

November 27, 2006

To whom it may concern

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Code Number: 8411 (Tokyo Stock Exchange (First Section),
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**Announcement regarding Establishment of an Overseas Special Purpose Subsidiary and
Issuance of ‘Non-Dilutive’ Preferred Securities**

Mizuho Financial Group, Inc. (“MHFG”) hereby announces that its board of directors has resolved to issue preferred securities (“Preferred Securities”) as set forth below through an overseas special purpose subsidiary so as to increase the group’s Tier 1 capital to secure the agility and to improve the flexibility of our future capital strategy. For the purpose of issuing Preferred Securities, MHFG plans to establish a wholly owned subsidiary in the Cayman Islands (“Cayman SPC”).

The issuance of Preferred Securities, which are non-cumulative perpetual preferred securities issued by the Cayman SPC, is expected to increase Tier 1 capital, as it will increase minority interest in consolidated subsidiaries of MHFG, and the contemplated transaction is also expected to increase Tier 1 capital of Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd., which are banking subsidiaries of MHFG. The Preferred Securities are not convertible into common stock of MHFG.

[Description of Preferred Securities to be issued]

Issuer	Mizuho Capital Investment (JPY) 1 Limited (It is an overseas special purpose subsidiary established in the Cayman Islands, the voting rights of which are wholly owned by MHFG.)
Type of Security	Japanese Yen denominated Non-cumulative Perpetual Preferred Securities
Aggregate Issue Amount	To be determined.
Dividend Rate	To be determined.
Use of Proceeds	To be ultimately provided to the banking subsidiaries as perpetual subordinated loans.
Liquidation Preference	The Preferred Securities are intended to rank, as to rights to the liquidation preferences, effectively <i>pari passu</i> with preferred stock issued by MHFG.
Method of Offering	Private placement to domestic qualified institutional investors

Note: This document is prepared for the purpose of public disclosure of establishment of overseas special purpose subsidiaries and strategy of issuance of preferred securities, and does not constitute a solicitation of an offer for acquisition, or a of an offer for sale or a solicitation of offer for purchase of any securities in and outside of Japan (the “Solicitation Activity”), nor for the conducting of Solicitation Activity. This document is not an offer to sell or a solicitation of any offer to buy the securities of the Company in the United States. The preferred securities set forth above have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirement.