



Mizuho Financial Group, Inc.
\$1,750,000,000 2.632% Senior Notes due 2021
\$1,750,000,000 3.477% Senior Notes due 2026
\$500,000,000 Senior Floating Rate Notes due 2021

Mizuho Financial Group, Inc., a joint stock corporation incorporated with limited liability under the laws of Japan ("Mizuho Financial Group" or the "Issuer"), will issue an aggregate principal amount of \$1,750,000,000 of senior notes due April 12, 2021 (the "5-year Notes"), an aggregate principal amount of \$1,750,000,000 of senior notes due April 12, 2026 (the "10-year Notes") and an aggregate principal amount of \$500,000,000 of senior floating rate notes due April 12, 2021 (the "Floating Rate Notes" and, collectively with the 5-year Notes and the 10-year Notes, the "Notes"). The 5-year Notes will bear interest commencing April 12, 2016 at the rate of 2.632% per annum, payable semi-annually in arrears on April 12 and October 12 of each year, with the first interest payment to be made on October 12, 2016. The 10-year Notes will bear interest commencing April 12, 2016 at the rate of 3.477% per annum, payable semi-annually in arrears on April 12 and October 12 of each year, with the first interest payment to be made on October 12, 2016. The Floating Rate Notes will bear interest commencing April 12, 2016 at a per annum floating rate equal to LIBOR for three-month deposits for U.S. dollars plus 1.48%, reset quarterly, determined as described herein, and payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year, with the first interest payment to be made on July 12, 2016. The Notes are not redeemable prior to maturity, except that Mizuho Financial Group may at its option redeem each series of the Notes in whole, but not in part, upon the occurrence of certain changes in Japanese tax law, subject to certain conditions. See "Description of the Notes—Optional Tax Redemption."

Each series of the Notes are intended to be qualified as total loss-absorbing capacity ("TLAC") debt upon the implementation of applicable TLAC regulations in Japan. The Notes will be Mizuho Financial Group's direct, unconditional, unsubordinated and unsecured obligations and rank *pari passu* and without preference among themselves and with all other unsecured obligations, other than subordinated obligations of Mizuho Financial Group (except for statutorily preferred exceptions) from time to time outstanding. See also "Risk Factors—Risks Relating to the Notes—The Notes will be structurally subordinated to the liabilities of our subsidiaries, including Mizuho Bank and Mizuho Trust and Banking."

Each series of the Notes will be represented by one or more global notes deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company ("DTC"), as depository. Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear Bank, S.A./N.V. ("Euroclear"), and Clearstream Banking S.A. ("Clearstream"). Except as described herein, Notes in definitive certificated form will not be issued in exchange for global notes.

We intend to apply for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of Mizuho Financial Group, its subsidiaries and associated companies or the Notes.

See "Risk Factors" beginning on page 6 for factors relevant to an investment in the Notes.

Issue Price: 100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the 5-year Notes

Issue Price: 100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the 10-year Notes

Issue Price: 100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the Floating Rate Notes

The Notes are being offered and sold by the initial purchasers, as set forth in "Plan of Distribution," in the United States to qualified institutional buyers ("QIBs"), within the meaning of, and in reliance on, Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and in offshore transactions to non-U.S. persons outside the United States in reliance on Regulation S ("Regulation S") under the U.S. Securities Act.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE NOTES ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER. SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS."

The Notes offered by this offering memorandum are being offered by the initial purchasers, subject to prior sale, withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the initial purchasers and to certain further conditions. It is expected that the Notes will be delivered in book-entry form only, on or about April 12, 2016, through the facilities of DTC and its participants, including Euroclear and Clearstream.

Joint Lead Managers and Joint Bookrunners

Mizuho Securities HSBC	BofA Merrill Lynch	Goldman, Sachs & Co. Barclays	J.P. Morgan Citigroup

Co-Managers

BNP PARIBAS	Credit Suisse	Deutsche Bank Securities KKR	UBS Investment Bank
BNY Mellon Capital Markets, LLC	Capital One Securities	CIBC Capital Markets	US Bancorp

The date of this offering memorandum is April 5, 2016.

No person has been authorized to give any information or to make any representation other than as contained in this offering memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by us or the initial purchasers, any selling agent or any of their affiliates. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No action has been, or will be, taken to permit a public offering of the Notes offered hereby in any jurisdiction where action would be required for that purpose. Accordingly, the Notes offered hereby may not be offered or sold, directly or indirectly, and this offering memorandum may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof.

We are furnishing this offering memorandum in connection with an offering not registered under the U.S. Securities Act or the relevant laws of other jurisdictions, solely for the purpose of enabling prospective investors to consider the purchase of the Notes. The information contained in this offering memorandum has been provided by us and other sources identified in this offering memorandum. Any reproduction or distribution of this offering memorandum, in whole or in part, and any disclosure of its contents or use of any information contained in it for any purpose other than considering an investment in the Notes offered hereby is prohibited. By accepting delivery of this offering memorandum, you agree to the foregoing.

No representation or warranty, express or implied, is made by the initial purchasers, the trustee, the registrar or the paying agent as to the accuracy or completeness of the information contained in this offering memorandum. This offering memorandum does not contain all of the information that would be included in a prospectus for the offering of the Notes if the offering were registered under the U.S. Securities Act.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable state securities laws or pursuant to registration under or exemption from the U.S. Securities Act and applicable state securities laws. Investors should be aware that they may be required to bear the financial risks of investing in the Notes for an indefinite period of time. For a description of the restrictions on offers, sales or other transfers of the Notes, see “Transfer Restrictions.”

This copy of the offering memorandum is for the exclusive use of the recipient. This offering memorandum is highly confidential for the U.S. markets and any disclosure of its contents without our prior written consent is prohibited. Each prospective purchaser in the United States agrees (i) not to distribute this offering memorandum to any person other than the offeree and persons retained to advise the offeree with respect thereto and (ii) to make no photocopies of this offering memorandum.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended, (the “Financial Instruments and Exchange Act”) and are subject to the Special Taxation Measures Act of Japan (Act No. 26 of 1957), as amended (the “Special Taxation Measures Act”). The Notes may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used in this sentence means any person resident of Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan. See “Plan of Distribution.” The Notes are not, as part of the distribution pursuant to the purchase agreement dated the date hereof by the initial purchasers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with Mizuho Financial Group as described in Article 6, Paragraph 4 of the Special Taxation Measures Act (a “specially-related person of Mizuho Financial Group”) or (ii) a Japanese designated financial institution, designated in Article 6, Paragraph 9 of the Special Taxation Measures Act, except as specifically permitted under the Special Taxation Measures Act. **BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE.**

Interest payments on the Notes generally will be subject to Japanese withholding tax unless it is established that such Notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of Mizuho Financial Group, (ii) a Japanese designated financial institution described in Article 6, Paragraph 9 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a public corporation, a financial institution or a financial instruments business operator described in Article 3-3, Paragraph 6 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of Mizuho Financial Group will be subject to deduction in respect of Japanese income tax at a current rate of 15.315% of the amount of such interest.

This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Prospectus Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the “EEA”) from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of Notes which are the subject of the offering contemplated in this offering memorandum should only do so in circumstances in which no obligation arises for us, or any of the initial purchasers to produce a prospectus for such offers. Neither we nor the initial purchasers have authorized, nor do we or they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the initial purchasers which constitute the final placement of the Notes contemplated in this offering memorandum. This offering memorandum is not a prospectus for the purpose of Prospectus Directive 2003/71/EC, as amended.

In the United Kingdom, this offering memorandum is being distributed only to and is directed only at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”) or (ii) high net worth entities falling within Article 49(2)(a) to (e) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The Notes are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Notes will be engaged in only with, in the United Kingdom, relevant persons.

Any person who is within the United Kingdom and not a relevant person should not act or rely on this offering memorandum or any of its contents. This offering memorandum is not a prospectus for the purpose of Prospectus Directive 2003/71/EC, as amended.

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, nor may the Notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under exemptions provided in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) for offers made (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA and in accordance with the conditions specified in section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

By accepting this offering memorandum and (where applicable) the Notes, the person into whose possession this offering memorandum comes agree to be bound by the limitations and restrictions set out above. The offer or intended offer or sale, or invitation for subscription or purchase, of the Notes does not relate to a collective investment scheme which is authorized under Section 286 of the SFA or recognized under Section 287 of the SFA.

For a further description of restrictions on offers, sales or other transfers of the Notes, see "Transfer Restrictions" and "Plan of Distribution."

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF OR IN THE UNITED STATES, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS OFFERING MEMORANDUM OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Notes. Distribution of this offering memorandum to any person other than the offeree and persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each person receiving this offering memorandum acknowledges that: (i) such person has not relied on the initial purchaser, any selling agent, the trustee, the paying agent, the registrar or any of their affiliates in connection with its investigation of the accuracy of such information or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us or the Notes offered hereby other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the initial purchaser, any selling agent, the trustee, the paying agent, the registrar or any of their affiliates.

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STABILIZATION

In connection with the offering, the initial purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

None of the Issuer or any of the initial purchasers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, none of the Issuer or any of the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

AVAILABLE INFORMATION

Mizuho Financial Group is required to file annual reports and other information with the SEC. You may read and copy any documents filed by Mizuho Financial Group at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549, U.S.A. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Filings with the SEC are also available to the public through the SEC's website at <http://www.sec.gov>. Except as expressly stated, reports or information filed with the SEC does not constitute a part of this offering memorandum.

During any period that any of the Notes offered in this offering remain outstanding and are "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act) and Mizuho Financial Group is neither subject to, and in compliance with, the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") nor exempt from the reporting requirement pursuant to Rule 12g3-2(b), Mizuho Financial Group will furnish, upon request, to any Noteholder offered in this offering, or any prospective purchaser designated by a holder of such Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

ENFORCEABILITY OF CIVIL LIABILITIES

Mizuho Financial Group is a joint stock corporation incorporated with limited liability under the laws of Japan. All of its directors and executive officers are non-residents of the United States. All or a substantial

portion of the assets of Mizuho Financial Group and the assets of such non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or to enforce court judgments predicated upon the civil liability provisions of U.S. federal or state securities laws against those persons in the United States. We have been advised by our Japanese counsel, Nagashima Ohno & Tsunematsu, that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of U.S. courts brought before Japanese courts, of civil liabilities predicated solely upon U.S. federal or state securities laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this offering memorandum, “Mizuho Financial Group,” “Mizuho Group,” the “Group,” the “group,” the “Issuer,” “we,” “us” and “our” refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Furthermore, unless the context indicates otherwise, these references are intended to refer to the relevant entities as if they had been in existence in their current form for all periods referred to herein. We use the word “you” to refer to prospective investors in the Notes and the word “Noteholder” or “Noteholders” to refer to the holders of the Notes.

On July 1, 2013, a merger between the former Mizuho Bank, Ltd. and the former Mizuho Corporate Bank, Ltd. came into effect with the former Mizuho Corporate Bank as the surviving entity, which was renamed Mizuho Bank, Ltd. (“Mizuho Bank”) upon the merger. In this offering memorandum, “Mizuho Bank” refers to the post-merger entity, while “the former Mizuho Bank” and “the former Mizuho Corporate Bank” refer to the former Mizuho Bank and the former Mizuho Corporate Bank, respectively. Similarly, “our principal banking subsidiaries,” when addressing periods or points in time before the merger date, refer to the former Mizuho Bank, the former Mizuho Corporate Bank and Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust & Banking”), unless otherwise noted. When addressing periods or points of time on or after the merger date, “our principal banking subsidiaries” refer to Mizuho Bank and Mizuho Trust & Banking.

Where indicated, we present financial and other information for Mizuho Bank as of and for the fiscal year ended March 31, 2014, which includes the operations of the former Mizuho Corporate Bank for the three months ended June 30, 2013 and the combined operations of the former Mizuho Bank and the former Mizuho Corporate Bank subsequent to the merger on July 1, 2013. The information as of and for the fiscal year ended March 31, 2014 for Mizuho Bank is presented together with the information for the former Mizuho Corporate Bank as of and for the periods prior to June 30, 2013 which did not include operations of the former Mizuho Bank. As a result, data for Mizuho Bank as of and for the fiscal year ended March 31, 2014 is not directly comparable to data from corresponding dates or periods in other years.

In this offering memorandum, references to “dollars,” “U.S.\$,” “\$” and “U.S. dollars” are to the lawful currency of the United States of America (the “United States” or the “U.S.”), references to “yen,” “¥” and “Japanese yen” are to the lawful currency of Japan, references to “euros” and “€” are to the lawful currency of those member states of the European Union which are participating in the European Economic and Monetary Union pursuant to the Treaty on European Union and references to “SGD” are to the lawful currency of Singapore. This offering memorandum contains a translation of some Japanese yen amounts into U.S. dollars solely for your convenience. However, these translations should not be construed as representations that the yen amounts have been, could have been or could be converted into dollars at that or any other rate or at all.

In this offering memorandum, all yen figures and percentages have been truncated to the figures shown, except for figures based on managerial accounting, which are rounded, and unless otherwise specified. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

This offering memorandum contains consolidated financial statements and notes thereto of Mizuho Financial Group. Our financial statements included elsewhere in this offering memorandum are prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which differ in certain respects from accounting principles generally accepted in other countries, including accounting principles generally accepted in the United States (“U.S. GAAP”) and International Financial Reporting Standards (“IFRS”). Potential investors should consult their own professional advisors for an understanding of the differences between Japanese GAAP and accounting principles generally accepted in other countries and how those differences might affect their analysis of the financial information set forth in this offering memorandum.

From the three months ended June 30, 2015, due to the application of the “Accounting Standard for Business Combinations,” the presentation captions for minority interests, income before income taxes and minority interests, income before minority interests, minority interests in net income, and net income have been changed to non-controlling interests, income before income taxes, profit, profit attributable to non-controlling interests, and profit attributable to owners of parent, respectively. Accordingly, changes in the presentation captions for such accounts have been made in the prior period financial information set forth in this offering memorandum.

FORWARD-LOOKING STATEMENTS

We may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in this offering memorandum. This offering memorandum contains forward-looking statements regarding the intent, belief, current expectations and targets of our management with respect to our financial condition and future results of operations. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks and uncertainties include, without limitation, the following:

- incurrence of significant credit-related costs;
- declines in the value of our securities portfolio, including as a result of the declines in stock markets and the impact of the dislocation in the global financial markets;
- changes in interest rates;
- foreign exchange rate fluctuations;
- decrease in the market liquidity of our assets;
- revised assumptions or other changes related to our pension plans;
- a decline in our deferred tax assets;
- the effect of financial transactions entered into for hedging and other similar purposes;
- failure to maintain required capital adequacy ratio levels;
- downgrades in our credit ratings;
- our ability to avoid reputational harm;
- our ability to implement our Medium-term Business Plan and other strategic initiatives and measures effectively;
- the effectiveness of our operation, legal and other risk management policies;
- the effect of changes in general economic conditions in Japan and elsewhere; and
- amendments and other changes to the laws and regulations that are applicable to us.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in forward-looking statements as a result of various factors. We identify in this offering memorandum, in “Risk Factors” and elsewhere, important factors that could cause these differences.

We do not intend to update these forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes to the financial statements of Mizuho Financial Group, included elsewhere in this offering memorandum. For a discussion of certain factors that should be considered by prospective investors in the Notes offered by this offering memorandum, see “Risk Factors.”

The Mizuho Group

Mizuho Financial Group is a Japanese bank holding company that is the ultimate parent company of the Mizuho Group, one of the largest financial institution groups in the world. We provide a broad range of financial services in domestic and overseas markets. The principal activities and subsidiaries are the following:

- Mizuho Bank provides a wide range of financial products and services mainly in relation to deposits, lending and exchange settlement to individuals, SMEs, large corporations, financial institutions, public sector entities and foreign corporations, including foreign subsidiaries of Japanese corporations;
- Mizuho Trust & Banking provides products and services related to trust, real estate, securitization and structured finance, pension and asset management and stock transfer agency; and
- Mizuho Securities Co., Ltd. (“Mizuho Securities”) provides full-line securities services to individuals, corporations, financial institutions and public sector entities.

In our efforts to strengthen our profitability, each principal subsidiary leverages its own capabilities while at the same time strengthens mutual collaboration. We have developed a solid internal control system, including a thorough legal compliance system and advanced risk control system.

As of December 31, 2015, we had total assets of ¥195.5 trillion, total deposits of ¥119.3 trillion and total net assets of ¥9.4 trillion. For the fiscal year ended March 31, 2015 and the nine months ended December 31, 2015, we recorded profit attributable to owners of parent of ¥611.9 billion and ¥519.4 billion, respectively.

Our corporate headquarters are located at 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan. Our main telephone number is +81-3-5224-1111, and our corporate website is <http://www.mizuho-fg.co.jp>. The information on the website is not incorporated by reference into this offering memorandum.

THE OFFERING

Issuer	Mizuho Financial Group, Inc.
Notes offered	\$1,750,000,000 aggregate principal amount of 2.632% senior notes due April 12, 2021 \$1,750,000,000 aggregate principal amount of 3.477% senior notes due April 12, 2026 \$500,000,000 aggregate principal amount of senior floating rate notes due April 12, 2021 The Notes are not redeemable prior to maturity except as described under “Description of the Notes—Optional Tax Redemption.”
Issue price	100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the 5-year Notes 100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the 10-year Notes 100.000% of the principal amount, plus accrued interest, if any, from April 12, 2016, for the Floating Rate Notes
Ranking of the Notes	Each series of the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of Mizuho Financial Group and rank <i>pari passu</i> and without preference among themselves and with all other unsecured obligations, other than subordinated obligations of Mizuho Financial Group (except for statutorily preferred exceptions) from time to time outstanding. See also “Risk Factors—Risks Relating to the Notes—The Notes will be structurally subordinated to the liabilities of our subsidiaries, including Mizuho Bank and Mizuho Trust and Banking.”
Minimum denomination	Each series of the Notes will be issued in denominations of \$200,000 or integral multiples of \$1,000 in excess thereof. No Notes will be sold in the offering to any purchaser unless the purchaser purchases at least \$200,000 in principal amount of Notes.
Interest	The 5-year Notes will bear interest from April 12, 2016 at the rate of 2.632% per annum, payable semi-annually in arrears on April 12 and October 12 of each year, with the first interest payment to be made on October 12, 2016. Interest on the 5-year Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The 10-year Notes will bear interest from April 12, 2016 at the rate of 3.477% per annum, payable semi-annually in arrears on April 12 and October 12 of each year, with the first interest payment to be made on October 12, 2016. Interest on the 10-year Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The Floating Rate Notes will bear interest from April 12, 2016 at a floating rate, payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year, with the first interest payment to be made on July 12, 2016. The interest rate on the Floating Rate

Notes for each interest period will be a per annum rate equal to LIBOR for three-month deposits in U.S. dollars plus 1.48%, reset quarterly, determined as described under “Description of the Notes—Interest on the Floating Rate Notes.” Interest on the Floating Rate Notes will be computed on an actual/360 basis and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

Calculation Agent for the Floating Rate

Notes The Bank of New York Mellon will act as calculation agent in respect of the Floating Rate Notes.

Additional amounts All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of withholding taxes imposed by or within Japan, unless such withholding or deduction is required by law. Interest payments on the Notes generally will be subject to Japanese withholding tax with certain exceptions. See “Taxation—Japanese Taxation.” If the payments are subject to Japanese withholding tax, Mizuho Financial Group will pay such additional amounts (subject to certain exceptions) in respect of Japanese taxes as will result in the payment of amounts otherwise receivable absent any deduction or withholding on account of such Japanese taxes. See “Description of the Notes—Payment of Additional Amounts.”

References to principal or interest in respect of the Notes shall be deemed to include any additional amounts which may be payable as set forth in the indenture to be dated on or about April 12, 2016 between Mizuho Financial Group and The Bank of New York Mellon, as trustee (the “Indenture”).

Optional Tax Redemption Each series of the Notes may be redeemed at any time, at the option of Mizuho Financial Group in whole, but not in part, upon not less than 30 nor more than 60 days’ prior notice, subject to the prior confirmation of Japan’s Financial Services Agency (the “FSA”) (if and to the extent required under the then applicable Japanese banking laws and regulations), at a redemption price equal to 100% of the principal amount of the relevant series of Notes then outstanding plus accrued and unpaid interest to (but excluding) the redemption date, if Mizuho Financial Group has or will become obligated to pay additional amounts as described under “Description of the Notes—Payment of Additional Amounts” as a result of any change in, or amendment to, the laws, regulations or rulings of Japan (or of any political subdivision or taxing authority thereof or therein) affecting taxation, or any change in the official position regarding the application or interpretation of such laws, regulations or rulings, which change, amendment, application or interpretation becomes effective on or after the date of this offering memorandum, and the obligation cannot be avoided by Mizuho Financial Group taking reasonable measures available to it.

No notice of redemption may be given earlier than 90 days prior to the earliest date on which Mizuho Financial Group would be obligated to pay the additional amounts if a payment in respect of the Notes were then due. See “Description of the Notes—Optional Tax Redemption.”

Use of proceeds We intend to use the net proceeds from the issuance and sale of each series of the Notes to make a loan to Mizuho Bank, which will utilize such funds for its general corporate purposes.

Limitations on the right to obtain
attachment under specified
circumstances

Each Noteholder acknowledges, accepts, consents and agrees, for a period of 30 days following the date upon which the Prime Minister confirms that specified item 2 measures (*tokutei dai nigo sochi*), which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act of Japan (the “Deposit Insurance Act”) (or any successor provision thereto), need to be applied to us, not to initiate any action to attach any of our assets, the attachment of which has been prohibited by designation of the Prime Minister pursuant to Article 126-16 of the Deposit Insurance Act (or any successor provision thereto). See “Description of the Notes—Limitation on Suits by Individual Noteholders.”

Agreement with respect to certain
transfers of assets or liabilities under
specified circumstances

Each Noteholder acknowledges, accepts, consents and agrees to any transfer of our assets (including shares of our subsidiaries) or liabilities, or any portions thereof, effected with permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), and that any such transfer shall not constitute a sale, assignment, transfer, lease or conveyance restricted under the terms of the Notes as set forth in “Description of the Notes—Covenants.”

Limited right of set-off

Subject to applicable law, each Noteholder will agree that, by acceptance of any interest in the Notes, that, if (a) we shall institute proceedings seeking adjudication of bankruptcy or seeking reorganization under the Bankruptcy Act, the Civil Rehabilitation Act, the Corporate Reorganization Act, the Companies Act or any other similar applicable law of Japan, and as long as such proceedings shall have continued, or a decree or order by any court having jurisdiction shall have been issued adjudging us bankrupt or insolvent or approving a petition seeking reorganization under any such laws, and as long as such decree or order shall have continued undischarged or unstayed, or (b) the Prime Minister confirms that specified item 2 measures (*tokutei dai nigo sochi*) need to be applied to us, it will not, and waives its right to, exercise, claim or plead any right of set off, compensation or retention in respect of any amount owed to it by us arising under, or in connection with, the Notes or the Indenture. See “Description of the Notes—Limited Rights to Set Off by Holders.”

Settlement

The Notes will initially be issued to investors only in book-entry form. Fully registered global notes (the “Global Notes”), without coupons, representing the total aggregate principal amount of Notes will be issued and registered in the name of a nominee for DTC, securities depository for the Notes. Unless and until the Notes in definitive certificated form (“Definitive Notes”) are issued, the only Noteholder will be the nominee of DTC, or the nominee of a successor depository. Except as described in this offering memorandum, a beneficial owner of any interest in a Global Note will not be entitled to receive physical delivery of Definitive Notes. Accordingly, each beneficial owner of any interest in a Global Note must rely on the procedures of DTC to exercise any rights under the Notes.

Securities codes For the Notes sold under Rule 144A:

	<u>Common Code:</u>	<u>ISIN:</u>	<u>CUSIP No.:</u>
5-year Notes	138989089	US60687YAB56	60687Y AB5
10-year Notes	138989160	US60687YAD13	60687Y AD1
Floating Rate Notes	138989267	US60687YAC30	60687Y AC3

For the Notes sold under Regulation S:

	<u>Common Code:</u>	<u>ISIN:</u>	<u>CUSIP No.:</u>
5-year Notes	138989143	USJ4599LAJ10	J4599L AJ1
10-year Notes	138989186	USJ4599LAL65	J4599L AL6
Floating Rate Notes	138989313	USJ4599LAK82	J4599L AK8

Governing law The Notes and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Selling restrictions The Notes have not been registered under the U.S. Securities Act or any state securities law. Accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. See “Transfer Restrictions” and “Plan of Distribution.”

Listing and trading We intend to apply for the listing of, and quotation for, the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries and associated companies or the Notes.

So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Note representing such Notes is exchanged for Definitive Notes in certificated form, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Global Note is exchanged for Definitive Notes in certificated form, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes in certificated form, including details of the paying agent in Singapore.

The Notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Ratings It is expected that the Notes will be assigned a credit rating of A1 by Moody’s Investors Service, Inc. (“Moody’s”) and A- by Standard & Poor’s Ratings Services LLC (“S&P”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating company. See “Risk Factors—Risks Relating to the Notes.” The ratings on the Notes could be lowered, suspended or withdrawn, and Mizuho Financial Group’s credit ratings may not reflect all risks of an investment in the Notes.

Delivery of the Notes Delivery of the Notes is expected on or about April 12, 2016.

Trustee, Registrar, Calculation Agent
and Paying Agent The Bank of New York Mellon

RISK FACTORS

Prior to making an investment decision, you should carefully consider the risks described below as well as all the other information in this offering memorandum, including “Description of the Notes,” our consolidated financial statements and related notes and other financial information, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Historical Financial Information.” Capitalized terms included in “—Risks Relating to the Notes” that are not defined therein have the meanings as defined in “Description of the Notes.”

The value of the Notes and the rights of the Noteholders, as well as our business, financial condition and operating results, could be materially adversely affected by any of the factors discussed below. This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this offering memorandum. See “Forward-Looking Statements.”

Risks Relating to the Notes

The Notes will be structurally subordinated to the liabilities of our subsidiaries, including Mizuho Bank and Mizuho Trust and Banking.

Your claim as a Noteholder is structurally subordinated to the liabilities of our banking and other subsidiaries, including our subsidiaries’ liabilities for deposits, borrowed money, derivative transactions and trade payables. As a Noteholder, you will only be entitled to assert a claim as a creditor of Mizuho Financial Group that is to be paid out of Mizuho Financial Group’s assets. If any of our subsidiaries becomes subject to insolvency or liquidation proceedings, you will have no right to proceed against such subsidiary’s assets.

Mizuho Financial Group is a holding company that currently has no significant assets other than its investments in, or loans to, its subsidiaries, including Mizuho Bank and Mizuho Trust and Banking. Mizuho Financial Group’s ability to service its debt obligations, including its obligations under the Notes, thus depends on the dividends, loan payments and other funds Mizuho Financial Group receives from its subsidiaries. Mizuho Financial Group may not be able to receive such funds from a subsidiary due to adverse changes in its financial performance or material deterioration in its financial condition, restrictions imposed as a result of such adverse change or deterioration by relevant laws and regulations, including banking and other regulations and limitations under general corporate law, or any contractual obligations applicable to such subsidiary. Furthermore, if a subsidiary becomes subject to insolvency or liquidation proceedings, Mizuho Financial Group’s right to participate in such subsidiary’s assets will be subject to the prior claims of the creditors and any preference shareholders of the subsidiary, except where Mizuho Financial Group is a creditor or preference shareholder with claims that are recognized to be ranked either ahead of or *pari passu* with such claims. As a result, you may not recover your investment in the Notes in full or at all even though the investors in or creditors of our subsidiaries may recover their investments in full.

Mizuho Financial Group has in the past made loans to, and other investments in, its subsidiaries, including with the net proceeds from certain of its debt and other instruments, and with the net proceeds from the sale of each series of the Notes expects to make a loan to Mizuho Bank. However, Mizuho Financial Group may discharge, extinguish or restructure its loans to, and any other investments in, its subsidiaries at any time and for any purposes. For example, Mizuho Financial Group may take any of these actions to meet banking and other regulatory requirements, including loss absorption requirements. A restructuring of Mizuho Financial Group’s loans to, or investments in, a subsidiary may include changes to any or all terms or features of such loans or investments, including their legal or regulatory form and how they would rank as a claim in such subsidiary’s insolvency or liquidation proceedings. Any restructuring of Mizuho Financial Group’s loans to, and investments in, its subsidiaries may be implemented by Mizuho Financial Group without prior notification to or consent of the Noteholders.

In addition, Mizuho Financial Group’s loans to, or investments in capital instruments issued by, its subsidiaries made or to be made with the net proceeds from the sale of its instruments may contain contractual mechanisms that, upon the occurrence of a trigger event relating to prudential or financial condition or other events applicable to Mizuho Financial Group or its subsidiaries under regulatory requirements, will result in a write-down, write-off or conversion into equity of such loans or investments, or other changes in the legal or regulatory form or the ranking of the claims Mizuho Financial Group has against the subsidiaries. Any such

changes could adversely affect Mizuho Financial Group's ability to obtain repayment of such loans and investments and to meet its obligations under the Notes as well as the value of the Notes.

The Notes may become subject to loss absorption if Mizuho Financial Group becomes subject to orderly resolution measures under the Deposit Insurance Act of Japan and Japanese insolvency laws. As a result, the value of the Notes could be materially adversely affected, and you may lose all or a portion of your investments.

In November 2015, the Financial Stability Board issued the final Total Loss-Absorbing Capacity ("TLAC") standard for global systemically important banks ("G-SIBs"), including us. The Financial Stability Board's TLAC standard is designed to ensure that, if a G-SIB fails, it has sufficient loss-absorbing and recapitalization capacity available in resolution to implement an orderly resolution that minimizes impacts on financial stability, ensures the continuity of critical functions and avoids exposing public funds to loss. The Financial Stability Board's TLAC standard defines a minimum requirement for the instruments and liabilities that should be readily available to absorb losses in resolution. Although the Financial Stability Board's TLAC standard remains subject to regulatory implementation in Japan, the Notes are intended to be qualified as external TLAC debt due in part to their structural subordination.

The Notes are expected to become subject to loss absorption if Mizuho Financial Group becomes subject to orderly resolution measures under the Deposit Insurance Act and Japanese insolvency laws. The resolution framework for financial institutions under current Japanese laws and regulations includes (i) measures applied to financial institutions that are solvent on a balance sheet basis and (ii) orderly resolution measures applied to financial institutions that have failed or are deemed likely to fail. The framework applies to banks and certain other financial institutions as well as financial holding companies, such as Mizuho Financial Group. It is uncertain which measure will be taken in a given case, and orderly resolution measures may be applied without implementing any of the measures described in (i) above. If the Prime Minister recognizes that a financial institution is or is likely to be unable to fully perform its obligations with its assets, or that it has suspended, or is likely to suspend, repayment of its obligations, as a result of the financial institution's loans to, or other investment in, its subsidiaries becoming subject to loss absorption or otherwise, and further recognizes that the failure of such financial institution is likely to cause a significant disruption to the Japanese financial market or system, the Prime Minister may, following deliberation by the Financial Crisis Management Meeting, confirm that measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, generally referred to as specified item 2 measures (*tokutei dai nigo sochi*), need to be applied to the financial institution for its orderly resolution. Any such confirmation by the Prime Minister would also trigger the point of non-viability clauses of Additional Tier 1 and Tier 2 instruments issued by the financial institution, causing such instruments to be written off or, if applicable, converted into equity.

Under current Japanese laws and regulations, upon the application of specified item 2 measures, a financial institution will be placed under the special supervision (*tokubetsu kanshi*) by, or if the Prime Minister so orders, under the special control (*tokutei kanri*) of, the Deposit Insurance Corporation of Japan (the "Deposit Insurance Corporation"). In an orderly resolution, the Deposit Insurance Corporation would control the operation and management of the financial institution's business, assets and liabilities, including the potential transfer to a bridge financial institution established by the Deposit Insurance Corporation as its subsidiary, or such other financial institution as the Deposit Insurance Corporation may determine, of the financial institution's systemically important assets and liabilities, which we expect in the case of Mizuho Financial Group would include the shares of Mizuho Bank, Mizuho Trust and Banking and other subsidiaries. To facilitate that transfer, the Prime Minister may prohibit by its designation creditors of the financial institution from attaching any of our assets and claims which are to be transferred to a bridge financial institution or another financial institution pursuant to Article 126-16 of the Deposit Insurance Act (or any successor provision thereto). In addition, the Notes will limit the ability of the Noteholders to initiate any action to attach any of our assets, the attachment of which is so prohibited by the Prime Minister under Article 126-16 of the Deposit Insurance Act (or any successor provision thereto) for a period of 30 days following the date upon which the Prime Minister confirms that specified item 2 measures need to be applied to Mizuho Financial Group. The value of assets subject to a prohibition of attachment may decline while such prohibition is in effect, and following such period, Noteholders will be unable to attach any assets that have been transferred to a bridge financial institution or such other financial institution as part of our orderly resolution. The Deposit Insurance Corporation would also control the repayment of liabilities of the financial institution, and, ultimately, facilitate the orderly resolution of the financial institution through court-administrated insolvency proceedings. The Deposit Insurance Corporation has broad discretion in its application of these measures in accordance with the Deposit Insurance Act, Japanese insolvency laws and other relevant laws.

Under current Japanese laws and regulations, if Mizuho Financial Group becomes subject to specified item 2 measures, the application of specified item 2 measures or other measures by, or any decision of, the Prime Minister, the Deposit Insurance Corporation or a Japanese court may result in your rights as a Noteholder or the value of your investment in the Notes being adversely affected. It is currently expected that the Notes will not be transferred to a bridge financial institution or other transferee in the orderly resolution process but will remain as Mizuho Financial Group's liabilities subject to court-administered insolvency proceedings. On the other hand, in an orderly resolution process, the shares of Mizuho Financial Group's subsidiaries may be transferred to a bridge financial institution or other transferee with the permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), which permission may be granted by court in accordance with the Deposit Insurance Act if (i) the financial institution is under special supervision by, or under special control of, the Deposit Insurance Corporation pursuant to the Deposit Insurance Act, and (ii) the financial institution is, or is likely to be, unable to fully perform its obligations with its assets, or the financial institution has suspended, or is likely to suspend, repayment of its obligations, and Mizuho Financial Group would only be entitled to receive consideration representing the fair values of such shares, which could be significantly less than the book values of such shares. With respect to such transfer, Noteholders acknowledge, accept, consent and agree to any transfer of our assets (including shares of our subsidiaries) or liabilities, or any portions thereof, effected with the permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto). Following such transfer, the recoverable value of Mizuho Financial Group's residual assets in court-administered insolvency proceedings may not be sufficient to fully satisfy any payment obligations that Mizuho Financial Group may have under its liabilities, including the Notes. Moreover, the Notes will not be insured or guaranteed by the Deposit Insurance Corporation or any other government agency or insurer. Accordingly, the Noteholders may lose all or a portion of their investments in the Notes in court-administered insolvency proceedings.

The Japanese regulations relating to external TLAC have not yet been finalized, and the circumstances surrounding or triggering orderly resolution are unpredictable.

The application of orderly resolution under the Deposit Insurance Act is inherently unpredictable and depends on a number of factors that may be beyond Mizuho Financial Group's control. The commencement of the orderly resolution process under the Deposit Insurance Act depends on, among other things, a determination by the Prime Minister, following deliberation by the Financial Crisis Management Meeting, regarding Mizuho Financial Group's viability, or the viability of one or more of Mizuho Financial Group's subsidiaries, and the risk that their failures may cause a significant disruption to the financial market or systems in Japan. Specified item 2 measures (*tokutei dai nigo sochi*) may be applied to us as a result of, among other things, loans that we have extended or will extend to, or investments we have made or will make in, Mizuho Bank or Mizuho Trust and Banking or any of our other subsidiaries being subjected to loss absorption prior to the failure of such subsidiary, pursuant to the terms of such loans or investments or in accordance with applicable Japanese laws or regulations then in effect. However, it may be difficult to predict when, if at all, Mizuho Financial Group may become subject to an orderly resolution process. Accordingly, the market value of the Notes may not necessarily be evaluated in a manner similar to other types of notes issued by non-financial institutions or by financial institutions subject to different regulatory regimes. For example, any indication that Mizuho Financial Group is approaching circumstances that could result in Mizuho Financial Group becoming subject to an orderly resolution process could also have an adverse effect on the market price and liquidity of the Notes.

In addition, there has been no application of the orderly resolution measures under the Deposit Insurance Act described in this offering memorandum to date. Such measures are untested and will be subject to interpretation and application by the relevant authorities in Japan. It is uncertain how and under what standards the relevant authorities would determine that Mizuho Financial Group is, or is deemed likely to be unable to fully perform its obligations with its assets, or that Mizuho Financial Group has suspended, or is deemed likely to suspend, repayment of its obligations in determining whether to commence an orderly resolution process, and it is possible that particular circumstances that seem similar may lead to different results. In addition, the sequence and specific actions that will be taken in connection with orderly resolution measures and their impact on the Notes are uncertain. It is also uncertain whether a sufficient amount of assets will ultimately be available to the Noteholders. Mizuho Financial Group's creditors, including the Noteholders, may encounter difficulty in challenging the application of orderly resolution measures to Mizuho Financial Group.

Although Mizuho Financial Group expects the Notes to qualify as external TLAC due in part to their structural subordination, there is no assurance that the Notes will qualify as such, which could affect our ability to meet the minimum TLAC requirements when such requirements are implemented in Japan and subject us to potential adverse regulatory action. The Financial Stability Board's TLAC standard requires each G-SIB to hold

TLAC eligible instruments in an amount not less than 16% of its risk-weighted assets and 6% of the applicable Basel III leverage ratio denominator by January 1, 2019, and not less than 18% of its risk-weighted assets and 6.75% of the applicable Basel III leverage ratio denominator by January 1, 2022. The Financial Stability Board's standard is subject to regulatory implementation in each jurisdiction, including Japan. When the Financial Stability Board's standard is implemented in Japan, we expect that our access to Japan's deposit insurance fund reserves will qualify as a credible ex-ante commitment to recapitalize a G-SIB in resolution under the Financial Stability Board's final TLAC standards, subject to the agreement of the relevant authorities, and will be treated as TLAC in the amount equivalent to 2.5% of consolidated risk-weighted assets from 2019 and 3.5% of consolidated risk-weighted assets from 2022. However, specific TLAC requirements in Japan may differ from the Financial Stability Board's TLAC standard. Such specific requirements, when and as implemented in Japan, may result in us issuing debt instruments in the future with terms that differ from those of the Notes, which in turn could adversely affect the value of the Notes.

The Notes are unsecured obligations.

Because the Notes are unsecured obligations, their repayment may be compromised if:

- Mizuho Financial Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- Mizuho Financial Group defaults in payment under our secured indebtedness or other unsecured indebtedness; or
- any of our indebtedness is accelerated.

If any of these events occurs, our assets may not be sufficient to pay amounts due on the Notes.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to QIBs in reliance on the exemption provided by Rule 144A, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. In addition, subject to the conditions set forth herein and in the Indenture, the Notes may be transferred only if the principal amount of the Notes transferred is at least \$200,000. For a further discussions of the transfer restrictions applicable to the Notes, see "Transfer Restrictions."

The Indenture and the Notes contain very limited restrictive covenants and provide limited protection in the event of a change in control.

The Indenture and the Notes do not contain any financial covenants or other restrictions on our ability to pledge or dispose of assets or to secure other indebtedness, pay dividends on our shares of common stock, incur indebtedness or our ability to issue new securities or repurchase our outstanding securities. These or other actions by us could adversely affect the ability of Mizuho Financial Group to pay amounts due on the Notes. In addition, the Indenture and the Notes do not contain any covenants or other provisions that afford more than limited protection to Noteholders in the event of a change in control. See "Description of the Notes."

There is no prior market for the Notes, and the Notes may have limited liquidity.

There is no existing market for the Notes. We intend to apply for the listing of, and quotation for, the Notes on the SGX-ST, but there can be no assurance that any active trading market for the Notes will develop or be sustained or whether, or at what price, Noteholders will be able to sell or otherwise transfer their Notes. The liquidity of any trading market for the Notes will depend upon the number of Noteholders, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the Notes and other factors. Although the initial purchasers have informed us that they intend to make a market in the Notes, the initial purchasers are not obligated to do so, and any such market-making activity will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. If an active trading market for the Notes does not develop or is not sustained, the market price and liquidity of the Notes may be adversely affected and you may be unable to resell our Notes or may only be able to sell them at a substantial discount.

The ratings on the Notes could be lowered, suspended or withdrawn, and Mizuho Financial Group's credit ratings may not reflect all risks of an investment in the Notes.

The Notes are expected to be assigned a credit rating of A1 by Moody's and A- by S&P. Mizuho Financial Group's credit ratings may not reflect the potential impact of all risks relating to the market value of the Notes. However, real or anticipated changes in Mizuho Financial Group's credit ratings will generally affect the market value of the Notes.

In addition, other rating agencies may assign credit rating to the Notes with or without any solicitation from us and without any provision of information from us. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal, the assignment of new ratings that are lower than existing ratings, or a downgrade or potential downgrade in the ratings assigned to us, our subsidiaries or any of our respective securities and could reduce the scope of potential investors in the Notes and adversely affect the price and liquidity of the Notes. We have no obligation to inform Noteholders of any such downgrade, suspension, withdrawal or revision.

Risks Relating to Our Business

We may incur significant credit-related and other costs in the future due to problem loans.

We are the primary bank lender for a large number of our corporate customers, and the amount of our loans and other claims to each of our major customers is significant. In addition, while we have made efforts to diversify our credit exposure along industry lines, the proportion of credit exposure to customers in the construction and real estate, banks and other financial institutions, and wholesale and retail industries is relatively high. We manage our credit portfolio by regularly monitoring the credit profile of each of our customers, the progress made on restructuring plans and credit exposure concentrations in particular industries or corporate groups, and we also utilize credit derivatives for hedging and credit risk mitigation purposes. In addition, we regularly assess the value of collateral and guarantees. However, depending on trends in the domestic and global economic environment, the business environment in particular industries and other factors, the amount of our problem loans and other claims could increase significantly, including as a result of the deterioration in the credit profile of customers for which we are the primary bank lender, other major customers or customers belonging to industries to which we have significant credit exposure, and the value of collateral and guarantees could decline. There can be no assurance that credit-related and other costs will not increase in the future as a result of the foregoing or otherwise.

Our equity investment portfolio exposes us to market risks that could adversely affect our financial condition and results of operations.

We hold substantial investments in marketable equity securities, mainly common stock of Japanese listed companies. In addition to the partial hedges that we apply as we deem necessary in recent years, we sold a portion of such investments, and we may make further sales in the future. However, significant declines in Japanese stock prices in the future would lead to unrealized losses, losses on impairment and losses from sales of equity securities which could have a material adverse effect on our financial condition and results of operations. In addition, net unrealized gains and losses on such investments, based on Japanese GAAP, are taken into account when calculating the amount of capital for purposes of the calculation of our capital adequacy ratios, and as a result, a decline in the value of such investments would negatively affect such ratios. Accordingly, our financial condition and results of operations could be materially and adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Operating Environment" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Business Trends—Debt and Equity Securities Portfolio."

Changes in interest rates could adversely affect our financial condition and results of operations.

We hold a significant amount of bonds, consisting mostly of Japanese government bonds, and other instruments primarily for the purpose of investment. As a result of such holdings, an increase in interest rates, primarily yen interest rates, could lead to unrealized losses of bonds or losses from sales of bonds. In addition, due mainly to differences in maturities between financial assets and liabilities, changes in interest rates could have an adverse effect on our average interest rate spread. We manage interest rate risk under our risk management policies, which provide for adjustments in the composition of our bond portfolio and the utilization of derivatives and other hedging methods to reduce our exposure to interest rate risk. However, in the event of

significant changes in interest rates, including as a result of a change in Japanese monetary policy, such as the Bank of Japan's policy of "Quantitative and Qualitative Monetary Easing with a Negative Interest Rate" introduced from February 2016, increased sovereign risk due to deterioration of public finances and market trends, our financial condition and results of operations could be materially and adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Operating Environment" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Business Trends."

Our financial condition and results of operations could be adversely affected by foreign exchange rate fluctuations.

A portion of our assets and liabilities is denominated in foreign currencies, mainly the U.S. dollar. The difference between the amount of assets and liabilities denominated in foreign currencies leads to foreign currency translation gains and losses in the event of fluctuations in foreign exchange rates. Although we hedge a portion of our exposure to foreign exchange rate fluctuation risk, our financial condition and results of operations could be materially and adversely affected if future foreign exchange rate fluctuations significantly exceed our expectations.

We may incur further losses relating to decreases in the market liquidity of assets that we hold.

The market liquidity of the various marketable assets that we hold may decrease significantly due to turmoil in financial markets and other factors, and the value of such assets could decline as a result. If factors such as turmoil in global financial markets or the deterioration of economic or financial conditions cause the market liquidity of our assets to decrease significantly, our financial condition and results of operations could be materially and adversely affected.

Our pension-related costs could increase as a result of revised assumptions or changes in our pension plans.

Our pension-related costs and projected benefit obligations are calculated based on assumptions regarding projected returns on pension plan assets and various actuarial assumptions relating to the plans. If actual results differ from our assumptions or we revise our assumptions in the future, due to changes in the stock markets, interest rate environment or otherwise, our pension-related costs and projected benefit obligations could increase. In addition, any future changes to our pension plans could also lead to increases in our pension-related costs and projected benefit obligations. As a result, our financial condition and results of operations could be materially and adversely affected.

A decrease in deferred tax assets, net of valuation allowance, due to a change in our estimation of future taxable income or change in Japanese tax policy could adversely affect our financial condition and results of operations.

We recorded deferred tax assets, net of valuation allowance, based on a reasonable estimation of future taxable income in accordance with applicable accounting standards. Our financial condition and results of operations could be materially and adversely affected if our deferred tax assets decrease due to a change in our estimation of future taxable income, a change in tax rate as a result of tax system revisions or other factors.

Financial transactions entered into for hedging and other similar purposes could adversely affect our financial condition and results of operations.

The accounting and valuation methods applied to credit and equity derivatives and other financial transactions that we enter into for hedging and credit risk mitigation purposes are not always consistent with the accounting and valuation methods applied to the assets that are being hedged. Consequently, in some cases, due to changes in the market or otherwise, losses related to such financial transactions during a given period may adversely affect profit attributable to owners of parent, while the corresponding increases in the value of the hedged assets do not have an effect on profit attributable to owners of parent for such period. As a result, our financial condition and results of operations could be materially and adversely affected during the period.

Failure to maintain capital adequacy ratios above minimum required levels, as a result of the materialization of risks or regulatory changes, could result in restrictions on our business activities.

We endeavor to maintain sufficient levels of capital adequacy ratios, which are calculated pursuant to standards set forth by the FSA and based on Japanese GAAP, taking into account our plans for investments in risk-weighted assets, the efficiency of our capital structure and other factors. However, our capital adequacy ratios could decline in the future, including as a result of the materialization of any of the risks enumerated in these “Risk Factors” and changes to the methods we use to calculate capital adequacy ratios. Also, there are regulatory adjustments such as goodwill and other intangibles, deferred tax assets, investments in the capital of banking, financial and insurance entities etc., that are deducted from our regulatory capital under certain conditions. Our or our banking subsidiaries’ regulatory capital and capital adequacy ratios could decline due to such regulations.

In addition, if the framework set by the Basel Committee on Banking Supervision (“BCBS”), upon which the FSA’s rules concerning banks’ capital adequacy ratios are based, is changed or if the FSA otherwise changes its banking regulations, we might not be able to meet the minimum regulatory requirements for capital adequacy ratios. For example, in December 2010, the BCBS issued its Basel III rules text, which presents the details of global regulatory standards on bank capital adequacy and liquidity. In March 2012, the FSA published revisions to its capital adequacy guidelines which generally reflect rules in the Basel III text and became effective as of March 31, 2013. Furthermore, we have been designated as a G-SIB and will be required to maintain the higher levels of the capital adequacy ratios applicable to G-SIBs. The group of G-SIBs will be updated annually and published by the Financial Stability Board each November. In addition, in November 2015, the Financial Stability Board issued the final TLAC standard for G-SIBs, including us. We may be subject to certain regulations based on the TLAC standard from January 1, 2019. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy” and “Supervision and Regulation—Capital Adequacy.”

If the capital adequacy ratios of us and our banking subsidiaries fall below specified levels, the FSA could require us to take corrective actions, including, depending on the level of deficiency, submission of an improvement plan that would strengthen our capital base, constraints on capital distributions, a reduction of our total assets or a suspension of a portion of our business operations. In addition, some of our banking subsidiaries are subject to capital adequacy regulations in foreign jurisdictions such as the United States, and our business could be adversely affected if their capital adequacy ratios fall below specified levels.

Downgrades in our credit ratings could have negative effects on our funding costs and business operations.

Credit ratings are assigned to Mizuho Financial Group, our banking subsidiaries, including Mizuho Bank, and a number of our other subsidiaries by major domestic and international credit rating agencies. The credit ratings are based on information furnished by us or obtained by the credit rating agencies from independent sources and are also influenced by credit ratings of Japanese government bonds and general views regarding the Japanese financial system as a whole. The credit ratings are subject to revision, suspension or withdrawal by the credit rating agencies at any time. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity” for information on our credit ratings. A downgrade in our credit ratings could result in, among other things, the following:

- increased funding costs and other difficulties in raising funds;
- the need to provide additional collateral in connection with financial market transactions; and
- the termination or cancellation of existing agreements.

As a result, our business, financial condition and results of operations could be materially and adversely affected.

For example, the additional collateral requirement in connection with our derivative contracts, absent other changes, assuming a downgrade occurred on March 31, 2015, would have been approximately \$33 million for a one-notch downgrade and approximately \$109 million for a two-notch downgrade.

Our business will be adversely affected if we encounter difficulties in raising funds.

We rely principally on deposits and bonds as our funding sources. In addition, we also raise funds in the financial markets. Our efforts to maintain stable funding, such as setting maximum limits on financial market funding and monitoring our liquidity position to apply appropriate funding policies, may not be sufficient to prevent significant increases in our funding costs or, in the case mainly of foreign currencies, cash flow problems if we encounter difficulties in attracting deposits or otherwise raising funds. Such difficulties could result, among other things, from any of the following:

- adverse developments with respect to our financial condition and results of operations;
- downgrading of our credit ratings or damage to our reputation; or
- a reduction in the size and liquidity of the debt markets due for example to the decline in the domestic and global economy, concerns regarding the financial system or turmoil in financial markets and other factors.

Our Medium-term Business Plan and other strategic initiatives and measures may not result in the anticipated outcome.

We have been implementing strategic initiatives and measures in various areas. In February 2013, we announced our new medium-term business plan for the three fiscal years ended March 31, 2016, or the Medium-term Business Plan, in which we set forth various strategic initiatives and measures and also established a number of key target figures that we aimed to achieve by the end of the fiscal year ended March 31, 2016. See “Business—General—“One MIZUHO New Frontier Plan—Stepping up to the Next Challenge—”.”

However, we may not be successful in implementing such initiatives and measures, or other initiatives or measures which we may announce in the future, or even if we are successful in implementing them, the implementation of such initiatives and measures may not have their anticipated effects. In addition, we may not be able to meet the key target figures announced in the Medium-term Business Plan or other targets we may announce in the future due to these or other factors, including, but not limited to, differences in the actual economic environment compared to our assumptions underlying the Medium-term Business Plan or other initiatives or measures, as well as the risks enumerated in these “Risk Factors.”

We will be exposed to new or increased risks as we expand the range of our products and services.

We offer a broad range of financial services, including banking, trust, securities and other services. As the needs of our customers become more sophisticated and broader in scope, and as the Japanese financial industry continues to be deregulated, we have been entering into various new areas of business, including through various business and equity alliances, which expose us to new risks. While we have developed and intend to maintain risk management policies that we believe are appropriate to address such risks, if a risk materializes in a manner or to a degree outside of our expectations, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to various laws and regulations, and violations could result in penalties and other regulatory actions.

Our business and employees in Japan are subject to various laws and regulations, including those applicable to financial institutions as well as general laws applicable to our business activities, and we are under the regulatory oversight of the FSA. Our businesses outside of Japan are also subject to the laws and regulations of the jurisdictions in which they operate and are subject to oversight by the regulatory authorities of those jurisdictions.

Our compliance and legal risk management structures are designed to prevent violations of such laws and regulations, but they may not be effective in preventing all future violations. Future violations of laws and regulations could result in regulatory action and harm our reputation, and our business, financial condition and results of operations could be materially and adversely affected. For a discussion of laws and regulations that are applicable to us, see “Supervision and Regulation.”

Employee errors and misconduct could subject us to losses and reputational harm.

Because we process a large number of transactions in a broad range of businesses, we are subject to the risk of various operational errors and misconduct, including those caused by employees. Our measures to reduce employee errors, including establishment of operational procedures, regular reviews regarding compliance with these procedures, employee training and automation of our operations, may not be effective in preventing all employee errors and misconduct. Significant operational errors and misconduct in the future could result in losses, regulatory actions or harm to our reputation. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Problems relating to our information technology systems could significantly disrupt our business operations.

We depend significantly on information technology systems with respect to almost all aspects of our business operations. Our information technology systems network, including those relating to bank accounting and cash settlement systems, interconnects our branches and other offices, our customers and various clearing and settlement systems located worldwide. Our efforts to sustain stable daily operations and development of contingency plans for unexpected events, including the implementation of backup and redundancy measures, may not be effective in preventing significant disruptions to our information technology systems caused by, among other things, human error, accidents, hacking, computer viruses, cyber attacks, and development and renewal of computer systems. In the event of any such disruption, our business, financial condition and results of operations could be materially and adversely affected due to disruptions in our business operations, liability to customers and others, regulatory actions or harm to our reputation.

Our reputation could be harmed and we may be subject to liabilities and regulatory actions if we are unable to protect personal and other confidential information.

We handle various confidential or non-public information, including those of our individual and corporate customers, in the ordinary course of our business. The information management policies we maintain and enforce to prevent information leaks and improper access to such information, including those designed to meet the strict requirements of the Act on the Protection of Personal Information, may not be effective in preventing all such problems. Leakage of important information in the future could result in liabilities and regulatory actions and may also lead to significant harm to our reputation. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our business would be harmed if we are unable to attract and retain skilled employees.

Many of our employees possess skills and expertise that are important to maintain our competitiveness and to operate our business efficiently. We may not be successful in attracting and retaining sufficient skilled employees through our hiring efforts and training programs aimed to maintain and enhance the skills and expertise of our employees, in which event our competitiveness and efficiency could be significantly impaired. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our failure to establish, maintain and apply adequate internal controls over financial reporting could negatively impact investor confidence in the reliability of our financial statements.

As a New York Stock Exchange-listed company and an SEC registrant, we have developed disclosure controls and procedures and internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC promulgated pursuant thereto. Our management reports on, and our independent registered public accounting firm attests to, the effectiveness of our internal controls over financial reporting, as required, in our annual report on Form 20-F. In addition, our management is required to report on our internal control over financial reporting, and our independent registered public accounting firm is required to provide its opinion concerning the report of our management, in accordance with the Financial Instruments and Exchange Act. To the extent any issues are identified through the foregoing processes, there can be no assurance that we will be able to address them in a timely manner or at all. Furthermore, even if our management concludes that our internal control over financial reporting are effective, our independent registered public accounting firm may still be unable to issue a report that concludes that our internal control over financial reporting are effective. In either case, we may lose investor confidence in the reliability of our financial statements.

We are subject to risk of litigation and other legal proceedings.

As a financial institution engaging in banking and other financial businesses in and outside of Japan, we are subject to the risk of litigation for damages and other legal proceedings in the ordinary course of our business. Adverse developments related to future legal proceedings could have a material adverse effect on our financial condition and results of operations. See “Business—Legal Proceedings.”

Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.

We devote significant resources to strengthening our risk management policies and procedures. Despite this, and particularly in light of the rapid evolution of our operations, our policies and procedures designed to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon our use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than the historical measures indicate. If our risk management policies and procedures do not function effectively, our financial condition and results of operations could be materially and adversely affected.

Transactions with counterparties in Iran and other countries designated by the U.S. Department of State as state sponsors of terrorism may lead some potential customers and investors to avoid doing business with us or investing in our securities or have other adverse effects.

U.S. law generally prohibits U.S. persons from doing business with countries designated by the U.S. Department of State as state sponsors of terrorism (the “Designated Countries”), which currently includes Iran, Sudan and Syria and we maintain policies and procedures to comply with U.S. law. Our non-U.S. offices engage in transactions relating to the Designated Countries on a limited basis and in compliance with applicable laws and regulations, including trade financing with respect to our customers’ export or import transactions and maintenance of correspondent banking accounts. In addition, we maintain a representative office in Iran. We do not believe our operations relating to the Designated Countries are material to our business, financial condition or results of operations. We maintain policies and procedures to ensure compliance with applicable Japanese and U.S. laws and regulations.

The laws and regulations applicable to dealings involving the Designated Countries are subject to further strengthening or changes. If the U.S. government considers that our compliance measures are inadequate, we may be subject to regulatory action which could materially and adversely affect our business. In addition, we may become unable to retain or acquire customers or investors in our securities, or our reputation may suffer, potentially having adverse effects on our business or the price of our securities.

We may be adversely affected if economic or market conditions in Japan or elsewhere deteriorate.

We conduct business operations in Japan as well as overseas, including in the United States, Europe and Asia. If general economic conditions in Japan or other regions were to deteriorate or if financial market conditions including crude oil prices become subject to turmoil, we could experience weakness in our business, as well as deterioration in the quality of our assets. Future deterioration in general economic conditions or financial market turmoil could materially and adversely affect our financial condition and results of operations.

Amendments and other changes to the laws and regulations that are applicable to us could have an adverse effect on us.

We are subject to general laws, regulations and accounting rules applicable to our business activities in and outside of Japan. We are also subject to various laws and regulations applicable to financial institutions such as the Banking Act, including capital adequacy requirements, in and outside of Japan. If the laws and regulations that are applicable to us are amended or otherwise changed, such as in a way that restricts us from engaging in business activities that we currently conduct, our business, financial condition and results of operations could be materially and adversely affected. For a discussion of other laws and regulations that are applicable to us, see “Supervision and Regulation.”

Intensification of competition in the market for financial services in Japan could have an adverse effect on us.

Ongoing deregulation in Japan has lowered the barriers to entry with respect to the provision of banking, trust, securities and other financial services. While such deregulation has the effect of increasing our own

business opportunities, it also allows other major financial groups, foreign financial institutions, non-bank finance companies, government-affiliated entities such as Japan Post Bank and other financial services providers to enter into new business areas or expand existing businesses, resulting in the intensification of competition in the financial services industry. If we are unable to respond effectively to current or future competition, our business, financial condition and results of operations could be adversely affected. In addition, intensifying competition and other factors could lead to reorganization within the financial services industry, and this could have an adverse effect on our competitive position or otherwise adversely affect the price of our securities.

Our business could be significantly disrupted due to natural disasters, accidents or other causes.

Our headquarters, branch offices, information technology centers, computer network connections and other facilities are subject to the risk of damage from natural disasters such as earthquakes and typhoons as well as from acts of terrorism and other criminal acts. In addition, our business could be materially disrupted as a result of an epidemic such as new or reemerging influenza infections. Our business, financial condition and results of operations could be adversely affected if our recovery efforts, including our implementation of contingency plans that we have developed such as establishing back-up offices, are not effective in preventing significant disruptions to our business operations caused by natural disasters and criminal acts. Additionally, massive natural disasters such as the March 2011 Great East Japan Earthquake may have various adverse effects, including a deterioration in economic conditions, declines in the business performance of many of our corporate customers and declines in stock prices. As a result, our financial condition and results of operations could be materially and adversely affected due to an increase in the amount of problem loans and credit-related costs as well as an increase in unrealized losses on, or losses from sales of, equity securities and financial products.

Negative rumors about us could have an adverse effect on us.

Our business depends on maintaining the trust of depositors and other customers and market participants. Negative rumors about us, spread through media coverage, communications between market participants, internet postings or otherwise, could lead to our customers and market participants believing factually incorrect information about us and harm our reputation. In the event we are unable to dispel such rumors or otherwise restore our reputation, our business, financial condition, results of operations and the price of our securities could be materially and adversely affected.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the issuance and sale of the Notes (after deducting underwriting discounts but not estimated offering expenses payable by us) of approximately \$3,984 million which we will use to make loans to Mizuho Bank, which will utilize such funds for its general corporate purposes.

EXCHANGE RATES

We maintain our accounts in yen. The following table sets forth, for each period indicated, the noon buying rate in New York City for cable transfers in yen as certified for customs purposes by the Federal Reserve Bank of New York, expressed in Japanese yen per \$1.00. The exchange rate published by the Federal Reserve Bank of New York as of March 25, 2016 was ¥113.05 per \$1.00.

<u>Fiscal years ended/ending March 31,</u>	<u>High</u>	<u>Low</u>	<u>Average⁽¹⁾</u>	<u>Period end</u>
			(yen per dollar)	
2011	¥ 94.68	¥ 78.74	¥ 85.00	¥ 82.76
2012	85.26	75.72	78.86	82.41
2013	96.16	77.41	83.26	94.16
2014	105.25	92.96	100.46	102.98
2015	121.50	101.26	110.78	119.96
2016 (through March 25)	125.58	111.30	120.18	113.05

Most recent six months

September 2015	¥120.94	¥119.05	—	—
October 2015	121.20	118.26	—	—
November 2015	123.51	120.70	—	—
December 2015	123.52	120.27	—	—
January 2016	121.05	116.38	—	—
February 2016	121.06	111.36	—	—
March 2016 (through March 25)	113.94	111.30	—	—

Note:

(1) Calculated by averaging the exchange rates on the last business day of each month during the respective periods.

The exchange rates are reference rates and are not necessarily the rates used to calculate ratios or the rates used to convert yen to U.S. dollars in the financial statements included elsewhere in this offering memorandum.

CAPITALIZATION AND INDEBTEDNESS

The table below sets forth the consolidated capitalization and indebtedness of Mizuho Financial Group as of December 31, 2015, as adjusted to give effect to the offering of the Notes. This table should be read in conjunction with its consolidated financial statements and related notes and other financial information included elsewhere in this offering memorandum.

	As of December 31, 2015	
	Actual	As adjusted ⁽¹⁾
	(in millions of yen)	
Indebtedness:		
Bonds and notes (excluding subordinated debt) ⁽²⁾	¥ 4,681,054	¥ 5,162,134
Subordinated debt:		
Bonds and notes ⁽²⁾	1,772,840	1,772,840
Borrowed money	322,000	322,000
Total subordinated debt	2,094,840	2,094,840
Total indebtedness	¥ 6,775,895	¥ 7,256,975
Net assets:		
Common stock and preferred stock	¥ 2,255,790	¥ 2,255,790
Common stock:		
Authorized 48,000,000,000 shares; Issued 24,877,532,747 shares ⁽³⁾		
Preferred stock:		
Authorized 4,214,752,000 shares; Issued 914,752,000 shares ⁽³⁾		
Capital surplus	1,111,410	1,111,410
Retained earnings	3,045,962	3,045,962
Treasury stock	(3,713)	(3,713)
Total shareholders' equity	6,409,450	6,409,450
Net unrealized gains on other securities	1,510,707	1,510,707
Deferred gains or losses on hedges	49,049	49,049
Revaluation reserve for land	145,061	145,061
Foreign currency translation adjustments	(53,994)	(53,994)
Remeasurements of defined benefit plans	159,771	159,771
Total accumulated other comprehensive income	1,810,594	1,810,594
Stock acquisition rights	2,762	2,762
Non-controlling interests	1,196,552	1,196,552
Total net assets	9,419,359	9,419,359
Total capitalization and indebtedness	¥16,195,255	¥16,676,335

Notes:

(1) Does not include the effect of the payment of estimated expenses related to this offering.

(2) Mizuho Bank issued SGD100 million of Singaporean dollar denominated senior notes in March 2016.

(3) During the period from January 1 to February 29, 2016, holders of preferred stock converted 17,565,000 shares (or ¥17.5 billion) into 62,089,270 shares of common stock.

Except as stated above, there has been no material change in our capitalization and indebtedness since December 31, 2015.

SELECTED HISTORICAL FINANCIAL INFORMATION

The tables below set forth our selected historical consolidated financial data, which include our selected consolidated financial data as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, as of and for the six months ended September 30, 2014 and 2015 and as of and for the nine months ended December 31, 2014 and 2015.

The selected consolidated financial information as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015 have been derived from our audited consolidated financial statements which have been audited by Ernst & Young ShinNihon LLC, our independent auditors. The selected consolidated financial information as of and for the six months ended September 30, 2014 and 2015 and as of and for the nine months ended December 31, 2014 and 2015 are derived from our unaudited consolidated financial statements.

Our audited consolidated financial statements and the notes thereto as of and for the fiscal years ended March 31, 2013, 2014 and 2015 and our unaudited quarterly consolidated financial statements and the notes thereto as of December 31, 2015 and for the nine months ended December 31, 2014 and 2015 are contained elsewhere in this offering memorandum.

Some statistical information, including those regarding problem loan classifications, is primarily reported by Japanese banks on a non-consolidated basis and is presented as such in this offering memorandum. Selected aggregated non-consolidated figures for the principal banking subsidiaries of the Mizuho Group is also provided for reference purposes. Furthermore, some statistical and non-consolidated information is only available on an annual and semi-annual basis, and thus September 30, 2014 and 2015 figures are provided in lieu of December 31, 2014 and 2015 figures. You should read the selected historical financial information presented below together with the information included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto and other financial information, included elsewhere in this offering memorandum. The information presented below is qualified in its entirety by reference to that information.

Selected Consolidated Financial Data for Mizuho Group

The table below sets forth our selected historical consolidated financial data, as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, as of and for the six months ended September 30, 2014 and 2015, and as of and for the nine months ended December 31, 2014 and 2015.

	As of and for the fiscal years ended March 31,					As of and for the six months ended September 30,		As of and for the nine months ended December 31,	
	2011	2012	2013	2014	2015	2014	2015	2014	2015
						(unaudited)		(unaudited)	
	(in millions of yen, except percentages or where otherwise noted)								
Statement of Income data:									
Interest income	¥1,457,687	¥1,423,564	¥1,421,609	¥1,417,569	¥1,468,976	¥ 698,534	¥ 720,592	¥1,075,607	¥1,069,570
Interest expense	348,242	335,223	345,710	309,266	339,543	157,179	197,081	249,283	308,247
Net interest income	1,109,444	1,088,340	1,075,898	1,108,303	1,129,433	541,355	523,511	826,323	761,323
Fiduciary income	49,388	49,014	48,506	52,014	52,641	25,603	26,399	36,697	38,112
Net fee and commission income	458,824 ⁽¹⁾	458,933 ⁽¹⁾	507,378	560,768	593,360	258,107	292,958	403,910	431,021
Net trading income	243,983	150,317	215,033	187,421	262,963	113,185	144,127	166,455	213,704
Net other operating income	163,680	256,468	324,899	126,774	209,340	128,833	144,859	232,423	181,741
General and administrative expenses	1,277,848 ⁽¹⁾	1,283,847 ⁽¹⁾	1,244,647	1,258,227	1,351,611	648,319	673,456	993,135	1,008,415
Other income	156,212	263,024	198,063	344,275	301,652	167,979	208,237	202,792	296,582
Other expenses	268,261	265,803	407,299	135,962	207,147	51,642	74,708	70,946	127,536
Income before income taxes	635,425	716,449	717,832	985,366	990,632	535,102	591,930	804,519	786,533
Income taxes:									
Current ⁽²⁾	18,336	55,332	50,400	137,010	260,268	118,518	134,814	208,746	144,349
Deferred	120,123	97,494	7,461	77,960	44,723	24,692	38,853	19,067	78,970
Profit	496,965	563,621	659,970	770,396	685,640	391,891	418,262	576,705	563,213
Profit attributable to non-controlling Interests	83,736	79,102	99,454	81,980	73,705	36,601	34,064	53,479	43,722
Profit attributable to owners of parent	¥ 413,228	¥ 484,519	¥ 560,516	¥ 688,415	¥ 611,935	¥ 355,290	¥ 384,198	¥ 523,226	¥ 519,491
Gross profits (excluding the amounts of credit costs of trust accounts)	¥2,025,322 ⁽¹⁾	¥2,003,075 ⁽¹⁾	¥2,171,716	¥2,035,281	¥2,247,738	¥1,067,085	¥1,131,857	¥1,665,809	¥1,625,903
Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) ⁽³⁾	741,738	719,104	912,155	744,264	876,961	412,919	446,725	660,850	601,082
Ordinary profits	588,498	648,561	750,376	987,587	1,010,867	537,895	574,590	808,052	769,909
Net gains (losses) related to stocks	(70,520)	(38,175)	(82,949)	77,031	131,910	35,423	114,850	96,0 ⁽⁴⁾	184,1 ⁽⁴⁾
Credit-related costs ⁽⁵⁾⁽⁶⁾	16,633	(27,749)	111,837	(112,879)	4,699	(76,032)	(3,948)	(31.7) ⁽⁴⁾	9.3 ⁽⁴⁾

	As of and for the fiscal years ended March 31,					As of and for the six months ended September 30,		As of and for the nine months ended December 31,	
	2011	2012	2013	2014	2015	2014	2015	2014	2015
(in millions of yen, except percentages or where otherwise noted)									
(unaudited)									
(unaudited)									
Balance sheet data:									
Total assets	¥160,812,006	¥165,360,501	¥177,411,062	¥175,822,885	¥189,684,749	¥187,487,454	¥192,246,749	¥195,996,433	¥195,537,344
Loans and bills discounted ⁽⁷⁾	62,777,757	63,800,509	67,536,882	69,301,405	73,415,170	70,193,539	74,276,839	72,904,140	75,882,584
Securities	44,782,067	51,392,878	53,472,399	43,997,517	43,278,733	45,882,148	39,996,490	45,989,639	38,888,647
Deposits ⁽⁸⁾	88,884,158	90,636,656	99,568,737	101,811,282	113,452,451	107,614,006	116,051,406	114,938,755	119,328,899
Net assets	6,623,999	6,869,295	7,736,230	8,304,549	9,800,538	8,714,469	9,264,830	9,155,133	9,419,359
Risk-adjusted capital data									
(Basel II) ⁽⁹⁾ :									
Tier 1 capital	¥ 6,170,210	¥ 6,398,953	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total risk-based capital	7,910,970	7,775,093	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Risk-weighted assets	51,693,835	50,144,934	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tier 1 capital ratio	11.93%	12.76%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Capital adequacy ratio	15.30%	15.50%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Risk-adjusted capital data									
(Basel III) ⁽⁹⁾ :									
Common Equity Tier 1 capital	n.a.	n.a.	¥ 4,802,418	¥ 5,304,412	¥ 6,153,141	¥ 5,677,289	¥ 6,338,812	¥ 5,926,991	¥ 6,521,932
Tier 1 capital	n.a.	n.a.	6,486,068	6,844,746	7,500,349	7,217,214	7,742,337	7,481,242	7,915,298
Total capital	n.a.	n.a.	8,344,554	8,655,990	9,508,471	9,167,540	9,596,102	9,663,105	9,929,131
Risk-weighted assets	n.a.	n.a.	58,790,617	60,274,087	65,191,951	60,865,939	62,309,276	64,023,907	63,291,700
Common Equity Tier 1 capital ratio	n.a.	n.a.	8.16%	8.80%	9.43%	9.32%	10.17%	9.25%	10.30%
Tier 1 capital ratio	n.a.	n.a.	11.03%	11.35%	11.50%	11.85%	12.42%	11.68%	12.50%
Total capital ratio	n.a.	n.a.	14.19%	14.36%	14.58%	15.06%	15.40%	15.09%	15.68%
Other data:									
Unrealized gains (losses) related to other securities	¥ (632)	¥ 83,866	¥ 881,442	¥ 1,127,679	¥ 2,531,378	¥ 1,631,300	¥ 2,019,696	¥ 2,078.0 ⁽⁴⁾	¥ 2,225.6 ⁽⁴⁾
Unrealized gains (losses) related to other securities (the base amount to be recorded directly to Net Assets after tax and other necessary adjustments)	609	91,209	878,131	1,090,266	2,479,318	1,585,953	1,983,860	2,022.9 ⁽⁴⁾	2,172.7 ⁽⁴⁾
Japanese stocks	205,734	156,305	710,198	1,108,222	2,132,177	1,476,720	1,856,859	1,757.3 ⁽⁴⁾	2,090.9 ⁽⁴⁾
Japanese bonds	(12,923)	54,878	113,475	31,372	44,101	33,750	40,905	99.0 ⁽⁴⁾	53.5 ⁽⁴⁾
Japanese government bonds	(510)	50,265	88,210	13,401	22,636	9,979	22,673	64.6 ⁽⁴⁾	31.4 ⁽⁴⁾
Other	(192,201)	(119,974)	54,457	(49,328)	303,040	75,482	86,095	166.6 ⁽⁴⁾	28.2 ⁽⁴⁾
Japanese government bonds ⁽¹⁰⁾	29,289,584	32,689,678	30,805,150	22,057,509	17,415,791	22,353,675	15,598,562	20,887,720	14,082,042 ⁽¹¹⁾
Japanese stocks ⁽¹²⁾	2,434,964	2,352,769	2,065,953	2,003,836	1,962,950	1,988,187	1,923,740	1,985,994	1,890,232

Notes:

- (1) Beginning the fiscal year ended March 31, 2012, certain items in expenses regarding stock transfer agency business and pension management business, which had been recorded as "general and administrative expenses" until the fiscal year ended March 31, 2011, have been included in "net fee and commission income" as "fee and commission expenses," and reclassification of the figures has been made accordingly.
- (2) Includes refund of income taxes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Accounting Changes—Changes in Presentation of Financial Statements—Consolidated Statement of Income" for the change of presentation of refund of income taxes.
- (3) Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) = consolidated gross profits—general and administrative expenses (excluding non-recurring losses) + equity in income from investments in affiliates and certain other consolidation adjustments.
- (4) In billions of yen.
- (5) Figures in parentheses show negative credit-related costs as a result of gain on reversal of reserves for possible losses on loans.
- (6) Credit-related costs consist of (a) expenses related to portfolio problems (including provisions for (reversal of) general reserves for possible losses on loans), (b) reversal of reserves for possible losses on loans, etc., and (c) credit costs for trust accounts.
- (7) Bills discounted refer to a form of financing in Japan under which promissory notes obtained by corporations through their regular business activities are purchased by banks prior to their payment dates at a discount based on prevailing interest rates.
- (8) Includes negotiable certificates of deposit.
- (9) Risk-adjusted capital data are calculated on a Basel II basis until the fiscal year ended March 31, 2012 and on a Basel III basis from March 31, 2013. Accordingly, data as of March 31, 2013, March 31, 2014, September 30, 2014, December 31, 2014, March 31, 2015, September 30, 2015 and December 31, 2015 are not directly comparable to data from prior periods. For more details on capital adequacy requirements set by the Bank for International Settlements ("BIS"), and the guideline implemented by the FSA in compliance thereto, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy."
- (10) Other securities which have readily determinable fair values. Figures are on a fair value basis.
- (11) The balance as of December 31, 2015 including bonds held to maturity was ¥5,117.4 billion.
- (12) Other securities which have readily determinable fair values. Figures are on an acquisition cost basis. The ratio of Japanese stocks (after taking into consideration the hedging effect) to Tier 1 capital was 31.6%, 28.9%, 25.5%, 23.9% and 22.9% as of March 31, 2013, March 31, 2014, March 31, 2015, September 30, 2015 and December 31, 2015, respectively.

Selected Aggregated Figures of Mizuho Group's Principal Banking Subsidiaries

The table below sets forth selected aggregated non-consolidated figures of Mizuho Group's principal banking subsidiaries, Mizuho Bank and Mizuho Trust & Banking (or, for periods or dates prior to July 1, 2013 (the date of the merger between the former Mizuho Bank and the former Mizuho Corporate Bank, with the latter being the surviving entity which was renamed Mizuho Bank upon the merger), the former Mizuho Bank, the former Mizuho Corporate Bank and Mizuho Trust & Banking), as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, as of and for the six months ended September 30, 2014 and 2015 and as of and for the nine months ended December 31, 2014 and 2015.

Aggregated figures of Mizuho Group's principal banking subsidiaries	As of and for the fiscal years ended March 31,					As of and for the six months ended September 30,		As of and for the nine months ended December 31,	
	2011	2012	2013	2014	2015	2014	2015	2014	2015
	(in billions of yen, except percentages or where otherwise noted)					(unaudited)		(unaudited)	
Financial results highlights:									
Gross profits (excluding the amounts of credit costs of trust accounts)	¥ 1,611 ⁽¹⁾	¥ 1,607 ⁽¹⁾	¥ 1,686	¥ 1,506	¥ 1,629	¥ 792	¥ 822	¥ 1,226	¥ 1,165
Net interest income	1,010	983	956	963	974	469	450	714	655
Net fee and commission income	288 ⁽¹⁾	304 ⁽¹⁾	346	374	412	178	198	280	288
General and administrative expenses (excluding non-recurring losses)	868 ⁽¹⁾	879 ⁽¹⁾	839	864	908	444	456	675	684
Net business profits (before provision for (reversal of) general reserve for possible losses on loans) ⁽²⁾	742	728	846	642	721	348	366	551	481
Net income	447	428	511	582	480	300	304	434	411
(Reference: Customer Groups):									
Net interest income ⁽³⁾	836	801 ⁽⁴⁾	741 ⁽⁴⁾⁽⁵⁾	777 ⁽⁵⁾⁽⁶⁾	783 ⁽⁶⁾	387 ⁽⁶⁾	399 ⁽⁶⁾	575 ⁽⁶⁾	590 ⁽⁶⁾
Noninterest income ⁽³⁾	395 ⁽¹⁾	453 ⁽¹⁾⁽⁴⁾	481 ⁽⁴⁾⁽⁵⁾	527 ⁽⁵⁾⁽⁶⁾	583 ⁽⁶⁾	252 ⁽⁶⁾	294 ⁽⁶⁾	401 ⁽⁶⁾	422 ⁽⁶⁾
Asset quality:									
Credit-related costs ⁽⁷⁾⁽⁸⁾	¥ (16)	¥ (24)	¥ 114	¥ (116)	¥ 7	¥ (75)	¥ 0	¥ (26)	¥ 10
Credit cost ratio ⁽⁹⁾	n.a.	n.a.	15bps	n.a.	0bps	n.a.	0bps	n.a.	1bps
Non-performing loans ("NPL") balances and ratios:									
Status of disclosed claims under the Financial Reconstruction Act ("FRA") ⁽¹⁰⁾ :									
Claims against bankrupt and substantially bankrupt obligors	¥ 231	¥ 157	¥ 159	¥ 67	¥ 56	¥ 56	¥ 60	¥ 53	¥ 72
Claims with collection risk	553	521	553	472	402	430	370	470	336
Claims for special attention	423	487	580	412	542	350	447	322	415
Total disclosed claims under the FRA	1,208	1,165	1,293	951	1,002	837	878	847	823
Normal claims	68,628	70,039	74,293	77,532	82,041	78,773	81,862	82,028	83,911
Total claims	¥69,836	¥71,205	¥75,586	¥78,483	¥83,043	¥79,610	¥82,741	¥82,875	¥84,735
NPL ratio ⁽¹¹⁾	1.72%	1.63%	1.71%	1.21%	1.20%	1.05%	1.06%	1.02%	0.97%
Reserve ratios for normal obligors	0.20%	0.12%	0.11%	0.10%	0.07%	0.09%	0.07%	n.a.	n.a.
Reserve ratios for other watch obligors									
Claims against other watch obligors (approximate amount, in trillions of yen)	¥ 3.6	¥ 3.2	¥ 3.2	¥ 2.6	¥ 1.5	¥ 2.1	¥ 1.5	n.a.	n.a.
Reserve ratios	4.34%	4.68%	6.27%	6.34%	3.72%	7.16%	3.73%	n.a.	n.a.
Other financial information:									
Net gains (losses) related to stocks ⁽¹²⁾	¥ (76)	¥ (50)	¥ (131)	¥ 57	¥ 96	¥ 26	¥ 99	¥ 83	¥ 162
Impairment (Devaluation) related to stocks	(87)	(41)	(126)	(1)	(0)	(0)	(0)	(0)	(8)
Net gains related to bonds	140	155	220	33	75	75	76	118	96
Unrealized gains (losses) on other securities	(15)	67	1,026	958	2,313	1,451	1,832	1,870	2,012
Japanese stocks ⁽¹³⁾	2,418	2,349	2,125	1,996	1,954	1,982	1,916	1,978	1,882
Japanese government bonds (in trillions of yen) ⁽¹³⁾	29.0	32.4	30.6	21.8	17.2	22.0	15.4	20.5	13.9
Average remaining period (years) ⁽¹⁴⁾	1.7	2.2	2.5	2.4	2.6	2.4	2.6	2.6	2.6
Unrealized gains (losses) ⁽¹⁵⁾	¥ (1)	¥ 49	¥ 88	¥ 13	¥ 22	¥ 9	¥ 22	¥ 64	¥ 31
Foreign bonds (in trillions of yen) ⁽¹³⁾	n.a.	8.8	11.7	9.1	9.7	8.9	9.3	9.7	9.6
Unrealized gains (losses) ⁽¹⁶⁾	n.a.	(8)	18	(170)	38	(92)	(6)	(35)	(78)

Notes:

- (1) Beginning the fiscal year ended March 31, 2012, certain items in expenses regarding stock transfer agency business and pension management business, which had been recorded as “general and administrative expenses” until the fiscal year ended March 31, 2011, have been included in “net fee and commission income” as “fee and commission expenses,” and reclassification of the figures has been made accordingly.
- (2) Net business profits (before provision for (reversal of) general reserve for possible losses on loans) of Mizuho Trust & Banking exclude the amounts of credit-related costs for trust accounts.
- (3) On a managerial accounting basis.
- (4) Beginning the fiscal year ended March 31, 2013, with the implementation of the “substantive one bank” structure, new managerial accounting rules were applied, and reclassification of figures for the fiscal year ended March 31, 2012 has been made accordingly.
- (5) Beginning the fiscal year ended March 31, 2014, with the commencement of the one bank structure, new managerial accounting rules have been applied, and reclassification of figures for the fiscal year ended March 31, 2013 has been made accordingly.
- (6) Beginning the fiscal year ended March 31, 2016, new managerial accounting rules have been applied, and reclassification of figures for the fiscal years ended March 31, 2014 and 2015 has been made accordingly.
- (7) Credit-related costs consist of (a) expenses related to portfolio problems (including provision for (reversal of) general reserve for possible losses on loans), (b) reversal of reserves for possible losses on loans, etc., and (c) credit costs for trust accounts. Trust account denotes trust accounts with contracts that indemnify the principal amounts.
- (8) Figures in parentheses show negative credit-related costs as a result of gain on reversal of reserves for possible losses on loans.
- (9) Credit cost ratio = credit-related costs / total claims (based on the FRA; banking account and trust account).
- (10) Includes banking account and trust account. Trust account denotes trust accounts with contracts that indemnify the principal amounts.
- (11) NPL ratio = disclosed claims under the FRA / total claims. Includes banking account and trust account.
- (12) Beginning the fiscal year ended March 31, 2012, “reversal of reserve for possible losses on investments” has been included in “net gains (losses) related to stocks.”
- (13) Classified as other securities which have readily determinable fair values. Figures are on an acquisition cost basis.
- (14) Excludes floating-rate notes. On a managerial accounting basis.
- (15) Amounts recorded directly to net assets after tax and other necessary adjustments. Based on the quoted market price if available, or other reasonable value, at the respective period end.
- (16) Based on the quoted market price if available, or other reasonable value, at the respective period end.

Other Related Information for Mizuho Group

Aggregated figures of Mizuho Group's principal banking subsidiaries	As of and for the fiscal years ended March 31,				
	2012	2013	2014	2015	2016
	(in trillions of yen, except percentages) (unaudited)				
Loans and deposits:					
Average deposit balances ⁽¹⁾	¥89.7	¥93.4	¥100.0	¥107.8	¥113.5 ⁽²⁾
Domestic operations	76.4	78.1	81.8	84.8	88.0 ⁽²⁾
International operations	13.2	15.2	18.2	22.9	25.4 ⁽²⁾
Individual (domestic offices, period end balances)	37.0	37.7	38.5	39.4	n.a.
Average loan balances ⁽³⁾	62.3	64.5	68.2	71.5	n.a.
1H (For the six months ended September 30)	60.8	62.5	67.1	69.6	72.9
2H (For the six months ended March 31)	63.8	66.5	69.3	73.3	74.4 ⁽⁴⁾
Domestic branches	54.1	53.7	55.0	54.7	n.a.
1H (For the six months ended September 30)	53.7	53.7	54.9	54.5	53.9
2H (For the six months ended March 31)	54.5	53.7	55.2	54.9	54.1 ⁽⁴⁾
Domestic branches (excluding loans to the Japanese government)	n.a.	n.a.	n.a.	n.a.	n.a.
1H (For the six months ended September 30)	48.4	48.1	49.1	49.6	50.7
2H (For the six months ended March 31)	48.4	48.8	49.5	50.7	51.2 ⁽⁴⁾
Overseas branches	8.1	10.7	13.1	16.7	n.a.
1H (For the six months ended September 30)	7.0	8.7	12.1	15.1	18.9
2H (For the six months ended March 31)	9.2	12.8	14.1	18.3	20.3 ⁽⁴⁾
Domestic loan and deposit rate margin ⁽⁵⁾	1.30%	1.24%	1.16%	1.08%	n.a.
1H (For the six months ended September 30)	1.31	1.26	1.18	1.10	1.01
2H (For the six months ended March 31)	1.30	1.23	1.15	1.05	0.98 ⁽⁴⁾
Domestic return on loans and bills discounted ⁽⁵⁾	1.38	1.31	1.21	1.12	n.a.
1H (For the six months ended September 30)	1.39	1.32	1.24	1.14	1.05
2H (For the six months ended March 31)	1.37	1.29	1.19	1.10	1.02 ⁽⁴⁾
Domestic cost of deposits and debentures ⁽⁵⁾	0.07	0.06	0.05	0.04	n.a.
1H (For the six months ended September 30)	0.07	0.06	0.05	0.04	0.04
2H (For the six months ended March 31)	0.06	0.06	0.04	0.04	0.04 ⁽⁴⁾
Period-end loan balances ⁽³⁾					
Domestic branches (excluding loans to the Japanese government)					
1H (For the six months ended September 30)	n.a.	48.4	49.3	50.4	51.5
2H (For the six months ended March 31)	n.a.	49.3	49.9	51.2	52.4 ⁽⁴⁾

Non-Consolidated Financial Information for Mizuho Bank (or the former Mizuho Bank or the former Mizuho Corporate Bank)	Six months ended						Three months ended	
	September 30, 2012	March 31, 2013	September 30, 2013	March 31, 2014	September 30, 2014	March 31, 2015	September 30, 2015	December 31, 2015
	(on a managerial accounting basis)							
Loan Spreads:								
Loans booked at overseas offices ⁽⁶⁾	1.10%	1.09%	1.06%	1.04%	1.04%	0.97%	0.93%	0.93%
Loans to domestic SME customers	0.90%	0.89%	0.87%	0.84%	0.82%	0.77%	0.75%	0.73%
Loans to domestic large corporate customers	0.61%	0.61%	0.60%	0.61%	0.59%	0.57%	0.54%	0.52%

**Non-Consolidated Financial Information for Mizuho Bank
(or the former Mizuho Corporate Bank)**

As of and for the fiscal years ended March 31,

	2013	2014	2015	2016
	(in billions of dollars, except percentages) (on a managerial accounting basis)			
Loans (average balances)⁽⁶⁾:				
Loan balances at overseas offices:				
1H (For the six months ended September 30)	\$134.7	\$149.6	\$163.3	\$185.1
2H (For the six months ended March 31)	140.8	157.2	173.4	193.4 ⁽⁴⁾
Loans (period-end balances)⁽⁶⁾:				
Loan balances at overseas offices:				
1H (For the six months ended September 30)	138.9	152.1	162.9	187.5
2H (For the six months ended March 31)	144.8	159.5	182.0	195.2 ⁽⁴⁾
Foreign currency denominated customer deposits⁽⁷⁾	93.5	105.7	129.1	157.1 ⁽⁴⁾⁽⁸⁾
Outstanding balance of foreign currency bonds⁽⁹⁾				
Senior Bonds	5.5	5.8	14.5	15.6 ⁽²⁾⁽¹⁰⁾
Subordinated Bonds	3.0	4.5	3.0	3.0 ⁽²⁾⁽¹¹⁾
Percentage of loans to investment grade borrowers⁽¹²⁾⁽¹³⁾	67%	70%	75%	75% ⁽²⁾
NPL ratio⁽¹³⁾⁽¹⁴⁾	1.4%	1.0%	0.9%	0.8% ⁽²⁾

Aggregated figures of Mizuho Bank and the banking subsidiaries in China, the United States, the Netherlands and Indonesia as of September 30, 2015:

Breakdown of overseas loan portfolio by region

Total	Asia	Europe	Americas
	(in billions of dollars, except percentages) (on a managerial accounting basis)		
\$187.5	49%	16%	35%

Breakdown of overseas loan portfolio by customer type

Total	Japanese Customers	Non-Japanese Customers
	(in billions of dollars, except percentages) (on a managerial accounting basis)	
\$187.5	34%	66%

Breakdown of Asia/Oceania loan portfolio

Total	China	Hong Kong	South Korea	Singapore	Thailand	India	Taiwan	Indonesia	Australia	Others
	(in billions of dollars, except percentages) (on a managerial accounting basis)									
\$91.3	10%	21%	10%	15%	10%	7%	9%	3%	9%	5%

Breakdown of China loan portfolio

Total	Japanese Customers	Non-Japanese Customers
	(in billions of dollars, except percentages) (on a managerial accounting basis)	
\$9.2	43%	57% ⁽¹⁵⁾

**Aggregated figures of Mizuho Group's principal banking
subsidiaries**

For the fiscal years ended March 31,			For the six months ended September 30,	
2013	2014	2015	2014	2015
(in billions of yen, except percentages)				

General and administrative expenses⁽¹⁶⁾:

General and administrative expenses (excluding non-recurring losses)	¥ 839	¥ 864	¥ 908	¥ 444	¥ 456
Personnel	318	322	324	159	170
Non-personnel	480	497	529	258	257
Miscellaneous taxes	41	44	54	26	29
Expense ratio ⁽¹⁷⁾	49.8%	57.3%	55.7%	56.0%	55.4%

Notes:

(1) Includes negotiable certificates of deposit.

(2) Figures as of and for the six months ended September 30, 2015.

- (3) Excluding trust account and loans to Mizuho Financial Group.
- (4) Figures as of and for the three months ended December 31, 2015.
- (5) Excluding loans to financial institutions (including Mizuho Financial Group) and the Japanese government. Loan and deposit rate margin = Return on loans and bills discounted—Cost of deposits and debentures.
- (6) Figures of the former Mizuho Corporate Bank and the former Mizuho Bank prior to July 1, 2013, and of Mizuho Bank on or after July 1, 2013, each including banking subsidiaries in China, the United States, the Netherlands and Indonesia.
- (7) Includes foreign currency deposits (domestic).
- (8) The amount of foreign currency denominated customer deposits as of September 30, 2015 was ¥145.3 billion.
- (9) Excludes bilateral non-public medium term notes. Subordinated bonds exclude foreign currency denominated subordinated loans from special purpose corporation subsidiaries of Mizuho Financial Group.
- (10) The outstanding balance of foreign currency Senior Bonds as of December 31, 2015 was ¥17.6 billion.
- (11) The outstanding balance of foreign currency Subordinated Bonds as of December 31, 2015 was ¥3.8 billion.
- (12) “Investment grade borrowers” is based on our internal credit ratings, which are equivalent to the external investment grade ratings provided by rating agencies such as S&P and Moody’s.
- (13) Includes the banking subsidiaries in China, the United States, the Netherlands and Indonesia.
- (14) NPL ratio = disclosed claims under the FRA / total claims. Includes banking account and trust account.
- (15) Roughly half of the loans to non-Japanese customers were to financial institutions and the remaining were to general corporate. The majority of the loans to general corporate were to non-Chinese customers and the remaining loans were to Chinese customers.
- (16) Aggregated figures of the former Mizuho Bank, the former Mizuho Corporate Bank and Mizuho Trust & Banking prior to July 1, 2013 and Mizuho Bank and Mizuho Trust & Banking on or after July 1, 2013.
- (17) Expense ratio = General and administrative expenses (excluding non-recurring losses) / Gross profits.

Selected Consolidated Financial Information of Mizuho Bank (or the former Mizuho Corporate Bank)

The table below sets forth selected consolidated financial data of the former Mizuho Corporate Bank as of and for the fiscal years ended March 31, 2011, 2012 and 2013, and of the former Mizuho Corporate Bank (through June 30, 2013) and Mizuho Bank (on or after July 1, 2013) as of and for the fiscal years ended March 31, 2014 and 2015 and as of and for the six months ended September 30, 2014 and 2015, derived from the former Mizuho Corporate Bank's (or Mizuho Bank's, as the case may be) consolidated financial statements and certain other publicly announced information.

The selected consolidated financial information as of and for the fiscal years ended March 31, 2011, 2012 and 2013 have been derived from the former Mizuho Corporate Bank's audited consolidated financial statements which have been audited by Ernst & Young ShinNihon LLC, the former Mizuho Corporate Bank's independent auditors. The selected consolidated financial information of Mizuho Bank as of and for the fiscal years ended March 31, 2014 and 2015 have been derived from Mizuho Bank's audited consolidated financial statements which have been audited by Ernst & Young ShinNihon LLC, Mizuho Bank's independent auditors. The selected consolidated financial information of Mizuho Bank as of and for the six months ended September 30, 2014 and 2015 have been derived from Mizuho Bank's unaudited consolidated financial statements. Financial and other information presented below as of and for the fiscal year ended March 31, 2014 includes the operations of the former Mizuho Corporate Bank for the three months ended June 30, 2013 and the combined operations of the former Mizuho Bank and the former Mizuho Corporate Bank subsequent to July 1, 2013 on a simple aggregate basis. Where indicated, such information is presented together with financial information for the former Mizuho Corporate Bank as of and for the periods prior to June 30, 2013 which did not include operations of the former Mizuho Bank. As a result, data as of and for the fiscal year ended March 31, 2014 is not directly comparable to data from corresponding dates or periods in other years.

As of and for the fiscal years ended March 31,						As of and for the six months ended September 30,			
2011		2012		2013		2014		2015	
(in millions of yen, except percentages)						(unaudited)			
Statement of income data:									
Interest income	¥ 730,683	¥ 750,376	¥ 785,667	¥ 1,195,512	¥ 1,388,785	¥ 661,925	¥ 674,022		
Interest expense	273,735	282,086	299,528	261,662	301,487	139,633	174,297		
Net interest income	456,948	468,289	486,139	933,849	1,087,298	522,292	499,724		
Net fee and commission income	197,239	193,142	230,586	309,246	380,144	163,387	186,473		
Net trading income	164,428	103,750	189,238	48,530	63,915	30,210	46,955		
Net other operating income	121,848	152,475	152,978	49,546	154,359	98,638	109,457		
General and administrative expenses	492,815	484,222	491,935	728,129	926,938	448,516	451,522		
Other income	99,656	129,307	87,872	253,326	255,956	145,023	169,357		
Other expenses	133,261	134,175	326,293	97,152	200,869	48,280	69,640		
Income before income taxes	414,043	428,567	328,586	769,218	813,867	462,754	490,806		
Income taxes:									
Current	13,815	49,213	21,417	83,550	232,550	110,462	118,685		
Deferred	88,813	58,081	(10,868)	133,289	33,728	27,887	22,237		
Profit	311,414	321,272	318,037	552,379	547,587	324,403	349,882		
Profit attributable to non-controlling interests	44,924	40,398	58,139	63,700	62,269	29,953	29,256		
Profit attributable to owners of parent	¥ 266,490	¥ 280,873	¥ 259,898	¥ 488,678	¥ 485,317	¥ 294,450	¥ 320,626		
Balance sheet data ⁽¹⁾ :									
Total assets	¥92,950,239	¥94,621,163	¥104,051,669	¥149,043,219	¥161,842,381	¥155,103,219	¥161,690,599		
Loans and bills discounted ⁽²⁾	26,871,014	28,725,393	32,136,538	66,880,997	71,313,641	67,812,696	71,843,778		
Securities	22,674,277	24,002,571	26,253,697	41,662,369	40,785,819	43,463,696	38,014,865		
Deposits ⁽³⁾	29,937,842	30,175,085	34,301,918	98,693,788	109,682,979	102,987,557	111,075,664		
Net assets	4,689,334	4,732,660	5,359,529	7,896,118	9,159,932	8,133,795	8,615,976		
Risk-adjusted capital data (Basel II) ⁽⁴⁾ :									
Tier 1 capital	¥ 4,528,810	¥ 4,430,889	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Total risk-based capital	5,287,116	4,976,449	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Risk-weighted assets	28,121,691	27,910,169	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Tier 1 capital ratio	16.10%	15.87%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Capital adequacy ratio	18.80%	17.83%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Risk-adjusted capital data (Basel III) ⁽⁴⁾ :									
Common Equity Tier 1 capital	n.a.	n.a.	¥ 3,195,098	¥ 5,386,501	¥ 5,965,719	¥ 5,748,041	¥ 6,151,931		
Tier 1 capital	n.a.	n.a.	4,071,335	6,525,362	6,943,108	6,883,375	7,420,543		
Total capital	n.a.	n.a.	5,130,118	8,180,611	8,753,558	8,692,743	9,097,224		
Risk-weighted assets	n.a.	n.a.	36,873,893	52,823,704	57,201,877	54,230,268	56,790,842		
Common Equity Tier 1 capital ratio	n.a.	n.a.	8.66%	10.19%	10.42%	10.59%	10.83%		
Tier 1 capital ratio	n.a.	n.a.	11.04%	12.35%	12.13%	12.69%	13.06%		
Total capital ratio	n.a.	n.a.	13.91%	15.48%	15.30%	16.02%	16.01%		

Notes:

- (1) The former Mizuho Bank regularly provided loans to the former Mizuho Corporate Bank, which were recorded in call loans and bills purchased. As of March 31, 2013, the amount of such loans was ¥9,800 billion.
- (2) Bills discounted refers to a form of financing in Japan under which promissory notes obtained by corporations through their regular business activities are purchased by banks prior to their payment dates at a discount based on prevailing interest rates.
- (3) Includes negotiable certificates of deposit.
- (4) Risk-adjusted capital data are calculated on a Basel II basis until the fiscal year ended March 31, 2012, and on a Basel III basis for the fiscal years ended March 31, 2013, 2014 and 2015. Accordingly, data as of March 31, 2013, 2014 and 2015 is not directly comparable to data from prior periods. For more details on capital adequacy requirements set by the BIS, and the guideline implemented by the FSA in compliance thereto, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy.”

Selected Consolidated Financial Information of the former Mizuho Bank

The table below sets forth selected consolidated financial data of the former Mizuho Bank as of and for the fiscal years ended March 31, 2011, 2012 and 2013 derived from the former Mizuho Bank’s annual consolidated financial statements and certain other publicly announced information.

The selected consolidated financial information as of and for the fiscal years ended March 31, 2011, 2012 and 2013 have been derived from the former Mizuho Bank’s audited consolidated financial statements which have been audited by Ernst & Young ShinNihon LLC, the former Mizuho Bank’s independent auditors.

	As of and for the fiscal years ended March 31,		
	2011	2012	2013
	(in millions of yen, except percentages)		
Statement of income data:			
Interest income	¥ 707,307	¥ 657,955	¥ 621,504
Interest expense	92,850	74,033	70,910
Net interest income	614,456	583,921	550,594
Net fee and commission income	179,688	176,555	189,440
Net trading income	81,975	44,604	23,921
Net other operating income	33,207	84,622	146,968
General and administrative expenses	656,334	656,606	610,522
Other income	58,565	134,556	174,492
Other expenses	125,249	135,128	148,453
Income before income taxes	186,310	232,526	326,441
Income taxes:			
Current	2,297	3,163	11,769
Deferred	23,810	32,010	20,302
Profit	160,202	197,351	294,369
Profit attributable to non-controlling interests	20,130	15,746	15,739
Profit attributable to owners of parent	¥ 140,072	¥ 181,605	¥ 278,630
Balance sheet data⁽¹⁾:			
Total assets	¥74,781,922	¥77,198,363	¥78,118,048
Loans and bills discounted ⁽²⁾	33,340,484	32,497,425	32,223,582
Securities	19,650,772	24,924,130	25,476,711
Deposits ⁽³⁾	56,983,502	58,668,667	60,944,788
Net assets	2,481,918	2,671,110	3,042,001
Risk-adjusted capital data⁽⁴⁾:			
Tier 1 capital	¥ 2,374,748	¥ 2,428,134	¥ 2,381,884
Total risk-based capital	3,410,857	3,306,819	3,071,211
Risk-weighted assets	22,868,809	21,299,928	20,412,352
Tier 1 capital ratio	10.38%	11.39%	11.66%
Capital adequacy ratio	14.91%	15.52%	15.04%

Notes:

- (1) The former Mizuho Bank regularly provided loans to the former Mizuho Corporate Bank which were recorded in call loans and bills purchased. As of March 31, 2013, the amount of such loans was ¥9,800 billion.
- (2) Bills discounted refers to a form of financing in Japan under which promissory notes obtained by corporations through their regular business activities are purchased by banks prior to their payment dates at a discount based on prevailing interest rates.
- (3) Includes negotiable certificates of deposit.

- (4) Risk-adjusted capital data are calculated on a Basel II basis. The Basel III rules apply only to banks with international operation, and the former Mizuho Bank did not operate overseas. For more details on capital adequacy requirements set by the BIS, and the guideline implemented by the FSA in compliance thereto, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy.”

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our audited consolidated financial statements have been prepared in accordance with Japanese GAAP, which differs in certain respects from U.S. GAAP and IFRS. The following discussion should be read in conjunction with “Additional Financial Information” and our audited consolidated financial statements, including the notes to those financial statements and other financial information, included elsewhere in this offering memorandum. The amounts expressed in yen and percentages that appear in the following discussion have been truncated, except for figures based on managerial accounting, which are rounded, and unless otherwise noted. Some tabular information amounts may not total due to truncation or rounding. Unless otherwise indicated, all financial information related to us is presented on a consolidated basis. Some financial and statistical information, including those regarding problem loan classifications, is primarily reported by Japanese banks on a non-consolidated basis and are presented as such in this offering memorandum.

Overview

The Mizuho Group

We provide a broad range of financial services in domestic and overseas markets. The principal activities and subsidiaries are the following:

- Mizuho Bank provides a wide range of financial products and services mainly in relation to deposits, lending and exchange settlement to individuals, SMEs, large corporations, financial institutions, public sector entities and foreign corporations, including foreign subsidiaries of Japanese corporations;
- Mizuho Trust & Banking provides products and services related to trust, real estate, securitization and structured finance, pension and asset management and stock transfer agency; and
- Mizuho Securities provides full-line securities services to individuals, corporations, financial institutions and public sector entities.

We also provide products and services such as those related to trust and custody, asset management, private banking, research services, information technology-related services and advisory services for financial institutions through various subsidiaries and affiliates.

In July 2013, the former Mizuho Bank and the former Mizuho Corporate Bank merged, and the former Mizuho Corporate Bank, the surviving company, changed its trade name to Mizuho Bank. The purpose of the merger was to become able to provide directly and promptly diverse and functional financial services to customers of both banks, utilizing the current “strengths” and “advantages” and to continue to improve customer services by further enhancing group collaboration among the banking, trust and securities functions. At the same time, we aim to realize further enhancements of the consolidation of group-wide business operations and optimization of management resources, such as work force and branch network, by strengthening group governance and improving group management efficiency.

In June 2014, we transformed into a “Company with Three Committees,” as defined in the Companies Act, in order to further enhance corporate governance through strengthening the supervisory function of the Board of Directors over the execution of our business and improving the transparency of management processes, and in order to enhance the flexibility of management by facilitating swifter decision making.

For a further discussion of our business and group organization, see “Business—General” and “Management.”

Principal Sources of Income and Expenses

Income

Net interest income

Net interest income arises principally from the lending and deposit-taking and securities investment activities and is a function of:

- the amount of interest-earning assets and interest-bearing liabilities;

- the average interest rate spread (the difference between the average yield of interest earned on interest-earning assets and the average rate of interest paid on interest-bearing liabilities); and
- the general level of interest rates.

Principal items constituting interest-earning assets include loans and bills discounted, investments securities (excluding trading account assets), receivables under resale agreements and guarantee deposits paid under securities borrowing transactions. Principal items constituting interest-bearing liabilities include deposits, short-term borrowings (such as call money and bills sold, payables under repurchase agreements and guarantee deposits received under securities lending transactions) and borrowed money.

Net fee and commission income

Fees and commissions include the following:

- fees and commissions from deposits, debentures and lending business, which consist mostly of fees and commissions related to our loan businesses, including fees related to the arrangement of syndicated loans and other financing transactions such as arrangement fees related to management buy-out transactions and fees related to deposits such as account transfer charges;
- fees and commissions from remittance business, including service charges for domestic and international funds transfers and collections;
- fees and commissions from securities-related business, including brokerage fees and commissions related to sales of investment trusts and individual annuities, securities underwriting and other securities-related activities;
- fees and commissions from trust-related businesses, including brokerage fees and commission related to sales of beneficial interests in investment trusts; and
- fees for other customer services, including fees related to our agency businesses, such as administration fees related to Japan's principal public lottery program, as well as guarantee fees and others.

Net fee and commission income is affected generally by, among other factors, general economic conditions, the level of corporate business activity, the volume of securities issuances in the domestic and international markets, the demand for funding and fluctuations in stock prices and interest rates.

Fiduciary income

Fiduciary income primarily consists of trust fees received in connection with the operation of a variety of trusts, including money trusts, pension trusts and investment trusts. We receive both fixed and performance-based trust fees depending on the terms of the particular trust agreement. Fixed fees are a function of the level of assets held and the percentages charged, which vary according to the type of trust and other factors. Credit-related costs relating to claims recorded in our trust account are deducted from fiduciary income.

Net trading income

Net trading income represents net gains from transactions undertaken for trading purposes (transactions through which we seek to capture gains arising from short-term changes in market value) and entered into by certain designated divisions.

Net other operating income

Net other operating income includes primarily net gains or losses on bond investments, including government bonds, securitization products, credit investments such as stock investment trusts and fund investments, and foreign exchange transactions.

Net other income

Net other income includes primarily write-offs of loans, reversal of (provision for) reserves for possible losses on loans, net gains or losses on sales of stock, net profits or losses related to credit risk mitigation transactions, net profits or losses on disposition of fixed assets and losses on impairment of fixed assets.

Expenses

General and administrative expenses

General and administrative expenses consist primarily of personnel expenses, depreciation and amortization expenses, rent and lease expenses, and taxes other than income taxes.

Operating Environment

As to the recent economic environment, the gradual recovery in the global economy has continued, although weaknesses in the recovery have been seen in some regions. This recovery is expected to continue particularly in the major industrialized countries, but it remains necessary to monitor increasing geopolitical risks, the economic outlook for China and emerging countries and the effect of the decline in crude oil prices, which recently have caused turmoil in financial markets and concern about a slowdown of the global economy. In the United States, although some adverse effects were recognized due partly to the strong U.S. dollar, low crude oil prices and weakened overseas economies, the economy continued to recover as employment conditions improved and domestic demand expanded. In December 2015, the Federal Open Market Committee decided to raise the target range for the federal funds rate to 0.25-0.5%. The Committee also announced that “the stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2% inflation.” It is expected that the steady recovery in the economy will continue, while the movement toward normalizing monetary policy, which would be particularly influenced by financial markets and the increased uncertainty in overseas economies, requires continued monitoring. In Europe, the economies in the Euro area continued to recover gradually, in addition to steady recovery in the United Kingdom. Although it is expected that the economies of the region will continue to follow a track to recovery, the effect of the consequence of debt problems, the effect of the slowdown of the economies in emerging countries and conflicts in Ukraine, and trends in monetary policy require continued monitoring. In Asia, overall economic growth lacked momentum, due partly to the weakening in exports. In the coming year, it is expected that growth of the regional economy will remain gradual fueled in part by the increase in regional demand supported by low crude oil prices. However, the interest rate increase in the United States could result in capital withdrawal from the region and weakening currencies and lead to monetary policy tightening, which could lead to a further slowdown in the regional economy. In addition, the political situation in certain regions also requires monitoring. In China, although the economy continued to grow, the pace of economic growth was significantly slower. The Chinese government itself described the current situation of China’s economy as the “New Normal,” under which it is expected to continue to grow at a medium to high rate. However, the possibility of a further slowdown in growth is causing concern due mainly to issues such as excess equipment in the manufacturing sector and weakness in the real estate market. Such concerns have led to significant recent volatility in Chinese equity markets, which have also impacted various other markets worldwide. In Japan, although there were improvements in employment conditions and corporate earnings, the Japanese economy has been in a “leveling off” phase, in part because exports are in a weak tone. As for the future outlook of the Japanese economy, it is expected to generally continue on its recovery path, supported by such factors as growth in consumer spending backed by a recovery in employee wages and the benefits of low crude oil prices. However, the risk of a slowdown in overseas economies, especially in China and emerging countries, and trends in monetary easing policy aiming to achieve the price stability target of 2% continue to require monitoring.

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 1.0% in the first quarter of calendar 2015. However, after continuing to decrease from the second quarter of calendar 2014 through the first quarter of calendar 2015, it increased by 0.7%, 1.7% and 0.7% in the second, third and fourth quarters of calendar 2015, respectively. On the other hand, Japan’s real gross domestic product decreased by an annualized rate of 1.1% from the previous quarter in the fourth quarter of calendar 2015 due partly to a decline in private consumption by irregularly warm winter weather.
- The Japanese government has been stating in its monthly economic reports that “the Japanese economy is on a moderate recovery,” while noting that “improvement can be seen in corporate sector” in April 2015, that “variation in tempo of improvement can be seen in some areas” in August 2015, that “slowness can be seen in some areas” in September 2015, that “weakness can be seen in some areas” from October 2015 through February 2016, and that “weakness can be seen recently” in March 2016. The report in March 2016 noted that “private consumption is almost flat, while consumer confidence appears to be pausing,” “business investment is picking up,” “industrial

production is flat recently,” “corporate profits show a trend toward improvement, mainly among non-manufacturers,” “firms’ judgment on current business conditions is almost flat, while cautiousness can be seen in some areas further recently,” the employment situation is improving” and “consumer prices (excluding fresh food, petroleum products and other specific components) are rising moderately,” and also noting that “exports are almost flat.”

- In January 2013, the Bank of Japan announced that it would set a “price stability target” at 2% in terms of the year-on-year rate of change in the consumer price index and introduced the “open-ended asset purchasing method” under the asset purchase program, pursuant to which financial assets will be purchased on a monthly basis without setting any termination date, for the purpose of taking additional steps to provide monetary accommodation decisively. In April 2013, the Bank of Japan announced that it would introduce the “quantitative and qualitative monetary easing” to enter a new phase of monetary easing and that it would continue with the easing which aims to achieve the price stability target of 2% until that target is maintained in a stable manner. Under the easing, the Bank of Japan changed the main operating target for money market operations from the uncollateralized overnight call rate to the monetary base, and announced that it would double the monetary base and the amounts outstanding of Japanese government bonds as well as exchange-traded funds (“ETFs”) in two years and more than double the average remaining maturity of Japanese government bonds purchases. In October 2014, for the purpose of further enhancing monetary easing to overcome deflation, the Bank of Japan announced that it would expand the “quantitative and qualitative monetary easing.” In particular, the Bank of Japan also announced that it would expand the monetary base to be increased at an annual pace of about ¥80 trillion (an addition of about ¥10-20 trillion compared with the past). Moreover, the Bank of Japan announced that it would expand the purchases of the Japanese government bonds to be increased at an annual pace of about ¥80 trillion (an addition of about ¥30 trillion compared with the past) and expand the purchases of ETFs and Japan real estate investment trusts so that their amounts outstanding would be increased at an annual pace of ¥3 trillion (tripled compared with the previously announced amount) and ¥90 billion (tripled compared with the previously announced amount), respectively. Additionally, the Bank of Japan announced it would make ETFs that track the JPX-Nikkei Index 400 eligible for purchase. In December 2015, the Bank of Japan decided to adopt supplementary measures for “quantitative and qualitative monetary easing.” The Bank of Japan decided to establish a new program for purchasing ETFs at an annual pace of about ¥300 billion, which will be implemented from April 2016, in addition to the current program of ETF purchases described above. Under this new program, the Bank of Japan will purchase ETFs composed of stocks issued by firms that are proactively making investment in physical and human capital. The Bank of Japan also announced that it would extend the average remaining maturity of Japanese government bonds that it purchases from about 7 to 10 years to about 7 to 12 years in order to facilitate the flexible and smooth purchase of Japanese government bonds. In January 2016, the Bank of Japan decided that, beginning February 2016, it would introduce “quantitative and qualitative monetary easing with a negative interest rate,” a three-tier system in which the outstanding balance of each financial institution’s current account at the Bank of Japan, and that balances falling under the lowest tier would be subject to a negative interest rate of minus 0.1%. The Bank of Japan also announced that it would pursue monetary easing by making full uses of possible measures in terms of three dimensions; quantity, quality and interest rate. The adoption or expansion of the Bank of Japan’s negative interest rate policy may negatively impact our domestic interest spread and interest income for us and other Japanese banks.
- The yield on newly issued 10-year Japanese government bonds was 0.405% as of March 31, 2015 and decreased to 0.356% as of September 30, 2015. Thereafter, the yield decreased to 0.265% as of December 30, 2015 and further decreased to minus 0.088% as of March 30, 2016.
- The Nikkei Stock Average, which is an index based on the average of the price of 225 stocks listed on the Tokyo Stock Exchange, decreased by 9.5% to ¥17,388.15 as of September 30, 2015 compared to March 31, 2015. Thereafter, the Nikkei Stock Average increased to ¥19,033.71 as of December 30, 2015 and decreased to ¥16,878.96 as of March 30, 2016.
- According to Teikoku Databank, a Japanese research institution, there were 4,217 corporate bankruptcies in Japan in the six months ended September 30, 2015, involving approximately ¥0.8 trillion in total liabilities, 4,294 corporate bankruptcies in the six months ended March 31, 2015, involving approximately ¥1.0 trillion in total liabilities, and 4,750 corporate bankruptcies in the six months ended September 30, 2014, involving approximately ¥0.9 trillion in total liabilities.

- The yen to U.S. dollar spot exchange rate, according to the Bank of Japan, was ¥120.21 to \$1.00 as of March 31, 2015 and strengthened to ¥120.03 to \$1.00 as of September 30, 2015. Thereafter, the yen weakened to ¥120.42 to \$1.00 as of December 30, 2015 and strengthened to ¥112.08 to \$1.00 as of March 30, 2016.

Business Trends

Based on our current operating environment and management focus, we believe that the trends that are most significant to our current and future results of operations include the following:

Loans and Deposits

Loan volume

Our total loan balance has been on an upward trend over recent fiscal years due mainly to the continued increase in overseas loans. As for the three months ended December 31, 2015, the average domestic loan balance of our principal banking subsidiaries, excluding loans to Mizuho Financial Group and the Japanese government was ¥51.2 trillion, an increase of ¥0.9 trillion from the three months ended December 31, 2014 and an increase of ¥0.5 trillion from the six months ended September 30, 2015 due mainly to the steady demand from both large corporate and SME customers. The average overseas loan balance of Mizuho Bank, on a managerial accounting basis, including our banking subsidiaries in China, the United States, the Netherlands and Indonesia, was \$193.4 billion for the three months ended December 31, 2015, an increase of \$22.8 billion from the three months ended December 31, 2014, and an increase of \$8.3 billion from the six months ended September 30, 2015. All three major regions, the Americas, Europe and Asia, showed steady growth led by non-Japanese customers.

Margins between loans and deposits, and loan spread

The domestic loan-and-deposit rate margin, which is calculated based on aggregate figures of domestic operations of Mizuho Bank and Mizuho Trust & Banking, excluding loans to financial institutions and the Japanese government, continued to contract due to the competitive environment under the Bank of Japan's low-interest rate policy and comprehensive monetary easing over the past few years. The margin decreased from 1.05% for the six months ended March 31, 2015 to 1.01% for the six months ended September 30, 2015, before declining further to 0.98% for the three months ended December 31, 2015 as market interest rates declined and competition among banks continued. With respect to the overseas loan spread, the loan spread of loans booked at overseas offices including the banking subsidiaries in China, the United States, the Netherlands and Indonesia, decreased marginally from 0.97% for the six months ended March 31, 2015 to 0.93% for the six months ended September 30, 2015 and remaining level for the three months ended December 31, 2015.

Since the introduction of the negative interest rate policy, Mizuho Group's principal banking subsidiaries have lowered their interest rates for yen-denominating deposits. As of December 31, 2015, Mizuho Bank's current account deposits at the Bank of Japan were roughly ¥25 trillion, the majority of which is classified as "Basic Balance" and will continue to yield 0.1% under the negative interest rate policy. As of December 31, 2015, roughly half of Mizuho Bank's yen-denominated deposits, ¥79 trillion, were from corporate customers and half were from individual customers, and roughly half of Mizuho Bank's yen-denominated loans (excluding loans to the Japanese government), ¥49 trillion, were subject to floating rates (excluding short-term prime rates) dependent on market rates such as TIBOR and LIBOR. As of December 31, 2015, Mizuho Bank also held ¥17 trillion in Japanese government bonds (including bonds held to maturity).

Credit-related costs

The amount of credit-related costs in future fiscal years will depend largely on trends in the credit quality of our loan portfolio, which in turn will be affected by our customers' financial condition that, at least in part, reflects domestic and global economic environment, as well as changes in the value of collateral on our loans and other factors. Although our principal banking subsidiaries recorded ¥2,095 billion in credit-related costs for the fiscal year ended March 31, 2003, coinciding with when such subsidiaries accelerated the reduction of non-performing loans, the amount of our credit-related costs thereafter has been relatively stable, except for the impact of the dislocation in the global financial markets stemming from U.S. subprime loan issues for the fiscal year ended March 31, 2009 and its residual effects for the fiscal year ended March 31, 2010. In the fiscal years ended March 31, 2011, 2012 and 2014, our principal banking subsidiaries have recorded negative credit-related costs due to reversals of loan loss reserves. For the fiscal year ended March 31, 2015, our principal banking subsidiaries recorded ¥7.8 billion of credit-related costs, due to changes in the credit situation of certain obligors. For the nine months ended December 31, 2015, our principal banking subsidiaries recorded credit-related costs of ¥10 billion.

Fees and Commissions

For the fiscal year ended March 31, 2015, net fee and commission income increased by ¥32.5 billion from the previous fiscal year to ¥593.3 billion, due mainly to an increase in fee and commission from deposits and lending business as a result of our increased involvement in large overseas transactions, and an increase in fee and commission from other customer services, due mainly to an increase in fees related to real estate in our trust and asset management business of Mizuho Trust & Banking. In the nine months ended December 31, 2015, there was an increase in fees and commissions as compared to the corresponding period in the prior fiscal year due mainly to increases in our large scale solutions business related to domestic transactions and consecutive growth in fees associated our overseas business.

In our medium-term business plan, “One MIZUHO New Frontier Plan—Stepping up to the Next Challenge” we have been transforming our profit structure into a more stable and sustainable one by using an increase in the proportion of non-interest income from Customer Groups in gross profits of Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities to the 50% level in the fiscal year ended March 31, 2016 as a key indicator. We increased this proportion from 45% for the nine months ended December 31, 2012 to 49% for the nine months ended December 31, 2015.

Debt and Equity Securities Portfolio

The amount of our funding through deposits significantly exceeds our total loans. As a result, we allocate a significant portion of such excess among investments in debt securities, including Japanese government bonds, foreign bonds and investments in equity securities consisting mainly of common stock of Japanese listed company customers. We also hold some credit and alternative investments for the purpose of diversifying our risks and to expand our income sources.

With regard to other securities, as of December 31, 2015, our principal banking subsidiaries had a total of ¥16.7 trillion of Japanese bonds, of which Japanese government bonds amounted to ¥14.0 trillion. In addition, we had other investments such as foreign bonds, securitization products, credit investments, stock investment trusts and fund investments. As of December 31, 2015, the balance of foreign bonds held by our principal banking subsidiaries was ¥9.5 trillion. Unrealized gains/losses on such securities as a result of changes in their fair value after tax and other necessary adjustments are recorded as a separate component in net assets. Our principal banking subsidiaries had net unrealized gains of ¥53.4 billion on Japanese bonds as of December 31, 2015 compared to net unrealized gains of ¥44.0 billion as of March 31, 2015. Our principal banking subsidiaries also had net unrealized losses of ¥78.3 billion on foreign bonds as of December 31, 2015, compared to net unrealized gains of ¥38.3 billion as of March 31, 2015. Increases in long-term interest rates generally lead to a decline in the fair value of our portfolio of debt securities. As the Bank of Japan announced a “price stability target” of 2% in January 2013, introducing “quantitative and qualitative monetary easing” in April 2013 and expanding such easing in October 2014, December 2015 and January 2016 and as the U.S. Federal Open Market Committee decided to bring to an end its asset purchases in October 2014 and also decided to raise the target range for the federal funds rate to 0.25-0.5% in December 2015, in order to prepare for the risk that these monetary policy changes could have a substantial impact on the value of our bond portfolio, we continue to manage our bond portfolio conservatively and strengthen risk management including through the use of internal stress tests. See “—Overview—Operating Environment.”

Because the size of our portfolio of marketable equity securities is substantial, we are subject to equity market risks. For the fiscal year ended March 31, 2009, impairment losses of stocks totaled ¥482 billion due mainly to the decline in the stock markets in and outside of Japan in connection with the turmoil in the global economic downturn. We plan to continue managing the size of our stock portfolio in light of the equity market risks that it subjects us to and in order to comply with the Corporate Governance Report we filed with the Tokyo Stock Exchange and updated in November 2015.

Critical Accounting Estimates

We make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the disclosure of contingent assets and liabilities as of the date of the financial statements, all in accordance with procedures and requirements specified under Japanese GAAP. We have established procedures and processes to facilitate making the estimates and assumptions necessary to value assets and liabilities, record transactions and prepare the financial statements. Actual results may differ from those estimates. We have identified the following accounting policies as critical to an understanding of our business as

the application of these policies requires significant management assumptions and estimates that could result in the reporting of materially different amounts if actual results differ from such assumptions and estimates.

Reserves for Possible Losses on Loans

We maintain reserves for possible losses on loans for exposures in our portfolio that represents our estimate of probable losses in our loan portfolio. Determining the reserves for possible losses on loans requires significant management judgment and the use of estimates, including those of customers' ability to pay and the fair value of underlying collateral. We also utilize the discounted cash flow method to estimate the necessary reserves for possible losses on loans, which requires management to make estimates based upon limited data about future cash flows that are inherently unstable. If actual events prove the estimates and assumptions used in determining the reserves for possible losses on loans incorrect, we may need to make additional provisions for loan losses.

We maintain several different types of reserves for possible losses on loans, including:

- general reserve for possible losses on loans;
- specific reserve for possible losses on loans; and
- reserve for possible losses on loans to restructuring countries.

See “—Loan Losses and Problem Loans” for more information regarding these reserves.

Impairment of Assets

Securities

Certain securities other than trading securities (excluding securities for which it is deemed to be extremely difficult to determine the fair value) are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as the loss for the fiscal year (“impairment (devaluation)”), if the fair value (primarily the closing market price at the consolidated balance sheet date) has “significantly deteriorated” compared with the acquisition cost (including amortized cost), and unless it is deemed that there is a possibility of a recovery in the fair value. The amount of impairment (devaluation) was ¥3.2 billion for the fiscal year ended March 31, 2015 and ¥8.3 billion for the nine months ended December 31, 2015. The criteria for determining whether a security's fair value has “significantly deteriorated” are outlined as follows:

- Securities whose fair value is 50% or less of the acquisition cost; or
- Securities whose fair value exceeds 50% but is 70% or less of the acquisition cost and the quoted market price maintains a certain level or lower.

Valuation of Financial Instruments

Securities

Fair values of stocks are based on the prices on securities exchanges, and those of bonds and others are based on the market prices, valuations obtained from brokers and information vendors and others. Fair values of investment trusts are based on the disclosed net asset value and others. Fair values of private placement bonds are calculated by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the internal ratings and terms.

Fair values of securitized products are based on valuations obtained from brokers and others and reasonably calculated prices based on the reasonable estimates of our management. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the discounted cash flow method. The price decision variables include default rates, recovery rates, pre-payment rates, and discount rates.

Fair values of floating-rate Japanese government bonds, according to our determination that current market prices may not reflect the fair value, are based on the reasonably calculated prices as book value at the

end of the fiscal years ended March 31, 2013, 2014 and 2015, and the nine months ended December 31, 2014 and 2015. In deriving the reasonably calculated prices, we used the discounted cash flow method as well as other methods. The price decision variables include the yield of 10-year Japanese government bonds and the volatilities of interest rate swap options for 10-year Japanese government bonds as underlying assets.

Derivative Transactions

Derivative transactions include interest rate-related transactions (futures, options, swaps and others), currency-related transactions (futures, options, swaps and others) and bond-related transactions (futures, futures options and others), and their valuations are based on the prices on securities exchanges, discounted value of future cash flows, option pricing models and others.

Deferred Tax Assets

We recognize deferred tax assets and liabilities for the estimated future tax effects of temporary differences between financial and tax accounting (primarily relating to impairment of securities and the creation of reserves for future credit-related costs), tax loss carryforwards and tax credits. Under guidelines issued by the Japanese Institute of Certified Public Accountants in November 1999, deferred tax assets are recognized based on the tax-planning strategy authorized by our management in the process of determining the amount of net deferred tax assets to be recognized on the balance sheet. We also make certain estimates and assumptions in this process, including, in particular, an estimation of taxable income. If it is later determined not probable that such projected taxable income will be realized, a valuation allowance for deferred tax assets is provided to reflect this, and a corresponding amount of income tax expense will be recognized in the period.

Reserve for Employee Retirement Benefits

We provide a reserve for employee retirement benefits for future pension payments to employees based on the projected benefit obligation and the estimated pension plan asset amounts at the end of the fiscal year. The reserve for employee retirement benefit is calculated based on an actuarial appraisal which requires us to make various assumptions about matters such as discount rate, expected rate of return on plan assets and increases in future compensation levels. If our assumptions are incorrect or need to be revised, periodic pension costs may differ significantly from our projections.

Recent Accounting Changes

Application of “Accounting Standard for Consolidated Financial Statements” and others

We have applied “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, March 25, 2011) and others beginning with the fiscal year ended March 31, 2014 and have newly included FANTASTIC FUNDING CORPORATION and other companies in our consolidated subsidiaries.

This accounting standard and others have been applied to FANTASTIC FUNDING CORPORATION and other companies that have been newly included in our consolidated subsidiaries in accordance with the transitional treatment stipulated in “Accounting Standard for Consolidated Financial Statements” Paragraph 44-4 (3). At the beginning of the first fiscal year of the application, the assets, the liabilities, and the minority interests of FANTASTIC FUNDING CORPORATION and other companies have been recorded at the appropriate book value in the consolidated financial statements. As a result of this, the effect of this application on the retained earnings at the beginning of the fiscal year ended March 31, 2014 is immaterial.

Application of “Accounting Standard for Retirement Benefits” and others (fiscal year ended March 31, 2014)

We have applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) (the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012) (the “Guidance”) beginning with the fiscal year ended March 31, 2014 (excluding regulations stipulated in the text of the Accounting Standard, Paragraph 35 and the Guidance, Paragraph 67) and have recorded the difference between retirement benefit obligations and plan assets as net defined benefit asset or liability from the end of such fiscal year.

The Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37, and unrecognized actuarial differences after adjusting for tax effect have been recorded as remeasurements of defined benefit plans in accumulated other comprehensive income.

As a result of this, ¥413,073 million of net defined benefit asset and ¥46,006 million of net defined benefit liability have been recorded at the end of such fiscal year. Deferred tax assets increased by ¥13,862 million, deferred tax liabilities decreased by ¥1,212 million and accumulated other comprehensive income decreased by ¥22,979 million.

Application of “Accounting Standard for Retirement Benefits” and others (fiscal year ended March 31, 2015)

We have applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) (hereinafter, the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015) (hereinafter, the “Guidance”), in terms of regulations stipulated in the text of the Accounting Standard, Paragraph 35 and the Guidance, Paragraph 67, beginning with the fiscal year ended March 31, 2015. We have reviewed the calculation methods of retirement benefit obligations and service cost, changed the method of attributing the expected retirement benefits to periods of service from a straight-line basis to a benefit formula basis, and changed the method of determining the discount rate from the method using the discount rate based on the average period up to the estimated timing of the benefit payment and another period to the method using different discount rates according to the estimated timing of each benefit payment.

The Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37, and the amount of financial impact resulting from the change in the calculation method of retirement benefit obligations and service cost was added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2015. As a result of this, net defined benefit asset increased by ¥19,795 million, net defined benefit liability decreased by ¥2,787 million, retained earnings increased by ¥16,107 million and non-controlling interests increased by ¥573 million at the beginning of the fiscal year ended March 31, 2015. Ordinary profits and income before income taxes for the fiscal year ended March 31, 2015 increased by ¥8,217 million, respectively.

Application of “Accounting Standard for Business Combinations” and others (nine months ended December 31, 2015)

We have applied “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) (hereinafter, the “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) (hereinafter, the “Consolidation Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) (hereinafter, the “Business Divestitures Accounting Standard”) and other standards from the first quarter ended June 30, 2015. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which we continue to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after April 1, 2015, the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of net income and others has been changed and presentation of minority interests has been changed to non-controlling interests. In order to reflect the changes in presentation of financial statements, reclassification was made accordingly in the quarterly consolidated financial statements for the nine months ended December 31, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015.

The Business Combinations Accounting Standard and other standards have been applied in accordance with the transitional treatment set forth in Article 58-2 (3) of the Business Combinations Accounting Standard, Article 44-5 (3) of the Consolidation Accounting Standard and Article 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015. As a result, goodwill decreased by ¥48,063 million, retained earnings decreased by ¥48,999 million, and capital surplus increased by ¥935 million as of April 1, 2015. In addition, ordinary profits and income before income taxes for the nine months ended December 31, 2015 each increased by ¥2,184 million.

Changes in Presentation of Consolidated Financial Statements

Consolidated Statements of Income (fiscal year ended March 31, 2015)

Beginning in the fiscal year ended March 31, 2015, refund of income taxes formerly presented separately has been included within current income taxes due to decreased materiality. Refund of income taxes presented in the fiscal year ended March 31, 2014 was ¥(5,629) million.

Consolidated Statements of Income (nine months ended December 31, 2015)

Refund of income taxes formerly included within current income taxes is separately presented from the nine months ended December 31, 2015 due to increased materiality. Refund of income taxes formerly included within current income taxes for the nine months ended December 31, 2014 was ¥570 million.

Operating Results

The following table shows certain consolidated statement of operations data for the periods indicated:

	Fiscal years ended March 31,			Nine months ended December 31,	
	2013	2014	2015	2014	2015
	(in billions of yen)				
Net interest income	¥1,075	¥1,108	¥1,129	¥ 826	¥ 761
Fiduciary income	48	52	52	36	38
Net fee and commission income	507	560	593	403	431
Net trading income	215	187	262	166	213
Net other operating income	324	126	209	232	181
Gross profits	2,171	2,035	2,247	1,665	1,625
General and administrative expenses	1,244	1,258	1,351	993	1,008
Expenses related to portfolio problems (including provision for (reversal of) general reserve for losses on loans) ⁽¹⁾	136	23	87	13	24
Gains on reversal of reserves for possible losses on loans, and others	25	136	82	45	15
Net gains (losses) related to stocks	(82)	77	131	96	184
Equity in income (loss) from investments in affiliates	(11)	15	15	15	21
Other	(3)	2	(47)	(11)	(26)
Income before income taxes	717	985	990	804	786
Income taxes—current ⁽²⁾	50	137	260	208	144
Income taxes—deferred	7	77	44	19	78
Profit	659	770	685	576	563
Profit attributable to non-controlling interests	99	81	73	53	43
Profit attributable to owners of parent	¥ 560	¥ 688	¥ 611	¥ 523	¥ 519
Credit-related costs ⁽³⁾	¥ 111	¥ (112)	¥ 4	¥ (31)	¥ 9

Notes:

- (1) Expenses related to portfolio problems (including provision for (reversal of) general reserve for losses on loans) exclude those recorded in the trust account.
- (2) Includes refund of income taxes.
- (3) Credit-related costs consist of (a) expenses related to portfolio problems (including provision for (reversal of) general reserve for losses on loans), (b) gains on reversal of reserves for possible losses on loans, and others, and (c) credit costs for trust accounts.

Nine Months Ended December 31, 2015 Compared with Nine Months Ended December 31, 2014

Net Interest Income. Net interest income decreased by ¥64 billion, or 7.8%, from ¥826 billion for the nine months ended December 31, 2014 to ¥761 billion for the nine months ended December 31, 2015 due mainly to an increase in interest expenses.

Interest Income. The following table shows the composition of our interest income for the nine months ended December 31, 2014 and 2015:

	Nine months ended December 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Interest income	¥1,075	¥1,069	(0.5)%
Loans and bills discounted	700	697	(0.3)
Securities	239	224	(6.2)
Call loans and bills purchased	6	4	(19.3)
Due from banks	36	48	32.7
Receivables under resale agreements	20	30	49.0
Guarantee deposits paid under securities borrowing transactions	5	6	19.4
Other interest income	67	56	(15.8)

Interest income decreased by ¥6 billion, or 0.5%, from ¥1,075 billion for the nine months ended December 31, 2014 to ¥1,069 billion for the nine months ended December 31, 2015. The decrease was due mainly to a decrease in interest income on securities, offset in part by increases in interest income on due from banks and receivables under resale agreements, each over the same period in the prior fiscal year.

Interest Expenses. The following table shows the composition of our interest expenses for the nine months ended December 31, 2014 and 2015:

	Nine months ended December 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Interest expenses	¥249	¥308	23.6%
Deposits	112	147	31.3
Call money and bills sold	5	5	3.3
Payables under repurchase agreements	21	41	90.8
Guarantee deposits received under securities lending transactions	6	2	(63.2)
Commercial paper	1	1	1.5
Borrowed money	13	15	11.6
Other interest expenses	88	94	6.9

Interest expenses increased by ¥58 billion, or 23.6%, from ¥249 billion for the nine months ended December 31, 2014 to ¥308 billion for the nine months ended December 31, 2015. The increase was due mainly to increases in interest expenses on deposits and payables under repurchase agreements, each over the same period in the prior fiscal year.

Fiduciary Income. Fiduciary income increased by ¥1 billion, or 3.8%, from ¥36 billion for the nine months ended December 31, 2014 to ¥38 billion for the nine months ended December 31, 2015.

Net Fee and Commission Income. The following table sets forth our fee and commission income and expenses for the nine months ended December 31, 2014 and 2015:

	Nine months ended December 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Fee and commission income:			
Deposits, debentures and lending businesses	¥126	¥145	14.8%
Securities-related businesses	123	132	7.4
Remittances business	83	82	(0.6)
Trust-related businesses	35	35	(1.1)
Agency business	26	27	4.7
Guarantee business	22	19	(11.3)
Safe custody and safety deposit box business	3	3	(2.7)
Other	90	98	9.4
Total	¥512	¥546	6.6
Fee and commission expenses:			
Remittances business	¥ 29	¥ 29	0.1
Securities-related businesses	17	19	15.2
Other	61	65	7.0
Total	¥108	¥115	6.4
Net fee and commission income	¥403	¥431	6.7

Net fee and commission income increased by ¥27 billion, or 6.7%, from ¥403 billion for the nine months ended December 31, 2014 to ¥431 billion for the nine months ended December 31, 2015. The increase was due largely to increases in fee and commission income on deposits, debentures and lending businesses and securities-related businesses.

Net Trading Income. Net trading income increased by ¥47 billion, or 28.3%, from ¥166 billion for the nine months ended December 31, 2014 to ¥213 billion for the nine months ended December 31, 2015.

Net Other Operating Income. The following table sets forth the components of our net other operating income for the nine months ended December 31, 2014 and 2015:

	Nine months ended December 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Other operating income:			
Gains on foreign exchange transactions	¥ 89	¥ 34	(61.4)%
Gains on sales of bonds	160	120	(25.1)
Gains on derivatives other than for trading or hedging	—	12	—
Other	65	71	10.2
Total	¥315	¥238	(24.2)
Other operating expenses:			
Losses on sales of bonds	¥ 39	¥ 30	(23.1)
Expenses on derivatives other than for trading or hedging	10	—	—
Losses on devaluation of bonds	1	0	(77.3)
Other	31	26	(14.9)
Total	¥ 82	¥ 57	(31.0)
Net other operating income	¥232	¥181	(21.8)

Net other operating income decreased by ¥50 billion, or 21.8%, from ¥232 billion for the nine months ended December 31, 2014 to ¥181 billion for the nine months ended December 31, 2015. The decrease was due mainly to decreases in gains on foreign exchange transactions and gains on sales of bonds.

General and Administrative Expenses. General and administrative expenses increased by ¥15 billion, or 1.5%, from ¥993 billion for the nine months ended December 31, 2014 to ¥1,008 billion for the nine months ended December 31, 2015. The increase was due mainly to an increase in nonpersonnel expenses.

Other Income and Expenses. Net other income was ¥169 billion for the nine months ended December 31, 2015 compared to net other income of ¥131 billion for the nine months ended December 31, 2014. The following table sets forth the components of our other income and expenses for the nine months ended December 31, 2014 and 2015:

	Nine months ended December 31,		Percentage change
	2014	2015	
	(in billions of yen, except percentages)		
Other income:			
Gains on sales of stocks	¥108	¥216	99.2%
Indemnity receipt from the erroneous stock order in the securities subsidiary	—	12	—
Gains on disposition of fixed assets	0	7	7,918.1
Other	94	60	(36.1)
Total	¥202	¥296	46.2
Other expenses:			
System migration-related expenses	¥—	¥ 26	—
Losses on disposition of fixed assets	2	2	2.2
Other	68	98	44.3
Total	¥ 70	¥127	79.7
Net other income	<u>¥131</u>	<u>¥169</u>	28.2

Net Gains Related to Stocks. Net gains related to stocks were ¥184 billion for the nine months ended December 31, 2015 compared to net gains related to stocks of ¥96 billion for the nine months ended December 31, 2014. The increase was due mainly to an increase in gains on sales of stocks.

Expenses Related to Portfolio Problems. Write-offs of loans increased by ¥12 billion from ¥12 billion for the nine months ended December 31, 2014 to ¥24 billion for the nine months ended December 31, 2015.

Other. Other in other income decreased by 36.1% from ¥94 billion for the nine months ended December 31, 2014 to ¥60 billion for the nine months ended December 31, 2015 due mainly to a decrease in reversal of reserves for possible losses on loans.

Income before Income Taxes. As a result of the foregoing, income before income taxes decreased by ¥17 billion, or 2.2%, from ¥804 billion for the nine months ended December 31, 2014 to ¥786 billion for the nine months ended December 31, 2015.

Income Taxes. Income taxes for the nine months ended December 31, 2014 and 2015 were as follows:

	Nine months ended December 31,	
	2014	2015
	(in billions of yen)	
Income taxes:		
Current	¥209	¥147
Refund of income taxes	(0)	(3)
Deferred	19	78

Current income tax expenses decreased from ¥209 billion for the nine months ended December 31, 2014 to ¥147 billion for the nine months ended December 31, 2015.

Refund of income taxes increased from ¥0 billion for the nine months ended December 31, 2014 to ¥3 billion for the nine months ended December 31, 2015.

Deferred income tax expenses were ¥78 billion for the nine months ended December 31, 2015 compared to ¥19 billion for the corresponding period in the previous fiscal year.

Profit Attributable to Non-controlling Interests. Profit attributable to non-controlling interests is income of our consolidated subsidiaries that belongs to non-controlling shareholders and the funding cost of preferred securities issued by our overseas special purpose companies.

We had profit attributable to non-controlling interests of ¥53 billion for the nine months ended December 31, 2014 and ¥43 billion for the nine months ended December 31, 2015.

Profit Attributable to Owners of Parent. As a result of the foregoing factors, our profit attributable to owners of parent decreased by ¥3 billion, or 0.7%, from ¥523 billion for the nine months ended December 31, 2014 to ¥519 billion for the nine months ended December 31, 2015.

Fiscal Year Ended March 31, 2015 Compared to Fiscal Year Ended March 31, 2014

Net Interest Income. Net interest income increased by ¥21 billion, or 1.9%, from ¥1,108 billion for the fiscal year ended March 31, 2014 to ¥1,129 billion for the fiscal year ended March 31, 2015 due mainly to an increase in interest income. Net interest income for our principal banking subsidiaries on a combined basis increased due mainly to an increase in international interest income, offset in part by a decrease in domestic interest income.

The following table shows our average asset balances, interest and average interest rates of our interest-earning assets for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,					
	2014			2015		
	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾	Average rate ⁽²⁾⁽³⁾	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾	Average rate ⁽²⁾⁽³⁾
	(in billions of yen, except percentages)					
Loans and bills discounted:						
Domestic	¥ 54,769	¥ 623	1.13%	¥ 54,297	¥ 584	1.07%
International	16,737	391	2.34	20,757	434	2.09
Eliminations	(3,530)	(95)		(3,556)	(87)	
Total	67,976	920	1.35	71,497	931	1.30
Securities:						
Domestic	43,160	277	0.64	41,645	296	0.71
International	2,729	57	2.10	3,033	67	2.21
Eliminations	(1,010)	(10)		(951)	(12)	
Total	44,879	324	0.72	43,726	351	0.80
Call loans and bills purchased:						
Domestic	186	0	0.44	199	0	0.47
International	252	5	2.05	295	6	2.25
Eliminations	(1)	(0)		—	(0)	
Total	437	6	1.37	494	7	1.53
Receivables under resale agreements:						
Domestic	183	0	0.11	75	0	0.20
International	12,822	33	0.25	11,236	30	0.26
Eliminations	(2,842)	(3)		(1,979)	(2)	
Total	10,163	29	0.29	9,331	27	0.29
Guarantee deposits paid under securities borrowing transactions:						
Domestic	5,544	7	0.13	4,858	7	0.14
International	—	—	—	—	—	—
Eliminations	(11)	(0)		(11)	(0)	
Total	5,533	7	0.13	4,847	7	0.14
Interest-earning deposits in other banks:						
Domestic	11,212	12	0.11	16,356	18	0.11
International	4,713	24	0.51	5,478	32	0.58
Eliminations	(578)	(1)		(395)	(1)	
Total	15,347	35	0.23	21,440	50	0.23
Total interest-earning assets ⁽⁴⁾ :						
Domestic	117,581	1,017	0.86	119,462	1,008	0.84
International	40,261	535	1.32	44,814	594	1.32
Eliminations	(8,513)	(134)		(7,715)	(134)	
Total	¥149,329	¥1,417	0.94	¥156,561	¥1,468	0.93

Notes:

- (1) Average balances are calculated on a daily basis using a 365-day year, except that the balances include average balance data from certain subsidiaries that are calculated on a semi-annual basis only.
- (2) Domestic operations exclude overseas branches of our domestic subsidiaries. International operations comprise the operations of our overseas branches and overseas consolidated subsidiaries. Eliminations refer to the amount of intra-group transactions.
- (3) Average rate is calculated by dividing interest by average balance.
- (4) Total interest-earning assets are expressed net of average balance and interest incurred in connection with lendings and borrowings between our domestic and international operations.
- (5) Average balance does not include that of non-interest-earning deposits in other banks.

The following table shows average liability balances, interest and average interest rates of our interest-bearing liabilities for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,					
	2014			2015		
	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾⁽⁵⁾	Average rate ⁽²⁾⁽³⁾	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾⁽⁵⁾	Average rate ⁽²⁾⁽³⁾
	(in billions of yen, except percentages)					
Deposits (other than negotiable certificates of deposit):						
Domestic	¥ 74,466	¥ 41	0.05%	¥ 77,370	¥ 38	0.04%
International	11,467	64	0.56	14,487	85	0.58
Eliminations	(355)	(0)		(96)	(0)	
Total	85,578	105	0.12	91,761	123	0.13
Negotiable certificates of deposit:						
Domestic	11,432	10	0.08	11,546	10	0.08
International	4,205	17	0.42	6,147	19	0.32
Eliminations	—	—		—	—	
Total	15,637	28	0.17	17,693	30	0.17
Call money and bills sold:						
Domestic	5,490	5	0.10	5,526	5	0.09
International	681	2	0.38	862	3	0.35
Eliminations	(144)	(0)		(221)	(0)	
Total	6,027	7	0.12	6,167	7	0.12
Payables under repurchase agreements:						
Domestic	3,218	6	0.19	3,717	6	0.17
International	18,146	25	0.14	18,200	26	0.14
Eliminations	(2,853)	(3)		(1,996)	(2)	
Total	18,511	27	0.15	19,921	30	0.15
Guarantee deposits received under securities lending transactions:						
Domestic	7,429	9	0.13	5,788	7	0.13
International	—	—		—	—	
Eliminations	(0)	(0)		(0)	(0)	
Total	7,429	9	0.13	5,787	7	0.13
Commercial paper:						
Domestic	—	—		—	—	
International	644	1	0.28	640	1	0.26
Eliminations	—	—		—	—	
Total	644	1	0.28	640	1	0.26
Borrowed money:						
Domestic	11,150	110	0.98	8,367	94	1.13
International	2,212	11	0.54	1,701	11	0.69
Eliminations	(3,534)	(95)		(3,564)	(87)	
Total	9,828	26	0.26	6,504	19	0.29
Total interest-bearing liabilities ⁽⁴⁾ :						
Domestic	120,211	258	0.21	120,366	242	0.20
International	38,978	185	0.47	43,260	224	0.51
Eliminations	(7,809)	(134)		(7,001)	(127)	
Total	¥151,380	¥ 309	0.20	¥156,624	¥ 339	0.21

Notes:

- (1) Average balances are calculated on a daily basis using a 365-day year, except that the balances include average balance data from certain subsidiaries that are calculated on a semi-annual basis only.
- (2) Domestic operations exclude overseas branches of our domestic subsidiaries. International operations comprise the operations of our overseas branches and overseas consolidated subsidiaries. Eliminations refer to the amount of intra-group transactions.
- (3) Average rate is calculated by dividing interest by average balance.
- (4) Total interest-bearing liabilities are expressed net of average balance and interest incurred in connection with lendings and borrowings between our domestic and international operations and net of funding costs for money trusts.
- (5) Average balance and interest do not include those corresponding to the money held in trust.

Our average rates on interest-earning assets and interest-bearing liabilities and net interest margin for the fiscal years ended March 31, 2014 and 2015 were as set forth in the following table:

	Fiscal years ended March 31,	
	2014	2015
Average rate on interest-earning assets (A):		
Domestic	0.86%	0.84%
International	1.32	1.32
Group-wide	0.94	0.93
Average rate on interest-bearing liabilities (B):		
Domestic	0.21	0.20
International	0.47	0.51
Group-wide	0.20	0.21
Net interest margin ((A)-(B)):		
Domestic	0.65	0.64
International	0.85	0.81
Group-wide	0.74	0.72

Interest Income. The following table shows the composition of our interest income for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Interest income	¥1,417	¥1,468	3.6%
Loans and bills discounted	920	931	1.2
Securities	324	351	8.4
Call loans and bills purchased	6	7	26.5
Due from banks	35	50	40.0
Receivables under resale agreements	29	27	(5.4)
Guarantee deposits paid under securities borrowing transactions	7	7	(7.4)
Other interest income	93	92	(1.4)

Interest income increased by ¥51 billion, or 3.6%, from ¥1,417 billion for the fiscal year ended March 31, 2014 to ¥1,468 billion for the fiscal year ended March 31, 2015.

Interest Expenses. The following table shows the composition of our interest expenses for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Interest expenses	¥309	¥339	9.7%
Deposits	133	153	14.7
Call money and bills sold	7	7	(1.5)
Payables under repurchase agreements	27	30	9.2
Guarantee deposits received under securities lending transactions	9	7	(23.4)
Commercial paper	1	1	(7.8)
Borrowed money	26	19	(27.2)
Other interest expenses	101	119	17.4

Interest expenses increased by ¥30 billion, or 9.7%, from ¥309 billion for the fiscal year ended March 31, 2014 to ¥339 billion for the fiscal year ended March 31, 2015. The increase was due mainly to increases in interest on deposits and other interest expenses, offset in part by a decrease in interest on borrowed money.

Fiduciary Income. Fiduciary income was flat at ¥52 billion for the fiscal years ended March 31, 2014 and 2015.

Net Fee and Commission Income. The following table sets forth our fee and commission income and expenses for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Fee and commission income:			
Deposits, debentures and lending businesses	¥168	¥191	14.0%
Securities-related businesses	171	174	1.8
Remittances business	108	110	1.7
Trust-related businesses	46	53	15.2
Agency business	28	35	22.8
Guarantee business	28	29	4.7
Safe custody and safety deposit box business	5	5	(3.7)
Other	125	128	2.7
Total	¥682	¥729	6.8
Fee and commission expenses:			
Remittances business	¥ 39	¥ 39	(1.8)%
Other	81	96	18.4
Total	¥121	¥135	11.7
Net fee and commission income	¥560	¥593	5.8

Net fee and commission income increased by ¥32 billion, or 5.8%, to ¥593 billion in the fiscal year ended March 31, 2015 compared to the previous fiscal year.

Net Trading Income. Net trading income increased by ¥75 billion, or 40.3%, from ¥187 billion for the fiscal year ended March 31, 2014 to ¥262 billion for the fiscal year ended March 31, 2015, due to an increase in net gains on derivatives for trading transactions.

Net Other Operating Income. The following table sets forth the components of net other operating income for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Other operating income:			
Gains on foreign exchange transactions	¥ 74	¥ 99	33.1%
Gains on sales of bonds	118	175	47.5
Other	61	90	46.1
Total	<u>¥255</u>	<u>¥365</u>	43.0
Other operating expenses:			
Losses on sales of bonds	¥ 72	¥ 97	34.6%
Expenses on derivatives other than for trading or hedging . . .	6	10	55.5
Losses on devaluation of bonds	9	1	(85.1)
Other	40	47	17.2
Total	<u>¥128</u>	<u>¥155</u>	21.2
Net other operating income	¥126	¥209	65.1

Net other operating income increased by ¥82 billion, or 65.1%, from ¥126 billion for the fiscal year ended March 31, 2014 to ¥209 billion for the fiscal year ended March 31, 2015. The increase was due mainly to gains on sales of bonds.

General and Administrative Expenses. General and administrative expenses increased by ¥93 billion, or 7.4%, from ¥1,258 billion for the fiscal year ended March 31, 2014 to ¥1,351 billion for the fiscal year ended March 31, 2015. The increase was due mainly to increases in non-personnel expenses, particularly IT-related, rent, advertising and overseas costs, as well as the effect of increased consumption tax.

Other Income and Expenses. Net other income was ¥94 billion in the fiscal year ended March 31, 2015 compared to net other income of ¥208 billion in the fiscal year ended March 31, 2014. The following table sets forth the components of our other income and expenses for the fiscal years ended March 31, 2014 and 2015:

	Fiscal years ended March 31,		
	2014	2015	Percentage change
	(in billions of yen, except percentages)		
Other income:			
Gains on sales of stock	¥ 87	¥152	73.7%
Reversal of reserves for possible losses on loans	103	73	(29.3)
Recovery on written-off loans	25	16	(32.9)
Gains on disposition of fixed assets	0	0	43.4
Other	127	58	(53.8)
Total	¥344	¥301	(12.3)
Other expenses:			
Write-offs of loans	¥ 22	¥ 84	276.7
Losses on impairment of fixed assets	6	11	74.5
Losses on disposition of fixed assets	6	9	32.1
Other	100	102	2.0
Total	¥135	¥207	52.3
Net other income	¥208	¥ 94	(54.6)

Net Gains Related to Stocks. Net gains related to stocks were ¥131 billion in the fiscal year ended March 31, 2015, compared to net gains related to stocks of ¥77 billion in the fiscal year ended March 31, 2014.

Expenses Related to Portfolio Problems. Write-offs of loans increased by ¥62 billion from ¥22 billion for the fiscal year ended March 31, 2014 to ¥84 billion for the fiscal year ended March 31, 2015.

Other. Other in other income decreased by 53.8% from ¥127 billion for the fiscal year ended March 31, 2014 to ¥58 billion for the fiscal year ended March 31, 2015. This decrease was due mainly to a decrease in income from matured debentures. Other in other expenses increased by 2.0% from ¥100 billion for the fiscal year ended March 31, 2014 to ¥102 billion for the fiscal year ended March 31, 2015.

Income before Income Taxes. As a result of the foregoing, income before income taxes increased by ¥5 billion, or 0.5%, from ¥985 billion for the fiscal year ended March 31, 2014 to ¥990 billion for the fiscal year ended March 31, 2015.

Income Taxes. Income taxes for the fiscal years ended March 31, 2014 and 2015 were as follows:

	Fiscal years ended March 31,	
	2014	2015
(in billions of yen, except percentages)		
Income taxes:		
Current ⁽¹⁾	¥ 137	¥ 260
Deferred	77	44
Effective income tax rate	21.82%	30.79%

Note:

(1) Includes refund of income taxes.

Current income tax expenses increased from ¥137 billion in the fiscal year ended March 31, 2014 to ¥260 billion in the fiscal year ended March 31, 2015.

Deferred income tax expenses decreased to ¥44 billion in the fiscal year ended March 31, 2015 from ¥77 billion in the previous fiscal year.

Profit Attributable to Non-controlling Interests. Profit attributable to non-controlling interests is income of our consolidated subsidiaries that belong to non-controlling shareholders and the funding cost of preferred securities issued by our overseas special purpose companies.

We had profit attributable to non-controlling interests of ¥73 billion for the fiscal year ended March 31, 2015 and ¥81 billion for the fiscal year ended March 31, 2014.

Profit Attributable to Owners of Parent. As a result of the foregoing factors, our profit attributable to owners of parent decreased by ¥76 billion, or 11.1%, from ¥688 billion in the fiscal year ended March 31, 2014 to ¥611 billion in the fiscal year ended March 31, 2015.

Fiscal Year Ended March 31, 2014 Compared to Fiscal Year Ended March 31, 2013

Net Interest Income. Net interest income increased by ¥32 billion, or 3.0%, from ¥1,075 billion for the fiscal year ended March 31, 2013 to ¥1,108 billion for the fiscal year ended March 31, 2014 due mainly to a decrease in interest expenses. Net interest income for our principal banking subsidiaries on a combined basis increased due mainly to an increase in international interest income, offset in part by a decrease in domestic interest income.

The following table shows our average asset balances, interest and average interest rates of our interest-earning assets for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,					
	2013			2014		
	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾	Average rate ⁽²⁾⁽³⁾	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾	Average rate ⁽²⁾⁽³⁾
	(in billions of yen, except percentages)					
Loans and bills discounted:						
Domestic	¥ 53,509	¥ 659	1.23%	¥ 54,769	¥ 623	1.13%
International	13,727	342	2.49	16,737	391	2.34
Eliminations	(1,888)	(84)		(3,530)	(95)	
Total	65,348	917	1.40	67,976	920	1.35
Securities:						
Domestic	47,771	286	0.59	43,160	277	0.64
International	2,685	52	1.95	2,729	57	2.10
Eliminations	(983)	(15)		(1,010)	(10)	
Total	49,473	323	0.65	44,879	324	0.72
Call loans and bills purchased:						
Domestic	370	0	0.16	186	0	0.44
International	177	4	2.79	252	5	2.05
Eliminations	(0)	(0)		(1)	(0)	
Total	547	5	1.01	437	6	1.37
Receivables under resale agreements:						
Domestic	258	0	0.09	183	0	0.11
International	10,615	56	0.53	12,822	33	0.25
Eliminations	(2,206)	(4)		(2,842)	(3)	
Total	8,666	52	0.60	10,163	29	0.29
Guarantee deposits paid under securities borrowing transactions:						
Domestic	6,407	10	0.16	5,544	7	0.13
International	—	—	—	—	—	—
Eliminations	(8)	(0)		(11)	(0)	
Total	6,398	10	0.16	5,533	7	0.13
Interest-earning deposits in other banks:						
Domestic	3,585	4	0.13	11,212	12	0.11
International	3,466	18	0.52	4,713	24	0.51
Eliminations	(674)	(1)		(578)	(1)	
Total	6,377	21	0.33	15,347	35	0.23
Total interest-earning assets ⁽⁴⁾ :						
Domestic	113,917	1,050	0.92	117,581	1,017	0.86
International	31,680	488	1.54	40,261	535	1.32
Eliminations	(5,785)	(117)		(8,513)	(134)	
Total	¥139,812	¥1,421	1.01	¥149,329	¥1,417	0.94

Notes:

- (1) Average balances are calculated on a daily basis using a 365-day year, except that the balances include average balance data from certain subsidiaries that are calculated on a semi-annual basis only.
- (2) Domestic operations exclude overseas branches of our domestic subsidiaries. International operations comprise the operations of our overseas branches and overseas consolidated subsidiaries. Eliminations refer to the amount of intra-group transactions.
- (3) Average rate is calculated by dividing interest by average balance.
- (4) Total interest-earning assets are expressed net of average balance and interest incurred in connection with lendings and borrowings between our domestic and international operations.
- (5) Average balance does not include that of non-interest-earning deposits in other banks.

The following table shows average liability balances, interest and average interest rates of our interest-bearing liabilities for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,					
	2013			2014		
	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾⁽⁵⁾	Average rate ⁽²⁾⁽³⁾	Average balance ⁽¹⁾⁽²⁾⁽⁵⁾	Interest ⁽²⁾⁽⁵⁾	Average rate ⁽²⁾⁽³⁾
	(in billions of yen, except percentages)					
Deposits (other than negotiable certificates of deposit):						
Domestic	¥ 70,263	¥ 44	0.06%	¥ 74,466	¥ 41	0.05%
International	9,199	53	0.58	11,467	64	0.56
Eliminations	(558)	(1)		(355)	(0)	
Total	78,904	96	0.12	85,578	105	0.12
Negotiable certificates of deposit:						
Domestic	11,037	11	0.10	11,432	10	0.08
International	3,447	20	0.60	4,205	17	0.42
Eliminations	—	—		—	—	
Total	14,485	32	0.22	15,637	28	0.17
Call money and bills sold:						
Domestic	5,435	6	0.11	5,490	5	0.10
International	597	2	0.34	681	2	0.38
Eliminations	(62)	(0)		(144)	(0)	
Total	5,970	7	0.13	6,027	7	0.12
Payables under repurchase agreements:						
Domestic	2,732	5	0.19	3,218	6	0.19
International	14,686	52	0.35	18,146	25	0.14
Eliminations	(2,214)	(4)		(2,853)	(3)	
Total	15,204	53	0.35	18,511	27	0.15
Guarantee deposits received under securities lending transactions:						
Domestic	8,190	19	0.23	7,429	9	0.13
International	—	—	—	—	—	—
Eliminations	(0)	(0)		(0)	(0)	
Total	8,190	19	0.23	7,429	9	0.13
Commercial paper:						
Domestic	—	—	—	—	—	—
International	420	1	0.39	644	1	0.28
Eliminations	—	—		—	—	
Total	420	1	0.39	644	1	0.28
Borrowed money:						
Domestic	13,894	110	0.79	11,150	110	0.98
International	553	2	0.37	2,212	11	0.54
Eliminations	(1,889)	(82)		(3,534)	(95)	
Total	12,559	29	0.23	9,828	26	0.26
Total interest-bearing liabilities ⁽⁴⁾ :						
Domestic	117,098	270	0.23	120,211	258	0.21
International	30,548	185	0.60	38,978	185	0.47
Eliminations	(5,028)	(110)		(7,809)	(134)	
Total	¥142,617	¥ 345	0.24	¥151,380	¥ 309	0.20

Notes:

- (1) Average balances are calculated on a daily basis using a 365-day year, except that the balances include average balance data from certain subsidiaries that are calculated on a semi-annual basis only.
- (2) Domestic operations exclude overseas branches of our domestic subsidiaries. International operations comprise the operations of our overseas branches and overseas consolidated subsidiaries. Eliminations refer to the amount of intra-group transactions.

- (3) Average rate is calculated by dividing interest by average balance.
- (4) Total interest-bearing liabilities are expressed net of average balance and interest incurred in connection with lendings and borrowings between our domestic and international operations and net of funding costs for money trusts.
- (5) Average balance and interest do not include those corresponding to the money held in trust.

Our average rates on interest-earning assets and interest-bearing liabilities and net interest margin for the fiscal years ended March 31, 2013 and 2014 were as set forth in the following table:

	Fiscal years ended March 31,	
	2013	2014
Average rate on interest-earning assets (A):		
Domestic	0.92%	0.86%
International	1.54	1.32
Group-wide	1.01	0.94
Average rate on interest-bearing liabilities (B):		
Domestic	0.23	0.21
International	0.60	0.47
Group-wide	0.24	0.20
Net interest margin ((A)-(B)):		
Domestic	0.69	0.65
International	0.94	0.85
Group-wide	0.77	0.74

Interest Income. The following table shows the composition of our interest income for the fiscal years ended March 31, 2013 and 2014.

	Fiscal years ended March 31,		Percentage change
	2013	2014	
	(in billions of yen, except percentages)		
Interest income	¥1,421	¥1,417	(0.2)%
Loans and bills discounted	917	920	0.3
Securities	323	324	0.1
Call loans and bills purchased	5	6	8.3
Due from banks	21	35	66.1
Receivables under resale agreements	52	29	(43.4)
Guarantee deposits paid under securities borrowing transactions	10	7	(28.0)
Other interest income	90	93	3.9

Interest income decreased by ¥4 billion, or 0.2%, from ¥1,421 billion for the fiscal year ended March 31, 2013 to ¥1,417 billion for the fiscal year ended March 31, 2014.

Interest Expenses. The following table shows the composition of our interest expenses for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,		Percentage change
	2013	2014	
	(in billions of yen, except percentages)		
Interest expenses	¥345	¥309	(10.5)%
Deposits	129	133	3.6
Call money and bills sold	7	7	(1.7)
Payables under repurchase agreements	53	27	(47.9)
Guarantee deposits received under securities lending transactions	19	9	(48.2)
Commercial paper	1	1	8.9
Borrowed money	29	26	(10.9)
Other interest expenses	104	101	(2.8)

Interest expenses decreased by ¥36 billion, or 10.5%, from ¥345 billion for the fiscal year ended March 31, 2013 to ¥309 billion for the fiscal year ended March 31, 2014. The decrease was due mainly to a decrease in payables under repurchase agreements.

Fiduciary Income. Fiduciary income increased by 7.2% to ¥52 billion for the fiscal year ended March 31, 2014 compared to ¥48 billion for the previous fiscal year.

Net Fee and Commission Income. The following table sets forth our fee and commission income and expenses for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,		Percentage change
	2013	2014	
	(in billions of yen, except percentages)		
Fee and commission income:			
Deposits, debentures and lending businesses	¥160	¥168	4.9%
Securities-related businesses	134	171	27.5
Remittances business	105	108	3.4
Trust-related businesses	43	46	5.8
Agency business	27	28	5.3
Guarantee business	26	28	7.6
Safe custody and safety deposit box business	5	5	(2.3)
Other	114	125	9.0
Total	¥617	¥682	10.4
Fee and commission expenses:			
Remittances business	¥ 39	¥ 39	1.9
Other	71	81	14.8
Total	¥110	¥121	10.2
Net fee and commission income	<u>¥507</u>	<u>¥560</u>	10.5

Net fee and commission income increased by ¥53 billion, or 10.5%, to ¥560 billion in the fiscal year ended March 31, 2014 compared to the previous fiscal year.

Net Trading Income. Net trading income decreased by ¥27 billion, or 12.8%, from ¥215 billion for the fiscal year ended March 31, 2013 to ¥187 billion for the fiscal year ended March 31, 2014.

Net Other Operating Income. The following table sets forth the components of net other operating income for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,		Percentage change
	2013	2014	
	(in billions of yen, except percentages)		
Other operating income:			
Gains on foreign exchange transactions	¥ 89	¥ 74	(17.0)%
Gains on sales of bonds	272	118	(56.4)
Other	50	61	23.2
Total	¥413	¥255	(38.1)
Other operating expenses:			
Losses on sales of bonds	¥ 43	¥ 72	66.3
Expenses on derivatives other than for trading or hedging	4	6	55.9
Losses on devaluation of bonds	8	9	19.7
Other	32	40	23.6
Total	¥ 88	¥128	45.7
Net other operating income	<u>¥324</u>	<u>¥126</u>	(60.9)

Net other operating income decreased by ¥198 billion, or 60.9%, from ¥324 billion for the fiscal year ended March 31, 2013 to ¥126 billion for the fiscal year ended March 31, 2014. The decrease was due mainly to a decrease in gains on sales of bonds.

General and Administrative Expenses. General and administrative expenses increased by ¥13 billion, or 1.0%, from ¥1,244 billion for the fiscal year ended March 31, 2013 to ¥1,258 billion for the fiscal year ended March 31, 2014. The increase was due mainly to strategic expenses relating to the implementation of the “One MIZUHO New Frontier Plan—Stepping up to the Next Challenge—” and the impact of a weakened yen.

Other Income and Expenses. Net other income was ¥208 billion in the fiscal year ended March 31, 2014 compared to net other expenses of ¥209 billion in the fiscal year ended March 31, 2013. The following table sets forth the components of our other income and expenses for the fiscal years ended March 31, 2013 and 2014:

	Fiscal years ended March 31,		
	2013	2014	Percentage change
	(in billions of yen, except percentages)		
Other income:			
Gains on sales of stock	¥ 86	¥ 87	1.4%
Recovery on written-off loans	26	25	(6.5)
Reversal of reserves for possible losses on loans	—	103	—
Gains on disposition of fixed assets	1	0	(58.4)
Other	83	127	52.0
Total	¥ 198	¥344	73.8
Other expenses:			
Write-offs of loans	¥ 49	¥ 22	(54.9)
Losses on disposition of fixed assets	7	6	(4.6)
Losses on impairment of fixed assets	11	6	(45.3)
Other	338	100	(70.4)
Total	¥ 407	¥135	(66.6)
Net other income (expenses)	¥(209)	¥208	—

Net Gains (Losses) Related to Stocks. Net gains related to stocks were ¥77 billion in the fiscal year ended March 31, 2014, compared to net losses related to stocks of ¥82 billion in the fiscal year ended March 31, 2013.

Expenses Related to Portfolio Problems. Write-offs of loans decreased by ¥27 billion from ¥49 billion for the fiscal year ended March 31, 2013 to ¥22 billion for the fiscal year ended March 31, 2014.

Other. Other in other income increased by 52.0% from ¥83 billion for the fiscal year ended March 31, 2013 to ¥127 billion for the fiscal year ended March 31, 2014. Other in other expenses decreased by 70.4% from ¥338 billion for the fiscal year ended March 31, 2013 to ¥100 billion for the fiscal year ended March 31, 2014. This was due mainly to a decrease in impairment losses on stocks.

Income before Income Taxes. As a result of the foregoing, income before income taxes increased by ¥267 billion, or 37.2%, from ¥717 billion for the fiscal year ended March 31, 2013 to ¥985 billion for the fiscal year ended March 31, 2014.

Income Taxes. Income taxes for the fiscal years ended March 31, 2013 and 2014 were as follows:

	Fiscal years ended March 31,	
	2013	2014
	(in billions of yen, except percentages)	
Income taxes:		
Current	¥ 64	¥ 142
Refund of income taxes	(14)	(5)
Deferred	7	77
Effective income tax rate	8.06%	21.82%

Current income tax expenses increased from ¥64 billion in the fiscal year ended March 31, 2013 to ¥142 billion in the fiscal year ended March 31, 2014.

Refund of income taxes decreased from ¥14 billion in the fiscal year ended March 31, 2013 to ¥5 billion in the fiscal year ended March 31, 2014.

Deferred income tax expenses increased from ¥7 billion in the fiscal year ended March 31, 2013 to ¥77 billion in the fiscal year ended March 31, 2014.

Profit Attributable to Non-controlling Interests. Profit attributable to non-controlling interests is income of our consolidated subsidiaries that belong to non-controlling shareholders and the funding cost of preferred securities issued by our overseas special purpose companies.

We had profit attributable to non-controlling interests of ¥99 billion for the fiscal year ended March 31, 2013 and ¥81 billion for the fiscal year ended March 31, 2014.

Profit Attributable to Owners of Parent. As a result of the foregoing factors, our profit attributable to owners of parent increased by ¥127 billion, or 22.8%, from ¥560 billion in the fiscal year ended March 31, 2013 to ¥688 billion in the fiscal year ended March 31, 2014.

Supplemental Financial Measures

In addition to the reporting items set forth in our consolidated financial statements, Japanese banking law requires us to disclose gross profits (*gyomu ararieki*) on a non-consolidated basis. Furthermore, in the Japanese banking industry, net business profits before provision for (reversal of) general reserve for possible losses on loans (*jisshitsu gyomu jun-eki*) has traditionally been used as a measure of the profitability of core banking operations. We review these non-Japanese GAAP performance measures both on a consolidated basis as well as on a combined basis for our principal banking subsidiaries in monitoring our results of operations.

Gross profits (excluding the amounts of credit costs of trust accounts) are the sum of:

- net interest income;
- fiduciary income;
- net fee and commission income;
- net trading income; and
- net other operating income, which includes, among other things, gains or losses on bonds and foreign exchanges.

Net business profits (*gyomu jun-eki*) are defined as the sum of net interest income (adjusted to exclude expenses incurred in connection with the management of money held in trust), fiduciary income, net fee and commission income, net trading income and net other operating income, less general and administrative expenses (adjusted to exclude non-recurring losses) and certain other consolidation adjustments and provision for (reversal of) general reserve for possible losses on loans, plus equity in income from investments in affiliates. Because of such adjustments, net business profits are not readily calculable on the basis of the information presented in our financial statements. Net business profits do not reflect certain expenses that are deducted with respect to net income. Provision for specific reserve for possible losses on loans, for example, at times have been substantial and have resulted in net losses in past periods, despite positive net business profits. Net gains and losses related to stocks are also not reflected. Accordingly, net business profits figures do not necessarily reflect changes to retained earnings that affect shareholders' equity and regulatory capital.

Net business profits before provision for (reversal of) general reserve for possible losses on loans is gross profits (adjusted to exclude expenses incurred in connection with the management of money held in trust) minus general and administrative expenses (excluding non-recurring losses).

While these business profit measures should not be viewed as a substitute for net income, we believe that these non-Japanese GAAP measures provide a meaningful way of comparing a number of the important components of our revenues and profitability from year to year. The table below sets forth supplemental financial data and corresponding reconciliations to net income under Japanese GAAP of our principal banking subsidiaries on a combined basis for the fiscal years ended March 31, 2013, 2014 and 2015, and for the nine months ended December 31, 2014 and 2015:

	Fiscal years ended March 31,			Nine months ended December 31,	
	2013	2014	2015	2014	2015
	(in billions of yen)				
Gross profits:					
Net interest income	¥ 956	¥ 963	¥ 974	¥ 714	¥ 655
Fiduciary income	47	51	51	36	38
Net fee and commission income	346	374	412	280	288
Net trading income	49	33	51	16	56
Net other operating income	286	83	139	179	127
Total gross profits	1,686	1,506	1,629	1,226	1,165
General and administrative expenses (excluding non-recurring losses)	839	864	908	675	684
Net business profits (before provision for (reversal of) general reserve for possible losses on loans) ⁽¹⁾	846	642	721	551	481
Provision for (reversal of) general reserve for possible losses on loans	91	—	—	—	6
Net business profits	754	642	721	551	475
Net non-recurring gains (losses) ⁽²⁾	(184)	159	33	81	113
Ordinary profits	569	801	754	632	588
Net extraordinary gains (losses)	(15)	(10)	(18)	(2)	4
Income before income taxes	554	791	735	629	592
Current income taxes	26	115	214	181	120
Deferred income taxes	17	93	40	14	61
Net income	¥ 511	¥ 582	¥ 480	¥ 434	¥ 411
Credit-related costs ⁽³⁾	¥ 114	¥ (116)	¥ 7	¥ (26)	¥ 10

Notes:

- (1) Net business profits (before provision for (reversal of) general reserve for possible losses on loans) of Mizuho Trust & Banking excludes credit costs for trust accounts.
- (2) Net non-recurring gains (losses) includes net gains (losses) related to stocks, expenses related to portfolio problems, accumulation (amortization) of unrecognized actuarial differences and others.
- (3) Credit-related costs consist of (a) expenses related to portfolio problems, (b) provision for (reversal of) general reserve for possible losses on loans, (c) reversal of reserves for possible losses on loans, etc. and (d) credit costs for trust accounts.

Combined net business profits (before provision for (reversal of) general reserve for possible losses on loans) decreased by ¥69 billion, or 12.6%, from ¥551 billion for the nine months ended December 31, 2014, to ¥481 billion for the nine months ended December 31, 2015. The decrease was due mainly to a decrease in net interest income and a decrease in net other operating income, offset in part by an increase in net trading income.

Combined net business profits (before provision for (reversal of) general reserve for possible losses on loans) increased by ¥78 billion, or 12.2%, from ¥642 billion for the fiscal year ended March 31, 2014, to ¥721 billion for the fiscal year ended March 31, 2015. The increase was due mainly to an increase in net other operating income, an increase in net fee and commission income and an increase in net trading income, offset in part by an increase in general and administrative expenses (excluding non-recurring losses).

Combined net business profits (before provision for (reversal of) general reserve for possible losses on loans) decreased by ¥203 billion, or 24.0%, from ¥846 billion for the fiscal year ended March 31, 2013, to ¥642 billion for the fiscal year ended March 31, 2014. The decrease was due mainly to a decrease in net other operating income and an increase in general and administrative expenses (excluding non-recurring losses), offset in part by an increase in net fee and commission income.

Business Segments Analysis

Our operating segments are based on the nature of the products and services provided, the type of customer and our management organization. The business segment information set forth below is derived from the internal management reporting systems used by management to measure the performance of our business segments. We measure the performance of each of our operating segments primarily in terms of “net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)” in accordance with internal managerial accounting rules and practices. Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) is used in Japan as a measure of the profitability of core banking operations and is defined as gross profits (excluding the amounts of credit costs of trust accounts) (or the sum of net interest income, fiduciary income, net fees and commissions income, net trading income and net other operating income) less general and administrative expenses (excluding non-recurring losses).

We engage in banking, trust banking, securities and other businesses through consolidated subsidiaries and affiliates. As these subsidiaries and affiliates are in different industries and regulatory environments, we disclose business segment information based on the relevant principal consolidated subsidiaries such as Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities for investors to measure the present and future cash flows properly.

Operating segments of Mizuho Bank are aggregated based on the type of customer characteristics and are aggregated into the following seven reportable segments: Personal Banking; Retail Banking; Corporate Banking (Large Corporations); Corporate Banking; Financial Institutions & Public Sector Business; International Banking; and Trading and others. Beginning in April 1, 2016, we reorganized the above operating units into five in-house companies and two units. See “Business—Group Operations”.

Mizuho Bank

Personal Banking

This segment provides financial products and services such as housing loans, deposits, investment trusts and individual insurance to individual customers through Mizuho Bank’s nationwide branches and ATM network as well as telephone and the internet banking services. In addition, this segment handles trust products as an agent of Mizuho Trust & Banking.

Retail Banking

This segment provides financial products and services, such as comprehensive consulting services of business succession and asset inheritance and asset management for business owners and high-net-worth customers. This segment also provides overall banking services for SMEs.

Corporate Banking (Large Corporations)

This segment provides a full range of financial solutions on a global basis to Japanese large corporations and their affiliates by integrating our specialty functions, including banking, trust and securities, based on solid relationships with our domestic customers and by utilizing our global industry knowledge.

Corporate Banking

This segment provides, to larger SMEs, financial products and services including a range of solution businesses in accordance with the growth strategy of our corporate customers. This segment provides solutions to customers’ financial needs such as stable fund-raising, M&A, management buy-out, business succession, entry to new business and business restructuring for customers in mature or transition stages.

Financial Institutions & Public Sector Business

This segment provides advisory services and solutions such as advice on financial strategy and risk management to financial institutions and provides comprehensive financial products and services that include funding support via the subscription and underwriting of bonds, etc., to public sector entities.

International Banking

This segment provides unified support both in Japan and overseas for our Japanese corporate customers to expand their overseas operations, and also promotes business with non-Japanese corporate customers in various countries through our global network. Further, this segment offers products such as project finance and trade finance for overseas customers.

Trading and others

This segment provides derivatives and other risk hedging products to satisfy Mizuho Bank's customers' financial and business risk control requirements. It is also engaged in Mizuho Bank's proprietary trading, such as foreign exchange and bond trading, and asset and liability management. This segment also includes costs incurred by the head office functions of Mizuho Bank.

Mizuho Trust & Banking

Mizuho Trust & Banking provides products and services related to trust, real estate, securitization and structured finance, pension and asset management and stock transfers.

Mizuho Securities

Mizuho Securities provides full-line securities services to corporations, financial institutions, public sector entities and individuals.

Others

This segment consists of Mizuho Financial Group, our subsidiaries other than Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities, and our equity-method affiliates. They provide a wide range of customers with various products and services such as those related to trust and custody, asset management and private banking through companies such as Trust & Custody Services Bank, Ltd., Mizuho Asset Management Co., Ltd., DIAM Co., Ltd. (an equity-method affiliate) and Mizuho Private Wealth Management Co., Ltd. This segment also provides non-banking services, including research and consulting services through Mizuho Research Institute Ltd., information technology-related services through Mizuho Information & Research Institute, Inc., and advisory services to financial institutions through Mizuho Financial Strategy Co., Ltd.

Results of Operations by Business Segment

Nine Months Ended December 31, 2015 Compared to Nine Months Ended December 31, 2014

Consolidated Results of Operations

Consolidated gross profits (excluding the amounts of credit costs of trust accounts) for the nine months ended December 31, 2015 were ¥1,625.9 billion, a decrease of ¥39.9 billion compared to the nine months ended December 31, 2014. Consolidated general and administrative expenses (excluding non-recurring losses) for the nine months ended December 31, 2015 were ¥1,007.0 billion, an increase of ¥36.7 billion compared to the nine months ended December 31, 2014. Consolidated net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the nine months ended December 31, 2015 were ¥601.1 billion, a decrease of ¥59.8 billion compared to the nine months ended December 31, 2014.

Mizuho Bank (Consolidated)									
Mizuho Bank (Nonconsolidated)									
	Personal Banking (a)	Retail Banking (b)	Corporate Banking (c)	Corporate Banking (d)	Financial Institution & Public Sector Business (e)	International Banking (f)	Trading and others (g)	Mizuho Trust & Banking (Consolidated) (i)	Mizuho Securities (Consolidated) (j)
Total	Total	Total	Total	Total	Total	Total	Total	Total	Mizuho Financial Group Consolidated (d) Total

Nine months ended December 31, 2014⁽¹⁾⁽²⁾:

Gross profits (excluding the amounts of credit costs of trust accounts):

Net interest income (expense)	¥ 795.1	¥ 684.4	¥160.1	¥58.5	¥124.1	¥ 73.3	¥23.6	¥111.5	¥133.3	¥110.7	¥ 1.1	¥0.2	¥826.3
Net noninterest income (expense)	467.4	445.5	29.3	37.9	84.7	52.5	18.8	122.4	99.9	21.9	240.9	45.4	839.5
Total	1,262.5	1,129.9	189.4	96.4	208.8	125.8	42.4	233.9	233.2	132.6	242.0	45.6	1,665.8
General and administrative expenses (excluding non-recurring losses)	667.4	619.8	174.3	89.5	71.5	58.0	22.7	68.5	135.3	47.6	196.2	37.1	970.3
Others	(29.9)	—	—	—	—	—	—	—	—	(29.9)	0.0	(1.9)	(34.6)
Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 565.2	¥ 510.1	¥ 15.1	¥ 6.9	¥137.3	¥ 67.8	¥19.7	¥165.4	¥ 97.9	¥ 55.1	¥45.8	¥6.6	¥660.9

Mizuho Bank (Consolidated)

Mizuho Bank (Nonconsolidated)									
	Personal Banking (a)	Retail Banking (b)	Corporate Banking (c)	Corporate Banking (d)	Financial Institution & Public Sector Business (e)	International Banking (f)	Trading and others (g)	Mizuho Trust & Banking (Consolidated) (i)	Mizuho Securities (Consolidated) (j)
Total	Total	Total	Total	Total	Total	Total	Total	Total	Mizuho Financial Group Consolidated (d) Total

Nine months ended December 31, 2015⁽¹⁾⁽²⁾:

Gross profits (excluding the amounts of credit costs of trust accounts):

Net interest income (expense)	¥ 726.9	¥ 627.1	¥162.1	¥57.2	¥120.9	¥ 71.9	¥23.5	¥131.0	¥60.5	¥99.8	¥ 3.7	¥2.3	¥ 761.3
Net noninterest income (expense)	470.1	443.2	27.6	36.8	96.4	50.7	21.3	137.0	73.4	26.9	257.5	48.3	864.6
Total	1,197.0	1,070.3	189.7	94.0	217.3	122.6	44.8	268.0	133.9	126.7	261.2	50.6	1,625.9
General and administrative expenses (excluding non-recurring losses)	677.3	626.1	176.4	89.7	68.7	56.5	21.9	89.8	123.1	51.2	212.1	44.0	1,007.0
Others	(16.6)	—	—	—	—	—	—	—	—	(16.6)	0.1	1.5	(17.8)
Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 503.1	¥ 444.2	¥ 13.3	¥ 4.3	¥148.6	¥ 66.1	¥22.9	¥178.2	¥10.8	¥58.9	¥49.2	¥8.1	¥ 601.1

Notes:

- (1) "Others (h)" and "Others (k)" include elimination of transactions between consolidated subsidiaries.
- (2) Beginning on April 1, 2015, we changed allocation methods among the reportable segments and realigned the reportable segments to reflect such change.

Mizuho Bank (Non-consolidated)

Gross profits (excluding the amounts of credit costs of trust accounts) for the nine months ended December 31, 2015 were ¥1,070.3 billion, a decrease of ¥59.6 billion, or 5.3%, compared to the nine months ended December 31, 2014. The decrease was attributable mainly to a decrease in net interest income compared to the same period in the previous year.

General and administrative expenses (excluding non-recurring losses) for the nine months ended December 31, 2015 were ¥626.1 billion, an increase of ¥6.3 billion, or 1.0%, compared to the nine months ended December 31, 2014. The increase was attributable mainly to an increase in both domestic and overseas personnel expenses and expenses in overseas operations in general.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the nine months ended December 31, 2015 were ¥444.2 billion, a decrease of ¥65.9 billion, or 12.9%, compared to the nine months ended December 31, 2014.

Mizuho Trust & Banking (Consolidated)

Gross profits (excluding the amounts of credit costs of trust accounts) for Mizuho Trust & Banking for the nine months ended December 31, 2015 were ¥117.1 billion, a decrease of ¥1.4 billion, or 1.2%, compared to the nine months ended December 31, 2014. The decrease was attributable mainly to an increase in noninterest income related to real estate businesses.

General and administrative expenses (excluding non-recurring losses) for Mizuho Trust & Banking for the nine months ended December 31, 2015 were ¥73.6 billion, an increase of ¥4.0 billion, or 5.7%, compared to the nine months ended December 31, 2014. The increase was attributable mainly to an increase in domestic personnel expenses.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for Mizuho Trust & Banking for the nine months ended December 31, 2015 were ¥40.7 billion, a decrease of ¥2.6 billion, or 6.0%, compared to the nine months ended December 31, 2014.

Mizuho Securities (Consolidated)

Gross profits (excluding the amounts of credit costs of trust accounts) for Mizuho Securities for the nine months ended December 31, 2015 were ¥261.2 billion, an increase of ¥19.2 billion, or 7.9%, compared to the nine months ended December 31, 2014. The increase was attributable mainly to an increase in equities-related commissions in the domestic market as well as an increase in the overseas business, especially in the United States, supported by our expanded debt capital markets capability.

General and administrative expenses (excluding non-recurring losses) for Mizuho Securities for the nine months ended December 31, 2015 were ¥212.1 billion, an increase of ¥15.9 billion, or 8.1%, compared to the nine months ended December 31, 2014. The increase was attributable mainly to expenses related to the overseas business.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for Mizuho Securities for the nine months ended December 31, 2015 were ¥49.2 billion, an increase of ¥3.4 billion, or 7.4%, compared to the nine months ended December 31, 2014.

Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014 and fiscal year ended March 31, 2014 compared to fiscal year ended March 31, 2013

Consolidated Results of Operations

Consolidated gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2015 were ¥2,247.7 billion, an increase of ¥212.4 billion compared to the fiscal year ended March 31, 2014. Consolidated general and administrative expenses (excluding non-recurring losses) for the fiscal

year ended March 31, 2015 were ¥1,321.2 billion, an increase of ¥91.9 billion compared to the fiscal year ended March 31, 2014. Consolidated net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2015 were ¥876.9 billion, an increase of ¥132.6 billion compared to the fiscal year ended March 31, 2014.

Consolidated gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2014 were ¥2,035.3 billion, a decrease of ¥136.4 billion compared to the fiscal year ended March 31, 2013. Consolidated general and administrative expenses (excluding non-recurring losses) for the fiscal year ended March 31, 2014 were ¥1,229.3 billion, an increase of ¥58.3 billion compared to the fiscal year ended March 31, 2013. Consolidated net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2014 were ¥744.3 billion, a decrease of ¥167.9 billion compared to the fiscal year ended March 31, 2013.

Mizuho Bank (Consolidated)												
Mizuho Bank (Non-consolidated)												
Corporate Banking (Large Corporations)			Financial Institution & Corporate Public Sector Business			Trading and International Banking others		Mizuho Trust & Banking (Consolidated)		Mizuho Securities (Consolidated)		Mizuho Financial Group (Consolidated) Total
Personal Banking (a)	Retail Banking (b)	Total	(c)	Banking (d)	Business (e)	International Banking (f)	Trading and others (g)	Others (h)	(i)	(j)	(k)	
(in billions of yen)												
Fiscal year ended March 31, 2014 ⁽¹⁾⁽³⁾⁽⁴⁾												
Gross profits (excluding the amounts of credit costs of trust accounts):												
Net interest income	¥ 933.8	¥ 800.1	¥164.6	¥ 60.4	¥170.7	¥ 77.3	¥30.7	¥128.9	¥167.5	¥40.2	¥ 2.9	¥1,108.3
Net noninterest income	407.4	398.2	31.6	38.0	135.4	55.8	21.7	139.8	(24.1)	108.1	283.9	927.0
Total	1,341.2	1,198.3	196.2	98.4	306.1	133.1	52.4	268.7	143.4	142.9	286.8	2,035.3
General and administrative expenses (excluding non-recurring losses)	711.3	659.0	171.3	87.8	83.8	58.8	25.1	82.5	149.7	52.3	246.2	1,229.3
Others	(56.1)	—	—	—	—	—	—	—	(56.1)	(2.9)	0.0	(61.7)
Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of provision for) general reserve for losses on loans												
	¥ 573.8	¥ 539.3	¥ 24.9	¥ 10.6	¥222.3	¥ 74.3	¥27.3	¥186.2	¥ (6.3)	¥ 34.5	¥40.6	¥ 744.3

Mizuho Bank (Consolidated)																										
Mizuho Bank (Non-consolidated)												Mizuho Financial Group Total														
Corporate Banking (Large Corporations)			Financial Institution & Corporate Public Sector Banking		Trading and International Banking others	Mizuho Trust & Banking (Consolidated)		Mizuho Securities (Consolidated)		Others (Consolidated)																
Personal Banking (a)	Retail Banking (b)	Total	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	Total														
(in billions of yen)																										
Fiscal year ended March 31, 2015 ⁽¹⁾⁽³⁾																										
Gross profits (excluding the amounts of credit costs of trust accounts):																										
Net interest income			¥1,087.3	¥ 934.9	¥217.5	¥ 78.4	¥179.4	¥100.5	¥33.5	¥141.9	¥183.7	¥152.4	¥39.4	¥ 1.8	¥ 0.9	¥1,129.4										
Net noninterest income			598.4	560.6	49.8	53.3	127.8	79.4	27.3	170.1	52.9	37.8	122.6	335.8	61.5	1,118.3										
Total			1,685.7	1,495.5	267.3	131.7	307.2	179.9	60.8	312.0	236.6	190.2	162.0	337.6	62.4	2,247.7										
General and administrative expenses (excluding non-recurring losses)													904.7	833.7	233.5	118.4	94.4	76.5	30.3	92.6	188.0	71.0	94.5	268.0	54.0	1,321.2
Others			(43.2)	—	—	—	—	—	—	—	—	—	(43.2)	(3.7)	0.0	(2.7)	(49.6)									
Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)													¥ 737.8	¥ 661.8	¥ 33.8	¥ 13.3	¥212.8	¥103.4	¥30.5	¥219.4	¥ 48.6	¥ 76.0	¥69.6	¥ 5.7	¥ 876.9	

Notes:

- (1) As for the fiscal year ended March 31, 2013, “Others (g),” “Others (n)” and “Others (p)” include elimination of transactions between consolidated subsidiaries. As for the fiscal years ended March 31, 2014 and 2015, “Others (h)” and “Others (k)” include elimination of transactions between consolidated subsidiaries.
- (2) Beginning on April 1, 2013, we moved to a new group operational structure and realigned the reportable segments to reflect the new organizational structure. In addition, new allocation methods have been applied to the calculation of “Gross profits (excluding the amounts of credit costs of trust accounts)” and “General and administrative expenses (excluding non-recurring losses).” Figures for the fiscal year ended March 31, 2013 have been reclassified under the new allocation methods. The effect of the change of allocation methods is not significant.

- (3) Beginning on April 1, 2013, Mizuho Securities was turned into a directly-held subsidiary of Mizuho Financial Group. As for the fiscal year ended March 31, 2013, “Mizuho Securities (Consolidated) (m)” represents the performance of the former Mizuho Securities for the first three quarters and the new Mizuho Securities for the fourth quarter, while “Others (g)” includes the performance of the former Mizuho Investors Securities for the first three quarters. As for the fiscal year ended March 31, 2014, “Mizuho Securities (Consolidated) (j)” represents the performance of the new Mizuho Securities, in light of the merger of the former Mizuho Securities and the former Mizuho Investors Securities conducted in January 2013.
- (4) As for the fiscal year ended March 31, 2014, “Mizuho Bank (Non-consolidated)” represents the sum of the performance of the former Mizuho Corporate Bank for the first quarter and the new Mizuho Bank for the second, third and fourth quarters, while “Others (h)” includes the performance of the former Mizuho Bank for the first quarter, in light of the merger of the former Mizuho Bank and the former Mizuho Corporate Bank conducted in July 2013.

Mizuho Bank

On July 1, 2013, the merger between the former Mizuho Bank and the former Mizuho Corporate Bank came into effect with the former Mizuho Corporate Bank as the surviving entity, which was renamed Mizuho Bank upon the merger. For the fiscal year ended March 31, 2015 compared to the fiscal year ended March 31, 2014, the following comparison is based on the results of Mizuho Bank (on a non-consolidated basis) and the simple aggregation of the results of the former Mizuho Bank and the former Mizuho Corporate Bank (each on a non-consolidated basis) with respect to periods prior to the merger. Otherwise, for the fiscal year ended March 31, 2014 compared to the fiscal year ended March 31, 2013, the following table and comparison are based on the simple aggregation of the results of the former Mizuho Bank and the former Mizuho Corporate Bank with respect to periods prior to the merger.

The former Mizuho Bank and the former Mizuho Corporate Bank (or Mizuho Bank)							
Personal Banking	Retail Banking	Corporate Banking (Large Corporations)	Corporate Banking	Financial Institution & Public Sector Business	International Banking	Trading and others	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
(in billions of yen)							
Fiscal year ended March 31, 2013⁽¹⁾⁽²⁾:							
Gross profits (excluding the amounts of credit costs of trust accounts):							
Net interest income	¥219.2	¥ 83.3	¥155.8	¥106.6	¥36.2	¥108.2	¥206.2
Net noninterest income	33.9	42.3	122.6	70.9	24.2	104.7	248.5
Total	253.1	125.6	278.4	177.5	60.4	212.9	454.7
General and administrative expenses (excluding non-recurring losses)							
Others	—	—	—	—	—	—	—
Net business profits	¥ 34.5	¥ 11.9	¥190.0	¥103.0	¥33.9	¥146.3	¥277.5
Fiscal year ended March 31, 2014⁽¹⁾⁽²⁾:							
Gross profits (excluding the amounts of credit costs of trust accounts):							
Net interest income	¥218.0	¥ 80.7	¥173.3	¥102.5	¥35.5	¥128.9	¥184.9
Net noninterest income	39.8	49.8	140.4	70.1	24.1	139.8	(3.7)
Total	257.8	130.5	313.7	172.6	59.6	268.7	181.2
General and administrative expenses (excluding non-recurring losses)							
Others	—	—	—	—	—	—	—
Net business profits	¥ 31.4	¥ 13.8	¥226.5	¥ 94.9	¥30.6	¥186.2	¥ 9.6

Notes:

- (1) The former Mizuho Bank and the former Mizuho Corporate Bank merged on July 1, 2013. Figures for the fiscal year ended March 31, 2013 represent the simple aggregation of the performance of the former Mizuho Bank and the former Mizuho Corporate Bank, and figures for the fiscal year ended March 31, 2014 represent the simple aggregation of the performance of the former Mizuho Bank and the former Mizuho Corporate Bank for the first quarter and the new Mizuho Bank for the second, third, and fourth quarters.
- (2) Beginning on April 1, 2013, we moved to a new group operational structure and realigned the reportable segments to reflect the new organizational structure. Beginning on April 1, 2014, new allocation methods have been applied to the calculation of “Gross profits (excluding the amounts of credit costs of trust accounts)” and “General and administrative expenses (excluding non-recurring losses)” for reportable segments of Mizuho Bank. Figures for the fiscal year ended March 31, 2014 have been reclassified under the new allocation methods. The narrative analysis under the heading “Fiscal year ended March 31, 2014 compared to fiscal year ended March 31, 2013” below is based on figures prior to such change.

Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014

Gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2015 were ¥1,495.5 billion, an increase of ¥111.4 billion, or 8.0%, compared to the fiscal year ended March 31, 2014. The increase was attributable mainly to an increase in gross profits related to our customer groups resulting from an increase in sales of investment trusts in personal banking, an increase in income mainly in the Americas in international banking and an increase in trading and others.

General and administrative expenses (excluding non-recurring losses) for the fiscal year ended March 31, 2015 increased by ¥42.6 billion, or 5.4%, compared to the fiscal year ended March 31, 2014 to ¥833.7 billion. The increase was attributable mainly to the April 2014 consumption tax increase and the depreciation of the yen against the dollar and other major currencies, which increased the yen-equivalent costs related to our overseas operations, offset in part by our group-wide cost reduction efforts, including our cost restructuring measures.

As a result, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2015 increased by ¥68.8 billion, or 11.6%, compared to the fiscal year ended March 31, 2014 to ¥661.8 billion.

Fiscal year ended March 31, 2014 compared to fiscal year ended March 31, 2013

Gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2014 were ¥1,384.1 billion, a decrease of ¥178.5 billion, or 11.4%, compared to the fiscal year ended March 31, 2013. The decrease was attributable mainly to a decrease in income from trading and others due mainly to the particularly strong results in the previous fiscal year. This decrease was offset in part by increases in gross profits related to our customer groups attributable to an increase in income mainly in Asia in international banking, an increase in solution business-related income in corporate banking (large corporations) and an increase in sales of investment trusts in personal banking.

General and administrative expenses (excluding non-recurring losses) for the fiscal year ended March 31, 2014 increased by ¥25.6 billion, or 3.3%, compared to the fiscal year ended March 31, 2013 to ¥791.1 billion due mainly to expenses related to the next-generation IT systems and the depreciation of the yen against the dollar and other major currencies, which increased the yen-equivalent costs related to our overseas operations, offset in part by our group-wide cost reduction efforts, including our cost restructuring measures.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2014 decreased by ¥204.1 billion, or 25.6%, compared to the fiscal year ended March 31, 2013 to ¥593.0 billion.

Mizuho Trust & Banking (Consolidated)

Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014

Gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2015 were ¥162.0 billion, an increase of ¥13.7 billion, or 9.2%, compared to the fiscal year ended March 31, 2014. The increase was attributable mainly to an increase in noninterest income related to real estate businesses and pension and asset management reflecting the recovery in market conditions.

General and administrative expenses (excluding non-recurring losses) for the fiscal year ended March 31, 2015 increased by ¥3.6 billion, or 4.0%, compared to the fiscal year ended March 31, 2014 to ¥94.5 billion. The increase reflected income growth and the depreciation of the yen against the dollar and other major currencies, which increased the yen-equivalent costs related to our overseas operations.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2015 increased by ¥9.3 billion, or 17.1%, compared to the fiscal year ended March 31, 2014 to ¥63.8 billion.

Fiscal year ended March 31, 2014 compared to fiscal year ended March 31, 2013

Gross profits (excluding the amounts of credit costs of trust accounts) for Mizuho Trust & Banking for the fiscal year ended March 31, 2014 were ¥148.3 billion, an increase of ¥3.8 billion, or 2.6%, compared to the fiscal year ended March 31, 2013. The increase was attributable mainly to an increase in noninterest income related to pension and asset management and real estate businesses reflecting the recovery in market conditions.

General and administrative expenses (excluding non-recurring losses) for Mizuho Trust & Banking for the fiscal year ended March 31, 2014 increased by ¥0.8 billion, or 0.9%, compared to the fiscal year ended March 31, 2013 to ¥90.9 billion. We were able to maintain expense levels similar to the previous fiscal year due mainly to our group-wide cost reduction efforts.

As a result mainly of the foregoing, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for Mizuho Trust & Banking for the fiscal year ended March 31, 2014 increased by ¥3.6 billion, or 7.1%, compared to the fiscal year ended March 31, 2013 to ¥54.5 billion.

Mizuho Securities (Consolidated)

Fiscal year ended March 31, 2015 compared to fiscal year ended March 31, 2014

Gross profits (excluding the amounts of credit costs of trust accounts) for the fiscal year ended March 31, 2015 were ¥337.6 billion, an increase of ¥50.8 billion, or 17.7%, compared to the fiscal year ended March 31, 2014. The increase was attributable mainly to an increase in trading income and fee and commission income related to underwriting and selling of bonds.

General and administrative expenses (excluding non-recurring losses) for the fiscal year ended March 31, 2015 increased by ¥21.8 billion, or 8.9%, compared to the fiscal year ended March 31, 2014 to ¥268.0 billion. The increase was due mainly to an increase in personnel expenses reflecting the favorable operating results and the depreciation of the yen against the dollar and other major currencies, which increased the yen-equivalent costs related to our overseas operations.

As a result, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for the fiscal year ended March 31, 2015 increased by ¥29.0 billion, or 71.4%, compared to the fiscal year ended March 31, 2014 to ¥69.6 billion.

Fiscal year ended March 31, 2014 compared to fiscal year ended March 31, 2013

Gross profits (excluding the amounts of credit costs of trust accounts) for Mizuho Securities for the fiscal year ended March 31, 2014 were ¥286.8 billion, an increase of ¥59.6 billion, or 26.2%, compared to the fiscal year ended March 31, 2013. The increase was attributable mainly to the impact of the merger with Mizuho Investors Securities as well as an increase in equity brokerage commissions and income related to investment trusts reflecting the recovery in market conditions.

General and administrative expenses (excluding non-recurring losses) for Mizuho Securities for the fiscal year ended March 31, 2014 increased by ¥49.1 billion, or 24.9%, compared to the fiscal year ended March 31, 2013 to ¥246.2 billion. The increase was due mainly to the impact of the merger with Mizuho Investors Securities in January 2013 as well as an increase in personnel expenses reflecting the recovery in operating results.

As a result, net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) for Mizuho Securities for the fiscal year ended March 31, 2014 increased by ¥10.5 billion, or 34.9%, compared to the fiscal year ended March 31, 2013 to ¥40.6 billion.

Geographical Segment Analysis

The following tables present consolidated ordinary income by major geographic area of the booking entity. However, as our operations are highly integrated globally, we have made estimates and assumptions for the allocation among the geographic areas.

	Ordinary income⁽¹⁾⁽²⁾ (in billions of yen)
For the fiscal year ended March 31, 2013:	
Japan	¥ 2,284
Americas ⁽³⁾	244
Europe ⁽³⁾	133
Asia/Oceania ⁽³⁾ excluding Japan	250
Total	<u>¥ 2,913</u>
For the fiscal year ended March 31, 2014:	
Japan	¥ 2,275
Americas ⁽³⁾	202
Europe ⁽³⁾	180
Asia/Oceania ⁽³⁾ excluding Japan	268
Total	<u>¥ 2,927</u>
For the fiscal year ended March 31, 2015:	
Japan	¥ 2,375
Americas ⁽³⁾	284
Europe ⁽³⁾	184
Asia/Oceania ⁽³⁾ excluding Japan	335
Total	<u>¥ 3,180</u>
For the six months ended September 30, 2014:	
Japan	¥ 1,161
Americas ⁽³⁾	113
Europe ⁽³⁾	81
Asia/Oceania ⁽³⁾ excluding Japan	156
Total	<u>¥ 1,512</u>
For the six months ended September 30, 2015:	
Japan	¥ 1,223
Americas ⁽³⁾	164
Europe ⁽³⁾	77
Asia/Oceania ⁽³⁾ excluding Japan	172
Total	<u>¥ 1,637</u>

Notes:

- (1) The above tables show ordinary income instead of sales and operating profits, respectively, of non-financial companies.
- (2) Ordinary income represents total income less certain special income.
- (3) Americas includes the United States and Canada. Europe includes the United Kingdom. Asia/Oceania includes Hong Kong and the Republic of Singapore.

Six Months Ended September 30, 2015 Compared to Six Months Ended September 30, 2014

Ordinary income in Japan increased by ¥62 billion, due mainly to an increase in trading income, primarily from gains on trading account derivatives. In the Americas, ordinary income increased by ¥50 billion, due mainly to an increase in fees and commissions, primarily from fees and commissions on deposit, bonds and loan business. In Europe, ordinary income decreased by ¥4 billion, due mainly to a decrease in other ordinary income, primarily from reversal of reserve for possible loan losses. In Asia/Oceania excluding Japan, ordinary income increased by ¥15 billion, due mainly to an increase in interest income, primarily from interest income on loans and discounts.

Fiscal Year Ended March 31, 2015 Compared to Fiscal Year Ended March 31, 2014

Ordinary income in Japan increased by ¥99 billion, due mainly to an increase in other operating income, primarily from gains on sales of bonds. In the Americas, ordinary income increased by ¥81 billion, due mainly to an increase in fee and commission, primarily from fees and commissions on deposit, bonds and loan business. In Europe, ordinary income increased by ¥3 billion, due mainly to an increase in trading income, primarily from gains on trading account derivatives. In Asia/Oceania excluding Japan, ordinary income increased by ¥67 billion, due mainly to an increase in interest income, primarily from interest income on loans and discounts.

Fiscal Year Ended March 31, 2014 Compared to Fiscal Year Ended March 31, 2013

Ordinary income in Japan decreased by ¥9 billion, due mainly to a decrease in other operating income, primarily from gains on sales of bonds. In the Americas, ordinary income decreased by ¥41 billion, due mainly to a decrease in other ordinary income, primarily from gains on sales of investment account stocks. In Europe, ordinary income increased by ¥47 billion, due mainly to an increase in other ordinary income, primarily from reversal of reserves for possible losses on loans. In Asia/Oceania excluding Japan, ordinary income increased by ¥18 billion, due mainly to an increase in interest income, primarily from loans and bills discounted.

Financial Condition

Total Assets

As of December 31, 2015, we had total assets of ¥195.5 trillion, representing a 3.0% increase from ¥189.6 trillion as of March 31, 2015. The increase was due mainly to increases in cash and due from banks, loans and bills discounted and trading assets, offset in part by a decrease in securities.

As of March 31, 2015, we had total assets of ¥189.6 trillion, representing a 7.8% increase from ¥175.8 trillion as of March 31, 2014. The increase was due mainly to increases in cash and due from banks and loans and bills discounted.

As of March 31, 2014, we had total assets of ¥175.8 trillion, representing a 0.8% decrease from ¥177.4 trillion as of March 31, 2013. The decrease was due mainly to decreases in securities and trading assets, offset in part by increases in cash and due from banks and other debt purchased.

Loans and Bills Discounted

As of December 31, 2015, we had loans and bills discounted of ¥75.8 trillion, representing 38.8% of our total assets and a 3.3% increase compared to the ¥73.4 trillion as of March 31, 2015. The increase was due primarily to increases in both domestic loans and overseas loans.

As of March 31, 2015, we had loans and bills discounted of ¥73.4 trillion, representing 38.7% of our total assets and a 5.9% increase compared to the ¥69.3 trillion as of March 31, 2014. The increase was due primarily to an increase in overseas loans.

As of March 31, 2014, we had loans and bills discounted of ¥69.3 trillion, representing 39.4% of our total assets and a 2.6% increase compared to the ¥67.5 trillion as of March 31, 2013. The increase was due primarily to an increase in overseas loans.

For further information on loans and bills discounted, see “Additional Financial Information—Lending.”

Securities

We hold various kinds of securities, the major portion of which consists of Japanese government bonds. In addition we hold stocks, corporate bonds, securitization products and credit investments, including stock investment trusts and fund investments.

These securities, other than bonds held to maturity and shares in subsidiaries and affiliates, are carried at fair value on the date of our balance sheets.

As of December 31, 2015, we held ¥38.8 trillion in securities, representing 19.8% of our total assets and a 10.1% decrease compared to the ¥43.2 trillion in securities as of March 31, 2015. The decrease was due primarily to a decrease in Japanese government bonds.

As of March 31, 2015, we held ¥43.2 trillion in securities, representing 22.8% of our total assets and a 1.6% decrease compared to the ¥43.9 trillion in securities as of March 31, 2014. The decrease was due primarily to a decrease in Japanese government bonds.

As of March 31, 2014, we held ¥43.9 trillion in securities, representing 25.0% of our total assets and a 17.7% decrease compared to the ¥53.4 trillion in securities as of March 31, 2013. The decrease was due primarily to a decrease in Japanese government bonds.

Cash and Due from Banks

Cash and due from banks was ¥37.3 trillion and ¥29.0 trillion as of December 31, 2015 and March 31, 2015, respectively.

Cash and due from banks was ¥20.6 trillion and ¥12.3 trillion as of March 31, 2014 and 2013, respectively.

Trading Assets

As of December 31, 2015, trading assets increased from ¥10.7 trillion as of March 31, 2015 to ¥12.1 trillion.

As of March 31, 2015, we had trading assets of ¥10.7 trillion, a decrease from ¥11.4 trillion as of March 31, 2014.

As of March 31, 2014, we had trading assets of ¥11.4 trillion, a decrease from ¥14.0 trillion as of March 31, 2013.

Deferred Tax Assets

Deferred tax assets are generated in a number of ways, including by:

- increasing reserves for possible losses on loans, since such increased expenses will generally not be reflected in taxable income until the underlying loans are disposed of;
- recognizing tax loss carryforwards; and
- reflecting that portion of realized losses and net unrealized losses on other securities that are expected to be used to offset taxable income.

The calculation of deferred tax assets is dependent on assumptions regarding future taxable income.

As of December 31, 2015, we had net deferred tax liabilities of ¥496 billion, representing a 1.7% increase compared to ¥487 billion in net deferred tax liabilities as of March 31, 2015.

As of March 31, 2015, we had net deferred tax liabilities of ¥487 billion, compared to net deferred tax assets of ¥54 billion as of March 31, 2014.

As of March 31, 2014, we had net deferred tax assets of ¥54 billion, representing a 51.2% decrease compared to ¥111 billion in net deferred tax assets as of March 31, 2013.

Additional information on how we determine net deferred tax assets is included under “—Critical Accounting Estimates—Deferred Tax Assets.”

Total Liabilities

As of December 31, 2015, our total liabilities were ¥186.1 trillion, representing a 3.4% increase compared to ¥179.8 trillion as of March 31, 2015. The increase was due mainly to increases in deposits and negotiable certificates of deposit.

As of March 31, 2015, our total liabilities were ¥179.8 trillion, representing a 7.3% increase compared to ¥167.5 trillion as of March 31, 2014. The increase was due mainly to increases in deposits, negotiable certificates of deposit and payables under repurchase agreements.

As of March 31, 2014, our total liabilities were ¥167.5 trillion, representing a 1.2% decrease compared to ¥169.6 trillion as of March 31, 2013. The decrease was due mainly to a decrease in guarantee deposits received under securities lending transactions, offset in part by an increase in deposits.

Deposits

Deposits represent our primary source of funds. Deposits come from a wide variety of domestic and international sources, including deposits placed by corporate and individual customers and, to a lesser extent, governmental entities and financial institutions, and from negotiable certificates of deposit issued to domestic and international customers. The majority of the deposits held by branches of our principal banking subsidiaries located outside Japan are denominated in U.S. dollars but some of these deposits are in yen or other currencies.

As of December 31, 2015, we had deposits, including negotiable certificates of deposit, of ¥119.3 trillion, representing 64.1% of total liabilities and a 5.1% increase from ¥113.4 trillion as of March 31, 2015.

As of March 31, 2015, we had deposits, including negotiable certificates of deposit, of ¥113.4 trillion, representing 63.0% of total liabilities and a 11.4% increase from ¥101.8 trillion as of March 31, 2014.

As of March 31, 2014, we had deposits, including negotiable certificates of deposit, of ¥101.8 trillion, representing 60.7% of total liabilities and a 2.2% increase from ¥99.5 trillion as of March 31, 2013.

For further information on deposits, see “Additional Financial Information—Deposits.”

Debentures

In Japan, certain banks are entitled to issue discount and coupon debentures in the domestic market under applicable banking laws. We benefitted from such entitlement originally held by The Industrial Bank of Japan, Limited, one of our predecessor banks. While we had this entitlement through March 2012, we had reduced our reliance on debentures in recent years and were shifting to other sources of financing, including mainly bonds.

As a result, as of December 31, 2015, March 31, 2015 and March 31, 2014, we had no debentures outstanding.

Short-term Borrowings

Short-term borrowings include call money and bills sold, payables under repurchase agreements, guarantee deposits received under securities lending transactions, commercial paper, foreign exchange liabilities, short-term bonds and due to trust accounts. We use short-term borrowings mainly as one of our funding sources and in our management of interest rate risk.

As of December 31, 2015, short-term borrowings were ¥31.6 trillion, representing a 3.5% increase compared to ¥30.5 trillion in short-term borrowings at March 31, 2015.

As of March 31, 2015, short-term borrowings were ¥30.5 trillion, representing a 7.2% decrease compared to ¥32.9 trillion in short-term borrowings at March 31, 2014.

As of March 31, 2014, short-term borrowings were ¥32.9 trillion, representing an 11.2% decrease compared to ¥37.1 trillion in short-term borrowings at March 31, 2013.

Other Long-term Debt

As of December 31, 2015, long-term debt was ¥14.0 trillion, representing a 6.6% increase compared to ¥13.2 trillion in long-term debt as of March 31, 2015.

As of March 31, 2015, long-term debt was ¥13.2 trillion, representing a 0.9% increase compared to ¥13.0 trillion as of March 31, 2014.

As of March 31, 2014, long-term debt was ¥13.0 trillion, representing a 1.8% increase compared to ¥12.8 trillion in long-term debt as of March 31, 2013.

Shareholders' Equity and Net Assets

The following table shows a breakdown of shareholders' equity as of March 31, 2013, 2014 and 2015, and as of December 31, 2015:

	As of March 31,			As of December 31, 2015
	2013	2014	2015	
	(in billions of yen)			
Common stock and preferred stock	¥2,254	¥2,254	¥2,255	¥2,255
Capital surplus	1,109	1,109	1,110	1,111
Retained earnings	1,814	2,315	2,769	3,045
Treasury stock	(4)	(3)	(3)	(3)
Total shareholders' equity	<u>¥5,174</u>	<u>¥5,676</u>	<u>¥6,131</u>	<u>¥6,409</u>

Shareholders' equity increased by ¥501 billion from March 31, 2013 to ¥5,676 billion as of March 31, 2014 and increased by ¥454 billion from March 31, 2014 to ¥6,131 billion as of March 31, 2015. Shareholders' equity increased further to ¥6,409 billion as of December 31, 2015.

Common stock and preferred stock remained level at ¥2,254 billion as of March 31, 2013 and March 31, 2014 and increased to ¥2,255 billion as of March 31, 2015. Common stock remained level at ¥2,255 billion as of December 31, 2015.

Capital surplus remained level at ¥1,109 billion as of March 31, 2013 and March 31, 2014 and increased to ¥1,110 billion as of March 31, 2015. Capital surplus increased further to ¥1,111 billion as of December 31, 2015.

Retained earnings increased by ¥500 billion from March 31, 2013 to ¥2,315 billion as of March 31, 2014. Retained earnings increased by ¥453 billion from March 31, 2014 to ¥2,769 billion as of March 31, 2015. Retained earnings increased by ¥276 billion to ¥3,045 billion as of December 31, 2015.

As of December 31, 2015, net unrealized gains on other securities (net of taxes) reflected in net assets was ¥1,510 billion, an decrease of ¥226 billion from ¥1,737 billion of net unrealized gains on other securities (net of taxes) as of March 31, 2015. As of March 31, 2015, net unrealized gains on other securities (net of taxes) reflected in net assets was ¥1,737 billion, an increase of ¥1,003 billion from ¥733 billion of net unrealized gains on other securities (net of taxes) as of March 31, 2014. As of March 31, 2014, net unrealized gains on other securities (net of taxes) reflected in net assets was ¥733 billion, an increase of ¥117 billion from March 31, 2013.

Liquidity and Capital Resources

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, foreign currencies, 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.

Deposits, based on our broad customer base and brand recognition in Japan, have been our primary source of liquidity. Our total deposits increased by ¥5,876 billion, or 5.1%, from the end of the previous fiscal year to ¥119,328 billion as of December 31, 2015. Our balance of deposits as of December 31, 2015 exceeded our balance of loans by ¥43,446 billion. We invested the excess portion primarily in marketable securities and other high liquidity assets.

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 subordinated long-term debt for the purpose of improving our 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 December 31, 2015:

	As of December 31, 2015					
	S&P			Moody's		
	Long-term	Short-term	Stand-alone credit profile	Long-term	Short-term	Baseline credit assessment
Mizuho Financial Group	A-	—	—	—	P-1	—
Mizuho Bank	A	A-1	a	A1	P-1	baa1
Mizuho Trust & Banking	A	A-1	a	A1	P-1	baa1

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. 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, maintain credit lines and swap facilities denominated in foreign currencies and pledge collateral to the U.S. Federal Reserve Bank to support future credit extensions.

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 monthly risk management committee. 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 December 31, 2015, the balance of Japanese government bonds included within our investments was ¥14.0 trillion (excluding held-to-maturity securities), and a majority of this amount, which has historically not fluctuated significantly over the course of a fiscal year, was classified as the principal component of liquidity reserve assets.

Related to regulatory liquidity requirements, the liquidity coverage ratio (“LCR”) standard has been introduced in Japan. The minimum LCR under the LCR guidelines is 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, while it is subject to phase-in arrangements pursuant to which the LCR rises in equal annual steps of 10 percentage points to reach 100% on January 1, 2019, with a minimum requirement of 70% during the period from January 1 to December 31, 2016. The BCBS issued final requirements for LCR-related disclosures on January 12, 2014, and the LCR disclosure guidelines of the FSA, which reflect such requirements, have been applied to banks and bank holding companies with international operations from June 30, 2015. The LCR disclosure guidelines require such banks and bank holding companies to disclose their LCR in common templates starting from information as of June 30, 2015. Set forth below is the average of the month-end balance consolidated LCR data of Mizuho Group and the consolidated and non-consolidated LCR data of our principal banking subsidiaries for the three months ended December 31, 2015. For more information on LCR, see “Supervision and Regulation—Japan—Liquidity.”

For the three months
ended December 31, 2015

(in millions of yen,
except percentages)

Mizuho Group (Consolidated)

Total high-quality liquid assets ("HQLA") allowed to be included in the calculation (weighted)	¥55,206,490
Net cash outflows (weighted)	41,425,264
LCR	133.4%

Mizuho Bank (Consolidated)

Total HQLA allowed to be included in the calculation (weighted)	¥49,556,607
Net cash outflows (weighted)	36,380,583
LCR	136.4%

Mizuho Bank (Non-consolidated)

Total HQLA allowed to be included in the calculation (weighted)	¥49,286,314
Net cash outflows (weighted)	35,945,237
LCR	137.2%

Mizuho Trust and Banking (Consolidated)

Total HQLA allowed to be included in the calculation (weighted)	¥ 2,181,745
Net cash outflows (weighted)	1,630,207
LCR	133.8%

Mizuho Trust and Banking (Non-consolidated)

Total HQLA allowed to be included in the calculation (weighted)	¥ 2,121,119
Net cash outflows (weighted)	1,539,522
LCR	137.7%

Capital Adequacy

Regulatory Capital Requirements

Mizuho Financial Group and its principal banking subsidiaries are subject to regulatory capital requirements administered by the FSA in accordance with the provisions of the Banking Act and related regulations. Failure to meet minimum capital requirements may initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on our financial condition and results of operations.

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the FSA closely follow the risk-adjusted approach proposed by the BIS and are intended to further strengthen the soundness and stability of Japanese banks. Effective March 31, 2007, guidelines were implemented by the FSA to comply with the capital adequacy requirements set by BIS called Basel II. The framework of Basel II is based on the following three pillars: minimum capital requirements; supervisory review; and market discipline.

In May 2011, the capital adequacy guidelines were revised by the FSA to comply with the package of measures to enhance the Basel II framework approved by the BCBS in July 2009. The revised guidelines, which became effective in December 2011, include the strengthening of rules governing trading book capital and the strengthening of treatment of certain securitizations under the first pillar.

In December 2010, the BCBS issued the Basel III rules text (later revised in June 2011, January 2013 and October 2014), which presents the details of global regulatory standards on bank capital adequacy and liquidity agreed by the Governors and Heads of Supervision, which is the oversight body of the BCBS, and endorsed by the G20 Leaders at the Seoul summit in November 2010. The rules text sets out higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement, the introduction of capital conservation buffer and countercyclical capital buffer as measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two global liquidity standards. The FSA's revisions to its capital adequacy guidelines became effective from March 31, 2013, which generally reflect the rules in the Basel III rules text that have been applied from January 1, 2013. While the three-pillar structure of Basel II has been retained, Basel III includes various changes as described further below.

Under the first pillar, the capital ratio is calculated by dividing regulatory capital, or risk-based capital, by risk-weighted assets. With respect to the calculation of risk-weighted assets, we adopt the advanced internal ratings-based approach ("AIRB approach") for credit risk. Under such approach, balance sheet assets and off-

balance sheet exposures, calculated under Japanese GAAP, are assessed according to risk components such as probability of default and loss given default, which are derived from our own internal credit experience. In addition to credit risk, banks are required to measure and apply capital charges with respect to their market risks. Market risk is defined as the risk of losses in on- and off-balance sheet positions arising from movements in market prices. Operational risk, which was introduced under Basel II with respect to regulatory capital requirements, is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. We adopt the advanced measurement approach for the measurement of operational risk equivalent by taking account of the following four elements: internal loss data; external loss data; scenario analysis; and business environment and internal control factors. Under Basel III, the calculation method of risk-weighted assets was revised, including certain modifications to the treatment of counterparty credit risk, such as a capital charge for credit valuation adjustment risk.

With regard to risk-based capital, the guidelines based on Basel III set out higher and better-quality capital standards compared to those under Basel II. The guidelines based on Basel III require a target minimum standard capital adequacy ratio of 8%, Tier 1 capital ratio of 6% (phased in at 5.5% in 2014) and Common Equity Tier 1 capital ratio of 4.5% (phased in at 4.0% in 2014), on both a consolidated and non-consolidated basis for banks with international operations, such as Mizuho Bank and Mizuho Trust & Banking, or on a consolidated basis for bank holding companies with international operations, such as Mizuho Financial Group.

Risk-based capital, calculated from financial statements prepared under Japanese GAAP, is classified into the following two tiers: Tier 1 capital; and Tier 2 capital. Tier 1 capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital. Common Equity Tier 1 capital generally consists of common stock, capital surplus, retained earnings, accumulated other comprehensive income and other disclosed reserves and others less any regulatory adjustments. Additional Tier 1 capital generally consists of instruments issued by a bank or its holding company that meet the criteria for inclusion in Additional Tier 1 capital and others less any regulatory adjustments. Tier 2 capital generally consists of instruments issued by a bank or its holding company such as subordinated debt that meet the criteria for inclusion in Tier 2 capital, general reserve for possible losses on loans (equaling the sum of (i) the excess of the amount of qualified reserves over the amount of expected losses and (ii) the amount of general reserves calculated based on the standardized approach) and others less any regulatory adjustments.

Under Basel III, capital instruments that will no longer qualify as Additional Tier 1 capital or Tier 2 capital under Basel III are being phased out beginning March 2013 by increments of 10% until becoming fully effective in March 2022. Our existing preferred stock and preferred securities (the amounts thereof included within Additional Tier 1 capital as of December 31, 2015 being ¥1,192.0 billion) and our existing subordinated debt issued before March 2013 (the amounts thereof included within Tier 2 capital as of December 31, 2015 being ¥993.0 billion) are subject to the phase-out arrangements.

In November 2011, the Financial Stability Board published policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions. The policy measures include requirements for G-SIBs to have additional loss absorption capacity tailored to the impact of their default, ranging from 1% to 2.5% of risk-weighted assets, to be met with Common Equity Tier 1 capital, which would be in addition to the 7.0% Common Equity Tier 1 capital requirement (including capital conservation buffer). The requirements began phasing in starting in January 2016 with full implementation by January 2019. We were included in the list of G-SIBs updated in November 2015 and were allocated to the bucket that would require 1.0% of additional loss absorbency.

In November 2015, the FSA published the revised capital adequacy guidelines to introduce the Basel III rules text regarding the capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and domestic systemically important banks (“D-SIBs”). These guidelines have become effective on March 31, 2016. The capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and D-SIBs must be met with Common Equity Tier 1 capital under the revised guidelines, and if such buffer and requirement are not satisfied, a capital distribution constraints plan is required to be submitted to the FSA and carried out. The capital conservation buffer is being phased in starting in March 2016 at 0.625% until becoming fully effective in March 2019 at 2.5%. In addition, subject to national discretion by the respective regulatory authorities, if the relevant national authority judges a period of excess credit growth to be leading to the build-up of system-wide risk, a countercyclical capital buffer ranging from 0% to 2.5% would also be imposed on banking organizations. The countercyclical capital buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures.

In December 2015, the FSA published a capital adequacy guideline regarding the designation of G-SIBs and D-SIBs in Japan. We were designated as both a G-SIB and D-SIB, and the additional loss absorption capacity requirement applied to us was 1.0%. The additional loss absorption capacity requirement was the same as that imposed by the Financial Stability Board, which is being phased in starting in March 2016 at 0.25% until becoming fully effective in March 2019 at 1.0%. As a result, the Common Equity Tier 1 capital requirement, including capital conservation buffer and additional loss absorption capacity requirement but excluding countercyclical capital buffer, is being phased in starting in March 2016 at 5.375%, and is expected to be 8.0% beginning March 2019.

As of March 31, 2015 and December 31, 2015, on a fully-effective basis under the Basel III framework expected to be in effect as of March 31, 2019, we calculated that, on a trial basis, we had Common Equity Tier 1 capital ratios of 10.46% and 11.04%, respectively, and we aimed to sustain a Common Equity Tier 1 capital ratio of at least 8% as of March 31, 2016. While preferred stock is not included in Common Equity Tier 1 capital, the foregoing historical and target Common Equity Tier 1 capital ratios have been calculated including our eleventh series Class XI preferred stock that will become mandatorily converted into common stock, and will thus be recognized as Common Equity Tier I Capital, by July 2016 in our Common Equity Tier 1 capital.

The foregoing includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Exchange Act that are based on our current expectations, assumptions, estimates and projections. While we believe that we will be able to achieve the above common equity capital ratio, there can be no assurance that we will be able to execute the initiatives as planned. See “Risk Factors—Risks Related to Our Business—Failure to maintain capital adequacy ratios above minimum required levels, as a result of the materialization of risks or regulatory changes, could result in restrictions on our business activities.” and “Forward-looking Statements.”

The Leverage Ratio framework is critical and complementary to the risk-based capital framework that will help ensure broad and adequate capture of both on- and off-balance sheet sources of banks’ leverage. This simple, non-risk-based measure will restrict the build-up of excessive leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy. Implementation of the leverage ratio requirements began with bank-level reporting to national supervisors of the leverage ratio and its components, and a public disclosure is required from January 2015. Basel III’s leverage ratio is defined as the “capital measure” (numerator) divided by the “exposure measure” (denominator) and is expressed as a percentage. The capital measure is currently defined as Tier 1 capital and the minimum leverage ratio is currently defined as 3%. The BCBS will monitor banks’ leverage ratio data in order to assess whether the design and calibration of a minimum Tier 1 leverage ratio of 3% is appropriate. Any final adjustments to the definition and calibration of the leverage ratio will be made by 2017, with a view to migrate to a Pillar 1 (minimum capital requirements) treatment on January 1, 2018, based on appropriate review and calibration.

As part of its ongoing review of the calculation of risk-weighted assets, the BCBS has been reviewing calculation methodologies, including the standardized approach (“SA”) and the internal-ratings based (“IRB”) approaches, including the AIRB approach applied by us. With respect to SA, the BCBS published a consultative document in December 2014, which was subsequently updated in December 2015, proposing to decrease mechanistic reliance on external credit rating agencies by introducing grade classification and due diligence requirements to the determination of risk weights. With respect to IRB, in December 2014, the BCBS issued a consultative document on the design of a capital floor framework which is proposed to replace the current transitional capital floor based on the Basel I standard with a capital floor based on the revised SA, which is currently under review as described above, with the goal of, among other things, addressing variability in risk-weighted assets across banks using the IRB approaches. Furthermore, the BCBS issued a consultative document on the reduction of variation in risk-weighted assets in March 2016. The document presented proposals which would remove the option to use the IRB approaches for credit risk for certain exposures, adopt exposure-level, model-parameter floors for portfolios where the IRB approaches remain available, and provide greater specification of parameter estimation practices for portfolios where the IRB approaches remain available. The various proposals are intended to be complementary to one another, with the goal of reducing excessive variability in risk-weighted assets across banks. The schedule of implementation of the various proposals has not been stated explicitly.

Related to regulatory capital requirements, in November 2015, the Financial Stability Board issued the final TLAC standard for G-SIBs. The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalization capacity available in resolution for authorities to implement an orderly resolution. G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework. Specifically, G-SIBs will be required to meet a Minimum TLAC

requirement of at least 16% of the resolution group's risk-weighted assets as from January 1, 2019 and at least 18% as from January 1, 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator as from January 1, 2019, and at least 6.75% as from January 1, 2022.

Regulatory adjustments are to be applied mainly to the calculation of Common Equity Tier 1 capital in the form of the deductions and prudential filters related to the following:

- Goodwill and other intangibles
- Deferred tax assets
- Deferred gains or losses on derivatives under hedge accounting that relates to the hedging of items that are not fair valued on the balance sheet
- Shortfall of the stock of provisions to expected losses under the internal ratings-based approach
- Gain on sale related to securitization transactions
- Cumulative gains and losses due to changes in own credit risk on fair valued financial liabilities
- Defined benefit pension fund assets and liabilities
- Treasury stock
- Reciprocal cross holdings of capital of banking, financial and insurance entities
- Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation

Regulatory adjustments will be fully deducted in the calculation of Common Equity Tier 1 capital by March 2018. The regulatory adjustments began at 20% of the required deductions in the calculation of Common Equity Tier 1 capital in March 2014 and will be increased by 20% increments per year through March 2018 when the regulatory adjustments reach 100%. During this transition period, the remainder not deducted from capital will continue to be subject to existing national treatments.

The capital requirements and regulatory adjustments are being phased in over a transitional period as follows (italicized percentages indicate those still in transition periods):

	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022
Minimum Common Equity										
Tier 1 capital	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Minimum Tier 1 capital	4.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Minimum total capital	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Capital conservation buffer	0.0%	0.0%	0.0%	0.625%	1.25%	1.875%	2.5%	2.5%	2.5%	2.5%
Phase-out of recognition of capital instruments that no longer qualify as capital	90.0%	80.0%	70.0%	60.0%	50.0%	40.0%	30.0%	20.0%	10.0%	0.0%
Phase-in of deductions from capital	0.0%	20.0%	40.0%	60.0%	80.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Additional loss absorbency requirements for G-SIBs and D-SIBs ⁽¹⁾	—	—	—	0.25%	0.50%	0.75%	1.0%	1.0%	1.0%	1.0%

Note:

(1) Assuming the additional loss absorption capacity requirement applied to us as G-SIBs and D-SIBs continue to be 1.0% on a fully-effective basis.

Japanese banks are also required to comply with the supervisory review process (second pillar) and disclosure requirements for market discipline (third pillar). Under the second pillar, banks are required to maintain adequate capital to support all of the major risks in their business and are encouraged to develop and use better risk management techniques in monitoring and managing such risks. Under the third pillar, banks are required to enhance disclosure, including disclosure of details of the capital adequacy ratio, the amount of each type of risk and the method of calculation used so that the market may make more effective evaluations. Further, the revisions to the FSA's guidelines relating to the third pillar, which reflect the enhanced disclosure requirements under Basel III and became effective on March 31, 2013, require banks to disclose, among other things, the components of their regulatory capital and the main features of their regulatory capital instruments in common templates.

If the capital adequacy ratio of a financial institution falls below the required level, the FSA may, depending upon the extent of capital deterioration, take certain corrective action, including requiring the financial institution to submit an improvement plan to strengthen its capital base, reduce its total assets, restrict its business operations or other actions that could have a material effect on its financial condition and results of operations.

Unless otherwise specified, the regulatory capital information set forth in this “—Capital Adequacy” is based on the current Basel III rules.

Consolidated Capital Adequacy Ratios

Our capital adequacy ratios as of March 31, 2014, March 31, 2015 and December 31, 2015, calculated in accordance with Japanese GAAP and the guidelines established by the FSA, were as set forth in the following table:

	As of March 31		As of December 31,
	2014	2015	2015
	(in billions of yen, except percentages)		
Common Equity Tier 1 capital	¥ 5,304.4	¥ 6,153.1	¥ 6,521.9
Additional Tier 1 capital	1,540.3	1,347.2	1,393.3
Tier 1 capital	6,844.7	7,500.3	7,915.2
Tier 2 capital	1,811.2	2,008.1	2,013.8
Total capital	¥ 8,655.9	¥ 9,508.4	¥ 9,929.1
Risk-weighted assets	¥60,274.0	¥65,191.9	¥63,291.7
Common Equity Tier 1 capital ratio	8.80%	9.43%	10.30%
Required Common Equity Tier 1 capital ratio	4.00	4.50	4.50
Tier 1 capital ratio	11.35	11.50	12.50
Required Tier 1 capital ratio	5.50	6.00	6.00
Total capital ratio	14.36	14.58	15.68
Required total capital ratio	8.00	8.00	8.00
Leverage ratio ⁽¹⁾	—	3.83	3.90

Note:

(1) Due to an implementation of the leverage ratio requirements in Japan, public disclosure of the leverage ratio is required from March 31, 2015. Any final adjustments to the definition and calibration of the leverage ratio will be made by the BCBS by 2017.

Our total capital ratio as of December, 2015 was 15.68%, an increase of 1.10% compared to March 31, 2015. Our Tier 1 capital ratio as of December 31, 2015 was 12.50%, an increase of 1.00% compared to March 31, 2015. Our Common Equity Tier 1 capital ratio as of December 31, 2015 was 10.30%, an increase of 0.87% compared to March 31, 2015. The increases in each ratio were due mainly to a decrease in risk-weighted assets and to an increase in Common Equity Tier 1 Capital. We believe that we were in compliance with all capital adequacy requirements to which we were subject as of December 31, 2015.

Our total capital ratio as of March 31, 2015 was 14.58 %, an increase of 0.22% compared to March 31, 2014. Our Tier 1 capital ratio as of March 31, 2015 was 11.50%, an increase of 0.15 % compared to March 31, 2014. Our Common Equity Tier 1 capital ratio as of March 31, 2015 was 9.43%, an increase of 0.63% compared to March 31, 2014. The increases in each ratio were due mainly to an increase in Common Equity Tier 1 capital, offset in part by a decrease in Additional Tier 1 capital and by an increase in risk-weighted assets. We believe that we were in compliance with all capital adequacy requirements to which we were subject as of March 31, 2015.

Capital

The following table shows a breakdown of our total risk-based capital as of March 31, 2014 and 2015 and December 31, 2015:

	As of March 31		As of
	2014	2015	December 31, 2015
	(in billions of yen)		
Common Equity Tier 1 capital	¥5,304.4	¥6,153.1	¥6,521.9
Capital and stock surplus	3,051.8	3,152.2	3,224.9
Retained earnings	2,314.7	2,768.5	3,045.1
Treasury stock	(3.8)	(3.6)	(3.7)
Earnings to be distributed	(88.0)	(100.5)	—
Subscription rights to common shares	3.1	3.8	2.7
Accumulated other comprehensive income and other disclosed reserves	156.2	811.9	724.2
Common share capital issued by subsidiaries and held by third parties	10.8	12.1	12.1
Instruments and reserves subject to phase-out arrangements	61.5	49.1	52.0
Regulatory adjustments	(202.1)	(540.4)	(535.6)
Additional Tier 1 capital⁽¹⁾⁽²⁾	1,540.3	1,347.2	1,393.3
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	—	—	300.0
Additional Tier 1 instruments issued by subsidiaries and held by third parties	25.3	29.5	31.7
Eligible Tier 1 capital instruments subject to phase-out arrangements ⁽¹⁾⁽²⁾	1,666.5	1,458.1	1,192.0
Instruments subject to phase-out arrangements	(50.8)	(24.2)	(32.3)
Regulatory adjustments	(100.7)	(116.3)	(97.9)
Tier 1 capital⁽¹⁾⁽²⁾	<u>6,844.7</u>	<u>7,500.3</u>	<u>7,915.2</u>
Tier 2 capital	1,811.2	2,008.1	2,013.8
Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	—	150.0	325.4
Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	154.3	180.4	180.8
Tier 2 instruments issued by subsidiaries and held by third parties	8.1	9.2	9.8
Eligible Tier 2 capital instruments subject to phase-out arrangements	1,349.6	1,108.8	993.0
General allowance for loan losses and eligible provisions included in Tier 2	7.0	4.6	5.2
Instruments and provisions subject to phase-out arrangements	474.0	730.7	646.9
Regulatory adjustments	(182.0)	(175.7)	(147.5)
Total capital⁽¹⁾⁽²⁾	<u>¥8,655.9</u>	<u>¥9,508.4</u>	<u>¥9,929.1</u>

Notes:

- (1) As of December 31, 2015, the outstanding balance of our eleventh series class XI preferred stock was ¥142.2 billion. During the period from January 1, 2016 to February 29, 2016, holders of the preferred stock converted 17,565,000 shares (or ¥17.5 billion) by requesting us to acquire the preferred stock and issue common stock to them.
- (2) We redeemed \$850.0 million, ¥139.5 billion and ¥452.5 billion of non-dilutive preferred securities in June 2014, June 2014 and June 2015, respectively.

Our Common Equity Tier 1 capital increased by ¥368.7 billion from ¥6,153.1 billion as of March 31, 2015 to ¥6,521.9 billion as of December 31, 2015. The increase was due mainly to an increase in retained earnings as a result of recording profit attributable to owners of parent for the nine months ended December 31, 2015, offset in part by a decrease in accumulated other comprehensive income. Our Additional Tier 1 capital increased by ¥46.1 billion from ¥1,347.2 billion as of March 31, 2015 to ¥1,393.3 billion as of December 31, 2015. The increase was due mainly to the issuance of perpetual subordinated bonds, offset in part by the redemption of non-dilutive preferred securities subject to phase-out arrangement. As a result, our Tier 1 capital increased by ¥414.9 billion from ¥7,500.3 billion as of March 31, 2015 to ¥7,915.2 billion as of December 31, 2015.

Our Common Equity Tier 1 capital increased by ¥848.7 billion from ¥5,304.4 billion as of March 31, 2014 to ¥6,153.1 billion as of March 31, 2015. The increase was due mainly to an increase in retained earnings as a result of recording profit attributable to owners of parent for the fiscal year ended March 31, 2015 and to the recording of accumulated other comprehensive income as of March 31, 2015, offset in part by the application of regulatory adjustments as of March 31, 2015. Our Additional Tier 1 capital decreased by ¥193.1 billion from ¥1,540.3 billion as of March 31, 2014 to ¥1,347.2 billion as of March 31, 2015. The decrease was due mainly to the effect of the phase-out of recognition of eligible Tier 1 capital instruments subject to phase-out arrangements. As a result, our Tier 1 capital increased by ¥655.6 billion from ¥6,844.7 billion as of March 31, 2014 to ¥7,500.3 billion as of March 31, 2015.

Non-dilutive preferred securities issued by our overseas special purpose companies to investors are included within Additional Tier 1 capital and subject to phase-out arrangements. As of March 31, 2015, the outstanding balance of these securities was ¥1,502.1 billion. Although such non-dilutive preferred securities are perpetual in term, they are redeemable at our option, subject to prior approval from regulatory authorities, on, and on specified dates after, the relevant initial optional redemption date. The following table shows the initial optional redemption dates for the non-dilutive preferred securities included within our Additional Tier 1 capital as of September 30, 2015 and the total outstanding balance of non-dilutive preferred securities with each such initial optional redemption date. The non-dilutive preferred securities are denominated in yen, unless otherwise noted.

Initial optional redemption date	Outstanding balance of non-dilutive preferred securities included within Additional Tier 1 capital (in billions of yen)
June 2016	¥471.9 ⁽¹⁾
June 2018	274.5
June 2019	303.0

Note:

(1) Denominated in yen (¥400.0 billion) and dollars (\$600.0 million).

Our Tier 2 capital as of December 31, 2015 was ¥2,013.8 billion, an increase of ¥5.7 billion compared to March 31, 2015. The increase was due mainly to the issuance of dated subordinated bonds offset in part by the redemptions of eligible Tier 2 capital instruments subject to phase-out arrangements.

Our Tier 2 capital as of March 31, 2015 was ¥2,008.1 billion, an increase of ¥196.8 billion compared to March 31, 2014. The increase was due mainly to an increase in unrealized gains on other securities and the issuance of dated subordinated bonds offset in part by the redemptions of eligible Tier 2 capital instruments subject to phase-out arrangements.

As a result of the above, total capital as of December 31, 2015 was ¥9,929.1 billion, an increase of ¥420.7 billion compared to March 31, 2015.

Risk-weighted Assets

The following table shows a breakdown of our risk-weighted assets as of March 31 and September 30, 2015:

	As of	
	March 31, 2015	September 30, 2015
	(in billions of yen)	
Risk-weighted assets:		
Credit risk assets	¥58,602.7	¥57,249.5
Market risk equivalent assets	3,473.8	1,982.7
Operational risk equivalent assets	3,115.3	3,076.9
Total	¥65,191.9	¥62,309.2

Risk-weighted assets as of September 30, 2015 were ¥62,309.2 billion, a decrease of ¥2,882.6 billion compared to March 31, 2015. Credit risk assets decreased by ¥1,353.2 billion to ¥57,249.5 billion due mainly to a decline in stock prices in Japan. Market risk equivalent assets decreased by ¥1,491.0 billion to ¥1,982.7 billion due mainly to a reduction of our foreign exchange position. Operational risk equivalent assets decreased by ¥38.3 billion to ¥3,076.9 billion.

Principal Banking Subsidiaries

Capital adequacy ratios of our principal banking subsidiaries, on a consolidated basis, as of March 31, 2014 and 2015 and December 31, 2015, calculated in accordance with Japanese GAAP and guidelines established by the FSA, were as set forth in the following table:

	As of March 31,		As of
	2014	2015	December 31,
			2015
Mizuho Bank			
Common Equity Tier 1 capital ratio	10.19%	10.42%	11.00%
Tier 1 capital ratio	12.35	12.13	13.21
Total capital ratio	15.48	15.30	16.42
Mizuho Trust & Banking			
Common Equity Tier 1 capital ratio	14.76	16.67	18.11
Tier 1 capital ratio	14.76	16.68	18.11
Total capital ratio	17.80	19.21	20.16

We believe each of our principal banking subsidiaries was in compliance with all capital adequacy requirements to which it was subject as of December 31, 2015.

Our securities subsidiaries in Japan are also subject to the capital adequacy requirement under the Financial Instruments and Exchange Act. Under this requirement, securities firms must maintain a minimum capital adequacy ratio of 120% 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 that details 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. A capital ratio of less than 140% will call for regulatory reporting 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 December 31, 2015, that our securities subsidiaries in Japan were in compliance with all capital adequacy requirements to which they were subject.

Loan Losses and Problem Loans

Except as otherwise noted, the following discussion presents combined non-consolidated financial information of our principal banking subsidiaries. The combined information was prepared by combining the amounts of corresponding accounts in the non-consolidated financial statements or financial information of each of the banks. A discussion of our consolidated credit-related costs is also included under “—Operating Results.”

Classification of Problem Loans and Reserve Policies

We take the following steps in classifying our problem loans and determining reserve amounts:

Self-assessment guidelines. Japanese banks are required to classify obligors and asset quality under self-assessment guidelines originally issued in April 1997 by the Japanese Institute of Certified Public Accountants and included in the FSA’s inspection manual. The self-assessment guidelines stress the need for a bank to establish the amount of reserves that it considers adequate, even if all or part of the provision for reserves would not be tax-deductible under Japanese law.

We self-assess all assets every three months to evaluate our asset quality. Self-assessment of claims involves two steps. The first step is to classify the obligors into five obligor classifications:

normal (<i>seijo-saki</i>):	Obligors for which business conditions are favorable and are deemed not to have any particular problems in terms of their financial position.
watch (<i>youchui-saki</i>):	Obligors that require close watching going forward because there are problems with their borrowings, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions or their poor or unstable business conditions. Total claims against watch obligors include both: “claims against special attention obligors,” meaning obligors with some claims that are loans past due for more than three months and restructured loans; and “claims against other watch obligors,” meaning claims against all other watch obligors.
intensive control (<i>hatan kenen-saki</i>):	Obligors that are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans or other measures (including obligors that are receiving ongoing support from financial institutions).
substantially bankrupt (<i>jishitsu hatan-saki</i>):	Obligors that have not yet gone legally or formally bankrupt but are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable of restructuring.
bankrupt (<i>hatan saki</i>):	Obligors that have gone bankrupt, from a legal or formal perspective.

The second step is to categorize the assets in order of collection risks, taking into consideration the collectability of the assets by obligors (except in the case of normal obligors), based on their corresponding collateral and guarantees.

Category I:	All credit given to normal obligors as well as credit to other obligors that have pledged collateral, or is covered by guarantees, considered to be of high quality (such as deposit collateral).
Category II:	Credit given to watch obligors other than those included in Category I, as well as credit given to intensive control, bankrupt and substantially bankrupt obligors that are covered by general collateral, such as real estate and guarantees.
Category III:	Credit given to intensive control obligors other than those included in Category I and Category II, and the difference between the assessed value and market value of collateral on credit to bankrupt and substantially bankrupt obligors (i.e., the portion of loans for which final collection problems or losses are anticipated).
Category IV:	Credit to bankrupt and substantially bankrupt obligors, other than those in Category I, Category II and Category III (credit that is judged to be unrecoverable or without value).

Claims in Category IV are fully reserved and those amounts are treated as having been written off and thus are no longer presented on a gross basis in the balance sheet.

Reserve policies. Once the classification of obligors and claims outlined above has been completed, we determine the appropriate reserves for possible losses on loans to provide. The following table sets forth our reserve policies for each category of claims:

Self-assessment classifications	Reserve policy
Claims against normal obligors:	Calculate the value of estimated loss based on the probability of failure over the coming year for loans by credit rating and appropriate it for the general reserve for possible losses on loans.
Claims against watch obligors:	Calculate the estimated loss on loans based on the probability of failure over the next three years and appropriate it for the general reserve for possible losses on loans. Further, with respect to special attention obligors, for obligors with large claims more than a certain amount, if the cash flow from the return of principal and interest payments can be reasonably estimated, provide for a reserve under the discounted cash flow method.
Claims against intensive control obligors:	Provide an amount for specific reserve for possible losses on loans as calculated by one of the following methods after deducting amounts anticipated to be recoverable from the sale of collateral held against the claims and from guarantors of the claims: a) an amount calculated based on the overall ability of the borrower to pay, or b) the estimated loss calculated on the basis of the balance and the probability of failure over the next three years. Further, for obligors with large claims more than a certain amount, if the cash flow from the return of principal and interest payments can be reasonably estimated, provide for a reserve under the discounted cash flow method.
Claims against bankrupt and substantially bankrupt obligors:	Provide the entire balance after deducting amounts anticipated to be recoverable from the sale of collateral held against the claims and from guarantors of the claims for specific reserve for possible losses on loans, or write-off the entire balance.

Disclosure of problem loans. Based on the results of the self-assessment procedures discussed above, Japanese banks disclose their problem loans pursuant to Japan's FRA.

Under the FRA, Japanese banks are required to disclose their total NPL and other claims based on the following three categories: (1) claims for special attention (*yokanri saiken*), (2) claims with collection risk (*ken saiken*) and (3) claims against bankrupt and substantially bankrupt obligors (*hasan kosei saiken oyobi korera ni junzuru saiken*). Claims for special attention consist of both loans past due for three months or more as well as restructured loans, as those terms are defined below. Claims with collection risk are equivalent to claims against intensive control obligors under the self-assessment classifications. Finally, claims against bankrupt and substantially bankrupt obligors as under the FRA and as under the self-assessment classification system are equivalent. Claims that do not fall under any of those categories are disclosed pursuant to this standard as normal claims (*seijo saiken*).

Under the Banking Act, we are also required to disclose certain of our problem loans as "risk-monitored loans." The Banking Act provides for the disclosure of following categories of risk-monitored loans:

- "Loans to bankrupt obligors" (*hatan-saki saiken*) are loans to bankrupt borrowers;
- "Non-accrual delinquent loans" (*entai saiken*) are loans to substantially bankrupt and intensive control obligors;
- "Loans past due for three months or more" (*san-ka-getsu ijou entai saiken*) are loans on which principal and/or interest are past due three months or more; and
- "Restructured loans" (*kashidashi jouken kanwa saiken*) are loans with a concessionary interest rate, as well as loans with renegotiated conditions, including schedule and/or maturities.

Under the Banking Act, “non-accrual loans,” on which banks have stopped accruing interest based on self-assessment, are defined to be included in “loans to bankrupt obligors” or “non-accrual delinquent loans.” These categories relate only to loans extended rather than to total disclosed claims, which are not limited to loans, as under the FRA.

The following chart gives an overview of the self-assessment classification and resulting categories and disclosure of claims (not including trust account) of our principal banking subsidiaries on a combined basis as of September 30, 2015:

(Billions of yen)

1.					2.	3.
SELF-ASSESSMENT					Disclosed Claims under the Financial Reconstruction Act	Non-Accrual, Past Due & Restructured Loans
Obligor \ Categorization	Non-Categorization	Category II	Category III	Category IV		
Bankrupt and Substantially Bankrupt Obligors 60.1	60.1 Collateral, Guarantees, etc.: 57.2 Reserves for Possible Losses: 2.8		Reserve Ratio 100%	Direct Write-offs	Claims against Bankrupt and Substantially Bankrupt Obligors 60.1 Coverage Ratio 100%	Loans to Bankrupt Obligors 14.2
Intensive Control Obligors 367.5	305.8 Collateral, Guarantees, etc.: 181.6 Reserves for Possible Losses: 124.2		61.6 Reserve Ratio 66.8%	Amounts for reserves are recorded under Non-Categorization	Claims with Collection Risk 367.5 Coverage Ratio 83.2%	Non-Accrual Delinquent Loans 365.9
Watch Obligors						47.3 (Notes 2)
Claims for Special Attention 447.5	Reserve Ratio against Uncovered Portion 38.7% Collateral, Guarantees, etc.: 189.6 Reserves for Possible Losses: 99.9				Claims for Special Attention (Notes 1) 447.5 Coverage Ratio 64.6%	Loans Past Due for 3 Months or More 2.2
Special Attention Obligors						Restructured Loans 445.2
Other Watch Obligors						
Normal Obligors						
					Claims against Special Attention Obligors -Coverage Ratio: 68.1% -Reserve Ratio for Uncovered Portion: 42.2% -Reserve Ratio against Total Amount of Claims: 23.2%	
					Reserve Ratio against Total Amount of Claims • Other Watch Obligors 3.73% • Normal Obligors 0.07%	
Total 82,726.5					Total 875.2	Total 827.8

Total Coverage Ratio 74.9%

Notes:

- (1) Claims for Special Attention is denoted on an individual loans basis. Claims against Special Attention Obligors includes all claims, not limited to Claims for Special Attention.
- (2) The difference between total Non-Accrual, Past Due & Restructured Loans and total Disclosed Claims under the FRA represents the amount of claims other than loans included in Disclosed Claims under the FRA.

Other Data on Problem Loans

NPL as Disclosed Under the FRA

Status of NPL. The aggregate amount of NPL for our principal banking subsidiaries (including trust account), as disclosed under the FRA, decreased by ¥341 billion from March 31, 2013 to ¥951 billion as of March 31, 2014, increased by ¥50 billion to ¥1,002 billion as of March 31, 2015 and decreased by ¥124 billion to ¥878 billion as of September 30, 2015.

	As of March 31,			As of September 30,
	2013	2014	2015	2015
	(in billions of yen)			
Claims against bankrupt and substantially bankrupt obligors	¥ 159	¥ 67	¥ 56	¥ 60
Claims with collection risk	553	472	402	370
Claims for special attention	580	412	542	447
Subtotal	1,293	951	1,002	878
Normal claims	74,293	77,532	82,041	81,862
Total	<u>¥75,586</u>	<u>¥78,483</u>	<u>¥83,043</u>	<u>¥82,741</u>

Note: Figures are presented net of partial direct write-offs of unrecoverable claims.

Non-performing loan ratio. The ratio of the outstanding balance of NPL to total claims, or non-performing loan ratio, at March 31, 2015 for our principal banking subsidiaries (including trust account) on a combined basis, decreased to 1.20% from 1.21% at the end of the previous fiscal year, and declined further to 1.06% as of September 30, 2015.

	As of March 31,			As of September 30,
	2013	2014	2015	2015
Claims against bankrupt and substantially bankrupt obligors	0.21%	0.08%	0.06%	0.07%
Claims with collection risk	0.73	0.60	0.48	0.44
Claims for special attention	0.76	0.52	0.65	0.54
Subtotal	1.71	1.21	1.20	1.06
Normal claims	98.28	98.78	98.79	98.93
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: Figures are presented net of partial direct write-offs of unrecoverable claims.

Net Non-performing Loan Ratio. The ratio of the outstanding balance of NPL (excluding reserves for possible losses on loans) to total claims (excluding reserves for possible losses on loans), or net non-performing loan ratio for our principal banking subsidiaries (including trust account), remaining at a low level, decreased to 0.54% as of March 31, 2014 from 0.86% as of March 31, 2013, increased to 0.67% as of March 31, 2015 and decreased to 0.59% as of September 30, 2015.

Coverage ratio. The following table shows the combined NPL and coverage amounts of our principal banking subsidiaries (not including trust account) by category and after direct write-offs of Category IV loans. Coverage amounts refer to reserves as well as collateral and guarantees.

	As of March 31,			As of
	2013	2014	2015	September 30, 2015
	(in billions of yen, except percentages)			
Claims against bankrupt and substantially bankrupt obligors	¥ 159	¥ 67	¥ 56	¥ 60
Claims with collection risk	550	468	399	367
Claims for special attention	580	412	542	447
Total claims disclosed under the FRA ⁽¹⁾	1,290	948	999	875
Normal claims	74,277	77,518	82,027	81,851
Total	¥75,567	¥78,466	¥83,027	¥82,726
Collateral and guarantees for all claims disclosed under the				
FRA	¥ 643	¥ 451	¥ 447	¥ 428
Reserve for possible losses on all claims disclosed under the				
FRA	312	234	271	227
Coverage ratio ⁽²⁾	74.1%	72.4%	72.1%	74.9%
Reserve ratio against non-collateralized claims:				
Claims against bankrupt and substantially bankrupt				
obligors	100.0%	100.0%	100.0%	100.0%
Claims with collection risk	66.8%	70.1%	69.6%	66.8%
Claims for special attention	31.3%	24.2%	37.3%	38.7%

Notes:

- (1) Includes loans and bills discounted, customers' liabilities for acceptance and guarantees and other exposure to or in respect of bankrupt and substantially bankrupt obligors and claims with collection risk, as well as loans and bills discounted classified as claims for special attention.
- (2) The coverage ratio is the ratio of reserve for possible losses on loans, collateral and guarantees to total claims disclosed under the FRA.

Status of Loans to Bankrupt Obligors, Non-Accrual, Past Due & Restructured Loans

The following table sets forth the loans to bankrupt obligors, non-accrual delinquent loans, loans past due for three months or more and restructured loans of our principal banking subsidiaries (including trust account) on a combined basis as of the dates indicated:

	As of March 31,			As of
	2013	2014	2015	September 30, 2015
	(in billions of yen, except percentages)			
Loans to bankrupt obligors	¥ 30	¥ 9	¥ 5	¥ 14
Non-accrual delinquent loans	623	488	399	368
Loans past due for three months or more	3	4	3	2
Restructured loans	577	408	539	445
Total	¥1,235	¥909	¥948	¥830
Ratio of non-accrual loans to loans and bills discounted	1.83%	1.29%	1.28%	1.11%

Note: The table above is provided net of partial direct write-offs.

The corresponding totals on a consolidated plus trust account basis are given below:

	As of March 31,			As of
	2013	2014	2015	September 30, 2015
	(in billions of yen, except percentages)			
Loans to bankrupt obligors	¥ 33	¥ 12	¥ 10	¥ 17
Non-accrual delinquent loans	640	511	428	411
Loans past due for three months or more	3	4	3	2
Restructured loans	694	504	614	514
Total	<u>¥1,372</u>	<u>¥1,031</u>	<u>¥1,057</u>	<u>¥ 946</u>
Ratio of non-accrual loans to loans and bills discounted	2.03%	1.48%	1.44%	1.27%

Note: The table above is provided net of partial direct write-offs.

Reserves for Possible Losses on Loans

The following table shows a breakdown of the total reserves established by our principal banking subsidiaries (not including trust account) on a combined basis as of the dates indicated:

	As of March 31,			As of
	2013	2014	2015	September 30, 2015
	(in billions of yen, except percentages)			
General reserve for possible losses on loans	¥ 456	¥ 348	¥ 299	¥ 261
Specific reserve for possible losses on loans	188	174	141	127
Reserve for possible losses on loans to restructuring countries	1	0	0	0
Total reserves for possible losses on loans	<u>¥ 646</u>	<u>¥ 523</u>	<u>¥ 441</u>	<u>¥ 388</u>
Loans and bills discounted	¥67,188	¥69,974	¥73,942	¥74,440
Ratio of total reserves for possible losses on loans to loans and bills discounted	0.96%	0.74%	0.59%	0.52%

The following table shows a breakdown of our total reserves on a consolidated basis as of the dates indicated:

	As of March 31,			As of
	2013	2014	2015	September 30, 2015
	(in billions of yen, except percentages)			
General reserve for possible losses on loans	¥ 503	¥ 398	¥ 344	¥ 300
Specific reserve for possible losses on loans	235	216	180	163
Reserve for possible losses on loans to restructuring countries	1	0	0	0
Total reserves for possible losses on loans	<u>¥ 739</u>	<u>¥ 616</u>	<u>¥ 525</u>	<u>¥ 463</u>
Loans and bills discounted	¥67,536	¥69,301	¥73,415	¥74,276
Ratio of total reserves for possible losses on loans to loans and bills discounted	1.09%	0.88%	0.71%	0.62%

The following table shows the combined coverage ratios for NPL of our principal banking subsidiaries as of March 31, 2013, 2014, 2015 and September 30, 2015, all as after partial direct write-offs of Category IV loans:

	As of March 31, 2013	Change in ratio	As of March 31, 2014	Change in ratio	As of March 31, 2015	Change in ratio	As of September 30, 2015
Coverage ratio ⁽¹⁾ for claims against bankrupt and substantially bankrupt obligors	100.0%	— %	100.0%	— %	100.0%	— %	100.0%
Ratio of collateral and guarantees to total claims against bankrupt and substantially bankrupt obligors	86.2	12.2	98.4	(3.2)	95.1	0.0	95.2
Reserve ratio for total claims against bankrupt and substantially bankrupt obligors	13.7	(12.2)	1.5	3.2	4.8	(0.0)	4.7
Reserve ratio for amount of claims not covered by collateral and guarantees	100.0	—	100.0	—	100.0	—	100.0
Coverage ratio ⁽¹⁾ for claims with collection risk	83.9	0.3	84.2	0.6	84.9	(1.7)	83.2
Ratio of collateral and guarantees to total claims with collection risk	51.4	(4.0)	47.4	2.8	50.2	(0.8)	49.4
Reserve ratio for total claims with collection risk	32.4	4.3	36.8	(2.2)	34.6	(0.8)	33.8
Reserve ratio for amount of claims not covered by collateral and guarantees	66.8	3.2	70.1	(0.4)	69.6	(2.8)	66.8
Coverage ratio ⁽¹⁾ for claims for special attention	57.6	(3.5)	54.1	5.4	59.5	5.1	64.6
Ratio of collateral and guarantees to total claims for special attention	38.3	1.1	39.5	(4.0)	35.5	6.8	42.3
Reserve ratio for total claims for special attention	19.3	(4.6)	14.6	9.4	24.0	(1.7)	22.3
Reserve ratio for amount of claims not covered by collateral and guarantees	31.3	(7.1)	24.2	13.1	37.3	1.4	38.7
Reserve ratio for claims against watch obligors excluding claims against special attention obligors	6.27	0.07	6.34	(2.61)	3.72	0.01	3.73
Reserve ratio for claims against normal obligors	0.11	(0.01)	0.10	(0.03)	0.07	(0.00)	0.07

Note:

(1) The coverage ratio is the ratio of reserves for possible losses on loans, collateral and guarantees to total claims disclosed under the FRA (not including trust account).

Loan Loss Experience

The following table shows analyses of our loan loss experience of our principal banking subsidiaries on a combined basis for the periods indicated:

	Fiscal years ended March 31,			As of September 30,	
	2013	2014	2015	2014	2015
	(in billions of yen, except percentages)				
Credit costs for trust account	¥ —	¥ —	¥ —	¥ —	¥ —
Provision for (reversal of) general reserve for possible losses on loans	45	(108)	(47)	(55)	(1)
Losses on write-offs of loans	17	(5)	65	(2)	3
Provision for (reversal of) specific reserve for possible losses on loans	46	12	(14)	(20)	(0)
Provision for (reversal of) reserve for possible losses on loans to restructuring countries	1	(0)	(0)	(0)	(0)
Provision for (reversal of) reserve for contingencies	1	(17)	1	1	(0)
Other (including losses on sales of loans)	1	2	2	0	0
Total credit-related costs	¥ 114	¥ (116)	¥ 7	¥ (75)	¥ 0
Loans and bills discounted (at period end) ⁽²⁾	¥67,207	¥69,991	¥73,958	¥70,756	¥74,454
Ratio of total credit-related costs to loans and bill discounted	0.16%	n.a.	(0.01)%	n.a.	(0.00)%

Notes:

(1) Figures in parentheses indicate reversals of reserves.

(2) Includes trust account which denotes trust accounts with contracts indemnifying the principal amounts.

Provision for general reserve for possible losses on loans. The general reserve is established with respect to claims against normal and watch obligors based on historical loan loss experience. We also apply the discounted cash flow method to establish reserves with respect to some watch obligors.

Provision for specific reserve for possible losses on loans. Each of our principal banking subsidiaries maintains a specific reserve for possible losses on claims against intensive control obligors and claims against bankrupt and substantially bankrupt obligors, in each case with respect to the portions of such loans not covered by collateral or guarantees.

Provision for reserve for possible losses on loans to restructuring countries. Each of our principal banking subsidiaries maintains a specific reserve for loans to certain “restructuring countries.”

Provision for reserve for contingencies. This reserve was created to address anticipated losses arising from matters not covered by other specific reserves.

Our principal banking subsidiaries recorded ¥0 billion of credit-related costs on a combined basis for the six months ended September 30, 2015, compared to ¥75 billion of reversal in credit-related costs in the same period during the prior fiscal year. This was due primarily to the impact of reversal of general reserves for losses on loans in the same period during the prior fiscal year.

Our principal banking subsidiaries recorded ¥7 billion of credit-related costs on a combined basis for the fiscal year ended March 31, 2015, a ¥124 billion increase compared to ¥116 billion of reversal in credit-related costs in the prior fiscal year. The increase was due primarily to the recording of losses on write-offs of loans reflecting the status of certain obligors, and a decrease in reversal of general reserve for possible losses on loans compared to the prior fiscal year.

Our principal banking subsidiaries recorded ¥116 billion of reversal in credit-related costs on a combined basis for the fiscal year ended March 31, 2014, a ¥230 billion improvement compared to the ¥114 billion of credit-related costs for the fiscal year ended March 31, 2013. The improvement was due mainly to improved obligor classifications achieved through our business revitalization support to corporate customers.

Other Disclosure Relating to Problem Loans

In addition to information concerning loan losses, each of our principal banking subsidiaries gathers and discloses other information concerning the quality of its loan portfolio as follows:

Domestic Non-performing Loans by Industry

The following table shows the domestic NPL, as disclosed under the FRA, of our principal banking subsidiaries on a combined basis as of the dates indicated, classified by the industry of the borrower:

	As of March 31, 2013			As of March 31, 2014		
	Disclosed claims under the FRA ⁽²⁾	Outstanding loans ⁽²⁾	Coverage ratio ⁽³⁾	Disclosed claims under the FRA ⁽²⁾	Outstanding loans ⁽²⁾	Coverage ratio ⁽³⁾
(in billions of yen, except percentages)						
Manufacturing	¥ 296	¥ 7,667	72.9%	¥165	¥ 7,613	65.5%
Agriculture and forestry	0	34	40.4	0	36	25.7
Fishery	0	2	29.1	0	2	21.9
Mining, quarrying industry and gravel extraction industry	0	216	100.0	0	239	100.0
Construction	35	812	74.9	31	755	81.8
Utilities	4	2,128	53.8	0	2,397	13.1
Communications	20	988	57.1	17	1,226	66.2
Transportation and postal industry	106	2,628	73.3	30	2,467	58.5
Wholesale and retail	158	4,838	61.5	141	4,791	61.0
Finance and insurance	13	6,239	19.6	11	6,682	16.1
Real estate	186	6,612	90.7	82	6,382	85.2
Commodity lease	2	1,562	72.1	1	1,536	71.1
Service industries	85	2,408	66.9	73	2,417	66.1
Local governments	31	1,225	100.0	2	1,122	100.0
Governments	—	5,589	—	—	5,571	—
Other	220	13,783	82.7	262	13,948	82.9
Total	¥1,161	¥56,737	75.4	¥822	¥57,192	72.1

	As of March 31, 2015			As of September 30, 2015		
	Disclosed claims under the FRA ⁽²⁾	Outstanding loans ⁽²⁾	Coverage ratio ⁽³⁾	Disclosed claims under the FRA ⁽²⁾	Outstanding loans ⁽²⁾	Coverage ratio ⁽³⁾
(in billions of yen, except percentages)						
Manufacturing	¥ 395	¥ 7,943	65.1%	¥294	¥ 8,040	71.2%
Agriculture and forestry	0	42	41.6	0	47	21.1
Fishery	0	0	11.3	0	1	12.1
Mining, quarrying industry and gravel extraction industry	0	264	100.0	0	248	100.0
Construction	22	758	68.1	17	711	67.3
Utilities	0	2,424	100.0	1	2,434	20.5
Communications	13	1,240	74.4	15	1,244	80.6
Transportation and postal industry	21	2,283	60.6	16	2,213	72.4
Wholesale and retail	140	5,046	63.1	135	5,004	66.2
Finance and insurance	5	7,179	25.1	6	6,752	38.6
Real estate	58	6,520	81.7	52	6,764	83.5
Commodity lease	1	1,784	87.7	1	1,875	87.9
Service industries	67	2,487	67.1	68	2,542	73.3
Local governments	2	1,014	100.0	2	956	100.0
Governments	—	3,505	—	—	3,140	—
Other	165	13,970	87.2	176	14,286	88.1
Total	¥ 895	¥56,467	70.1	¥791	¥56,264	74.9

Notes:

- (1) Loans to finance and insurance sector include loans to Mizuho Financial Group as follows:
As of March 31, 2013: ¥646 billion (from the former Mizuho Bank ¥600 billion; from the former Mizuho Corporate Bank ¥46 billion)
As of March 31, 2014: ¥561 billion (from Mizuho Bank ¥561 billion)
As of March 31, 2015: ¥700 billion (from Mizuho Bank ¥700 billion)
As of September 30, 2015: ¥599 billion (from Mizuho Bank ¥599 billion)
- (2) Amounts of outstanding loans are aggregated figures of banking and trust accounts, and amounts of disclosed claims under the FRA are aggregated figures of banking and trust accounts with contracts indemnifying the principal amounts.
- (3) The coverage ratio is the ratio of reserves for possible losses on loans, collateral and guarantees to total claims disclosed under the FRA, including trust account.

Coverage Ratio for Overseas Problem Loans

The following table shows the coverage ratio for overseas NPL, as disclosed under the FRA of our principal banking subsidiaries on a combined basis by type of borrower as of the dates indicated:

	As of March 31,						As of September 30,	
	2013		2014		2015		2015	
	Disclosed claims under the FRA	Coverage ratio ⁽¹⁾	Disclosed claims under the FRA	Coverage ratio ⁽¹⁾	Disclosed claims under the FRA	Coverage ratio ⁽¹⁾	Disclosed claims under the FRA	Coverage ratio ⁽¹⁾
	(in billions of yen, except percentages)							
Governments	¥—	— %	¥—	— %	¥—	— %	¥—	— %
Financial institutions	—	—	—	—	0	100.0	0	100.0
Other	131	62.4	129	73.9	106	88.3	86	75.4
Total	<u>¥131</u>	62.4	<u>¥129</u>	73.9	<u>¥106</u>	88.3	<u>¥ 86</u>	75.4

Note:

- (1) The coverage ratio is the ratio of reserves for possible losses on loans, collateral and guarantees to total claims disclosed under the FRA, including trust account.

Loans by Nationality of Borrowers

The following table shows the amount of loans by nationality of our borrowers of our principal banking subsidiaries (including trust account) as of the dates indicated on a combined basis, to certain countries and regions as set forth below:

	As of March 31, 2013			As of March 31, 2014		
	Non-accrual, past due and restructured loans ⁽¹⁾	Outstanding loans	Ratio ⁽²⁾ (%)	Non-accrual, past due and restructured loans ⁽¹⁾	Outstanding loans	Ratio ⁽²⁾ (%)
Asia (excluding Japan)	¥ 29	¥ 3,950	0.7%	¥ 24	¥ 5,310	0.4%
Hong Kong	4	811	0.6	4	1,128	0.3
Korea	1	539	0.2	1	846	0.1
Singapore	11	611	1.9	11	731	1.5
Thailand	0	584	0.1	0	736	0.0
Central and South America	169	3,232	5.2	163	3,553	4.5
North America	4	3,341	0.1	0	3,893	0.0
Eastern Europe	0	24	1.6	4	25	16.7
Western Europe	49	2,587	1.9	41	2,665	1.5
Other	11	1,262	0.8	11	1,475	0.7
Total	<u>¥265</u>	<u>¥14,398</u>	1.8	<u>¥245</u>	<u>¥16,924</u>	1.4

	As of March 31, 2015			As of September 30, 2015		
	Non-accrual, past due and restructured loans ⁽¹⁾	Outstanding loans	Ratio ⁽²⁾ (%)	Non-accrual, past due and restructured loans ⁽¹⁾	Outstanding loans	Ratio ⁽²⁾ (%)
Asia (excluding Japan)	¥ 20	¥ 6,840	0.2%	¥ 33	¥ 6,921	0.4%
Hong Kong	11	1,510	0.7	9	1,443	0.6
Korea	—	769	—	—	767	—
Singapore	6	1,038	0.6	23	1,109	2.0
Thailand	1	950	0.1	0	964	0.0
Central and South America	82	4,195	1.9	68	4,390	1.5
North America	7	5,692	0.1	10	5,817	0.1
Eastern Europe	4	28	17.6	4	52	8.1
Western Europe	22	2,870	0.7	23	3,122	0.7
Other	9	1,828	0.5	12	2,024	0.6
Total	<u>¥146</u>	<u>¥21,455</u>	0.6	<u>¥154</u>	<u>¥22,327</u>	0.6

Notes:

- (1) Non-accrual, past due and restructured loans consist of loans to bankrupt obligors, non-accrual delinquent loans, loans past due for three months or more and restructured loans.
- (2) Ratio is the ratio of non-accrual, past due and restructured loans to outstanding loans.
- (3) The above figures do not include the outstanding balance of loans by Mizuho Bank (China), Ltd. established in June 2007.

Off-Balance Sheet Arrangements

We engage in various types of off-balance sheet arrangements in the ordinary course of our business to meet the financing needs of our customers. These arrangements include securitizations, lines and letters of credit, loan commitments and loan participations.

Contractual Obligations

In the normal course of business, we enter into contractual obligations that require future cash payments. The following table sets forth projected repayment amounts for bonds and notes, borrowed money, and other interest-bearing liabilities as of March 31, 2015:

	Due in one year or less	Due from one year to three years	Due from three years to five years	Due from five years to seven years	Due from seven years to ten years	Due in ten years or more
	(in billions of yen)					
Deposits ⁽¹⁾	¥ 93,499	¥3,298	¥ 819	¥ 78	¥ 62	¥—
Negotiable Certificates of Deposit	15,642	52	—	—	—	—
Call Money and Bills Sold	5,091	—	—	—	—	—
Borrowed Money ⁽²⁾	965	1,104	4,305	124	363	238
Short-term Bonds	816	—	—	—	—	—
Bonds and Notes ⁽²⁾	749	2,106	1,250	193	1,025	647
Total	<u>¥116,765</u>	<u>¥6,562</u>	<u>¥6,375</u>	<u>¥396</u>	<u>¥1,451</u>	<u>¥885</u>

Notes:

- (1) Demand deposits among Deposits are included in “Due in one year or less.”
- (2) Borrowed Money and Bonds and Notes whose terms are not determined (¥93 billion for Borrowed Money and ¥40 billion for Bonds and Notes) are not included in the table.

Quantitative and Qualitative Disclosure about Credit, Market and Other Risks

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of banking operations, exposing financial institutions to various risks, including credit, market operations, information technology, legal, settlement and other risks. We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures. We maintain basic policies for risk management established by our Board of Directors that are applicable to the entire Mizuho group. These policies clearly define the kinds of risks to be managed, set forth

the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system. See “Business—Risk Management” for more information regarding our risk management policies.

Value-at-Risk

We use the value-at-risk (“VaR”) method, supplemented with stress testing, as our principal tool to measure market risk. The VaR method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

The following table shows VaR figures for our trading activities for the periods indicated:

	Fiscal years ended March 31,		
	2013	2014	2015
	(in billions of yen, except number of cases)		
Maximum	¥4.6	¥7.4	¥7.1
Minimum	2.6	3.3	3.1
Average	3.4	5.7	4.4
The number of cases where losses exceeded VaR	1	0	2

VaR related to our trading activities is based on the following:

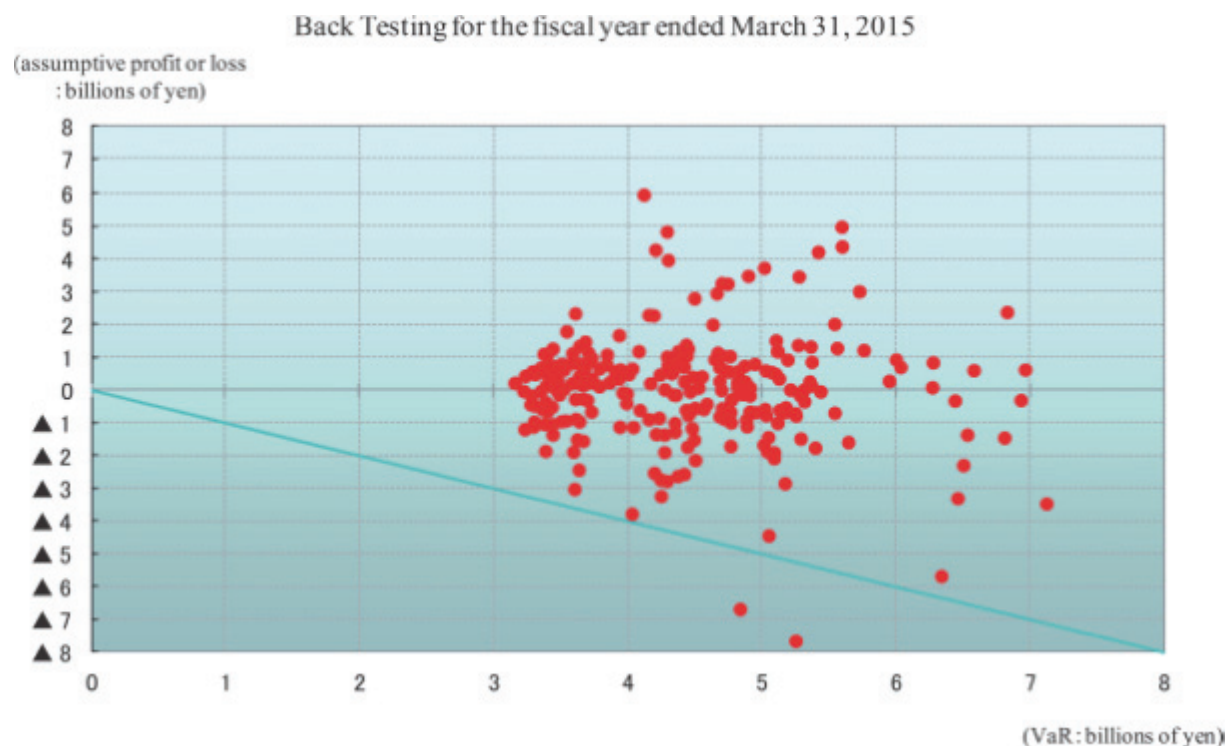
- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk, which are simply aggregated to determine total risk;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of one year.

The following table shows the VaR figures relating to our banking activities for the periods indicated (the holding period is one month and our strategic equity portfolio is excluded):

	Fiscal years ended March 31,		
	2013	2014	2015
	(in billions of yen)		
Maximum	¥297.9	¥300.7	¥349.0
Minimum	213.3	186.8	265.0
Average	246.3	253.5	307.9

Back Testing and Stress Testing

In order to evaluate the effectiveness of market risk measurements calculated using the value-at-risk method, we carry out regular back tests to compare value-at-risk with assumptive profits and losses. Assumptive profits and losses accounts for general market risk. The graph below shows daily value-at-risk of trading activities for the fiscal year ended March 31, 2015 and the corresponding paired distribution of profits and losses. We had two cases where losses exceeded value-at-risk during the period. In addition, we conduct evaluations of the assumptions related to the value-at-risk models. Based on the number of times losses exceeded VaR through back testing and the results of the evaluation of the model assumptions, we will make adjustments to the models as appropriate. Changes to fundamental portions of the VaR models are subject to the approval of our Group Chief Risk Officer.



Note: We conduct our back testing and assess the number of cases where losses exceed VaR based on a 250 business day year. The expected average number of instances where one-day trading losses exceeded VaR at the 99% confidence level is 2.5.

Because the VaR method is based on statistical assumptions, we conduct stress testing to simulate the levels of losses that could be incurred in cases where the market moves suddenly to levels that exceed these assumptions. The stress testing methods we use include the calculation of losses on the basis of the largest fluctuations occurring over a period of more than five years and the calculation of losses based on market fluctuations occurring during historical market events. In addition, we conduct stress testing based on a sharp drop in the price of securitization and other products due to diminished market liquidity. The table below shows the assumed maximum loss results of stress testing in trading activities using the methods described above:

<u>Assumed maximum loss results</u>	<u>As of March 31, 2015</u> (in billions of yen)
Assumed maximum loss result calculated by stress testing (holding period: one month)	¥69.2
Assumed maximum loss result calculated by stress testing based on a sharp drop in the price of securitization and other products due to diminished market liquidity (holding period: one year)	9.0

Outlier Criteria

As part of the capital adequacy requirements under the Basel Regulatory Framework, the losses arising from a banking book in hypothetical interest rate shock scenarios under certain stress conditions are calculated and compared with Broadly-defined capital. If the interest rate risk of the banking book leads to an economic value decline of more than 20% of Broadly-defined capital, we will be deemed an “outlier” and may be required to reduce the banking book risk or adopt other responses. We measure losses arising from our banking book each month as a part of our stress tests.

The table below shows the results of calculations of losses in the banking book in cases where interest rate fluctuations occur under stress conditions. The results of calculations of losses in the banking book show that they are 5.5% of Broadly-defined capital. Because the amount of risk on the banking book is therefore well under the 20% threshold and within controllable limits, we do not fall under the “outlier” category.

	As of March 31, 2015		
	Amount of loss	Broadly defined capital	Loss ratio to capital
	(in billions of yen, except percentage)		
Results of calculations under the outlier framework	¥529.2	¥9,508.4	5.5%
Effect of yen interest rate	77.9		
Effect of dollar interest rate	364.7		
Effect of euro interest rate	69.3		

Notes:

- (1) In the above results of calculations of losses, a part of demand deposits without fixed intervals for amending applicable interest rates is deemed core deposits and is treated accordingly in the calculation.
- (2) For the interest rate shock scenario used in connection with the above figures, we generate annual rate fluctuation data for five years derived from daily raw historical interest rate data of the past six years and then apply the actual fluctuation data, which show a rise in interest rates, at a 99.0% confidence level to the shock scenario.

BUSINESS

General

We engage in banking, trust banking, securities and other businesses related to financial services.

In the fiscal year 2013, we began promoting the “One MIZUHO New Frontier Plan—Stepping up to the Next Challenge—,” the three year Medium-term Business Plan, whose term ended March 31, 2016.

This Medium-term Business Plan was a proactive plan aimed at launching the new Mizuho toward the “new frontier” of the next generation of finance, in response to structural and regulatory changes in the economy and society both in Japan and overseas. In the Medium-term Business Plan, we developed five basic policies reflecting our vision for our future, the necessary elements for the new frontier of finance and our future direction based on an analysis of our current situation, and to add more detail to these five basic policies, we also developed ten basic strategies in terms of business strategy as well as business management and management foundations, etc., as follows. We are currently formulating a new medium-term business plan to cover the three fiscal years ending March 31, 2019, and which we expect to announce along with our results for the fiscal year ended March 31, 2016 in May 2016. This new medium-term business plan will set forth our further plans for the group, taking into account the economic and market environment, including the recent changes in the interest rate environment.

Mizuho’s Vision

Our vision is to be the most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia and Japan. We aim to be:

- The most trusted financial services group
- The best financial services provider
- The most cohesive financial services group

Five Basic Policies

- Further develop integrated strategies across the group for each customer segment to respond to the diverse needs of our customers.
- Contribute to sustainable development of the world and Japan by proactively responding to change.
- Mizuho Means Asia: accelerate globalizations.
- Build strong financial and management foundations to support the essence of Mizuho.
- Form strong corporate governance and culture in the spirit of One MIZUHO.

Ten Basic Strategies

Business Strategy

- Strengthen integrated financial services by unifying banking, trust banking and securities functions to respond to finely delineated corporate and personal banking segments.
- Perform consulting functions taking advantage of our industry and business knowledge and forward-looking perspective.
- Support formation of personal financial assets in Japan and invigorate their investment.
- Strengthen proactive risk-taking functions for growth industries and corporations.
- Strengthen and expand Asia-related business in Japan and on a global basis.
- Cultivate multi-level transactions by capturing the accelerating global capital and trade flows.

Business Management, Management Foundations, etc.

- Strengthen stable financial foundations based on abundant liquidity and appropriate capital levels.
- Establish the optimal management foundations (human resources and business infrastructure) to support business strategy.

- Further strengthen proactive governance and risk management.
- Embed the new Mizuho corporate identity toward forming a common culture throughout the group and take actions toward becoming the best financial services provider.

During the fiscal year 2014, the second fiscal year of the Medium-term Business Plan, we have been striving to realize our commitment to become the most trusted financial services group.

Specifically, we have pursued unified strategies across the group-wide banking, trust banking and securities business areas with the intent of developing the cross-organizational financial know-how and industry knowledge of the group companies and thereby providing various financial services in a prompt manner through group-wide collaboration in response to various customer needs.

In addition, together with regional financial institutions, we have undertaken various regional revitalization activities, which include regional economic revitalization. We have also actively executed our policies to achieve even greater progress through, among other things, the execution of an agreement for the acquisition of a credit portfolio in respect of the wholesale market in North America from The Royal Bank of Scotland Group plc and the launch of preparations and discussions for integrating the asset management group companies in order to strengthen our asset management business.

With respect to corporate governance, we have endeavored to establish a corporate governance structure suitable for a G-SIB, such as strengthening the functions of the holding company, as well as transforming Mizuho Financial Group into a Company with Three Committees (a Company with Committees under the Companies Act before the amendments thereto became effective as of May 1, 2015) in June 2014.

With respect to legal compliance, in conjunction with further enhancing its framework for the severance of business relations with anti-social elements, Mizuho Financial Group has intensified various efforts, including countermeasures against money laundering and terrorist financing.

We considered the fiscal year ended March 31, 2016, which was the last fiscal year of the Medium-term Business Plan, to be the year to concentrate our efforts on strengthening our competitive advantage and aimed to further advance the unified strategies across the group-wide banking, trust banking and securities business areas in order to realize the purpose of the plan. At the same time, we strove to further strengthen our corporate governance.

As part of this approach, we determined to prioritize the following key focus areas: “Establish Competitive Edge in Business with Large Corporations,” “Enhance Integrated Approach to both SMEs and their Owners,” “Development of Super 30 Strategy” and “Make Asset Management the ‘Fourth Pillar’ of our Business.” We established a system to focus on these areas by assigning the officers in charge of Strategic Planning (Priority Assignments) to these areas. We steadily promoted this strategy and strove to secure its competitive advantage in these areas.

Enhancing of Corporate Governance

In June 2015, we filed our “Corporate Governance Report,” which was updated in November 2015 and describes our actions in response to the Corporate Governance Code, with the Tokyo Stock Exchange. After considering each principle of the code based on our intent and spirit, we have decided to comply with all of the principles.

The report discloses our policy regarding cross-shareholdings of shares of other listed companies and our standards for the exercise of voting rights associated with cross-shareholdings. We and our core subsidiaries (Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities) set out our basic policy in the report. This policy states that unless we consider these holdings to be meaningful, we will not hold the shares of other companies as cross-shareholdings. This reflects factors including the changes in the environment surrounding corporate governance and the potential impact on our financial position associated with stock market volatility risk. Our considerations of whether such holdings are meaningful will include perspectives such as growth potential, outlook, or revitalization as well as the results of studies on present and future economic feasibility and profitability. Further, we will actively exercise voting rights through constructive dialogue with our customers.

In accordance with our Corporate Governance Report, we have assessed the results of our initiatives to reduce our cross-shareholdings. In doing so, we calculated the necessary reduction amount by assessing whether the profitability of each customer exceeds the hurdle rate. Such assessment is then aggregated for each customer across Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities. After conducting such analysis, we concluded that the necessary reduction amount, in aggregate, is approximately 40% of our total Japanese stock portfolio, which totaled ¥1,962.9 billion on an acquisition cost basis as of March 31, 2015. Our aim is to at least dispose of approximately 70% of this necessary reduction amount by March 2019.

In accordance with our policy regarding cross-shareholdings and standards for the exercise of voting rights, we will continue to improve the corporate value of both us and our customers over the medium-to-long term through constructive dialogue with our customers based on relationships of trust and the exercise of voting rights.

Establishment of the Risk Appetite Framework

Starting the fiscal year ended March 31, 2015, we have introduced a risk appetite framework, in light of enhancement of corporate values through the integrated group-wide operation of business strategies, financial strategies and risk controls. Specifically, we have established a policy on risk-taking, decided on the risk limits based on specific risk categories, and provided them to the units responsible for planning and advancing our business strategies. The risk-taking policy was set separately for each of the three categories: “universal risk-taking category,” “medium- to long-term objectives” and “current fiscal year objectives.” We will continue to promote effective business operations in accordance with our risk-taking policy, by nurturing a sound risk culture within the organization and by taking actions to raise the awareness of all officers and employees.

Establishment of Data Management Division and Assignment of Chief Data Officer

Against the backdrop of the tightening of financial regulations and the development of information technology world-wide, we established the Data Management Division in July 2014. The officer in charge of the division is the Chief Data Officer (“CDO”), in consideration of the importance of the collection and analysis, and the management of data that is applied to our business operations. The CDO is responsible for promoting data management and centrally manages data for the banking, trust banking and securities businesses and will enhance marketing efforts through strong risk management and effective application of big data.

Establishment of Corporate Culture

We will continue to take initiatives to establish a strong corporate culture that will support corporate governance. Specifically, we will further strengthen continued actions related to each initiative by having each division and branch create its own visions and supporting the initiatives towards realizing these visions, commencing discussion sessions with senior management, and off-site meetings for general managers of head office divisions and marketing offices in Japan and overseas.

Further Market Penetration of Mizuho Brand

We have adopted the brand slogan, “One MIZUHO: Building the future with you,” to indicate our commitment to become “The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia and Japan.” In order to further the market penetration of the Mizuho brand, we will strive to achieve the business plans for the fiscal year ended March 31, 2016 and make efforts to practice communication of the Mizuho brand. Specifically, we have started, since April 2015, the social contribution project, “Mizuho Heartful Action,” such as registering Mizuho branches as children’s refuge centers, increasing branches with interpreting services for non-Japanese speaking customers, providing tablet banking services that allow users to fill out forms online, and conducting voluntary activities within local communities. Moreover, we will continue to implement measures to further improve the value of the Mizuho brand.

Group Operations

Group Operational Structure

We established ten business units to determine strategies and initiatives across the group-wide banking, trust banking, securities and other business areas.

Personal Banking Unit

The Personal Banking Unit provides products and services to individuals, and we strive to improve our ability to provide services and become “a financial group that continues to be chosen by customers” by fully utilizing our banking, trust banking and securities functions. As of March 31, 2015, Mizuho Bank had approximately 24 million individual customers.

In the asset management business area, we expanded our line of products and provided advice for asset management by utilizing NISA (a Japanese version of Individual Savings Account that provides individual customers with tax exemption for income related to certain investments up to a maximum amount) in order to meet customer needs. In addition, Mizuho Bank has started brokerage services of Mizuho Securities’ financial products.

Furthermore, in order to support smooth succession of asset inheritance of our customers, we provide asset succession products and services that utilize trust function, and we have also expanded our line of products such as family trusts and annual fund giving-trusts.

With respect to the loan business, we have expanded our lineup of housing loan and card loan products and offer various products and services in response to each customer’s life stage, including release of products utilizing value of housing assets of the customer.

We also provide products/services with officers and directors of our corporate clients, such as opening account for payrolls, providing housing loans, management of retirement payments, etc.

We provide special benefits to members such as free use of ATMs during off-business hours and not charging fees for money transfers under certain conditions based on credit card usage, balance of assets under management and housing loan usage.

In addition to expanding our branch network throughout Japan (Mizuho Bank: 462 branches, Mizuho Trust & Banking: 54 branches, Mizuho Securities: 271 branches, each as of December 31, 2015) and our ATM network (approximately 6,700 locations as of September 30, 2015, including ATMs shared with AEON Bank). We also have 165 of Mizuho Securities “Planet Booths,” which are located in the branches and offices of Mizuho Bank and 17 of Mizuho Trust “Trust Lounges” (which are located in the branches and offices of Mizuho Bank) as of December 31, 2015.

In addition, we strengthen our marketing skills by enhancing our internet banking function as well as call center marketing with sophisticated technologies.

In July 2015, we announced that we and Mizuho Bank will further enhance collaboration with Orient Corporation (“Orico”), our equity method affiliate, in order to meet diversified customer needs with group-wide comprehensive financial services, including by increasing our voting rights ratio in Orico. After forming a comprehensive partnership with Orico in July 2004 and making Orico as an equity method affiliate in September 2010, we have realized synergy effects mainly in the non-secured loan business area with Orico. In addition, we have developed a strong relationship with Orico not only by providing banking transactions such as bank loans but also by providing support in diversifying Orico’s funding such as domestic and overseas asset securitization and bond issuances.

Further, we undertake the business related to lottery tickets, such as the sales of lottery tickets issued by prefectures and government-ordinance-designated cities.

Retail Banking Unit

The Retail Banking Unit provides products and services mainly to individual customers such as business owners, land owners, lease holders, etc., and SMEs.

In response to the challenges of business growth, expansion and succession and the needs of business owner customers such as asset inheritance and asset management, etc., we provide the most suitable solutions in relation to both corporate and individual matters by unifying our banking, trust banking and securities functions. Through those efforts, we aim to be a “long-term business partner” of our customers in relation to both corporate and individual matters.

Corporate Banking Unit (Large Corporations)

The Corporate Banking Unit (Large Corporations) engages in relationship management for large corporations and their affiliates in Japan.

By integrating the group's specialty functions, including banking, trust banking and securities, and based on our solid relationship with our domestic customers and utilizing our global industry knowledge, we offer a full range of financial solutions on a global basis to meet our customers' needs in fund-raising, management and financial strategies.

Mizuho Bank and Mizuho Securities introduced the dual-hat structure in several offices in Japan. Mizuho Bank and Mizuho Securities collaborate globally to implement our securities strategy on a global basis and to provide our customers solutions based on their capital management, business strategy and financial strategy.

Mizuho Bank and Mizuho Trust & Banking together provide solutions in relation to real estate (regarding which we have a leading track record in the industry in Japan), pension, securitization of assets, securities management, stock transfer agent, consulting, etc., to our customers' diversified needs for investment and asset reduction.

Further, we are proactively providing risk money to develop next-generation industries and growth industries.

As of March 31, 2015, customers of Mizuho Bank cover approximately 70% of all companies listed in Japan.

Corporate Banking Unit

The Corporate Banking Unit provides products and services with the corporate market, consisting mainly of mid-sized enterprises and SMEs.

We provide a range of solution businesses in accordance with the growth strategy of our corporate customers: stable fund-raising, mergers and acquisitions and initial public offerings for customers in their start-up or growth stages, and management buy-out, business succession, entry into new business lines and business restructuring for customers in mature or transition stages, through unifying our banking, trust banking and securities functions.

With an aim to provide financial services together with sophisticated advisory services that are appropriate in light of the customers' business strategies, we respond to customers' needs through various solution businesses such as offering syndicated loans targeted at SMEs, advisory services related to overseas expansions, mergers and acquisitions-related services and business matching services. On top of this, we develop financial products brokerage business and strengthen the initiatives to enhance the customer base for our trustee business for defined contribution pension plans and support for start-up companies in cooperation with Mizuho Capital Co., Ltd.

As of March 31, 2015, Mizuho Bank had approximately 100,000 SME borrowers, etc.

We also positively attend to the funding needs of our customers to support the business growth of customers.

Financial Institutions & Public Sector Business Unit

The Financial Institutions & Public Sector Business Unit provides products and services mainly to financial institutions and central and local governments.

For financial institution customers in Japan, we offer advisory services and solutions, such as advice on financial strategy and risk management, support for overseas business, support for revitalization of regional economies and proposals on various investment products, by concentrating our various financial expertise from each group company to meet the increasingly sophisticated and varied needs of customers. As part of our approach to revitalize the community, we established the "Sixth Industry Fund for the Agriculture, Forestry and

Fishing Sector” to promote stable growth and development of the primary industry of agriculture, forestry and fishery by adding value through the integration of its production, processing and logistical operations and transform such industry into the so-called* sixth industry, and we invest in entities that engage in the transformation thereof.

*Sixth industry refers to activities to create new added value through the comprehensive and unified promotion of the first industry consisting of agriculture, forestry and fishing sectors, the second industry consisting of manufacturing sector as well as the third industry consisting of retail and other businesses (1st x 2nd x 3rd = 6th industry).

For public sector entities, we provide comprehensive financial services that include funding support via the subscription and underwriting of public bonds, cooperation between the public and private sectors, including services as a designated financial institution, PFI and PPP, and arrangement of syndicated loans.

Regarding our bond-related businesses, with our extensive experience and track record as a leading bank in this area, we support our customers’ financing needs by underwriting bonds issued by public sector entities and working as the commissioned bank or fiscal agent for bonds issued by corporations, financial institutions and public sector entities.

International Banking Unit

The International Banking Unit is responsible for business with non-Japanese companies and Japanese companies that conduct business overseas.

In this business area, we provide unified support both in Japan and overseas for our Japanese corporate customers to expand their overseas operations. We do this by providing highly specialized services that use our advanced financial technologies and expertise. Particularly in the Asia region, we support Japanese corporate customers in connection with their entry into these markets by offering advisory and other services.

We also actively promote business with non-Japanese corporate customers, such as business development towards Asia by the U.S. and European global companies as well as business expansion of Asian multi-national enterprises within Asia, through our global network. In addition, with respect to our non-Japanese corporate customers, we selected approximately 30 companies as key marketing targets called “Super 30” under each of our four overseas area units (approximately 120 companies worldwide) in our effort to expand clients’ businesses through our long-term relationships. In pursuing our goal of evolving this Super 30 strategy, we are seeking expansion of our key customer base (Super 50) and further enhancing the promotion of alliances between banking and securities businesses and have produced solid results such as securing the role of lead arranger in a financing for a large-scale acquisition project for reorganization sectors. Our acquisition of a credit portfolio in respect of the wholesale market in North America from The Royal Bank of Scotland plc has accelerated the realization of our goals.

Further, we actively implement initiatives to meet the diverse needs of our overseas customers by expanding our overseas office network and strengthening our overseas support framework for our customers.

Mizuho Bank (China), Ltd., a wholly-owned subsidiary of Mizuho Bank, opened its Changshu Sub-branch in China in May 2014. Mizuho Bank opened the Eastern Seaboard branch of the Bangkok branch in Thailand in March 2015 and opened a branch in Ahmedabad, India (its fifth in that country) in September 2015. In August 2015, Mizuho Bank opened its first branch in Yangon, Myanmar and opened its second office in Myanmar in the Thilawa Special Economic Zone in December 2015. In South America, Mizuho Bank opened the Santiago Representative Office of its New York branch in Chile in September 2014 and in Central America, Mizuho Bank received approval to establish a full service banking institution in Mexico in December 2015. With respect to our European operations, in July 2015, Mizuho Bank Nederland N.V., a wholly owned subsidiary of Mizuho Bank, opened its Vienna branch. In September 2015, Mizuho Bank opened a representative office in San Francisco, California and in December 2015, Mizuho Bank opened the Park Avenue branch, its second office in New York and its seventh office in the United States.

We will continue to strengthen our overseas support framework through actions such as providing local information and supplementing services by forming business alliances with government-affiliated organizations and local financial institutions mainly in emerging nations where Japanese corporations are considering expanding their businesses.

We are expanding our overseas office network to strengthen our overseas support framework for our customers. As of December 31, 2015, we had 114 offices in 38 countries/regions, and, as of June 30, 2015, Mizuho Bank's customers covered approximately 80% of the Forbes Global 200, which represents the top 200 corporations from the Forbes Global 2,000 excluding financial institutions.

Investment Banking Unit

The Investment Banking Unit provides sophisticated financial solutions mainly in the business areas of mergers and acquisitions, real estate, asset finance, project finance and corporate finance. We are responding to the needs of our broad customer base such as large companies and SMEs by unifying banking, trust banking and securities functions, whereby, we aim to enhance customer satisfaction.

In the mergers and acquisitions business, with an aim to increase the corporate value of our customers, we offer sophisticated mergers and acquisitions solutions mainly in relation to support for mergers and acquisitions strategies, such as cross-border mergers and acquisitions, business succession and going private transactions.

In the real estate business, by taking full advantage of our knowledge and skills of real estate-related project developed through the various deals we have arranged over the years, we offer solutions such as various financing methods by use of their real estate and real estate-related investment strategies.

In the asset finance business, by arranging customers' asset securitization, we satisfy their demands such as diversification of fund-raising sources and improvement of financial indices through removing assets from their balance sheet.

In the project finance business, we provide various financial products and services such as project finance deals that enable the procurement of long-term capital for natural resource development abroad, the building of electric power generation projects and the construction of public infrastructure, support for promoting the wider use of renewable energy and arrangement of PFI/PPP deals for financing transportation and other types of public infrastructure.

In the corporate finance business, we proactively provide a wide variety of fund-raising-related solutions in the syndicated loan market, debt capital markets and equity capital markets.

We are further expanding our range of services through cooperation with our group companies, including Mizuho Corporate Advisory Co., Ltd. and Mizuho Capital Partners Co., Ltd.

Transaction Banking Unit

The Transaction Banking Unit engages in businesses related to domestic exchange settlement, foreign exchange, cash management, trade finance, yen correspondence settlement and yen securities custody, global custody, asset management and stock transfer agent services.

Mainly to corporate customers, we offer various financial services and products such as internet banking, cash management solutions, Renminbi-denominated services and trade finance on a global basis.

For financial institutions and institutional investors, we provide custody and yen correspondence settlement services. In particular, we maintain a strong market position regarding our yen securities custody services for non-Japanese residents.

With respect to the trust banking business, we proactively engage in global custody services, asset management and stock transfer agent services.

Asset Management Unit

The Asset Management Unit provides products and services that correspond to the needs of a broad customer base ranging from individuals to institutional investors by unification of banking, trust banking and securities functions as well as the businesses of our asset management group companies such as Mizuho Asset Management Co., Ltd., Shinko Asset Management Co., Ltd. and DIAM Co., Ltd.

On September 30, 2015, we and The Dai-ichi Life Insurance Company, Limited (“Dai-ichi Life”) announced our agreement on integrating the asset management functions of both groups and jointly operating the resulting new company in accordance with the spirit of equal partnership under the comprehensive business alliance between the two companies. We and Dai-ichi Life aim, by combining our asset management related resources and knowhow, to jointly build an asset management business platform that is number one in Asia as well as in Japan both in quality and size, and thereby create a global asset management company that addresses all manner of customer needs and contributes to market growth. Voting rights in the new company will be held 51% by us and 49% by Dai-ichi Life. We and Dai-ichi Life will also discuss an economic interest to be held 70% by us and 30% by Dai-ichi Life, taking into account valuations to be conducted by external professionals.

The board is planned to be composed of nine directors, with three nominated by each of us and Dai-ichi Life, in addition to three independent outside directors. The parties aim to have the integration become effective on October 1, 2016, subject to conditions precedent that include the execution of a legally binding agreement that sets out matters relating to the integration, as well as adoption of resolutions at meetings of the board of directors and shareholders of each company, filings with Japanese and overseas authorities, and obtaining regulatory approvals that are necessary for the integration. The name of the new company will be “Asset Management One,” which represents our vision of gaining customer trust by providing a higher level of satisfaction through collaboration among the integrating companies.

Also on September 30, 2015, we and Mizuho Bank announced that we agreed to enter into a strategic capital and business alliance with Matthews International Capital Management, LLC (“Matthews Asia”). In February 2016, Matthews Asia became an affiliated company under the equity-method of Mizuho Bank. Matthews Asia is an independent, privately owned firm and the largest dedicated Asia investment specialist in the United States. Established in 1991 in San Francisco, it had U.S.\$26.2 billion in assets under management as of August 31, 2015 and 142 employees. This alliance aims to enhance our capabilities to respond to customer’s needs in order to further strengthen our asset management business, which is one of our key focus areas, as well as to expand our global asset management platform.

In the pension-related business, we provide comprehensive pension proposals that include services and products related to defined contribution as well as defined benefit pension plans to meet the needs of customers.

In the alternative investment business, we provide our customers with the most relevant products by collaborating with our group companies, including Mizuho Alternative Investments, LLC in the United States, Mizuho Global Alternative Investments, Ltd. in Tokyo, which selects and introduces hedge funds, etc., and EurekaHedge Pte, LTD. in Singapore, which is our subsidiary providing hedge fund research and data services.

In addition, we develop global financial products by collaborating with BlackRock, Inc. and arrange and offer products related to private equity and infrastructure funds by collaborating with Partner Group AG. In October 2015, we in cooperation with BlackRock Asset Management North Asia Limited launched “BlackRock Japan Multi-Income Equity Fund” in Hong Kong based on the business alliance between BlackRock, Inc. and us.

Moreover, in October 2015, Mizuho Trust & Banking announced that it entered into an agreement with Hulic Co., Ltd. (“Hulic”) to acquire the entire issued shares of Simplex Real Estate Management Inc. and Simplex REIT Partners Inc. from Hulic, both of which became our wholly-owned subsidiaries in December 2015.

In addition to banking, trust banking and securities functions, we designated the asset management area as our “4th pillar,” and we are striving to respond to the increasingly sophisticated and diverse needs of our customers through our group-wide resources.

Markets Unit

The Markets Unit engages in the business of sales and trading of financial products related to, among others, interest rates, foreign exchange, equity, commodities, etc., as well as principal investments in interest rates, equities and credit.

With respect to the sales and trading business, we offer products and services to meet the diverse needs of our customers and support their global business by integrating our banking, trust and securities functions and utilizing our global network.

We expanded our product line-up from basic areas such as interest rates, foreign exchange and equity to commodity derivatives such as oil, metals and other commodities, and local currency transactions. Specifically, with respect to the overseas business development of our customers, we offer hedged financing that is tailored based on market conditions. In addition, in the fields of Asian and emerging currencies, in response to increasingly sophisticated needs of customers for more efficient hedges and management of market risk, we are drawing on collaboration among specialist teams who are well-versed in the regulations and markets in various countries and our global network of offices to develop financial product schemes that take advantage of the characteristics of individual markets in Japan and overseas.

In addition, with respect to our principal investments business, we combine our strong investment capabilities with early detection of trends and diversification of our principal investments to manage market fluctuations so that our portfolio is more sound and stable.

In-House Company Structure

Beginning on April 1, 2016, we introduced an in-house company structure based on customer segments. The aim of the new structure is to utilize our strengths and competitive advantage, as a holding company which integrates the banking, trust banking and securities functions, to promptly provide highest-quality financial services that closely match customer needs. Our existing ten units were re-organized into five in-house companies and two units to establish this management structure based on customer segments.

We established the following five in-house companies to thoroughly strengthen the customer-first, market-oriented approach: the Retail & Business Banking Company, the Corporate & Institutional Company, the Global Corporate Company, the Global Markets Company, and the Asset Management Company. Furthermore, we will endeavor to streamline head office operations and implement prompt decision-making processes, in order to further enhance the group's front-line business and sales capabilities. At the same time, we will work to increase the group's earnings capacity and reform the risk-return structure, in accordance with the group's risk appetite framework.

Additionally, we consolidated the group's research and consulting functions into the new Research & Consulting Unit, to create a team of experts dedicated to addressing the various challenges that our customers may face. The unit will develop its global perspective and collaborate with the five in-house companies, using both macro and micro approaches, together with practical financial knowledge, to provide comprehensive solutions to address customers' various actual and potential challenges.

Mizuho's Group Companies

Mizuho Bank: Banking Business

Mizuho Bank provides a wide range of financial products and services mainly in relation to deposits, lending and exchange settlement to individuals, SMEs, large corporations, financial institutions, public sector entities and foreign corporations, including foreign subsidiaries of Japanese corporations. We maintain one of the largest branch and ATM networks in Japan and a broad range of Internet banking services. We also maintain a comprehensive office network which covers major cities worldwide.

Banking Business

Mizuho Bank provides a wide range of financial products and services to individual and corporate customers:

- *Deposits*, including ordinary deposits, time deposits and foreign currency deposits;
- *Lending*, including loans for working capital or capital expenditure of corporate customers, initiatives for strategic financial raising such as syndicated loans, housing loans and card loans for individual customers;
- *Domestic exchange settlement*, including exchange for remittance, credit to current accounts and money collection services;
- *Foreign exchange transaction services*, including various foreign exchange services relating to international transactions such as imports, exports and foreign remittance; and
- Other financial products and services.

Mizuho Trust & Banking: Trust Banking Business

Mizuho Trust & Banking is a trust bank that provides individual and corporate customers with products and services utilizing trusts. We respond to our customers' needs by providing appropriate solutions developed based on our specialized expertise as a trust bank. Through such measures, we aim to become the "trust bank that is most trusted by customers." In addition, we actively strive to open new frontiers in the trust business, including through the development of new products.

Trust Banking Business

Business for corporate customers

For corporate customers, we provide trust-related solutions that cross over each of the product lines of the Mizuho group by fully utilizing its trust functions as well as consulting functions with respect to the following business areas:

- real estate business, including real estate sales agent services and real estate securitizations;
- structured product business, including securitization transactions that utilize trusts;
- asset management business relating to various assets, including pension plans;
- pension plan business, including acting as trustee, providing consulting services, actuarial services and administration services;
- asset administration business, including trustee services for investment trusts and management and administration of investments in securities; and
- equity strategy business, including acting as a stock transfer agent and providing advice on practical issues related to stock.

Business for individual customers

For individual customers, we offer solutions unique to trust banks related to the following business areas. In addition, for business owners, we provide services for their business as well as asset management services for both their corporate and personal needs:

- consulting services regarding investment and management of customer assets;
- businesses relating to the asset inheritance such as testamentary trusts;
- consulting services regarding apartment leasing business, providing apartment loans, etc.;
- deposits, investment trusts and other investment products that utilize trusts; and
- real estate business such as brokerage of housing sales and land development.

Others

We provide deposit and loan services to our corporate customers and engage in treasury business.

Mizuho Securities: Securities Business

Mizuho Securities, as the group's full-line securities company and investment bank, collaborates closely with Mizuho Bank, Mizuho Trust & Banking and other group companies and aims "to provide growth capital through markets and contribute to the economic growth of Japan, Asia and the world through sound development of markets as a participant of financial and capital markets," and "to become a company that supports its customers to build up their assets and enhance their corporate value, and shares the joy with them."

We provide one-stop financial services to customers by providing financial services at joint branches of Mizuho Securities and Mizuho Bank (called "Planet Booth") as well as engaging in the financial products brokerage business with Mizuho Bank and the trust agency business with Mizuho Trust & Banking.

As of March 31, 2015, Mizuho Securities had approximately 1.6 million comprehensive securities accounts.

Investment Banking Business

We provide comprehensive support for customers in establishing their management strategies and financing by engaging in businesses related to equity underwriting, support for initial public offerings, investor relations consulting and provision of solutions such as advisory services for financial and capital strategies in addition to the domestic bond underwriting, structured finance businesses and financial advisory business including mergers and acquisitions where we hold leading market positions in Japan. In order to respond to the funding needs of our overseas customers, we are focused on our bond underwriting operations and other operations in collaboration with Mizuho Bank.

In addition, with an aim to provide advanced solutions in banking and securities businesses, we have also introduced a dual-hat structure with Mizuho Bank and meet our customers' needs by unifying banking, trust banking and securities functions of the Mizuho group.

Markets and Product Business

As a market leader in the fixed income business mainly in the yen-denominated bond market, we provide products and services that suit our customers' investment strategies, engage in proactive market making and offer high-quality information.

In the equities business, we aim to meet the sophisticated needs of our customers by strengthening our pan-Asia research platform and enhancing investor relations services that target domestic and overseas investors as well as strengthening our sales and trading framework. Moreover, we enjoy a strong reputation for our research capabilities among institutional investors.

Other Businesses Related to Financial Services

We provide various other financial services through major group companies.

Trust & Custody Services Bank

Trust & Custody Services Bank, Ltd., as a trust bank specialized in asset administration, provides a wide range of products, including trust services and various custody services, to promptly meet the diversifying needs of customers such as financial institutions and institutional investors.

Mizuho Asset Management & DIAM

Mizuho Asset Management and DIAM provide quality asset management products and services for our group companies and customers that reflect their respective strengths. Each company offers a variety of investment trust products that meet the increasingly sophisticated and diverse needs of our customers.

Mizuho Research Institute

Mizuho Research Institute Ltd. offers information and services mainly to corporations, financial institutions and public sector entities to meet their increasingly diverse and sophisticated needs by integrating its research, funded research and membership services that provide various information related to, among others, managerial and economic issues.

Mizuho Information & Research Institute

Mizuho Information & Research Institute, Inc. mainly provides our corporate customers with the following three services:

- system integration services;
- outsourcing services that support the operation of information technology systems of our customers;
and
- consulting services related to, among others, environmental issues.

We provide customers with a combination of the above services to meet their respective needs.

Mizuho Private Wealth Management

Mizuho Private Wealth Management offers consulting services tailored to the needs of its ultra high net worth customers. These services range from consulting on customers' financial needs, such as wealth management, arranging for business and assets succession and related services to advise customers on various personal life matters, including managing the health of the customers themselves and family members and their children's education.

Others

Exposure to Certain European Countries (GIIPS)

In Europe, fiscal problems in certain countries, including Greece, Ireland, Italy, Portugal and Spain, have affected the financial system and the real economy, and the uncertainty concerning European economic activity continues to present a risk of a downturn in the world economy. As of December 31, 2015, our exposure to obligors in such countries was not significant. Specifically, our principal banking subsidiaries (including their overseas banking subsidiaries) had a total of approximately \$7.6 billion in exposure to obligors in such countries. The breakdown by country and by type of obligor was as follows:

	As of	
	September 30, 2015	December 31, 2015
	(in billions of US dollars)	
Greece	\$—	\$—
Ireland	1.0	1.5
Italy	2.2	2.5
Portugal	0.3	0.3
Spain	2.6	3.3
Total	<u>\$ 6.1</u>	<u>\$ 7.6</u>

Notes:

- (1) Figures in the above table are on a managerial accounting basis.
- (2) Figures in the above table represent gross exposure except for derivatives exposure which takes into consideration legally enforceable master netting agreements.

Exposure to Russia and Brazil

As for our exposure to obligors in Russia, our principal banking subsidiaries (including their overseas subsidiaries) had a total of approximately \$3.1 billion as of September 30, 2015, which decreased to approximately \$2.8 billion as of December 31, 2015. Our principal banking subsidiaries (including their overseas subsidiaries) had a total of approximately \$7.8 billion and \$7.5 billion in exposure to obligors in Brazil as of September 30, 2015 and December 31, 2015, respectively. The exposure amounts are on a managerial accounting basis, and footnotes 1 and 2 to the table immediately above are similarly applicable to those amounts.

Exposure to Resource Related Sectors

As of December 31, 2015, Mizuho Bank had a total of approximately ¥101 trillion of exposure to all obligors across its entire business. Of this exposure, approximately 70% was to Japanese obligors including their overseas operations, and approximately 30% was to non-Japanese obligors. Of the total exposure, approximately five percentage points, or approximately ¥4.7 trillion, were related to the non-Japanese resource related sectors (including oil and gas). Of the non-Japanese resource-related exposure, project finance exposure which was susceptible to fluctuations in resource prices was approximately ¥0.6 trillion. Of the exposure related to the non-Japanese resource related sectors, energy resources (e.g., oil and gas) consisted of 84% while other resource-related exposure consisted of 16%. These figures are on a managerial accounting basis.

Fixed Assets

The following table shows the breakdown of our premises and equipment at cost as of March 31, 2014 and 2015:

	As of March 31,	
	2014	2015
	(in billions of yen)	
Tangible fixed assets:		
Buildings	¥ 323	¥ 340
Land	459	612
Lease assets	18	18
Construction in progress	34	13
Other tangible fixed assets	88	92
Intangible fixed assets:		
Software	286	309
Goodwill	62	58
Lease assets	5	8
Other intangible fixed assets	177	281
Total	<u>¥1,456</u>	<u>¥1,735</u>

Our head office is located at 1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan. The headquarter buildings of Mizuho Financial Group and Mizuho Bank are each leased from a third party.

The total area of land related to our material office and other properties at March 31, 2015 was approximately 843,000 square meters for owned land and approximately 16,000 square meters for leased land.

Our owned land and buildings are primarily used by our branches. Most of the buildings and land owned by us are free from material encumbrances.

Legal Proceedings

We are involved in normal collection proceedings initiated by us and other legal proceedings in the ordinary course of our business. In addition, we are involved in the following legal proceedings.

An Indonesian subsidiary of ours acts as collateral agent for the trustee of bond issuances made by subsidiaries of Asia Pulp & Paper Company Ltd. (“APP”). In that role, the subsidiary is involved in a dispute between the bondholders and such APP subsidiaries in their capacities as the issuers, guarantors and/or pledgors of security for the bonds relating to foreclosure proceedings on the collateral and has been named as a defendant in a lawsuit brought by the obligors under the bonds in Indonesia. Our consolidated financial statements do not include a reserve in relation to this dispute because we do not believe the resolution of this matter will have a significant impact on our consolidated financial condition or results of operations, although there can be no assurance as to the foregoing.

Competition

We engage in banking, trust banking, securities and other businesses related to financial services and face strong competition in all of those areas of businesses partly due to deregulation of the Japanese financial industry.

Our major competitors in Japan include:

- Japan’s other major banking groups: Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group.
- Other banking institutions: These include city banks, trust banks, regional banks, shinkin banks (or credit associations), credit cooperatives, agricultural cooperatives, foreign banks and retail-oriented online banks.
- Securities companies and investment banks: These include both domestic securities companies and the Japanese affiliates of global investment banks.

- Government financial institutions: These include Japan Finance Corporation, Japan Post Bank, Development Bank of Japan and Japan Bank for International Cooperation.
- Non-bank finance companies: These include credit card issuers, installment shopping credit companies and other non-bank finance companies.
- Other financial services providers: We also compete with private equity funds and other types of investors.

In global markets, we face competition with other commercial banks and other financial institutions, particularly major global banks and the leading local banks in those financial markets outside Japan in which we conduct business.

Risk Management

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of banking operations, exposing financial institutions to various risks, including credit, market operations, information technology, legal, settlement and other risks. We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures. We maintain basic policies for risk management established by our Board of Directors that are applicable to the entire Mizuho Group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system. All yen figures and percentages in this item are truncated. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Approach to the Basel Regulatory Framework

Basel III Framework, the regulations for international standards of the health of banks, is being phased in from 2013, which consists of minimum capital requirements, a leverage ratio and a global liquidity standard. Basel III is based on the Basel II framework which requires the observance of “three pillars.” “Pillar 1” is minimum requirements relating to risk which should be maintained by banks. “Pillar 2” is the self-disciplined risk management by financial institutions with a supervisory review process. “Pillar 3” is market discipline allowing for assessment by the market through appropriate disclosure.

We have been calculating our capital adequacy ratios by applying the AIRB approach for the calculation of credit risk from March 31, 2009 and the advanced measurement approach (“AMA”) for the calculation of operational risk from September 30, 2009. In Japan, from March 31, 2013, the minimum capital requirements based on Basel III began to be phased in, and we have been calculating capital adequacy ratios based on the revisions to capital adequacy guidelines published by the FSA. The BCBS continues to review the treatments related to capital requirements. We will comply with new requirements appropriately. We have been identified as a G-SIB by the Financial Stability Board in November 2015. In case we are to be identified as a G-SIB, the stricter capital requirements will be applied.

A leverage ratio also has been implemented under “Pillar 3” from March 31, 2015 and we began disclosing it. And a global liquidity standard has been implemented under “Pillar 1” from March 31, 2015 in Japan and we have been calculating our liquidity coverage ratio. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy—Regulatory Capital Requirements” and “Supervision and Regulation—Japan—Liquidity.”

Overview of Risk Management

Risk Management Structure

Each of our subsidiaries adopts appropriate risk management measures for its business based on the size and nature of its risk exposures, while Mizuho Financial Group controls risk management for the Mizuho group as a whole. At Mizuho Financial Group, the Risk Management Committee chaired by the Group Chief Risk Officer provides integrated monitoring and management of the overall risk for the Mizuho group. The Group Chief Risk Officer reports the risk management situation to the Board of Directors, the Audit Committee, the

Executive Management Committee and the President & Group CEO, on a regular basis and as needed. Mizuho Financial Group regularly receives reports and applications concerning the risk management situation from our principal banking subsidiaries and other core group companies and gives them appropriate instructions concerning risk management. Our principal banking subsidiaries and other core group companies each maintains its own system for managing various types of risk, regularly receiving reports on the status of risk at their respective subsidiaries, and gives them appropriate instructions concerning risk management.

Basic Approach

We classify our risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manage each type of risk according to its characteristics. In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms. In line with the basic policies relating to overall risk management laid down by Mizuho Financial Group, companies within the Mizuho group identify risk broadly and take a proactive and sophisticated approach to risk management, including methodologies for operations that involve exposures to multiple categories of risk such as settlement and trust businesses.

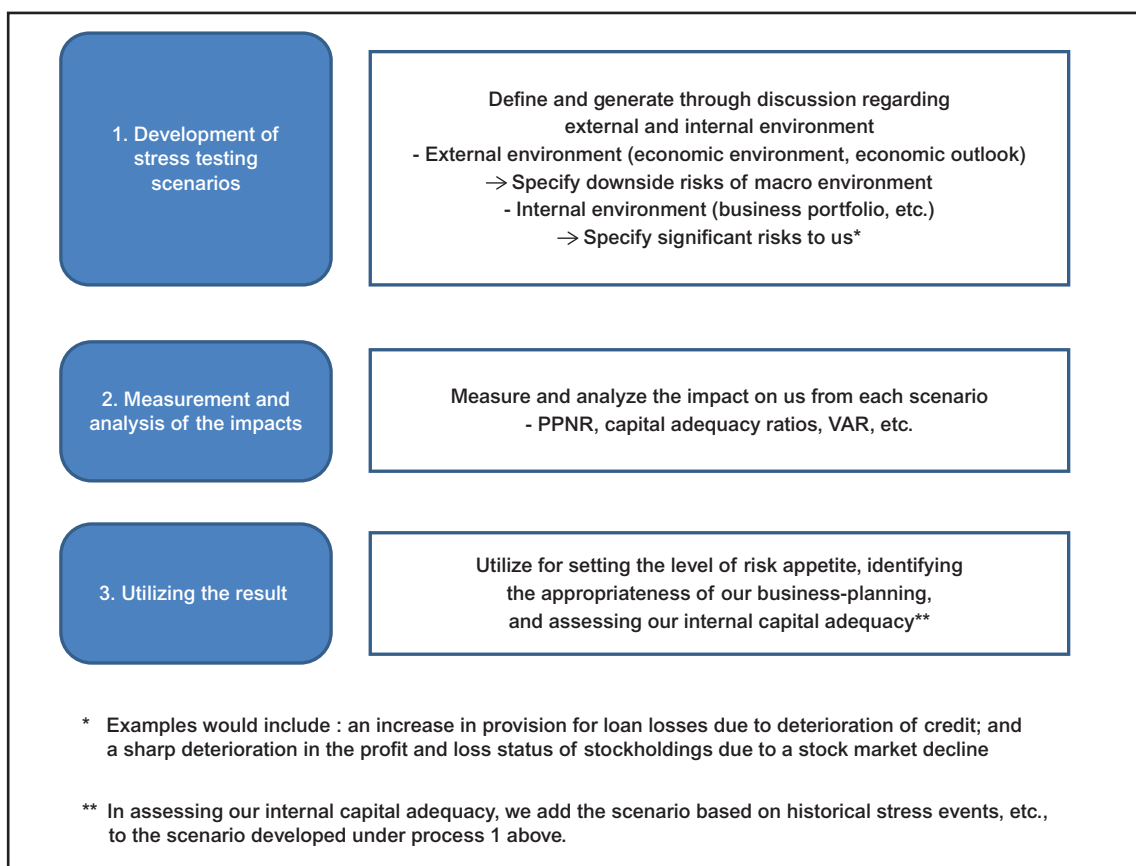
Risk Capital Allocation

We endeavor to obtain a clear grasp of the group's overall risk exposure and have implemented measures to keep such risks within the group's financial base in accordance with the risk capital allocation framework. More specifically, we allocate risk capital to our principal banking subsidiaries, including their respective subsidiaries, and other core group companies to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed shareholders' equity and other measures of financial strength. To ensure the ongoing financial health of Mizuho Financial Group, our principal banking subsidiaries and other core group companies, we regularly monitor the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees of each company. Risk capital is allocated to Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities by risk category, and is further allocated within their respective business units based on established frameworks.

Stress Testing

We conduct stress testing based on several scenarios, such as economic recession and turmoil in financial markets. We measure and analyze the impacts on us from each scenario. The results of stress testing are utilized for setting the level of risk appetite, identifying the appropriateness of our business planning, and assessing our internal capital adequacy. Our stress testing scenarios are formulated through discussions regarding down-side risks in the macro-environment based on underlying macroeconomic events and economic outlook and significant risks for us specified through analysis of our business portfolio. We estimate the impact on us by setting parameters such as economic output, stock market and interest rate levels for each scenario.

(the process of our stress testing)



Credit Risk Management

We define credit risk as the Mizuho group's exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets (including off-balance-sheet instruments), as a result of deterioration in obligors' financial position. We have established the methods and structures necessary for grasping and managing credit risk, which has become increasingly complex due to financial deregulation, internationalization and the growing sophistication of transactions. Mizuho Financial Group manages credit risk for the Mizuho group as a whole. More specifically, we have adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is "credit portfolio management," in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risks and respond appropriately.

Credit Risk Management Structure

Credit Risk Management of the Mizuho Group

Our Board of Directors determines the Mizuho group's basic matters pertaining to credit risk management. In addition, the Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies and operations in connection with credit risk management and matters relating to credit risk monitoring for the Mizuho group. Under the control of the Group Chief Risk Officer of Mizuho Financial Group, the Risk Management Division and the Credit Risk Management Division jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

Credit Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries and other core group companies manage their credit risk according to the scale and nature of their exposures in line with basic policies set forth by Mizuho Financial Group. The Board of Directors of each company determines key matters pertaining to credit risk management. Their respective business policy committees are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors. The Chief Risk Officer of each principal banking subsidiary and core group company is responsible for matters relating to planning and implementing credit risk management. The credit risk management division of each principal banking subsidiary is responsible for planning and administering credit risk management and conducting credit risk measuring and monitoring, and such division regularly presents reports regarding its risk management situation to Mizuho Financial Group. Each credit division determines policies and approves/disapproves individual transactions in terms of credit review, credit management and collection from customers in accordance with the lines of authority set forth by each principal banking subsidiary. In addition each of our principal banking subsidiaries has established internal audit divisions that are independent of the business divisions in order to ensure appropriate credit risk management.

Individual Credit Management

Credit Codes

The basic code of conduct for all of our officers and employees engaged in the credit business is set forth in our credit code. Seeking to fulfill the bank's public and social role, our basic policy for credit business is determined in light of fundamental principles focusing on public welfare, safety, growth and profitability.

Internal Rating System

One of the most important elements of the risk management infrastructure of our principal banking subsidiaries is the use of an internal rating system that consists of credit ratings and pool allocations. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the possibility of ultimately incurring losses related to each individual claim by taking into consideration the nature of any collateral or guarantee and the seniority of the claim. In principle, obligor ratings apply to all obligors and are subject to regular reviews at least once a year to reflect promptly the fiscal period end financial results of the obligors, as well as special reviews as required whenever an obligor's credit standing changes. This enables our principal banking subsidiaries to monitor both individual obligors and the status of the overall portfolio in a timely fashion. Because we consider obligor ratings to be an initial phase of the self-assessment process regarding the quality of our loans and off-balance-sheet instruments, such obligor ratings are closely linked to the obligor classifications and are an integral part of the process for determining the provision for loan losses and charge-offs in our self-assessment of loans and off-balance-sheet instruments.

Pool allocations are applied to small claims that are less than a specified amount by pooling customers and claims with similar risk characteristics and assessing and managing the risk for each such pool. We efficiently manage credit risk and credit screening by dispersing a sufficient number of small claims within each pool. We generally review the appropriateness and effectiveness of our approach to obligor ratings and pool allocations once a year in accordance with predetermined procedures.

Self-assessment, Provision for Loan Losses and Off-Balance-Sheet Instruments and Charge-Offs

We conduct self-assessment of assets to ascertain the status of assets both as an integral part of credit risk management and in preparation for appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. During the process of self-assessment, obligors are categorized into certain groups taking into consideration their financial condition and their ability to make payments, and credit ratings are assigned to all obligors, in principle, to reflect the extent of their credit risks. The related assets are then categorized into certain classes based on the risk of impairment. This process allows us to identify and control the actual quality of assets and determine the appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. Specifically, the credit risk management division of each of our principal subsidiaries is responsible for the overall control of the self-assessment of assets of the respective banking subsidiaries, cooperating with the administrative divisions specified for each type of asset, including loan portfolios and securities, in executing and managing self-assessments.

Credit Review

Prevention of new impaired loans through routine credit management is important in maintaining the quality of our overall loan assets. Credit review involves analysis and screening of each potential transaction within the relevant business division. In case the screening exceeds the authority of the division, the credit division at headquarters carries out the review. The credit division has specialist departments for different industries, business sizes and regions, carries out timely and specialized examinations based on the characteristics of the customer and its market, and provides appropriate advice to the business division. In addition, in the case of obligors with low credit ratings and high downside risks, the business division and credit division jointly clarify their credit policy and in appropriate cases assist obligors at an early stage in working towards credit soundness.

Corporate Restructuring, Collection and Disposal of Impaired Loans

With respect to collection and disposal of impaired loans, our specialist unit maintains central control and pursues corporate restructuring or collection efforts, as appropriate, toward taking the impaired loans off-balance. Specifically, we believe that supporting the restructuring efforts of corporations is an important role for financial institutions, and we support corporations undergoing restructuring by reviewing business plans, advising on restructuring methods and utilizing corporate restructuring schemes such as divestitures and M&A, taking advantage of our group-wide resources. These efforts have been steadily producing satisfactory results. In addition, we work on final disposal of impaired loans efficiently and swiftly by conducting bulk sales and by utilizing Mizuho Servicing Co., Ltd., our subsidiary that specializes in performing debt collection services for our group companies. In the case of debt forgiveness, we examine the borrower's condition carefully and make a determination based on the possible impact on the interests of shareholders and depositors. We provide debt forgiveness as per industry guidelines that are shared among members of the Japanese Bankers Association (the "JBA").

Portfolio Management

Risk Measurement

We use statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("Expected Loss") and the maximum loss within a certain confidence interval ("credit VaR"). The difference between Expected Loss and credit VaR is measured as the credit risk amount ("Unexpected Loss").

In establishing transaction spread guidelines for credit transactions, we aim to ensure an appropriate return from the transaction in light of the level of risk by utilizing credit cost data as a reference. Also, we monitor our credit portfolio from various perspectives and set guidelines noted below so that losses incurred through a hypothetical realization of the full credit VaR would be within the amount of risk capital and loan loss reserves.

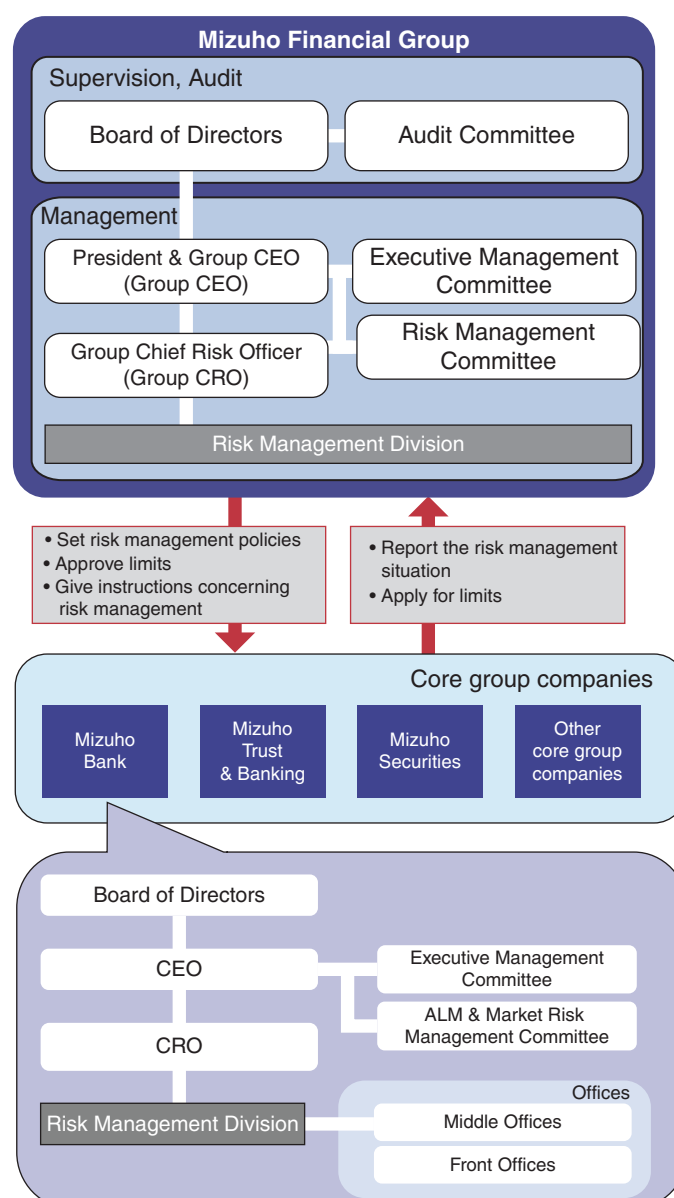
Risk Control Methods

We recognize two types of risk arising from allowing Unexpected Loss to become too large. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain, areas, industrial sectors and other groupings. We make appropriate management to control these risks in line with our specific guidelines for each. The individual risk management divisions of our principal banking subsidiaries are responsible for monitoring adherence to these guidelines and reporting to their respective business policy committees.

Market and Liquidity Risk Management

We define market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates. Our definition includes the risk of losses incurred when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual. We define liquidity risk as the risk of losses arising from funding difficulties due to a deterioration in our financial position that makes it difficult for us to raise necessary funds or that forces us to raise funds at significantly higher interest rates than usual. Mizuho Financial Group manages market and liquidity risk for the Mizuho Group as a whole.

The following diagram shows our risk management structure:



Market Risk Management Structure

Market Risk Management of the Mizuho Group

Our Board of Directors determines basic matters pertaining to market risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with market risk management, market risk operations and market risk monitoring. The Group Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to market risk management planning and operations.

The Risk Management Division of Mizuho Financial Group is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. The Risk Management Division assesses and manages the overall market risk of the Mizuho group. It also receives reports from our principal banking subsidiaries and other core group companies on their market risk management that enable it to obtain a solid grasp of the risk situation, submitting reports to the President & Group CEO on a daily basis and to our Board of Directors and the Executive Management Committee of Mizuho Financial Group on a regular basis.

To manage market risk, we set limits that correspond to risk capital allocations according to the risk profiles of our principal banking subsidiaries and other core group companies and thereby prevent market risk from exceeding our ability to withstand losses based on our financial strength represented by capital, etc. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, we set limits for VaR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

These limits are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee, then determined by the President & Group CEO. Various factors are taken into account including business strategies, historical limit usage ratios, risk-bearing capacity (profits, total capital and risk management systems), profit targets and the market liquidity of the products involved.

Market Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries, which account for most of the Mizuho group's exposure to market risk, have formulated their basic policies in line with the basic policies determined by Mizuho Financial Group. Their Boards of Directors determine important matters relating to market risk management while their Chief Executive Officers are responsible for controlling market risk. Their respective business policy committees, including their ALM & Market Risk Management Committees, are responsible for overall discussion and coordination of market risk management. Specifically, these committees discuss and coordinate matters relating to basic asset and liability management policies, risk planning and market risk management. The Chief Risk Officer of each subsidiary is responsible for matters pertaining to planning and implementing market risk management. Based on a common Mizuho group risk capital allocation framework, the above-mentioned companies manage market risk by setting limits according to the risk capital allocated to market risk by Mizuho Financial Group.

These companies have established specialized company-wide market risk management divisions to provide integrated monitoring of market risk, submit reports, analyses and proposals, set limits and formulate and implement plans relating to market risk management. The risk management divisions of each company submit reports on the status of market risk management to their respective Chief Executive Officers and top management on a daily basis, and to their Board of Directors and Executive Management Committee on a regular basis. They also provide regular reports to Mizuho Financial Group. To provide a system of mutual checks and balances in market operations, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their back offices, which are responsible for book entries and settlements. When VaR is not adequate to control risk, the middle offices manage risk using additional risk indices, carry out stress tests and set stop loss limits as needed. They monitor their market liquidity risk for individual financial products in the market while taking turnover and other factors into consideration.

Value-at-Risk

We use the VaR method, supplemented with stress testing, as our principal tool to measure market risk. The VaR method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

Trading Activities

VaR related to our trading activities is based on the following:

- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk, which are simply aggregated to determine total risk;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of one year.

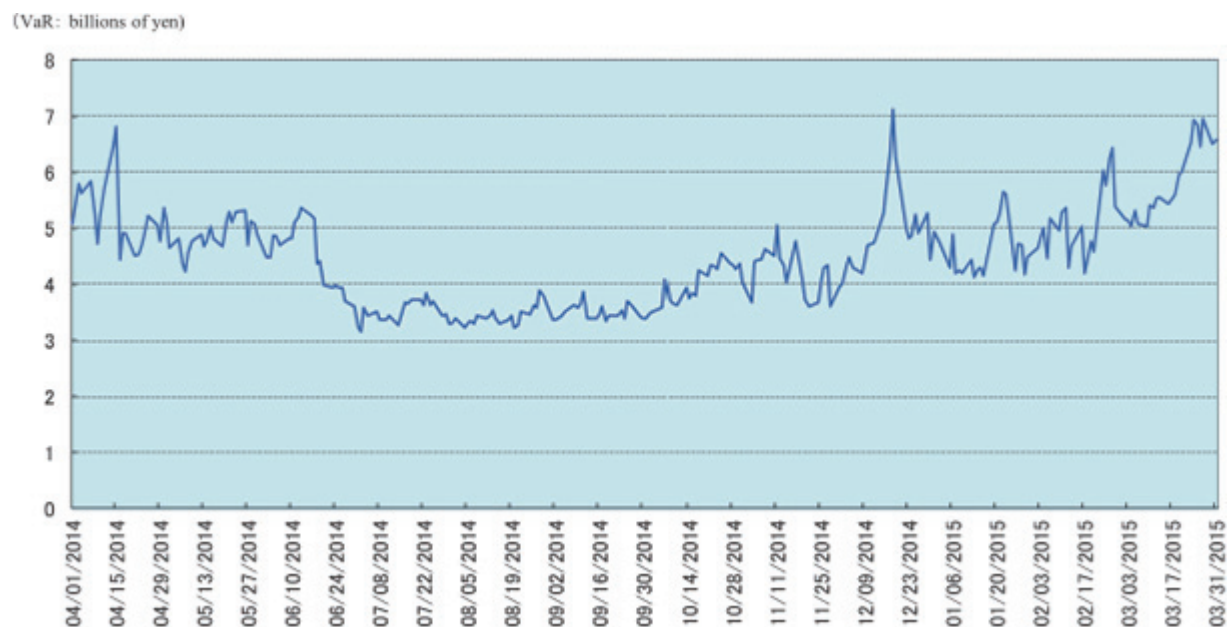
The following tables show the VaR related to our trading activities by risk category for the fiscal years ended March 31, 2013, 2014 and 2015 and as of March 31, 2013, 2014 and 2015:

Risk category	Fiscal year ended March 31, 2013			As of March 31, 2013
	Daily average	Maximum	Minimum	
	(in billions of yen)			
Interest rate	¥1.6	¥2.2	¥1.1	¥1.2
Foreign exchange	2.3	3.4	1.1	2.7
Equities	0.5	0.9	0.1	0.4
Commodities	0.0	0.0	0.0	0.0
Total	¥3.4	¥4.6	¥2.6	¥3.5

Risk category	Fiscal year ended March 31, 2014			As of March 31, 2014
	Daily average	Maximum	Minimum	
	(in billions of yen)			
Interest rate	¥2.0	¥2.7	¥1.5	¥1.6
Foreign exchange	4.1	5.6	1.1	4.8
Equities	1.0	3.1	0.2	0.4
Commodities	0.0	0.0	0.0	0.0
Total	¥5.7	¥7.4	¥3.3	¥5.4

Risk category	Fiscal year ended March 31, 2015			As of March 31, 2015
	Daily average	Maximum	Minimum	
	(in billions of yen)			
Interest rate	¥1.8	¥2.6	¥1.4	¥1.5
Foreign exchange	3.0	5.8	1.6	5.6
Equities	0.5	1.3	0.2	0.3
Commodities	0.0	0.0	0.0	0.0
Total	¥4.4	¥7.1	¥3.1	¥6.5

The following graph shows VaR figures of our trading activities for the fiscal year ended March 31, 2015:



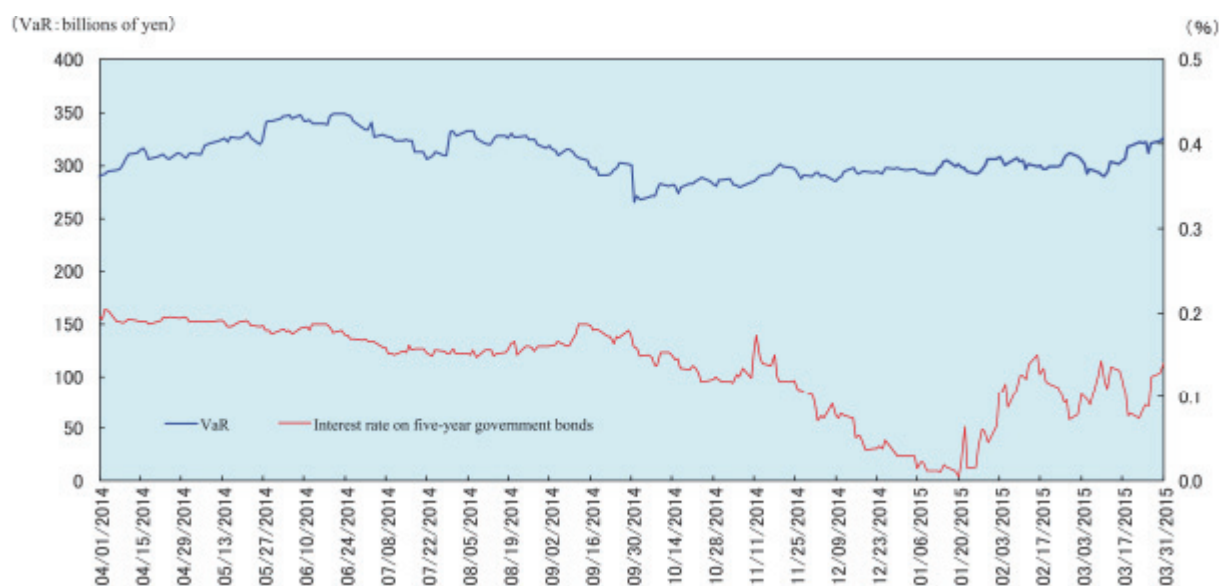
The following table shows VaR figures of our trading activities for the fiscal years indicated:

	Fiscal years ended March 31,			Change
	2013	2014	2015	
	(in billions of yen, except number of cases)			
As of fiscal year end	¥3.5	¥5.4	¥6.5	¥ 1.1
Maximum	4.6	7.4	7.1	(0.3)
Minimum	2.6	3.3	3.1	(0.2)
Average	3.4	5.7	4.4	(1.2)
The number of cases where losses exceeded VaR	1	0	2	2

Non-trading Activities

The VaR related to our banking activities is based on the same conditions as those of trading activities, but the holding period is one month.

The graph below shows the VaR related to our banking activities excluding our strategically-held equity portfolio for the year ended March 31, 2015:



The following table shows the VaR figures relating to our banking activities for the fiscal years indicated:

	Fiscal years ended March 31,			Change
	2013	2014	2015	
	(in billions of yen)			
As of fiscal year end	¥215.9	¥281.7	¥325.6	¥43.8
Maximum	297.9	300.7	349.0	48.3
Minimum	213.3	186.8	265.0	78.2
Average	246.3	253.5	307.9	54.4

VaR is a commonly used market risk management technique. However, VaR models have the following shortcomings:

- By its nature as a statistical approach, VaR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, particularly potential future events that are extreme in nature.
- VaR may underestimate the probability of extreme market movements.
- The use of a 99.0% confidence level does not take account of, nor makes any statement about, any losses that might occur beyond this confidence level.
- VaR does not capture all complex effects of various risk factors on the value of positions and portfolios and could underestimate potential losses.

We also conduct interest sensitivity analyses of interest risk, our main source of market risk. The following table shows sensitivity to yen interest risk in our banking activities as of the dates indicated. Interest rate sensitivity (10 BPV) shows how much net present value varies when interest rates rise by 10 basis points (0.1%), and it explains the impact of interest rate movements on net present value when short- and long-term interest rates behave differently.

	As of March 31,			Change
	2013	2014	2015	
	(in billions of yen)			
Up to one year	¥ (7)	¥ (2)	¥ (1)	¥ 1
From one to five years	(56)	(47)	(35)	11
Over five years	(35)	(12)	(14)	(2)
Total	<u>¥(99)</u>	<u>¥(62)</u>	<u>¥(51)</u>	<u>¥11</u>

Stressed Value-at-Risk

The stressed value-at-risk (“stressed VaR”) measurement is based on a continuous 12-month period of significant financial stress.

Stressed VaR related to our trading activities is based on the following:

- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk, which are simply aggregated to determine total risk;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of one year of significant financial stress.

The following table shows stressed VaR figures of our trading activities for the fiscal years indicated:

	Fiscal years ended March 31,			Change
	2013	2014	2015	
	(in billions of yen)			
As of fiscal year end	¥ 9.2	¥12.6	¥20.2	¥7.5
Maximum	12.0	15.3	24.8	9.5
Minimum	5.0	8.3	8.5	0.2
Average	8.0	11.6	13.2	1.5

Strategically-held Equity Portfolio Management Activities

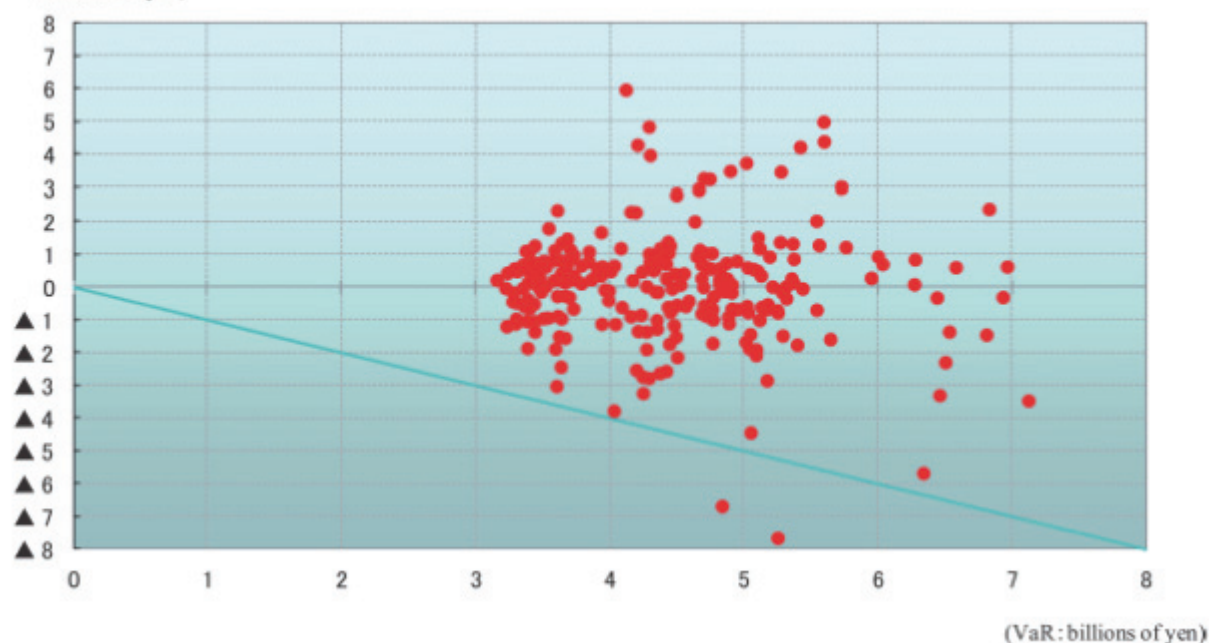
We take the market risk management approach with use of VaR and risk indices for strategically-held equity portfolio management activities as well as for trading activities and non-trading activities. The risk index for strategically-held equity portfolio management for the fiscal year ended March 31, 2015, consisting of the sensitivity of the strategically-held equity portfolio to a 1% change in the equity index of TOPIX, was ¥37.4 billion.

Back Testing and Stress Testing

In order to evaluate the effectiveness of market risk measurements calculated using the value-at-risk method, we carry out regular back tests to compare value-at-risk with assumptive profits and losses. Assumptive profits and losses accounts for general market risk. The graph below shows daily value-at-risk of trading activities for the fiscal year ended March 31, 2015 and the corresponding paired distribution of profits and losses. We had two cases where losses exceeded value-at-risk during the period. In addition, we conduct evaluations of the assumptions related to the value-at-risk models. Based on the number of times losses exceeded VaR through back testing and the results of the evaluation of the model assumptions, we will make adjustments to the models as appropriate. Changes to fundamental portions of the VaR models are subject to the approval of our Group Chief Risk Officer.

Back Testing for the fiscal year ended March 31, 2015

(assumptive profit or loss
: billions of yen)



Note: We conduct our back testing and assess the number of cases where losses exceed VaR based on a 250 business day year. The expected average number of instances where one-day trading losses exceeded VaR at the 99% confidence level is 2.5.

Because the value-at-risk method is based on statistical assumptions, we conduct stress testing to simulate the levels of losses that could be incurred in cases where the market moves suddenly to levels that exceed these assumptions. The stress testing methods we use include the calculation of losses on the basis of the largest fluctuations occurring over a period of more than five years and the calculation of losses based on market fluctuations occurring during historical market events. In addition, we conduct stress testing based on a sharp drop in the price of securitization and other products due to diminished market liquidity. The table below shows the assumed maximum loss results of stress testing in trading activities using the methods described above:

Assumed maximum loss results

As of March 31, 2015

(in billions of yen)

Assumed maximum loss result calculated by stress testing (holding period: one month)	¥69.2
Assumed maximum loss result calculated by stress testing based on a sharp drop in the price of securitization and other products due to diminished market liquidity (holding period: one year)	9.0

Outlier Criteria

As part of the capital adequacy requirements under the Basel Regulatory Framework, the losses arising from a banking book in hypothetical interest rate shock scenarios under certain stress conditions are calculated and compared with Broadly-defined capital. If the interest rate risk of the banking book leads to an economic value decline of more than 20% of Broadly-defined capital, we will be deemed an “outlier” and may be required to reduce the banking book risk or adopt other responses. We measure losses arising from our banking book each month as a part of our stress tests.

The table below shows the results of calculations of losses in the banking book in cases where interest rate fluctuations occur under stress conditions. The results of calculations of losses in the banking book show that they are 5.5% of Broadly-defined capital. Because the amount of risk on the banking book is therefore well under the 20% threshold and within controllable limits, we do not fall under the “outlier” category. The loss ratio to capital increased from the previous fiscal year due mainly to the increase of interest rate risk.

Results of calculations under the outlier framework	Amount of loss	Broadly-defined capital	Loss ratio to capital
	(in billions of yen, except percentages)		
As of March 31, 2013	¥499.1	¥8,344.5	5.9%
As of March 31, 2014	386.6	8,655.9	4.4
As of March 31, 2015	529.2	9,508.4	5.5
Effect of yen interest rate	77.9		
Effect of dollar interest rate	364.7		
Effect of euro interest rate	69.3		

Notes:

- (1) In the above results of calculations of losses, a part of demand deposits without fixed intervals for amending applicable interest rates is deemed core deposits and is treated accordingly in the calculation.
- (2) For the interest rate shock scenario used in connection with the above figures, we generate annual rate fluctuation data for five years derived from daily raw historical interest rate data of the past six years and then apply the actual fluctuation data, which show a rise in interest rates, at a 99.0% confidence level to the shock scenario.

Market Risk Equivalent

In order to calculate the amount of capital necessary to meet the capital requirements relating to market risk (the “market risk equivalent”), we apply internal models to calculate general market risk (risks related to factors that apply generally to the market, e.g., interest rates, foreign exchange rates) and the standardized measurement method to calculate specific risks (risks other than general market risk, e.g., credit quality and market liquidity of an individual security or instrument). In addition, our internal models are applied to trading transactions with market liquidity based on the relevant holding period.

Under the internal models, the market risk equivalent is expressed as the sum of:

- The higher of (i) VaR on the calculation date and (ii) the average of VaR for the preceding 60 business days (including the calculation date) multiplied by a multiplication factor ranging from 3.00 to 4.00 that is determined based on the number of times VaR is exceeded upon back testing; and
- The higher of (i) stressed VaR on the calculation date and (ii) the average of stressed VaR for the preceding 60 business days (including the calculation date) multiplied by the same multiplication factor as used in the bullet point above.

The following table shows total market risk equivalent as of the dates indicated calculated using the standardized measurement method and internal models:

	As of March 31,		
	2014	2015	Change
	(in billions of yen)		
Calculated using standardized measurement method	¥ 62.8	¥ 78.8	¥15.9
Calculated using internal models	170.6	199.0	28.4
Total market risk equivalent	<u>¥233.5</u>	<u>¥277.9</u>	<u>¥44.3</u>

Note:

VaR and stressed VaR used to calculate market risk equivalent is based on the following:

- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk, which are simply aggregated to determine total risk;
- confidence interval: one-tailed 99.0%;
- holding period of 10 days; and
- historical observation period of one year.

Liquidity Risk Management Structure

Liquidity Risk Management of the Mizuho Group

Our Board of Directors determines basic matters pertaining to liquidity risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with liquidity risk management, operations, monitoring and proposes responses to emergencies such as sudden market changes.

The Group Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to liquidity risk management planning and operations. The Risk Management Division of Mizuho Financial Group is responsible for monitoring liquidity risk, reports and analyses, proposals, and formulating and implementing plans relating to liquidity risk management.

In addition, the Group Chief Financial Officer of Mizuho Financial Group is additionally responsible for matters relating to planning and running cash flow management operations, and the Financial Planning Division is responsible for monitoring and adjusting the cash flow management situation and for planning and implementing cash flow management to maintain appropriate funding liquidity. Reports on the liquidity risk management are submitted to the Risk Management Committee, the Executive Management Committee and the President & Group CEO on a regular basis.

To manage liquidity risk, we use indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk set for yen and foreign currencies taking into account characteristics and strategies of each principal banking subsidiary, are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and determined by the President & Group CEO. In addition, limits on liquidity risk are set for each currency at principal banking subsidiaries.

We have established a group-wide framework of liquidity risk stage such as “Normal,” “Anxious” and “Crisis,” which reflects funding conditions. In addition, we set Early Warning Indicators (“EWIs”) and monitor on a daily basis to manage liquidity conditions. As EWIs, we select stock prices, credit ratings, amount of liquidity reserve assets such as Japanese government bonds, our funding situations and so on.

We have established a liquidity contingency funding plan for emergency situations which are deemed to fall into the “Anxious” or “Crisis”. In emergency situations, we will consider measures such as a reduction in the amount of investments made, an expansion of funding from financial markets and deposits, the sale of investment securities and borrowings from the central bank.

In order to evaluate the sufficiency of liquidity reserve assets and the effectiveness of liquidity contingency funding plan, we conduct stress testing under market-wide, idiosyncratic and combined scenario. Furthermore, we utilizing stress testing for evaluate appropriateness of our annual funding plan.

Liquidity Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities have formulated their basic policies in line with the basic policies determined by Mizuho Financial Group. Their Boards of Directors determine important matters relating to liquidity risk management while their Chief Executive Officers are responsible for controlling liquidity risk. Their respective business policy committees, including their ALM & Market Risk Management Committees, are responsible for overall discussion and coordination of liquidity risk management. Specifically, these committees discuss and coordinate matters relating to risk planning, cash flow management planning and proposes responses to emergencies such as sudden market changes. The Chief Risk Officer is responsible for matters relating to liquidity risk management planning and operations and the senior executives of the asset and liability management and trading units are responsible for matters pertaining to planning and conducting cash flow management.

The methodologies used for ensuring precise control of liquidity risk include the formulation of management indices pertaining to cash flow, such as limits on funds raised in the market. As with Mizuho Financial Group, the above-mentioned companies have established liquidity risk stage, such as “Normal” to “Anxious” and “Crisis,” which reflects funding conditions and have established liquidity contingency funding plan for emergency situations which are deemed to fall into the “Anxious” or “Crisis” categories.

Each subsidiary has adopted stringent controls that call for the submission of reports on liquidity risk management and cash flow management to the ALM & Market Risk Management Committee and other business policy committees, the Executive Management Committee and the Chief Executive Officer of each subsidiary.

Operational Risk Management

We define operational risk as the risk of loss that we may incur resulting from inadequate or failed internal processes, people and systems or from external events. We recognize that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory change risk and reputational risk. We have determined risk management policies for each kind of risk. Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities and Trust & Custody Services Bank respectively manage operational risk in an appropriate manner pursuant to risk management policies determined by Mizuho Financial Group.

Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities and Trust & Custody Services Bank share common rules for data gathering, and we measure operational risk on a regular basis, taking into account possible future loss events and the changes in the business environment and internal management.

We have established and are strengthening management methods and systems to appropriately identify, assess, measure, monitor and control the operational risks which arise from the growing sophistication and diversification of financial operations and developments relating to information technology by utilizing control self-assessments and improving measurement methods.

Definition of Risks and Risk Management Methods

As shown in the table below, we have defined each component of operational risk and we apply appropriate risk management methods in accordance with the scale and nature of each risk.

	Definition	Principal Risk Management Methods
Information Technology Risk	Risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defects such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer systems.	- Identify and evaluate the risk by setting specific standards that need to be complied with and implementing measures tailored based on evaluation results to reduce the risk. - Ensure ongoing project management in systems development and quality control. - Strengthen security to prevent information leaks. - Improve effectiveness of emergency responses by improving backup systems and holding drills.
Operations Risk	Risk that customers may suffer service disruptions, as well as the risk that customers or the group may incur losses because senior executives or employees fail to fulfill their tasks properly, cause accidents or otherwise act improperly.	- Establish clearly defined procedures for handling operations. - Periodically check the status of operational processes. - Conduct training and development programs by headquarters. - Introduce information technology, office automation and centralization for operations. - Improve the effectiveness of emergency responses by holding drills.

	Definition	Principal Risk Management Methods
Legal Risk	Risk that the group may incur losses due to violation of laws and regulations, breach of contract, entering into improper contracts or other legal factors.	• Review and confirm legal issues, including the legality of material decisions, agreements and external documents, etc. • Collect and distribute legal information and conduct internal training programs. • Analyze and manage issues related to lawsuits.
Human Resources Risk	Risk that the group may incur losses due to drain or loss of personnel, deterioration of morale, inadequate development of human resources, inappropriate working schedule, inappropriate working and safety environment, inequality or inequity in human resource management or discriminatory conduct.	• Conduct employee satisfaction surveys. • Understand the status of vacation days taken by personnel. • Understand the status of voluntary resignations.
Tangible Asset Risk	Risk that the group may incur losses from damage to tangible assets or a decline in the quality of working environment as a result of disasters, criminal actions or defects in asset maintenance.	• Manage the planning and implementation of construction projects related to the repair and replacement of facilities. • Identify and evaluate the status of damage to tangible assets caused by natural disasters, etc., and respond appropriately to such damage.
Regulatory Change Risk	Risk that the group may incur losses due to changes in various regulations or systems, such as those related to law, taxation and accounting.	• Understand important changes in regulations or systems that have significant influence on our business operations or financial condition in a timely and accurate manner. • Analyze degree of influence of regulatory changes and establish countermeasures. • Continuously monitor our regulatory change risk management mentioned above.
Reputational Risk	Risk that the group may incur losses due to damage to our credibility or the value of the “Mizuho” brand when market participants or others learn about, or the media reports on, various adverse events, including actual materialization of risks or false rumors.	• Establish framework to identify and manage, on an integrated basis, information that may have a serious impact on group management and respond to such risk in a manner appropriate to its scale and nature. • Swiftly identify rumors and devise appropriate responses depending on the urgency and possible impact of the situation to minimize possible losses.

We also recognize and manage “Information Security Risk” and “Compliance Risk,” which constitute a combination of more than one of the above components of operational risk, as operational risk.

Measurement of Operational Risk Equivalent

Implementation of the AMA

We have adopted the AMA from September 30, 2009, for the calculation of operational risk equivalent in association with capital adequacy ratios based on Basel II. However, we use the Basic Indicator Approach (BIA) for entities that are deemed to be less important in the measurement of operational risk equivalent and for entities that are preparing to implement the AMA. The measurement results under the AMA are used not only as the operational risk equivalent in the calculation of capital adequacy ratios but also as Operational VaR for internal risk management purposes for implementing action plans to reduce operational risk, etc.

Outline of the AMA

- Outline of measurement system

We have established the model by taking account of four elements: internal loss data; external loss data; scenario analysis and business environment; and internal control factors (BEICFs). We calculate the operational risk equivalent amount by estimating the maximum loss using a 99.9th percentile one-tailed confidence interval and a one-year holding period, etc., employing both internal loss data (i.e., actually experienced operational loss events) and scenario data to reflect unexperienced potential future loss events in the measurement.

In the measurement of operational risk equivalent as of March 31, 2015, we did not exclude expected losses and also did not recognize the risk mitigating impact of insurance. In addition, we did not take into account the events related to credit risk in measuring operational risk equivalent.

- Outline of measurement model

Operational risk equivalent is calculated as a simple sum of those related to the seven loss event types defined by Basel II, large-scale natural disasters and litigation. In the measurement of operational risk equivalent as of March 31, 2015, we did not reflect the correlation effects among operational risk related to each of the seven loss event types.

- Operational risk by the loss event type

Loss Distribution (Compound Poisson Distribution) Approach (LDA) is adopted for the calculation of operational risk. LDA is based on the assumption that Poisson Distribution applies to the occurrence frequency of operational risk events, and loss severity is expressed through a separate distribution. Operational risk is calculated for each of the seven loss event types employing both internal loss data, based on our actual experience as operational loss events and scenario data. Scenario data, expressed as numerical values of occurrence frequency and loss severity, reflects external loss data and BEICFs, in order to estimate unexperienced potential future loss events (of low frequency and high severity).

“Frequency Distribution” and “Severity Distribution” are estimated employing the above mentioned internal loss data and scenario data, and Monte-Carlo simulations are then applied to these distributions to measure operational risk. The detailed steps of creation of scenario data are explained later in “Scenario Analysis.”

- Estimation of “Frequency Distribution” and “Loss Severity Distribution”

“Frequency Distribution” is estimated by applying information on occurrence frequency of both internal loss data and scenario data to Poisson Distribution. “Loss Severity Distribution” is generated as the result of combining, through a statistical approach (Extreme Value Theory), of the actual distribution for the low severity distribution portion created by internal loss data and another loss distribution (Log-normal Distribution or Generalized Pareto Distribution) for the high severity distribution portion created by scenario data.

- Operational risk of large-scale natural disasters

Monte-Carlo simulation is applied to the datasets expressed as a combination of the probability of occurrence of large-scale natural disasters and the probable loss amount in case of such occurrence, as opposed to estimating “Frequency Distribution” and “Loss Severity Distribution.”

- Operational risk of litigation

Each litigation is converted into data according to the profile of the individual litigation to which Monte-Carlo simulation is applied, as opposed to estimating “Frequency Distribution” and “Loss Severity Distribution.” In the measurement process, we assume that final decisions will be made on all litigation within one year.

- Verification

We confirm the appropriateness of the measurement model by verifying it, in principle, semi-annually.

Scenario Analysis

- Outline of scenario analysis

In the process of scenario analysis, scenario data is created as numerical values of occurrence frequency and loss severity reflecting external loss data and BEICFs, in order to estimate unexperienced potential future operational risk events (of low frequency and high severity).

As for external loss data, we refer to data publicly reported by domestic and overseas media, and such data are reflected in the estimation of occurrence frequency and loss severity distribution in the process of scenario analysis. In addition, BEICFs are utilized as indices to adjust occurrence frequency and loss severity distribution in the process of scenario analysis.

We categorize scenario analysis into four approaches in accordance with the characteristics of each loss event type and risk management structures.

Approach	Loss event type(s) to be applied
A	Internal fraud / External fraud / Clients, products and business practices / Execution, delivery and process management
B	Employment practices and workplace safety
C	Damage to physical assets
D	Business disruption and system failure

At Mizuho Financial Group, loss event types to which Approach A is applied account for a considerable amount of operational risk. The detailed process of Approach A is explained below as a typical example of scenario analysis.

- Setting units for scenario analysis

In order to ensure completeness and sufficiency, we set units that are commonly applied across group entities that adopt AMA (the “Group Entities”) by referencing and categorizing risk scenarios recognized through control self-assessment, internal loss data of the Group Entities and external loss data, etc. Then each of the Group Entities selects the unit on which scenario analysis is conducted from the units established on a groupwide basis in accordance with its business activities and operational risk profile.

- Estimation of occurrence frequency

Basic occurrence frequency (once a year) is calculated for each scenario analysis unit. If a certain scenario analysis unit has relevant internal loss data of a pre-determined threshold amount or above, its basic occurrence frequency is calculated based on such data, and if not, the basic occurrence frequency (the occurrence frequency per year of losses at or above a pre-determined

threshold) is calculated with reference to the situation of occurrence of internal loss data of less than the threshold amount and/or external loss data. The basic occurrence frequency is then adjusted within a pre-determined range for the purpose of reflecting the most recent BEICFs to determine the final occurrence frequency.

- Estimation of loss severity distribution

In order to estimate loss severity distribution, we use a pre-determined series of severity ranges. Basic loss severity distribution is calculated for each scenario analysis unit as an occurrence ratio (in percentile figures) of loss at each severity range when losses at or above a pre-determined threshold occurred, with reference to transaction amount data, external loss data, etc. Then the basic severity distribution is adjusted, if necessary, from the viewpoint of statistical data processing to determine the final loss severity distribution.

- Creation of scenario data

For each scenario analysis unit, scenario data is generated as a series of combinations of occurrence frequency per year at each severity range, based on the final occurrence frequency and the final loss severity distribution.

Compliance

As the leading Japanese financial services group with a global presence and a broad customer base, we remain conscious of the importance of our social responsibilities and public mission at all times. We define compliance as “the strict observance of all laws and regulations and the pursuit of fair and honest corporate activities that conform to the norms accepted by society” and view ongoing compliance as one of the basic principles of sound business management. Each of our group companies maintains its own compliance structure in line with the basic policies established by Mizuho Financial Group.

Compliance Structure

The chief executive officer of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities each generally oversees compliance matters of the respective company, and the chief executive officer, etc., also head their respective compliance committees at which important matters concerning compliance are discussed. The four companies also have individual compliance divisions under a chief compliance officer. These divisions are responsible for compliance planning and implementation and control overall compliance management at the respective companies. At the level of each organizational unit (such as branches and divisions) at the four companies, the head of the unit is responsible for guidance and implementation related to compliance matters within such unit, and the compliance officer or the compliance administrator at each unit reviews the status of compliance.

Other core group companies have also established compliance structures adapted to the characteristics of their respective businesses.

Mizuho Financial Group monitors the status of compliance of the Mizuho Group through reports submitted by our principal banking subsidiaries and other core group companies and adopts appropriate responses when necessary.

Compliance at subsidiaries of our principal banking subsidiaries and other core group companies is monitored and managed by their respective parent.

Compliance Activities

We have established the “Mizuho Code of Conduct,” which sets forth clear and concrete standards of ethical behavior, and distributed it to all directors, senior management and employees of the Mizuho Group so that they are well aware of its content and act accordingly.

Each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that the group companies must observe in pursuing their business activities and the compliance activities they are required to follow.

We conduct compliance training for directors, senior management and employees so that they are fully acquainted with the contents of the manual.

We monitor the status of compliance levels through self assessments conducted by individual organizational units and monitoring conducted by the compliance division of each company.

Every fiscal year, each of our group companies establishes a compliance program, which contains concrete measures for compliance enforcement such as measures related to the management of the compliance framework, training and assessments. Progress regarding the implementation of the compliance program is monitored every six months.

Internal Audit

Internal audits are designed as an integrated process, independent from other business operations, for evaluating the extent to which internal control achieves its objectives in key areas, including appropriate risk management, efficient and effective business operations, reliable financial reporting and compliance with laws, regulations and internal rules. We conduct internal audits from an objective and comprehensive standpoint, independent of operational reporting lines, and offer advice and remedial recommendations in connection with any problems that may be identified. Through this process, internal audits assist the boards of directors of each of our group companies to fulfill their managerial duties efficiently and effectively.

In line with the Basic Policy for Internal Audit established by Mizuho Financial Group, our principal banking subsidiaries and other core group companies conduct internal audits, which include the auditing of their respective subsidiaries. In addition, with respect to the management of risks applicable across the Mizuho Group, we coordinate internal audits throughout the group to assess the risk management status of the group as a whole.

Internal Audit Management Structure

Mizuho Financial Group

Our internal audit committee determines all important matters concerning internal audits. The committee is chaired by our President & Group CEO and is independent of our other business operations.

Our internal audit committee monitors and manages internal audits at our principal banking subsidiaries and other core group companies through internal audit reports submitted by such subsidiaries. Our internal audit committee discusses and makes decisions regarding internal audits at our principal banking subsidiaries and other core group companies and submits the results, together with the results of their examination of the internal audit reports, to our board of directors.

Mizuho Bank and Mizuho Trust & Banking

Mizuho Bank and Mizuho Trust & Banking also established internal audit committees that are independent of their other business operations.

Both banks have established internal audit divisions and credit review divisions (Credit Assessment and Auditing Office at Mizuho Trust & Banking) to conduct internal audits at their respective domestic and overseas business offices, head office divisions and group companies. Specifically, the internal audit divisions assess the suitability and effectiveness of business activities associated with compliance and risk management. The credit review divisions (Credit Assessment and Auditing Office at Mizuho Trust & Banking) audit credit ratings and the status of credit management in addition to auditing the self-assessment of assets to verify the accuracy and suitability of matters deemed necessary to assure the soundness of assets.

Other Core Group Companies

Other core group companies have also established effective and efficient internal audit structures adapted to the characteristics of their respective businesses.

ADDITIONAL FINANCIAL INFORMATION

Certain information below presents non-consolidated financial information of our principal banking subsidiaries on a combined basis as of or for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015. The combined information was prepared by combining the amounts of corresponding accounts in the non-consolidated financial statements or financial information of each of our principal banking subsidiaries.

General

The following tables give a comparison of (A) the consolidated amount to (B) the combined non-consolidated amounts for our principal banking subsidiaries with respect to certain financial information for the periods indicated:

	As of and for the fiscal years ended March 31,								
	2013			2014			2015		
	Consolidated (A)	Combined (B)	(B)/(A)	Consolidated (A)	Combined (B)	(B)/(A)	Consolidated (A)	Combined (B)	(B)/(A)
(in billions of yen, except percentages)									
Gross profits ⁽¹⁾	¥ 2,171	¥ 1,686	77.6%	¥ 2,035	¥ 1,506	74.0%	¥ 2,247	¥ 1,629	72.5%
Net interest income	1,075	956	88.9	1,108	963	86.9	1,129	974	86.2
Fiduciary income	48	47	98.5	52	51	98.8	52	51	98.6
Net fee and commission income	507	346	68.2	560	374	66.7	593	412	69.5
Net trading income	215	49	23.0	187	33	17.9	262	51	19.4
Net other operating income	324	286	88.0	126	83	66.0	209	139	66.8
Credit-related costs ⁽²⁾	¥ 111	¥ 114	102.0	¥ (112)	¥ (116)	103.3	¥ 4	¥ 7	166.1
Profit attributable to owners of parent ⁽³⁾	¥ 560	¥ 511	91.2	¥ 688	¥ 582	84.6	¥ 611	¥ 480	78.5
Total assets	¥177,411	¥167,538	94.4	¥175,822	¥230,352	131.0	¥189,684	¥167,859	88.4
Securities	53,472	54,424	101.7	43,997	65,939	149.8	43,278	43,122	99.6
Loans and bills discounted	67,536	67,188	99.4	69,301	102,086	147.3	73,415	73,942	100.7

Notes:

- (1) Gross profits (excluding the amounts of credit costs of trust accounts) are the sum of: net interest income; fiduciary income; net fee and commission income; net trading income; and net other operating income.
- (2) Credit-related costs consist of (a) expenses related to portfolio problems (including provision for (reversal of) general reserve for possible losses on loans), (b) reversal of reserves for possible losses on loans, etc., and (c) credit costs for trust accounts. Trust account denotes trust accounts with contracts that indemnify the principal amounts.
- (3) Combined non-consolidated amounts represent net income.

Debentures

The following table sets forth the composition of debentures of our principal banking subsidiaries on a combined basis by remaining maturity as of March 31, 2011, 2012, 2013, 2014 and 2015:

	As of March 31,				
	2011	2012	2013	2014	2015
(in billions of yen)					
Up to one year	¥150	¥—	¥—	¥—	¥—
More than one year up to three years	258	—	—	—	—
More than three years up to five years	332	—	—	—	—
More than five years up to seven years	—	—	—	—	—
More than seven years	—	—	—	—	—
Total	¥740	¥—	¥—	¥—	¥—

Deposits

The following table sets forth the mix of the individual, corporate and other deposits at the domestic offices of our principal banking subsidiaries on a combined basis as of March 31, 2011, 2012, 2013, 2014 and 2015:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Individuals	¥35,622	¥37,011	¥37,780	¥38,502	¥39,486
Corporations	30,427	29,508	31,433	33,329	36,528
Other	5,762	4,470	5,239	5,199	5,837
Total ⁽¹⁾⁽²⁾	<u>¥71,812</u>	<u>¥70,990</u>	<u>¥74,453</u>	<u>¥77,032</u>	<u>¥81,852</u>

Notes:

(1) Figures as of March 31, 2012 and prior have not been adjusted for deposits in transit between the head office and branches.

(2) Negotiable certificates of deposit and the Japan offshore market account have been excluded.

The following table shows a breakdown of our deposits at our domestic and international offices on a consolidated basis as of the dates indicated:

	As of March 31,		
	2013	2014	2015
	(in billions of yen)		
Current deposits	¥ 6,376	¥ 6,625	¥ 7,183
Ordinary deposits ⁽¹⁾	39,051	41,564	45,900
Deposits at notice	809	909	863
Time deposits	34,252	35,409	38,409
Negotiable certificates of deposits	15,326	12,755	15,694
Other	3,753	4,546	5,400
Total	<u>¥99,568</u>	<u>¥101,811</u>	<u>¥113,452</u>

Note:

(1) Ordinary deposits include savings deposits.

The following table shows a breakdown of domestic and international deposits of our principal banking subsidiaries on a combined basis as of the dates indicated:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Liquid deposits ⁽¹⁾					
Domestic	¥42,674	¥42,326	¥44,672	¥ 46,781	¥ 50,301
International	712	797	1,005	1,620	2,649
Total	43,387	43,124	45,678	48,402	52,950
Time deposits					
Domestic	25,980	25,957	26,383	26,141	26,594
International	6,660	6,814	8,077	9,101	11,197
Total	32,641	32,771	34,461	35,242	37,792
Negotiable certificates of deposits					
Domestic	8,167	8,709	9,449	8,356	8,820
International	1,798	3,389	3,867	4,457	6,589
Total	9,965	12,099	13,316	12,813	15,409
Others					
Domestic	1,279	815	815	1,373	1,145
International	2,715	2,816	3,523	3,221	4,276
Total	3,995	3,632	4,338	4,595	5,422
Total deposits					
Domestic	78,101	77,809	81,320	82,653	86,861
International	11,887	13,818	16,474	18,400	24,713
Total	¥89,989	¥91,627	¥97,795	¥101,054	¥111,575

Note:

(1) Liquid deposits include current deposits, ordinary deposits (including savings deposits) and deposits at notice.

The following table sets forth the composition of our time deposits of our principal banking subsidiaries on a combined basis by type of interest and maturity as of March 31, 2015:

	As of March 31, 2015					
	Less than three months	Three months to less than six months	Six months to less than one year	One year to less than two years	Two years to less than three years	Three years and over
	(in billions of yen)					
Time deposits with:						
Fixed interest rates	¥10,631	¥5,068	¥5,810	¥1,781	¥ 937	¥923
Floating interest rates	1	2	6	8	10	0
Time deposits with other interest rates	10,530	838	440	362	396	37
Total	¥21,164	¥5,909	¥6,258	¥2,152	¥1,345	¥960

Note: The above table does not include installment time deposits.

Lending

We make loans in Japan (including bills discounted) to a wide range of industrial, commercial and individual customers. Our corporate customers include many of Japan's major industrial and commercial companies. The following table provides information as to the domestic lending business of our principal banking subsidiaries (including trust account) on a combined basis as of the dates indicated:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
SMEs and individual customers ⁽¹⁾⁽²⁾	¥32,032	¥31,807	¥31,963	¥32,444	¥32,575
Housing and consumer loans	12,383	12,095	12,186	11,990	11,808
Housing loans for owner's residential housing	10,488	10,338	10,497	10,376	10,263
Others	25,419	24,186	24,774	24,747	23,891
Loans and bills discounted	<u>¥57,451</u>	<u>¥55,993</u>	<u>¥56,737</u>	<u>¥57,192</u>	<u>¥56,467</u>

Notes:

- (1) For purposes of the above table, SMEs are defined as (a) companies which have capital amounts of ¥300 million or less, except in the case of the wholesale industry where the threshold amount is ¥100 million or less and the retail, restaurant and commodity lease industries, etc. where the threshold amount is ¥50 million or less; or (b) companies or individuals which have 300 or fewer employees, except in the case of the wholesale and commodity lease industries, etc. where the threshold is 100 employees and the retail and restaurant industries where the threshold is 50 employees.
- (2) As of March 31, 2011, 2012, 2013, 2014 and 2015, the following Loans to Mizuho Financial Group are not included:
As of March 31, 2011: ¥741 billion (from the former Mizuho Bank: ¥700 billion; from the former Mizuho Corporate Bank: ¥41 billion)
As of March 31, 2012: ¥741 billion (from the former Mizuho Bank: ¥700 billion; from the former Mizuho Corporate Bank: ¥41 billion)
As of March 31, 2013: ¥646 billion (from the former Mizuho Bank: ¥600 billion; from the former Mizuho Corporate Bank: ¥46 billion)
As of March 31, 2014: ¥561 billion (from Mizuho Bank)
As of March 31, 2015: ¥700 billion (from Mizuho Bank)
- (3) The above table does not include loans booked at overseas offices and offshore loans.

The following table sets forth the composition of the loan portfolio (loans and bills discounted) of our principal banking subsidiaries on a combined basis by use of funds as of the dates indicated:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Funds for capital investment	¥22,093	¥21,685	¥22,340	¥22,408	¥23,277
Funds for working capital	40,899	42,193	44,847	47,565	50,658
Total	<u>¥62,993</u>	<u>¥63,878</u>	<u>¥67,188</u>	<u>¥69,974</u>	<u>¥73,935</u>

The following table sets forth the composition of the loan portfolio of our principal banking subsidiaries on a combined basis by type of interest rate and maturity as of March 31, 2015:

As of March 31, 2015							
	One year or less ⁽¹⁾	More than one year to three years	More than three years to five years	More than five years to seven years	Over seven years	Unspecified term	Total ⁽¹⁾
	(in billions of yen)						
Floating interest rates	¥ n.a.	¥12,314	¥ 9,235	¥4,199	¥ 8,809	¥668	¥ n.a.
Fixed interest rates	n.a.	3,207	2,368	1,053	2,542	8	n.a.
Total	<u>¥29,533</u>	<u>¥15,522</u>	<u>¥11,604</u>	<u>¥5,253</u>	<u>¥11,351</u>	<u>¥677</u>	<u>¥73,942</u>

Note:

- (1) Loans and bills discounted with maturities of one year or less are not categorized by type of interest rate.

The following table sets forth the loans outstanding (including bills discounted) of our principal banking subsidiaries on a combined basis classified by type of collateral as of the dates indicated:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Securities	¥ 475	¥ 525	¥ 557	¥ 493	¥ 511
Commercial claims	794	787	839	794	860
Real estate and other collateral ⁽¹⁾	5,588	5,858	5,715	5,800	5,696
Total secured loans and bills discounted	6,858	7,171	7,113	7,088	7,069
Guaranteed loans and bills discounted	18,930	18,805	19,799	20,328	21,025
Unsecured loans and bills discounted	37,204	37,901	40,275	42,557	45,847
Total	¥62,993	¥63,878	¥67,188	¥69,974	¥73,942

Note:

(1) Real estate and other collateral consist mainly of real estate.

As of the dates indicated, the domestic and overseas loans outstanding of our principal banking subsidiaries (including trust account) on a combined basis classified by the industry in which borrowers operate, were as set forth below:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Domestic offices:					
Manufacturing	¥ 7,220	¥ 7,152	¥ 7,667	¥ 7,613	¥ 7,943
Agriculture and forestry	23	32	34	36	42
Fishery	0	2	2	2	0
Mining, quarrying industry and gravel extraction industry	154	144	216	239	264
Construction	927	865	812	755	758
Utilities	1,416	1,903	2,128	2,397	2,424
Communications	1,551	898	988	1,226	1,240
Transportation and postal industry	2,900	2,780	2,628	2,467	2,283
Wholesale and retail	4,842	4,799	4,838	4,791	5,046
Finance and insurance ⁽¹⁾	6,842	6,462	6,239	6,682	7,179
Real estate	6,351	6,348	6,612	6,382	6,520
Commodity lease	1,588	1,546	1,562	1,536	1,784
Service industries	2,699	2,426	2,408	2,417	2,487
Local governments	1,231	1,275	1,225	1,122	1,014
Governments	5,856	5,599	5,589	5,571	3,505
Other	13,843	13,755	13,783	13,948	13,970
Total domestic (A)	57,451	55,993	56,737	57,192	56,467
Overseas offices (including offshore loans of domestic offices):					
Governments	356	356	347	520	680
Financial institutions	2,324	3,049	4,103	4,575	5,458
Other	4,486	5,287	6,983	8,706	12,321
Total overseas (B)	7,166	8,693	11,434	13,802	18,460
Total (A+B)	¥64,618	¥64,687	¥68,171	¥70,994	¥74,927

Note:

(1) Loans to finance and insurance sector include loans to Mizuho Financial Group as follows:

As of March 31, 2011: ¥741 billion (from the former Mizuho Bank: ¥700 billion; from the former Mizuho Corporate Bank: ¥41 billion)

As of March 31, 2012: ¥741 billion (from the former Mizuho Bank: ¥700 billion; from the former Mizuho Corporate Bank: ¥41 billion)

As of March 31, 2013: ¥646 billion (from the former Mizuho Bank: ¥600 billion; from the former Mizuho Corporate Bank: ¥46 billion)

As of March 31, 2014: ¥561 billion (from Mizuho Bank)

As of March 31, 2015: ¥700 billion (from Mizuho Bank)

Investment Portfolio

The following table shows the securities held by us on a consolidated basis by type at the dates indicated:

	As of March 31,		
	2013	2014	2015
	(in billions of yen)		
Japanese government bonds	¥33,805	¥26,097	¥21,775
Japanese local government bonds	243	244	238
Japanese short-term bonds	—	0	0
Japanese corporate bonds	2,994	2,792	2,674
Japanese stocks ⁽¹⁾	3,203	3,525	4,500
Other ⁽²⁾	13,225	11,337	14,089
Total	¥53,472	¥43,997	¥43,278

Notes:

- (1) Japanese stocks include investments in non-consolidated subsidiaries and affiliates of ¥206 billion, ¥214 billion and ¥229 billion at March 31, 2013, 2014 and 2015, respectively.
- (2) Other includes investments in non-consolidated subsidiaries and affiliates of ¥52 billion, ¥58 billion and ¥62 billion at March 31, 2013, 2014 and 2015, respectively.

The following table shows the securities held by our principal banking subsidiaries on a combined basis by type at the dates indicated:

	As of March 31,				
	2011	2012	2013	2014	2015
	(in billions of yen)				
Japanese government bonds	¥30,223	¥34,273	¥33,733	¥42,562	¥21,603
Japanese local government bonds	230	272	243	472	238
Japanese corporate bonds	3,874	3,322	2,843	4,472	2,494
Japanese stocks ⁽¹⁾	3,617	3,608	4,059	4,669	4,530
Other	7,348	10,625	13,544	13,762	14,255
Domestic	368	449	444	591	670
International	6,980	10,176	13,099	13,170	13,585
Total	¥45,294	¥52,102	¥54,424	¥65,939	¥43,122

Note:

- (1) The ten largest listed stocks (on a book value basis) held directly by Mizuho Bank, the company within our consolidated group with the largest amount of investment stock, for the purpose other than as a pure investment were as follows:

Company	Number of shares held	As of March 31, 2015	
		Balance sheet amount	Purpose of possession
		(in millions of yen)	
Central Japan Railway Company	13,199,500	¥304,974	To respond to the issuing companies' requests and to strengthen our relationships with them
East Japan Railway Company	19,650,000	200,940	
The Dai-ichi Life Insurance Company, Limited	52,000,000	92,196	
Canon Inc.	22,558,173	91,924	
Kubota Corporation	45,006,000	88,031	
Fuji Heavy Industries Ltd.	16,078,909	65,376	
Bank of America Corporation	31,254,545	57,850	
Credit Saison Co., Ltd.	24,768,691	54,738	
Meiji Holdings Co., Ltd.	3,633,693	53,607	
Itochu Corporation	39,200,000	52,214	

The following table shows a summary of trading securities and money held in trust for trading purposes and related unrealized gains and losses on a consolidated basis:

	As of March 31,					
	2013		2014		2015	
	Fair value	Unrealized gains (losses)	Fair value	Unrealized gains (losses)	Fair value	Unrealized gains (losses)
	(in billions of yen)					
Trading securities	¥9,102	¥36	¥7,038	¥(19)	¥5,042	¥(5)
Money held in trust for investment	96	0	166	0	154	0

The following tables show the acquisition cost and fair value of, and the gross unrealized gains and losses on, other securities with readily determinable fair values and money held in trust on a consolidated basis as of March 31, 2013, 2014 and 2015:

	As of March 31, 2013			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(in billions of yen)			
Other securities ⁽¹⁾	¥49,627	¥1,148 ⁽²⁾	¥267 ⁽²⁾	¥50,508
Japanese stocks ⁽³⁾	2,065	843	133	2,776
Japanese bonds:	33,929	134	20	34,043
Japanese government bonds	30,716	89	1	30,805
Japanese local government bonds	239	4	0	243
Japanese short-term bonds	—	—	—	—
Japanese corporate bonds	2,973	40	19	2,994
Other	13,631	171	113	13,689
Money held in trust:				
Other money held in trust	—	—	—	—

	As of March 31, 2014			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(in billions of yen)			
Other securities ⁽¹⁾	¥39,084	¥1,475 ⁽²⁾	¥347 ⁽²⁾	¥40,212
Japanese stocks ⁽³⁾	2,003	1,197	90	3,110
Japanese bonds:	25,063	48	16	25,094
Japanese government bonds	22,044	17	4	22,057
Japanese local government bonds	241	2	0	244
Japanese short-term bonds	0	—	—	0
Japanese corporate bonds	2,776	27	12	2,792
Other	12,017	229	240	12,007
Money held in trust:				
Other money held in trust	1	—	—	1

	As of March 31, 2015			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(in billions of yen)			
Other securities ⁽¹⁾	¥35,173	¥2,623 ⁽²⁾	¥ 91 ⁽²⁾	¥37,704
Japanese stocks ⁽³⁾	1,962	2,187	28	4,121
Japanese bonds:	20,284	55	11	20,328
Japanese government bonds	17,393	24	1	17,415
Japanese local government bonds	234	4	0	238
Japanese short-term bonds	0	—	—	0
Japanese corporate bonds	2,656	27	10	2,673
Other	12,925	380	51	13,254
Money held in trust:				
Other money held in trust	3	—	—	3

Notes:

- (1) In addition to the balances shown in the above table, other securities included securities that do not have readily determinable fair values such as the following:

As of March 31, 2013	Unlisted stocks	¥ 232 billion
	Investments in partnerships	¥ 143 billion
	Other	¥ 100 billion
As of March 31, 2014	Unlisted stocks	¥ 213 billion
	Investments in partnerships	¥ 102 billion
	Other	¥ 100 billion
As of March 31, 2015	Unlisted stocks	¥ 163 billion
	Investments in partnerships	¥ 74 billion
	Other	¥ 100 billion

- (2) Net unrealized gains (losses) include ¥3 billion, ¥37 billion and ¥52 billion, which were recognized in the statements of income for the fiscal years ended March 31, 2013, 2014 and 2015, respectively, by applying the fair-value hedge method and others.
- (3) Fair values of stocks with a quoted market price are determined based on the average market prices over the month preceding the consolidated balance sheet dates.

The holdings of securities of our principal banking subsidiaries on a combined basis had the following book values by maturity of investment securities:

Maturity as of March 31, 2015				
	One year or less	More than one year to five years	More than five years to ten years	Over ten years
	(in billions of yen)			
Japanese government bonds	¥4,088	¥15,545	¥1,898	¥ —
Japanese local government bonds	36	104	92	0
Japanese corporate bonds	407	1,101	177	775
Other	2,415	3,466	2,383	2,924

Derivatives

A summary of the contract value of, fair value of and unrealized gains (losses) on derivatives not qualifying for hedge accounting and derivatives qualifying for hedge accounting as of March 31, 2015 is shown in the tables below. In the following tables:

- Contract value represents notional amounts for swap transactions and contract amounts for other transactions. Contract value amounts do not indicate the market risk related to derivative transactions.
- Fair values of listed contracts are based on the closing prices of the Osaka Exchange, the Tokyo Financial Exchange, the New York Mercantile Exchange and others. Fair values of over-the-counter contracts and inter-company or internal transactions are based on the discounted value of future cash flows, option pricing models and others.

Derivative transactions not qualifying for hedge accounting

Transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

As of March 31, 2015					

As of March 31, 2015				
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
(in billions of yen)				
<i>Stock-related transactions</i>				
Listed:				
Index futures:				
Sold	¥ 390	¥ 18	¥ (3)	¥ (3)
Bought	27	1	0	0
Index futures options:				
Sold	663	172	(68)	(36)
Bought	645	145	58	28
Over-the-counter:				
Equity linked swaps	181	173	3	3
Options:				
Sold	495	364	(124)	(111)
Bought	317	218	133	120
Other:				
Sold	12	—	0	0
Bought	143	132	11	11
Total	/	/	¥ 10	¥ 10
<i>Bond-related transactions</i>				
Listed:				
Futures:				
Sold	¥ 651	¥ —	¥ (3)	¥ (3)
Bought	537	—	2	2
Futures options:				
Sold	908	—	(0)	(0)
Bought	45	—	0	0
Over-the-counter:				
Options:				
Sold	831	165	(22)	(19)
Bought	843	165	21	19
Total	/	/	¥ (1)	¥ (0)
<i>Commodity-related transactions⁽¹⁾</i>				
Listed:				
Futures:				
Sold	¥ 10	¥ 0	¥ 0	¥ 0
Bought	10	0	(0)	(0)
Over-the-counter:				
Swaps	0	—	(0)	(0)
Options:				
Sold	163	93	9	9
Bought	149	76	(4)	(4)
Total	/	/	¥ 4	¥ 4
<i>Credit derivatives transactions</i>				
Over-the-counter:				
Credit derivatives:				
Sold ⁽²⁾	¥2,441	¥2,098	¥ 33	¥ 33
Bought ⁽²⁾	2,625	2,290	(28)	(28)
Total	/	/	¥ 5	¥ 5

Notes:

(1) Commodities include oil, copper, aluminum and others.

(2) “Sold” and “Bought” indicate assumption and cession of credit risk, respectively.

Derivative transactions qualifying for hedge accounting

		As of March 31, 2015			
		Contract value			
	Primary hedged items	Total	Over one year	Fair value	
		(in billions of yen)			
Interest rate-related transactions ⁽¹⁾					
Primary Method:					
Swaps:	Loans, deposits,				
Receive fixed/pay float	bonds and notes,	¥25,936	¥23,540	¥	256
Receive float/pay fixed	borrowings and	7,459	7,216		(120)
Receive float/pay float	others	42	—		0
Fair Value Hedge Method:					
Swaps:	Other securities				
Receive float/pay fixed	and others	291	239		(1)
Receive float/pay float		1	1		(0)
Exceptional Accrual Method:					
Swaps:	Loans,				
Receive fixed/pay float	borrowings and	30	10	(See note (2))	
Receive float/pay fixed	others	60	48		
Total		/	/	¥	134
Currency-related transactions ⁽³⁾					
Primary Method:					
Swaps:	Loans, deposits,	¥ 7,560	¥ 2,045	¥	(136)
Forwards:	borrowings,				
Sold	parent	281	—		(0)
Allocation Method:	company's				
Forwards:	interest of				
Sold	subsidiaries' net	2	—	(See note (4))	
Total	assets and others	/	/	¥	(136)
	Short-term bonds				
Stock-related transactions					
Fair Value Hedge Method:					
Forward Stock Agreements:					
Sold		¥ 113	¥ —	¥	(21)
Index futures:					
Sold	Other securities	0	—		(0)
Bought		0	—		0
Total		/	/	¥	(21)

Notes:

- (1) Primarily the deferred method is applied under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 24).
- (2) Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans and borrowings, hedged items, those fair values are included in fair values of such loans and borrowings in notes of Financial Statements "41. Financial Instruments."
- (3) Primarily the deferred method is applied under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No. 25).
- (4) Forward Exchange Contracts qualifying for the allocation method are treated as a unit of short-term bonds, hedged items.

MANAGEMENT

Mizuho Financial Group, Inc. transformed into a “Company with Three Committees” structure from a “Company with Board of Corporate Auditors” structure in June 2014. The company believes that, under the current legal system, the “Company with Three Committees” structure is the most effective as a system to realize the basic policy regarding our corporate governance system for the following reasons:

- To allow executive officers to make swift and flexible decisions on business execution delegated by the Board of Directors and to implement business execution, and to allow the Board of Directors to focus on determining matters such as basic management policies and effectively supervising management.
- To secure to the fullest extent possible a checks and balances function that fully utilizes the viewpoints of outside parties and objectively secure appropriateness and fairness in decision-making through members of the Nominating Committee, the Compensation Committee and the Audit Committee, which consist mainly of outside directors.
- To make possible the creation of systems that are necessary to realize the fundamental perspectives regarding our corporate governance in a form that takes into account what we aim to be and our challenges.
- To be in line with governance systems that are required globally with a strong recognition that we operate globally and are in a position in which we should play a leading role in the industry as a financial group that is a G-SIFI to continue constructing a strong governance system that will agilely respond to domestic and global structural changes and overcome a highly competitive environment; and as a result, to allow us to fulfill our social role and mission, which is to realize continuous and stable corporate growth and improved corporate value and shareholder interests and contribute to domestic and global economic and industrial development and prosperity of society, in response to the demands of our stakeholders.

For additional information on the company’s corporate governance as a Company with Three Committees, see “—Board Practices.”

Directors

This section shows information regarding directors of Mizuho Financial Group, Inc. in two ways. First, the table right below shows information as of June 30, 2015. Second, the table is followed by a sub-section, “Certain Changes to the Directors as Announced on March 3, 2016.”

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
Yasuhiro Sato (Apr. 15, 1952)	Member of the Board of Directors President & Group CEO (Representative Executive Officer)	Mar. 2003	Executive Officer / Senior Corporate Officer of International Banking Unit of the former Mizuho Corporate Bank, Ltd.	June 2016
	Member of the Board of Directors of Mizuho Bank, Ltd.	Apr. 2004	Managing Executive Officer	
		Mar. 2006	Executive Managing Director / Head of Corporate Banking Unit	
	Member of the Board of Directors of Mizuho Trust & Banking Co., Ltd.	Apr. 2007	Deputy President / Chief Auditor	
	Member of the Board of Directors of Mizuho Securities Co., Ltd.	Apr. 2009	President & CEO (until July 2013)	
	Chairman of the Japanese Bankers Association (until Mar. 2016)	June 2009	Member of the Board of Directors of Mizuho Financial Group, Inc.	
		June 2011	Member of the Board of Directors of the former Mizuho Bank, Ltd.	

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
			President & Group CEO of Mizuho Financial Group, Inc. (until June 2014)	
		July 2013	President & CEO of Mizuho Bank, Ltd.	
		Apr. 2014	Member of the Board of Directors (current)	
			Member of the Board of Directors of Mizuho Trust & Banking Co., Ltd. (current)	
			Member of the Board of Directors of Mizuho Securities Co., Ltd. (current)	
		June 2014	Member of the Board of Directors, President & Group CEO of Mizuho Financial Group, Inc. (current)	
Shusaku Tsuhara (Jan. 6, 1960)	Member of the Board of Directors Senior Managing Executive Officer	Apr. 2010	Executive Officer / General Manager of Executive Secretariat of Mizuho Financial Group, Inc.	June 2016
	Head of Compliance Group (Group CCO)	Apr. 2012	Managing Executive Officer of the former Mizuho Bank, Ltd.	
	Senior Executive Managing Director of Mizuho Bank, Ltd.	July 2013	Managing Executive Officer of Mizuho Bank, Ltd.	
		Apr. 2015	Senior Managing Executive Officer / Head of Compliance Group of Mizuho Financial Group, Inc.	
			Senior Executive Managing Director / Head of Compliance Group of Mizuho Bank, Ltd. (current)	
		June 2015	Member of the Board of Directors, Senior Managing Executive Officer / Head of Compliance Group of Mizuho Financial Group, Inc. (current)	
Ryusuke Aya (May 20, 1960)	Member of the Board of Directors Managing Executive Officer	Apr. 2010	General Manager of Risk Management Division of the former Mizuho Corporate Bank, Ltd.	June 2016
	Head of Risk Management Group (Group CRO)	Apr. 2012	Executive Officer / General Manager of Risk Management Division of Mizuho Financial Group, Inc. (until Nov. 2013)	
	Executive Managing Director of Mizuho Bank, Ltd.			

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
Junichi Shinbo (May 21, 1961)	Member of the Board of Directors Managing Executive Officer Head of Financial Control & Accounting Group (Group CFO) Executive Managing Director of Mizuho Bank, Ltd. President & CEO of Mizuho Financial Strategy Co., Ltd.		Executive Officer / General Manager of Risk Management Division of the former Mizuho Bank, Ltd.	
			Executive Officer / General Manager of Risk Management Division of the former Mizuho Corporate Bank, Ltd.	
		July 2013	Executive Officer / General Manager of Risk Management Division of Mizuho Bank, Ltd.	
		Nov. 2013	Managing Executive Officer / Head of Risk Management Group of Mizuho Financial Group, Inc. (until June 2014)	
			Managing Executive Officer / Head of Risk Management Group of Mizuho Bank, Ltd.	
			Managing Executive Officer / In charge of Risk Management Group of Mizuho Trust & Banking Co., Ltd.	
			Managing Executive Officer / In charge of Risk Management Group of Mizuho Securities Co., Ltd.	
		Apr. 2014	Executive Managing Director / Head of Risk Management Group of Mizuho Bank, Ltd. (current)	
		June 2014	Member of the Board of Directors, Managing Executive Officer / Head of Risk Management Group of Mizuho Financial Group, Inc. (current)	
		Apr. 2010	General Manager of Asset Management Coordination Division of the former Mizuho Corporate Bank, Ltd.	June 2016
		Apr. 2012	Executive Officer / General Manager of Portfolio Management Division of Mizuho Financial Group, Inc. (until Apr. 2014)	
			Executive Officer / General Manager of Portfolio Management Division of the former Mizuho Bank, Ltd.	

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
Koji Fujiwara (June 29, 1961)	Member of the Board of Directors Managing Executive Officer Head of Strategic Planning Group (Group CSO) Executive Managing Director of Mizuho Bank, Ltd.		Executive Officer / General Manager of Portfolio Management Division of the former Mizuho Corporate Bank, Ltd.	
		July 2013	Executive Officer / General Manager of Portfolio Management Division of Mizuho Bank, Ltd.	
		Apr. 2014	Managing Executive Officer / Head of Financial Control & Accounting Group of Mizuho Financial Group, Inc.	
			Executive Managing Director / Head of Financial Control & Accounting Group of Mizuho Bank, Ltd. (current)	
			President & CEO of Mizuho Financial Strategy Co., Ltd.	
		June 2014	Member of the Board of Directors, Managing Executive Officer / Head of Financial Control & Accounting Group of Mizuho Financial Group, Inc. (current)	
		Apr. 2010	General Manager of Investor Relations Division of Mizuho Financial Group, Inc.	June 2016
		Apr. 2012	Executive Officer / General Manager of Investor Relations Division	
		Apr. 2014	Managing Executive Officer / Head of Strategic Planning Group	
			Executive Managing Director / Head of Strategic Planning Group of Mizuho Bank, Ltd. (current)	
		June 2014	Member of the Board of Directors, Managing Executive Officer / Head of Strategic Planning Group of Mizuho Financial Group, Inc. (current)	

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
Hideyuki Takahashi (Apr. 20, 1957)	Member of the Board of Directors Member of the Audit Committee Member of the Board of Directors of Mizuho Bank, Ltd.	Apr. 2007	Executive Officer / Senior Corporate Officer of Strategic Planning Group of the former Mizuho Corporate Bank, Ltd.	June 2016
		Apr. 2009	Managing Executive Officer / Head of Global Portfolio Management Unit, Head of Financial Institutions & Public Sector Business Unit, Head of Global Alternative Investment Unit	
		Apr. 2010	Managing Executive Officer / Chief Financial Officer and Chief Portfolio Management Officer	
		Apr. 2011	Managing Executive Officer / Chief Financial Officer, Chief Portfolio Management Officer and Chief Information Officer	
		Apr. 2012	Managing Executive Officer / Head of Financial Control & Accounting Group of Mizuho Financial Group, Inc.	
			Managing Executive Officer / Head of Financial Control & Accounting Group of the former Mizuho Bank, Ltd. (until Apr. 2013)	
			Managing Executive Officer / Head of Financial Control & Accounting Group of the former Mizuho Corporate Bank, Ltd. (until Apr. 2013)	
			Managing Executive Officer / In charge of Strategic Planning, Financial Control & Accounting Group of Mizuho Trust & Banking Co., Ltd. (until Apr. 2014)	
			President & CEO of Mizuho Financial Strategy Co., Ltd. (until Apr. 2014)	
		June 2012	Executive Managing Director / Head of Financial Control & Accounting Group of Mizuho Financial Group, Inc.	

Name (date of birth)	Positions and principal outside positions	Business experience	Expiration of term as director
Nobukatsu Funaki (Mar. 30, 1959)	Member of the Board of Directors Member of the Audit Committee	Apr. 2013 Deputy President / Head of Financial Control & Accounting Group (until Apr. 2014)	June 2016
		Deputy President & Executive Officer / Head of Financial Control & Accounting Group of the former Mizuho Bank, Ltd.	
		Deputy President & Executive Officer / Head of Financial Control & Accounting Group of the former Mizuho Corporate Bank, Ltd.	
		Managing Executive Officer /In charge of Financial Control & Accounting Group of Mizuho Securities Co., Ltd. (until Apr. 2014)	
		July 2013 Deputy President & Executive Officer / Head of Financial Control & Accounting Group of Mizuho Bank, Ltd.	
		Apr. 2014 Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	
		June 2014 Member of the Board of Directors of Mizuho Bank, Ltd. (current)	
Mitsuo Ohashi ⁽¹⁾ (Jan. 18, 1936)	Member of the Board of Directors Member of the Nominating Committee Senior Counselor of Showa Denko K.K. External Statutory Auditor of Fukoku Mutual Life Insurance Company	Mar. 2010 Audit & Supervisory Board Member of the former Mizuho Corporate Bank, Ltd. (until June 2013)	June 2016
		Apr. 2013 Audit & Supervisory Board Member of Mizuho Securities Co., Ltd. (until June 2014)	
		June 2013 Audit & Supervisory Board Member of Mizuho Financial Group, Inc.	
		June 2014 Member of the Board of Directors (current)	
		Mar. 1959 Joined Mitsui Bank, Ltd.	
		Dec. 1961 Joined Showa Denko K.K.	
		May 1988 General Manager of Corporate Planning Division	
		Mar. 1989 Director / General Manager of Corporate Planning Division	
		Mar. 1993 Managing Director	
		Mar. 1995 Senior Managing Director	

Name (date of birth)	Positions and principal outside positions	Business experience	Expiration of term as director
Tetsuo Seki ⁽¹⁾⁽²⁾ (July 29, 1938)	Member of the Board of Directors Member of the Compensation Committee Member of the Audit Committee General Advisor of the Shoko Chukin Bank, Ltd.	Mar. 1997 President and Chief Executive Officer	June 2016
		Jan. 2005 Representative Director and Chairman of the Board of Directors	
		June 2005 Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	
		Mar. 2007 Director and Chairman of the Board of Directors of Showa Denko K.K.	
		Mar. 2010 Senior Advisor	
		Mar. 2014 Senior Counselor (current)	
		Apr. 1963 Joined Yawata Iron & Steel Co., Ltd.	
		June 1993 Director of Nippon Steel Corporation	
		Apr. 1997 Managing Director	
		Apr. 2000 Representative Director and Executive Vice President	
		June 2003 Executive Advisor	
		June 2004 Senior Corporate Auditor	
		June 2006 Independent Director of Terumo Corporation (until Sep. 2008)	
		Mar. 2007 Outside Director of Sapporo Holdings Limited (until Sep. 2008)	
		June 2007 Outside Director of Tokyo Financial Exchange Inc. (until Sep. 2008)	
		Oct. 2007 Chairperson of the Japan Corporate Auditors Association (until Oct. 2008)	
		Outside Director of Japan Post Holdings Co., Ltd. (until Sep. 2008)	
		June 2008 Executive Advisor of Nippon Steel Corporation (until Sep. 2008)	
		Oct. 2008 President (Representative Director) of the Shoko Chukin Bank, Ltd.	
		June 2013 General Advisor (current)	
		June 2015 Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	
Takashi Kawamura ⁽¹⁾⁽²⁾ (Dec. 19, 1939)	Member of the Board of Directors Member of the Nominating Committee Member of the Compensation Committee	Apr. 1962 Joined Hitachi, Ltd.	June 2016
		June 1995 Director	
		June 1997 Executive Managing Director	
		Apr. 1999 Executive Vice President and Representative Director	

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
	Advisor of Hitachi, Ltd.	Apr. 2003	Director (until June 2007)	
	Outside Director, Chairman of the Board of Hitachi Chemical Company, Ltd.	June 2003	Chairman of the Board and Representative Executive Officer, Hitachi Software Engineering Co., Ltd.	
	Chairman of the Board, Outside Director of Hitachi Construction Machinery Co., Ltd.	June 2005	Chairman of the Board, Hitachi Plant Engineering & Construction Co., Ltd. (until June 2009)	
	Outside Director of CALBEE, Inc.	June 2006	Chairman of the Board, Hitachi Software Engineering Co., Ltd. (until June 2007)	
		June 2007	Chairman of the Board, Hitachi Maxell, Ltd. (until June 2009)	
		Apr. 2009	Representative Executive Officer, Chairman, President and Chief Executive Officer, Hitachi, Ltd.	
		June 2009	Representative Executive Officer, Chairman, President and Chief Executive Officer and Director	
		Apr. 2010	Representative Executive Officer, Chairman and Director	
		Apr. 2011	Chairman of the Board	
		Apr. 2014	Director	
		June 2014	Advisor (current)	
			Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	
	Member of the Board of Directors	Apr. 1966	Appointed as Public Prosecutor	June 2016
	Member of the Nominating Committee	Jan. 2002	Superintending Prosecutor of the Tokyo High Public Prosecutors Office	
Tatsuo Kainaka ⁽¹⁾⁽²⁾ (Jan. 2, 1940)	Member of the Compensation Committee	Oct. 2002	Justice of the Supreme Court	
	Member of the Audit Committee	Mar. 2010	Admitted to the Tokyo Bar Association	
	Attorney-at-law at Takusyou Sogo Law Office	Apr. 2010	Joined Takusyou Sogo Law Office (current)	
	President of the Life Insurance Policyholders Protection Corporation of Japan	Jan. 2011	President of the Life Insurance Policyholders Protection Corporation of Japan (current)	
	Corporate Auditor (External) of Oriental Land Co., Ltd.	Nov. 2013	Member of the Board of Directors of Mizuho Bank, Ltd. (until June 2014)	
		June 2014	Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	

Name (date of birth)	Positions and principal outside positions		Business experience	Expiration of term as director
Hirotake Abe ⁽¹⁾⁽²⁾ (Nov. 13, 1944)	Member of the Board of Directors	Jan. 1970	Joined Tohmatsu Awoki & Co.	June 2016
	Member of the Audit Committee	June 1985	Temporarily transferred to Deloitte & Touche New York Office (until Oct. 1992)	
	Certified Public Accountant Hirotake Abe Office	July 1990	Senior Partner of Tomatsu & Co.	
	Outside Corporate Auditor of CONEXIO Corporation	June 2001	CEO (until May 2007)	
	Outside Audit and Supervisory Board Member of NIPPON STEEL & SUMITOMO METAL CORPORATION	June 2004	Executive Member of Deloitte Touche Tohmatsu Limited (until May 2007)	
		June 2007	Senior Adviser of Deloitte Touche Tohmatsu (until Dec. 2009)	
		Jan. 2010	Established the Certified Public Accountant Hirotake Abe Office (current)	
		June 2015	Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	
Hiroko Ota ⁽¹⁾⁽²⁾ (Feb. 2, 1954)	Member of the Board of Directors	Apr. 1996	Associate Professor, the Graduate School of Policy Science, Saitama University	June 2016
	Member of the Nominating Committee	Oct. 1997	Associate Professor, National Graduate Institute for Policy Studies	
	Professor of National Graduate Institute for Policy Studies	Apr. 2001	Professor, National Graduate Institute for Policy Studies	
	Outside Director of JX Holdings, Inc.	Apr. 2002	Director for Economic Research, Cabinet Office	
	Outside Director of Panasonic Corporation	Mar. 2003	Deputy Director General for Economic Research, Cabinet Office	
		Apr. 2004	Director General for Economic Research, Cabinet Office	
		Aug. 2005	Professor, National Graduate Institute for Policy Studies	
		Sep. 2006	Minister of State for Economic and Fiscal Policy	
		Aug. 2008	Professor, National Graduate Institute for Policy Studies (current)	
		Apr. 2009	Vice-President, National Graduate Institute for Policy Studies (until Mar. 2011)	
		June 2014	Member of the Board of Directors of Mizuho Financial Group, Inc. (current)	

Notes:

- (1) Mr. Ohashi, Mr. Seki, Mr. Kawamura, Mr. Kainaka, Mr. Abe and Ms. Ota satisfy the requirements for an “outside director” under the Companies Act.
- (2) Mr. Seki, Mr. Kawamura, Mr. Kainaka, Mr. Abe and Ms. Ota are “independent directors” required by the Tokyo Stock Exchange, Inc.
- (3) The designation of the Chairman and the Deputy Chairman of the Board of Directors, and the designation of committee members and the Chairman of each committee are as follows:
Chairman of the Board of Directors: Hiroko Ota

Deputy Chairman of the Board of Directors: Hideyuki Takahashi
 Nominating Committee members:
 Mitsuo Ohashi (Chairman), Takashi Kawamura, Tatsuo Kainaka and Hiroko Ota
 Compensation Committee members:
 Tatsuo Kainaka (Chairman), Tetsuo Seki and Takashi Kawamura
 Audit Committee members:
 Hideyuki Takahashi (Chairman), Tetsuo Seki, Tatsuo Kainaka, Hirotake Abe and Nobukatsu Funaki

Certain Changes to the Directors as Announced on March 3, 2016

On March 3, 2016, in keeping with our common practice and in the ordinary course of business, Mizuho Financial Group, Inc. announced certain changes to the directors, as set forth below.

Director Nominees to be considered at the company's ordinary general meeting of shareholders in June 2016 ("The Shareholders Meeting")

Mr. Yasuhiro Sato*	(Reappointment)
Mr. Shusaku Tsuhara*	(Reappointment)
Mr. Ryusuke Aya*	(Reappointment)
Mr. Koji Fujiwara*	(Reappointment)
Mr. Koichi Iida*	(New appointment)
Mr. Hideyuki Takahashi	(Reappointment)
Mr. Nobukatsu Funaki	(Reappointment)
Mr. Mitsuo Ohashi	(Reappointment, Outside Director)
Mr. Tetsuo Seki	(Reappointment, Outside Director)
Mr. Takashi Kawamura	(Reappointment, Outside Director)
Mr. Tatsuo Kainaka	(Reappointment, Outside Director)
Mr. Hirotake Abe	(Reappointment, Outside Director)
Ms. Hiroko Ota	(Reappointment, Outside Director)

Note: Asterisks indicate director nominees concurrently serving as executive officers. For additional information on Mr. Koichi Iida, see "—Executive Officers."

Directors scheduled to retire on April 1, 2016

Mr. Junichi Shinbo (Currently Director and Managing Executive Officer)

Chairman and Deputy Chairman of the Board of Directors to be considered at the meeting of the board of directors to be held following the Shareholders Meeting

Appointee as Chairman

Ms. Hiroko Ota

Appointee as Deputy Chairman

Mr. Hideyuki Takahashi

Members of Committees to be considered at the meeting of the board of directors to be held following the Shareholders Meeting

Nominating Committee

Chairman	Mr. Mitsuo Ohashi	(Outside Director)
Member	Mr. Takashi Kawamura	(Outside Director)
Member	Mr. Tatsuo Kainaka	(Outside Director)
Member	Ms. Hiroko Ota	(Outside Director)

Compensation Committee

Chairman	Mr. Tatsuo Kainaka	(Outside Director)
Member	Mr. Tetsuo Seki	(Outside Director)
Member	Mr. Takashi Kawamura	(Outside Director)

Audit Committee

Chairman	Mr. Hideyuki Takahashi	
Member	Mr. Tetsuo Seki	(Outside Director)
Member	Mr. Tatsuo Kainaka	(Outside Director)
Member	Mr. Hirotake Abe	(Outside Director)
Member	Mr. Nobukatsu Funaki	

Executive Officers

The following table provides information regarding executive officers of Mizuho Financial Group, Inc. as of April 1, 2016:

Name (date of birth)	Current positions and principal outside positions	Business experience		Expiration of current term as executive officer
Yasuhiro Sato (Apr. 15, 1952)	See “—Directors.”	See “—Directors.”		June 2016
Toshitsugu Okabe (May 2, 1956)	Deputy President & Executive Officer (Representative Executive Officer)	Apr. 2008	Executive Officer / General Manager of Executive Secretariat of Mizuho Financial Group, Inc.	June 2016
	Head of Retail & Business Banking Company	Apr. 2009	Managing Executive Officer of the former Mizuho Bank, Ltd.	
		Apr. 2012	Managing Executive Officer / Head of Retail Banking Unit Managing Executive Officer (not full-time) / In charge of coordination with Retail Banking Unit of the former Mizuho Bank, Ltd. of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2013	Deputy President & Executive Officer / Deputy President (Personal Banking Unit and Retail Banking Unit) of Mizuho Financial Group, Inc. Deputy President / Deputy President (Personal Banking Unit and Retail Banking Unit) and Head of Internal Audit Group of the former Mizuho Bank, Ltd. (until July 2013) Deputy President & Executive Officer / Deputy President (In charge of coordination with Personal Banking Unit and Retail Banking Unit of the former Mizuho Bank, Ltd.) and Head of Internal Audit Group of the former Mizuho Corporate Bank, Ltd. (until July 2013)	

Name (date of birth)	Current positions and principal outside positions	Business experience	Expiration of current term as executive officer
		June 2013 Deputy President / Deputy President (Personal Banking Unit and Retail Banking Unit) of Mizuho Financial Group, Inc. (until Sep. 2013)	
		July 2013 Deputy President / Deputy President (Personal Banking Unit and Retail Banking Unit) and Head of Internal Audit Group of Mizuho Bank, Ltd. (until Apr. 2014)	
		Sep. 2013 Deputy President / Deputy President (Personal Banking Unit and Retail Banking Unit) and Head of Compliance Group of Mizuho Financial Group, Inc. (until Apr. 2014)	
		Nov. 2013 Managing Executive Officer / In charge of Compliance Group of Mizuho Trust & Banking Co., Ltd. Managing Executive Officer / In charge of Compliance Group of Mizuho Securities Co., Ltd.	
		Apr. 2014 Deputy President / Deputy President (Head of Strategic Planning and Management Control (Personal Banking, Retail Banking and Corporate Banking)) of Mizuho Financial Group, Inc.	
		June 2014 Deputy President & Executive Officer / Head of Strategic Planning and Management Control (Personal Banking, Retail Banking and Corporate Banking)	
		Apr. 2015 Deputy President & Executive Officer / Head of Strategic Planning and Management Control (Personal Banking, Retail Banking and Corporate Banking) and Strategic Planning (Priority Assignments)	
		Apr. 2016 Deputy President & Executive Officer / Head of Retail & Business Banking Company (current)	

Name (date of birth)	Current positions and principal outside positions		Business experience	Expiration of current term as executive officer
Daisaku Abe (June 20, 1957)	Deputy President & Executive Officer	Apr. 2007	Executive Officer / General Manager of Executive Secretariat of the former Mizuho Corporate Bank, Ltd.	June 2016
	Head of IT & Systems Group (Group CIO)			
	Head of Operations Group (Group COO)	Apr. 2009	Managing Executive Officer / Head of Strategic Planning Group, Head of IT, Systems & Operations Group and General Manager of Group Strategic Planning of Mizuho Financial Group, Inc.	
	Deputy President & Executive Officer of Mizuho Bank, Ltd.			
		Apr. 2011	Managing Executive Officer / Head of Strategic Planning Group and Head of IT, Systems & Operations Group	
		Apr. 2012	Managing Executive Officer / Head of IT & Systems Group and Head of Operations Group Managing Executive Officer / Head of IT & Systems Group and Head of Operations Group of the former Mizuho Bank, Ltd. (until Apr. 2013) Managing Executive Officer / Head of IT & Systems Group and Head of Operations Group of the former Mizuho Corporate Bank, Ltd. (until Apr. 2013) Managing Executive Officer / In charge of IT & Systems Group and Operations Group of Mizuho Trust & Banking Co., Ltd. (until Apr. 2014)	
		June 2012	Executive Managing Director / Head of IT & Systems Group and Head of Operations Group of Mizuho Financial Group, Inc.	
		Apr. 2013	Deputy President / Head of IT & Systems Group and Head of Operations Group (until June 2014) Deputy President & Executive Officer / Head of IT & Systems Group and Head of Operations Group of the former Mizuho Bank, Ltd.	

Name (date of birth)	Current positions and principal outside positions		Business experience	Expiration of current term as executive officer
			Deputy President & Executive Officer / Head of IT & Systems Group and Head of Operations Group of the former Mizuho Corporate Bank, Ltd.	
			Managing Executive Officer / In charge of IT & Systems Group and Operations Group of Mizuho Securities Co., Ltd. (until Apr. 2014)	
		July 2013	Deputy President & Executive Officer / Head of IT & Systems Group and Head of Operations Group of Mizuho Bank, Ltd. (current)	
		June 2014	Deputy President & Executive Officer / Head of IT & Systems Group and Head of Operations Group of Mizuho Financial Group, Inc. (current)	
Kosuke Nakamura (Apr. 29, 1957)	Deputy President & Executive Officer Head of Corporate & Institutional Company Deputy President & Executive Officer of Mizuho Bank, Ltd.	Apr. 2008	Executive Officer, General Manager of Singapore Branch of the former Mizuho Corporate Bank, Ltd.	June 2016
		Apr. 2011	Managing Executive Officer (until July 2013)	
		Apr. 2012	Managing Executive Officer of the former Mizuho Bank, Ltd.	
		July 2013	Managing Executive Officer of Mizuho Bank, Ltd.	
		Apr. 2014	Deputy President / Head of Business Promotion	
		Apr. 2016	Deputy President & Executive Officer / Head of Corporate & Institutional Company (current)	
			Deputy President & Executive Officer / In charge of Special Missions of Mizuho Bank, Ltd. (current)	
Akira Sugano (July 25, 1959)	Senior Managing Executive Officer Head of Global Corporate Company	Apr. 2009	Executive Officer / General Manager of International Coordination Division of the former Mizuho Corporate Bank, Ltd.	June 2016

Name (date of birth)	Current positions and principal outside positions	Business experience	Expiration of current term as executive officer
		Apr. 2012 Managing Executive Officer / Head of Investment Banking Unit, Head of Asset Management Unit and In charge of Business Collaboration Division (Securities & Trust Services) of the former Mizuho Bank, Ltd. Managing Executive Officer / Head of Investment Banking Unit, Head of Asset Management Unit and In charge of Business Collaboration Division (Securities & Trust Services) of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2013 Managing Executive Officer / Head of International Banking Unit and Head of Asset Management Unit of Mizuho Financial Group, Inc. (until Apr. 2014) Managing Executive Officer / Head of Asset Management Unit and In charge of coordination with International Banking Unit of the former Mizuho Corporate Bank, Ltd. of the former Mizuho Bank, Ltd. Managing Executive Officer / Head of International Banking Unit and Head of Asset Management Unit of the former Mizuho Corporate Bank, Ltd.	
		July 2013 Managing Executive Officer / Head of International Banking Unit and Head of Asset Management Unit of Mizuho Bank, Ltd.	
		Apr. 2014 Senior Managing Executive Officer / Head of Strategic Planning and Management Control (International Banking, Investment Banking and Asset Management) of Mizuho Financial Group, Inc.	

Name (date of birth)	Current positions and principal outside positions	Business experience		Expiration of current term as executive officer
		Apr. 2015	Senior Managing Executive Officer / Head of Strategic Planning and Management Control (International Banking, Investment Banking, Transaction and Asset Management) and Strategic Planning (Priority Assignments)	
		Apr. 2016	Senior Managing Executive Officer / Head of Global Corporate Company (current)	
Shusaku Tsuhara (Jan. 6, 1960)	See “—Directors.”		See “—Directors.”	June 2016
Junichi Kato (July 30, 1957)	Senior Managing Executive Officer	Apr. 2008	Executive Officer of Mizuho Securities Co., Ltd. / President & CEO of Mizuho Bank (Switzerland) Ltd.	June 2016
	Head of Global Markets Company	Apr. 2009	Managing Executive Officer of the former Mizuho Bank, Ltd.	
		Apr. 2012	Managing Executive Officer / Joint Head of Markets Unit of the former Mizuho Bank, Ltd.	
			Managing Executive Officer / Joint Head of Markets Unit of the former Mizuho Corporate Bank, Ltd.	
		July 2013	Managing Executive Officer / Joint Head of Markets Unit of Mizuho Bank, Ltd.	
		Apr. 2014	Managing Executive Officer / Head of Markets Unit of Mizuho Financial Group, Inc.	
			Managing Executive Officer / Head of Markets Unit of Mizuho Bank, Ltd.	
		Apr. 2016	Senior Managing Executive Officer / Head of Global Markets Company (current)	
Katsunobu Motohashi (Nov. 11, 1957)	Senior Managing Executive Officer	Apr. 2009	Executive Officer / General Manager of Treasury Department of Mizuho Trust & Banking Co., Ltd.	June 2016
	Head of Asset Management Company			
	Senior Managing Executive Officer of Mizuho Bank, Ltd.	Apr. 2010	Managing Executive Officer	
		Apr. 2012	Managing Executive Officer / Head of Pension Business Unit & Asset Management Unit (until Apr. 2014)	

Name (date of birth)	Current positions and principal outside positions	Business experience		Expiration of current term as executive officer
Masayuki Yonetani (Apr. 20, 1958)	Senior Managing Executive Officer Head of Internal Audit Group	Apr. 2013	Managing Executive Officer / Deputy Head of Asset Management Unit of Mizuho Financial Group, Inc.	June 2016
		Apr. 2014	Managing Executive Officer / Head of Asset Management Unit Managing Executive Officer / Head of Asset Management Unit of Mizuho Bank, Ltd.	
		Apr. 2016	Senior Managing Executive Officer / Head of Asset Management Company (current) Senior Managing Executive Officer / Head of Asset Management Division of Mizuho Bank, Ltd. (current)	
		Apr. 2009	Executive Officer / General Manager of Corporate Banking Coordination Division of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2011	Managing Executive Officer	
		Apr. 2012	Managing Executive Officer / Head of Corporate Banking Unit of the former Mizuho Corporate Bank, Ltd. (until July 2013) Managing Executive Officer / Head of Corporate Banking Unit and In charge of Corporate Banking Unit (Large Corporations) of the former Mizuho Bank, Ltd. (until July 2013)	
		Apr. 2013	Managing Executive Officer / Head of Corporate Banking Unit of Mizuho Financial Group, Inc. (until Apr. 2015)	
		July 2013	Managing Executive Officer / Head of Corporate Banking Unit of Mizuho Bank, Ltd.	
		Apr. 2015	Managing Executive Officer / Head of Internal Audit Group	

Name (date of birth)	Current positions and principal outside positions	Business experience		Expiration of current term as executive officer
Keiichiro Ogushi (Aug. 20, 1960)	Senior Managing Executive Officer Head of Research & Consulting Unit	Apr. 2016	Senior Managing Executive Officer / Head of Internal Audit Group of Mizuho Financial Group, Inc. (current)	June 2016
		Apr. 2009	General Manager of Corporate Banking Division No.12 of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2011	Executive Officer / General Manager of Corporate Banking Coordination Division	
		Apr. 2012	Executive Officer / General Manager of Corporate Banking Coordination Division (Large Corporations) of the former Mizuho Bank, Ltd.	
			Executive Officer / General Manager of Corporate Banking Coordination Division (Large Corporations) of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2013	Managing Executive Officer of the former Mizuho Bank, Ltd.	
			Managing Executive Officer of the former Mizuho Corporate Bank, Ltd.	
		July 2013	Managing Executive Officer of Mizuho Bank, Ltd.	
		Apr. 2015	Managing Executive Officer / Head of Retail Banking Unit and Head of Corporate Banking Unit of Mizuho Financial Group, Inc.	
			Managing Executive Officer / Head of Retail Banking Unit and Head of Corporate Banking Unit of Mizuho Bank, Ltd.	
		Apr. 2016	Senior Managing Executive Officer / Head of Research & Consulting Unit (current)	

Name (date of birth)	Current positions and principal outside positions	Business experience		Expiration of current term as executive officer
Daisuke Yamada (Oct. 10, 1960)	Managing Executive Officer	Apr. 2009	General Manager of Industry Research Division of the former Mizuho Corporate Bank, Ltd.	June 2016
	Head of Global Products Unit In charge of Incubation Project Team			
	Managing Executive Officer of Mizuho Bank, Ltd.	Apr. 2011	Executive Officer / General Manager of Industry Research Division (Until Apr. 2013)	
		Apr. 2012	Executive Officer / General Manager of Industry Research Division of the former Mizuho Bank, Ltd.	
		Apr. 2013	Managing Executive Officer of the former Mizuho Bank, Ltd.	
			Managing Executive Officer of the former Mizuho Corporate Bank, Ltd.	
		July 2013	Managing Executive Officer of Mizuho Bank, Ltd.	
		Apr. 2014	Managing Executive Officer / Head of Corporate Banking Unit (Large Corporations) of Mizuho Financial Group, Inc.	
			Managing Executive Officer / Head of Corporate Banking Unit (Large Corporations) of Mizuho Bank, Ltd.	
		Apr. 2016	Managing Executive Officer / Head of Global Products Unit and In charge of Incubation Project Team (current)	
			Managing Executive Officer / Head of Global Products Unit of Mizuho Bank, Ltd. (current)	
Ryusuke Aya (May 20, 1960)	See “—Directors.”	See “—Directors.”		June 2016
Koji Fujiwara (June 29, 1961)	See “—Directors.”	See “—Directors.”		June 2016
Satoshi Ishii (Sep. 1, 1963)	Managing Executive Officer	Apr. 2009	Deputy General Manager of International Coordination Division of the former Mizuho Corporate Bank, Ltd.	June 2016
	Head of Human Resources Group (Group CHRO)			
	Managing Executive Officer of Mizuho Bank, Ltd.	Apr. 2011	General Manager of Executive Secretariat (until July 2013)	

Name (date of birth)	Current positions and principal outside positions	Business experience	Expiration of current term as executive officer
Koichi Iida (Oct. 6, 1962)	Managing Executive Officer Head of Financial Control & Accounting Group (Group CFO) Executive Managing Director of Mizuho Bank, Ltd.	Apr. 2013 General Manager for Executive Secretariat of Mizuho Financial Group, Inc. (until Jan. 2014)	June 2016
		July 2013 General Manager for Executive Secretariat of Mizuho Bank, Ltd. (until Mar. 2014)	
		Jan. 2014 General Manager for Executive Secretariat and General Manager of Reorganization Project Team of Mizuho Financial Group, Inc.	
		Apr. 2014 Executive Officer / General Manager of Corporate Secretariat Executive Officer / General Manager of Corporate Secretariat of Mizuho Bank, Ltd.	
		Apr. 2015 Managing Executive Officer / Head of Human Resources Group of Mizuho Financial Group, Inc. (current) Managing Executive Officer / Head of Human Resources Group of Mizuho Bank, Ltd. (current)	
		Apr. 2011 General Manager of Syndicated Finance Structuring Division of the former Mizuho Corporate Bank, Ltd.	
		Apr. 2012 General Manager of Corporate Banking Division No.10 Head of Corporate Coverage Department I of Mizuho Securities Co., Ltd. (until Apr. 2016)	
		July 2013 General Manager of Corporate Banking Division No.10 of Mizuho Bank, Ltd.	
		Apr. 2015 Executive Officer, General Manager of Corporate Banking Division No.10	
		Apr. 2016 Managing Executive Officer / Head of Financial Control & Accounting Group of Mizuho Financial Group, Inc. (current) Executive Managing Director / Head of Financial Control & Accounting Group of Mizuho Bank, Ltd. (current)	

No family relationship exists among any of the directors and executive officers.

Compensation

Mizuho Financial Group, Inc. transformed from a “Company with Board of Corporate Auditors” structure into a “Company with Three Committees” structure on June 24, 2014. The following provides information on Mizuho Financial Group, Inc. before and after the transformation.

Before the transformation, in accordance with the Companies Act, as a Company with Board of Auditors, compensation for directors and corporate auditors, including bonuses, retirement allowances and incentive stock options, needed to be approved at general meetings of shareholders, as the articles of incorporation did not specify otherwise. The shareholders’ approval specified the upper limit of the aggregate amount of compensation and included the description of benefits in kind. Compensation for a director or corporate auditor was fixed by the Board of Directors or by consultation among corporate auditors in accordance with the company’s internal regulations and practice and, in the case of retirement allowances, generally reflected the position of the director or corporate auditor at the time of retirement, the length of his service as a director or corporate auditor and his contribution to the company’s performance.

After the transformation, in accordance with the Companies Act, as a Company with Three Committees, compensation for each individual director and executive officer as defined in the Companies Act, including bonuses, retirement allowances and incentive stock options, needs to be determined at the Compensation Committee, which is required to consist of at least three directors and the majority of which is required to consist of outside directors. See “—Board Practices” for more information regarding the company’s corporate governance.

The aggregate compensation, including bonuses and stock compensation-type stock options (stock acquisition rights), but excluding retirement allowances, paid by the company and its subsidiaries to the directors, corporate auditors and executive officers as defined in the Companies Act of Mizuho Financial Group, Inc. during the fiscal year ended March 31, 2015 was ¥ 241 million, ¥22 million and ¥594 million, respectively.

Listed companies in Japan are required under Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., to disclose the compensation provided to their directors, corporate auditors and executive officers as defined in the Companies Act for the relevant fiscal year if the aggregate annual compensation per the director/corporate auditor/executive officer, as defined in the Companies Act equals or exceeds ¥100 million (including any compensation provided by major subsidiaries of such listed company as directors and corporate auditors of such subsidiaries). None of the company’s directors, corporate auditors and executive officers as defined in the Companies Act received compensation that equaled or exceeded the foregoing amount in the fiscal year ended March 31, 2015.

Mizuho Financial Group, Inc. and some of its subsidiaries, including the former Mizuho Bank, Ltd. and the former Mizuho Corporate Bank, Ltd., abolished their respective retirement allowance programs for directors, corporate auditors and officers. At the ordinary general meeting of shareholders held in June 2008, Mizuho Financial Group, Inc. and such subsidiaries obtained shareholders’ approval for a payment of lump sum retirement allowances for directors and corporate auditors (other than those elected after such shareholders’ meeting) at the time of their respective retirement.

In conjunction with the abolishment of the retirement allowance program, Mizuho Financial Group, Inc. obtained shareholder’s approval for the introduction of stock acquisition rights for the directors (excluding outside directors) at the ordinary general meeting of shareholders held on June 26, 2008. On January 30, 2009, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 5,409 stock acquisition rights on February 16, 2009. As the directors of Mizuho Financial Group, Inc., the directors received 435 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until February 16, 2029. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥190,910 as of December 31, 2015.

On September 3, 2009, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 5,835 stock acquisition rights on September 25, 2009. As the directors of Mizuho Financial Group, Inc., the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until September 25, 2029. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥168,690 as of December 31, 2015.

On July 30, 2010, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 6,808 stock acquisition rights on August 26, 2010. As the directors of Mizuho Financial Group, Inc., the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until August 26, 2030. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥119,520 as of December 31, 2015.

On November 18, 2011, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 12,452 stock acquisition rights on December 8, 2011. As the directors of Mizuho Financial Group, Inc., the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until December 8, 2031. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥91,840 as of December 31, 2015.

On July 31, 2012, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 11,776 stock acquisition rights on August 31, 2012. As the directors of Mizuho Financial Group, Inc., the directors received 498 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until August 31, 2032. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥113,250 as of December 31, 2015.

On January 31, 2014, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 7,932 stock acquisition rights on February 17, 2014. As the directors of Mizuho Financial Group, Inc., the directors received 184 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until February 17, 2034. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥192,610 as of December 31, 2015.

On May 14, 2014, the Board of Directors determined to delegate to the President & CEO the authority to determine to issue stock acquisition rights to directors and executive officers, provided that Mizuho Financial Group, Inc. would transform from a Company with a “Board of Corporate Auditors” structure into a “Company with Three Committees” structure. Later, on June 24, 2014, the transformation was approved at the general meeting of shareholders.

On November 14, 2014, the President & CEO determined to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 9,602 stock acquisition rights on December 1, 2014. As the directors of Mizuho Financial Group, Inc., directors received 126 stock acquisition rights. Each stock acquisition right represents a right to purchase 1,000 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until December 1, 2034. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥186,990 as of December 31, 2015.

The company’s Compensation Committee resolved, at the meeting held on May 15, 2015, to discontinue the current stock option program along with the introduction of performance payments and performance-based stock compensation for directors and officers. (Regarding the performance payments and performance-based stock compensation, see “—Mizuho Financial Group Compensation Policy” explained below.)

“Mizuho Financial Group Compensation Policy”

Mizuho Financial Group, Inc. set out the “Mizuho Financial Group Compensation Policy” concerning the determination of compensation for each individual director and executive officer (“Directors, etc.”) of Mizuho Financial Group, Inc. as well as Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd. (“Core Subsidiaries”).

Executive compensation for Mizuho Financial Group, Inc. and the Core Subsidiaries pursuant to such policy aims to function as incentive and compensation for each officer to exercise the designated function to the

fullest with respect to striving to realize management with consideration to value creation for various stakeholders and improve corporate value through continuous and stable corporate growth based on our basic management policies under our Corporate Identity.

Basic Policy

The basic policy with respect to the determination concerning the individual compensation of directors, etc., of Mizuho Financial Group, Inc. and the Core Subsidiaries is set forth below:

- The executive compensation shall be based on the function and responsibility assigned to and the performance of each of the directors, etc.
- The executive compensation shall give consideration to improving corporate value and creating value for various stakeholders over the medium to long term.
- The executive compensation shall reflect the management environment and business performance of our group.
- The executive compensation shall enable compensation for securing expert personnel such as professionals with a competitive edge in the market.
- The compensation system and standards shall be reevaluated based on such factors as the economic and social conditions and survey data with respect to management compensation provided by external specialized organizations.
- Regulations and guidelines, etc., concerning executive compensation, both in Japan and overseas, shall be complied with.

Compensation System

The compensation system for executive officers as defined in the Companies Act (including executive officers who are directors), executive officers as defined in our internal regulations, and directors and executive officers of the Core Subsidiaries responsible for business execution (“Officers Responsible for Business Execution”) shall be separate from that for the non-executive directors of Mizuho Financial Group, Inc. and the directors of the Core Subsidiaries responsible for management supervision (“Non-Executive Officers Responsible for Management Supervision”).

