments

In addition to guarantees, the MHFG Group issues other off-balance-sheet instruments to its customers, such as lending-related commitments and commercial letters of credit. Under the terms of these arrangements, the MHFG Group is required to extend credit or make certain payments upon the customers' requests.

The table below summarizes the contractual amounts with regard to these undrawn commitments at March 31, 2024 and September 30, 2024:

	March 31, 2024	September 30, 2024
	(in billions of yen)	
Commitments to extend credit (Note)	115,577	116,858
Commercial letters of credit	1,778	1,812
Total	117,355	118,670

Note: Commitments to extend credit include commitments to invest in securities.

Legal proceedings and investigations

The MHFG Group is involved in normal collection proceedings initiated by the Group, other legal proceedings and investigations in the ordinary course of business. In accordance with ASC 450, "Contingencies" ("ASC 450"), the Group recognizes a liability for loss contingencies arising from such proceedings and investigations when a loss is probable and the loss amount or the range of the loss can be reasonably estimated. However, if a loss is reasonably possible but the range of loss is not probable and reasonably estimable, the Group does not recognize a liability but discloses the detail of such proceedings and investigations. Based on the information available as of the date of the consolidated financial statements, the Group believes that the outcome of the collection, legal proceedings and investigations will not have a significant adverse effect on the consolidated financial statements.

15. Variable interest entities and securitizations

Variable interest entities

In the normal course of business, the MHFG Group is involved with VIEs primarily through the following types of transactions: asset-backed commercial paper/loan programs, asset-backed securitizations, investments in securitization products, investment funds, trust arrangements, and structured finance. The Group consolidates certain of these VIEs, where the Group is deemed to be the primary beneficiary because it has both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Group reassesses whether it is the primary beneficiary on an ongoing basis as long as the Group has any continuing involvement with the VIE. There are also other VIEs, where the Group has determined that it is not the primary beneficiary but has significant variable interests. In evaluating the significance of the variable interests, the Group takes into consideration the extent of its involvement with each VIE, such as the seniority of its investments, the share of its holding in each tranche and the variability it expects to absorb, as well as other relevant facts and circumstances. The likelihood of loss is not necessarily relevant to the determination of significance, and therefore, "significant" does not imply that there is high likelihood of loss. The maximum exposure to loss that is discussed in this section refers to the maximum loss that the Group could possibly be required to record in its consolidated statements of income as a result of its involvement with the VIEs. This represents exposures associated with both on-balance-sheet assets and off-balance-sheet liabilities related to the VIEs. Further, this maximum potential loss is disclosed regardless of the probability of such losses and, therefore, it is not indicative of the ongoing exposure which is managed within the Group's risk management framework.

The table below shows the consolidated assets of the MHFG Group's consolidated VIEs as well as total assets and maximum exposure to loss for its significant unconsolidated VIEs, in which the Group has determined that its maximum exposure to loss is greater than specific thresholds or meets certain other criteria as of March 31, 2024 and September 30, 2024:

	Consolidated VIEs	Significant unconsolidated VIEs	
March 31, 2024	**Consolidated assets**	**Total assets**	**Maximum exposure to loss**
	(in billions of yen)		
Asset-backed commercial paper/loan programs	3,370	—	—
Asset-backed securitizations	1,668	175	96
Investments in securitization products	385	—	—
Investment funds	1,908	6,322	1,113
Trust arrangements and other	5,300	—	—
Total	12,631	6,497	1,209

	Consolidated VIEs	Significant unconsolidated VIEs	
September 30, 2024	**Consolidated assets**	**Total assets**	**Maximum exposure to loss**
	(in billions of yen)		
Asset-backed commercial paper/loan programs	2,985	—	—
Asset-backed securitizations	1,573	188	102
Investments in securitization products	384	—	—
Investment funds	1,725	5,133	1,191
Trust arrangements and other	5,085	—	—
Total	11,752	5,321	1,293

As of March 31, 2024 and September 30, 2024, the noncontrolling interests in consolidated VIEs amounted to ¥408 billion and ¥400 billion, respectively, and are included in the MHFG Group's equity-classified noncontrolling interests.

The MHFG Group has not provided financial or other support to consolidated or unconsolidated VIEs that the Group was not previously contractually required to provide.

The tables below present the carrying amounts and classification of assets and liabilities on the MHFG Group's balance sheets that relate to its variable interests in significant unconsolidated VIEs, as of March 31, 2024 and September 30, 2024:

Assets on the MHFG Group's balance sheets related to unconsolidated VIEs:	**March 31, 2024**	**September 30, 2024**
	(in billions of yen)	
Trading account assets	97	93
Investments	726	761
Loans	137	137
Total	960	990

Liabilities on the MHFG Group's balance sheets and maximum exposure to loss related to unconsolidated VIEs:	**March 31, 2024**	**September 30, 2024**
	(in billions of yen)	
Trading account liabilities	3	3
Total	3	3
Maximum exposure to loss (Note)	1,209	1,293

Note: This represents the maximum amount the Group could possibly be required to record in its consolidated statements of income associated with on-balance-sheet exposures and off-balance-sheet liabilities such as undrawn commitments.

In the table above the nature of the MHFG Group's variable interest can take different forms, as described further in the notes below. Additionally, the Group's exposure to the obligations of VIEs is generally limited to its interest in these entities. In certain instances the Group provides undrawn commitments to the VIEs.

The MHFG Group's maximum exposure to loss presented in the table above does not include the benefit of offsetting financial instruments that are held to mitigate the risks associated with these variable interests. Furthermore, the Group's maximum exposure to loss presented in the table above is not reduced by the amount of collateral held as part of the transaction with the VIE or any party to the VIE directly against a specific exposure to loss.

Asset-backed commercial paper/loan programs

The MHFG Group manages several asset-backed commercial paper/loan programs that provide its clients with off-balance-sheet and/or cost-effective financing. The VIEs used in the programs purchase financial assets, primarily receivables, from clients participating in the programs and provide liquidity through the issuance of commercial paper or borrowings from the Group backed by the financial assets. While customers normally continue to service the transferred receivables, the Group underwrites, distributes, and makes a market in commercial paper issued by the conduits. The Group typically provides program-wide liquidity and credit support facilities and, in some instances, financing to the VIEs. The Group has the power to determine which assets will be held by the VIEs and has an obligation to monitor these assets. The Group is also responsible for liability management. In addition, through the liquidity and credit support facilities provided to the VIEs, the Group has the obligation to absorb losses that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs.

Asset-backed securitizations

The MHFG Group acts as an arranger of various types of structured finance schemes to meet its clients' needs for off-balance-sheet financing. In substantially all of these structured financing transactions, the transfer of the financial asset by the client is structured to be bankruptcy remote by use of a bankruptcy remote entity, which is deemed to be a VIE because its equity holder does not have decision making rights. The Group receives fees for structuring and/or distributing the securities sold to investors. In some cases, the Group itself purchases the securities issued by the entities and/or provides loans to the VIEs.

In addition, the MHFG Group establishes several single-issue and multi-issue special purpose entities that issue collateralized debt obligations ("CDO") or CLO, synthetic CDO/CLO or other repackaged instruments to meet clients' and investors' financial needs. The Group also arranges securitization transactions including CMBS, RMBS and others. In these transactions, the Group acts as an underwriter, placement agent, asset manager, derivatives counterparty, and/or investor in debt and equity instruments.

In these cases, the MHFG Group considers that these variable interests are not significant as the Group does not have material balance sheet or off-balance exposure at risk related to these variable interests. However, when the Group has invested in securities issued by the VIEs and/or provides loans to the VIEs and its investment is most part of shares, such variable interests are deemed to be "significant." In certain VIEs, where the Group provides liquidity and credit support facilities, writes credit protection or invests in debt or equity instruments in its role as an arranger, servicer, administrator or asset manager, etc., the Group has the power to determine which assets will be held by the VIEs or to manage and monitor these assets. In addition, through the variable interests above, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs.

The MHFG Group manages Tender Option Bond ("TOB") programs which are associated with trusts that hold highly-rated, fixed-rate and tax-exempt municipal bonds. The trust finances the purchase of their municipal bonds by issuing two types of certificates: (1) short-term puttable and floating-rate certificates ("floaters"), typically purchased by money market funds and (2) certificates that earn all excess cash flow received by the trust after floaters and fees are paid ("residuals"), purchased by the transferor of the municipal bond to the trust as a sponsor. The Group is engaged in two types of TOB trusts: customer TOB trusts and non-customer TOB trusts. Customer TOB trusts are those for which the residuals are purchased by customers of the Group, whereas the residuals issued by non-customer TOB trusts are purchased by the Group. Both types of TOB trusts are deemed to be VIEs because its equity holder does not have decision making rights. The Group considers that it is a "significant" variable interest when the Group has the residuals as a sponsor and/or provides liquidity and credit support facilities. The Group often commits to provide liquidity to customer TOB trusts and the residual holders of customer TOB trusts are obligated to reimburse the Group for any payment the Group makes under those liquidity and credit support facilities. In non-customer TOB trusts, where the Group holds the residuals as a sponsor, the Group has the power to determine which assets will be held by the VIEs or to manage and monitor these assets. In addition, through the variable interests above, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs. Customer TOB trusts are not consolidated in the financial statements of the Group, as the residuals are held by customers and the Group does not have power to determine which assets will be held by the VIEs or to manage and monitor these assets.

Investments in securitization products

The MHFG Group invests in, among other things, various types of CDO/CLO, synthetic CDO/CLO and repackaged instruments, CMBS and RMBS arranged by third parties for the purpose of generating current income or capital appreciation, which all utilize entities that are deemed to be VIEs. By design, such investments were investment grade at issuance and held by a diverse group of investors. The potential loss amounts of the securities and the loans are generally limited to the amounts invested because the Group has no contractual involvement in such VIEs beyond its investments. Since the Group is involved in these VIEs only as an investor, the Group does not ordinarily have the power to direct the VIEs' activities that most significantly impact the VIEs' economic performance. Similar to the criteria noted in the asset-backed securitization section, the Group views this investment activity to be "significant" when it has a large investment share and/or provides loans to the VIEs. The Group consolidates VIEs, where the transactions are tailored by the third-party arrangers to meet the Group's needs as a main investor, who is ultimately deemed to have the power to determine which assets are to be held by the VIEs. The Group also invests in certain beneficial interests issued by VIEs which hold real estate that the Group utilizes. In addition to these variable interests, when the Group has the power including the sole unilateral ability to liquidate the VIEs, the Group consolidates such VIEs.

Investment funds

The MHFG Group invests in various investment funds, including securities investment trusts, which collectively invest in equity and debt securities that include listed Japanese securities and investment grade bonds. Investment advisory companies or fund management companies, including the Group's subsidiaries and affiliates, administer and make investment decisions about such investment funds. The Group considers that it is a "significant" variable interest when the Group's investment share is greater than threshold. The Group consolidates certain investment funds where it is deemed to be the primary beneficiary.

The MHFG Group determines whether it is the primary beneficiary by evaluating whether it has both (1) the power to make investment decisions about the investment funds and (2) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the investment funds. The Group consolidates certain investment funds where it is deemed to be the primary beneficiary.

Trust arrangements

The MHFG Group offers a variety of asset management and administration services under trust arrangements including security investment trusts, pension trusts and trusts used in the securitization of assets originated by and transferred to third parties. The Group receives trust fees for providing services as an agent or fiduciary on behalf of beneficiaries. In these cases, the Group considers that these variable interests are not significant except for its specific involvement as noted below.

With respect to guaranteed principal money trust products, the MHFG Group assumes certain risks by providing guarantees for the repayment of principal as required by the trust agreements or relevant Japanese legislation. The Group manages entrusted funds primarily through the origination of high-quality loans and other credit-related products, investing in investment grade marketable securities such as Japanese government bonds and placing cash with the Group's subsidiary trust banks. The Group has the power to determine which assets will be held by the VIEs or to manage these assets. In addition, through the principal guarantee agreements, the Group has the obligation to absorb losses that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs. However, the Group does not consolidate certain guaranteed principal money trusts, which invest all the entrusted funds in the Group itself, as the Group has determined that it has no variable interests. See Note 14 "Commitments and contingencies" for the balances of guaranteed trust principal that are not consolidated at March 31, 2024 and September 30, 2024.

With respect to non-guaranteed trust arrangements, the MHFG Group manages and administers assets on behalf of its customers (trust beneficiaries) in the capacity of a trustee and fiduciary. For substantially all non-guaranteed trust arrangements, the Group generally does not have the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance or has neither the obligation to absorb losses nor the right to receive benefits that could potentially be significant to the VIEs. Therefore, such trust accounts are not included in the consolidated financial statements of the Group.

The MHFG Group established a trust in August 2020, which holds the Group's housing loans and in turn issues beneficiary interests to the Group. The Group pledges the beneficiary interests as a collateral for borrowing from the Bank of Japan. In its role as a servicer, the Group has power to direct the entity's activities that most significantly impact the entity's economic performance by managing mortgage loans owned by a trust. The Group considers that it is a "significant" variable interest since the Group can determine which assets will be held by the VIE. In addition, through the beneficiary interest, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIE. Therefore, the Group consolidates the VIE.

Special purpose entities created for structured finance

The MHFG Group is involved in real estate, commercial aircraft and other vessel and machinery and equipment financing to VIEs and financing in securitized receivable. As the Group typically only provides senior financing with credit enhanced by subordinated interests and may sometimes act as an interest rate swap counterparty, the Group has determined that it does not have the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, or it does not have significant variable interests. Therefore, the Group does not consolidate such VIEs.

Securitization

The MHFG Group engages in securitization activities and securitizes mortgage loans, other loans, government and corporate securities and other types of financial assets in the normal course of business. In these securitization transactions, the Group records the transfer of a financial asset as a sale when all the accounting criteria for a sale under ASC 860, "Transfers and Servicing" ("ASC860") are met. These criteria are (1) the transferred financial assets are legally isolated from the Group's creditors, (2) the transferee or beneficial interest holder has the right to pledge or exchange the transferred financial assets, and (3) the Group does not maintain effective control over the transferred financial assets. If all the criteria are not met, the transfer is accounted for as a secured borrowing.

For the six months ended September 30, 2023 and 2024, the MHFG Group neither made significant transfers of financial assets nor recognized significant gains or losses in securitization transactions accounted for as sales. Therefore, the Group did not have significant assets obtained as proceeds and significant liabilities incurred in the transfer. The Group did not recognize significant continuing involvement and retain significant interests in securitization transactions accounted for as sales as of March 31, 2024 and September 30, 2024.

16. Noninterest income

Details of Noninterest income for the six months ended September 30, 2023 and 2024 are as follows:

	Six months ended September 30,	
	2023	2024
	(in millions of yen)	
Fee and commission income:		
Securities-related business [1]	116,989	126,734
Deposits-related business [1]	7,709	7,976
Lending-related business [2][4]	111,688	118,321
Remittance business [1]	51,688	50,247
Asset management business [1]	56,435	62,005
Trust-related business [1]	62,172	63,978
Agency business [1]	18,615	19,940
Guarantee-related business [3]	20,866	23,200
Fees for other customer services [1]	77,835	100,468
Total Fee and commission income	523,998	572,869
Foreign exchange gains (losses)—net [3]	22,548	(120,497)
Trading account gains (losses)—net [2]	(257,638)	801,981
Investment gains (losses)—net:		
Debt securities [3]	4,403	12,139
Equity securities [3]	490,375	(133,889)
Equity in earnings (losses) of equity method investees—net [3]	46,741	9,086
Gains on disposal of premises and equipment [3]	8,261	72,346
Other noninterest income [2][5]	152,903	123,285
Total	991,591	1,337,318

Notes:

(1) These amounts are revenues from contracts within the scope of ASC 606, “Revenue from contracts with customers” (“ASC 606”).
(2) Part of these amounts are considered to be revenues from contracts that are within the scope of ASC 606.
(3) These amounts are revenues from contracts that do not meet the scope of ASC 606.
(4) Most of the lending-related fees such as commitment fees and arrangement fees are not within the scope of ASC 606.
(5) These amounts include the net unrealized gains resulting from changes in fair values of structured notes that contain embedded derivatives. See Note 17 “Fair value” for further details.

Certain Fee and commission income, Trading account gains (losses)-net and Other noninterest income outlined in the table above are considered to be revenues from contracts that are within the scope of ASC 606. The MHFG Group disaggregates Fee and commission income, which is the main part of revenues within the scope of ASC 606, by type of business or service in the table above.

Fee and commission income

For the MHFG Group’s accounting policy for the recognition of Fee and commission income, see Note 1 “Basis of presentation and summary of significant accounting policies” to the consolidated financial statements in the Group’s most recent Form 20-F.

Trust-related business fees consist of trust fees earned primarily through fiduciary asset management and administrative service and other trust-related fees, which amounted to ¥28 billion and ¥34 billion for the six months ended September 30, 2023, respectively, and ¥28 billion and ¥36 billion for the six months ended September 30, 2024, respectively.

Trading account gains (losses)—net and Other noninterest income

In addition to Fee and commission income, Trading account gains (losses)-net and Other noninterest income include certain revenues within the scope of ASC 606. Underwriting fees from trading securities, which amounted to ¥40 billion and ¥58 billion for the six months ended September 30, 2023 and 2024, respectively, are within the scope of ASC 606 and accounted for in Trading account gains (losses)-net. Underwriting fees are primarily recognized on the date which all the considerations of the transaction are fixed. For the six months ended September 30, 2023 and 2024, approximately ¥12 billion and ¥14 billion, respectively, of Other noninterest income were within the scope of ASC 606. Credit card interchange fees are within the scope of ASC 606 and accounted for in Other noninterest income. Credit card interchange fees are earned on credit card transactions conducted through payment networks and recognized upon settlement of the credit card payment transactions.

Contract balances relating to revenues from contracts with customers subject to ASC 606

Contract assets and receivables from contracts with customers subject to ASC 606 are recognized in Accrued income or accounts receivable of Other assets. As of March 31, 2024 and September 30, 2024, the balance of contract assets was not material. Contract liabilities are recognized in unearned income of Other liabilities. As of March 31, 2024 and September 30, 2024, the balance of contract liabilities was not material.

Remaining performance obligations relating to revenues from contracts with customers subject to ASC 606

Remaining performance obligations are services that the MHFG Group has committed to provide in the future in connection with its contracts with customers. As of March 31, 2024 and September 30, 2024, the amount of expected revenues from current obligations to provide services in the future was not material. It excludes revenues from contracts less than one year or contracts that have provisions that allow the Group to recognize revenue at the amount it has the right to invoice.

17. Fair value

Fair value measurements

ASC 820, “Fair Value Measurement” (“ASC 820”), defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, ASC 820 precludes (1) the deferral of gains and losses at inception of certain derivative contracts whose fair value was not evidenced by market-observable data, and (2) the use of block discounts when measuring the fair value of instruments traded in an active market, which were previously applied to large holdings of publicly traded financial instruments.

Fair value hierarchy

ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The standard describes the following three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. If no quoted market prices are available, the fair values of debt securities and over-the-counter derivative contracts in this category are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Valuation process

The MHFG Group has established valuation policies which govern the principles of fair value measurements and the authority and duty of each department. The Group has also established procedure manuals which describe valuation techniques and related inputs for determining the fair values of various financial instruments. The policies require that the measurement of fair values be carried out in accordance with the procedures performed by the risk management departments or the back offices which are independent from the front offices. The policies also require the risk management departments to assess whether the valuation methodologies defined in the procedure manuals are fair and proper and the internal audit departments to periodically review the compliance with the procedures throughout the Group. Although the valuation methodologies and related inputs are consistently applied from period to period, a change in the market environment sometimes leads to a change in the valuation methodologies and the inputs. For instance, a change in market liquidity due to a delisting or a new listing is one of the key drivers of revisions to the valuation methodologies and the inputs. The key drivers also include the availability or the lack of market observable inputs and the development of new valuation methodologies. Price verification performed through the Group's internal valuation process has an important role in identifying whether the valuation methodologies and the inputs need to be changed. The internal valuation process over the prices broker-dealers provide, primarily for Japanese securitization products, is described in more detail below in *Available-for-sale securities*. A change in the valuation methodologies and/or the inputs requires the revision of the valuation policies and procedure manuals, which is required to be approved by the appropriate authority, either the CEO, the head of risk management, and/or the head of accounting, depending on the nature and characteristics of the change.

The following is a description of valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis, including the general classification of such instruments pursuant to the fair value hierarchy and the MHFG Group's valuation techniques used to measure fair values. During the six months ended September 30, 2024, there were no significant changes made to the Group's valuation techniques and related inputs.

Trading securities and trading securities sold, not yet purchased

When quoted prices for identical securities are available in an active market, the Group uses the quoted prices to measure the fair values of securities and such securities are classified in Level 1 of the fair value hierarchy. Level 1 securities include highly liquid government bonds and equity securities. When quoted prices for identical securities are available, but not actively traded, such securities are classified in Level 2 of the fair value hierarchy. When no quoted market prices are available, the Group estimates fair values by using pricing models with inputs that are observable in the market and such securities are classified in Level 2 of the fair value hierarchy. Level 2 securities include Japanese local government bonds, corporate bonds, and commercial paper. When less liquid market conditions exist for securities, the quoted prices are stale or the prices from independent sources vary significantly, such securities are generally classified in Level 3 of the fair value hierarchy. The fair values of securitization products such as RMBS, CMBS, ABS, and CLO are determined primarily by using a discounted cash flow model. The key inputs used for the model include prepayment rates, default rates, recovery rates, and discount margin. Though most securitization products are classified in Level 2, if the significant inputs are unobservable or cannot be corroborated by observable market data, these financial instruments are classified in Level 3.

Hedge funds the Group invests in are primarily multi-strategy funds that employ a fundamental bottom-up investment approach across various asset classes globally. Hedge funds are measured at the net asset value ("NAV") per share and the Group has the ability to redeem its investment with the investees at the NAV per share at the measurement date or within the near term. Private equity funds have specific investment objectives in connection with their acquisition of equity interests in new and emerging firms in need of capital. Employing venture capital strategies, they provide financing and other support to start-up businesses, medium and small entities in particular geographical areas, and to companies with certain technologies or companies in high-growth industries. Real estate funds invest globally and primarily in real estate companies, debt recapitalizations and direct property. Private equity funds and real estate funds are measured using the NAV per share practical expedient and the Group does not have the ability to redeem its investment in the investees at the NAV per share at the measurement date or within the near term. It is estimated that the underlying assets of the funds would be liquidated within a ten-year period.

Derivative financial instruments

Exchange-traded derivatives are valued using quoted market prices and consequently are classified in Level 1 of the fair value hierarchy. However, the majority of derivatives entered into by the Group are executed over-the-counter and are valued using internal valuation techniques as no quoted market prices are available for such instruments. The valuation techniques depend on the type of derivatives. The principal techniques used to value these instruments are discounted cash flow models and the Black-Scholes option pricing model, which are widely accepted in the financial services industry. The key inputs vary by the type of derivatives and the nature of the underlying instruments and include interest rate yield curves, foreign exchange rates, the spot price of the underlying, volatility and correlation. Each item is classified in either Level 2 or Level 3 depending on the observability of the significant inputs to the model. Level 2 derivatives include plain vanilla interest rate and currency swaps and option contracts. Derivative contracts valued using significant unobservable correlation or volatility are classified in Level 3 of the fair value hierarchy. In addition, the Group records credit-risk valuation adjustments on over-the-counter derivatives to reflect the credit quality of its counterparties. The Group calculates these credit-risk valuation adjustments using modeled expected exposure, and default probabilities and severity factors that are developed from market credit spreads and other related market information. Also, the Group records funding valuation adjustments to reflect the impact of funding on uncollateralized over-the-counter derivatives and derivatives where the Group is not permitted to use the collateral received, and is recognized where there is evidence that a market participant would incorporate the adjustment into the transfer of the instrument. The Group calculates these funding valuation adjustments incorporating the expected future funding requirements arising from the Group's positions and the estimated market funding cost which considers the Group's credit risk. The Group measures these valuation adjustments based on net exposure of a group of financial assets and financial liabilities to credit risk.

Available-for-sale securities

The fair values of available-for-sale securities are determined primarily using the same procedures described under trading securities above. Since private placement bonds have no quoted market prices, the fair values of such bonds are estimated based on a discounted cash flow model using interest rates approximating the current rates for instruments with similar maturities and credit risk. Private placement bonds are classified in either Level 2 or Level 3 depending on the observability of the significant inputs to the model, such as credit risk. The fair values of securitization products such as RMBS, CMBS and ABS are generally based upon single non-binding quoted prices from broker-dealers. Such quotes are validated through the Group's internal processes and controls. In rare instances where the Group finds the quoted prices to be invalid through its internal valuation process, it adjusts those prices or alternatively estimates their fair values by using a discounted cash flow model to incorporate the Group's estimates of key inputs such as the most recent value of each underlying asset, cash flows of the underlying assets, and discount margin. The validation of such prices varies depending on the nature and type of the products. For the majority of RMBS and ABS, broker quotes are validated by investigating significant unusual monthly valuation fluctuations and comparing to prices internally computed through discounted cash flow models using assumptions and parameters provided by brokers such as the cash flows of underlying assets, yield curve, prepayment speed and credit spread. For the majority of CMBS, the Group validates broker quotes through a review process that includes the investigation of significant unusual monthly valuation fluctuations and/or a review of underlying assets with significant differences between the valuations of the Group and the broker-dealers being identified. Though most securitization products are classified in Level 2, if the significant inputs are unobservable or cannot be corroborated by observable market data, these financial instruments are classified in Level 3.

Equity securities

Equity securities mainly consist of marketable equity securities. The fair values of the marketable equity securities are based upon quoted market prices for identical equity securities trading as securities in an active market. Equity securities also include investments in certain investment funds measured using the NAV per share practical expedient including private equity funds and real estate funds. These securities are determined primarily using the same procedures described under *Trading securities and trading securities sold, not yet purchased* above.

Other investments

Other investments consist of investments held by consolidated investment companies. These companies typically hold investments in marketable and non-marketable equity securities and debt securities. The fair value of the marketable equity securities is based upon quoted market prices. The fair value of the non-marketable equity securities is based upon significant management judgment, as very limited quoted prices exist. When evaluating such securities, the Group firstly considers recent market transactions of identical securities, if applicable. Thereafter, the Group uses commonly accepted valuation techniques such as earnings multiples based on comparable public securities. Non-marketable equity securities are generally classified in Level 3 of the fair value hierarchy. The fair value of the debt securities is estimated using a discounted cash flow model, since they have no quoted market prices. Those debt securities are classified in Level 3, because the credit risk is unobservable.

Other assets

Other assets measured at fair value consist of securities received as collateral that may be sold or repledged under securities lending transactions. The securities received as collateral under lending transactions mainly consist of certain foreign government bonds and securitization products which are valued using the valuation techniques described under *Trading securities and trading securities sold, not yet purchased* above.

Long-term debt and Other short-term borrowings

Fair value accounting is elected for certain debt instruments with embedded derivatives. The fair values are determined using a discounted cash flow model that considers the embedded derivatives and the terms and payment structures of the notes. The fair values of the derivatives embedded in such notes are primarily derived by using the same procedures described in *Derivative financial instruments* above. Such notes are classified in Level 2 or Level 3 depending on the observability of the significant inputs into the model used to determine the fair value of the embedded derivatives. The Group also measures certain notes that contain embedded derivatives at fair value under the practicability exception. For these instruments, fair value is based on quoted prices for identical debt traded as a security in inactive markets. These instruments are classified in Level 2 of the fair value hierarchy.

Other liabilities

Other liabilities measured at fair value consist of obligation to return securities received as collateral under securities lending transactions, which are measured at the fair value of the securities received as collateral. The securities consist primarily of certain foreign government bonds and securitization products, whose fair values are measured using the valuation techniques described under *Trading securities and trading securities sold, not yet purchased* above.