The basic compensation system for Officers Responsible for Business Execution shall consist of basic salaries in the form of fixed compensation as well as variable compensation consisting of performance payments and performance-based stock compensation. The ratio of fixed compensation to variable compensation, the range of variable compensation based on business performance and the payment method shall be designated in light of sound incentivization for sustainable growth and restraint on excessive risk taking, while our taking into account regulations and guidelines as well as research data, etc., both in Japan and overseas, concerning executive compensation. In principle, the ratio of fixed to variable compensations shall be 6 to 4 and the ratio of performance payments to performance-based stock compensation shall be 1 to 1, based on which the standard amount shall be calculated for each position. The variable compensation shall reflect each officer’s performance within the range of 0% to 150% of the standard amount for each position. The basic salaries, the performance payments and the performance-based stock compensation as well as the payment methods, etc., are in principle as set forth below:

- 1) The basic salaries shall factor in each officer’s function and responsibility in addition to the standard amount for each position.
- 2) The performance payments shall be monetary made as officers’ incentive to achieve the annual budget and as compensation for their achievement. The payment thereof shall reflect each officer’s performance in addition to the standard amount for each position. A system shall be adopted which enables certain amount of deferred payments of the performance payments over three years, as well as a decrease or forfeiture of the deferred amount depending on performance, etc.
- 3) The performance-based stock compensation shall be paid in the form of shares of common stock of Mizuho Financial Group, Inc. acquired from the stock market through a trust with an

aim to align officers' interests with those of the shareholders and increase the incentive to enhance corporate value. The payment thereof shall reflect each officer's performance in addition to the standard amount for each position. A system shall be adopted which enables the entire amount of deferred payments of the performance-based stock compensation over three years, as well as a decrease or forfeiture of the deferred amount depending on performance, etc.

- 4) The variable compensation intended for professional personnel, etc., appointed from outside the group shall be individually designed based on the duties and characteristics of business responsibilities and market values, etc., of each officer, a system which enables certain amount or a portion of deferred payments and non-monetary payments such as stock, as well as a decrease or forfeiture (clawback) of the deferred amount depending on the performance, etc., of the company and such personnel.

The compensation for Non-Executive Officers Responsible for Management Supervision, in principle, shall be in the form of fixed compensation from the perspective of ensuring the effectiveness of the supervisory function and shall consist of basic salaries and stock compensations.

- 1) The basic salaries shall factor in each officer's function and responsibilities in addition to the basic amount for each of the full-time and part-time non-executive officers.
- 2) The stock compensation shall be paid to full-time internal directors excluding outside directors in accordance with the standard amount based on each position. However, the payment standards shall not fluctuate depending on each officer's level of performance. A system shall be adopted which enables the entire amount of deferred payments of the stock compensation over three years, as well as a decrease or forfeiture of the deferred amount depending on performance, etc.

Compensation Determination Process

The Compensation Committee shall determine the determination policy of executive compensation for Mizuho Financial Group, Inc. and the Core Subsidiaries and the executive compensation system, including the system set out in "Compensation System." In addition, the Compensation Committee shall determine the compensation for each individual director and executive officer as defined in the Companies Act of Mizuho Financial Group, Inc. and approve at Mizuho Financial Group, Inc. the compensation of each individual director of the Core Subsidiaries.

The President & CEO, pursuant to this policy and regulations and detailed rules, etc., shall determine the compensation for each executive officer as defined in our internal regulations of Mizuho Financial Group, Inc. and approve at Mizuho Financial Group, Inc. the compensation of each individual executive officer of the Core Subsidiaries, etc.

All members of the Compensation Committee shall be appointed from among outside directors (or at least non-executive directors) and the Chairman thereof shall be an outside director.

The Compensation Committee, where necessary, may have officers who are not members of the committee (including officers of the Core Subsidiaries) such as the President & CEO and external experts, etc., attend its meetings and request their opinion.

Revision and Abolishment of the Policy

Revision and abolishment of the Policy shall be resolved by the Compensation Committee of Mizuho Financial Group, Inc.

Board Practices

Under the Companies Act, Companies with Three Committees are required to establish a nominating committee, a compensation committee and an audit committee and the majority of the respective committee members must be outside directors as defined under the Companies Act. Such companies are also required to appoint executive officers under the Companies Act.

Pursuant to its articles of incorporation, Mizuho Financial Group, Inc. has established general meetings of shareholders, individual directors, the Board of Directors, the Nominating Committee, the Compensation Committee, the Audit Committee and an independent accounting auditor as the primary components of its corporate governance system. The accounting auditor conducts an audit pursuant to the Companies Act as an independent auditor.

Board of Directors

Under the Companies Act, directors are elected by resolution of the general meetings of shareholders, and their term of office ends at the close of the ordinary general meeting of shareholders relating to the fiscal year ending within a year following their appointment.

In addition, under the Companies Act, the duties of the board of directors include making decisions on business execution and supervision of the execution of duties of directors and executive officers, and by its resolution, it may delegate making decisions on business execution (excluding certain specified matters) to the executive officers.

The main roles of the Board of Directors are making decisions on business execution such as basic management policies, which are legally matters to be determined solely by the Board of Directors, and supervising the execution of duties by directors and executive officers. The Board of Directors shall, in principle, delegate to the President & CEO, who is also the Group CEO, decisions on business execution (excluding matters that are legally required to be determined solely by the Board of Directors), for the purpose of realizing swift and flexible decision-making and expeditious corporate management and strengthening the supervision of directors and executive officers by the Board of Directors.

Pursuant to its articles of incorporation, Mizuho Financial Group, Inc. has no more than 15 directors and maintains the following structure in order to manage the Board of Directors in an effective and stable manner. In light of the role of the Board of Directors to supervise management, the majority of the members of the Board of Directors consist of outside directors and internal directors who do not concurrently serve as persons performing executive roles (“Internal Non-Executive Directors,” and together with outside directors, “Non-Executive Directors”). As of June 30, 2015, the Board of Directors consists of a total of 13 directors (six outside directors, two Internal Non-Executive Directors and five directors concurrently serving as executive officers).

The Chairman of the Board of Directors shall, in principle, be an outside director (or at least a Non-Executive Director) in light of the role of the Board of Directors to supervise management. As of June 30, 2015, Ms. Hiroko Ota serves as the Chairman of the Board of Directors.

Nominating Committee

Under the Companies Act, the nominating committee is required to consist of at least three directors, and the majority of its members is required to consist of outside directors. The duties of the nominating committee include the determination of the contents of proposals regarding the appointment and dismissal of directors to be submitted to the general meetings of shareholders.

The main roles of the Nominating Committee of Mizuho Financial Group, Inc. are determining the contents of proposals regarding the appointment and dismissal of directors of Mizuho Financial Group, Inc. to be submitted to the general meetings of shareholders, exercising the approval rights held by Mizuho Financial Group, Inc. with respect to the appointment and dismissal of directors of each of Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd. (the “Core Subsidiaries”), and exercising the approval rights held by Mizuho Financial Group, Inc. with respect to the appointment and removal of representative directors and senior directors of the Core Subsidiaries.

The Chairman of the Nominating Committee shall be an outside director, and in principle its members shall be appointed from among outside directors (or at least Non-Executive Directors) in order to ensure objectivity and transparency in the appointment of directors. Currently, all members of the Nominating Committee, including the Chairman, are outside directors. As of June 30, 2015, the members of the Nominating Committee are Mr. Mitsuo Ohashi (Chairman), Mr. Takashi Kawamura, Mr. Tatsuo Kainaka and Ms. Hiroko Ota.

Compensation Committee

Under the Companies Act, the compensation committee is required to consist of at least three directors, and the majority of its members is required to consist of outside directors. The duties of the compensation committee include the determination of the compensation for each individual director and executive officer.

The main roles of the Compensation Committee of Mizuho Financial Group, Inc. are determining the compensation for each individual director and executive officer of Mizuho Financial Group, Inc., exercising the approval rights held by Mizuho Financial Group, Inc. regarding compensation of each individual director of the Core Subsidiaries, and determining the basic policies and compensation system for directors and executive officers of Mizuho Financial Group, Inc. and the Core Subsidiaries.

The Chairman of the Compensation Committee shall be an outside director, and in principle its members shall be appointed from among the outside directors (or at least Non-Executive Directors) in order to ensure objectivity and transparency in the compensation of directors and executive officers. Currently, all members of the Compensation Committee, including the Chairman, are outside directors. As of June 30, 2015, the members of the Compensation Committee are Mr. Tatsuo Kainaka (Chairman), Mr. Tetsuo Seki and Mr. Takashi Kawamura.

Audit Committee

Under the Companies Act, the audit committee is required to consist of at least three Non-Executive Directors, and the majority of its members is required to consist of outside directors. The duties of the audit committee include the audit of the execution of duties by directors and executive officers and preparation of audit reports.

The main roles of the Audit Committee of Mizuho Financial Group, Inc. are auditing the execution of duties by the directors and executive officers, monitoring and inspecting the establishment and management of the internal control system of Mizuho Financial Group, Inc. and its subsidiaries, monitoring and inspecting the condition of the execution of duties with respect to corporate management of subsidiaries and others by executive officers, preparing audit reports, and determining the contents of proposals regarding the appointment, dismissal and non-reappointment of accounting auditors to be submitted to the general meetings of shareholders.

Given that it is necessary for the Audit Committee to gather information through internal directors who are familiar with the financial business and related regulations, share information among the Audit Committee and to have sufficient coordination with internal control departments, Mizuho Financial Group, Inc. shall in principle appoint one or two Internal Non-Executive Directors as full-time members of the Audit Committee. The majority of its members shall be outside directors. Currently, among the five members of the Audit Committee, two members are appointed among Internal Non-Executive Directors as full-time members of the Audit Committee, and three members are appointed among outside directors. As of June 30, 2015, the members of the Audit Committee are Mr. Hideyuki Takahashi (Chairman), Mr. Tetsuo Seki, Mr. Tatsuo Kainaka, Mr. Hirotake Abe and Mr. Nobukatsu Funaki.

All members of the Audit Committee shall be independent under the provisions of the United States Securities and Exchange Commission and the rules of the New York Stock Exchange. Further, at least one member of the Audit Committee shall be a “financial expert” as defined under U.S. laws and regulations.

Mizuho Financial Group, Inc. has established committees and other organizations on a voluntary basis in addition to the above legally-required three committees as set forth below:

- Human Resources Review Meeting

Mizuho Financial Group, Inc. has established the Human Resources Review Meeting that consists of the President & CEO and outside directors who serve as members of the Nominating Committee and the Compensation Committee as a deliberative body that mainly conducts the deliberation of proposals to appoint executive officers as defined in the Companies Act and executive officers as defined in our internal regulations with special titles of Mizuho Financial Group, Inc. and executive officers as defined in our internal regulations with special titles of Core Subsidiaries and assessment of executive officers.

- Risk Committee

Mizuho Financial Group, Inc. has established the Risk Committee that in principle fully consists of Non-Executive Directors or external experts as an advisory body that mainly advises the Board of Directors with respect to the supervision of the determination and the implementation relating to risk governance.

- External Director Session

Mizuho Financial Group, Inc. has established the External Director Session that consists of all outside directors and the President & CEO as a forum for free discussions with an aim to deepen outside directors' understanding of our group and share the top management's awareness of issues through communication among directors.

Executive Officers

Under the Companies Act, Companies with Three Committees are required to appoint at least one executive officer by the resolution of board of directors, and its term of office ends at the close of the meeting of the board of directors initially convened following the close of the ordinary general meeting of shareholders relating to the fiscal year ending within a year following appointment. Executive officers shall decide on the business execution delegated by a resolution of the board of directors and implement business execution.

Executive officers of Mizuho Financial Group, Inc. take charge of making decisions on business execution delegated by a resolution of the Board of Directors and implementing business execution of Mizuho Financial Group, Inc.

Mizuho Financial Group, Inc. shall appoint as executive officers the Group CEO and, in principle, all heads of In-house Companies, Units, and Groups, based on the policy that it is necessary to appoint as executive officers people who make decisions on business execution delegated by the Board of Directors as managers of Mizuho Financial Group, Inc. and who assume a comprehensive role of business execution.

While the President & CEO is responsible for business execution at Mizuho Financial Group, Inc. from the perspective of providing a checks and balances function and ensuring sufficient consideration in connection with decision-making, in principle, determination of delegated matters relating to making decisions on business execution following the transformation into a "Company with Three Committees" structure shall be based on deliberation of the Executive Management Committee (however, excluding matters ensured to be deliberated and discussed under sufficient checks and balances by Non-Executive Directors such as through the Nominating Committee, the Compensation Committee and the Human Resources Review Meeting).

Agreements with Directors, etc.

None of the directors has service contracts with Mizuho Financial Group, Inc. providing for benefits upon termination of service.

The articles of incorporation of Mizuho Financial Group, Inc., in accordance with the Companies Act, allow the company to enter into an agreement with outside directors that limits their liabilities incurred in connection with their service. The limitation of liabilities under such agreement, if the outside director performed his/her duty in good faith without gross negligence, must be the higher of either (i) a pre-determined amount not less than ¥20 million or (ii) the amount prescribed in laws and regulations, which is currently equivalent to two times the annual compensation such outside director. Pursuant to the provisions, Mizuho Financial Group, Inc. has entered into such agreements with all of the outside directors that are in office.

For additional information on the company's directors and board practices, see "—Directors."

Employees

As of March 31, 2013, 2014 and 2015 and September 30, 2015, we had 55,492, 54,911, 54,784 and 56,746 employees, respectively, on a consolidated basis, including overseas local staff but excluding advisers and temporary employees. We also had an average of approximately 19,922 and 20,113 temporary employees during the fiscal year ended March 31, 2015 and the six months ended September 30, 2015, respectively.

The following tables show our full-time employees as of March 31, 2015 and average number of temporary employees for the fiscal year ended March 31, 2015, each broken down based on business segment and geographical location:

<u>Business segment</u>	<u>Number of full-time employees</u>	<u>Average number of temporary employees</u>
Mizuho Bank	34,528	17,091
Mizuho Trust & Banking	4,684	894
Mizuho Securities	8,908	1,427
Others	6,664	510
Total	<u>54,784</u>	<u>19,922</u>

<u>Location</u>	<u>Percentage of full-time employees</u>	<u>Average percentage of temporary employees</u>
Japan	92.0%	99.8%
Americas	2.1	0.0
Europe	1.2	0.1
Asia/Oceania (excluding Japan) and others	4.7	0.1
Total	<u>100.0%</u>	<u>100.0%</u>

Note: All percentages in this table are rounded to the percentages shown.

Most of our full-time non-management employees in Japan are members of a labor union. Outside Japan, some of our employees are members of local unions. We consider our labor relations with employees to be good.

Share Ownership

None of the directors or executive officers is the owner of more than one percent of the company's common stock, and no director or executive officer has voting rights with respect to our common stock that are different from any other holder of our common stock.

For information on our stock compensation-type stock options (stock acquisition rights) for directors, see "—Compensation."

We maintain an employee stock ownership plan under which participating employees of the companies listed below is able to purchase our shares with funds deducted from such employee's salary and bonus payments. The plan administrator makes open-market purchases of our shares for the account of the plan on a monthly basis. The companies contribute matching funds equivalent to 5% of the amounts contributed. The following table shows the numbers of shares that this plan held as of March 31, 2015:

<u>Plan</u>	<u>As of March 31, 2015</u>	
	<u>Employer companies</u>	<u>Number of shares owned</u>
Mizuho Employee Stock Ownership Plan	Mizuho Financial Group Mizuho Bank Mizuho Trust & Banking Mizuho Asset Management Mizuho Research Institute Mizuho Information & Research Institute	
Total		<u>104,213,764</u>

Related-Party Transactions

We and our subsidiary banks had, and expect to have in the future, banking transactions and other transactions in the ordinary course of business with our related parties. Although, for the fiscal year ended March 31, 2015, such transactions included, but were not limited to, call money, loans, deposits, guarantees and foreign exchange transactions, those transactions were immaterial and were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

During the fiscal year ended March 31, 2015, none of the directors or executive officers or corporate auditors, and none of the close members of their respective families, had any transactions that are material or any transactions that are unusual in their nature or conditions, involving goods, services or tangible or intangible assets, to which we were, are or will be a party, and there were no such transactions proposed as of March 31, 2015.

During the fiscal year ended March 31, 2015, no loans were made to the directors or executive officers or corporate auditors other than loans in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and involving no more than the normal risk of collectability or presenting other unfavorable features.

PRINCIPAL SUBSIDIARIES

The following table sets forth information with respect to Mizuho Financial Group's principal consolidated subsidiaries as of September 30, 2015. All percentages in this section are rounded to the figures shown unless otherwise specified:

Name	Country of organization	Main business	Proportion of ownership interest (%)	Proportion of voting interest (%)
Domestic				
Mizuho Bank, Ltd.	Japan	Banking	100.0	100.0
Mizuho Trust & Banking Co., Ltd.	Japan	Trust and banking	100.0	100.0
Mizuho Securities Co., Ltd.	Japan	Securities	95.8	95.8
Trust & Custody Services Bank, Ltd.	Japan	Trust and banking	54.0	54.0
Mizuho Asset Management Co., Ltd.	Japan	Investment management	98.7	98.7
Mizuho Research Institute Ltd.	Japan	Research and consulting	98.6	98.6
Mizuho Information & Research Institute, Inc.	Japan	Information technology	91.5	91.5
Mizuho Private Wealth Management Co., Ltd.	Japan	Consulting	100.0	100.0
Mizuho Credit Guarantee Co., Ltd.	Japan	Credit guarantee	100.0	100.0
Mizuho Factors, Limited	Japan	Factoring	100.0	100.0
Shinko Asset Management Co., Ltd.	Japan	Investment management	94.3	94.8
Mizuho Realty Co., Ltd.	Japan	Real estate agency	86.7	76.9
Defined Contribution Plan Services Co., Ltd.	Japan	Pension plan-related business	60.0	60.0
Mizuho-DL Financial Technology Co., Ltd.	Japan	Application and Sophistication of Financial Technology	60.0	60.0
UC Card Co., Ltd.	Japan	Credit card	51.0	51.0
Mizuho Capital Co., Ltd.	Japan	Venture capital	50.0	50.0
Overseas				
Mizuho International plc	U.K.	Securities and banking	100.0	100.0
Mizuho Bank (China), Ltd.	China	Banking	100.0	100.0
Mizuho Securities Asia Limited	China	Securities	100.0	100.0
Mizuho Securities USA Inc.	U.S.A.	Securities	100.0	100.0
Mizuho Bank Nederland N.V.	Netherlands	Banking and securities	100.0	100.0
Mizuho Trust & Banking (Luxembourg) S.A.	Luxembourg	Trust and banking	100.0	100.0
Mizuho Bank (USA)	U.S.A.	Banking	100.0	100.0
Mizuho Bank (Switzerland) Ltd	Switzerland	Trust and banking	100.0	100.0
Mizuho Trust & Banking Co. (USA)	U.S.A.	Trust and banking	100.0	100.0
Mizuho Capital Markets Corporation	U.S.A.	Derivatives	100.0	100.0
PT. Bank Mizuho Indonesia	Indonesia	Banking	99.0	99.0

PRINCIPAL SHAREHOLDERS

Common Stock

The following table sets forth information about the ten largest holders of shares of our common stock appearing on the register of shareholders as of September 30, 2015:

Name	As of September 30, 2015	
	Number of shares owned	Percentage of outstanding shares ⁽¹⁾
Japan Trustee Services Bank, Ltd. (trustee account)	1,012,536,100	4.07%
The Master Trust Bank of Japan, Ltd. (trustee account)	863,472,000	3.47
The Bank of New York Mellon SA/NV 10	489,485,161	1.96
Japan Trustee Services Bank, Ltd. (trustee account 9)	418,029,500	1.68
Nomura Securities Co., Ltd.	413,623,500	1.66
State Street Bank West Client—Treaty 505234	359,250,016	1.44
State Street Bank And Trust Company 505223	311,394,206	1.25
Japan Trustee Services Bank, Ltd. (trustee account 5)	283,164,200	1.13
Japan Trustee Services Bank, Ltd. (trustee account 6)	282,453,200	1.13
Japan Trustee Services Bank, Ltd. (trustee account 1)	282,440,900	1.13
Total	<u>4,715,848,783</u>	<u>18.96%</u>

Note:

(1) The percentage figures are rounded to the figures shown. Excludes treasury stock.

Preferred Stock

Classes of preferred stock with shares outstanding as of September 30, 2015 consisted of eleventh series class XI preferred stock, which is non-voting. The following tables set forth information about the ownership of shares of eleventh series class XI preferred stock by our major shareholders of the respective preferred stock as of September 30, 2015, as appearing on the register of preferred shareholders:

Eleventh Series Class XI Preferred Stock

Name	As of September 30, 2015	
	Number of shares owned	Percentage of outstanding shares ⁽¹⁾
Shimizu Corporation	10,000,000	6.94%
ANA Holdings Inc.	6,000,000	4.16
Chubu Electric Power Company, Incorporated	5,000,000	3.47
Fuji Electric Co., Ltd.	5,000,000	3.47
Sapporo Holdings Limited	2,000,000	1.38
Sohgo Security Services Co., Ltd.	2,000,000	1.38
Softbank Corp.	2,000,000	1.38
Century Tokyo Leasing Corporation	2,000,000	1.38
Tosoh Corporation	2,000,000	1.38
Dowa Holdings Co., Ltd.	2,000,000	1.38
Total	<u>38,000,000</u>	<u>26.39%</u>

Note:

(1) The percentage figures are rounded to the figures shown. Excludes treasury stock.

To our knowledge, we are not directly or indirectly owned or controlled by any other corporation(s), by any foreign government or by any other natural or legal person(s) severally or jointly. We know of no arrangements the operation of which may at a later time result in a change of control.

JAPANESE BANKING AND SECURITIES INDUSTRY

Private banking institutions in Japan are normally classified into two categories (the following numbers are based on information published by the FSA, available as of March 31, 2016): (i) ordinary banks, of which there were 125, not including foreign commercial banks with banking operations in Japan; and (ii) trust banks, of which there were 16, including Japanese subsidiaries of foreign financial institutions and subsidiaries of Japanese financial institutions.

Ordinary banks consist mainly of city banks and regional banks. City banks, including Mizuho Bank, are based in large cities, operate domestically on a nation-wide scale through networks of branch offices and have strong links with large corporate customers in Japan. In light of deregulation and other competitive factors, however, many of these banks have placed increasing emphasis on other markets, including retail banking, SME banking, international operations and investment banking. Regional banks are based in one of the prefectures of Japan and are generally much smaller in terms of total assets than city banks. In recent years, some regional banks have allied with each other and formed holding companies to operate in several prefectures. Customers of regional banks, other than local retail customers, include mostly regional enterprises and local public utilities, although regional banks also lend to large corporations. In addition to these types of banks, new retail-oriented banks have emerged in recent years, including internet banks and banks specializing in placing their ATMs in convenience stores and supermarkets without maintaining a branch network.

Trust banks, including Mizuho Trust & Banking, are engaged in trust services in relation to, among others, money trust, pension trust and real estate trust services, in addition to banking business.

As of March 31, 2016, there were 53 foreign banks operating banking businesses in Japan. These banks are subject to a statutory framework similar to the regulations applicable to Japanese domestic banks. Their principal sources of funds come from their overseas head offices or other branches.

A number of government financial institutions, organized in order to supplement the activities of the private banking institutions, have been in the process of business and organizational restructuring in recent years. In October 2008, some of the government financial institutions were consolidated to form Japan Finance Corporation, which mainly provides financing for SMEs and those engaged in agriculture, forestry and fishery, and also provides export financing for Japanese corporations. In October 2008, Development Bank of Japan, which mainly engages in corporate financing, and Shoko Chukin Bank, which mainly engages in financing for SMEs, were transformed into joint stock corporations. Japan Housing Finance Agency supports housing loans of private institutions through the securitization of such loans.

In April 2012, Japan Bank for International Cooperation, which provides policy-based finance with a mission to contribute to the sound development of Japan and the international economy and society, was spun off from Japan Finance Corporation and was established as a joint stock company wholly owned by the Japanese government.

Another distinctive element of the Japanese banking system is the role of the postal savings system. Postal savings deposits are gathered through the network of governmental post offices scattered throughout Japan, and their balance of deposits totaled over 200 trillion yen in the past. In recent years, the governmental postal business has been in the process of organizational restructuring. In 2003, the governmental postal business was transferred to Japan Post, a government-owned entity established in the same year, and in 2007, Japan Post was transformed into a government-owned joint stock corporation holding four operating companies including Japan Post Bank, which currently operates as an ordinary bank. Privatization of the banking and insurance subsidiaries, which was originally planned to be completed by 2017, was suspended in December 2009. In April 2012, a law was enacted under which Japan Post was retransformed into a joint stock corporation holding three operating companies in October 2012, and the deadline of the privatization of banking and insurance subsidiaries was abolished and replaced with a statement that the privatization is to be conducted in the near future. In November 2015, the shares of the three main companies of the Japan Post group were listed on the Tokyo Stock Exchange, with Japan Post Holdings disposing of approximately 11% of its ownership in the two subsidiaries, while the Japanese government disposed of approximately 11% of its ownership in Japan Post Holdings. Japan Post Holdings, in the beginning, plans to gradually dispose of the two subsidiaries' shares down to approximately 50% ownership.

In the Japanese securities market, a large number of registered entities are engaged in securities businesses, such as sales and underwriting of securities, investment advisory and investment management services. As deregulation of the securities market progressed, several of the country's banking groups have entered into this market through their subsidiaries. In addition, foreign financial institutions have been active in this market.

SUPERVISION AND REGULATION

Japan

Pursuant to the Banking Act (*Ginkou Hou*) (Act No. 59 of 1981, as amended), the Prime Minister of Japan has authority to supervise banks in Japan and delegates certain supervisory control over banks in Japan to the Commissioner of the FSA. The Bank of Japan also has supervisory authority over banks in Japan, based primarily on its contractual agreements and transactions with the banks.

Financial Services Agency

Although the Prime Minister has supervisory authority over banks in Japan, except for matters prescribed by government order, this authority is generally entrusted to the Commissioner of the FSA. Additionally, the position of Minister for Financial Services was established by the Cabinet to direct the Commissioner of the FSA and to support the Prime Minister.

Under the Banking Act, the Prime Minister's authority over banks and bank holding companies in Japan extends to various areas, including granting and cancellation of licenses, ordering the suspension of business in whole or in part and requiring submission of business reports or materials. Under the prompt corrective action system, the FSA, acting on behalf of the Prime Minister, may take corrective action in the case of capital deterioration of banks, their subsidiaries and companies having special relationships prescribed by the cabinet order. These actions include requiring a financial institution to formulate and implement reform measures, requiring it to reduce assets or take other specific actions and issuing an order to suspend all or part of its business operations.

Under the prompt warning system introduced in December 2002, the FSA may take precautionary measures to maintain and promote the sound operations of financial institutions, even before those financial institutions become subject to the prompt corrective action system. These measures require a financial institution to reform profitability, credit risk management, stability and cash flow.

The Bank of Japan

The Bank of Japan is Japan's central bank and serves as the principal instrument for the execution of Japan's monetary policy. The principal measures by which the Bank of Japan implements monetary policy are the adjustment of its discount rate, its operations in the open market and the imposition of deposit reserve requirements. Banks in Japan are allowed to obtain borrowings from, and rediscount bills with, the Bank of Japan. Moreover, most banks in Japan maintain current accounts under agreements with the Bank of Japan pursuant to which the Bank of Japan is entitled to supervise, examine and audit the banks. The supervisory functions of the Bank of Japan are intended to enable it to ensure smooth settlement of funds among banks and other financial institutions, thereby contributing to the maintenance of an orderly financial system, whereas the supervisory practices of the Prime Minister or the Commissioner of the FSA are intended to maintain the sound operations of banks and promote the security of depositors.

Examination of Banks

The Banking Act authorizes the Prime Minister to inspect banks and bank holding companies in Japan at any time. By evaluating banks' systems of self-assessment, auditing their accounts and reviewing their compliance with laws and regulations, the FSA monitors the financial soundness of banks, including the status and performance of their control systems for business activities. The inspection of banks is performed pursuant to a Financial Inspection Manual published by the FSA. Currently, the FSA takes the "better regulation" approach in its financial regulation and supervision. This consists of four pillars: optimal combination of rules-based and principles-based supervisory approaches; timely recognition of priority issues and effective response; encouraging voluntary efforts by financial institutions and placing greater emphasis on providing them with incentives; and improving the transparency and predictability of regulatory actions, in pursuit of improvement of the quality of financial regulation and supervision. In addition to individual financial institutions, the FSA also supervises financial groups as financial conglomerates based on its Guidelines for Financial Conglomerates Supervision that focus on management, financial soundness and operational appropriateness of a financial conglomerate as a whole.

The Bank of Japan also conducts examinations of banks similar to those undertaken by the FSA. The examinations are normally conducted once every few years, and involve such matters as examining asset quality, risk management and reliability of operations. Through these examinations, the Bank of Japan seeks to identify problems at an early stage and give corrective guidance where necessary.

In addition, the Securities and Exchange Surveillance Commission examines banks in connection with their financial instruments business activities in accordance with the Financial Instruments and Exchange Act of Japan (*Kinyu Shouhin Torihiki Hou*) (Act No. 25 of 1948, as amended).

Examination and Reporting Applicable to Shareholders

Under the Banking Act, a person who intends to hold 20% (in certain exceptional cases, 15%) or more of the voting rights of a bank is required to obtain prior approval of the Commissioner of the FSA. In addition, the FSA may request reports or submission of materials from, or inspect, any principal shareholder who holds 20% (in certain exceptional cases, 15%) or more of the voting rights of a bank, if necessary in order to secure the sound and appropriate operation of the business of such bank. Under limited circumstances, the FSA may order such principal shareholder to take such measures as the FSA deems necessary.

Furthermore, under the Banking Act, any person who becomes a holder of more than 5% of the voting rights of a bank holding company or bank must report its ownership of voting rights to the director of the relevant local finance bureau within five business days. In addition, a similar report must be made in respect of any subsequent change of 1% or more in any previously reported holding or any change in material matters set forth in reports previously filed, with some exceptions.

Deposit Insurance System

Under the Deposit Insurance Act (*Yokin Hoken Hou*) (Act No. 34 of 1971, as amended), depositors are protected through the Deposit Insurance Corporation in cases where financial institutions fail to meet their obligations. The Deposit Insurance Corporation is supervised by the Prime Minister and the Minister of Finance. Subject to limited exceptions, the Prime Minister's authority is entrusted to the Commissioner of the FSA.

The Deposit Insurance Corporation receives annual insurance premiums from insured banks. The effective premium rate from April 2010, which is the weighted average of the rates for deposits that bear no interest, are redeemable upon demand and are used by depositors primarily for payment and settlement purposes, and for other deposits, was 0.084%. However, for the fiscal years ended March 31, 2013, 2014 and 2015, because there were no insured bank failures, the effective premium rate of 0.07% was applied retroactively from the beginning of such fiscal years, and the amount paid in excess of such rates was respectively reimbursed to insured banks without interest. The effective premium rate from April 1, 2015 was changed to 0.042%.

The insurance money may be paid out in case of a suspension of deposits repayments, banking license revocation, dissolution or bankruptcy of the bank. Pay outs are generally limited to a maximum of ¥10 million of principal amount, together with any interest accrued with respect to each depositor. Only non-interest bearing deposits, redeemable on demand and used by depositors primarily for payment and settlement functions are protected in full.

Participation in the deposit insurance system is compulsory for city banks (including Mizuho Bank), regional banks, trust banks (including Mizuho Trust & Banking), credit associations and co-operatives, labor banks and other financial institutions.

Governmental Measures to Treat Troubled Institutions

Under the Deposit Insurance Act, a Financial Reorganization Administrator can be appointed by the Prime Minister if the bank is unable to fully perform its obligations with its assets or may suspend or has suspended repayment of deposits. The Financial Reorganization Administrator will take control of the assets of the bank, dispose of the assets and search for another institution willing to take over its business. Its business may also be transferred to a "bridge bank" established by the Deposit Insurance Corporation for the purpose of the temporary maintenance and continuation of operations of these types of institutions, and the bridge bank will seek to transfer the bank's assets to another financial institution or dissolve the bank. The financial aid provided by the Deposit Insurance Corporation to assist another financial institution with succeeding the failed bank's business may take the form of a monetary grant, loan or deposit of funds, purchase of assets, guarantee or assumption of debts, subscription of preferred stock or subordinated bonds, lending of subordinated loan, or loss sharing.

Where the Prime Minister recognizes that the failure of a bank which falls into any of (i) through (iii) below may cause an extremely grave problem in maintaining the financial order in Japan or the region where such bank is operating (“systemic risk”), without taking any of the measures described in (i) through (iii) below, the Prime Minister may confirm (*nintei*) to take any of the following measures, after the deliberation at the Financial Crisis Management Meeting: (i) if the bank does not fall into either of the banks described in (ii) or (iii), the Deposit Insurance Corporation may subscribe for shares or subordinated bonds of, or lend subordinated loans to the bank, or subscribe for shares of the bank holding company of the bank, in order to enhance capital adequacy of the bank (item 1 measures (*dai ichigo sochi*)); (ii) if the bank may suspend or has suspended repayment of deposits or is unable to fully perform its obligations with its assets, financial aid exceeding the pay-off cost may be available to such bank (item 2 measures (*dai nigo sochi*)); and (iii) if the bank may suspend or has suspended repayment of deposits and is unable to fully perform its obligations with its assets, and the systemic risk cannot be avoided by the measure mentioned in (ii) above, the Deposit Insurance Corporation may acquire all of the bank’s shares (item 3 measures (*dai sango sochi*)). The expenses for implementation of the above measures will be borne by the bank industry, with an exception under which the Government of Japan may provide partial subsidies for such expenses.

New orderly and effective resolution regimes for financial institutions have been discussed internationally and “Key Attributes of Effective Resolution Regimes for Financial Institutions” was published by the Financial Stability Board in November 2011 and endorsed by the G20 leaders at the Cannes summit held in November 2011. Reflecting this global trend, pursuant to certain amendments to the Deposit Insurance Act that were promulgated in June 2013 and became effective on March 6, 2014, a new resolution regime was introduced in Japan.

Under the new resolution regime stipulated in the amendments to the Deposit Insurance Act and implementing ordinances thereunder, which became effective on March 6, 2014, financial institutions, including banks, insurance companies and securities companies and their holding companies, are subject to the regime.

Further, under the new resolution regime, among other things, where the Prime Minister recognizes that the failure of a financial institution which falls into either of (a) or (b) below may cause significant disruption in the financial markets or other financial systems in Japan without taking any of the measures described in (a) (specified item 1 measures) (*tokutei dai ichigo sochi*) stipulated in Article 126-2, Paragraph 1, Item 1 of the Deposit Insurance Act or the measures described in (b) (specified item 2 measures) (*tokutei dai nigo sochi*) stipulated in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, the Prime Minister may confirm (specified confirmation) (*tokutei nintei*) to take any of the following measures, after the deliberation at the Financial Crisis Management Meeting: (a) if the financial institution does not fall into a financial institution which is unable to fully perform its obligations with its assets, the Deposit Insurance Corporation shall supervise the operation of the business of and the management and disposal of assets of that financial institution (*tokubetsu kanshi*), and may provide it with loans or guarantees necessary to avoid the risk of significant disruption in the financial systems in Japan (*shikin no kashitsuke tou*), or subscribe for shares or subordinated bonds of, or lend subordinated loans to the financial institutions (*tokutei kabushiki tou no hikiuke tou*), in each case to be taken as necessary taking into consideration of the financial conditions of the financial institution; and (b) if the financial institution is or is likely to be unable to fully perform its obligations with its assets or has suspended or is likely to suspend repayment of its obligations, the Deposit Insurance Corporation shall supervise that financial institution (*tokubetsu kanshi*), and may provide financial aid necessary to assist merger, business transfer, corporate split or other reorganization in respect to such failed financial institution (*tokutei shikin enjo*). The expenses for implementation of the measures under this regime will be borne by the financial industry, with an exception under which the Government of Japan may provide partial subsidies for such expenses. If a measure set out in (b) above is determined to be taken with respect to a financial institution, the Prime Minister may order that the financial institution’s operation and assets be under the special control (*tokutei kanri*) of the Deposit Insurance Corporation. The business or liabilities of the financial institution subject to the special supervision (*tokubetsu kanshi*) or special control (*tokutei kanri*) by the Deposit Insurance Corporation as set forth above may also be transferred to a “bridge bank” established by the Deposit Insurance Corporation for the purpose of the temporary maintenance and continuation of operations of, or repayment of the liabilities of, such financial institutions, and the bridge bank will seek to transfer the bank’s business or liabilities to another financial institution or dissolve the bank. The financial aid provided by the Deposit Insurance Corporation to assist merger, business transfer, corporate split or other reorganization in respect to the financial institution set out in (b) may take the form of a monetary grant, loan or deposit of funds, purchase of assets, guarantee or assumption of debts, subscription of preferred stock or subordinated bonds, lending of subordinated loan, or loss sharing.

If the Deposit Insurance Corporation has provided such financial assistance, the Prime Minister may designate the movable assets and claims of the failed financial institution as not subject to attachment under Article 126-16 of the Deposit Insurance Act, and such merger, business transfer, corporate split or other reorganization may be conducted outside of the court-administrated insolvency proceedings. If the financial institution subject to the special supervision or the special control by the Deposit Insurance Corporation as set forth above is or is likely to be unable to fully perform its obligations with its assets or has suspended or is likely to suspend repayment of its obligations, the financial institution may transfer all or a material portion of its business or all or a material portion of shares of its subsidiaries or implement corporate split or certain other corporate actions with court permission in lieu of any shareholder resolutions under Article 126-13 of the Deposit Insurance Act, which permission may be granted by court in accordance with the Deposit Insurance Act if (i) the financial institution is under special supervision by, or under special control of, the Deposit Insurance Corporation pursuant to the Deposit Insurance Act, and (ii) the financial institution is, or is likely to be, unable to fully perform its obligations with its assets, or the financial institution has suspended, or is likely to suspend, repayment of its obligations. In addition, the Deposit Insurance Corporation must request other financial institution creditors of the failed financial institution to refrain from exercising their rights against the failed financial institution until measures necessary to avoid the risk of significant disruption to the financial system in Japan have been taken, if it is recognized that such exercise of their rights is likely to make the orderly resolution of the failed financial institution difficult.

According to the announcement made by the FSA in March 2014, (i) Additional Tier 1 instruments and Tier 2 instruments under Basel III issued by a bank must be written down or converted into common shares when the Prime Minister confirms that item 2 measures (*dai nigo sochi*), item 3 measures (*dai sango sochi*) or specified item 2 measures (*tokutei dai nigo sochi*) need to be applied to the bank and (ii) Additional Tier 1 instruments and Tier 2 instruments under Basel III issued by a bank holding company must be written down or converted into common shares when the Prime Minister confirms that specified item 2 measures (*tokutei dai nigo sochi*) need to be applied to the bank holding company.

Recovery and Resolution Plan

In November 2015, the Financial Stability Board published the latest list of G-SIBs. The list is annually updated by the Financial Stability Board each November, and the list as of November 2015 includes us. A recovery and resolution plan must be put in place for each G-SIB, and be regularly reviewed and updated. In Japan, under the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc., as part of crisis management, financial institutions identified as G-SIBs must prepare and submit a recovery plan, which includes the triggers to implement the recovery plan and an analysis of recovery options, to the FSA, and the FSA must prepare a resolution plan for each G-SIB.

Capital Injection by the Government

The Strengthening Financial Functions Act (*Kinyu Kinou no Kyouka no tame no Tokubetsu Sochi ni kansuru Houritsu*) (Act No. 128 of 2004) was enacted on June 18, 2004 in order to establish a scheme of public money injection into financial institutions and thereby enhance the soundness of such financial institutions on or prior to March 31, 2008 and revitalize economic activities in the regions where they do business. On December 17, 2008, certain amendments to the Strengthening Financial Functions Act took effect. These amendments relaxed certain requirements for public money injection into Japanese banks and bank holding companies and other financial institutions under the prior scheme and extended the period of application therefor, which had expired on March 31, 2008, to March 31, 2012. These amendments aim to promote not only the soundness of such financial institutions but also the extension of loans or other forms of credit to small and medium-sized enterprises in order to revitalize local economies. In response to the Great East Japan Earthquake, the law was amended in June 2011 to extend the period for application to March 31, 2017 and to include special exceptions for disaster-affected financial institutions. None of the financial institutions within the Mizuho group are subject to such special exceptions.

Bank Holding Companies

Under the Banking Act, a bank holding company is prohibited from carrying out businesses other than administering the businesses of its subsidiaries and matters incidental to such businesses. Business activities for subsidiaries of bank holding companies are limited to finance-related businesses and incidental businesses.

The Anti-Monopoly Act (*Shiteki Dokusen no Kinshi oyobi Kousei Torihiki no Kakuho ni kansuru Houritsu*) (Act No. 54 of 1947, as amended) prohibits a bank from holding more than 5% of another company's

voting rights. This does not apply to a bank holding company, although the bank holding company is subject to general shareholding restrictions under the Anti-Monopoly Act. The Banking Act does, however, prohibit a bank holding company and its subsidiaries, on an aggregate basis, from holding more than 15% (in contrast to 5% in the case of a bank and its subsidiaries) of the voting rights of certain types of companies not permitted to become subsidiaries of bank holding companies.

Financial Instruments and Exchange Act

The Financial Instruments and Exchange Act (*Kinyu Shouhin Torihiki Hou*) requires Mizuho Financial Group to file with the Director General of the Kanto Local Finance Bureau an annual securities report including consolidated and non-consolidated financial statements in respect of each financial period, supplemented by quarterly and extraordinary reports.

Under the Financial Instruments and Exchange Act, registered Financial Instruments Business Operators (*kinyu-shouhin torihiki gyousha*), such as Mizuho Securities, as well as Registered Financial Institutions (*touroku kinyu kikan*), such as Mizuho Bank and Mizuho Trust & Banking, are required to provide customers with detailed disclosure regarding the financial products they offer and take other measures to protect investors, including a delivery of explanatory documents to such customers prior to and upon the conclusion of transactional agreements.

Financial Instrument Business Operators and Registered Financial Institutions are subject to the supervision of the FSA pursuant to delegation by the Prime Minister of Japan. Some of the supervisory authority of the FSA is further delegated to the Securities and Exchange Surveillance Commission, which exercises its supervisory power over such registered institutions by conducting site inspections and requesting information necessary for such inspections. Non-compliance or interference with such inspection may result in such registrants being subject to criminal penalty under the Financial Instruments and Exchange Act.

Certain amendments to the Financial Instruments and Exchange Act and the Banking Act, which came into effect on June 1, 2009, revamped the firewall regulations regarding the holding of concurrent offices or posts among banks, securities firms and insurance firms and required banks, securities firms and insurance firms to establish systems for managing conflicts of interest in order to protect customers' interests and expanded the types of business services that banks and certain other financial firms can provide.

Sales of Financial Products

As a result of financial deregulation, more financial products, including highly structured and complicated products, can now be more freely marketed to customers. In response to this, the Act of Sales of Financial Products (*Kinyu Shouhin no Hanbai tou ni kansuru Houritsu*) (Act No. 101 of 2000, as amended), effective from April 2001, introduced measures to protect financial service customers by: requiring financial service providers to provide customers with certain important information, including risks with respect to deficit of principal associated with the financial products they offer and any restrictions on the period for exercising rights or the period for rescission, unless the customers fall within the ambit of professional investors or express their intent to the contrary; and holding financial service providers liable for damages caused by a failure to follow those requirements. The amount of loss of principal is refutably presumed to be the amount of damages. Additionally, the law requires financial service providers to follow certain regulations on solicitation measures as well as to endeavor to solicit customers in an appropriate manner and formulate and publicize a solicitation policy.

Self-Assessment and Reserves

The prompt corrective action system requires financial institutions to establish a self-assessment program that complies with the Inspection Manual issued by the FSA and related laws such as the Financial Reconstruction Act (*Kinyu Kinou no Saisei no tameno Kinkyu Sochi ni kansuru Houritsu*) (Act No. 132 of 1998, as amended). Financial institutions are required to analyze their assets, giving due consideration to accounting principles and other applicable rules and to classify their assets into four categories according to asset recovery risk and risk of impairment based on the classification of the obligor (normal obligors, watch obligors, intensive control obligors, substantially bankrupt obligors and bankrupt obligors) taking into account the likelihood of repayment and the risk of impairment to the value of the assets. The results of self-assessment should be reflected in the write-off and allowance according to the standard established by financial institutions pursuant to the guidelines issued by the Japanese Institute of Certified Public Accountants and Inspection Manual issued by the

FSA. Based on the results of the self-assessment, financial institutions may establish reserve amounts for their loan portfolio as may be considered adequate at the relevant balance sheet date, even if all or part of such reserves may not be immediately tax deductible under Japanese tax law.

Based on the accounting standards for banks issued by the Japanese Bankers Association, a bank is required to establish general reserves, specific reserves and reserves for probable losses on loans relating to restructuring countries.

Credit Limits

The Banking Act restricts the aggregate amount of exposure to any single customer or customer group for the purposes of avoiding excessive concentration of credit risks and promoting the fair and extensive utilization of bank credit. The limits applicable to a bank holding company and bank with respect to their aggregate exposure to any single customer or customer group are established by the Banking Act and regulations thereunder. The Banking Act and the related regulations were amended, which became effective from December 2014, to tighten the previous restrictions to meet international standards. As a result of these amendments, the current credit limit for a single customer or a customer group is 25% of the total qualifying capital, with certain adjustments, of the bank holding company or bank and its subsidiaries and affiliates,.

Restriction on Shareholdings

The Act Concerning Restriction on Shareholdings by Banks (*Ginkou tou no Kabushiki tou no Hoyu no Seigen tou ni kansuru Houritsu*) (Act No. 131 of 2001, as amended) requires Japanese banks (including bank holding companies) and their subsidiaries to limit the aggregate market value (excluding unrealized gains, if any) of their holdings in equity securities to an amount equal to 100% of their Tier 1 capital in order to reduce exposure to stock price fluctuations.

Share Purchase Program

The Banks' Shareholdings Purchase Corporation was established in January 2002 in order to purchase shares from banks and other financial institutions until September 30, 2006 pursuant to the Law Concerning Restriction on Shareholdings by Banks. The Bank's Shareholdings Purchase Corporation is allowed to resume purchases of shares held by financial institutions as well as shares of financial institutions held by non-financial institutions, up to a maximum amount of ¥20 trillion between March 12, 2009 and March 31, 2017. The Bank's Shareholdings Purchase Corporation purchased ¥1,129.4 billion of shares during the period from March 12, 2009 through February 29, 2016. The Bank's Shareholdings Purchase Corporation will dispose of the purchased shares by March 31, 2027 by taking into consideration the effects on the stock market.

The Bank of Japan also purchased ¥387.8 billion of shares held by banks and other financial institutions during the period from February 23, 2009 through April 30, 2010. The Bank of Japan generally will not sell the purchased shares until March 31, 2016. The Bank of Japan will dispose of the purchased shares by September 30, 2026 by taking into consideration the effects on the stock market.

Capital Adequacy

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the FSA closely follow the risk-adjusted approach proposed by the Bank for International Settlements and are intended to further strengthen the soundness and stability of Japanese banks. Under the risk-based capital framework of these guidelines, balance sheet assets and off-balance-sheet exposures are assessed according to broad categories of relative risk, based primarily on the credit risk of the counterparty, country transfer risk and the risk regarding the category of transactions.

In December 2010, the BCBS issued its Basel III rules text, which builds on the International Convergence of Capital Measurement and Capital Standards document ("Basel II"), to strengthen the regulation, supervision, and risk management of the banking sector. Basel III text presents the details of global regulatory standards on bank capital adequacy and liquidity. The rules text sets out higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two global liquidity standards. For further information of the leverage ratio and the two global liquidity standards, see "Leverage Ratio" and "Liquidity" below, respectively.

The FSA's revisions to its capital adequacy guidelines became effective from March 31, 2013, which generally reflect rules in the Basel III text that have been applied from January 1, 2013.

Under the revised guidelines, the minimum capital adequacy ratio is 8% on both a consolidated and non-consolidated basis for banks with international operations, such as Mizuho Bank, or on a consolidated basis for bank holding companies with international operations, such as Mizuho Financial Group. Within the minimum capital adequacy ratio, the Common Equity Tier 1 capital requirement is 4.5% and the Tier 1 capital requirement is 6.0%.

Japanese banks with only domestic operations and bank holding companies the subsidiaries of which operate only within Japan are subject to the revised capital adequacy guidelines that have been applied from March 31, 2014, and those banks and bank holding companies are required to have a minimum Core Capital ratio of 4%. However, those banks and bank holding companies that apply the internal rating based approach are required to have a minimum Common Equity Tier 1 ratio of 4.5% on both a consolidated and non-consolidated basis, calculated on the assumption that the banks and bank holding companies are those with international operations.

Under the revised capital adequacy guidelines based on the Basel III rules that have been applied to banks and bank holding companies each with international operations from March 31, 2013, there are regulatory adjustments such as goodwill and other intangibles, deferred tax assets, investments in the capital of banking, financial and insurance entities etc. shall be deducted under certain conditions for the purpose of calculating capital adequacy ratios, and the requirements of regulatory adjustments were enhanced under the revised capital adequacy guidelines. For example, under the capital adequacy guidelines prior to the revision thereto under the Basel III rules, the maximum amount of net deferred tax assets under Japanese GAAP that major Japanese banks, including bank holding companies, could record without diminishing the amount of Tier 1 capital for purposes of calculating capital adequacy ratio was 20% of Tier 1 capital. Under the revised capital adequacy guidelines based on the Basel III rules, deferred tax assets that arise from temporary differences will be recognized as part of Common Equity Tier 1 capital, with recognition capped at 10% of Common Equity Tier 1 capital under certain conditions, while other deferred tax assets, such as those relating to net loss carryforwards, will be deducted in full from Common Equity Tier 1 capital net of deferred tax liabilities. These regulatory adjustments based on the Basel III rules began at 20% of the required deductions in the calculation of Common Equity Tier 1 capital in March 2014 and will be increased by 20% increments per year through March 2018 when the regulatory adjustments reach 100%.

In November 2015, the FSA published the revised capital adequacy guidelines and related ordinances to introduce the capital buffer requirements under the Basel III rules for Japanese banks and bank holding companies with international operations, which include the capital conservation buffer, the countercyclical buffer and the additional loss absorbency requirements for G-SIBs and D-SIBs. These guidelines have become effective on March 31, 2016. The capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and D-SIBs must be met with Common Equity Tier 1 capital under the revised guidelines, and if such buffer and requirement are not satisfied, a capital distribution constraints plan is required to be submitted to the FSA and carried out. The capital conservation buffer is being phased in starting in March 2016 at 0.625% until becoming fully effective in March 2019 at 2.5%. In addition, subject to national discretion by the respective regulatory authorities, if the relevant national authority judges a period of excess credit growth to be leading to the build-up of system-wide risk, a countercyclical capital buffer ranging from 0% to 2.5% would also be imposed on banking organizations. The countercyclical capital buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures. Further, we were designated as both a G-SIB and D-SIB, and the additional loss absorption capacity requirement applied to us was 1.0%. The additional loss absorption capacity requirement was the same as that imposed by the Financial Stability Board, which is being phased in starting in March 2016 at 0.25% until becoming fully effective in March 2019 at 1.0%.

Under the capital adequacy guidelines, banks and bank holding companies each with international operations are required to measure and apply capital charges with respect to their credit risks, market risks and operational risks.

Under the guidelines, banks and bank holding companies have several choices for the methodologies to calculate their capital requirements for credit risk, market risk and operational risk. Approval of the FSA is necessary to adopt advanced methodologies for calculation, and Mizuho Financial Group started to apply the AIRB approach for the calculation of credit risk from the fiscal year ended March 31, 2009 and also apply the AMA for the calculation of operational risk from September 30, 2009.

The BCBS issued a consultative document on the risk management, capital treatment and supervision of interest rate risk in the banking book in June 2015. The document presents two options for the capital treatment of interest rate risk in the banking book; (i) a standardized Pillar 1 (minimum capital requirements) approach and (ii) an enhanced Pillar 2 approach. A standardized Pillar 1 approach is the adoption of a uniformly applied Pillar 1 measure for calculating minimum capital requirements for interest rate risk, which would have the benefit of promoting greater consistency, transparency and comparability. An enhanced Pillar 2 approach, which includes quantitative disclosure of interest rate risk in the banking book based upon the proposed Pillar 1 approach, would better accommodate differing market conditions and risk management practices across jurisdictions. The schedule of the implementation is not stated explicitly.

For further information of the capital adequacy, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy—Regulatory Capital Requirements.”

Leverage Ratio

The leverage ratio framework is critical and complementary to the risk-based capital framework that will help ensure broad and adequate capture of both on- and off-balance-sheet sources of banks’ leverage. This simple, non-risk-based measure will restrict the build-up of excessive leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy. Any final adjustments to the definition and calibration of the leverage ratio will be made by the BCBS by 2017, with a view to migrate to a Pillar 1 (minimum capital requirements) treatment on January 1, 2018, based on appropriate review and calibration.

For further information regarding the leverage ratio, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy—Regulatory Capital Requirements.”

Liquidity

Two minimum standards for funding liquidity will be introduced. The liquidity coverage ratio (“LCR”) is intended to promote resilience to potential liquidity disruptions over a thirty-day horizon and help ensure that global banks have sufficient, unencumbered, high-quality liquid assets (“HQLA”) to offset the net cash outflows it could encounter under an acute short-term stress scenario. The Group of Governors and Heads of Supervision agreed on a revised LCR standard on January 6, 2013, and the BCBS issued the text of the revised LCR standard on January 7, 2013. The LCR guidelines of the FSA, which reflect the rules in such text, have been applied to banks and bank holding companies with international operations from March 31, 2015, under the LCR guidelines, LCR is defined as the ratio obtained by dividing the sum of the amounts of High-Quality liquid assets by the amount of net cash outflows, each as defined in and calculated pursuant to such guidelines. In accordance with the LCR standard under the LCR guidelines, the stock of unencumbered HQLA is to constitute “level 1” assets, which include cash, central bank reserves and certain marketable securities backed by sovereigns and central banks, and “Level 2” assets, which include certain government securities covered bonds, corporate debt securities and, to a limited extent, lower-rated corporate bonds, residential mortgage-backed securities and equities that meet certain conditions. “Level 2” assets are subject to certain haircuts based on types of securities and credit ratings. The minimum LCR under the LCR guidelines is 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, while it is subject to phase-in arrangements pursuant to which the LCR rises in equal annual steps of 10 percentage points to reach 100% on January 1, 2019, with a minimum requirement of 70% during the period from January 1 to December 31, 2016. The BCBS issued final requirements for LCR-related disclosures on January 12, 2014, and the LCR disclosure guidelines of the FSA, which reflect such requirements, have been applied to banks and bank holding companies with international operations from June 30, 2015. The LCR disclosure guidelines require such banks and bank holding companies to disclose their LCR in common templates starting from information as of June 30, 2015.

The net stable funding ratio (“NSFR”) requires a minimum amount of stable sources of funding at a bank relative to the liquidity profiles of the assets, as well as the potential for contingent liquidity needs arising from off-balance-sheet commitments, over a one-year horizon. The BCBS finalized the NSFR framework in October 2014, and the NSFR will be scheduled to be introduced as a minimum standard by the Financial Services Agency by January 1, 2018.

Total Loss-Absorbing Capacity

Related to capital adequacy, in November 2015, the Financial Stability Board issued the TLAC standard for G-SIBs. G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework. Specifically, G-SIBs will be required to meet a Minimum TLAC requirement of at least 16% of the resolution group's risk-weighted assets as from January 1, 2019 and at least 18% as from January 1, 2022. For further information regarding the TLAC requirements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Adequacy—Regulatory Capital Requirements."

Protection of Personal Information

The Personal Information Protection Act (*Kojin Jouhou no Hogo ni kansuru Houritsu*) (Act No. 57 of 2003, as amended) and related guidelines impose various requirements on businesses, including us, that use databases containing personal information, such as appropriate custody of such information and restrictions on information sharing with third parties. Non-compliance with the order issued by the FSA to take necessary measures to comply with the law will subject us to criminal and/or administrative sanctions.

Prevention of Money Laundering

Under the Act Preventing Transfer of Profits Generated from Crime (*Hanzai ni yoru Syueki no Iten Boushi ni kansuru Houritsu*) (Act No. 22 of 2007, as amended), which addresses money laundering and terrorism concerns, financial institutions and other entities such as credit card companies are required to perform customer identification, submit suspicious transaction reports and maintain records of transactions. Certain amendments to the law became effective in April 2013, which tightened, among other things, customer identification requirements. Further amendments to the law were promulgated in November 2014 and will become effective in October 2016 for clarification of the judgment method of suspicious transactions, strict verification at the time of the conclusion of correspondence contracts and expansion of the obligation for business operators to make efforts to develop necessary systems.

Act Concerning Protection of Depositors from Illegal Withdrawals Made by Forged or Stolen Cards

The Act Concerning Protection of Depositors from Illegal Withdrawals Made by Forged or Stolen Cards (*Gizou Kaado tou oyobi Tounan Kaado tou wo Mochiite Okonawareru Fuseina Kikaishiki Yochokin Haraimodoshi tou karano Yochokinsha no Hogo tou ni kansuru Houritsu*) (Act No. 94 of 2005, as amended) requires financial institutions to establish internal systems to prevent illegal withdrawals of deposits using forged or stolen bank cards. The law also requires financial institutions, among other matters, to compensate depositors for any amount illegally withdrawn using forged bankcards, unless the financial institution can verify that it acted in good faith without negligence and that there was gross negligence on the part of the relevant account holder.

United States

As a result of our operations in the United States, we are subject to extensive U.S. federal and state supervision and regulation. We engage in U.S. banking activities through Mizuho Bank's New York, Chicago, Los Angeles and Park Avenue (New York) branches and Houston, Atlanta and San Francisco representative offices. We also own one bank in the United States, Mizuho Bank (USA), as well as controlling interests in several other subsidiaries, including Mizuho Trust & Banking Co. (USA), which is engaged primarily in the trust and custody business, and Mizuho Securities USA Inc., a U.S. broker dealer engaged in the securities business.

The USA PATRIOT Act of 2001 (the "PATRIOT Act") contains measures to prevent, detect and prosecute terrorism and international money laundering by imposing significant compliance and due diligence obligations, creating new crimes and penalties and expanding the extraterritorial jurisdiction of the United States. In recent years, federal and state regulatory and law enforcement authorities have closely scrutinized the compliance by financial institutions with the Bank Secrecy Act and anti-money laundering rules.

Mizuho Financial Group and Mizuho Bank are financial holding companies ("FHCs"), and Mizuho Trust & Banking is a bank holding company, within the meaning of the U.S. Bank Holding Company Act of 1956, as amended (the "BHCA"), and are subject to regulation and supervision thereunder by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). As a matter of law, these three companies are required to act as a source of financial strength to Mizuho Bank (USA) and Mizuho Trust & Banking Co. (USA). The BHCA generally prohibits us from acquiring, directly or indirectly, the ownership or

control of more than 5% of any class of voting shares of any company engaged in the United States in activities other than banking or activities that are financial in nature or incidental or complementary to financial activity. This general prohibition is subject to certain exceptions, including an exception that permits us to acquire up to 100% of the voting interests in any company engaged in nonfinancial activities that we do not routinely manage, generally for a period of up to 10 years, under our merchant banking authority. In addition, U.S. regulatory approval is generally required for us to acquire more than 5% of any class of voting shares of a U.S. bank, savings association or bank holding company.

Mizuho Financial Group and the former Mizuho Corporate Bank, now Mizuho Bank, became FHCs in December 2006. FHC status under the BHCA permits banking groups in the United States to engage in comprehensive investment banking businesses, such as the underwriting of and dealing in corporate bonds, equities and other types of securities. FHC status enables our group to promote our investment banking business on a broader basis in the United States.

As a financial holding company, we are also subject to additional regulatory requirements. For example, we and each of our U.S. insured depository institution subsidiaries with operations in the United States must be “well capitalized,” meaning a Tier 1 risk-based capital ratio of at least 6%, a total risk-based capital ratio of at least 10% and a leverage ratio of at least 5%. We and each of our U.S. insured depository institution subsidiaries must also be “well managed,” including that they maintain examination ratings that are at least satisfactory. Further, Mizuho Financial Group and Mizuho Bank must also meet such capital standards as calculated under their home country standards (which must be comparable to the capital required for a U.S. bank) and must be well managed under standards comparable to those required for a U.S. bank. Failure to comply with such requirements would require us to prepare a remediation plan, and we would not be able to undertake new business activities or acquisitions based on our status as a financial holding company during any period of noncompliance without the prior approval of the Federal Reserve Board, and divestiture or termination of certain business activities, or termination of our U.S. branches and agencies, may be required as a consequence of failing to correct such conditions within 180 days.

U.S. branches, agencies and representative offices of foreign banks must be licensed, and are also supervised and regulated, by either a state banking authority or by the Office of the Comptroller of the Currency, the U.S. federal bank regulatory agency that charters and regulates national banks and federal branches and agencies of foreign banks. Each branch and representative office in the United States of Mizuho Bank is state-licensed. Under U.S. federal banking laws, state-licensed branches and agencies of foreign banks may engage only in activities that would be permissible for their federally-licensed counterparts, unless the Federal Reserve Board determines that the additional activity is consistent with sound practices. U.S. federal banking laws also subject state-licensed branches and agencies to the single-borrower lending limits that apply to federal branches and agencies, which generally are the same as the lending limits applicable to national banks, but are based on the capital of the entire foreign bank.

The New York branch of Mizuho Bank is subject to supervision, examination and regulation by the New York State Department of Financial Services as well as by the Federal Reserve Board. Except for a prohibition on such branch accepting retail deposits, a state-licensed branch generally has the same powers as a state-chartered bank in such state. New York State has an asset pledge requirement for branches equal to the greater of 1% of average total liabilities for the previous month or \$2 million, provided that an institution designated as a “well-rated foreign banking corporation” is permitted to maintain a reduced asset pledge with a cap of \$100 million. The New York State Department of Financial Services may require higher amounts for supervisory reasons. Each U.S. branch and representative office of Mizuho Bank is subject to regulation and examination by the state banking authority of the state in which it is located.

Mizuho Bank (USA) is a state-chartered bank that is a member of the Federal Reserve System whose deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”). As such, Mizuho Bank (USA) is subject to regulation, supervision and examination by the Federal Reserve Board and the New York State Department of Financial Services, as well as to relevant FDIC regulation.

Mizuho Trust & Banking Co. (USA) is a state-chartered bank and trust company that is not a member of the Federal Reserve System, but whose deposits are insured by the FDIC. As such, Mizuho Trust & Banking Co. (USA) is subject to regulation, supervision and examination by the FDIC and the New York State Department of Financial Services.

In the United States, U.S.-registered broker-dealers are regulated by the U.S. Securities and Exchange Commission (the “SEC”). As a U.S.-registered broker-dealer, Mizuho Securities USA is subject to regulations

that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, capital structure, recordkeeping, the financing of customers' purchases and the conduct of directors, officers and employees.

In the United States, comprehensive financial regulatory reform legislation, titled the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"), was signed into law by President Obama on July 21, 2010. Among other things, the Dodd-Frank Act directs the federal banking regulators to establish minimum leverage and risk-based capital requirements for insured depository institutions and depository institution holding companies.

The Dodd-Frank Act provides regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk and bank holding companies with greater than \$50 billion in consolidated assets. In imposing such heightened prudential standards on foreign banking organizations such as Mizuho Bank, the Federal Reserve Board is directed to take into account the principle of national treatment and equality of competitive opportunity, and the extent to which the foreign bank holding organization is subject to comparable home country standards. On February 18, 2014, the Federal Reserve Board finalized regulations that will impose enhanced prudential standards on certain large foreign banking organizations having a U.S. presence, such as Mizuho Bank. In particular, large foreign banking organizations, including us, and their U.S. operations are subject to risk management requirements, risk-based capital and leverage limits, capital stress testing requirements, liquidity requirements and, in certain circumstances, asset management requirements. Additionally, the Federal Reserve Board expects to finalize single counterparty credit limits and early remediation requirements for foreign banking organizations at a later date. In addition, foreign banking organizations with consolidated U.S. assets of \$50 billion or more (excluding the assets of U.S. branches and agencies) will be required to create a separately capitalized top-tier U.S. intermediate holding company ("IHC") that will hold all of its U.S. subsidiaries and be subject to certain capital, liquidity and other enhanced prudential standards on an IHC consolidated basis.

Under Section 619 of the Dodd-Frank Act, also known as the so-called "Volcker Rule," any insured depository institution; any insured depository institution holding company; any non-U.S. bank with branches in the United States, such as Mizuho Bank; and any affiliate or subsidiary of such entities (each, a "banking entity") is prohibited from engaging in proprietary trading or from investing in or sponsoring private equity or hedge funds, subject to certain limited exceptions. U.S. financial regulators approved final rules implementing Section 619 of the Dodd-Frank Act on December 10, 2013. At the time of their release, these final rules included an initial conformance period requiring banking entities to bring their activities and investments into compliance by July 21, 2015, absent further extension by the Federal Reserve Board. On December 18, 2014, the Federal Reserve Board announced an extension to the Volcker Rule conformance period, to give banking entities until July 21, 2016 to conform investments in and relationships with covered funds and foreign funds that were in place prior to December 31, 2013 ("legacy covered funds"). The Federal Reserve Board also announced its intention to act in the future to grant banking entities an additional one-year extension of the conformance period until July 21, 2017, to conform ownership interests in and relationships with these legacy covered funds. The Federal Reserve did not act to extend the conformance period for proprietary trading activities.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("Section 219") added Section 13(r) to the U.S. Securities Exchange Act of 1934, requiring each SEC reporting issuer to disclose in its annual and, if applicable, quarterly reports whether it or any of its affiliates have knowingly engaged in specified activities, transactions or dealings relating to Iran or with the Government of Iran or certain designated persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by such filing. Section 219 requires disclosure even of certain activities not prohibited by U.S. or other law and even if such activities were conducted outside the United States by non-U.S. affiliates in compliance with local law.

Our affiliate Mizuho Bank is our only affiliate to have engaged in activity that is relevant for this purpose. Mizuho Bank maintains compliance policies and procedures to conform its operations to all applicable economic sanctions laws and regulations, and is increasing resources dedicated to this effort. In that context, and only after confirming that such transactions did not involve prohibited or sanctionable activity under U.S. or other economic sanctions, non-U.S. branches of Mizuho Bank engaged in a limited number of activities reportable under Section 219 during the period covered by this annual report, as described below. No U.S. branches of Mizuho Bank were involved in any of these activities.

Legacy guarantees and loan obligations

During the period covered by this disclosure, Mizuho Bank was party to two legacy counter guarantees that were opened in connection with activities of its customers for the benefit of Iranian banks. When such guarantees were entered into, the banks in question had not been designated under U.S. Executive Orders (“E.O.”) 13224 or 13382, although they were subsequently so designated. Mizuho Bank maintained these guarantees post-designation only after confirming that such transactions did not involve prohibited or sanctionable activity under U.S. or other economic sanctions. As contractual obligations, these guarantees cannot be exited by Mizuho Bank unilaterally until there is full performance under the contract that is supported by the counter guarantees. In the fiscal year ended March 31, 2015, Mizuho Bank received fees of approximately ¥0.7 million attributable to these guarantees and net profits of less than that amount. Mizuho Bank did not pay guarantee fees to Iranian banks during this period. Mizuho Bank continues to seek to terminate these counter guarantees. Mizuho Bank has no intention to enter into any further similar guarantees.

Activities through correspondent banking accounts

In the fiscal year ended March 31, 2015, Mizuho Bank conducted a limited number of fund transfers through accounts it maintains for or at a limited number of Iranian banks designated under E.O. 13224 or 13382 and a limited number of other banks related to the Government of Iran. Mizuho Bank processed these transfers only after confirming that such transactions did not involve prohibited or sanctionable activity under U.S. or other economic sanctions and obtaining licenses issued by Japan’s Ministry of Finance where necessary. Estimated gross revenue to Mizuho Bank in the fiscal year ended March 31, 2015 attributable to this activity, excluding the humanitarian transactions described below, was approximately ¥0.2 million, with a net profit of less than that amount. Mizuho Bank will continue processing transfers through these accounts only under the limited circumstances where the transfer would conform to Mizuho Bank’s compliance policies and procedures, applicable international sanctions laws, and after obtaining a license issued by Japan’s Ministry of Finance where necessary.

Humanitarian transactions through correspondent banking accounts

In addition, in accordance with the Joint Plan of Action (JPOA) agreed between EU3+3 (France, Germany, the United Kingdom, China, Russia and the United States) and Iran in November 2013, Mizuho Bank has been providing settlement services in connection with humanitarian trade to assist in meeting Iran’s domestic needs, namely food, agricultural commodities, medicines and medical devices, since March 2014. The overall framework for these settlement services is based on an agreement between U.S. and Japanese authorities, and the relevant U.S. regulator authorizes that the settlement services are in compliance with applicable U.S. laws and regulations. The purchasers of the humanitarian goods were entities in or affiliated with Iran, including the Iranian government. The sellers of the humanitarian goods were entities permitted by U.S. and Japanese regulators. These transactions did not involve U.S. dollars nor clearing services of U.S. banks for the settlement of payments. These transactions were conducted through the use of special purpose yen accounts maintained with Mizuho Bank outside of the United States by Iranian financial institutions that are controlled by the Iranian government. Estimated gross revenue to Mizuho Bank in the fiscal year ended March 31, 2015 attributable to this activity was approximately ¥36.7 million, with a net profit of less than that amount.

Mizuho Bank intends to continue to provide these remittance and other settlement services in connection with the exports of humanitarian goods to Iran in close coordination with U.S. and Japanese authorities.

Other Jurisdictions

Our operations elsewhere in the world are subject to regulation and control by local supervisory authorities, including local central banks.

DESCRIPTION OF THE NOTES

The Notes will be issued under the Indenture. Under the Indenture, Mizuho Financial Group may issue senior debt securities from time to time in one or more series, which will be Mizuho Financial Group's direct, unconditional, unsubordinated and unsecured obligations and will have the same rank in liquidation as all of Mizuho Financial Group's other unsecured and unsubordinated debt. Such senior debt securities may be denominated and payable in U.S. dollars or other currencies. The following summaries of certain provisions of the Notes and the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Notes and the Indenture, including the definitions contained therein of certain terms.

General

- The 5-year Notes will be initially limited to \$1,750,000,000 aggregate principal amount and, unless previously redeemed or otherwise cancelled, will mature on April 12, 2021. The 5-year Notes will bear interest at the rate per annum shown on the front cover of this offering memorandum from (and including) April 12, 2016 to (and excluding) the maturity date, payable semi-annually in arrears on April 12 and October 12 of each year, commencing October 12, 2016, to the holders of record as at 5:00 p.m. (New York City time) on the day fifteen Business Days immediately preceding such interest payment date.
- The 10-year Notes will be initially limited to \$1,750,000,000 aggregate principal amount and, unless previously redeemed or otherwise cancelled, will mature on April 12, 2026. The 10-year Notes will bear interest at the rate per annum shown on the front cover of this offering memorandum from (and including) April 12, 2016 to (and excluding) the maturity date, payable semi-annually in arrears on April 12 and October 12 of each year, commencing October 12, 2016, to the holders of record as at 5:00 p.m. (New York City time) on the day fifteen Business Days immediately preceding such interest payment date.
- The Floating Rate Notes will be initially limited to \$500,000,000 aggregate principal amount and, unless previously redeemed or otherwise cancelled, will mature on April 12, 2021. The Floating Rate Notes will bear interest at a floating rate from (and including) April 12, 2016 to (and excluding) the maturity date, payable quarterly in arrears on January 12, April 12, July 12 and October 12 of each year, commencing July 12, 2016, to the holders of record as at 5:00 p.m. (New York City time) on the day fifteen Business Days immediately preceding such interest payment date. The interest rate on the Floating Rate Notes for each interest period will be a *per annum* rate equal to LIBOR for three-month deposits in U.S. dollars plus 1.48% (the "Floating Interest Rate"), reset quarterly. For more information, see "—Interest on the Floating Rate Notes."

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of Mizuho Financial Group and rank *pari passu* and without preference among themselves and with all other unsecured obligations, other than subordinated obligations, of Mizuho Financial Group (except for statutorily preferred exceptions) from time to time outstanding.

Mizuho Financial Group is a holding company and conducts substantially all of its operations through its subsidiaries. As a result, claims of Noteholders will be structurally subordinated to claims of creditors of its subsidiaries. In addition, various statutes and regulations, including banking and other regulations, may restrict Mizuho Financial Group's subsidiaries from paying dividends or principal of or interests on loans or other funds to Mizuho Financial Group. See "Risk Factors—The Notes will be structurally subordinated to the liabilities of our subsidiaries, including Mizuho Bank and Mizuho Trust and Banking."

The Notes will be repaid at maturity at a price of 100% of the principal amount thereof. The Notes may be redeemed at any time prior to maturity in the circumstances described under "—Optional Tax Redemption." The Notes will be issued in denominations of \$200,000 or integral multiples of \$1,000 in excess thereof. The Notes do not provide for any sinking fund. Temporary documents of title will not be issued.

The term "Business Day" means a day which is not a day on which banking institutions in New York or Tokyo are authorized by law or regulation to close.

Payments on the Notes will be made in accordance with any laws, regulations or administrative practices applicable to Mizuho Financial Group and its agents in respect thereof, including the requirements under Japanese tax law.

If and to the extent Mizuho Financial Group shall default in the payment of interest when due, such defaulted interest shall be paid to the person in whose name the relevant Note is registered at the close of business on a subsequent record date, which shall not be less than five Business Days prior to the payment of such defaulted interest, established by notice given by mail or in accordance with clearing system procedures by or on behalf of Mizuho Financial Group to the holder of the relevant Note not less than fifteen days preceding such subsequent record date.

Interest on the Fixed Rate Notes

Each series of fixed rate notes will bear interest at the respective rate per annum shown on the cover page of this offering memorandum as described above under “—General.” Interest on the fixed rate notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If any payment is due on the fixed rate notes on a day that is not a Business Day, such payment will be made on the date that is the next succeeding Business Day. Payments postponed to the next succeeding Business Day in this situation will be treated under the Indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the fixed rate notes or the Indenture, and no interest will accrue on the postponed amount from the original due date to the next succeeding Business Day.

Interest on the Floating Rate Notes

The Floating Rate Notes will bear interest at the Floating Interest Rate, payable quarterly in arrears, as described above under “—General.” If any date on which interest is payable, other than the maturity date or the date fixed for redemption, would otherwise fall on a day that is not a Business Day, the interest payment date will be adjusted to be the next succeeding day that is a Business Day, except that if such day is in the next succeeding calendar month, the interest payment date will be adjusted to be the immediately preceding day that is a Business Day. The maturity date for the Floating Rate Notes will be April 12, 2021. In the event April 12, 2021 or the date fixed for redemption is not a Business Day, the payment of interest and principal in respect of the Floating Rate Notes will be made on the next succeeding day that is a Business Day, and no interest on such payment shall accrue due to such postponement for the period from and after April 12, 2021 or such date fixed for redemption.

Each period beginning on (and including) an interest payment date (after any adjustments to make such date a Business Day) and ending on (but excluding) the next interest payment date (after any adjustments to make such date a Business Day) of the Floating Rate Notes is referred to as an “Interest Period.” For purposes of the first interest payment on July 12, 2016, the Interest Period will begin on (and include) April 12, 2016. For purposes of the interest payment on the maturity date, the Interest Period will end on (and exclude) April 12, 2021.

The Floating Interest Rate for each Interest Period in respect of the Floating Rate Notes will be determined by the calculation agent on the following basis:

- (i) The calculation agent will determine the rate for deposits in U.S. dollars for a period equal or comparable to the relevant Interest Period which appears on the display page designated LIBOR01 on the Reuters service (or any successor or such other page or service as may replace it for the purpose of displaying comparable rates to London interbank offered rates of major banks for U.S. dollar deposits) as of 11:00 a.m., London time, on the second London Banking Day before the first day of the relevant Interest Period (the “Interest Determination Date”). The term “London Banking Day” means a day on which commercial banks are open for business, including dealings in foreign exchange and foreign currency deposits, in London.
- (ii) If such rate does not appear on that page, the calculation agent will:
 - (A) request the principal London office of each of four major banks selected by the calculation agent in the London interbank market to provide a quotation of the rate at which deposits in U.S. dollars are offered by it at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period equal or comparable to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations if at least two such quotations are provided as requested.

- (iii) If fewer than two such quotations are provided as requested, the calculation agent will determine the arithmetic mean (rounded, if necessary as aforesaid) of the rates quoted by at least two major banks in New York, selected by the calculation agent, at approximately 11:00 a.m., New York City time, on the first day of the relevant Interest Period for loans in U.S. dollars to leading European banks for a period equal or comparable to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time.

The Floating Interest Rate for such Interest Period will be a per annum rate equal to the sum of 1.48% and the rate or the arithmetic mean, as the case may be, determined by one of the three methodologies described above; provided, however, that if the calculation agent is unable to determine a rate or an arithmetic mean, as the case may be, in accordance with the above provisions in relation to any Interest Period, the Floating Interest Rate applicable to the Floating Rate Notes during such Interest Period will be a per annum rate equal to the sum of 1.48% and the rate or the arithmetic mean, as the case may be, applicable in relation to the Floating Rate Notes in respect of the immediately preceding Interest Period.

The calculation agent will, as soon as practicable after the determination of the Floating Interest Rate for each Interest Period in respect of the Floating Rate Notes, calculate the amount of interest (the “Interest Amount”) payable in respect of each Floating Rate Note for such Interest Period. The Interest Amount of the Floating Rate Notes will be calculated by applying the Floating Interest Rate for such Interest Period to the principal amount of the Floating Rate Notes, multiplying the product by the actual number of days in such Interest Period (the “Number of Days”) divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The interest rate on the Floating Rate Notes will in no event be lower than zero.

All determinations, calculations and quotations made or obtained for the purposes of calculating the Floating Interest Rate and the Interest Amount, whether by the calculation agent or the relevant banks in the London interbank market (or any of them) will, in the absence of gross negligence, willful misconduct or manifest error, be binding on Mizuho Financial Group, the calculation agent, the paying agent(s), the trustee, the relevant banks in the London interbank market and all holders of the Floating Rate Notes.

The calculation agent will cause the Floating Interest Rate, the Number of Days, the Interest Amount for each Interest Period in respect of the Floating Rate Notes and the relevant record date and interest payment date to be notified to Mizuho Financial Group and the trustee, and such information will be notified or published to the holders of the Floating Rate Notes through DTC or through another reasonable manner as soon as possible after their determination. The interest payment date so notified or published may subsequently be amended.

Further Issuances

Mizuho Financial Group reserves the right, from time to time, without the consent of the Noteholders of any series of Notes, to issue additional notes on terms and conditions identical to those of a series of Notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the Notes of such series; *provided however* that Mizuho Financial Group shall not issue any further notes with the same CUSIP, ISIN or other identifying number as that series of Notes unless such further notes will be treated as fungible with that series of Notes for U.S. federal income tax purposes. Mizuho Financial Group may also issue other debt securities under the Indenture as part of a separate series that have different terms from each series of Notes.

Optional Tax Redemption

Each series of Notes may be redeemed at the option of Mizuho Financial Group, in whole, but not in part, at any time, upon not less than 30 nor more than 60 days’ prior notice, subject to the prior confirmation of the FSA (if and to the extent required under the then applicable Japanese banking laws or regulations), at a redemption price equal to 100% of the principal amount of the relevant series of Notes then outstanding (plus accrued and unpaid interest to (but excluding) the date fixed for redemption and “additional amounts” (as described below), if any), if Mizuho Financial Group is, or on the next interest payment date would be, required to pay any additional amounts and such obligation arises as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Japan (or any political subdivision or taxing authority in or of Japan) affecting taxation, or any change in the official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment, or order by a court of competent jurisdiction), which change, amendment, application or interpretation becomes effective on or after the date of

this offering memorandum, and which obligation cannot be avoided by measures reasonably available to Mizuho Financial Group; *provided* that, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which Mizuho Financial Group would be obligated to make such payment of additional amounts if a payment in respect of the relevant series of Notes were then due. Prior to the mailing to Noteholders of the relevant series of Notes of any notice of redemption of the relevant series of Notes pursuant to the foregoing, the Indenture requires that Mizuho Financial Group certifies to the trustee that the requirements for redemption have been met and delivers therewith to the trustee an opinion of independent tax counsel or tax consultant of recognized standing, which opinion shall be reasonably satisfactory to the trustee, to the effect that such circumstances exist. The trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Noteholders of the relevant series of Notes.

Additional amounts are payable by Mizuho Financial Group under the circumstances described below under “—Payment of Additional Amounts.”

Repurchases

Mizuho Financial Group or any of its subsidiaries may, at any time, subject to the prior confirmation of the FSA (if and to the extent required under the then applicable Japanese banking laws or regulations), purchase Notes in the open market or otherwise at any price. Subject to applicable law, neither Mizuho Financial Group nor any of its subsidiaries shall have any obligation to purchase or offer to purchase Notes held by any holder as a result of its purchase or offer to purchase Notes held by any other holder, whether on the open market or otherwise. Any such Notes purchased by Mizuho Financial Group or any of its subsidiaries may, at the discretion of Mizuho Financial Group or the relevant subsidiary, be held, resold or surrendered to the paying agent for cancellation by Mizuho Financial Group or any such subsidiary, as the case may be. The Notes so purchased, while held by or on behalf of Mizuho Financial Group or any such subsidiary, as the case may be, shall not entitle the holder to vote at any meetings of the Noteholders of the relevant series of Notes and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders of such series of Notes or for the purposes of “—Acceleration of Notes Upon an Event of Default.”

Payment of Additional Amounts

All payments of principal and interest in respect of the Notes by Mizuho Financial Group shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, levies or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any political subdivision of, or any authority in, or of, Japan having power to tax (“Japanese taxes”), unless such withholding or deduction is required by law. In that event, Mizuho Financial Group shall pay to the holder of each Note such additional amounts (all such amounts being referred to herein as “additional amounts”) as may be necessary so that the net amounts received by it after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of such Note in the absence of such withholding or deduction.

However, no such additional amounts shall be payable in relation to any such withholding or deduction in respect of any payment on a Note:

- (i) to or on behalf of a Noteholder or beneficial owner of a Note who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Japanese taxes in respect of such Note by reason of its (a) having some connection with Japan other than the mere holding of such Note, or (b) being a specially-related person of Mizuho Financial Group (as defined in “Taxation—Japanese Taxation”);
- (ii) to or on behalf of a Noteholder or beneficial owner of a Note (a) who would be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide certification, information, documents or other evidence concerning its nationality, residence, identity or connection with Japan, including any requirement to provide interest recipient information (as defined below) or to submit a written application for tax exemption (as defined below) to Mizuho Financial Group or a paying agent, as appropriate, or (b) whose interest recipient information is not duly communicated through the participant (as defined below) and the relevant international clearing organization to a paying agent;
- (iii) to or on behalf of a Noteholder or beneficial owner of a Note who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a designated

financial institution (as defined below) who complies with the requirement to provide interest recipient information or to submit a written application for tax exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the participant or otherwise) a paying agent of its status as not being subject to Japanese taxes to be withheld or deducted by Mizuho Financial Group, by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant Note through a payment handling agent in Japan appointed by it);

- (iv) to or on behalf of a Noteholder or beneficial owner of a Note who presents a Note for payment (where presentation is required) more than 30 days after the relevant date (as defined below), except to the extent that such Noteholder or beneficial owner of a Note would have been entitled to such additional amounts on presenting the same on any date during such 30-day period;
- (v) to or on behalf of a Noteholder who is a fiduciary or partnership or is not the sole beneficial owner of the payment of the principal of, or any interest on, any Note, and Japanese law requires the payment to be included for tax purposes in the income of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner, in each case, who would not have been entitled to such additional amounts had it been the holder of such Note; or
- (vi) in any case that is a combination of any of (i) through (v) above.

Where a Note is held through a participant of a clearing organization or a financial intermediary (each, a “participant”), in order to receive payments free of withholding or deduction by Mizuho Financial Group for, or on account of, Japanese taxes, if the relevant beneficial owner of a Note is (i) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of Mizuho Financial Group or (ii) a Japanese financial institution (a “designated financial institution”) falling under certain categories prescribed by Article 6, Paragraph 9 of the Special Taxation Measures Act and the Cabinet Order (as defined in “Taxation—Japanese Taxation”) (together with the ministerial ordinance and other regulations thereunder, the “Act”), all in accordance with the Act, such beneficial owner of a Note must, at the time of entrusting a participant with the custody of the relevant Note, provide certain information prescribed by the Act to enable the participant to establish that such beneficial owner of a Note is exempted from the requirement for Japanese taxes to be withheld or deducted (the “interest recipient information”) and advise the participant if such beneficial owner of a Note ceases to be so exempted including the case where the relevant beneficial owner of the Note who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of Mizuho Financial Group.

Where a Note is not held by a participant, in order to receive payments free of withholding or deduction by Mizuho Financial Group for, or on account of, Japanese taxes, if the relevant beneficial owner of a Note is (i) an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of Mizuho Financial Group or (ii) a designated financial institution, all in accordance with the Act, such beneficial owner of a Note must, prior to each date on which it receives interest, submit to Mizuho Financial Group or a paying agent, as appropriate, a written application for tax exemption (*hikazei tekiyo shinkokusho*) (a “written application for tax exemption”) in the form obtainable from Mizuho Financial Group or any paying agent, as appropriate, stating, among other things, the name and address (and, if applicable, the Japanese individual or corporation ID number) of such beneficial owner of a Note, the title of the Notes, the relevant interest payment date, the amount of interest payable and the fact that such beneficial owner of a Note is qualified to submit the written application for tax exemption, together with documentary evidence regarding its identity and residence.

As used in this section, the “relevant date” means the date on which any payment in respect of a Note first becomes due, except that, if the full amount of the moneys payable has not been duly received by the paying agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with the Indenture.

The obligation to pay additional amounts shall not apply to (i) any estate, inheritance, gift, sales, excise, transfer, personal property or any similar tax, assessment or other governmental charge or (ii) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from payments of principal or interest on the Notes; *provided* that, except as otherwise set forth in the Notes and the

Indenture, Mizuho Financial Group shall pay all stamp and other duties, if any, which may be imposed by Japan, the United States or any respective political subdivision or any taxing authority thereof or therein, with respect to the Indenture or as a consequence of the issuance of the Notes.

In addition, no additional amounts will be payable for or on account of any deduction or withholding imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code, the U.S. Treasury regulations thereunder and any other official guidance thereunder (“FATCA”), any intergovernmental agreement entered into with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA, similar legislation under the laws of any other jurisdiction, or any such intergovernmental agreement.

References to principal or interest in respect of the Notes shall be deemed to include any additional amounts due in respect of Japanese taxes which may be payable as set forth in the Notes and the Indenture.