Items measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis at March 31, 2024 and September 30, 2024, including those for which the MHFG Group has elected the fair value option, are summarized below:

March 31, 2024	Level 1	Level 2	Level 3	Assets/ Liabilities measured at fair value
		(in billions of yen)		
Assets:				
Trading securities [1]:				
Japanese government bonds	1,623	5	—	1,628
Japanese local government bonds	—	135	—	135
U.S. Treasury bonds and federal agency securities	3,534	1,468	—	5,002
Other foreign government bonds	676	897	—	1,572
Agency mortgage-backed securities	—	6,717	—	6,717
Certificates of deposit and commercial paper	—	351	—	351
Corporate bonds and other [2]	—	3,208	189	3,397
Equity securities	2,743	209	21	2,973
Trading securities measured at net asset value [3]				109
Derivative financial instruments:				
Interest rate contracts	14	8,640	14	8,668
Foreign exchange contracts	—	5,610	2	5,612
Equity-related contracts	79	255	6	340
Credit-related contracts	—	213	1	214
Other contracts	21	9	10	40
Available-for-sale securities:				
Japanese government bonds	10,562	412	—	10,974
Japanese local government bonds	—	584	—	584
U.S. Treasury bonds and federal agency securities	147	—	—	147
Other foreign government bonds	922	1,122	—	2,045
Agency mortgage-backed securities	—	477	—	477
Residential mortgage-backed securities	—	24	8	31
Commercial mortgage-backed securities	—	801	4	804
Japanese corporate bonds and other debt securities	—	1,666	167	1,833
Foreign corporate bonds and other debt securities	—	795	23	818
Equity securities:				
Equity securities with readily determinable fair values	4,165	296	—	4,461
Equity securities measured at net asset value [3]				334
Other investments	1	—	80	80
Other assets	3	68	—	71
Total assets measured at fair value on a recurring basis	24,489	33,961	525	59,419
Liabilities:				
Trading securities sold, not yet purchased	3,445	2,258	—	5,703
Derivative financial instruments:				
Interest rate contracts	14	8,697	1	8,712
Foreign exchange contracts	—	5,571	11	5,582
Equity-related contracts	105	213	76	394
Credit-related contracts	—	174	6	180
Other contracts	13	26	10	50
Other short-term borrowings [4]	—	153	—	153
Long-term debt [4]	—	2,450	427	2,876
Other liabilities	3	68	—	71
Total liabilities measured at fair value on a recurring basis	3,580	19,610	531	23,721

September 30, 2024	Level 1	Level 2	Level 3	Assets/ Liabilities measured at fair value
		(in billions of yen)		
Assets:				
Trading securities [1]:				
Japanese government bonds	1,844	7	—	1,851
Japanese local government bonds	—	104	—	104
U.S. Treasury bonds and federal agency securities	5,047	1,550	—	6,598
Other foreign government bonds	898	1,085	—	1,983
Agency mortgage-backed securities	—	5,793	—	5,793
Certificates of deposit and commercial paper	—	721	—	721
Corporate bonds and other [2]	—	3,140	187	3,327
Equity securities	2,752	116	22	2,890
Trading securities measured at net asset value [3]				99
Derivative financial instruments:				
Interest rate contracts	21	8,506	3	8,529
Foreign exchange contracts	—	5,373	10	5,383
Equity-related contracts	81	191	3	275
Credit-related contracts	—	230	1	231
Other contracts	14	14	8	36
Available-for-sale securities:				
Japanese government bonds	10,047	448	—	10,495
Japanese local government bonds	—	597	—	597
U.S. Treasury bonds and federal agency securities	144	—	—	144
Other foreign government bonds	1,334	1,280	—	2,614
Agency mortgage-backed securities	—	469	—	469
Residential mortgage-backed securities	—	16	7	23
Commercial mortgage-backed securities	—	755	4	758
Japanese corporate bonds and other debt securities	—	1,406	165	1,570
Foreign corporate bonds and other debt securities	—	840	23	863
Equity securities:				
Equity securities with readily determinable fair values	3,234	518	—	3,751
Equity securities measured at net asset value [3]				295
Other investments	2	—	87	89
Other assets	7	51	29	87
Total assets measured at fair value on a recurring basis	25,425	33,208	548	59,576
Liabilities:				
Trading securities sold, not yet purchased	3,735	1,276	—	5,010
Derivative financial instruments:				
Interest rate contracts	19	8,331	2	8,353
Foreign exchange contracts	—	5,714	2	5,716
Equity-related contracts	98	174	83	355
Credit-related contracts	—	209	8	218
Other contracts	18	10	6	33
Other short-term borrowings [4]	—	332	—	332
Long-term debt [4]	—	3,140	454	3,595
Other liabilities	7	51	29	87
Total liabilities measured at fair value on a recurring basis	3,877	19,237	584	23,698

Notes:

(1) Trading securities include foreign currency denominated securities for which the MHFG Group elected the fair value option.

(2) The amount includes CLO and convertible bonds, which are classified in Level 3.

(3) In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented for these classes of assets are intended to permit the reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position. The amounts of unfunded commitments related to these investments at March 31, 2024 and September 30, 2024 were ¥41 billion and ¥44 billion, respectively.

(4) Amounts represent items for which the Group elected the fair value option or for which it applied the practicability exception.

Items measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The following table presents a reconciliation for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended September 30, 2023 and 2024:

Six months ended September 30, 2023	April 1, 2023	Gains (losses) in Earnings	Gains (losses) in OCI	Transfers into Level 3	Transfers out of Level 3	Purchases	Sales	Issuances	Settle-ments	September 30, 2023	Change in unrealized gains (losses) still held [6]
	(in billions of yen)										
Assets:											
Trading securities:											
Corporate bonds and other	47	3 [2]	—	—	(4)	140	(43)	—	(22)	122	1
Equity securities	21	1 [2]	—	—	—	1	(1)	—	(1)	22	—
Derivative financial instruments, net [1]:											
Interest rate contracts	51	31 [2]	—	—	—	—	—	—	—	82	37
Foreign exchange contracts	14	(1) [2]	—	—	—	—	—	—	(17)	(4)	(7)
Equity-related contracts	(27)	(22) [2]	—	—	—	—	—	—	16	(33)	18
Credit-related contracts	(1)	— [2]	—	—	—	—	—	—	—	(2)	—
Other contracts	2	(2) [2]	—	—	—	—	—	—	—	—	(1)
Available-for-sale securities:											
Residential mortgage-backed securities	13	— [3]	— [4]	—	—	—	(2)	—	(2)	9	—
Commercial mortgage-backed securities	—	— [3]	— [4]	—	—	3	—	—	—	3	—
Japanese corporate bonds and other debt securities	101	— [3]	10 [4]	—	—	100	—	—	(46)	165	12
Foreign corporate bonds and other debt securities	90	— [3]	7 [4]	—	(2)	9	—	—	(2)	103	(1)
Other investments	63	1 [3]	—	—	—	46	—	—	(30)	79	—
Liabilities:											
Long-term debt	836	(26) [5]	(14) [4]	1	(2)	—	—	165	(271)	769	(3)

Six months ended September 30, 2024	April 1, 2024	Gains (losses) in Earnings	Gains (losses) in OCI	Transfers into Level 3	Transfers out of Level 3	Purchases	Sales	Issuances	Settle-ments	September 30, 2024	Change in unrealized gains (losses) still held [6]
	(in billions of yen)										
Assets:											
Trading securities:											
Corporate bonds and other	189	(4)[2]	—	—	(3)	30	(22)	—	(4)	187	—
Equity securities	21	1[2]	—	—	—	—	—	—	(1)	22	1
Derivative financial instruments, net [1]:											
Interest rate contracts	13	(12)[2]	—	—	—	—	—	—	—	—	(13)
Foreign exchange contracts	(9)	16[2]	—	—	—	—	—	—	2	9	17
Equity-related contracts	(70)	(19)[2]	—	—	—	—	—	—	8	(80)	(22)
Credit-related contracts	(5)	—[2]	—	—	—	—	—	—	(2)	(7)	(2)
Other contracts	—	2[2]	—	—	—	—	—	—	—	2	2
Available-for-sale securities:											
Residential mortgage-backed securities	8	—[3]	—[4]	—	—	—	—	—	(1)	7	—
Commercial mortgage-backed securities	4	—[3]	—[4]	—	—	—	—	—	—	4	—
Japanese corporate bonds and other debt securities	167	—[3]	(2)[4]	—	—	2	—	—	(3)	165	(2)
Foreign corporate bonds and other debt securities	23	—[3]	—[4]	—	—	—	—	—	—	23	—
Other investments	80	—[3]	—	—	(2)	55	—	—	(45)	87	(2)
Other assets	—	—	—	—	—	29	—	—	—	29	—
Liabilities:											
Long-term debt	427	13[5]	3[4]	7	—	—	—	137	(100)	454	17
Other liabilities	—	—	—	—	—	—	—	29	—	29	—

Notes:

(1) Total Level 3 derivative exposures have been netted on the table for presentation purposes only.

(2) Gains (losses) in Earnings are reported in Trading account gains (losses)-net, Foreign exchange gains (losses)-net or Other noninterest income (expenses).

(3) Gains (losses) in Earnings are reported in Investment gains (losses)-net.

(4) Gains (losses) in OCI are reported in Other comprehensive income (loss).

(5) Gains (losses) in Earnings are reported in Other noninterest income (expenses).

(6) Amounts represent total gains or losses recognized in earnings and other comprehensive income (loss) during the period. These gains or losses were attributable to the change in fair value relating to assets and liabilities classified as Level 3 that were still held at September 30, 2023 and 2024. The amounts of unrealized gains (losses) in other comprehensive income (loss) are related to Available-for-sale securities and Long-term debt, which were ¥12 billion and ¥(14) billion, respectively, at September 30, 2023, and ¥(2) billion and ¥3 billion, respectively, at September 30, 2024.

Transfers between levels

During the six months ended September 30, 2023, the transfers into Level 3 included ¥1 billion of Long-term debt. Transfers into Level 3 for Long-term debt were primarily due to the decrease in the observability of the default rate when valuing certain structured loans. During the six months ended September 30, 2023, the transfers out of Level 3 included ¥4 billion of Trading securities, ¥2 billion of Available-for-sale securities and ¥2 billion of Long-term debt. Transfers out of Level 3 for Trading securities were primarily due to increased price transparency for certain foreign bonds. Transfers out of Level 3 for Available-for-sale securities were primarily due to increased price transparency for certain Foreign corporate bonds and other debt securities. Transfers out of Level 3 for Long-term debt were primarily due to the increase in the observability of the default rate when valuing certain structured notes.

During the six months ended September 30, 2024, the transfers into Level 3 included ¥7 billion of Long-term debt. Transfers into Level 3 for Long-term debt were primarily due to the decrease in the observability of the default rate when valuing certain structured notes. During the six months ended September 30, 2024, the transfers out of Level 3 included ¥3 billion of Trading securities and ¥2 billion of Other investments. Transfers out of Level 3 for Trading securities were primarily due to increased price transparency for certain foreign bonds. Transfers out of Level 3 for Other investments were primarily due to increased price transparency for certain investments.

Quantitative information about Level 3 fair value measurements

The following table presents information about significant unobservable inputs related to the MHFG Group's material classes of Level 3 assets and liabilities at March 31, 2024 and September 30, 2024:

March 31, 2024

Products/Instruments	Fair value	Principal valuation technique	Unobservable inputs	Range of input values	Average (4)
	(in billions of yen, except for percentages and basis points)				
Trading securities and Available-for-sale securities:					
Residential mortgage-backed securities	8	Discounted cash flow Price-based	Prepayment rate	0.4% - 6.2%	3.8%
			Recovery rate	100.0% - 100.0%	100.0%
			Discount margin	30.0bps - 65.0bps	40.1bps
Commercial mortgage-backed securities	4	Discounted cash flow Price-based	Discount margin	158.7bps - 291.4bps	234.2bps
Corporate bonds and other debt securities	380	Discounted cash flow Price-based	Prepayment rate (1)	3.2% - 3.2%	3.2%
			Default rate (1)	0.4% - 0.4%	0.4%
			Recovery rate (1)	36.9% - 36.9%	36.9%
			Discount margin (1)	56.9bps - 56.9bps	56.9bps
			Discount margin (2)	38.2bps - 187.7bps	63.6bps
Derivative financial instruments, net:					
Interest rate contracts	13	Internal valuation model (3)	IR - IR correlation	23.2% - 100.0%	71.4%
Foreign exchange contracts	(9)	Internal valuation model (3)	FX - IR correlation	13.8% - 72.5%	29.9%
			FX - FX correlation	39.0% - 64.7%	51.9%
Equity-related contracts	(70)	Internal valuation model (3)	Equity - IR correlation	25.0% - 25.0%	25.0%
			Equity - FX correlation	15.0% - 60.0%	60.0%
			Equity volatility	9.8% - 121.8%	42.1%
Credit-related contracts	(5)	Internal valuation model (3)	Default rate	0.0% - 6.4%	1.4%
Other contracts	—	Internal valuation model (3)	Commodity volatility	0.0% - 27.7%	23.7%
Long-term debt	427	Internal valuation model (3)	IR - IR correlation	23.2% - 100.0%	71.4%
			FX - IR correlation	5.5% - 72.5%	29.9%
			FX - FX correlation	39.0% - 64.7%	51.9%
			Equity - IR correlation	25.0% - 25.0%	25.0%
			Equity - FX correlation	-17.8% - 93.3%	0.0%
			Equity correlation	32.2% - 100.0%	87.3%
			Equity volatility	9.8% - 70.7%	25.8%
			Default rate	0.0% - 9.5%	1.4%

September 30, 2024

Products/Instruments	Fair value	Principal valuation technique	Unobservable inputs	Range of input values	Average [4]
	(in billions of yen, except for percentages and basis points)				
Trading securities and Available-for-sale securities:					
Residential mortgage-backed securities	7	Discounted cash flow Price-based	Prepayment rate	0.4% - 5.7%	3.9%
			Recovery rate	100.0% - 100.0%	100.0%
			Discount margin	30.0bps - 52.0bps	39.9bps
Commercial mortgage-backed securities	4	Discounted cash flow Price-based	Discount margin	158.7bps - 291.4bps	234.3bps
Corporate bonds and other debt securities	375	Discounted cash flow Price-based	Prepayment rate [1]	3.3% - 3.3%	3.3%
			Default rate [1]	0.3% - 0.3%	0.3%
			Recovery rate [1]	36.9% - 36.9%	36.9%
			Discount margin [1]	51.9bps - 51.9bps	51.9bps
			Discount margin [2]	40.8bps - 140.4bps	80.0bps
Derivative financial instruments, net:					
Interest rate contracts	—	Internal valuation model [3]	IR - IR correlation	23.2% - 100.0%	71.4%
Foreign exchange contracts	9	Internal valuation model [3]	FX - IR correlation	13.8% - 72.5%	29.9%
Equity-related contracts	(80)	Internal valuation model [3]	Equity - IR correlation	25.0% - 25.0%	25.0%
			Equity volatility	16.1% - 120.7%	39.1%
Credit-related contracts	(7)	Internal valuation model [3]	Default rate	0.0% - 7.0%	1.2%
Other contracts	2	Internal valuation model [3]	Commodity volatility	0.0% - 36.1%	31.1%
Long-term debt	454	Internal valuation model [3]	IR - IR correlation	23.2% - 100.0%	71.4%
			FX - IR correlation	5.5% - 72.5%	29.9%
			Equity - IR correlation	25.0% - 25.0%	25.0%
			Equity - FX correlation	-17.8% - 93.3%	0.0%
			Equity correlation	32.4% - 100.0%	88.1%
			Equity volatility	10.0% - 110.6%	28.4%
			Default rate	0.0% - 7.3%	1.3%

Notes:

(1) These inputs are mainly used for determining the fair values of securitization products such as CDO, CLO and ABS, other than RMBS and CMBS.

(2) This input is mainly used for determining the fair values of Japanese corporate bonds and foreign corporate bonds.

(3) Internal valuation model includes discounted cash flow models and the Black-Scholes option pricing model.

(4) Averages are calculated by weighting each input by the relative fair value of the respective financial instruments except for derivative related inputs where medians are used.

(5) The range of inputs for equity securities is not disclosed, as there is a dispersion of values given the number of positions.

IR = Interest rate

FX = Foreign exchange

Uncertainty of fair value measurements relating to unobservable inputs and interrelationships among unobservable inputs

The following is a description of the uncertainty of the fair value measurements from the use of significant unobservable inputs and a description of interrelationships of the significant unobservable inputs used to measure the fair values of Level 3 assets and liabilities.

(1) Prepayment rate

The prepayment rate is the estimated rate at which voluntary unscheduled repayments of the principal of the underlying assets are expected to occur. The movement of the prepayment rate is generally negatively correlated with borrower delinquency. A change in prepayment rate would impact the valuation of the fair values of financial instruments either positively or negatively, depending on the structure of financial instruments.

(2) Default rate

The default rate is an estimate of the likelihood of not collecting contractual payments. An increase in the default rate would generally be accompanied by a decrease in the recovery rate and an increase in the discount margin. It would also generally impact the valuation of the fair values of financial instruments negatively.

(3) Recovery rate

The recovery rate is an estimate of the percentage of contractual payments that would be collected in the event of a default. An increase in recovery rate would generally be accompanied by a decrease in the default rate. It would also generally impact the valuation of the fair values of financial instruments positively.

(4) Discount margin

The discount margin is the portion of the interest rate over a benchmark market interest rate such as Tokyo Interbank Offered Rate (“TIBOR”) or swap rates. It primarily consists of a risk premium component which is the amount of compensation that market participants require due to the uncertainty inherent in the financial instruments’ cash flows resulting from credit risk. An increase in discount margin would generally impact the valuation of the fair values of financial instruments negatively.

(5) Correlation

Correlation is the likelihood of the movement of one input relative to another based on an established relationship. The change in correlation would impact the valuation of derivatives either positively or negatively, depending on the nature of the underlying assets.

(6) Volatility

Volatility is a measure of the expected change in variables over a fixed period of time. Some financial instruments benefit from an increase in volatility and others benefit from a decrease in volatility. Generally, for a long position in an option, an increase in volatility would result in an increase in the fair values of financial instruments.