Events of Default

An event of default with respect to any series of Notes is defined under the Indenture as any one or more of the following events, subject to modification in a supplemental indenture, each of which we refer to in this offering memorandum as an event of default, having occurred and be continuing:

- (i) default by Mizuho Financial Group in the payment when due of the interest or principal in respect of any of the Notes of such series and the continuance of any such default for a period of 30 days after the date when due, unless Mizuho Financial Group shall have cured such default by payment within such period;
- (ii) Mizuho Financial Group shall fail duly to perform or observe any other term, covenant or agreement contained in any of the Notes of such series or in the Indenture in respect of the Notes of such series for a period of 90 days after the date on which written notice of such failure, requiring Mizuho Financial Group to remedy the same, shall have been given first to Mizuho Financial Group (and to the trustee in the case of notice by holders referred to in “—Acceleration of Notes Upon an Event of Default” below) by the trustee or holders of at least 25% in principal amount of the then outstanding Notes of such series (such notification must specify the event of default, demand that it be remedied and state that the notification is a “notice of default” hereunder);
- (iii) a decree or order by any court having jurisdiction shall have been issued adjudging Mizuho Financial Group bankrupt or insolvent or approving a petition seeking reorganization under the Bankruptcy Act (Act No. 75 of 2004, as amended; the “Bankruptcy Act”), the Civil Rehabilitation Act (Act No. 225 of 1999, as amended; the “Civil Rehabilitation Act”), the Corporate Reorganization Act (Act No. 154 of 2002, as amended; the “Corporate Reorganization Act”), the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) or any other similar applicable law of Japan, and such decree or order shall have continued undischarged or unstayed for a period of 60 days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of Mizuho Financial Group, or of all or substantially all of its property or for the winding-up or liquidation of its affairs, shall have been issued, and such decree or order shall have continued undischarged or unstayed for a period of 60 days; or
- (iv) Mizuho Financial Group shall institute proceedings seeking adjudication of bankruptcy or seeking reorganization under the Bankruptcy Act, the Civil Rehabilitation Act, the Corporate Reorganization Act, the Companies Act or any other similar applicable law of Japan, or shall consent to the institution of any such proceedings or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of itself or of all or substantially all of its property, or an effective resolution shall have been passed by Mizuho Financial Group for the winding up or dissolution of its affairs, other than for the purpose of an amalgamation or merger, *provided* that the continuing or successor corporation in such amalgamation or merger has effectively assumed the obligations of Mizuho Financial Group under the Notes and the Indenture.

Provision and Withholding of Notice of Default. Pursuant to the Indenture, the trustee shall give notice to the Noteholders of the relevant series of Notes of all defaults known to the trustee which have occurred. The trustee shall transmit the notice within 90 days after the occurrence of an event of default, unless the defaults

have been cured before the transmission of such notice. However, except in the case of default in the payment of principal of or interest on the Notes, the trustee may withhold notice of default if and so long as responsible officers of the trustee determine in good faith that the withholding of the notice is in the interests of the Noteholders of the relevant series of Notes.

Acceleration of Notes Upon an Event of Default

The Indenture provides that, unless otherwise set forth in a supplemental indenture, if any event of default occurs and is continuing with respect to a series of Notes, either the trustee or the Noteholders of not less than 25% in aggregate principal amount of the outstanding Notes of such series, by notice in writing to Mizuho Financial Group (and to the trustee if given by the Noteholders), may declare the principal of and accrued interest on the Notes of such series to be due and payable immediately.

Annulment of Acceleration and Waiver of Defaults

In some circumstances, if any or all of the events leading to acceleration under the Indenture, other than the non-payment of the principal of the Notes that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the Noteholders of a majority in aggregate principal amount of a series of Notes may (if certain conditions are satisfied) annul past declarations of acceleration or waive past defaults of such series of Notes.

Application of Proceeds

Any money collected from Mizuho Financial Group by a trustee under the Indenture upon an event of default shall be applied in the order described below:

- (i) first, to the payment of costs, fees and expenses to the applicable trustee and any paying agent for the series of senior debt securities for which money was collected, including reasonable compensation;
- (ii) second, if payment is not due on the principal of the series of senior debt securities for which money was collected, to the payment of interest on the series in default;
- (iii) third, if payment in accordance with the Indenture is due on the principal of the series of senior debt securities for which money was collected, to the payment of the whole amount then owing and unpaid upon all of the senior debt securities of such series for principal and interest, with interest on the overdue principal; and in case the money collected shall be insufficient to pay in full the whole amount so due and unpaid upon the senior debt securities of such series, then to the payment of principal and interest without preference or priority of principal over interest, ratably to the aggregate of such principal and accrued and unpaid interest; and
- (iv) finally, to the payment of the remainder, if any, to Mizuho Financial Group or any other person lawfully entitled thereto.

Indemnification of Trustee for Actions Taken on Behalf of Noteholders

The Indenture provides that the trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Noteholders relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee. In addition, the Indenture contains a provision entitling the trustee, subject to the duty of the trustee to act with the required standard of care during a default, to be indemnified to its satisfaction by the Noteholders under the Indenture before proceeding to exercise any right or power at the request of such Noteholders. Subject to these provisions and specified other limitations, the Noteholders of a majority in aggregate principal amount of a series of Notes outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

Limitation on Suits by Individual Noteholders

The Indenture provides that no individual Noteholder may institute any action against Mizuho Financial Group under the Indenture, except actions for payment of overdue principal and interest, unless the following actions have occurred:

- (i) a Noteholder must have previously given written notice to the trustee of the continuing default;

- (ii) the Noteholders of not less than 25% in aggregate principal amount of the Notes of the affected series, with each such series treated as a single class, must have:
 - (a) made written request to the trustee to institute that action; and
 - (b) offered the trustee reasonable indemnity;
- (iii) the trustee must have failed to institute that action within 60 days after receipt of the request referred to above; and
- (iv) the Noteholders of a majority in principal amount of the Notes of the affected series, voting as one class, must not have given directions to the trustee inconsistent with those of the holders referred to above.

However, the right of any Noteholder to institute suit for the enforcement of any such payment of overdue principal and interest on or after the respective due dates shall not be affected or impaired.

Notwithstanding the foregoing, each Noteholder and the trustee acknowledge, accept, consent and agree, for a period of 30 days following the date upon which the Prime Minister confirms that specified item 2 measures (*tokutei dai nigo sochi*), which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act (or any successor provision thereto), need to be applied to Mizuho Financial Group, not to initiate any action to attach any of our assets, the attachment of which has been prohibited by designation of the Prime Minister pursuant to Article 126-16 of the Deposit Insurance Act (or any successor provision thereto).

Mizuho Financial Group shall, as soon as practicable after the Prime Minister has confirmed that specified item 2 measures (*tokutei dai nigo sochi*) need to be applied to Mizuho Financial Group, deliver a written notice of such event to the trustee and to the Noteholders through DTC. Any failure or delay by Mizuho Financial Group to provide such written notice shall not change or delay the effect of the acknowledgement, acceptance, consent and agreement described in the preceding paragraph.

Limited Rights to Set Off by Holders

Subject to applicable law, each Noteholder, by acceptance of any interest in the Notes, agrees that, if (a) Mizuho Financial Group shall institute proceedings seeking adjudication of bankruptcy or seeking reorganization under the Bankruptcy Act, the Civil Rehabilitation Act, the Corporate Reorganization Act, the Companies Act or any other similar applicable law of Japan, and as long as such proceedings shall have continued, or a decree or order by any court having jurisdiction shall have been issued adjudging Mizuho Financial Group bankrupt or insolvent or approving a petition seeking reorganization under any such laws, and as long as such decree or order shall have continued undischarged or unstayed, or (b) the Prime Minister confirms that specified item 2 measures (*tokutei dai nigo sochi*) need to be applied to Mizuho Financial Group, it will not, and waives its right to, exercise, claim or plead any right of set off, compensation or retention in respect of any amount owed to it by Mizuho Financial Group arising under, or in connection with, the Notes or the Indenture.

Covenants

Consolidation, Merger, Sale or Conveyance. The Indenture contains provisions permitting Mizuho Financial Group, without the consent of the Noteholders, to merge or consolidate with or merge into, or sell, assign, transfer, lease or convey all or substantially all of its properties or assets to any person or persons, *provided* that (i) Mizuho Financial Group is the surviving party of the consolidation or merger or sale, assignment, transfer, lease or conveyance, or (ii) the successor person or persons that is formed by such consolidation, into which Mizuho Financial Group is merged, or that acquires such properties or assets by the sale, assignment, transfer, lease or conveyance is a joint stock company (*kabushiki kaisha*) organized under the laws of Japan and assumes Mizuho Financial Group's obligations on the Notes and under the Indenture and on all series of securities issued thereunder and certain other conditions are met, including that, immediately after giving effect to such transaction, no event of default under the Indenture has occurred and is continuing.

Notwithstanding the foregoing, each Noteholder and the trustee acknowledge, accept, consent and agree to any transfer of Mizuho Financial Group's assets (including shares of subsidiaries of Mizuho Financial Group) or liabilities, or any portions thereof, effected with permission of a Japanese court in accordance with Article 126-13 of the Deposit Insurance Act (or any successor provision thereto), and that any such transfer shall not constitute a sale, assignment, transfer, lease or conveyance of its properties or assets for the purpose of the requirements set forth above or in the next paragraph.

Before the consummation of the proposed consolidation, merger, sale, assignment, transfer, lease or conveyance, Mizuho Financial Group shall deliver an officer's certificate, and an opinion of counsel, to the effect that the conditions set forth above and in the Indenture have been met. The trustee shall be entitled to rely conclusively and without liability upon such officer's certificate and opinion of counsel.

Evidence of Mizuho Financial Group's Compliance. There are provisions in the Indenture requiring Mizuho Financial Group to furnish to the trustee each year a brief certificate from its principal executive, financial or accounting officer as to his or her knowledge of Mizuho Financial Group's compliance with all conditions and covenants under the Indenture.

Discharge

Unless otherwise set forth in a supplemental indenture, Mizuho Financial Group may discharge all of its obligations, other than as to transfers and exchanges, under the Indenture after Mizuho Financial Group has:

- (i) paid or caused to be paid the principal of and interest on all of the outstanding senior debt securities in accordance with their terms; or
- (ii) delivered to the paying agent for cancellation all of the outstanding senior debt securities.

Modification of the Indenture

Modification without Consent of Holders. Mizuho Financial Group and the trustee may enter into supplemental indentures without the consent of the Noteholders to:

- (i) evidence the assumption by a successor corporation of Mizuho Financial Group's obligations under the Indenture;
- (ii) add covenants for the protection of the Noteholders;
- (iii) cure any ambiguity or correct any inconsistency
- (iv) add to, change or eliminate any of the provisions of the Indenture (*provided* that such addition, change or elimination shall not adversely affect the interests of the holders of any outstanding Notes in any material respect);
- (v) establish the forms or terms of the senior debt securities of any series; or
- (vi) evidence the acceptance of appointment by a successor trustee.

Modification with Consent of Holders. Mizuho Financial Group and the trustee, with the consent of the Noteholders of not less than a majority in aggregate principal amount of each affected series of Notes, may add any provisions to, or change in any manner or eliminate any of the provisions of, the Indenture or modify in any manner the rights of the Noteholders; provided, however, that Mizuho Financial Group and the trustee may not make any of the following changes to the terms of the Notes, without the consent of each Noteholder that would be affected by the change:

- (i) extend the final maturity of the Notes or of any installment of principal of any Notes;
- (ii) reduce the principal amount;
- (iii) reduce the rate or extend the time of payment of interest;
- (iv) reduce any amount payable on redemption;
- (v) change the currency or other terms in or under which the principal, including any amount of original issue discount, premium, or interest on the Notes is payable;
- (vi) change any of Mizuho Financial Group's obligations to pay any additional amounts on the Notes for any tax, assessment or governmental charge withheld or deducted (if any);
- (vii) impair the right to institute suit for the enforcement of any payment on the Notes when or after due; or

- (viii) reduce the percentage of the Notes the consent of whose holders is required for modification of the Indenture.

Repayment of Funds

The Indenture will provide that all monies paid by Mizuho Financial Group to the paying agent for a particular series of Notes for payment of principal or interest on any Note which remains unclaimed at the end of two years after such payment shall become due and payable will be repaid to Mizuho Financial Group and all liability of the paying agent with respect thereto will cease, and to the extent permitted by law, the Noteholder of such Notes shall thereafter look only to Mizuho Financial Group for any payment which such holder may be entitled to collect.

New York Law to Govern

The Indenture and the Notes will be governed by and construed in accordance with the laws of the State of New York.

Consent to Service of Process and Submission to Jurisdiction

Under the Indenture, Mizuho Financial Group irrevocably designates Mizuho Bank, Ltd., New York Branch as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the Indenture or the Notes brought in any federal or state court in the County of New York, and Mizuho Financial Group irrevocably submits to the jurisdiction of those courts.

Methods of Receiving Payments

The principal of, and interest and additional amounts on, the Notes represented by the Global Notes (as defined below) will be payable in U.S. dollars. Subject to the terms of the Indenture, the paying agent will hold all sums received by it for the payment of the principal and interest on the Notes in trust for the benefit of the Noteholders. Mizuho Financial Group will cause the paying agent to pay such amounts received by it, on the dates payment is to be made, directly to DTC.

Book-Entry; Delivery and Form

DTC

The Notes will initially be issued to investors only in book-entry form. The Notes sold in reliance on Rule 144A under the U.S. Securities Act will initially be in the form of one or more fully registered Global Notes (the “Rule 144A Global Notes”) and the Notes sold in reliance on Regulation S under the U.S. Securities Act will initially be in the form of one or more fully registered Global Notes (the “Regulation S Global Notes” and together with the Rule 144A Global Notes, the “Global Notes”). The Global Notes will be issued and registered in the name of Cede & Co., acting as nominee for DTC, which will act as securities depository for the Notes. The Global Notes will initially be deposited with The Bank of New York Mellon, acting as custodian for DTC.

The Notes (including any beneficial interest in a Global Note) will be subject to certain restrictions on transfer set forth in the Notes and the Indenture and will bear a legend regarding the restrictions as set forth under “Transfer Restrictions.” Under certain circumstances, transfers may be made only upon receipt by the trustee of a written certification (in the form provided in the Indenture).

On or prior to the fortieth day after the later of the commencement of the offering and the date of the issuance of the Notes, a beneficial interest in a Regulation S Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Rule 144A Global Note only upon receipt by the paying agent of a written certification (in the form provided in the Indenture) from the transferor to the effect that the transferor (i) reasonably believes that the transferee is a “qualified institutional buyer” within the meaning of Rule 144A purchasing for its own account (or for the account of one or more qualified institutional buyers over which account it exercises sole investment discretion), (ii) transfers such Note in a transaction meeting the requirements of Rule 144A and (iii) has notified the transferee of the restrictions on transfer set forth under “Transfer Restrictions.”

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note without any written certification from the transferor or the transferee. Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the paying agent of a written

certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in compliance with the restrictions set forth under “Transfer Restrictions” and in accordance with Rule 903 or 904 of Regulation S under the U.S. Securities Act.

Any beneficial interest in one of the Global Notes that is transferred to an entity that takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (“participants”), or persons who hold interests through participants (including Euroclear and Clearstream). Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Unless and until Notes in certificated form are issued, the only registered Noteholder will be Cede & Co., as nominee of DTC, or the nominee of a successor depository.

Investors may hold their interests in a Global Note directly through DTC if they are participants in such system, or indirectly through organizations that are participants in such system, including Euroclear or Clearstream. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through DTC. Beneficial owners will be permitted to exercise their rights only indirectly through DTC, Euroclear, Clearstream and their participants.

DTC advises that it is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“indirect participants”).

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations. Non-participants in the Euroclear system may hold and transfer book-entry interests in the Notes through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in the securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Investors electing to acquire, hold or transfer Notes through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such intermediary with respect to the settlement of secondary market transactions in Notes. Euroclear will not monitor or enforce any transfer restrictions with respect to the Notes. Investors that acquire, hold and transfer interests in the Notes by book-entry through accounts with Euroclear or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such intermediary and each other intermediary, if any, standing between themselves and the individual Notes.

Euroclear has advised that, under Belgian law, investors that are credited with securities on the records of Euroclear have a co-property right in the fungible pool of interests in securities on deposit with Euroclear in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of

Euroclear, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with Euroclear. If Euroclear did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on Euroclear's records, all participants having an amount of interests in securities of such type credited to their accounts with Euroclear would have the right under Belgian law to the return of their pro rata share of the amount of interests in securities actually on deposit. Under Belgian law, Euroclear is required to pass on the benefits of ownership in any interests in Notes on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records.

Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear terms and conditions.

Clearstream

Clearstream advises that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear operator to facilitate the settlement of trades between Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to securities brokers and dealers and banks, and may include the underwriters of this offering. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Transfers

Purchases of Notes within the DTC system must be made by or through DTC participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of Notes, a beneficial owner of an interest in a Global Note, is in turn to be recorded on the DTC participants' and indirect participants' records. Beneficial owners of interests in a Global Note will not receive written confirmation from DTC of their purchases, but they are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the DTC participants or indirect participants through which they purchased the Notes. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of DTC participants and indirect participants acting on behalf of beneficial owners of interests in a Global Note. Beneficial owners of interests in a Global Note will not receive Notes in certificated form representing their ownership interests in the Notes unless use of the book-entry system for the Notes is discontinued.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes, cross-market transfers between persons holding, directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depository; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the European depositories.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the Notes through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the clearing system business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the clearing system business day following settlement in DTC.

Limitations on Responsibilities

DTC, Euroclear and Clearstream have no knowledge of the actual beneficial owners of interests in a Global Note. DTC's records reflect only the identity of the DTC participants to whose accounts those Notes are credited, which may or may not be the beneficial owners of interests in a Global Note. Similarly, the records of Euroclear and Clearstream reflect only the identity of the Euroclear or Clearstream participants to whose accounts those Notes are credited, which also may or may not be the beneficial owners of interests in a Global Note. DTC, Euroclear and Clearstream participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

DTC's Procedures for Notices, Voting and Payments

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or that nominee, as the case may be, will be considered the sole owner or Noteholder represented by the Global Note for all purposes under the Notes and the Indenture. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

Mizuho Financial Group expects that DTC will take any action permitted to be taken by a Noteholder, including the presentation of Notes for exchange, only at the direction of one or more of its participants to whose account DTC's interests in the Global Notes are credited and only in respect of that portion of the aggregate, principal amount of Notes as to which that participant or participants has or have given the direction.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in a Global Note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The paying agent will send or forward any notices in respect of the Notes held in book-entry form to DTC.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to Mizuho Financial Group as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those participants to whose account the Notes are credited on the record date.

Payment of principal of and interest on the Notes held in book-entry form will be made to Cede & Co. or another nominee of DTC by the paying agent in immediately available funds. DTC's practice is to credit its participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on such payment date. Payments by DTC's participants and indirect participants to beneficial owners of interests in a Global Note will be governed by standing instructions and customary practices, and will be the responsibility of those participants and indirect participants and not of DTC or Mizuho Financial Group, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of principal of and interest on the Notes or other amounts to DTC is the responsibility of Mizuho Financial Group, disbursement of these payments to participants is the responsibility of DTC, and disbursement of those payments to the beneficial owner of an interest in a Global Note is the responsibility of participants and indirect participants.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither Mizuho Financial Group nor the trustee, the registrar or the paying agent will have any

responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

Exchange of Global Notes for Certificated Notes

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed by Mizuho Financial Group within 90 days, or if there shall have occurred and be continuing an event of default with respect to the Notes, Mizuho Financial Group will issue Notes in certificated form in exchange for the Global Notes. The certificated Notes delivered in exchange for beneficial interests in any Global Note will be registered in the names, and issued in denominations of \$200,000 or integral multiples of \$1,000 in excess thereof, requested by or on behalf of DTC (in accordance with its customary procedures). Any such exchange shall be made free of charge to the beneficial owners of the Global Notes, except that a person receiving certificated Notes must bear the cost of insurance, postage, transportation and other related costs in the event that such person does not take delivery of such certificated Notes at the offices of the paying agent. The Notes are not issuable in bearer form. Except in the limited circumstances described above, owners of interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Payment of principal and interest in respect of the certificated Notes shall be payable at the office of agency of Mizuho Financial Group in the City of New York which shall initially be the corporate trust office of the trustee, at 101 Barclay Street, New York, New York 10286, U.S.A. or at the office of the paying agent (which shall initially be The Bank of New York Mellon), *provided* that, at the option of Mizuho Financial Group, payment may be made by wire transfer or by mailing checks for such interest payable to or upon the written order of such holders at their last addresses as they appear on the registry books of Mizuho Financial Group (in the case of registered securities) or at such other addresses as may be specified in the written orders of the holders; and provided further that, payments of any interest on certificated Notes (other than at maturity) may be made by the paying agent, in the case of a registered holder of at least \$10,000,000 principal amount of Notes, by electronic funds transfer of immediately available funds to a United States dollar account maintained by the payee, provided such registered holder so elects by giving written notice to the paying agent designating such account, no later than 15 days immediately preceding the relevant date for payment (or such other date as the paying agent may accept in its discretion). Unless such designation is revoked, any such designation made by such holder with respect to such Notes shall remain in effect with respect to any future payments with respect to such Notes payable to such holder.

So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes in certificated form. In addition, in the event that any of the Global Notes is exchanged for definitive Notes in certificated form, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes in certificated form, including details of the paying agent in Singapore.

Registration, Transfer and Exchange of Notes

The registrar will maintain a Note register with respect to the Notes. The name of the registered holder of each Note will be recorded in the Note register. Mizuho Financial Group, the trustee, the registrar and the paying agent may treat the person in whose name any Note is registered as the absolute owner of the Note for all purposes and none of them shall be affected by any notice to the contrary.

At the option of the Noteholder, subject to the restrictions contained in the Note and in the Indenture, the Note may be transferred or exchanged for a like aggregate principal amount of Notes of different authorized denominations, upon surrender for exchange or registration of transfer, at the registrar's office. Any Note surrendered for exchange or presented for registration of transfer shall be duly endorsed, or be accompanied by a written instrument of transfer or other documentation in a form identified in the Indenture. Notes issued upon exchange or transfer shall be registered in the name of the Noteholder requesting the exchange or, as the case may be, the designated transferee or transferees and delivered at the registrar's office, or mailed, at the request, risk and expense of, and to the address requested by, the designated transferee or transferees. No service charge, other than any cost of delivery not made by regular mail, shall be imposed for any transfer or exchange of Notes, but Mizuho Financial Group or the registrar may require payment of a sum sufficient to cover any stamp duty, tax or governmental charge or insurance charge that may be imposed in connection with any transfer or exchange of Notes.

Upon the transfer, exchange or replacement of certificated Notes bearing the legend, the registrar will deliver only certificated Notes bearing such legend unless Mizuho Financial Group otherwise consents.

Trustee, Paying Agent, Registrar and Calculation Agent

The Bank of New York Mellon, 101 Barclay Street, New York, New York 10286, U.S.A., will initially act as trustee, paying agent and registrar for the Notes and calculation agent with respect to the Floating Rate Notes. Mizuho Financial Group may change the paying agent, registrar or calculation agent without prior notice to the Noteholders (but with prior notice to the trustee), and Mizuho Financial Group or any of its subsidiaries may act as paying agent, registrar or calculation agent.

Authenticating Agent

The Indenture permits the trustee to appoint an authenticating agent or agents with respect to the Notes. Such authenticating agent will be authorized to act on behalf of the trustee to authenticate the Notes and Notes authenticated by such authenticating agent will be entitled to the benefits of the Indenture and valid and obligatory for all purposes as if authenticated by the trustee. The trustee may change the authenticating agent at any time, as more fully described in the Indenture.

Clearance and Settlement

The Notes have been accepted for clearance through DTC for the accounts of its participants, including Euroclear and Clearstream.

Minimum Board Lot Size on the SGX-ST

The Notes will be traded on the SGX-ST in a minimum board lot size of \$200,000 for so long as the Notes are listed on the SGX-ST.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States except pursuant to an effective registration statement or in a transaction not subject to the registration requirements under the U.S. Securities Act or in accordance with an applicable exemption from the registration requirements thereof.

Notes Offered in Reliance on Rule 144A

Each purchaser of the Notes offered and sold pursuant to Rule 144A under the U.S. Securities Act will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) It is acquiring such Notes for its own account or an account or accounts with respect to which it exercises sole investment discretion and that it or each such account is a QIB and is aware that the sale to it is being made in reliance on Rule 144A.
- (2) It understands and agrees that such Notes are being offered only in a transaction not involving any public offering within the meaning of the U.S. Securities Act, and that any resale, pledge or transfer of such Notes on which the legend set forth below appears, may be made only (i) to Mizuho Financial Group, (ii) to a person who the seller and any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act, or (iv) pursuant to another exemption from registration under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state of the United States.
- (3) It understands and agrees that the initial purchasers will, and each subsequent Noteholder is required to, notify any purchaser of such Notes from it of the resale restrictions referred to in paragraph 2 above if then applicable.
- (4) It understands and agrees that such Notes are initially being offered to QIBs in reliance on Rule 144A. It will not, directly or indirectly, engage in any hedging transaction with regard to such Notes except as permitted by the U.S. Securities Act. It will not resell, pledge or otherwise transfer any such Notes except pursuant to the restrictions set forth in the legend in paragraph (5) below.
- (5) It understands that the Notes will bear a legend to the following effect unless otherwise agreed by Mizuho Financial Group:

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")) AND (B) AGREES FOR THE BENEFIT OF MIZUHO FINANCIAL GROUP, INC. ("MIZUHO FINANCIAL GROUP"), THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE U.S. SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) TO MIZUHO FINANCIAL GROUP, (2) PURSUANT TO RULE 144A TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THE REOFFER, RESALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (4) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, MIZUHO FINANCIAL GROUP OR THE TRUSTEE MAY REQUIRE THE DELIVERY OF ANY

DOCUMENTS, INCLUDING AN OPINION OF COUNSEL, THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF MIZUHO FINANCIAL GROUP THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM THE HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS LEGEND WILL ONLY BE REMOVED AT THE OPTION OF MIZUHO FINANCIAL GROUP.

- (6) It acknowledges that Mizuho Financial Group, the initial purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it by its purchase of Notes are no longer accurate, it will promptly notify Mizuho Financial Group, the initial purchasers and the Trustee. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has a sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

For further discussion of the requirements (including the presentation of the transfer certificates) under the Indenture to effect exchanges or transfers of interests in the Global Notes, see “Description of the Notes—Book Entry; Delivery and Form.”

Notes Offered in Reliance on Regulation S

Terms used in this section have the same meaning as defined in Regulation S under the U.S. Securities Act.

Each purchaser of the Notes offered and sold in reliance on Regulation S outside the United States will be deemed to have represented and agreed as follows:

- (1) The purchaser is not a U.S. person and is acquiring such Notes in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the U.S. Securities Act,
- (2) The purchaser understands that such Notes have not been and will not be registered under the U.S. Securities Act and, until 40 days after the closing of the offering, may not be reoffered, resold, pledged or transferred within the United States or to, or for the account or benefit of, U.S. persons, except in transactions pursuant to an exemption from registration under the U.S. Securities Act, and
- (3) It understands that such Notes will bear a legend to the following effect unless otherwise agreed by Mizuho Financial Group:

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITIES OF ANY JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. MIZUHO FINANCIAL GROUP, INC. HAS AGREED THAT THIS LEGEND SHALL BE DEEMED TO HAVE BEEN REMOVED ON THE 41ST DAY FOLLOWING THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE SECURITIES AND THE FINAL DELIVERY DATE WITH RESPECT THERETO.

- (4) It acknowledges that Mizuho Financial Group, the initial purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it by its purchase of Notes are no longer accurate, it will promptly notify Mizuho Financial Group, the initial purchasers and the Trustee. If it is

acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has a sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

For further discussion of the requirements (including the presentation of the transfer certificates) under the Indenture to effect exchanges or transfers of interests in Global Notes, see “Description of the Notes—Book Entry; Delivery and Form.”

TAXATION

The following summaries are not intended as a complete analysis of the tax consequences under Japanese or United States law of the acquisition, ownership and sale of the Notes by investors. Potential investors should consult their own tax advisors on the tax consequences of acquisition, ownership, sale, and other relevant circumstances concerning the Notes, including specifically the applicable tax consequences under Japanese or United States laws, the law of the jurisdiction of their country of residence (if relevant) and any tax treaty between Japan and their country of residence.

Japanese Taxation

The following is a general description of certain Japanese tax aspects of the Notes and does not purport to be a comprehensive description of the tax aspects of the Notes. Prospective purchasers should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive. Prospective purchasers are advised to consult their own legal, tax, accountancy or other professional advisors in order to ascertain their particular circumstances regarding taxation.

The statements below are based on current tax laws and regulations in Japan and current tax treaties executed by Japan all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this document are to be regarded as advice on the tax position of any beneficial owner of the Notes or any person purchasing, selling or otherwise dealing in the Notes or any tax implication arising from the purchase, sale or other dealings in respect of the Notes.

The Notes

The Notes do not fall under the concept of so-called “taxable linked notes” as described in Article 6, Paragraph 4 of the Special Taxation Measures Act, i.e., notes of which the amount of interest is to be calculated by reference to certain indexes (as prescribed by the Cabinet Order under the Special Taxation Measures Act) relating to Mizuho Financial Group or a specially-related person of Mizuho Financial Group.

Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance and Gift Taxes

Gains derived from the sale of Notes outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by Noteholders in connection with the issue of the Notes, nor will such taxes be payable by Noteholders in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired Notes from another individual as legatee, heir or donee.

Representation by Investor upon Initial Distribution of Notes

BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) BELOW. The Notes are not, as part of the distribution pursuant to the purchase agreement dated the date hereof by the initial purchasers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of Mizuho Financial Group (as defined below) or (ii) a Designated Financial Institution (as defined below), except as specifically permitted under the Special Taxation Measures Act.

Payments of Interest and Redemption Gain on Notes

The following description of Japanese taxation (limited to national taxes) applies exclusively to interest on the Notes and the redemption gain, meaning any difference between the acquisition price of the interest-bearing Notes of the holder and the amount which the holder receives upon redemption of such interest-bearing

Notes, (the “Redemption Gain”), where such Notes are issued by Mizuho Financial Group outside Japan and payable outside Japan. In addition, the following description assumes that only global notes are issued for the Notes, and no definitive bonds and coupons that are independently traded are issued, in which case different tax consequences may apply. It is not intended to be exhaustive and prospective purchasers are recommended to consult their tax advisers as to their exact tax position.

1. Non-resident Investors

If the recipient of interest on the Notes or of the Redemption Gain with respect to interest-bearing Notes is an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes, as described below, the Japanese tax consequences for such individual non-resident of Japan or non-Japanese corporation are significantly different depending upon whether such individual non-resident of Japan or non-Japanese corporation is a specially-related person of Mizuho Financial Group (as defined below). Most importantly, if such individual non-resident of Japan or non-Japanese corporation is a specially-related person of Mizuho Financial Group (as defined below), income tax at the rate of 15.315% of the amount of such interest will be withheld by Mizuho Financial Group under Japanese tax law.

1.1. Interest

- (1) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the Notes is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if such recipient complies with certain requirements, *inter alia*:
 - (i) if the relevant Notes are held through a participant in an international clearing organization such as DTC or a financial intermediary prescribed by the Special Taxation Measures Act and the relevant cabinet order thereunder (the “Cabinet Order,” together with the Special Taxation Measures Act and the ministerial ordinance and other regulations thereunder, the “Act”) (each, a “Participant”), the requirement to provide, at the time of entrusting a Participant with the custody of the relevant Notes, certain information prescribed by the Act to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the “Interest Recipient Information”), and to advise the Participant if such individual non-resident of Japan or non-Japanese corporation ceases to be so exempted (including the case where it became a specially-related person of Mizuho Financial Group (as defined below)); and
 - (ii) if the relevant Notes are not held by a Participant, the requirement to submit to the relevant paying agent a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (the “Written Application for Tax Exemption”), together with certain documentary evidence.

Failure to comply with such requirements described above (including the case where the Interest Recipient Information is not duly communicated as required under the Act) will result in the withholding by Mizuho Financial Group of income tax at the rate of 15.315% of the amount of such interest.

- (2) If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of interest is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15.315% withholding tax by Mizuho Financial Group, if the recipient provides the Interest Recipient Information or submits the Written Application for Tax Exemption as set out in paragraph 1.1(1) above.

Failure to do so will result in the withholding by Mizuho Financial Group of income tax at the rate of 15.315% of the amount of such interest. The amount of such interest will be aggregated with the recipient’s other Japanese source income and will be subject to regular income tax or corporate tax, as appropriate.

- (3) Notwithstanding paragraphs 1.1(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a person who has a special relationship with Mizuho Financial Group (that is, in general terms, a person who directly or indirectly controls or is directly or indirectly controlled by, or is under direct or indirect common control with, Mizuho Financial Group) within the meaning prescribed by the Cabinet Order under Article 6, Paragraph 4 of the Special Taxation Measures Act (such person is referred to as a “specially-related person of Mizuho Financial Group”) as of the beginning of the fiscal year of Mizuho Financial Group in which the relevant interest payment date falls, the exemption from Japanese withholding tax on interest mentioned above will not apply, and income tax at the rate of 15.315% of the amount of such interest will be withheld by Mizuho Financial Group. If such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, regular income tax or corporate tax, as appropriate, collected otherwise by way of withholding, could apply to such interest under Japanese tax law.
- (4) If an individual non-resident of Japan or a non-Japanese corporation (regardless of whether it is a specially-related person of Mizuho Financial Group) is subject to Japanese withholding tax with respect to interest on the Notes under Japanese tax law, a reduced rate of withholding tax or exemption from such withholding tax may be available under the relevant income tax treaty between Japan and the country of tax residence of such individual non-resident of Japan or non-Japanese corporation. As of the date of this document, Japan has income tax treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10% with, inter alia, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland and the United States of America. Under the tax treaties between Japan and the United Kingdom or Sweden, interest paid to qualified United Kingdom or Swedish residents is generally exempt from Japanese withholding tax. Japan and the United States of America and Germany have also signed an amendment to the existing tax treaty generally exempting interest from Japanese withholding tax; however, this amending protocol has not yet entered into force. Under the current income tax treaty between Japan and the United States of America, certain limited categories of qualified United States residents receiving interest on the Notes may, subject to compliance with certain procedural requirements under Japanese law, be fully exempt from Japanese withholding tax for interest on the Notes. Under the income tax treaties with France, Australia, the Netherlands and Switzerland, similar exemptions to those provided in the current income tax treaty between Japan and the United States of America will be available (provided that no exemption will apply to pension funds in the case of Australia). In order to enjoy such reduced rate of, or exemption from, Japanese withholding tax under any applicable income tax treaty, individual non-residents of Japan or non-Japanese corporations which are entitled, under any applicable income tax treaty, to a reduced rate of, or exemption from, Japanese withholding tax on payment of interest by Mizuho Financial Group are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Interest (as well as any other required forms and documents) in advance through Mizuho Financial Group to the relevant tax authority before payment of interest.
- (5) Under the Act, (a) if an individual non-resident of Japan or a non-Japanese corporation that is a beneficial owner of the Notes becomes a specially-related person of Mizuho Financial Group, or an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of Mizuho Financial Group becomes a beneficial owner of the Notes, and (b) if such Notes are held through a Participant, then such individual non-resident of Japan or non-Japanese corporation should notify the Participant of such change in status by the immediately following interest payment date of the Notes. As described in paragraph 1.1(3) above, as the status of such individual non-resident of Japan or non-Japanese corporation as a specially-related person of Mizuho Financial Group for Japanese withholding tax purposes is determined based on the status as of the beginning of the fiscal year of Mizuho Financial Group in which the relevant interest payment date falls, such individual non-resident of Japan or non-Japanese corporation should, by such notification, identify and advise the Participant of the specific interest payment date on which Japanese withholding tax starts to apply with respect to such individual non-resident of Japan or non-Japanese corporation as being a specially-related person of Mizuho Financial Group.

1.2. Redemption Gain

- (1) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of such Redemption Gain is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no income tax or corporate tax is payable by way of withholding or otherwise with respect to such Redemption Gain.
- (2) If the recipient of the Redemption Gain is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of such Redemption Gain is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such Redemption Gain will not be subject to any withholding tax but will be subject to regular income tax or corporate tax, as appropriate.
- (3) Notwithstanding paragraphs 1.2(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a specially-related person of Mizuho Financial Group as of the beginning of the fiscal year of Mizuho Financial Group in which such individual non-resident of Japan or non-Japanese corporation acquired such Notes, the Redemption Gain will not be subject to withholding tax but will be subject to regular income tax or corporate tax, as appropriate, under Japanese tax law, regardless of whether such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan; provided that exemption may be available under the relevant income tax treaty.

2. Resident Investors

If the recipient of interest on the Notes is an individual resident of Japan or a Japanese corporation for Japanese tax purposes, as described below, regardless of whether such recipient is a specially-related person of Mizuho Financial Group, in addition to any applicable local tax, income tax will be withheld at the rate of 15.315% of the amount of such interest, if such interest is paid to an individual resident of Japan or a Japanese corporation (except for (i) a Designated Financial Institution (as defined below) which complies with the requirement for tax exemption under Article 6, Paragraph 9 of the Special Taxation Measures Act or (ii) a Public Corporation (as defined below) or a Specified Financial Institution (as defined below) to which such interest is paid through the Japanese Custodian (as defined below) which complies with the requirement for tax exemption under Article 3-3, Paragraph 6 of the Special Taxation Measures Act. In addition to the withholding tax consequences upon resident investors as explained in this section 2, resident investors should consult their own tax advisors regarding their regular income tax or corporate tax consequences other than by way of withholding, bearing in mind, especially for individual residents of Japan, the change to the taxation regime of Notes that took effect on January 1, 2016.

2.1. Interest

- (1) If an individual resident of Japan or a Japanese corporation (other than a Specified Financial Institution (as defined below) or a Public Corporation (as defined below), who complies with the requirement as referred to in paragraph 2.1(2) below) receives payments of interest on the Notes through certain Japanese payment handling agents as defined in Article 2-2 Paragraph 2 of the Cabinet Order (each a “Japanese Payment Handling Agent”), income tax at the rate of 15.315% of the amount of such interest will be withheld by the Japanese Payment Handling Agent rather than by Mizuho Financial Group. As Mizuho Financial Group is not in a position to know in advance the recipient’s status, the recipient of interest falling within this category should inform Mizuho Financial Group through a Paying Agent of its status in a timely manner. Failure to so inform may result in double withholding.
- (2) If the recipient of interest on the Notes is a Japanese public corporation or a Japanese public-interest corporation designated by the relevant law (*kokyohojin tou*) (a “Public Corporation”) or a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the relevant Cabinet Order under Article 3-3, Paragraph 6 of the Special Taxation Measures Act (each, a “Specified Financial Institution”) that keeps its Notes deposited with, and receives

the interest through, a Japanese Payment Handling Agent with custody of the Notes (the “Japanese Custodian”) and such recipient submits through such Japanese Custodian to the competent tax authority the report prescribed by the Act, no withholding tax is levied on such interest. However, since Mizuho Financial Group is not in a position to know in advance the recipient’s such tax exemption status, the recipient of interest falling within this category should inform Mizuho Financial Group through a Paying Agent of its status in a timely manner. Failure to so notify Mizuho Financial Group may result in the withholding by Mizuho Financial Group of a 15.315% income tax.

- (3) If an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below) which complies with the requirements described in paragraph 2.1(4) below) receives interest on the Notes not through a Japanese Payment Handling Agent, income tax at the rate of 15.315% of the amount of such interest will be withheld by Mizuho Financial Group.
- (4) If a Japanese bank, Japanese insurance company, Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the Cabinet Order under Article 6, Paragraph 9 of the Special Taxation Measures Act (each, a “Designated Financial Institution”) receives interest on the Notes not through a Japanese Payment Handling Agent and such recipient complies with the requirement, inter alia, to provide the Interest Recipient Information or to submit the Written Application for Tax Exemption as referred to in paragraph 1.1(1) above, no withholding tax will be imposed.

2.2. Redemption Gain

If the recipient of the Redemption Gain is an individual resident of Japan or a Japanese corporation, such Redemption Gain will not be subject to any withholding tax.

3. Special Additional Tax for Reconstruction From the Great East Japan Earthquake

Due to the imposition of a special additional withholding tax of 0.315% (or 2.1% of 15%) to secure funds for reconstruction from the Great East Japan Earthquake, the withholding tax rate has been effectively increased to 15.315% during the period beginning on January 1, 2013 and ending on December 31, 2037. There will also be certain special additional tax imposed upon regular income tax due other than by way of withholding for individual non-residents of Japan, as referred to in the foregoing descriptions, for the period mentioned above.

United States Taxation

The following is a summary of certain U.S. federal income tax consequences, as of the date of this offering memorandum, of the purchase, ownership and disposition of the Notes by a U.S. holder (as defined below). Unless otherwise stated, this summary deals only with Notes held as capital assets by persons who purchase the Notes upon original issuance at their initial offering price.

As used herein, a “U.S. holder” means a beneficial owner of the Notes that is for U.S. federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated or conversion transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes (or an investor in such an entity); or
- a U.S. holder whose “functional currency” is not the U.S. dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below.

If an entity treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership for U.S. federal income tax purposes that holds Notes, you should consult your tax advisors.

This summary does not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income or the effects of any state, local or non-United States tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of Notes. **If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.**

Interest

Interest on the Notes generally will be taxable to you as ordinary income at the time it is received or accrued, depending on your method of accounting for U.S. federal income tax purposes.

In addition to interest payments on the Notes (which includes any Japanese tax withheld from the interest payments you receive), you will be required to include in income any additional amounts paid in respect of such Japanese tax withheld. You may be entitled to deduct or credit this tax, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular tax year). Any interest income (including any additional amounts) on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you have not held your Notes for at least 16 days during the 31-day period beginning on the date that is 15 days before the date on which the right to receive payment arises and during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Sale, Exchange or Other Disposition of Notes

Upon the sale, exchange or other taxable disposition of a Note, you generally will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange or other disposition (less an amount

equal to any accrued and unpaid interest, which will be taxable as interest income for U.S. federal income tax purposes to the extent not previously included in income) and the adjusted tax basis of the Note. Your adjusted tax basis in a Note will, in general, be your cost for that Note. Any gain or loss generally will be capital gain or loss. Gain or loss realized by you on the sale, exchange or other taxable disposition of a Note will generally be treated as United States source gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of interest on the Notes and to the proceeds of the sale or other disposition (including a retirement or redemption) of a Note paid to you (unless, in each case, you are an exempt recipient). Backup withholding may apply to such payments if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Foreign Financial Asset Reporting

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes.

PLAN OF DISTRIBUTION

Mizuho Securities USA Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co. and J.P. Morgan Securities LLC are acting as representatives of each of the initial purchasers named below. Subject to the terms and conditions set forth in a purchase agreement among the Issuer and the initial purchasers, the Issuer has agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from the Issuer, the principal amount of the Notes set forth opposite its name below.

Initial purchasers	Principal Amount of 5-year Notes	Principal Amount of 10-year Notes	Principal Amount of Floating Rate Notes
Mizuho Securities USA Inc.	\$ 621,250,000	\$ 621,250,000	\$177,500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	245,000,000	245,000,000	70,000,000
Goldman, Sachs & Co.	245,000,000	245,000,000	70,000,000
J.P. Morgan Securities LLC	245,000,000	245,000,000	70,000,000
HSBC Securities (USA) Inc.	78,750,000	78,750,000	22,500,000
Barclays Capital Inc.	61,250,000	61,250,000	17,500,000
Citigroup Global Markets Inc.	61,250,000	61,250,000	17,500,000
BNP Paribas	35,000,000	35,000,000	10,000,000
Credit Suisse Securities (USA) LLC	35,000,000	35,000,000	10,000,000
Deutsche Bank Securities Inc.	35,000,000	35,000,000	10,000,000
UBS Securities LLC	35,000,000	35,000,000	10,000,000
KKR Capital Markets LLC	17,500,000	17,500,000	5,000,000
BNY Mellon Capital Markets, LLC	8,750,000	8,750,000	2,500,000
Capital One Securities, Inc.	8,750,000	8,750,000	2,500,000
CIBC World Markets Corp.	8,750,000	8,750,000	2,500,000
U.S. Bancorp Investments, Inc.	8,750,000	8,750,000	2,500,000
Total	<u>\$1,750,000,000</u>	<u>\$1,750,000,000</u>	<u>\$500,000,000</u>

Subject to the terms and conditions set forth in the purchase agreement dated the date hereof, the initial purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of these Notes are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated.

The Issuer has agreed to indemnify the initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the U.S. Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised the Issuer that the initial purchasers propose initially to offer each series of the Notes at the issue price set forth on the cover page of this offering memorandum. The representatives have further advised the Issuer that after the initial offering, the issue price or any other term of this offering may be changed.

Notes Are Not Being Registered

The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. The initial purchasers propose to offer the Notes for resale in transactions not requiring registration under the U.S. Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the Notes except to persons they reasonably believe to

be QIBs or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the U.S. Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under “Transfer Restrictions.”

New Issue of Notes

The Notes are a new issue of securities with no established trading market. We intend to apply for the listing of the Notes on the SGX-ST. The Issuer has been advised by certain of the initial purchasers that they presently intend to make a market in the Notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. The Issuer cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, Mizuho Financial Group’s operating performance and financial condition, general economic conditions and other factors.

Settlement

The Issuer expects that delivery of the Notes will be made to investors on or about April 12, 2016, which will be the 5th business day following the date of this offering memorandum (such settlement being referred to as “T+5”). Under Rule 15c6-1 under the U.S. Exchange Act, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

No Sales of Similar Securities

During the period commencing on the date hereof and ending the closing date of this offering, the Issuer has agreed that they will not, without first obtaining the prior written consent from the representatives of the initial purchasers, directly or indirectly, issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise transfer or dispose of, any of the Issuer’s U.S. dollar denominated senior debt securities, except for the Notes sold to the initial purchasers pursuant to the purchase agreement.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases in the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchasers’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

None of the Issuer or any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, none of the Issuer or any of the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Mizuho Securities USA Inc., which is a wholly owned subsidiary of Mizuho Financial Group held on an indirect basis, is acting as a joint lead manager and joint bookrunner in the offering of the Notes.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Mizuho Financial Group, which, for the avoidance of doubt, includes the Issuer or its affiliates. If any of the initial purchasers or their affiliates has a lending relationship with Mizuho Financial Group or its affiliates, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to Mizuho Financial Group or its affiliates consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Mizuho Financial Group's securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of these securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Special Taxation Measures Act. Each of the initial purchasers has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, Notes in Japan or to, or for the benefit of, any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and government guidelines of Japan; and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its distribution pursuant to the purchase agreement dated the date hereof at any time, directly or indirectly offer or sell Notes to, or for the benefit of, any person other than a beneficial owner that is (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act or (b) a Japanese financial institution, designated in Article 6, Paragraph 9 of the Special Taxation Measures Act. Notwithstanding the restriction set forth in (ii) above, pursuant to the Special Taxation Measures Act, Mizuho Securities USA Inc., a specially-related person of the Issuer and acting in its capacity as an initial purchaser, will be permitted to acquire or purchase, as part of the distribution of the Notes, the remainder of the Notes from any of the other initial purchasers, where such other initial purchaser has failed to sell to subsequent purchasers all of the Notes that it acquired or purchased from the Issuer in its capacity as an initial purchaser.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers in the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Québec purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the

time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this offering memorandum is being distributed only to and is directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order or (ii) high net worth entities falling within Article 49(2)(a) to (e) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This offering memorandum must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this offering memorandum relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in the Netherlands

The Notes are not and may not be offered in the Netherlands other than to persons or entities which are qualified investors (gekwalificeerde beleggers) within the meaning of Section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht) (which implements the definition of "qualified investors" in the Prospectus Directive (Directive 2003/71/EC)).

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or in the initial purchasers' possession for the purposes of this offering or will be issued or in the initial purchasers' possession for the purposes of this offering in Hong Kong or elsewhere other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, nor may the Notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than under exemptions provided in the SFA for offers made (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA and in accordance with the conditions specified in Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
- (i) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

By accepting this offering memorandum and (where applicable) the Notes, the person into whose possession this offering memorandum comes agree to be bound by the limitations and restrictions set out above. The offer or intended offer or sale, or invitation for subscription or purchase, of the Notes does not relate to a collective investment scheme which is authorized under Section 286 of the SFA or recognized under Section 287 of the SFA.

Notice to Prospective Investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this offering memorandum nor any other offering or marketing material relating to the offering, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this offering memorandum will not be filed with, and the offer of the Notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of the Notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Notes.

LEGAL MATTERS

The validity of the Notes and certain U.S. legal matters will be passed upon for us by Simpson Thacher & Bartlett LLP, and for the initial purchasers by Davis Polk & Wardwell LLP. Certain Japanese legal matters will be passed upon for us by Nagashima Ohno & Tsunematsu, our Japanese counsel.

INDEPENDENT AUDITORS

Our audited consolidated financial statements as of and for the fiscal years ended March 31, 2013, 2014 and 2015 included in this offering memorandum have been audited by Ernst & Young ShinNihon LLC, our independent auditors, as stated in their report accompanying such financial statements.

Our unaudited quarterly consolidated balance sheet as of December 31, 2015 and the related quarterly consolidated statements of income and comprehensive income for the nine months ended December 31, 2014 and 2015 included in this offering memorandum have been reviewed by Ernst & Young ShinNihon LLC, our independent auditors, as stated in their report accompanying such financial statements. A review is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in Japan. Consequently, it does not enable them to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, they do not express an audit opinion on the unaudited quarterly consolidated financial statements.

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Independent Auditors' Report

The Board of Directors

Mizuho Financial Group, Inc.

We have audited the accompanying consolidated financial statements of Mizuho Financial Group, Inc., which comprise the consolidated balance sheets as of March 31, 2013, 2014 and 2015, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mizuho Financial Group, Inc. as of March 31, 2013, 2014 and 2015, and their consolidated financial performance and cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

/s/ Ernst & Young ShinNihon LLC

June 22, 2015

Tokyo, Japan

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets

As of March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Assets				
Cash and Due from Banks (Notes 17, 39, 41 and 42)	¥ 12,333,997	¥ 20,610,276	¥ 29,096,166	\$ 241,923,727
Call Loans and Bills Purchased (Note 41)	530,541	467,758	444,115	3,692,653
Receivables under Resale Agreements (Note 41)	9,025,049	8,349,528	8,582,239	71,358,105
Guarantee Deposits Paid under Securities Borrowing Transactions (Note 41)	5,543,914	5,010,740	4,059,340	33,751,897
Other Debt Purchased (Notes 41 and 42)	1,279,964	3,263,057	3,239,831	26,937,985
Trading Assets (Notes 10, 17, 41 and 42)	14,076,928	11,469,811	10,781,735	89,646,095
Money Held in Trust (Notes 41 and 42)	96,014	168,369	157,728	1,311,451
Securities (Notes 11, 17, 26, 41 and 42)	53,472,399	43,997,517	43,278,733	359,846,456
Loans and Bills Discounted (Notes 12, 17 and 41)	67,536,882	69,301,405	73,415,170	610,419,643
Foreign Exchange Assets (Note 13)	1,412,601	1,576,167	1,623,736	13,500,761
Derivatives other than for Trading Assets (Notes 41 and 43)	4,475,055	2,820,468	3,544,243	29,469,060
Other Assets (Notes 14, 17 and 42)	2,599,553	2,840,720	4,066,424	33,810,793
Tangible Fixed Assets (Notes 15, 28 and 40)	901,085	925,266	1,078,051	8,963,593
Intangible Fixed Assets (Note 40)	477,546	531,501	657,556	5,467,335
Net Defined Benefit Asset (Note 25)	—	413,073	743,382	6,180,950
Deferred Tax Assets (Note 27)	165,299	104,909	36,938	307,131
Customers' Liabilities for Acceptances and Guarantees (Note 26)	4,224,259	4,588,646	5,404,843	44,939,251
Reserves for Possible Losses on Loans (Notes 16 and 41)	(739,990)	(616,307)	(525,486)	(4,369,226)
Reserve for Possible Losses on Investments . .	(40)	(27)	(2)	(21)
Total Assets	¥177,411,062	¥175,822,885	¥189,684,749	\$1,577,157,639

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets—(Continued)

As of March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Liabilities and Net Assets				
Liabilities				
Deposits (Notes 17, 18 and 41)	¥ 99,568,737	¥101,811,282	¥113,452,451	\$ 943,314,641
Call Money and Bills Sold (Notes 17, 19 and 41)	6,126,424	7,194,432	5,091,198	42,331,405
Payables under Repurchase Agreements (Notes 17 and 41)	17,451,041	16,797,803	19,612,120	163,067,432
Guarantee Deposits Received under Securities Lending Transactions (Notes 17 and 41) . . .	11,325,439	6,085,331	2,245,639	18,671,651
Commercial Paper (Note 20)	472,718	677,459	538,511	4,477,520
Trading Liabilities (Notes 10 and 41)	7,686,442	8,183,037	8,743,196	72,696,401
Borrowed Money (Notes 17, 21 and 41)	7,699,440	7,838,357	7,195,869	59,830,961
Foreign Exchange Liabilities (Note 13)	182,473	323,327	473,060	3,933,319
Short-term Bonds (Note 22)	477,400	584,568	816,705	6,790,600
Bonds and Notes (Notes 23 and 41)	5,141,746	5,245,743	6,013,731	50,001,929
Due to Trust Accounts	1,120,696	1,300,655	1,780,768	14,806,419
Derivatives other than for Trading Liabilities (Notes 41 and 43)	4,404,754	3,004,497	3,474,332	28,887,773
Other Liabilities (Note 24)	3,501,064	3,570,902	4,261,955	35,436,566
Reserve for Bonus Payments	45,754	52,641	59,869	497,792
Reserve for Employee Retirement Benefits (Note 25)	38,632	—	—	—
Net Defined Benefit Liability (Note 25)	—	46,006	47,518	395,102
Reserve for Director and Corporate Auditor Retirement Benefits	1,612	1,547	1,527	12,702
Reserve for Possible Losses on Sales of Loans	48	1,259	13	110
Reserve for Contingencies	16,859	6,309	7,845	65,234
Reserve for Reimbursement of Deposits	16,464	16,451	15,851	131,797
Reserve for Reimbursement of Debentures . . .	35,417	54,956	48,878	406,407
Reserves under Special Laws	1,203	1,273	1,607	13,369
Deferred Tax Liabilities (Note 27)	54,221	50,783	524,321	4,359,539
Deferred Tax Liabilities for Revaluation Reserve for Land (Note 28)	81,977	81,060	72,392	601,916
Acceptances and Guarantees (Note 26)	4,224,259	4,588,646	5,404,843	44,939,251
Total Liabilities	¥169,674,832	¥167,518,336	¥179,884,211	\$1,495,669,836

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets—(Continued)

As of March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Net Assets				
Common Stock and Preferred Stock				
(Note 29)	¥ 2,254,972	¥ 2,254,972	¥ 2,255,404	\$ 18,752,846
Capital Surplus	1,109,508	1,109,508	1,110,006	9,229,290
Retained Earnings	1,814,782	2,315,608	2,769,371	23,026,283
Treasury Stock (Note 29)	(4,661)	(3,874)	(3,616)	(30,066)
Total Shareholders' Equity	5,174,601	5,676,215	6,131,166	50,978,353
Net Unrealized Gains (Losses) on Other				
Securities (Note 42)	615,883	733,522	1,737,348	14,445,404
Deferred Gains or Losses on Hedges	84,634	(6,677)	26,635	221,465
Revaluation Reserve for Land (Note 28)	142,345	140,745	146,419	1,217,424
Foreign Currency Translation Adjustments	(90,329)	(63,513)	(40,454)	(336,363)
Remeasurements of Defined Benefit Plans (Note 25)	—	(22,979)	160,005	1,330,389
Total Accumulated Other Comprehensive Income	752,533	781,096	2,029,955	16,878,319
Stock Acquisition Rights (Note 30)	2,687	3,179	3,820	31,764
Minority Interests	1,806,407	1,844,057	1,635,595	13,599,367
Total Net Assets	7,736,230	8,304,549	9,800,538	81,487,803
Total Liabilities and Net Assets	¥177,411,062	¥175,822,885	¥189,684,749	\$1,577,157,639

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Income

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Income				
Interest Income (Note 31)	¥1,421,609	¥1,417,569	¥1,468,976	\$12,213,991
Fiduciary Income	48,506	52,014	52,641	437,694
Fee and Commission Income	617,681	682,400	729,341	6,064,200
Trading Income (Note 32)	215,033	189,020	262,963	2,186,441
Other Operating Income (Note 33)	413,157	255,422	365,264	3,037,041
Other Income (Note 35)	198,063	344,275	301,652	2,508,131
Total Income	2,914,053	2,940,702	3,180,840	26,447,498
Expenses				
Interest Expenses (Note 31)	345,710	309,266	339,543	2,823,177
Fee and Commission Expenses	110,303	121,631	135,981	1,130,633
Trading Expenses (Note 32)	—	1,598	—	—
Other Operating Expenses (Note 34)	88,258	128,647	155,924	1,296,453
General and Administrative Expenses (Note 30) . . .	1,244,647	1,258,227	1,351,611	11,238,145
Other Expenses (Note 36)	407,299	135,962	207,147	1,722,351
Total Expenses	2,196,220	1,955,335	2,190,208	18,210,759
Income before Income Taxes and Minority				
Interests	717,832	985,366	990,632	8,236,739
Income Taxes:				
Current	50,400	137,010	260,268	2,164,036
Deferred	7,461	77,960	44,723	371,860
Total Income Taxes	57,862	214,970	304,992	2,535,896
Income before Minority Interests	659,970	770,396	685,640	5,700,843
Minority Interests in Net Income	99,454	81,980	73,705	612,831
Net Income	¥ 560,516	¥ 688,415	¥ 611,935	\$ 5,088,012

Per Share of Common Stock

As of March 31,	Yen			U.S. dollars (Note 1)
	2013	2014	2015	2015
Net Income:				
Basic	¥22.96	¥28.18	¥24.91	\$0.21
Diluted	22.05	27.12	24.10	0.20
Cash Dividends	6.00	6.50	7.50	0.06

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Comprehensive Income

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Income Before Minority Interests	¥ 659,970	¥770,396	¥ 685,640	\$ 5,700,843
Other Comprehensive Income (Note 37):	610,839	62,531	1,255,433	10,438,458
Net Unrealized Gains (Losses) on Other Securities . . .	575,930	135,024	1,004,848	8,354,935
Deferred Gains or Losses on Hedges	17,353	(91,618)	33,252	276,481
Revaluation Reserve for Land	(41)	3	7,531	62,621
Foreign Currency Translation Adjustments	4,731	15,979	15,144	125,921
Remeasurements of Defined Benefit Plans	—	—	183,108	1,522,480
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	12,864	3,142	11,548	96,020
Comprehensive Income	¥1,270,809	¥832,927	¥1,941,073	\$16,139,301
Comprehensive Income Attributable to Owners of the Parent:	¥1,168,611	¥741,562	¥1,862,651	\$15,487,248
Comprehensive Income Attributable to Minority Interests:	102,198	91,365	78,422	652,053

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Changes in Net Assets

Millions of yen					
Shareholders' Equity					
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
For the Fiscal Year ended March 31, 2013					
Balance as of the beginning of the period	¥2,254,972	¥1,109,783	¥1,405,066	¥ (7,074)	¥4,762,749
Changes during the period					
Cash Dividends			(152,694)		(152,694)
Net Income			560,516		560,516
Repurchase of Treasury Stock				(395)	(395)
Disposition of Treasury Stock		(275)	(355)	2,807	2,176
Transfer from Revaluation Reserve for Land			2,249		2,249
Net Changes in Items other than Shareholders' Equity					
Total Changes during the period	—	(275)	409,715	2,412	411,852
Balance as of the end of the period	¥2,254,972	¥1,109,508	¥1,814,782	¥ (4,661)	¥5,174,601

Millions of yen									
Accumulated Other Comprehensive Income									
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasure- ments of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Stock Acquisition Rights	Minority Interests	Total Net Assets
Balance as of the beginning of the period	¥ 37,857	¥ 67,045	¥ 144,635	¥(102,850)	¥ —	¥146,687	¥2,158	¥1,957,699	¥6,869,295
Changes during the period									
Cash Dividends									(152,694)
Net Income									560,516
Repurchase of Treasury Stock									(395)
Disposition of Treasury Stock									2,176
Transfer from Revaluation Reserve for Land									2,249
Net Changes in Items other than Shareholders' Equity	578,026	17,588	(2,290)	12,520	—	605,845	528	(151,292)	455,082
Total Changes during the period	578,026	17,588	(2,290)	12,520	—	605,845	528	(151,292)	866,934
Balance as of the end of the period	¥ 615,883	¥ 84,634	¥ 142,345	¥ (90,329)	¥ —	¥752,533	¥2,687	¥1,806,407	¥7,736,230

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Changes in Net Assets—(Continued)

	Millions of yen				
	Shareholders' Equity				
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
For the Fiscal Year ended March 31, 2014					
Balance as of the beginning of the period	¥2,254,972	¥1,109,508	¥1,814,782	¥ (4,661)	¥5,174,601
Changes during the period					
Cash Dividends			(152,265)		(152,265)
Net Income			688,415		688,415
Repurchase of Treasury Stock				(37,387)	(37,387)
Disposition of Treasury Stock			(31)	1,177	1,145
Cancellation of Treasury Stock			(36,997)	36,997	—
Transfer from Revaluation Reserve for Land			1,604		1,604
Change of scope of consolidation			(3)		(3)
Increase in Retained Earnings due to change of accounting period of subsidiaries			104		104
Net Changes in Items other than Shareholders' Equity					
Total Changes during the period	—	—	500,826	787	501,614
Balance as of the end of the period	¥2,254,972	¥1,109,508	¥2,315,608	¥ (3,874)	¥5,676,215

	Millions of yen								
	Accumulated Other Comprehensive Income								
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasure- ments of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Stock Acquisition Rights	Minority Interests	Total Net Assets
Balance as of the beginning of the period	¥ 615,883	¥ 84,634	¥ 142,345	¥(90,329)	¥ —	¥752,533	¥2,687	¥1,806,407	¥7,736,230
Changes during the period									
Cash Dividends									(152,265)
Net Income									688,415
Repurchase of Treasury Stock									(37,387)
Disposition of Treasury Stock									1,145
Cancellation of Treasury Stock									—
Transfer from Revaluation Reserve for Land									1,604
Change of scope of consolidation									(3)
Increase in Retained Earnings due to change of accounting period of subsidiaries									104
Net Changes in Items other than Shareholders' Equity	117,638	(91,311)	(1,600)	26,816	(22,979)	28,562	492	37,649	66,705
Total Changes during the period	117,638	(91,311)	(1,600)	26,816	(22,979)	28,562	492	37,649	568,319
Balance as of the end of the period	¥ 733,522	¥ (6,677)	¥ 140,745	¥(63,513)	¥ (22,979)	¥781,096	¥3,179	¥1,844,057	¥8,304,549

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Changes in Net Assets—(Continued)

	Millions of yen				
	Shareholders' Equity				
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
For the Fiscal Year ended March 31, 2015					
Balance as of the beginning of the period	¥2,254,972	¥1,109,508	¥2,315,608	¥ (3,874)	¥5,676,215
Cumulative Effects of Changes in Accounting Policies			16,107		16,107
Balance as of the beginning of the period reflecting Changes in Accounting Policies	¥2,254,972	¥1,109,508	¥2,331,715	¥ (3,874)	¥5,692,322
Changes during the period					
Issuance of New Shares	431	431			863
Cash Dividends			(176,136)		(176,136)
Net Income			611,935		611,935
Repurchase of Treasury Stock				(273)	(273)
Disposition of Treasury Stock		66		531	598
Transfer from Revaluation Reserve for Land			1,856		1,856
Net Changes in Items other than Shareholders' Equity					
Total Changes during the period	431	498	437,655	258	438,843
Balance as of the end of the period	¥2,255,404	¥1,110,006	¥2,769,371	¥ (3,616)	¥6,131,166

	Millions of yen								
	Accumulated Other Comprehensive Income								
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasure- ments of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Stock Acquisition Rights	Minority Interests	Total Net Assets
Balance as of the beginning of the period	¥ 733,522	¥ (6,677)	¥ 140,745	¥(63,513)	¥ (22,979)	¥ 781,096	¥3,179	¥1,844,057	¥8,304,549
Cumulative Effects of Changes in Accounting Policies								573	16,681
Balance as of the beginning of the period reflecting Changes in Accounting Policies	¥ 733,522	¥ (6,677)	¥ 140,745	¥(63,513)	¥ (22,979)	¥ 781,096	¥3,179	¥1,844,631	¥8,321,230
Changes during the period									
Issuance of New Shares									863
Cash Dividends									(176,136)
Net Income									611,935
Repurchase of Treasury Stock									(273)
Disposition of Treasury Stock									598
Transfer from Revaluation Reserve for Land									1,856
Net Changes in Items other than Shareholders' Equity	1,003,826	33,313	5,674	23,059	182,985	1,248,859	640	(209,035)	1,040,464
Total Changes during the period	1,003,826	33,313	5,674	23,059	182,985	1,248,859	640	(209,035)	1,479,307
Balance as of the end of the period	¥1,737,348	¥ 26,635	¥ 146,419	¥(40,454)	¥ 160,005	¥2,029,955	¥3,820	¥1,635,595	¥9,800,538

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Changes in Net Assets—(Continued)

<i>Thousands of U.S. dollars (Note 1)</i>					
<i>Shareholders' Equity</i>					
<i>For the Fiscal Year ended March 31, 2015</i>	<i>Common Stock and Preferred Stock</i>	<i>Capital Surplus</i>	<i>Retained Earnings</i>	<i>Treasury Stock</i>	<i>Total Shareholders' Equity</i>
Balance as of the beginning of the period	\$18,749,255	\$9,225,147	\$19,253,417	\$ (32,211)	\$47,195,608
Cumulative Effects of Changes in Accounting Policies			133,925		133,925
Balance as of the beginning of the period reflecting Changes in Accounting Policies	\$18,749,255	\$9,225,147	\$19,387,342	\$ (32,211)	\$47,329,533
Changes during the period					
Issuance of New Shares	3,591	3,591			7,182
Cash Dividends			(1,464,511)		(1,464,511)
Net Income			5,088,012		5,088,012
Repurchase of Treasury Stock				(2,276)	(2,276)
Disposition of Treasury Stock		552		4,421	4,973
Transfer from Revaluation Reserve for Land			15,440		15,440
Net Changes in Items other than Shareholders' Equity					
Total Changes during the period	3,591	4,143	3,638,941	2,145	3,648,820
Balance as of the end of the period	\$18,752,846	\$9,229,290	\$23,026,283	\$ (30,066)	\$50,978,353

<i>Thousands of U.S. dollars (Note 1)</i>									
<i>Accumulated Other Comprehensive Income</i>									
<i>For the Fiscal Year ended March 31, 2015</i>	<i>Net Unrealized Gains (Losses) on Other Securities</i>	<i>Deferred Gains or Losses on Hedges</i>	<i>Revaluation Reserve for Land</i>	<i>Foreign Currency Translation Adjustments</i>	<i>Remeasure- ments of Defined Benefit Plans</i>	<i>Total Accumulated Other Comprehensive Income</i>	<i>Stock Acquisition Rights</i>	<i>Minority Interests</i>	<i>Total Net Assets</i>
Balance as of the beginning of the period	\$ 6,098,961	\$ (55,521)	\$ 1,170,242	\$ (528,092)	\$ (191,068)	\$ 6,494,522	\$26,441	\$15,332,646	\$69,049,217
Cumulative Effects of Changes in Accounting Policies								4,772	138,697
Balance as of the beginning of the period reflecting Changes in Accounting Policies	\$ 6,098,961	\$ (55,521)	\$ 1,170,242	\$ (528,092)	\$ (191,068)	\$ 6,494,522	\$26,441	\$15,337,418	\$69,187,914
Changes during the period									
Issuance of New Shares									7,182
Cash Dividends									(1,464,511)
Net Income									5,088,012
Repurchase of Treasury Stock									(2,276)
Disposition of Treasury Stock									4,973
Transfer from Revaluation Reserve for Land									15,440
Net Changes in Items other than Shareholders' Equity	8,346,443	276,986	47,182	191,729	1,521,457	10,383,797	5,323	(1,738,051)	8,651,069
Total Changes during the period	8,346,443	276,986	47,182	191,729	1,521,457	10,383,797	5,323	(1,738,051)	12,299,889
Balance as of the end of the period	\$14,445,404	\$ 221,465	\$ 1,217,424	\$ (336,363)	\$ 1,330,389	\$16,878,319	\$31,764	\$13,599,367	\$81,487,803

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Cash Flows

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars (Note 1)
	2013	2014	2015	2015
Cash Flow from Operating Activities				
Income before Income Taxes and Minority Interests	¥ 717,832	¥ 985,366	¥ 990,632	\$ 8,236,739
Depreciation	154,147	153,098	156,946	1,304,955
Losses on Impairment of Fixed Assets	11,912	6,506	11,358	94,446
Amortization of Goodwill	3,405	3,672	3,698	30,748
Gains on Negative Goodwill Incurred	—	(5,621)	—	—
Equity in Loss (Gain) from Investments in Affiliates	11,141	(15,491)	(15,052)	(125,154)
Increase (Decrease) in Reserves for Possible Losses on Loans	33,845	(143,059)	(103,554)	(861,015)
Increase (Decrease) in Reserve for Possible Losses on Investments	30	(14)	(25)	(209)
Increase (Decrease) in Reserve for Possible Losses on Sales of Loans	40	1,210	(1,245)	(10,359)
Increase (Decrease) in Reserve for Contingencies	(7,699)	(16,385)	1,600	13,305
Increase (Decrease) in Reserve for Bonus Payments	6,014	4,331	5,113	42,517
Increase (Decrease) in Reserve for Employee Retirement Benefits	2,355	—	—	—
Decrease (Increase) in Net Defined Benefit Asset	—	(32,414)	(38,437)	(319,596)
Increase (Decrease) in Net Defined Benefit Liability	—	3,011	4,297	35,733
Increase (Decrease) in Reserve for Director and Corporate Auditor Retirement Benefits	(648)	(88)	(19)	(163)
Increase (Decrease) in Reserve for Reimbursement of Deposits	694	(12)	(600)	(4,992)
Increase (Decrease) in Reserve for Reimbursement of Debentures	15,224	19,538	(6,078)	(50,537)
Interest Income—accrual basis	(1,421,609)	(1,417,569)	(1,468,976)	(12,213,991)
Interest Expenses—accrual basis	345,710	309,266	339,543	2,823,177
Losses (Gains) on Securities	(145,837)	(115,111)	(219,340)	(1,823,736)
Losses (Gains) on Money Held in Trust	(52)	(97)	(145)	(1,210)
Foreign Exchange Losses (Gains)—net	(1,015,067)	(903,027)	(645,471)	(5,366,854)
Losses (Gains) on Disposition of Fixed Assets	6,231	6,500	8,541	71,022
Decrease (Increase) in Trading Assets	380,193	2,944,549	999,513	8,310,582
Increase (Decrease) in Trading Liabilities	(756,195)	228,270	359,772	2,991,370
Decrease (Increase) in Derivatives other than for Trading Assets	125,822	1,809,906	(639,290)	(5,315,458)
Increase (Decrease) in Derivatives other than for Trading Liabilities	(25,229)	(1,537,943)	386,732	3,215,539
Decrease (Increase) in Loans and Bills Discounted	(2,452,446)	(1,853,147)	(2,289,581)	(19,037,015)
Increase (Decrease) in Deposits	7,529,810	611,766	9,815,972	81,616,131
Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	(7,094,654)	186,454	(544,370)	(4,526,233)
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)	174,771	195,716	471,141	3,917,367
Decrease (Increase) in Call Loans, etc.	(973,265)	1,920,731	918,102	7,633,677
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	862,495	533,173	951,399	7,910,533
Increase (Decrease) in Call Money, etc.	3,883,905	(1,620,912)	(1,521,429)	(12,650,113)
Increase (Decrease) in Commercial Paper	57,699	(108,048)	(253,152)	(2,104,872)
Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	3,615,066	(5,240,107)	(3,839,692)	(31,925,605)
Decrease (Increase) in Foreign Exchange Assets	(325,934)	(68,099)	88,558	736,335
Increase (Decrease) in Foreign Exchange Liabilities	(51,158)	140,124	149,446	1,242,594
Increase (Decrease) in Short-term Bonds (Liabilities)	(60,798)	107,168	232,137	1,930,135
Increase (Decrease) in Bonds and Notes	185,465	25,941	992,919	8,255,751
Increase (Decrease) in Due to Trust Accounts	117,567	179,958	480,112	3,991,957
Interest and Dividend Income—cash basis	1,470,305	1,497,731	1,476,736	12,278,507
Interest Expenses—cash basis	(361,309)	(328,747)	(346,060)	(2,877,361)
Other—net	931,299	(631,487)	(84,770)	(704,838)
Subtotal	5,951,082	(2,163,391)	6,826,983	56,763,809
Cash Refunded (Paid) in Income Taxes	(92,464)	(122,650)	(172,024)	(1,430,319)
Net Cash Provided by (Used in) Operating Activities	¥ 5,858,617	¥(2,286,042)	¥ 6,654,958	\$ 55,333,490

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Cash Flows—(Continued)

	Millions of yen			Thousands of U.S. dollars (Note 1)
For the Fiscal Years ended March 31,	2013	2014	2015	2015
Cash Flow from Investing Activities				
Payments for Purchase of Securities	¥(110,660,283)	¥(72,279,170)	¥(81,055,617)	\$(673,947,100)
Proceeds from Sale of Securities	95,288,761	73,065,653	76,467,302	635,796,981
Proceeds from Redemption of Securities	14,782,620	10,156,411	7,599,068	63,183,411
Payments for Increase in Money Held in Trust	(57,715)	(76,215)	(5,770)	(47,977)
Proceeds from Decrease in Money Held in Trust	32,089	3,871	16,408	136,427
Payments for Purchase of Tangible Fixed Assets	(48,044)	(89,425)	(216,299)	(1,798,445)
Payments for Purchase of Intangible Fixed Assets	(96,661)	(142,229)	(187,451)	(1,558,589)
Proceeds from Sale of Tangible Fixed Assets	6,413	5,172	1,585	13,184
Proceeds from Sale of Intangible Fixed Assets	1,648	0	0	0
Payments for Purchase of Stocks of Subsidiaries (affecting the scope of consolidation)	—	(36,584)	—	—
Proceeds from Sale of Stocks of Subsidiaries (affecting the scope of consolidation)	1,479	—	—	—
Net Cash Provided by (Used in) Investing Activities	(749,691)	10,607,483	2,619,227	21,777,892
Cash Flow from Financing Activities				
Proceeds from Subordinated Borrowed Money	85,000	—	—	—
Repayments of Subordinated Borrowed Money	(89,300)	(52,500)	(100,000)	(831,463)
Proceeds from Issuance of Subordinated Bonds	278,985	154,380	150,000	1,247,194
Payments for Redemption of Subordinated Bonds	(137,579)	(130,700)	(464,705)	(3,863,848)
Proceeds from Issuance of Common Stock	—	—	6	51
Proceeds from Investments by Minority Shareholders	1,057	1,069	866	7,208
Repayments to Minority Shareholders	(171,000)	—	(241,729)	(2,009,890)
Cash Dividends Paid	(152,514)	(152,162)	(176,186)	(1,464,924)
Cash Dividends Paid to Minority Shareholders	(99,588)	(88,829)	(71,644)	(595,693)
Payments for Repurchase of Treasury Stock	(6)	(37,013)	(12)	(100)
Proceeds from Sale of Treasury Stock	1,074	10	2	24
Net Cash Provided by (Used in) Financing Activities	(283,872)	(305,744)	(903,401)	(7,511,441)
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	39,344	69,190	37,565	312,340
Net Increase (Decrease) in Cash and Cash Equivalents	4,864,398	8,084,887	8,408,350	69,912,281
Cash and Cash Equivalents at the Beginning of the Fiscal Year	6,483,138	11,347,537	19,432,425	161,573,340
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	0	—	—	—
Increase (Decrease) in Cash and Cash Equivalents Due to Change of Accounting Period of Subsidiaries	—	0	—	—
Cash and Cash Equivalents at the End of the Fiscal Year (Note 39)	¥ 11,347,537	¥ 19,432,425	¥ 27,840,775	\$ 231,485,621

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements

1. Basis for Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Mizuho Financial Group, Inc. (“MHFG”) and its consolidated subsidiaries in accordance with the provisions set forth in the Company Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”) which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements which were previously filed with the Director General of the Kanto Local Finance Bureau are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥120.27=US\$1.00, the foreign exchange rate on March 31, 2015 has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2. Scope of Consolidation

- (a) The consolidated financial statements include the accounts of MHFG and its consolidated subsidiaries (collectively, “the Group”), including Mizuho Bank, Ltd. (“MHBK”), Mizuho Trust & Banking Co., Ltd. (“MHTB”), Mizuho Securities Co., Ltd. (“MHSC”) and certain other subsidiaries. The numbers of consolidated subsidiaries as of March 31, 2013, 2014 and 2015 were 145, 159 and 150, respectively.

In the fiscal year ended March 31, 2015, Mizuho AsiaInfra Capital Pte. Ltd. and two other companies were newly included in the scope of consolidation as a result of new establishment.

During the period, Mizuho Capital No.2 Limited Partnership and 11 other companies were excluded from the scope of consolidation as a result of dissolution and other factors.

- (b) There were no non-consolidated subsidiaries as of March 31, 2013, 2014 and 2015.

3. Application of the Equity Method

- (a) There were no non-consolidated subsidiaries under the equity method as of March 31, 2013, 2014 and 2015.
- (b) The numbers of affiliates under the equity method as of March 31, 2013, 2014 and 2015 were 22, 21 and 21, respectively. Investments in affiliates include Orient Corporation, The Chiba Kogyo Bank, Ltd., Joint Stock Commercial Bank for Foreign Trade of Vietnam and certain other affiliates.
- (c) There were no non-consolidated subsidiaries not under the equity method as of March 31, 2013, 2014 and 2015.
- (d) Certain other affiliates, including Asian-American Merchant Bank Limited, are not accounted for under the equity method, as they are not significant to the consolidated financial statements of MHFG.

4. Balance Sheet Dates of Consolidated Subsidiaries

- (a) Balance sheet dates of consolidated subsidiaries for the fiscal year ended March 31, 2015 are as follows:

July 31	1 company
December 29	16 companies
December 31	52 companies
March 31	81 companies

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- (b) Consolidated subsidiaries with balance sheet dates of December 29 were consolidated based on their tentative financial statements as of and for the period ended December 31.

The consolidated subsidiary with balance sheet dates of July 31 was consolidated based on its tentative financial statement as of and for the period ended the consolidated balance sheet date.

Other consolidated subsidiaries were consolidated based on their financial statements as of and for the period ended their respective balance sheet dates.

The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

5. Standards of Accounting Method

(1) Credited Loans pursuant to Trading Securities and Trading Income & Expenses

Credited loans held for the purpose of trading are, in line with trading securities, recognized on a trade date basis and recorded in Other Debt Purchased on the consolidated balance sheets. Other Debt Purchased related to the relevant credited loans is stated at fair value at the consolidated balance sheet date.

Interest received and the gains or losses on the sale of the relevant credited loans during the fiscal year, including the gains or losses resulting from any change in the value between the beginning and the end of the fiscal year, are recognized in Other Operating Income and Other Operating Expenses on the consolidated statements of income.

(2) Trading Assets & Liabilities and Trading Income & Expenses

Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade-date basis and recorded in Trading Assets or Trading Liabilities on the consolidated balance sheets. Income or expenses generated on the relevant trading transactions are recorded in Trading Income or Trading Expenses on the consolidated statements of income.

Securities and other monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, futures and option transactions, are stated at their fair values, assuming that such transactions are terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and paid during the fiscal year, the gains or losses resulting from any change in the value of securities and other monetary claims between the beginning and the end of the fiscal year, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the fiscal year, assuming they were settled at the end of the fiscal year.

(3) Securities

In accordance with “Accounting Standard for Financial Instruments” (the Business Accounting Deliberation Council, January 22, 1999), MHFG classifies securities, excluding those of investments in non-consolidated subsidiaries and affiliates, into three categories based upon management’s intent. These securities are accounted for as follows:

- (i) Trading securities are carried at market value and included in Trading Assets.
- (ii) Bonds held to maturity are stated at amortized cost (straight-line method) and determined by the moving average method.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- (iii) Other securities are securities which are not classified as either trading securities or bonds held to maturity. Other securities which have readily determinable fair value are stated at fair value with changes in net unrealized gains or losses, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method, included directly in Net Assets. The fair value of Japanese stocks is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. The fair value of securities other than Japanese stocks is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving-average method). Other securities, the fair values of which are extremely difficult to determine, are stated at acquisition cost or amortized cost which is determined by the moving-average method.

In addition, investments in affiliates not under the equity method are stated at acquisition cost as determined by the moving average-method.

Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as Securities above. Certain Securities other than Trading Securities (excluding Securities for which it is deemed to be extremely difficult to determine the fair value) are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as a loss for the fiscal year (“impairment (devaluation)”), if the fair value (primarily the closing market price at the consolidated balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost), and unless it is deemed that there is a possibility of a recovery in the fair value. The amounts of impairment (devaluation) were ¥125,810 million, ¥9,366 million and ¥3,206 million (\$26,661 thousand) for the fiscal years ended March 31, 2013, 2014 and 2015, respectively.

The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows:

- Security whose fair value is 50% or less of the acquisition cost
- Security whose fair value exceeds 50% but is 70% or less of the acquisition cost and the quoted market price maintains a certain level or lower

(4) Bills Discounted

In accordance with “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (The Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No. 24), bills discounted are accounted for as financing transactions. The banking subsidiaries have rights to sell or pledge these bankers’ acceptances, commercial bills, documentary bills and foreign exchange bills purchased. The face value of these bills amounted to ¥1,038,435 million, ¥1,321,639 million and ¥1,370,730 million (\$11,397,108 thousand) as of March 31, 2013, 2014 and 2015, respectively.

(5) Derivative Transactions

Derivative transactions are valued at fair value with changes in fair value included in current income. Derivatives qualifying as hedges are mainly accounted for using either the fair-value hedge method or the deferred method of hedge accounting (see (21) Hedge Accounting).

(6) Tangible Fixed Assets (Except for Lease Assets)

Depreciation of buildings is computed mainly by the straight-line method, and that of others is computed mainly by the declining-balance method. The range of useful lives is as follows:

Buildings	3 years to 50 years
Others	2 years to 20 years

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Mizuho Financial Group and its domestic consolidated subsidiaries have applied the depreciation method based on the revised Corporation Tax Law to tangible fixed assets newly booked on or after April 1, 2012 beginning with the fiscal year ended March 31, 2013, following the revision of the Corporation Tax Law. The effect of this application on the consolidated statements of income is immaterial.

(7) Intangible Fixed Assets (Except for Lease Assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally-used software are capitalized and amortized over their estimated useful lives of mainly from five to ten years as determined by MHFG and its consolidated subsidiaries.

(8) Lease Assets

Depreciation of lease assets booked in Tangible Fixed Assets and Intangible Fixed Assets which are concerned with finance lease transactions that do not transfer ownership is mainly computed by the same method as the one applied to fixed assets owned by us.

(9) Deferred Assets

Bond issuance costs are expensed as incurred.

(10) Reserves for Possible Losses on Loans

Reserves for Possible Losses on Loans of major domestic consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and reserve provisions:

- For claims extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws (“Bankrupt Obligors”), and to obligors that are effectively in similar conditions (“Substantially Bankrupt Obligors”), reserves are maintained at the amounts of claims net of direct write-offs described below and the expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.
- For claims extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt (“Intensive Control Obligors”), reserves are maintained at the amounts deemed necessary based on overall solvency analyses of the amounts of claims net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.
- For claims extended to Intensive Control Obligors and Obligors with Restructured Loans (defined in Note 12 below) and others, if the exposure to an obligor exceeds a certain specific amount, reserves are provided as follows:
 - (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, under which the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted using the contractual interest rate before the loan was classified as a Restructured Loan, and
 - (ii) if future cash flows of the principal and interest cannot be reasonably estimated, reserves are provided for the losses estimated for each individual loan.
- For claims extended to other obligors, reserves are maintained at rates derived from historical credit loss experience and other factors.
- Reserve for Possible Losses on Loans to Restructuring Countries is maintained in order to cover possible losses based on analyses of the political and economic climates of the countries. All claims are assessed by each claim origination department in accordance with the internally established “Self-assessment Standard,” and the results of the assessments are verified and examined by the independent examination departments.

In the case of claims to Bankrupt Obligors and Substantially Bankrupt Obligors, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible (calculated by deducting the anticipated

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims) are written off against the respective claim balances. The total directly written-off amounts were ¥270,388 million, ¥195,157 million and ¥227,209 million (\$1,889,166 thousand) as of March 31, 2013, 2014 and 2015, respectively.

Other consolidated subsidiaries provide the amount necessary to cover the loan losses based upon past experience and other factors for general claims and the assessment for each individual loan for other claims.

(11) Reserve for Possible Losses on Investments

Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other factors concerning the investee company.

(12) Reserve for Bonus Payments

Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the fiscal year, based on the estimated future payments.

(13) Reserve for Director and Corporate Auditor Retirement Benefits

Reserve for Director and Corporate Auditor Retirement Benefits, which is provided for future retirement benefit payments to directors, corporate auditors and executive officers, is recognized at the amount accrued by the end of the respective fiscal year, based on the internally established standards.

(14) Reserve for Possible Losses on Sales of Loans

Reserve for Possible Losses on Sales of Loans is provided for possible future losses on sales of loans at the amount deemed necessary based on a reasonable estimate of possible future losses.

(15) Reserve for Contingencies

Reserve for Contingencies is maintained to provide against possible losses from contingencies, which are not covered by other specific reserves. The balance is an estimate of possible future losses considered to require a reserve.

(16) Reserve for Reimbursement of Deposits

Reserve for Reimbursement of Deposits is provided against the losses for the deposits derecognized from Liabilities at the estimated amount of future claims for withdrawal by depositors.

(17) Reserve for Reimbursement of Debentures

Reserve for Reimbursement of Debentures is provided for the debentures derecognized from Liabilities at the estimated amount for future claims.

(18) Reserve under Special Laws

Reserve under Special Laws is Reserve for Contingent Liabilities from Financial Instruments and Exchange of ¥1,203 million, ¥1,273 million and ¥1,607 million (\$13,369 thousand) as of March 31, 2013, 2014 and 2015, respectively. This is the reserve pursuant to Article 46-5 of the Financial Instruments and Exchange Law and Article 175 of the Cabinet Office Ordinance regarding Financial Instruments Business, etc. to indemnify the losses incurred from accidents in the purchase and sale of securities, other transactions or derivative transactions.