Items measured at fair value on a nonrecurring basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities primarily include items that are measured at the lower of cost or fair value, and items that were initially measured at cost and have been written down to fair value as a result of impairment. The following table shows the fair value hierarchy for these items as of March 31, 2024 and September 30, 2024:

March 31, 2024	Total	Level 1	Level 2	Level 3	Aggregate cost
	(in billions of yen)				
Assets:					
Loans	101	—	—	101	187
Loans held-for-sale	95	—	2	94	150
Equity securities (without readily determinable fair values)	34	—	2	31	39
Other investments	153	—	—	153	199
Premises and equipment-net	—	—	—	—	6
Intangible assets	—	—	—	—	1
Total assets measured at fair value on a nonrecurring basis	383	—	4	379	581

September 30, 2024	Total	Level 1	Level 2	Level 3	Aggregate cost
	(in billions of yen)				
Assets:					
Loans	107	—	—	107	361
Loans held-for-sale	109	—	46	64	150
Equity securities (without readily determinable fair values)	1	—	1	—	4
Other investments	79	79	—	—	97
Premises and equipment-net	—	—	—	—	1
Total assets measured at fair value on a nonrecurring basis	296	79	47	170	612

Note: The fair values may not be current as of the dates indicated, but rather as of the date the fair value change occurred. Accordingly, the carrying values may not equal current fair value.

Loans in the table above are classified as nonaccrual and are measured based upon the observable market price of the loan, which are classified as Level 2, or the fair value of the underlying collateral, which are classified as Level 3.

Loans held-for-sale in the table above are accounted for at the lower of cost or fair value at the end of the period. The items for which fair values are determined by using actual or contractually determined selling price data are classified as Level 2. Due to the lack of current observable market information, the determination of the fair values for items other than the aforementioned requires significant adjustment based upon management judgment and estimation, which results in such items being classified in Level 3 of the hierarchy. Loans held-for-sale classified as Level 3 were measured at fair value based on market comparables. The significant unobservable inputs were price, whose ranges were from ¥49.0 to ¥81.8 and from ¥30.0 to ¥99.5 at March 31, 2024 and September 30, 2024, respectively. The weighted averages were ¥63.1 and ¥68.1 at March 31, 2024 and September 30, 2024, respectively.

Equity securities (without readily determinable fair values) in the table above consist of non-marketable equity securities which are measured at fair value on a nonrecurring basis, using the measurement alternative for non-marketable equity securities. These equity securities are on a nonrecurring basis either (1) written down to fair value as a result of impairment or (2) adjusted upward or downward to fair value as a result of transactions observed for the identical or similar securities of the same issuer. The fair values of the impaired non-marketable equity securities are determined primarily by using a liquidation value technique. As significant management judgment or estimation is required in the determination of the fair values of non-marketable equity securities, they are classified as Level 3. The fair values of non-marketable equity securities adjusted based on observed transaction prices are mainly classified as Level 2.

Other investments in the table above include certain equity method investments which have been impaired and written down to fair value. The fair values of the impaired marketable equity method investments are determined by their quoted market prices. As the securities are traded on an active exchange market, they are classified as Level 1. The fair values of the impaired non-marketable equity method investments are determined primarily by using a liquidation value technique. As significant management judgment or estimation is required in the determination of the fair values of non-marketable equity method investments, they are classified as Level 3.

Premises and equipment–net and Intangible assets in the table above have been impaired and written down to fair value. There were no intangible assets measured at fair value on a nonrecurring basis as of September 30, 2024.

Fair value option

The MHFG Group elected the fair value option for certain eligible financial instruments described below.

Foreign currency denominated debt securities

The MHFG Group elected the fair value option for foreign currency denominated debt securities to mitigate the volatility in earnings due to the difference in the recognition of foreign exchange risk between foreign currency denominated debt securities and financial liabilities. Following the election of the fair value option, these debt securities are reported as trading securities in Trading account assets.

Certain hybrid financial instruments

The MHFG Group issues structured notes as part of its client-driven activities. Structured notes are debt instruments that contain embedded derivatives. The Group elected the fair value option for certain structured notes to mitigate accounting mismatches and to achieve operational simplifications. Fair value option has only been elected for part of the portfolio as the Group would not achieve operational simplifications. In addition, the Group measures certain notes that contain embedded derivatives at fair value under the practicability exception. These notes continue to be reported in Other short-term borrowings and Long-term debt. The interest on these notes continues to be reported in Interest expense on other short-term borrowings and long-term debt based on the contractual rates. Only an immaterial amount included in Other short-term borrowings and Long-term debt in the statement of financial position is not eligible for fair value option. The differences between the aggregate fair value of these notes and the aggregate unpaid principal balance of such instruments were ¥62 billion and ¥73 billion at March 31, 2024 and September 30, 2024, respectively. The net unrealized gains (losses) resulting from changes in fair values of these notes recorded in Other noninterest income (expenses) were of ¥34 billion and ¥(18) billion for the six months ended September 30, 2023 and 2024, respectively. Changes in fair value resulting from changes in instrument-specific credit risk were estimated by incorporating the Company’s current credit spreads observable in the bond market.

Fair value of financial instruments

ASC 825, "Financial Instruments" ("ASC 825"), requires the disclosure of the estimated fair value of financial instruments. The fair value of financial instruments is the amount that would be exchanged between willing parties, other than in a forced sale or liquidation. Quoted market prices, if available, are best utilized as estimates of the fair values of financial instruments. However, since no quoted market prices are available for certain financial instruments, fair values for such financial instruments have been estimated based on management's assumptions, discounted cash flow models or other valuation techniques. Such estimation methods are described in more detail below. These estimates could be significantly affected by different sets of assumptions. There are certain limitations to management's best judgment in estimating fair values of financial instruments and inherent subjectivity involved in estimation methodologies and assumptions used to estimate fair value. Accordingly, the net realizable or liquidation values could be materially different from the estimates presented below.

The following is a description of the valuation methodologies used for estimating the fair value of financial assets and liabilities not carried at fair value on the MHFG Group's consolidated balance sheets.

Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions

The carrying value of short-term financial assets, such as cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market rates.

Investments

The fair value of held-to-maturity securities is determined primarily by using the same procedures and techniques described for trading securities and available-for-sale securities aforementioned in this Note. The fair value of non-marketable equity securities is not readily determinable, nor practicable to estimate, due to the lack of available information. Their carrying amounts of ¥358 billion and ¥424 billion at March 31, 2024 and September 30, 2024, respectively, were not included in the disclosure.

Loans

Loans have been fair valued based on the type of loan, credit quality, prepayment assumptions and remaining maturity. The fair value of loans is determined based on discounted cash flows using interest rates approximating the MHFG Group's current rates for similar loans. The fair value of collateral dependent nonaccrual loans is determined based on the fair value of the underlying collateral.

Other financial assets

The carrying value of other financial assets, which primarily consist of accounts receivable from brokers, dealers, and customers for securities transactions, accrued income and collateral provided for derivative transactions, approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market rates. The majority of other financial assets is classified as Level 2, and included in the table in Note 6 "Other assets and liabilities."

Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions

The carrying value of short-term financial liabilities, such as noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions approximates the fair value of these liabilities since they generally have short-term maturities with interest rates that approximate market rates.

Interest-bearing deposits

The carrying value of demand deposits approximates the fair value since it represents the amount payable on demand at the balance sheet date. The fair value of time deposits and certificates of deposit is primarily estimated based on discounted cash flow analysis using current interest rates for instruments with similar maturities. The carrying value of short-term certificates of deposit approximates the fair value.

Due to trust accounts

The carrying value of due to trust accounts approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates.

Other short-term borrowings

The carrying value of the majority of other short-term borrowings approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates. The fair value of certain borrowings is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group's incremental borrowing rates for instruments with similar maturities.

Long-term debt

Long-term debt is fair valued using quoted market prices, if available. Otherwise, the fair value of long-term debt is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group's incremental borrowing rates for instruments with similar maturities.

Other financial liabilities

The carrying value of other financial liabilities, which primarily consist of accounts payable to brokers, dealers, and customers for securities transactions, accrued expenses and collateral accepted for derivative transactions, approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates. The majority of other financial liabilities is classified as Level 2, and included in the table in Note 6 "Other assets and liabilities."

The fair value of certain off-balance-sheet financial instruments, such as commitments to extend credit and commercial letters of credit, was not considered material to the consolidated balance sheets at March 31, 2024 and September 30, 2024.

The following table shows the carrying amounts and fair values at March 31, 2024 and September 30, 2024, of certain financial instruments, excluding financial instruments which are carried at fair value on a recurring basis and those outside the scope of ASC 825 such as equity method investments as defined in ASC 323, "Investments-Equity Method and Joint Ventures" ("ASC 323") and lease contracts as defined in ASC 842, "Leases" ("ASC 842"):

	March 31, 2024				
	Carrying amount	Estimated fair value			
		Total	Level 1	Level 2	Level 3
	(in billions of yen)				
Financial assets:					
Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	98,392	98,392	72,026	26,366	—
Investments	4,048	3,863	512	3,351	—
Loans, net of allowance (Note)	97,519	98,868	—	—	98,868
Financial liabilities:					
Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions	78,030	78,030	—	78,030	—
Interest-bearing deposits	135,447	135,397	—	135,397	—
Due to trust accounts	246	246	—	246	—
Other short-term borrowings	3,492	3,492	—	3,492	—
Long-term debt	13,380	13,031	—	11,681	1,350

	September 30, 2024				
	Carrying amount	Estimated fair value			
		Total	Level 1	Level 2	Level 3
	(in billions of yen)				
Financial assets:					
Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	98,753	98,753	70,645	28,108	—
Investments	4,064	3,951	451	3,500	—
Loans, net of allowance (Note)	96,220	97,553	—	—	97,553
Financial liabilities:					
Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions	78,575	78,575	—	78,575	—
Interest-bearing deposits	133,394	133,338	—	133,338	—
Due to trust accounts	341	341	—	341	—
Other short-term borrowings	3,962	3,962	—	3,962	—
Long-term debt	12,609	12,443	—	11,051	1,392

Note: Loans, net of allowance include items measured at fair value on a nonrecurring basis.

18. Offsetting of financial assets and financial liabilities

Derivatives

The MHFG Group enters into master netting arrangements such as International Swaps and Derivatives Association, Inc. ("ISDA") or similar agreements with counterparties to manage mainly credit risks associated with counterparty default. If the predetermined events including counterparty default occur, these enforceable master netting arrangements or similar agreements give the Group the right to offset derivative receivables and derivative payables and related financial collateral such as cash and securities with the same counterparty.

Repurchase and resale agreements and securities lending and borrowing transactions

Repurchase and resale agreements and securities lending and borrowing transactions are generally covered by industry standard master repurchase agreements and industry standard master securities lending agreements with netting terms to manage mainly credit risks associated with counterparty default. In the event of default by the counterparty, these agreements with netting terms provide the Group with the right to offset receivables and payables related to such transactions with the same counterparty, and to liquidate the collateral held.

The following table provides information about the offsetting of financial assets and financial liabilities at March 31, 2024 and September 30, 2024. The table includes derivatives, repurchase and resale agreements, and securities lending and borrowing transactions that are subject to enforceable master netting arrangements or similar agreements irrespective of whether or not they are offset on the Group's consolidated balance sheets.

	Gross amounts recognized	Gross amounts offset on the balance sheet	Net amounts presented on the balance sheet (2)	Amounts not offset on the balance sheet (3): Financial instruments (4)	Amounts not offset on the balance sheet (3): Cash collateral	Net amounts
			(in billions of yen)			
March 31, 2024						
Assets (1):						
Derivatives	14,874	—	14,874(5)	(11,525)	(1,065)	2,284
Receivables under resale agreements	20,535	—	20,535(6)	(19,431)	—	1,103
Receivables under securities borrowing transactions	2,352	—	2,352(7)	(2,261)	—	91
Total	37,761	—	37,761	(33,217)	(1,065)	3,478
Liabilities (1):						
Derivatives	14,918	—	14,918(5)	(10,941)	(1,137)	2,840
Payables under repurchase agreements	38,105	—	38,105(6)	(36,842)	—	1,262
Payables under securities lending transactions	1,350	—	1,350(7)	(1,298)	—	52
Other liabilities (8)	71	—	71	(60)	—	11
Total	54,444	—	54,444	(49,142)	(1,137)	4,166
September 30, 2024						
Assets (1):						
Derivatives	14,453	—	14,453(5)	(11,570)	(766)	2,117
Receivables under resale agreements	22,659	—	22,659(6)	(21,090)	—	1,569
Receivables under securities borrowing transactions	2,176	—	2,176(7)	(2,136)	—	40
Total	39,289	—	39,289	(34,796)	(766)	3,726
Liabilities (1):						
Derivatives	14,674	—	14,674(5)	(11,272)	(1,214)	2,187
Payables under repurchase agreements	38,718	—	38,718(6)	(36,645)	—	2,073
Payables under securities lending transactions	1,441	—	1,441(7)	(1,350)	—	91
Other liabilities (8)	87	—	87	(87)	—	—
Total	54,920	—	54,920	(49,354)	(1,214)	4,351

Notes:

(1) Amounts relating to master netting arrangements or similar agreements where the MHFG Group does not have the legal right of set-off or where uncertainty exists as to the enforceability of these agreements are excluded. For derivatives, the table includes amounts relating to over-the-counter ("OTC") and OTC-cleared derivatives that are subject to enforceable master netting arrangements or similar agreements.

(2) Derivative assets and liabilities are recorded in Trading account assets and Trading account liabilities, respectively.

(3) Amounts do not exceed the net amounts presented on the balance sheet and do not include the effect of overcollateralization, where it exists.

(4) For derivatives, amounts include derivative assets or liabilities and securities collateral that are eligible for offsetting under enforceable master netting arrangements or similar agreements.

(5) The amounts of derivative assets and liabilities subject to enforceable master netting arrangements or similar agreements were ¥13,930 billion and ¥13,933 billion, respectively, at March 31, 2024, and ¥13,749 billion and ¥13,914 billion, respectively, at September 30, 2024.

(6) The amounts of Receivables under resale agreements and Payables under repurchase agreements subject to enforceable industry standard master repurchase agreements with netting terms were ¥19,470 billion and ¥37,042 billion, respectively, at March 31, 2024, and ¥21,410 billion and ¥36,853 billion, respectively, at September 30, 2024.

(7) The amounts of Receivables under securities borrowing transactions and Payables under securities lending transactions subject to enforceable industry standard master lending agreements with netting terms were ¥2,352 billion and ¥1,303 billion, respectively, at March 31, 2024, and ¥2,174 billion and ¥1,360 billion, respectively, at September 30, 2024.

(8) Amounts relate to transactions where the Group acts as lender in a securities lending agreement and receives securities that can be sold or pledged as collateral. In these transactions, the Group recognizes the securities received at fair value within Other assets and the obligation to return those securities as a liability within Other liabilities.

19. Repurchase agreements and securities lending transactions accounted for as secured borrowings

The following table shows the gross amounts of liabilities associated with repurchase agreements and securities lending transactions, by remaining contractual maturity at March 31, 2024 and September 30, 2024:

	Overnight and continuous	Up to 30 days	31-90 days	Greater than 90 days	Total
			(in billions of yen)		
March 31, 2024					
Repurchase agreements	18,661	11,040	5,415	2,989	38,105
Securities lending transactions	1,288	19	—	44	1,350
Total	19,949	11,058	5,415	3,033	39,455
September 30, 2024					
Repurchase agreements	17,041	13,259	6,469	1,949	38,718
Securities lending transactions	1,313	49	—	79	1,441
Total	18,354	13,308	6,469	2,028	40,159

The following table shows the gross amounts of liabilities associated with repurchase agreements and securities lending transactions, by class of underlying collateral at March 31, 2024 and September 30, 2024:

	Repurchase agreements	Securities lending transactions
	(in billions of yen)	
March 31, 2024		
Japanese government bonds and Japanese local government bonds	6,167	102
Foreign government bonds and foreign agency mortgage-backed securities	28,757	19
Commercial paper and corporate bonds	913	—
Equity securities	1,609	1,229
Other	658	—
Total (Note)	38,105	1,350
September 30, 2024		
Japanese government bonds and Japanese local government bonds	5,216	83
Foreign government bonds and foreign agency mortgage-backed securities	30,971	49
Commercial paper and corporate bonds	801	—
Equity securities	1,186	1,309
Other	545	—
Total (Note)	38,718	1,441

Note: The above table does not include securities-for-securities lending transactions of ¥71 billion at March 31, 2024, and ¥87 billion at September 30, 2024, where the MHFG Group acts as lender and receives securities that can be sold or pledged as collateral. In these transactions, the Group recognizes the securities received at fair value within Other assets and the obligation to return those securities as a liability within Other liabilities.

The MHFG Group is required to post securities as collateral with a fair value equal to or in excess of the principal amount of the cash borrowed under repurchase agreements. For securities lending transactions, the Group receives collateral in the form of cash. These contracts involve risks, including (1) the counterparty may fail to return the securities at maturity and (2) the fair value of the securities posted may decline below the amount of the Group's obligation and therefore the counterparty may require additional amounts. The Group attempts to mitigate these risks by entering into transactions mainly with central counterparty clearing houses which revalue assets and perform margin maintenance activities on a regular basis, diversifying the maturities and counterparties, and using mainly highly liquid securities.

The amounts or composition of assets pledged as collateral for borrowings and for other purposes have not changed significantly since March 31, 2024. See Note 8 "Pledged assets and collateral" to the consolidated financial statements in the MHFG Group's annual report on Form 20-F for the year ended March 31, 2024 for additional information.

20. Business segment information

The MHFG Group consists of the following five in-house companies which are categorized based on a customer segment: the Retail & Business Banking Company ("RBC"); the Corporate & Investment Banking Company ("CIBC"); the Global Corporate & Investment Banking Company ("GCIBC"); the Global Markets Company ("GMC"); and the Asset Management Company ("AMC"). These customer segments are regarded as operating segments and constitute reportable segments.

The services that each in-house company provides are as follows.

RBC

This company provides financial services for individual customers, small and medium-sized enterprises and middle market firms in Japan.

CIBC

This company provides financial services for large corporations, financial institutions and public corporations in Japan.

GCIBC

This company provides financial services for Japanese overseas affiliated corporate customers and non-Japanese corporate customers.

GMC

This company invests in financial products with market risk, such as interest rate risk, equity risk, and credit risk.

AMC

This company develops financial products and provides financial services that match the asset management needs of its wide range of customers from individuals to institutional investors.

The reportable segment information, set forth below, is derived from the internal management reporting systems used by management to measure the performance of the Group's operating segments. Management measures the performance of each of the operating segments in accordance with internal managerial accounting rules and practices. In addition, the format and information are presented primarily on the basis of Japanese GAAP. Therefore, they are not consistent with the consolidated financial statements prepared in accordance with U.S. GAAP. A reconciliation is provided for the total amount of all business segments' "Net business profits (losses) + Net gains (losses) related to ETFs and others" with income before income tax expense under U.S. GAAP, and the total amount of all business segments' "Fixed assets" with the total amount of Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets reported under U.S. GAAP. "Fixed assets" pertaining to MHBK, MHTB, and MHSC have been allocated to each segment.

As background, effective as of April 1, 2023, MHFG partially restructured its in-house company system. CIBC was newly established through the integration of a former in-house company named the Corporate & Institutional Company and the investment banking functions of a former unit named the Global Products Unit. With the new establishment of CIBC above, a former in-house company named the Global Corporate Company changed its name to GCIBC.

Six months ended September 30, 2023 (1)	MHFG (Consolidated)						
	RBC	CIBC	GCIBC	GMC	AMC	Others (6)	Total
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others (2)	347.9	261.6	344.4	285.1	27.5	64.4	1,331.2
General and administrative expenses (3)	308.7	104.0	178.1	153.8	17.1	34.3	796.1
Equity in earnings (losses) of equity method investees—net	5.7	3.8	13.2	—	(0.9)	1.6	23.5
Amortization of goodwill and others	—	0.4	0.4	—	3.2	0.1	4.2
Net business profits (losses) (4) + Net gains (losses) related to ETFs and others	44.9	161.1	179.1	131.3	6.2	31.6	554.3
Fixed assets (5)	498.9	152.3	188.9	86.4	—	781.9	1,708.6

Six months ended September 30, 2024 (1)	MHFG (Consolidated)						
	RBC	CIBC	GCIBC	GMC	AMC	Others (6)	Total
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others (2)	379.8	301.2	385.1	401.3	29.5	64.4	1,561.5
General and administrative expenses (3)	343.6	116.6	217.1	168.0	18.2	22.0	885.7
Equity in earnings (losses) of equity method investees—net	4.2	5.8	13.4	—	0.2	3.9	27.7
Amortization of goodwill and others	—	0.4	3.1	—	3.0	0.2	6.9
Net business profits (losses) (4) + Net gains (losses) related to ETFs and others	40.5	190.0	178.2	233.2	8.4	46.0	696.6
Fixed assets (5)	549.2	150.5	188.3	87.8	—	873.1	1,849.0

Notes:

(1) Income and expenses of foreign branches of MHBK and foreign subsidiaries with functional currencies other than Japanese Yen have been translated for purposes of segment reporting using the budgeted foreign currency rates. Prior period comparative amounts for such foreign currency income and expenses have been translated using current period budgeted foreign currency rates.

(2) "Gross profits + Net gains (losses) related to ETFs and others" is reported instead of sales reported by general corporations. Gross profits is defined as the sum of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income. Net gains (losses) related to ETFs and others consist of net gains (losses) on ETFs held by MHBK and MHTB on their non-consolidated basis and net gains (losses) on operating investment securities of MHSC on its consolidated basis. For the six months ended September 30, 2023 and 2024, net gains (losses) related to ETFs and others amounted to ¥18.3 billion and ¥40.8 billion, respectively, of which ¥17.2 billion and ¥37.2 billion are included in GMC, respectively.

(3) "General and administrative expenses" excludes non-allocated gains (losses), net.

(4) Net business profits (losses) is used in Japan as a measure of the profitability of core banking operations, and is defined as gross profits (as defined above) less general and administrative expenses (excluding non-allocated gains (losses), net) plus equity in earnings (losses) of equity method investees-net less amortization of goodwill and others. Measurement of net business profits (losses) is required for regulatory reporting to the Financial Services Agency of Japan.

(5) "Fixed assets" is presented based on Japanese GAAP and corresponds to the total amount of the following U.S. GAAP accounts: Premises and equipment-net; Goodwill; Intangible assets; and right-of-use assets related to operating leases included in Other assets. The above table does not include other asset amounts because "Fixed assets" is the only balance sheet metric that management uses when evaluating and making decisions pertaining to the operating segments. "Others" in "Fixed assets" includes assets of headquarters that have not been allocated to each segment, "Fixed assets" pertaining to consolidated subsidiaries that are not subject to allocation, consolidating adjustments, and others. Certain "Fixed assets" expenses have been allocated to each segment using reasonable allocation criteria.

(6) "Others" includes the following items:
- profits and expenses pertaining to consolidated subsidiaries that are not subject to allocation;
- consolidating adjustments, including elimination of internal transaction between each segment;
- equity in earnings (losses) of equity method investees-net that are not subject to allocation; and
- profits and losses pertaining to derivative transactions that reflect the counterparty risk of the individual parties and other factors in determining fair market value.

Reconciliation

As explained above, the measurement bases of the internal management reporting systems and the income and expenses items included are different from the accompanying consolidated statements of income. Therefore, it is impracticable to present reconciliations of all the business segment's information, other than net business profits (losses), to the corresponding items in the accompanying consolidated statements of income. A reconciliation of "Net business profits (losses) + Net gains (losses) related to ETFs and others" for the six months ended September 30, 2023 and 2024 presented above to income before income tax expense shown on the consolidated statements of income and a reconciliation of "Fixed assets" at September 30, 2023 and 2024 to the total amount of Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets are as follows:

	Six months ended September 30,	
	2023	2024
	(in billions of yen)	
Net business profits (losses) + Net gains (losses) related to ETFs and others	554.3	696.6
Adjustment to reconcile management reporting to Japanese GAAP:		
General and administrative expenses: non-allocated gains (losses), net	17.4	15.5
Expenses related to portfolio problems (including reversal of (provision for) general reserve for losses on loans)	(10.2)	(10.9)
Gains on reversal of reserves for possible losses on loans, and others	(0.7)	25.6
Net gains (losses) related to stocks—Net gains (losses) related to ETFs and others	16.2	39.0
Net extraordinary gains (losses)	22.2	44.0
Others	(2.9)	(18.8)
Income before income tax expense under Japanese GAAP	596.3	791.1
Adjustment to reconcile Japanese GAAP to U.S. GAAP:		
Derivative financial instruments and hedging activities	76.0	(9.0)
Investments	(28.1)	(57.5)
Loans	5.0	5.5
Allowances for credit losses	(3.3)	5.4
Premises and equipment	(25.6)	(20.8)
Land revaluation	3.2	36.5
Business combinations	2.0	3.9
Pension liabilities	(21.5)	(17.8)
Consolidation of variable interest entities	44.8	29.8
Foreign currency translation	(58.3)	10.7
Others	0.4	(1.2)
Income before income tax expense under U.S. GAAP	590.8	776.6

	As of September 30,	
	2023	2024
	(in billions of yen)	
Fixed assets	1,708.6	1,849.0
U.S. GAAP adjustments (Note)	627.3	591.6
Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets	2,335.9	2,440.7

Note: The U.S. GAAP adjustments are primarily comprised of GAAP differences mainly from right-of-use assets related to operating leases not recognized under Japanese GAAP; internally developed software, which was impaired under Japanese GAAP; land, which was revalued under Japanese GAAP; and the consolidation of certain variable interest entities, which are not consolidated under Japanese GAAP.

21. Subsequent events

Repurchase and Cancellation of own shares

At the meeting of the Board of Directors of MHFG (“the Board”) held on November 14, 2024, it was resolved to repurchase up to 50,000,000 shares of MHFG’s common stock by market purchases for ¥100 billion, in aggregate, from November 15, 2024, to February 28, 2025. The repurchase plan authorized by the Board allows for the repurchase of an aggregate amount of up to 50,000,000 shares, which represents the equivalent of 1.9% of the total number of common shares outstanding excluding its own shares, or of an aggregate repurchase amount of up to ¥100 billion. Also, on March 21, 2025, MHFG will cancel all the repurchased shares in accordance with the resolution adopted by the Board on November 14, 2024. The purpose of the repurchase and cancellation is to enhance the return of earnings to shareholders, to improve capital efficiency and to implement flexible capital policies.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Mizuho Financial Group, Inc.

Results of Review of Interim Consolidated Financial Statements

We have reviewed the accompanying consolidated balance sheet of Mizuho Financial Group, Inc. and subsidiaries (the "Company") as of September 30, 2024, the related consolidated statements of income, comprehensive income, equity and cash flows for the six-month periods ended September 30, 2024 and 2023, and the related notes (collectively referred to as the "interim consolidated financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the interim consolidated financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet of the Company as of March 31, 2024, the related consolidated statements of income, comprehensive income, equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated June 26, 2024, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of March 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These interim consolidated financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim consolidated financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young ShinNihon LLC

Tokyo, Japan
December 26, 2024

Exhibit 15

December 26, 2024

To the Shareholders and Board of Directors of
Mizuho Financial Group, Inc.

We are aware of the incorporation by reference in the Registration Statement (Form F-3 No. 333-282497) of Mizuho Financial Group, Inc. of our report dated December 26, 2024 relating to the unaudited interim consolidated financial statements of Mizuho Financial Group, Inc. as of September 30, 2024 and for the six-month periods ended September 30, 2024 and 2023 that are included in its Form 6-K dated December 26, 2024.

Under Rule 436(c) of the Securities Act of 1933 (the “Act”), our review report is not a part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Act.

/s/ Ernst & Young ShinNihon LLC
Tokyo, Japan