(19) Accounting Method for Retirement Benefits

In calculating retirement benefit obligations, a benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Unrecognized actuarial differences are

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the employees (mainly 10 years) of the respective fiscal years.

Certain consolidated subsidiaries apply the simplified method that assumes the amount required for voluntary resignation at the end of the term to be retirement benefit obligations in computing net defined benefit liability and retirement benefit expenses.

(20) Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies and accounts of overseas branches of domestic consolidated banking subsidiaries and a domestic consolidated trust banking subsidiary are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the investments in affiliates not under the equity method, which are translated at historical exchange rates.

Assets and liabilities denominated in foreign currencies of the consolidated subsidiaries, except for the transactions mentioned above, are translated into Japanese yen primarily at the exchange rates in effect at the respective balance sheet dates.

(21) Hedge Accounting

(a) Interest Rate Risk

The deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods.

The portfolio hedge transaction for a large volume of small-value monetary claims and liabilities of domestic consolidated banking subsidiaries and some of domestic consolidated trust banking subsidiaries is accounted for by the method stipulated in the JICPA Industry Audit Committee Report No. 24.

The effectiveness of hedging activities for the portfolio hedge transaction for a large volume of small-value monetary claims and liabilities is assessed as follows:

- (i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest-rate swaps, in the same maturity bucket.
- (ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between the base interest rate index of the hedged instrument and that of the hedging instrument.

The effectiveness of the individual hedge is assessed based on the comparison of the fluctuation in the market or of cash flows of the hedged instruments with that of the hedging instruments.

Deferred Gains or Losses on Hedges recorded on the consolidated balance sheets resulted from the application of the macro-hedge method based on the “Tentative Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives transactions. These deferred hedge gains/losses are amortized as interest income or interest expenses over the remaining maturity and average remaining maturity of the respective hedging instruments.

The unamortized amounts of gross deferred hedge losses on the macro-hedges, before net of applicable income taxes, were ¥4,330 million, ¥1,849 million and ¥856 million (\$7,123 thousand) as of March 31, 2013, 2014 and 2015, respectively. The unamortized amounts of gross deferred hedge gains on the macro-hedges, before net of applicable income taxes, were ¥2,995 million, ¥1,500 million and ¥704 million (\$5,860 thousand) as of March 31, 2013, 2014 and 2015, respectively.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(b) Foreign Exchange Risk

Domestic consolidated banking subsidiaries and some of domestic consolidated trust banking subsidiaries apply the deferred method of hedge accounting to hedge foreign exchange risks associated with various financial assets and liabilities denominated in foreign currencies as stipulated in the “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25). The effectiveness of the hedge is assessed by confirming that the amount of the foreign currency position of the hedged monetary claims and liabilities is equal to or larger than that of currency-swap transactions, exchange swap transactions, and similar transactions designated as the hedging instruments of the foreign exchange risk.

In addition to the above methods, these subsidiaries apply the deferred method or the fair-value hedge method to portfolio hedges of the foreign exchange risks associated with investments in subsidiaries and affiliates denominated in foreign currency and Other securities denominated in foreign currency (except for bonds) identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign securities denominated in foreign currency.

(c) Inter-company Transactions

Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the statements of income or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports No.24 and 25.

As for certain assets and liabilities of MHFG and its consolidated subsidiaries, the deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied.

(22) Consumption Taxes and Other

With respect to MHFG and its domestic consolidated subsidiaries, Japanese consumption taxes and local consumption taxes are excluded from transaction amounts.

(23) Amortization Method of Goodwill and Amortization Period

Goodwill of Mizuho Trust & Banking Co., Ltd. is amortized over a period of 20 years under the straight-line method. Other Goodwill is amortized over an appropriate period not to exceed 20 years under the straight-line method. The full amount of Goodwill that has no material impact is expensed as incurred.

(24) Scope of Cash and Cash Equivalents on Consolidated Statements of Cash Flows

In the consolidated statements of cash flows, Cash and Cash Equivalents consist of cash and due from central banks included in “Cash and Due from Banks” on the consolidated balance sheets.

6. Changes in Accounting Policies

For the fiscal year ended March 31, 2015

Application of “Accounting Standard for Retirement Benefits” and others

Mizuho Financial Group has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) (hereinafter, the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015) (hereinafter, the “Guidance”), in terms of regulations stipulated in the text of the Accounting Standard, Paragraph 35 and the Guidance, Paragraph 67, beginning with the fiscal year ended March 31, 2015. We have reviewed the calculation methods of retirement

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

benefit obligations and service cost, changed the method of attributing the expected retirement benefits to periods of service from a straight-line basis to a benefit formula basis, and changed the method of determining the discount rate from the method using the discount rate based on the average period up to the estimated timing of the benefit payment and another period to the method using different discount rates according to the estimated timing of each benefit payment.

The Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37, and the amount of financial impact resulting from the change in the calculation method of retirement benefit obligations and service cost was added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result of this, Net Defined Benefit Asset increased by ¥19,795 million (\$164,594 thousand), Net Defined Benefit Liability decreased by ¥2,787 million (\$23,175 thousand), Retained Earnings increased by ¥16,107 million (\$133,925 thousand) and Minority Interests increased by ¥573 million (\$4,772 thousand) at the beginning of the fiscal year ended March 31, 2015. Ordinary Profits and Income before Income Taxes and Minority Interests for the fiscal year ended March 31, 2015 increased by ¥8,217 million (\$68,324 thousand), respectively.

7. Issued but not yet Adopted Accounting Standard and Others

Accounting Standard for Business Combinations (September 13, 2013)

(i) Overview

This accounting standard was revised mainly focusing on (a) the treatment of the parent company's changes in equity of its subsidiary while the parent company's control is continuing because of additional acquisition of shares of the subsidiary, (b) the treatment of acquisition-related expenses, (c) the treatment of provisional accounting, and (d) the presentation of Net Income and the change from minority interests to non-controlling interests.

(ii) Scheduled Date of Application

Mizuho Financial Group is scheduled to apply this accounting standard after revision from the beginning of the fiscal year starting on April 1, 2015.

(iii) Effect of Application of this accounting standard

The effect of the application of this accounting standard is under consideration.

8. Changes in Presentation of Financial Statements

For the fiscal year ended March 31, 2015

Refund of Income Taxes separately presented in the previous fiscal years has been included within Current Income Taxes from this fiscal year due to decreased materiality. Refund of Income Taxes as of March 31, 2013 and 2014 were ¥ (14,158) million and ¥(5,629) million, respectively.

9. Securities Lending and Borrowing Transactions

MHFG does not have unsecured loaned securities which the borrowers have the right to sell or repledge as of March 31, 2013, 2014 and 2015. MHFG has the right to sell or repledge some of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral. Among them, the totals of securities repledged were ¥10,763,594 million, ¥9,853,276 million and ¥12,240,951 million (\$101,778,924 thousand) as of March 31, 2013, 2014 and 2015, respectively, and securities neither repledged nor re-loaned were ¥1,995,828 million, ¥1,681,484 million and ¥1,264,787 million (\$10,516,236 thousand) as of March 31, 2013, 2014 and 2015, respectively.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

10. Trading Assets and Liabilities

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Trading Assets:				
Trading Securities	¥ 9,102,409	¥ 7,038,301	¥ 5,042,005	\$41,922,387
Derivatives for Trading Transactions	4,778,286	4,231,907	5,526,350	45,949,537
Derivatives for Trading Securities	196,232	199,602	213,379	1,774,171
Total	¥14,076,928	¥11,469,811	¥10,781,735	\$89,646,095
Trading Liabilities:				
Trading Securities Sold Short	¥ 3,349,261	¥ 4,309,956	¥ 3,200,813	\$26,613,564
Derivatives for Trading Transactions	4,147,821	3,690,911	5,335,870	44,365,763
Derivatives for Trading Securities	189,359	182,168	206,512	1,717,074
Total	¥ 7,686,442	¥ 8,183,037	¥ 8,743,196	\$72,696,401

11. Securities

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Japanese Government Bonds	¥33,805,553	¥26,097,592	¥21,775,918	\$181,058,602
Japanese Local Government Bonds	243,757	244,662	238,587	1,983,769
Japanese Short-term Bonds	—	99	99	831
Japanese Corporate Bonds	2,994,537	2,792,469	2,674,037	22,233,617
Japanese Stocks*1	3,203,217	3,525,077	4,500,792	37,422,400
Other*2	13,225,333	11,337,616	14,089,298	117,147,237
Total	¥53,472,399	¥43,997,517	¥43,278,733	\$359,846,456

*1 Japanese Stocks included investments in non-consolidated subsidiaries and affiliates of ¥206,978 million, ¥214,799 million and ¥229,160 million (\$1,905,386 thousand) as of March 31, 2013, 2014 and 2015, respectively.

*2 Other included investments in non-consolidated subsidiaries and affiliates of ¥52,398 million, ¥58,695 million and ¥62,814 million (\$522,276 thousand) as of March 31, 2013, 2014 and 2015, respectively.

12. Loans and Bills Discounted

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Loans on Deeds	¥55,439,733	¥58,101,716	¥61,263,590	\$509,383,807
Overdrafts	9,260,316	7,862,209	7,960,639	66,189,736
Loans on Notes	2,451,756	2,603,952	3,216,933	26,747,594
Bills Discounted	277,203	343,933	418,171	3,476,937
Financing Receivables, including Factoring,				
Leasing and Property Financing	101,261	385,181	551,112	4,582,292
Other	6,610	4,412	4,723	39,277
Total	¥67,536,882	¥69,301,405	¥73,415,170	\$610,419,643

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Loans and Bills Discounted as of March 31, 2013, 2014 and 2015 include the following:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Loans to Bankrupt Obligors* ¹	¥ 33,688	¥ 12,194	¥ 10,246	\$ 85,200
Non-Accrual Delinquent Loans* ²	637,911	508,001	425,778	3,540,192
Loans Past Due for Three Months or More* ³	3,468	4,109	3,496	29,075
Restructured Loans* ⁴	694,732	504,600	614,928	5,112,898
Total	¥1,369,801	¥1,028,905	¥1,054,450	\$8,767,365

*1 Loans to Bankrupt Obligors represent non-accrual loans to obligors who are legally bankrupt as defined in Article 96, Paragraph 1, Items 3 and 4 of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No.97, 1965).

*2 Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of obligors in financial difficulties.

*3 Loans to Bankrupt Obligors or Non-Accrual Delinquent Loans, both of which are classified as non-accrual, are not included in this category.

*4 Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g., the reduction of or exemption from stated interest, the deferral of interest payments, the extension of maturity dates, or renunciation of claims) in order to assist or facilitate the restructuring of obligors in financial difficulties.

Note: The amounts given in the above table are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.

Commitment Line for Loans

Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which banking subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥67,950,272 million, ¥69,141,157 million and ¥82,839,928 million (\$688,782,972 thousand) as of March 31, 2013, 2014 and 2015, respectively. Of these amounts, ¥58,289,578 million, ¥57,623,467 million and ¥64,322,076 million (\$534,813,969 thousand) as of March 31, 2013, 2014 and 2015, respectively, relate to contracts of which the original contractual maturity is one year or less, or which are unconditionally cancelable at any time.

Since many of these contracts expire without being exercised, the unutilized balance itself does not necessarily affect future cash flows. A provision is included in many of these contracts that entitles the banking subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. The banking subsidiaries require collateral such as real estate and securities when deemed necessary at the time the contracts are entered into. In addition, they periodically monitor customers' business conditions in accordance with internally established standards and take necessary measures to manage credit risks such as amendments to contracts.

13. Foreign Exchange Assets and Liabilities

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Foreign Exchange Assets:				
Foreign Bills Bought	¥ 779,783	¥ 977,705	¥ 952,558	\$ 7,920,171
Foreign Bills Receivable	383,290	449,024	416,944	3,466,741
Due from Banks (Foreign)	232,407	136,836	254,167	2,113,307
Advance to Foreign Banks	17,120	12,600	65	542
Total	¥1,412,601	¥1,576,167	¥1,623,736	\$13,500,761
Foreign Exchange Liabilities:				
Due to Banks (Foreign)	¥ 145,943	¥ 289,017	¥ 416,320	\$ 3,461,551
Advance from Foreign Banks	13,004	9,455	25,800	214,519
Foreign Bills Payable	12,609	20,226	26,251	218,268
Foreign Bills Sold	10,914	4,628	4,688	38,981
Total	¥ 182,473	¥ 323,327	¥ 473,060	\$ 3,933,319

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

14. Other Assets

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Accrued Income	¥ 276,671	¥ 264,605	¥ 281,063	\$ 2,336,940
Prepaid Expenses	28,629	40,114	43,258	359,675
Other	2,294,252	2,536,000	3,742,102	31,114,178
Total	¥2,599,553	¥2,840,720	¥4,066,424	\$33,810,793

15. Tangible Fixed Assets

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Land	¥463,851	¥459,986	¥ 612,901	\$5,096,047
Buildings	315,268	323,194	340,101	2,827,820
Lease Assets	17,373	18,838	18,566	154,372
Construction in Progress	23,875	34,830	13,786	114,629
Other	80,716	88,415	92,695	770,725
Total	¥901,085	¥925,266	¥1,078,051	\$8,963,593
Accumulated Depreciation	¥798,489	¥814,210	¥ 842,605	\$7,005,948
Book Value Adjusted for Gains on Sales of Replaced Assets and Others	35,223	36,189	35,685	296,711

16. Reserves for Possible Losses on Loans

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
General Reserve for Possible Losses on Loans	¥(503,017)	¥(398,737)	¥(344,496)	\$(2,864,358)
Specific Reserve for Possible Losses on Loans	(235,915)	(216,787)	(180,386)	(1,499,849)
Reserve for Possible Losses on Loans to Restructuring Countries	(1,058)	(782)	(603)	(5,019)
Total	¥(739,990)	¥(616,307)	¥(525,486)	\$(4,369,226)

17. Assets Pledged as Collateral

The following assets were pledged as collateral:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Trading Assets	¥ 5,202,949	¥ 4,455,104	¥ 2,567,206	\$21,345,362
Securities	21,651,304	15,486,954	11,209,154	93,199,924
Loans and Bills Discounted	8,642,462	8,528,194	6,580,383	54,713,423
Other Assets	6,126	1,112	1,006	8,371

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The following liabilities were collateralized by the above assets:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Deposits	¥ 258,984	¥ 877,876	¥ 772,816	\$ 6,425,681
Call Money and Bills Sold	1,579,600	1,708,200	1,265,000	10,518,001
Payables under Repurchase Agreements	7,726,231	6,883,769	7,861,692	65,367,032
Guarantee Deposits Received under Securities				
Lending Transactions	10,919,210	6,049,378	2,121,374	17,638,435
Borrowed Money	5,854,006	5,934,019	5,516,730	45,869,552

In addition, the settlement accounts of foreign and domestic exchange transactions or derivatives transactions and others were collateralized, and margins for futures transactions were substituted by Cash and Due from Banks of ¥13,113 million, ¥ 30,438 million and ¥34,156 million (\$284,001 thousand), Trading Assets of ¥266,909 million, ¥152,908 million and ¥210,434 million (\$1,749,687 thousand), Securities of ¥2,101,482 million, ¥3,172,665 million and ¥4,518,541 million (\$37,569,980 thousand), and Loans and Bills Discounted of ¥123,719 million, ¥159,954 million and ¥191,639 million (\$1,593,407 thousand) as of March 31, 2013, 2014 and 2015, respectively.

Other Assets included guarantee deposits of ¥101,985 million, ¥127,301 million and ¥119,437 million (\$993,078 thousand), collateral pledged for derivatives transactions of ¥488,421 million, ¥275,812 million and ¥529,449 million (\$4,402,174 thousand), margins for futures transactions of ¥79,222 million, ¥141,401 million and ¥193,743 million (\$1,610,907 thousand), and other guarantee deposits of ¥22,514 million, ¥35,637 million and ¥41,713 million (\$346,836 thousand) as of March 31, 2013, 2014 and 2015, respectively.

18. Deposits

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Current Deposits	¥ 6,376,284	¥ 6,625,385	¥ 7,183,120	\$ 59,724,955
Ordinary Deposits* ¹	39,051,095	41,564,578	45,900,575	381,646,093
Deposits at Notice	809,033	909,863	863,870	7,182,757
Time Deposits	34,252,488	35,409,276	38,409,156	319,357,749
Negotiable Certificates of Deposit	15,326,781	12,755,776	15,694,906	130,497,265
Other	3,753,054	4,546,400	5,400,823	44,905,822
Total	¥99,568,737	¥101,811,282	¥113,452,451	\$943,314,641

*1 Ordinary Deposits includes savings deposits.

19. Call Money and Bills Sold

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Call Money	¥6,126,424	¥7,194,432	¥5,091,198	\$42,331,405
Bills Sold	—	—	—	—
Total	¥6,126,424	¥7,194,432	¥5,091,198	\$42,331,405

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

20. Commercial Paper

As of March 31,	Millions of yen			Thousands of U.S. dollars	Average interest rates*1		
	2013	2014	2015	2015	2013	2014	2015
Commercial Paper	¥472,718	¥677,459	¥538,511	\$4,477,520	0.26%	0.20%	0.22%

*1 Average interest rates are the weighted-average interest rates of debts calculated from the interest rates and outstanding balances at the end of the fiscal year.

21. Borrowed Money

As of March 31,	Millions of yen			Thousands of U.S. dollars	Average interest rates*1		
	2013	2014	2015	2015	2013	2014	2015
Borrowed Money	¥7,699,440	¥7,838,357	¥7,195,869	\$59,830,961	0.35%	0.32%	0.32%
Bills Rediscounted	—	—	—	—	— %	— %	— %
Other Borrowings*2,3	7,699,440	7,838,357	7,195,869	59,830,961	0.35%	0.32%	0.32%

*1 Average interest rates are the weighted-average interest rates of debts calculated from the interest rates and outstanding balances at the end of the fiscal year.

*2 Other Borrowings included subordinated debt of ¥608,450 million, ¥556,000 million and ¥456,000 million (\$3,791,469 thousand) as of March 31, 2013, 2014 and 2015, respectively.

*3 Repayments for Other Borrowings are scheduled for the next five years as follows:

Fiscal year ending March 31,	2016	¥ 965,869 million	(\$ 8,030,842 thousand)
	2017	¥ 982,827 million	(\$ 8,171,840 thousand)
	2018	¥ 122,026 million	(\$ 1,014,601 thousand)
	2019	¥ 4,246,985 million	(\$ 35,312,094 thousand)
	2020	¥ 58,987 million	(\$ 490,457 thousand)

22. Short-term Bonds

Major components of Short-term Bonds at March 31, 2013 were as follows:

Issuer	Issue	Millions of yen	Interest rates	Due
MHFG	Jan. 2013 – Feb. 2013	¥125,000	0.29% – 0.31%	Apr. 2013 – May 2013
The former MHCBC . .	Jan. 2013 – Mar. 2013	40,000	0.07% – 0.11%	Apr. 2013 – May 2013
MHSC	Oct. 2012 – Mar. 2013	312,400	0.09% – 0.14%	Apr. 2013 – Mar. 2014
Total		¥477,400		

Note: No collateral was provided for the above Short-term Bonds .

Major components of Short-term Bonds at March 31, 2014 were as follows:

Issuer	Issue	Millions of yen	Interest rates	Due
MHFG	Jan. 2014 – Feb. 2014	¥182,000	0.22%	Apr. 2014 – May 2014
MHBK	Mar. 2014	25,000	0.08%	Apr. 2014
MHSC	Oct. 2013 – Mar. 2014	290,100	0.06% – 0.11%	Apr. 2014 – Sep. 2014
*1	Oct. 2013 – Mar. 2014	87,468	0.13% – 0.31%	Apr. 2014 – May 2014
Total		¥584,568		

*1 indicates the total amount of Short-term Bonds issued by the domestic consolidated subsidiary, Allstar Funding Co., Ltd. and the overseas consolidated subsidiaries, BLUE HEAVEN FUNDING CORPORATION and ASTRO CAPITAL CORPORATION II.

Note: No collateral was provided for the above Short-term Bonds.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Major components of Short-term Bonds at March 31, 2015 were as follows:

Issuer	Issue	Millions of yen	Thousands of U.S. dollars	Interest rates	Due
MHFG	Jan. 2015 – Mar. 2015	¥ 261,000	\$ 2,170,117	0.11%	Apr. 2015 – Jun. 2015
		[261,000]	[2,170,117]		
MHBK	Mar. 2015	25,000	207,866	0.06%	Apr. 2015
		[25,000]	[207,866]		
MHSC	Oct. 2014 – Mar. 2015	456,500	3,795,627	0.03% – 0.12%	Apr. 2015 – Oct. 2015
		[456,500]	[3,795,627]		
*1	Oct. 2014 – Mar. 2015	74,205	616,990	0.12% – 0.28%	Apr. 2015 – May 2015
		[74,205]	[616,990]		
Total		¥ 816,705	\$ 6,790,600		

*1 indicates the total amount of Short-term Bonds issued by the domestic consolidated subsidiary, Allstar Funding Co., Ltd, and the overseas consolidated subsidiaries, BLUE HEAVEN FUNDING CORPORATION, ASTRO CAPITAL CORPORATION II and ETERNAL FUNDING CORPORATION.

Notes: 1. Figures indicated in brackets [] represent the amounts to be redeemed within one year.

2. No collateral was provided for the above Short-term Bonds.

23. Bonds and Notes

Major components of Bonds and Notes as of March 31, 2013 were as follows:

Issuer	Description	Issue	Millions of yen	Interest rates	Due
The former MHC B	Straight Bonds	Feb. 2004 – Mar. 2013	¥3,316,503 (US\$ 5,494,286 thousand)	0.00% – 3.88%	Apr. 2013 – Feb. 2043
The former MHBK	Straight Bonds	Feb. 2005 – Oct. 2012	805,400	1.05% – 4.26%	Jul. 2013 –
MHTB	Straight Bonds	Dec. 2005 – Aug. 2009	78,700	1.76% – 3.43%	Dec. 2015 –
*1	Straight Bonds	Mar. 2004 – Jul. 2012	281,524 (US\$ 2,995,261 thousand)	4.20% – 5.79%	Apr. 2014 – Jul. 2022
*2	Straight Bonds	May 2008 – Jun. 2008	26,500	0.90% – 2.75%	May 2013 –
*3	Straight Bonds	Jul. 1995 – May 2012	58,600	1.30% – 3.90%	Jan. 2019 –
*4	Straight Bonds	Sep. 2002 – Mar. 2013	574,518 (US\$ 101,560 thousand) (AUD 7,370 thousand) (EUR 99,971 thousand) (CNY 997,942 thousand)	0.00% – 17.68%	Apr. 2013 – Mar. 2043
Total			¥5,141,746		

*1 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Financial Group (Cayman) Limited and Mizuho Financial Group (Cayman) 2 Limited.

*2 indicates the total amount of straight bonds issued by the overseas consolidated subsidiary, Mizuho Finance (Aruba) A.E.C.

*3 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Finance (Cayman) Limited and Mizuho Finance (Curaçao) N.V.

*4 indicates the total amount of straight bonds issued by the domestic consolidated subsidiary, MHSC, and the overseas consolidated subsidiaries, Mizuho International plc and Mizuho Bank (China), Ltd.

Notes: 1. The amounts of foreign currency-denominated bonds are shown in original currencies in parentheses ().

2. Repayments for Bonds and Notes are scheduled for the next five years as follows:

Fiscal year ending March 31, 2014	¥ 1,173,571 million
2015	¥ 831,403 million
2016	¥ 632,925 million
2017	¥ 661,857 million
2018	¥ 882,728 million

3. Bonds and Notes as of March 31, 2013 included subordinated bonds and notes of ¥1,595,663 million .

4. No collateral was provided for the above Bonds and Notes.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Major components of Bonds and Notes as of March 31, 2014 were as follows:

Issuer	Description	Issue	Millions of yen	Interest rates	Due
MHBK	Straight Bonds	Aug. 2004 – Mar. 2014	¥ 3,958,105 (US\$ 5,796,166 thousand) (AUD 180,000 thousand)	0.10% – 7.12%	Apr. 2014 –
MHTB	Straight Bonds	Dec. 2005 – Aug. 2009	61,500	1.91% – 3.38%	Dec. 2015 –
*1	Straight Bonds	Mar. 2004 – Mar. 2014	462,323 (US\$ 4,492,068 thousand)	4.20% – 5.79%	Apr. 2014 – Mar. 2024
*2	Straight Bonds	Jul. 1995 – May 2012	57,400	1.30% – 3.90%	Jun. 2018 –
*3	Straight Bonds	Sep. 2002 – Mar. 2014	706,414 (US\$ 326,370 thousand) (AUD 10,320 thousand) (EUR 160,800 thousand) (CNY 1,249,507 thousand)	0.00% – 18.10%	Apr. 2014 – Mar. 2044
Total			¥ 5,245,743		

- *1 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Financial Group (Cayman) Limited, Mizuho Financial Group (Cayman) 2 Limited and Mizuho Financial Group (Cayman) 3 Limited.
- *2 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Finance (Cayman) Limited, Mizuho Finance (Curaçao) N.V. and Mizuho Finance (Aruba) A.E.C.
- *3 indicates the total amount of straight bonds issued by the domestic consolidated subsidiary, MHSC, and the overseas consolidated subsidiaries, Mizuho International plc, Mizuho Bank (China), Ltd and Mizuho Securities USA Inc.

Notes: 1. The amounts of foreign currency-denominated bonds are shown in original currencies in parentheses ().

2. Repayments for Bonds and Notes are scheduled for the next five years as follows:

Fiscal year ending March 31, 2015	¥ 1,506,088 million
2016	¥ 646,269 million
2017	¥ 707,242 million
2018	¥ 922,000 million
2019	¥ 365,998 million

3. Bonds and Notes as of March 31, 2014 included subordinated bonds and notes of ¥1,645,823 million.

4. No collateral was provided for the above Bonds and Notes.

Major components of Bonds and Notes as of March 31, 2015 were as follows:

Issuer	Description	Issue	Millions of yen	Thousands of U.S. dollars	Interest rates	Due
MHFG . .	Straight Bonds	Jul. 2014 – Dec. 2014	¥150,000 [—]	\$ 1,247,194 [—]	0.62% – 4.25%	Jul. 2024 – Dec. 2029
MHTB . .	Straight Bonds	Dec. 2005 – Aug. 2009	42,200 [30,000]	350,877 [249,439]	1.91% – 3.19%	Dec. 2015 –
MHBK . .	Straight Bonds	Aug. 2005 – Mar. 2015	4,624,117 [540,420] (US\$ 14,249,587 thousand) (AUD 660,000 thousand) (SGD 100,000 thousand)	38,447,805 [4,493,392]	0.10% – 9.00%	Apr. 2015 –
*1	Straight Bonds	Jul. 2012 – Mar. 2014	359,949 [—] (US\$ 2,992,846 thousand)	2,992,847 [—]	4.20% – 4.60%	Jul. 2022 – Mar. 2024
*2	Straight Bonds	Jul. 1995 – May 2012	54,000 [—]	448,990 [—]	1.30% – 3.90%	Jun. 2018 –
*3	Straight Bonds	Jan. 2003 – Mar. 2015	783,464 [179,556] (US\$ 655,930 thousand) (AUD 18,970 thousand) (EUR 371,047 thousand) (BRL 14,500 thousand)	6,514,216 [1,492,942]	0.00% – 18.80%	Apr. 2015 – Mar. 2045
Total . . .			¥6,013,731	\$50,001,929		

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- *1 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Financial Group (Cayman) Limited, Mizuho Financial Group (Cayman) 2 Limited and Mizuho Financial Group (Cayman) 3 Limited.
- *2 indicates the total amount of straight bonds issued by the overseas consolidated subsidiaries, Mizuho Finance (Cayman) Limited, Mizuho Finance (Curaçao) N.V. and Mizuho Finance (Aruba) A.E.C.
- *3 indicates the total amount of straight bonds issued by the domestic consolidated subsidiary, MHSC, and the overseas consolidated subsidiaries, Mizuho International plc, Mizuho Bank (China), Ltd and Mizuho Securities USA Inc.

Notes: 1. Figures indicated in brackets [] represent the amounts to be redeemed within one year.

2. The amounts of foreign currency-denominated bonds are shown in original currencies in parentheses ().

3. Repayments for Bonds and Notes are scheduled for the next five years as follows:

Fiscal year ending March 31, 2016 ¥1,566,681 million (\$13,026,373 thousand)

2017 ¥ 740,623 million (\$ 6,158,005 thousand)

2018 ¥1,366,009 million (\$11,357,858 thousand)

2019 ¥ 406,159 million (\$ 3,377,064 thousand)

2020 ¥ 844,199 million (\$ 7,019,199 thousand)

4. Bonds and Notes as of March 31, 2015 included subordinated bonds and notes of ¥1,409,149 million (\$11,716,552 thousand).

5. No collateral was provided for the above Bonds and Notes.

24. Other Liabilities

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Accrued Expenses	¥ 138,463	¥ 137,297	¥ 139,417	\$ 1,159,202
Unearned Income	147,644	151,975	149,019	1,239,039
Income Taxes Payable	45,038	57,132	158,755	1,319,989
Lease Liabilities*1*2	24,406	26,679	29,128	242,194
Other	3,145,511	3,197,817	3,785,635	31,476,142
Total	¥3,501,064	¥3,570,902	¥4,261,955	\$35,436,566

*1 Average interest rate is 2.23%, 2.03% and 1.78% in the fiscal year ended March 31, 2013, 2014 and 2015, respectively. It is the weighted-average interest rate of debts calculated from the interest rates and outstanding balances at the end of the fiscal year.

*2 Repayments for Lease Liabilities are scheduled for the next five years as follows:

Fiscal year ending March 31, 2016 ¥ 7,171 million (\$ 59,625 thousand)

2017 ¥ 6,481 million (\$ 53,895 thousand)

2018 ¥ 5,889 million (\$ 48,965 thousand)

2019 ¥ 5,229 million (\$ 43,482 thousand)

2020 ¥ 3,309 million (\$ 27,514 thousand)

25. Reserve for Employee Retirement Benefits

For the Fiscal Year ended March 31, 2013

- (1) MHFG and its domestic consolidated subsidiaries have adopted the Corporate Pension Fund Plans (“Kigyo Nenkin Kikin Seido”), and the Termination Allowance Plans (“Taishoku Ichijikin Seido”) as Defined-Benefit Corporate Pension Plans. In addition, MHFG and certain domestic consolidated subsidiaries have adopted Defined- Contribution Pension Plans as a part of the Termination Allowance Plans while certain other domestic consolidated subsidiaries have established employee retirement benefit trusts.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(2) Reserve for Employee Retirement Benefits was reconciled as follows:

As of March 31,	Millions of yen 2013
Retirement Benefit Obligations	¥ 1,326,443
Plan Assets	(1,512,741)
Unfunded Retirement Benefit Obligations	(186,297)
Unrecognized Actuarial Differences	(193,916)
Net Amounts	(380,213)
Prepaid Pension Cost	418,846
Reserve for Employee Retirement Benefits	¥ 38,632

Notes: 1. The above Retirement Benefit Obligations does not include additional retirement benefits paid to employees.

2. The above Retirement Benefit Obligations includes the amount measured by certain consolidated subsidiaries under the simplified method.

(3) Breakdown of Employee Retirement Benefit Expenses was as follows:

For the Fiscal Year ended March 31,	Millions of yen 2013
Service Cost	¥ 30,042
Interest Cost	22,572
Expected Return on Plan Assets	(31,606)
Amortization of Unrecognized Actuarial Differences	67,068
Other (such as additional retirement benefits)	8,905
Net Retirement Benefit Expenses	¥ 96,982

Notes: 1. The amount of employee contributions to Mizuho Pension Fund is deducted from Service Cost.

2. Retirement benefit expenses of some consolidated subsidiaries which adopt the simplified method for calculating retirement benefit obligations are included in Service Cost in full.

(4) Assumptions used in calculation of the above information were as follows:

	2013
Discount Rate	Mainly 1.7%
Expected Rate of Return on Plan Assets	Mainly 1.85%-2.80%
Method of Attributing the Retirement Benefits to Periods of Service	Straight-line basis
Prior Service Cost	Charged to Income
	(Loss) in the year
Amortization of Unrecognized Actuarial Differences	Primarily 10-12 years

For the fiscal years ended March 31, 2014 and 2015

(1) MHFG and its domestic consolidated subsidiaries have adopted the Corporate Pension Fund Plans (“Kigyo Nenkin Kikin Seido”), and the Termination Allowance Plans (“Taishoku Ichijikin Seido”) as Defined-Benefit Corporate Pension Plans. In addition, MHFG and certain domestic consolidated subsidiaries have adopted Defined- Contribution Pension Plans as a part of the Termination Allowance Plans while certain other domestic consolidated subsidiaries have established employee retirement benefit trusts.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(2) Defined-Benefit Corporate Pension Plans

- (i) Adjustment between the balances of Retirement Benefit Obligations at the beginning and at the end of the period

For the Fiscal Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance of Retirement Benefit Obligations at the beginning of the period	¥1,326,443	¥1,319,387	\$10,970,215
Cumulative Effects of Changes in Accounting Policies	—	(22,582)	(187,769)
Balance as of the beginning of the period reflecting Changes in Accounting Policies	¥1,326,443	¥1,296,804	\$10,782,446
Service Cost	31,901	33,703	280,230
Interest Cost	22,496	11,975	99,568
Unrecognized Actuarial Differences incurred	4,499	82,747	688,014
Retirement Benefits paid	(67,993)	(67,070)	(557,670)
Other	2,039	2,795	23,240
Balance of Retirement Benefit Obligations at the end of the period	¥1,319,387	¥1,360,954	\$11,315,828

Note: The above Retirement Benefit Obligations includes the amount measured by certain consolidated subsidiaries under the simplified method.

- (ii) Adjustment between the balances of Plan Assets at the beginning and at the end of the period

For the Fiscal Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance of Plan Assets at the beginning of the period	¥1,512,741	¥1,686,455	\$14,022,243
Expected Return on Plan Assets	36,046	36,875	306,605
Unrecognized Actuarial Differences incurred	134,779	332,402	2,763,806
Contributions from employer	49,524	48,776	405,562
Contributions from employee	1,181	1,178	9,803
Retirement Benefits paid	(49,693)	(49,929)	(415,145)
Other	1,875	1,058	8,802
Balance of Plan Assets at the end of the period	¥1,686,455	¥2,056,818	\$17,101,676

- (iii) Adjustment between the balances of Retirement Benefit Obligations and Plan Assets at the end of the period and Adjustment to the balances of Net Defined Benefit Liability and Net Defined Benefit Asset recorded in the Consolidated Balance Sheets

As of March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Retirement Benefit Obligations	¥ 1,319,387	¥ 1,360,954	\$ 11,315,828
Plan Assets	(1,686,455)	(2,056,818)	(17,101,676)
Net amount of Liability and Asset recorded in the Consolidated Balance Sheets	¥ (367,067)	¥ (695,863)	\$ (5,785,848)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net Defined Benefit Liability	¥ 46,006	¥ 47,518	\$ 395,102
Net Defined Benefit Asset	(413,073)	(743,382)	(6,180,950)
Net amount of Liability and Asset recorded in the Consolidated Balance Sheet	¥(367,067)	¥(695,863)	\$(5,785,848)

(iv) Employee Retirement Benefit Expenses and the breakdown

For the Fiscal Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Service Cost	¥ 30,947	¥ 32,967	\$ 274,109
Interest Cost	22,496	11,975	99,568
Expected Return on Plan Assets	(36,046)	(36,875)	(306,605)
Amortization of Unrecognized Actuarial Differences	21,162	22,548	187,480
Other	5,236	5,411	44,991
Net Retirement Benefit Expenses for Defined-Benefit Corporate Pension Plan	¥ 43,797	¥ 36,026	\$ 299,543

Notes: 1. The amount of employee contributions to Mizuho Pension Fund is deducted from Service Cost.

2. Retirement benefit expenses of some consolidated subsidiaries which adopt the simplified method for calculating retirement benefit obligations are included in Service Cost in full.

(v) Remeasurements of Defined Benefit Plans in Other Comprehensive Income

Breakdown of Remeasurements of Defined Benefit Plans in Other Comprehensive Income (before deducting tax effect) was as follows:

For the Fiscal Years ended March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrecognized Actuarial Differences	¥—	¥(272,213)	\$(2,263,352)
Total	¥—	¥(272,213)	\$(2,263,352)

(vi) Remeasurements of Defined Benefit Plans in Total Accumulated Other Comprehensive Income

Breakdown of Remeasurements of Defined Benefit Plans in Total Accumulated Other Comprehensive Income (before deducting tax effect) was as follows:

As of March 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrecognized Actuarial Differences	¥42,388	¥(229,825)	\$(1,910,910)
Total	¥42,388	¥(229,825)	\$(1,910,910)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(vii) Plan Assets

(a) Ratio of each category to the total amount of Plan Assets was as follows:

As of March 31,	2014	2015
Japanese Stocks	49.68%	56.33%
Japanese Bonds	19.09%	16.59%
Foreign Stocks	14.23%	12.65%
Foreign Bonds	5.05%	4.65%
General account of life insurance companies	6.60%	5.73%
Other	5.35%	4.05%
Total	100.00%	100.00%

Note: The total amount of Plan Assets includes 52.11% and 57.20% of Employee Retirement Benefit Trusts established for the Corporate Pension Fund Plans and the Termination Allowance Plans as of March 31, 2014 and 2015, respectively.

(b) Calculation of Expected Long-term Rate of Return on Plan Assets

In determining the Expected Long-term Rate of Return on Plan Assets, current and expected allocation of Plan Assets and current and expected future long-term rate of return from various assets constituting Plan Assets have been considered.

(viii) Basis of Actuarial Calculation

Major Basis of Actuarial Calculation

For the Fiscal Years ended March 31,	2014	2015
Discount Rate	mainly 1.70%	mainly 0.07%-1.62%
Expected Long-term Rate of Return on Plan Assets	mainly 1.93%-2.80%	mainly 1.82%-2.40%

(3) Defined- Contribution Pension Plans

The required amount of contributions to Defined- Contribution Pension Plans of MHFG and its domestic consolidated subsidiaries was ¥2,437 million and ¥2,498 million (\$ 20,776 thousand) for the fiscal years ended March 31, 2014 and 2015, respectively.

26. Acceptances and Guarantees

- (1) All commitments and contingent liabilities of a material nature resulting from guarantees or otherwise are included in the contra- accounts Acceptances and Guarantees and Customers' Liabilities for Acceptances and Guarantees.

The outstanding balances of the accounts were as follows:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Guarantees	¥4,071,855	¥4,414,505	¥5,170,320	\$42,989,276
Letters of Credit	108,127	126,552	163,196	1,356,917
Acceptances	44,276	47,588	71,327	593,058
Total	¥4,224,259	¥4,588,646	¥5,404,843	\$44,939,251

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Note: Liabilities for guarantees on corporate bonds included in Securities, which were issued by private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Law (the Securities and Exchange Law as of March 31, 2007)) amounted to ¥957,724 million, ¥986,577 million and ¥1,036,575 million (\$8,618,733 thousand) as of March 31, 2013, 2014 and 2015, respectively.

- (2) The principal amounts promised to be indemnified for money trusts which are entrusted to domestic consolidated trust banking subsidiaries, were ¥706,390 million, ¥749,550 million and ¥701,373 million (\$5,831,661 thousand) as of March 31, 2013, 2014 and 2015, respectively.

27. Deferred Tax Assets and Liabilities

- (1) Deferred Tax Assets and Liabilities consisted of the following:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Deferred Tax Assets:				
Tax Losses Carried Forward	¥ 140,333	¥ 139,463	¥ 110,959	\$ 922,587
Devaluation of Securities	461,953	217,797	148,106	1,231,447
Reserves for Possible Losses on Loans	288,066	229,671	197,846	1,645,020
Securities Contributed to Employee Retirement Benefit Trust	203,849	212,273	197,383	1,641,167
Other	261,539	201,350	185,948	1,546,092
Deferred Tax Assets Subtotal:	1,355,741	1,000,557	840,243	6,986,313
Valuation Allowance	(711,077)	(399,648)	(294,907)	(2,452,042)
Total	¥ 644,664	¥ 600,908	¥ 545,336	\$ 4,534,271
Deferred Tax Liabilities:				
Prepaid Pension Cost	¥ (141,313)	¥ —	¥ —	\$ —
Net Defined Benefit Asset	—	(146,897)	(239,199)	(1,988,854)
Net Unrealized Gains on Other Securities	(260,535)	(307,491)	(690,581)	(5,741,925)
Other	(131,736)	(92,394)	(102,939)	(855,900)
Total	¥ (533,586)	¥ (546,783)	¥ (1,032,719)	\$(8,586,679)
Net Deferred Tax Assets	¥ 111,078	¥ 54,125	¥ (487,383)	\$(4,052,408)

Notes: 1. In addition to the balances shown in the above table, there is an equivalent amount of deferred tax assets corresponding to tax losses carried forward of ¥309,682 million, ¥309,462 million and ¥281,403 million (\$2,339,764 thousand) as of March 31, 2013, 2014 and 2015, respectively.

Since the tax losses carried forward resulted from transactions among consolidated subsidiaries, the deferred tax assets in the above table and in the consolidated balance sheets exclude the equivalent amount of deferred tax assets.

2. MHFG and domestic subsidiaries are subject to a number of different income taxes.

- (2) For the fiscal years ended March 31, 2013, 2014 and 2015, the reconciliation of the statutory tax rate of MHFG to the effective income tax rate was as follows:

For the Fiscal Year ended March 31,	2013	2014	2015
Statutory Tax Rate	38.01%	38.01%	35.64%
Adjustments			
Change in Valuation Allowance	(24.38)	(11.72)	(3.83)
Permanent Differences (e.g., Cash Dividends Received)	(2.50)	(2.46)	(1.89)
Tax Rate Differences between the Consolidated Subsidiaries	(9.51)	(5.73)	(5.07)
Adjustment to reduce the amount of deferred tax assets at the end of period due to changes in tax rates	—	0.89	2.70
Other	6.46	2.83	3.24
Effective Income Tax Rate	8.06%	21.82%	30.79%

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- (3) The revision of the amount of deferred tax assets and deferred tax liabilities due to the change in tax rate of the corporate tax, etc:

For the fiscal year ended March 31, 2014

“Act on Partial Amendment to the Income Tax Act” (Act No. 10, 2014) was promulgated on March 31, 2014, and accordingly, Special Corporate Tax for Reconstruction has been abolished from the fiscal year beginning on or after April 1, 2014.

Due to this change, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the temporary differences, expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2014, has been revised from the previous rate of 38.01% to 35.64%.

As a result of this change in tax rate, Deferred Tax Assets decreased by ¥7,651 million, Net Unrealized Gains on Other Securities increased by ¥1,148 million, and Deferred Income Taxes increased by ¥8,773 million.

For the fiscal year ended March 31, 2015

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 9, 2015) and “Act on Partial Amendment to the Local Tax Act, etc.” (Act No. 2, 2015) were promulgated on March 31, 2015, and accordingly, the corporate tax rate and other rates have been lowered from the fiscal year beginning on or after April 1, 2015.

Due to this change, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities has been revised from the previous rate of 35.64%. The rate of 33.06% has been applied to the temporary differences, expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2015, while the rate of 32.26% has been applied to the temporary differences, expected to be either deductible, taxable, or expired in or after the fiscal year beginning on April 1, 2016.

In addition, due to the revision of the carry-forward system of the net operating losses, the amount of net operating losses that can be deducted has been limited to the equivalent of 65% of taxable income before such deductions from the fiscal year beginning on April 1, 2015 through the fiscal year beginning on April 1, 2016, while the amount of net operating losses that can be deducted has been limited to the equivalent of 50% of taxable income before such deductions in or after the fiscal year beginning on April 1, 2017.

As a result of the changes in tax rates and the carry-forward system of the losses, Deferred Tax Liabilities decreased by ¥51,997 million (\$432,342 thousand), Net Unrealized Gains on Other Securities increased by ¥70,180 million (\$583,522 thousand), Deferred Gains or Losses on Hedges increased by ¥872 million (\$7,256 thousand), Remeasurements of Defined Benefit Plans increased by ¥7,685 million (\$63,902 thousand), and Deferred Income Taxes increased by ¥26,739 million (\$222,326 thousand). Deferred Tax Liabilities for Revaluation Reserve for Land decreased by ¥7,531 million (\$62,622 thousand) and Revaluation Reserve for Land increased by the same amount.

28. Revaluation of Land

In accordance with the Land Revaluation Law (Proclamation No.34 dated March 31, 1998), land used for business operations of domestic consolidated banking subsidiaries was revalued. The applicable income taxes on the entire excess of revaluation are included in Deferred Tax Liabilities for Revaluation Reserve for Land under Liabilities, and the remainder, net of applicable income taxes, is stated as Revaluation Reserve for Land included in Net Assets.

Revaluation date: March 31, 1998

Revaluation method as stated in Article 3, Paragraph 3 of the above law: Land used for business operations was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Paragraph 4 of the Enforcement Ordinance relating to the Land Revaluation Law (Government Ordinance No.119 promulgated on March 31, 1998) with reasonable adjustments to compensate for sites with long depth and other factors, and also on the basis of the appraisal valuation stipulated in Paragraph 5.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The difference at the consolidated balance sheet date between the total fair value of land for business operation purposes, which has been revalued in accordance with Article 10 of the above-mentioned law, and the total book value of the land after such revaluation was ¥163,523 million, ¥156,731 million and ¥147,005 million (\$1,222,293 thousand) as of March 31, 2013, 2014 and 2015, respectively.

29. Common Stock and Preferred Stock

Common Stock and Preferred Stock at March 31, 2013, 2014 and 2015 were as follows:

Class of stock	As of March 31, 2013						
	Number of shares		Per share (Yen)				With Redemption or not
	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend	Liquidation value	Convertible or not	
Common Stock	48,000,000,000	24,164,864,477	¥ 3	¥ 3	¥ —	No	No
Eleventh Series Class XI Preferred Stock	1,369,512,000	914,752,000	10	10	1,000	Yes	No
Thirteenth Series Class XIII Preferred Stock	1,500,000,000	36,690,000	15	15	1,000	No	Yes

Notes: 1. Treasury Stock and stocks held by subsidiaries and affiliates are not excluded. The numbers are as follows:

- Common Stock 19,824 thousand shares
- Eleventh Series Class XI Preferred Stock 574,087 thousand shares
- 2. The common stock shareholders approved an amendment to the Articles of Incorporation accompanied by a decrease in authorized shares of Class XI preferred stock, Class XIII preferred stock and the total number of authorized shares, a deletion of the provisions regarding unissued Class XII preferred stock, and an issue of Class XIV preferred stock, Class XV preferred stock and Class XVI preferred stock at the 11th Ordinary General Meeting of Shareholders of MHFG held on June 25, 2013, and the preferred stock shareholders resolved the amendment at the general meeting held on June 27, 2013.

As a result of the amendment, each total number of authorized shares, effective on June 27, 2013, shall be as follows:

Common Stock	48,000,000 thousand shares
Eleventh Series Class XI Preferred Stock	914,752 thousand shares
Thirteenth Series Class XIII Preferred Stock	36,690 thousand shares
First Series Class XIV Preferred Stock	900,000 thousand shares
Second Series Class XIV Preferred Stock	900,000 thousand shares
Third Series Class XIV Preferred Stock	900,000 thousand shares
Fourth Series Class XIV Preferred Stock	900,000 thousand shares
First Series Class XV Preferred Stock	900,000 thousand shares
Second Series Class XV Preferred Stock	900,000 thousand shares
Third Series Class XV Preferred Stock	900,000 thousand shares
Fourth Series Class XV Preferred Stock	900,000 thousand shares
First Series Class XVI Preferred Stock	1,500,000 thousand shares
Second Series Class XVI Preferred Stock	1,500,000 thousand shares
Third Series Class XVI Preferred Stock	1,500,000 thousand shares
Fourth Series Class XVI Preferred Stock	1,500,000 thousand shares

The total number of shares of the First to Fourth Series Class XIV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XVI Preferred Stock, which are authorized to be issued, shall not exceed 1,500,000,000 in total.

- 3. All of the shares of the Thirteenth Series Class XIII Preferred Stock will be acquired on July 11, 2013 and, subject to the acquisition, will be cancelled.

Class of stock	As of March 31, 2014						
	Number of shares		Per share (Yen)				With Redemption or not
	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend	Liquidation value	Convertible or not	
Common Stock	48,000,000,000	24,263,885,187	¥ 3	¥3.5	¥ —	No	No
Eleventh Series Class XI Preferred Stock	914,752,000	914,752,000	10	10	1,000	Yes	No

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Notes: 1. Treasury Stock and stocks held by subsidiaries and affiliates are not excluded. The numbers are as follows:

Common Stock	10,637 thousand shares
Eleventh Series Class XI Preferred Stock	602,100 thousand shares

2. All of the shares of the Thirteenth Series Class XIII Preferred Stock were acquired and cancelled on July 11, 2013. Accordingly, the common stock shareholders approved an amendment to the Articles of Incorporation accompanied by a decrease in the total number of authorized shares and the total number of authorized shares of the Class XIII preferred stock at the Ordinary General Meeting of Shareholders of MHFG held on June 24, 2014.

As a result of the amendment, each total number of authorized shares, effective on the same day, shall be as follows:

Common Stock	48,000,000 thousand shares
Eleventh Series Class XI Preferred Stock	914,752 thousand shares
First Series Class XIV Preferred Stock	900,000 thousand shares
Second Series Class XIV Preferred Stock	900,000 thousand shares
Third Series Class XIV Preferred Stock	900,000 thousand shares
Fourth Series Class XIV Preferred Stock	900,000 thousand shares
First Series Class XV Preferred Stock	900,000 thousand shares
Second Series Class XV Preferred Stock	900,000 thousand shares
Third Series Class XV Preferred Stock	900,000 thousand shares
Fourth Series Class XV Preferred Stock	900,000 thousand shares
First Series Class XVI Preferred Stock	1,500,000 thousand shares
Second Series Class XVI Preferred Stock	1,500,000 thousand shares
Third Series Class XVI Preferred Stock	1,500,000 thousand shares
Fourth Series Class XVI Preferred Stock	1,500,000 thousand shares

The total number of shares of the First to Fourth Series Class XIV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XVI Preferred Stock, which are authorized to be issued, shall not exceed 1,500,000,000 in total.

Class of stock	As of March 31, 2015						
	Number of shares		Per share (Yen)				
	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend	Liquidation value	Convertible or not	With Redemption or not
Common Stock	48,000,000,000	24,621,897,967	¥3.5	¥ 4	¥ —	No	No
Eleventh Series Class XI Preferred Stock	914,752,000	914,752,000	10	10	1,000	Yes	No

Notes: 1. Treasury Stock and stocks held by subsidiaries and affiliates are not excluded. The numbers are as follows:

Common Stock	8,695 thousand shares
Eleventh Series Class XI Preferred Stock	701,631 thousand shares

2. Each total number of shares which are authorized to be issued is as follows:

First Series Class XIV Preferred Stock	900,000 thousand shares
Second Series Class XIV Preferred Stock	900,000 thousand shares
Third Series Class XIV Preferred Stock	900,000 thousand shares
Fourth Series Class XIV Preferred Stock	900,000 thousand shares
First Series Class XV Preferred Stock	900,000 thousand shares
Second Series Class XV Preferred Stock	900,000 thousand shares
Third Series Class XV Preferred Stock	900,000 thousand shares
Fourth Series Class XV Preferred Stock	900,000 thousand shares
First Series Class XVI Preferred Stock	1,500,000 thousand shares
Second Series Class XVI Preferred Stock	1,500,000 thousand shares
Third Series Class XVI Preferred Stock	1,500,000 thousand shares
Fourth Series Class XVI Preferred Stock	1,500,000 thousand shares

The total number of shares of the First to Fourth Series Class XIV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.

The total number of shares of the First to Fourth Series Class XVI Preferred Stock, which are authorized to be issued, shall not exceed 1,500,000,000 in total.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

30. Stock Options

(1) Total amount of stock options expensed were as follows:

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
General and administrative expenses	¥1,333	¥1,527	¥1,795	\$14,929
Total	¥1,333	¥1,527	¥1,795	\$14,929

(2) Outline of stock options and changes

For the fiscal year ended March 31, 2013

(i) Outline of stock options

As of March 31, 2013					
	First Series of Stock Acquisition Rights of MHFG		Second Series of Stock Acquisition Rights of MHFG		Third Series of Stock Acquisition Rights of MHFG
Number of grantees	Directors	4	Directors	4	Directors
	Executive Officers	4	Executive Officers	4	Executive Officers
	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG
	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG
Number of stock options*1	Common stock	5,409,000	Common stock	5,835,000	Common stock
Grant date	February 16, 2009		September 25, 2009		August 26, 2010
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK or MHCBC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK or MHCBC.				
Required service period	July 1, 2008 to March 31, 2009		April 1, 2009 to March 31, 2010		April 1, 2010 to March 31, 2011
Exercise period	February 17, 2009 to February 16, 2029		September 28, 2009 to September 25, 2029		August 27, 2010 to August 26, 2030
As of March 31, 2013					
	Fourth Series of Stock Acquisition Rights of MHFG			Fifth Series of Stock Acquisition Rights of MHFG	
Number of grantees	Directors	6	Directors	6	Directors
	Executive Officers	6	Executive Officers	6	Executive Officers
	Directors of subsidiaries of MHFG	26	Directors of subsidiaries of MHFG	26	Directors of subsidiaries of MHFG
	Executive Officers of subsidiaries of MHFG	130	Executive Officers of subsidiaries of MHFG	130	Executive Officers of subsidiaries of MHFG
Number of stock options*1	Common stock	12,452,000	Common stock		11,776,000
Grant date	December 8, 2011		August 31, 2012		
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK, MHCBC, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK, MHCBC, MHTB or MHSC.				
Required service period	April 1, 2011 to March 31, 2012		April 1, 2012 to March 31, 2013		
Exercise period	December 9, 2011 to December 8, 2031		September 3, 2012 to August 31, 2032		

*1: Shown in number of shares

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(ii) Size of stock options and changes

(a) Number of stock options (in shares)

For the Fiscal Year ended March 31, 2013					
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG
Non-vested					
As of March 31, 2012	951,000	1,940,000	3,834,000	12,232,000	—
Granted	—	—	—	—	11,776,000
Forfeited	—	—	—	—	39,000
Vested	303,000	566,000	1,382,000	4,780,000	529,000
Outstanding	648,000	1,374,000	2,452,000	7,452,000	11,208,000
Vested					
As of March 31, 2012	40,000	129,000	192,000	173,000	—
Vested	303,000	566,000	1,382,000	4,780,000	529,000
Exercised	303,000	631,000	1,493,000	4,737,000	201,000
Forfeited	—	—	—	—	—
Outstanding	40,000	64,000	81,000	216,000	328,000

Note: The above table is shown in number of shares.

(b) Price information

As of March 31, 2013					
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG
Exercise price	¥ 1 per share	¥ 1 per share	¥ 1 per share	¥1 per share	¥ 1 per share
Average stock price upon exercise	¥ 126.33	¥127.05	¥126.25	¥128.38	¥166.46
Fair value at grant date	¥190.91 per share	¥168.69 per share	¥119.52 per share	¥91.84 per share	¥113.25 per share

(iii) Calculation for fair value of stock options

The fair value of Fifth Series of Stock Acquisition Rights of MHFG granted in the fiscal year ended March 31, 2013 was calculated as follows:

- Calculation method: The Black-Scholes Model
- Assumptions used in calculation

	As of March 31, 2013 Fifth Series of Stock Acquisition Rights of MHFG
Volatility of stock price*1	29.299%
Estimated remaining outstanding period*2	2.42 years
Expected dividend*3	¥6 per share
Risk-free interest rate*4	0.100%

*1: Historical volatility calculated from MHFG stock prices over the 126 weeks ending on the business day (August 30, 2012) prior to the grant date, an interval equivalent to the estimated remaining outstanding period of 2.42 years.

*2: The average period of service of directors at MHFG.

*3: The expected dividend on common stock for the fiscal year ended March 31, 2013.

*4: Japanese government bond yield applicable to the estimated remaining outstanding period of the stock options.

(iv) Estimated number of stock options to be vested

Only the number of stock options actually forfeited is reflected because the number of stock options that will be forfeited in the future cannot be readily estimated.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

For the fiscal year ended March 31, 2014

(i) Outline of stock options

As of March 31, 2014						
First Series of Stock Acquisition Rights of MHFG			Second Series of Stock Acquisition Rights of MHFG			Third Series of Stock Acquisition Rights of MHFG
Number of grantees	Directors	4	Directors	4	Directors	4
	Executive Officers	4	Executive Officers	4	Executive Officers	4
	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG	12
	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG	71
Number of stock options ^{*1}	Common stock	5,409,000	Common stock	5,835,000	Common stock	6,808,000
Grant date	February 16, 2009		September 25, 2009		August 26, 2010	
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK or MHC B immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK or MHC B.					
Required service period	July 1, 2008 to March 31, 2009		April 1, 2009 to March 31, 2010		April 1, 2010 to March 31, 2011	
Exercise period	February 17, 2009 to February 16, 2029		September 28, 2009 to September 25, 2029		August 27, 2010 to August 26, 2030	

As of March 31, 2014						
Fourth Series of Stock Acquisition Rights of MHFG			Fifth Series of Stock Acquisition Rights of MHFG			Sixth Series of Stock Acquisition Rights of MHFG
Number of grantees	Directors	6	Directors	6	Directors	6
	Executive Officers	6	Executive Officers	11	Executive Officers	36
	Directors of subsidiaries of MHFG	26	Directors of subsidiaries of MHFG	23	Directors of subsidiaries of MHFG	22
	Executive Officers of subsidiaries of MHFG	130	Executive Officers of subsidiaries of MHFG	150	Executive Officers of subsidiaries of MHFG	134
Number of stock options ^{*1}	Common stock	12,452,000	Common stock	11,776,000	Common stock	7,932,000
Grant date	December 8, 2011		August 31, 2012		February 17, 2014	
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK, MHC B, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK, MHC B, MHTB or MHSC.			The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK, MHTB or MHSC.		
Required service period	April 1, 2011 to March 31, 2012		April 1, 2012 to March 31, 2013		April 1, 2013 to March 31, 2014	
Exercise period	December 9, 2011 to December 8, 2031		September 3, 2012 to August 31, 2032		February 18, 2014 to February 17, 2034	

*1: Shown in number of shares

(ii) Size of stock options and changes

(a) Number of stock options (in shares)

For the Fiscal Year ended March 31, 2014						
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG	Sixth Series of Stock Acquisition Rights of MHFG
Non-vested						
As of March 31, 2013	648,000	1,374,000	2,452,000	7,452,000	11,208,000	—
Granted	—	—	—	—	—	7,932,000
Forfeited	—	—	—	—	—	—
Vested	303,000	634,000	1,222,000	3,061,000	3,933,000	—
Outstanding	345,000	740,000	1,230,000	4,391,000	7,275,000	7,932,000
Vested						
As of March 31, 2013	40,000	64,000	81,000	216,000	328,000	—
Vested	303,000	634,000	1,222,000	3,061,000	3,933,000	—
Exercised	261,000	519,000	1,076,000	3,195,000	4,201,000	—
Forfeited	—	—	—	—	—	—
Outstanding	82,000	179,000	227,000	82,000	60,000	—

Note: The above table is shown in number of shares.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(b) Price information

As of March 31, 2014						
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG	Sixth Series of Stock Acquisition Rights of MHFG
Exercise price	¥ 1 per share	¥ 1 per share	¥ 1 per share	¥ 1 per share	¥ 1 per share	¥ 1 per share
Average stock price upon exercise	¥ 214.08	¥ 213.78	¥ 213.63	¥ 212.06	¥ 212.27	¥—
Fair value at grant date	¥190.91 per share	¥168.69 per share	¥119.52 per share	¥91.84 per share	¥113.25 per share	¥192.61 per share

(iii) Calculation for fair value of stock options

The fair value of Sixth Series of Stock Acquisition Rights of MHFG granted in the fiscal year ended March 31, 2014 was calculated as follows:

- Calculation method: The Black-Scholes Model
- Assumptions used in calculation

	As of March 31, 2014 Sixth Series of Stock Acquisition Rights of MHFG
Volatility of stock price*1	28.156%
Estimated remaining outstanding period*2	2.46 years
Expected dividend*3	¥ 6.5 per share
Risk-free interest rate*4	0.081%

*1: Historical volatility calculated from MHFG stock prices over the 128 weeks ending on the business day (February 14, 2014) prior to the grant date, an interval equivalent to the estimated remaining outstanding period of 2.46 years.

*2: The average period of service of directors at MHFG.

*3: The expected dividend on common stock for the fiscal year ended March 31, 2014.

*4: Japanese government bond yield applicable to the estimated remaining outstanding period of the stock options.

(iv) Estimated number of stock options to be vested

Only the number of stock options actually forfeited is reflected because the number of stock options that will be forfeited in the future cannot be readily estimated.

For the fiscal year ended March 31, 2015

(i) Outline of stock options

As of March 31, 2015						
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG			
Number of grantees	Directors	4	Directors	4	Directors	4
	Executive Officers	4	Executive Officers	4	Executive Officers	4
	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG	14	Directors of subsidiaries of MHFG	12
	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG	71	Executive Officers of subsidiaries of MHFG	71
Number of stock options*1 . .	Common stock	5,409,000	Common stock	5,835,000	Common stock	6,808,000
Grant date	February 16, 2009	September 25, 2009	August 26, 2010			
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK or MHCB immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK or MHCB.					
Required service period	July 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011			
Exercise period	February 17, 2009 to February 16, 2029	September 28, 2009 to September 25, 2029	August 27, 2010 to August 26, 2030			

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015						
	Fourth Series of Stock Acquisition Rights of MHFG		Fifth Series of Stock Acquisition Rights of MHFG		Sixth Series of Stock Acquisition Rights of MHFG	
Number of grantees	Directors	6	Directors	6	Directors	6
	Executive Officers	6	Executive Officers	11	Executive Officers	36
	Directors of subsidiaries of MHFG	26	Directors of subsidiaries of MHFG	23	Directors of subsidiaries of MHFG	22
	Executive Officers of subsidiaries of MHFG	130	Executive Officers of subsidiaries of MHFG	150	Executive Officers of subsidiaries of MHFG	134
Number of stock options* ¹	Common stock	12,452,000	Common stock	11,776,000	Common stock	7,932,000
Grant date	December 8, 2011		August 31, 2012		February 17, 2014	
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK, MHCBC, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK, MHCBC, MHTB or MHSC.			The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director or an Executive Officer of MHFG, MHBK, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director or an Executive Officer of MHFG, MHBK, MHTB or MHSC.		
Required service period	April 1, 2011 to March 31, 2012		April 1, 2012 to March 31, 2013		April 1, 2013 to March 31, 2014	
Exercise period	December 9, 2011 to December 8, 2031		September 3, 2012 to August 31, 2032		February 18, 2014 to February 17, 2034	

As of March 31, 2015		
Seventh Series of Stock Acquisition Rights of MHFG		
Number of grantees	Directors	2
	Executive Officers as defined in the Companies Act	12
	Executive Officers as defined in our internal regulations	37
	Directors of subsidiaries of MHFG	32
	Executive Officers of subsidiaries of MHFG	113
Number of stock options*1	Common stock	9,602,000
Grant date	December 1, 2014	
Condition for vesting	The grantee may exercise the Stock Acquisition Rights which have been allotted based on his or her capacity as a Director, an Executive Officer as defined in Companies Act or an Executive Officer as defined in our internal regulations of MHFG, MHBK, MHTB or MHSC immediately following the date on which such grantee loses the status as a Director, an Executive Officer as defined in Companies Act or an Executive Officer as defined in our internal regulations of MHFG, MHBK, MHTB or MHSC.	
Required service period	April 1, 2014 to March 31, 2015	
Exercise period	December 2, 2014 to December 1, 2034	

*1: Shown in number of shares

(ii) Size of stock options and changes

(a) Number of stock options (in shares)

For the Fiscal Year ended March 31, 2015							
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG	Sixth Series of Stock Acquisition Rights of MHFG	Seventh Series of Stock Acquisition Rights of MHFG
Non-vested							
As of March 31, 2014 . . .	345,000	740,000	1,230,000	4,391,000	7,275,000	7,932,000	—
Granted	—	—	—	—	—	—	9,602,000
Forfeited	—	—	—	—	—	—	—
Vested	181,000	292,000	425,000	1,549,000	2,435,000	2,675,000	—
Outstanding	164,000	448,000	805,000	2,842,000	4,840,000	5,257,000	9,602,000
Vested							
As of March 31, 2014 . . .	82,000	179,000	227,000	82,000	60,000	—	—
Vested	181,000	292,000	425,000	1,549,000	2,435,000	2,675,000	—
Exercised	263,000	471,000	652,000	1,631,000	2,495,000	2,675,000	—
Forfeited	—	—	—	—	—	—	—
Outstanding	—	—	—	—	—	—	—

Note: The above table is shown in number of shares.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(b) Price information

	As of March 31, 2015						
	First Series of Stock Acquisition Rights of MHFG	Second Series of Stock Acquisition Rights of MHFG	Third Series of Stock Acquisition Rights of MHFG	Fourth Series of Stock Acquisition Rights of MHFG	Fifth Series of Stock Acquisition Rights of MHFG	Sixth Series of Stock Acquisition Rights of MHFG	Seventh Series of Stock Acquisition Rights of MHFG
Exercise price . . .	¥1 per share	¥1 per share	¥1 per share	¥1 per share	¥1 per share	¥ 1 per share	¥ 1 per share
Average stock price upon exercise	¥ 204.31	¥ 204.38	¥ 204.34	¥ 204.08	¥ 203.81	¥ 203.94	—
Fair value at grant date	¥ 190.91	¥ 168.69	¥ 119.52	¥ 91.84	¥ 113.25	¥ 192.61	¥ 186.99
	per share	per share	per share	per share	per share	per share	per share

(iii) Calculation for fair value of stock options

The fair value of Seventh Series of Stock Acquisition Rights of MHFG granted in the fiscal year ended March 31, 2015 was calculated as follows:

- Calculation method: The Black-Scholes Model
- Assumptions used in calculation

	As of March 31, 2015 Seventh Series of Stock Acquisition Rights of MHFG
Volatility of stock price*1	25.905%
Estimated remaining outstanding period*2	2.46years
Expected dividend*3	¥ 7 per share
Risk-free interest rate*4	0.011%

*1: Historical volatility calculated from MHFG stock prices over the 128 weeks ending on the business day (November 28, 2014) prior to the grant date, an interval equivalent to the estimated remaining outstanding period of 2.46 years.

*2: The average period of service of directors at MHFG.

*3: The expected dividend on common stock for the fiscal year ended March 31, 2015.

*4: Japanese government bond yield applicable to the estimated remaining outstanding period of the stock options.

(iv) Estimated number of stock options to be vested

Only the number of stock options actually forfeited is reflected because the number of stock options that will be forfeited in the future cannot be readily estimated.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

31. Interest Income and Interest Expenses

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Interest Income:				
Loans and Bills Discounted	¥ 917,263	¥ 920,295	¥ 931,883	\$ 7,748,263
Securities	323,901	324,340	351,801	2,925,093
Call Loans and Bills Purchased	5,548	6,013	7,611	63,287
Due from Banks	21,527	35,771	50,093	416,513
Receivables under Resale Agreements	52,394	29,602	27,995	232,769
Guarantee Deposits Paid under Securities				
Borrowing Transactions	10,647	7,664	7,096	59,001
Other Interest Income	90,326	93,880	92,495	769,065
Total	¥1,421,609	¥1,417,569	¥1,468,976	\$12,213,991
Interest Expenses:				
Deposits	¥ 129,167	¥ 133,876	¥ 153,654	\$ 1,277,583
Call Money and Bills Sold	7,865	7,731	7,609	63,273
Payables under Repurchase Agreements	53,667	27,947	30,537	253,904
Guarantee Deposits Received under Securities				
Lending Transactions	19,065	9,860	7,549	62,771
Commercial Paper	1,676	1,826	1,682	13,989
Borrowed Money	29,796	26,527	19,287	160,371
Other Interest Expenses	104,471	101,497	119,222	991,286
Total	¥ 345,710	¥ 309,266	¥ 339,543	\$ 2,823,177
Net	¥1,075,898	¥1,108,303	¥1,129,433	\$ 9,390,814

32. Trading Income and Trading Expenses

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Trading Income:				
Net Gains on Trading Securities	¥166,122	¥137,351	¥149,251	\$1,240,971
Net Gains on Derivatives for Trading Transactions	48,911	51,668	113,711	945,470
Total	¥215,033	¥189,020	¥262,963	\$2,186,441
Trading Expenses:				
Net Losses on Trading Securities	—	1,598	—	—
Total	¥ —	¥ 1,598	¥ —	\$ —
Net	¥215,033	¥187,421	¥262,963	\$2,186,441

33. Other Operating Income

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Gains on Foreign Exchange Transactions	¥ 89,999	¥ 74,672	¥ 99,447	\$ 826,872
Gains on Sales of Bonds	272,945	118,865	175,364	1,458,093
Other	50,212	61,883	90,452	752,076
Total	¥413,157	¥255,422	¥365,264	\$3,037,041

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

34. Other Operating Expenses

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Losses on Sales of Bonds	¥43,329	¥ 72,070	¥ 97,058	\$ 807,006
Expenses on Derivatives other than for Trading or Hedging	4,145	6,466	10,062	83,663
Losses on Devaluation of Bonds	8,117	9,717	1,438	11,961
Other	32,666	40,392	47,365	393,823
Total	¥88,258	¥128,647	¥155,924	\$1,296,453

35. Other Income

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Gains on Sales of Stock	¥ 86,256	¥ 87,477	¥152,029	\$1,264,069
Recovery on Written-off Loans	26,914	25,160	16,862	140,209
Reversal of Reserves for Possible Losses on Loans	—	103,690	73,301	609,473
Gains on Disposition of Fixed Assets	1,032	428	615	5,115
Other	83,860	127,517	58,843	489,265
Total	¥198,063	¥344,275	¥301,652	\$2,508,131

36. Other Expenses

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Write-offs of Loans	¥ 49,747	¥ 22,431	¥ 84,504	\$ 702,624
Losses on Disposition of Fixed Assets	7,263	6,929	9,156	76,136
Losses on Impairment of Fixed Assets	11,912	6,506	11,358	94,446
Other	338,376	100,094	102,126	849,145
Total	¥407,299	¥135,962	¥207,147	\$1,722,351

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

37. Comprehensive Income

Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

For the Fiscal Years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Net Unrealized Gains on Other Securities:				
The amount arising during the period	¥ 937,087	¥ 314,090	¥1,630,152	\$13,554,108
Reclassification adjustments	(150,860)	(130,934)	(241,126)	(2,004,875)
Before adjustments to tax effects	786,226	183,156	1,389,026	11,549,233
The amount of tax effects	(210,295)	(48,132)	(384,178)	(3,194,298)
Net Unrealized Gains on Other Securities	575,930	135,024	1,004,848	8,354,935
Deferred Gains or Losses on Hedges:				
The amount arising during the period	61,966	(97,898)	80,563	669,858
Reclassification adjustments	(34,697)	(36,274)	(30,961)	(257,436)
Adjustment to acquisition cost of assets	—	(8,217)	—	—
Before adjustments to tax effects	27,269	(142,390)	49,602	412,422
The amount of tax effects	(9,915)	50,771	(16,349)	(135,941)
Deferred Gains or Losses on Hedges	17,353	(91,618)	33,252	276,481
Revaluation Reserve for Land:				
The amount arising during the period	—	—	—	—
Reclassification adjustments	—	—	—	—
Before adjustments to tax effects	—	—	—	—
The amount of tax effects	(41)	3	7,531	62,621
Revaluation Reserve for Land	(41)	3	7,531	62,621
Foreign Currency Translation Adjustments:				
The amount arising during the period	4,731	15,979	13,108	108,995
Reclassification Adjustments	—	—	2,035	16,926
Before adjustments to tax effects	4,731	15,979	15,144	125,921
The amount of tax effects	—	—	—	—
Foreign Currency Translation Adjustments	4,731	15,979	15,144	125,921
Remeasurements of Defined Benefit Plans:				
The amount arising during the period	—	—	249,665	2,075,872
Reclassification Adjustments	—	—	22,548	187,480
Before adjustments to tax effects	—	—	272,213	2,263,352
The amount of tax effects	—	—	(89,104)	(740,872)
Remeasurements of Defined Benefit Plans	—	—	183,108	1,522,480
Share of Other Comprehensive Income of Associates				
Accounted for Using Equity Method:				
The amount arising during the period	12,864	3,142	11,548	96,020
The total amount of Other Comprehensive Income	¥ 610,839	¥ 62,531	¥1,255,433	\$10,438,458

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

38. Changes in Net Assets

For the fiscal year ended March 31, 2013

(i) Types and number of issued shares and of treasury stock are as follows:

	As of April 1, 2012	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2013	Remarks
	Thousands of Shares				
Issued shares					
Common stock	24,048,165	116,698	—	24,164,864	*1
Eleventh Series Class XI Preferred Stock	914,752	—	—	914,752	
Thirteenth Series Class XIII Preferred Stock	36,690	—	—	36,690	
Total	24,999,607	116,698	—	25,116,306	
Treasury stock					
Common stock	37,046	2,644	17,562	22,128	*2
Eleventh Series Class XI Preferred Stock	541,073	33,014	—	574,087	*3
Total	578,120	35,658	17,562	596,216	

*1 Increases are due to request for acquisition (conversion) of preferred stock.

*2 Increases are due to repurchase of shares constituting less than one unit and other factors. Decreases are due to disposition of shares held by a subsidiary (9,256 thousand shares), exercise of stock acquisition rights (stock option) (7,365 thousand shares), and repurchase of shares constituting less than one unit (940 thousand shares).

*3 Increases are due to request for acquisition (conversion) of preferred stock.

(ii) Stock acquisition rights and treasury stock acquisition rights are as follows:

Category	Breakdown of stock acquisition rights	Class of shares to be issued or transferred upon exercise of stock acquisition rights	Number of shares to be issued or transferred upon exercise of stock acquisition rights (Shares)				Balance as of March 31, 2013 (Millions of yen)	Remarks
			As of April 1, 2012	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2013		
MHFG	Stock acquisition rights	—	—	—	—	—	¥ —	
	(Treasury stock acquisition rights) . .		(—)	(—)	(—)	(—)	(—)	
	Stock acquisition rights as stock option			—			2,687	
Consolidated subsidiaries				—			—	
(Treasury stock acquisition rights)							(—)	
Total				—			¥2,687	
							(—)	

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(iii) Cash dividends distributed by MHFG are as follows (non-consolidated basis):

Cash dividends paid during the fiscal year ended March 31, 2013

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 26, 2012	Common Stock	¥ 72,063	¥ 3	March 31, 2012	
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,736	10	March 31, 2012	June 26, 2012
	Thirteenth Series Class XIII Preferred Stock	550	15	March 31, 2012	
November 14, 2012	Common Stock	¥ 72,107	¥ 3	September 30, 2012	
(The Board of Directors)	Eleventh Series Class XI Preferred Stock	3,714	10	September 30, 2012	December 7, 2012
	Thirteenth Series Class XIII Preferred Stock	550	15	September 30, 2012	
Total		¥152,722	/		

Cash dividends with record dates falling in the fiscal year ended March 31, 2013 and effective dates coming after the end of the fiscal year

Resolution	Types	Cash Dividends (Millions of yen)	Resource of Dividends	Cash Dividends per Share (Yen)	Record Date	Effective Date
June 25, 2013	Common Stock	¥72,435	Retained Earnings	¥ 3	March 31, 2013	
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,406	Retained Earnings	10	March 31, 2013	June 25, 2013
	Thirteenth Series Class XIII Preferred Stock	550	Retained Earnings	15	March 31, 2013	
Total		¥76,392		/		

For the fiscal year ended March 31, 2014

(i) Types and number of issued shares and of treasury stock are as follows:

	As of April 1, 2013	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2014	Remarks
Thousands of Shares					
Issued shares					
Common stock	24,164,864	99,020	—	24,263,885	*1
Eleventh Series Class XI Preferred Stock	914,752	—	—	914,752	
Thirteenth Series Class XIII Preferred Stock	36,690	—	36,690	—	*2
Total	25,116,306	99,020	36,690	25,178,637	
Treasury stock					
Common stock	22,128	1,472	9,783	13,817	*3
Eleventh Series Class XI Preferred Stock	574,087	28,012	—	602,100	*4
Thirteenth Series Class XIII Preferred Stock	—	36,690	36,690	—	*5
Total	596,216	66,175	46,473	615,918	

*1 Increases are due to request for acquisition (conversion) of preferred stock.

*2 Decreases are due to cancellation of treasury stock (preferred stock).

*3 Increases are due to repurchase of shares constituting less than one unit and other factors. Decreases are due to exercise of stock acquisition rights (stock option) (9,252 thousand shares) and repurchase of shares constituting less than one unit and other factors (531 thousand shares).

*4 Increases are due to request for acquisition (conversion) of preferred stock.

*5 Increases and decreases are due to repurchase and cancellation of treasury stock (preferred stock).

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(ii) Stock acquisition rights and treasury stock acquisition rights are as follows:

Category	Breakdown of stock acquisition rights	Class of shares to be issued or transferred upon exercise of stock acquisition rights	Number of shares to be issued or transferred upon exercise of stock acquisition rights (Shares)				Balance as of March 31, 2014 (Millions of yen)	Balance as of March 31, 2014 (Thousands of U.S. dollars)	Remarks
			As of April 1, 2013	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2014			
MHFG	Stock acquisition rights	—	—	—	—	—	¥ —	\$ —	
	(Treasury stock acquisition rights)		(—)	(—)	(—)	(—)	(—)	(—)	
	Stock acquisition rights as stock option			—			3,179	30,897	
	Consolidated subsidiaries			—			—	—	
	(Treasury stock acquisition rights)						(—)	(—)	
	Total			—			¥3,179	\$30,897	
							(—)	(—)	

(iii) Cash dividends distributed by MHFG are as follows (non-consolidated basis):

Cash dividends paid during the fiscal year ended March 31, 2014

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends (Thousand of U.S. dollars)	Cash Dividends per Share (Yen)	Cash Dividends per Share (U.S. dollars)	Record Date	Effective Date
June 25, 2013	Common Stock	¥ 72,435	\$ 703,800	¥ 3	\$0.03	March 31, 2013	
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,406	33,100	10	0.10	March 31, 2013	June 25, 2013
	Thirteenth Series Class XIII Preferred Stock	550	5,348	15	0.15	March 31, 2013	
November 14, 2013 . . .	Common Stock	¥ 72,562	\$ 705,036	¥ 3	\$0.03	September 30, 2013	December 6, 2013
(The Board of Directors)	Eleventh Series Class XI Preferred Stock	3,310	32,168	10	0.10	September 30, 2013	
	Total	¥152,265	\$1,479,452	/	/		

Cash dividends with record dates falling in the fiscal year ended March 31, 2014 and effective dates coming after the end of the fiscal year

Resolution	Type	Cash Dividends (Millions of yen)	Cash Dividends (Thousand of U.S. dollars)	Resource of Dividends	Cash Dividends per Share (Yen)	Cash Dividends per Share (U.S. dollars)	Record Date	Effective Date
June 24, 2014	Common Stock	¥84,886	\$824,780	Retained Earnings	¥3.5	\$0.03	March 31, 2014	June 24, 2014
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,126	30,378	Retained Earnings	10	0.10	March 31, 2014	
	Total	¥88,012	\$855,158		/	/		

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

For the fiscal year ended March 31, 2015

(i) Types and number of issued shares and of treasury stock are as follows:

	As of April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2015	Remarks
Thousands of Shares					
Issued shares					
Common stock	24,263,885	358,012	—	24,621,897	*1
Eleventh Series Class XI Preferred Stock	914,752	—	—	914,752	
Total	25,178,637	358,012	—	25,536,649	
Treasury stock					
Common stock	13,817	1,235	3,404	11,649	*2
Eleventh Series Class XI Preferred Stock	602,100	99,530	—	701,631	*3
Total	615,918	100,766	3,404	713,280	

*1 Increases are due to request for acquisition (conversion) of preferred stock (351,822 thousand shares) and exercise of stock acquisition rights (stock option) (6,190 thousand shares).

*2 Increases are due to repurchase of shares constituting less than one unit and other factors. Decreases are due to exercise of stock acquisition rights (stock option) (1,997 thousand shares) and repurchase of shares constituting less than one unit and other factors (1,407 thousand shares).

*3 Increases are due to request for acquisition (conversion) of preferred stock.

(ii) Stock acquisition rights and treasury stock acquisition rights are as follows:

Category	Breakdown of stock acquisition rights	Class of shares to be issued or transferred upon exercise of stock acquisition rights	Number of shares to be issued or transferred upon exercise of stock acquisition rights (Shares)				Balance as of March 31, 2015 (Millions of yen)	Balance as of March 31, 2015 (Thousands of U.S.dollars)	Remarks
			As of April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2015			
MHFG	Stock acquisition rights	—	—	—	—	—	¥ —	\$ —	
	(Treasury stock acquisition rights)		(—)	(—)	(—)	(—)	(—)	(—)	
	Stock acquisition rights as stock option			—			3,820	31,764	
Consolidated subsidiaries				—			—	—	
	(Treasury stock acquisition rights)			—			(—)	(—)	
Total				—			¥3,820	\$31,764	
							(—)	(—)	

(iii) Cash dividends distributed by MHFG are as follows (non-consolidated basis):

Cash dividends paid during the fiscal year ended March 31, 2015

Resolution	Type	Cash Dividends (Millions of yen)	Cash Dividends (Thousand of U.S. dollars)	Cash Dividends per Share (Yen)	Cash Dividends per Share (U.S. dollars)	Record Date	Effective Date
June 24, 2014	Common Stock	¥ 84,886	\$ 705,798	¥3.5	\$0.03	March 31, 2014	June 24, 2014
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,126	25,996	10	0.08	March 31, 2014	
November 14, 2014	Common Stock	¥ 85,344	\$ 709,611	¥3.5	\$0.03	September 30, 2014	December 5, 2014
(The Board of Directors)	Eleventh Series Class XI Preferred Stock	2,778	23,106	10	0.08	September 30, 2014	
Total		¥176,136	\$1,464,511	/	/		

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Cash dividends with record dates falling in the fiscal year ended March 31, 2015 and effective dates coming after the end of the fiscal year

Resolution	Type	Cash Dividends (Millions of yen)	Cash Dividends (Thousand of U.S. dollars)	Resource of Dividends	Cash Dividends per Share (Yen)	Cash Dividends per Share (U.S. dollars)	Record Date	Effective Date
May 15, 2015	Common Stock	¥ 98,452	\$818,598	Retained Earnings	¥ 4	\$0.03	March 31, 2015	June 4, 2015
(The Board of Directors)	Eleventh Series Class XI	2,131	17,720	Retained Earnings	10	0.08	March 31, 2015	
	Preferred Stock							
Total		<u><u>¥100,584</u></u>	<u><u>\$836,318</u></u>		<u><u>/</u></u>	<u><u>/</u></u>		

39. Cash Flows

Cash and Cash Equivalents on the consolidated statements of cash flows reconciles to Cash and Due from Banks on the consolidated balance sheets as follows:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Cash and Due from Banks	¥12,333,997	¥20,610,276	¥29,096,166	\$241,923,727
Less: Due from Banks excluding due from Central Banks	(986,459)	(1,177,851)	(1,255,391)	(10,438,106)
Cash and Cash Equivalents	<u><u>¥11,347,537</u></u>	<u><u>¥19,432,425</u></u>	<u><u>¥27,840,775</u></u>	<u><u>\$231,485,621</u></u>

40. Lease Transactions

Finance Leases (Lessees)

Finance lease transactions that do not transfer ownership:

(1) Lease Assets:

- Tangible fixed assets: mainly equipment
- Intangible fixed assets: software

(2) The method for computing the amount of depreciation is described in “5. Standards of Accounting Method (8) Lease Assets.”

Operating Leases

The future lease payments subsequent to the end of the fiscal year for noncancelable operating lease transactions are summarized as follows:

Lessees:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Due in One Year or Less	¥ 43,129	¥ 48,233	¥ 48,614	\$ 404,210
Due after One Year	73,374	211,167	201,780	1,677,730
Total	<u><u>¥116,503</u></u>	<u><u>¥259,401</u></u>	<u><u>¥250,394</u></u>	<u><u>\$2,081,940</u></u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Lessors:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Due in One Year or Less	¥ 822	¥ 820	¥ 779	\$ 6,484
Due after One Year	4,260	4,447	4,350	36,172
Total	<u>¥5,082</u>	<u>¥5,267</u>	<u>¥5,130</u>	<u>\$42,656</u>

41. Financial Instruments

1. Matters Relating to the Conditions of Financial Instruments

(1) Policy on Financial Instruments

Mizuho Financial Group (MHFG), which primarily engages in banking business, incurs financial liabilities such as customer deposits and market deposits on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engages in trading business for certain financial products. Some majority-owned consolidated subsidiaries and other subsidiaries conduct securities business and other financial business.

For above funding and investment business, MHFG appropriately manages risks of each financial instrument and carefully watches term-gaps and other risk factors.

(2) Contents and Risk of Financial Products

The main financial assets of the Mizuho group consist of loans to customers and securities such as Japanese stocks and government bonds. The Group holds these securities for the purpose of reserves for deposit payments reserves and as investments. These financial assets are subject to various types of risk that may be incurred by the Group due to a decline in, or total loss of, the value of assets, as a result of deterioration in a counterparty's and an issuer's financial position ("credit risk"), or incurred by the Group due to fluctuations in interest rates, stock prices and foreign exchange rates and so on ("market risk").

The main financing source of the Mizuho group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses ("liquidity risk") arising from funding difficulties due to market disruption or a deterioration in our financial position that makes it difficult for us to raise the necessary funds or that forces us to raise funds at significantly higher interest rates than usual.

In addition, the Mizuho group uses derivative financial products to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management ("ALM"). The Group primarily utilizes the portfolio hedge by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative products like interest rate swaps are used as hedging methods for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these products, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure whether the derivative financial products effectively work in order to offset the exposure to changes in fair value and variable cash flows from hedged items. It should be noted that the Mizuho group uses derivative financial products for trading purposes and so on as well.

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of financial assets and liabilities of the Mizuho group, exposing the Group to various risks, including credit risk, liquidity risk and other risks.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(3) Risk Management for Financial Products

(a) Commitment to Risk Management

We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures.

We maintain basic policies for risk management established by our board of directors that are applicable to the entire Mizuho group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system.

(b) General Concept of Risk Management

We classify our risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manage each type of risk according to its characteristics.

In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

More specifically, we allocate risk capital to our principal banking subsidiaries, including their respective subsidiaries, and other core group companies to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed shareholders' equity and other measures of financial strength. To ensure the ongoing financial health of Mizuho Financial Group, our principal banking subsidiaries and other core group companies, we regularly monitor the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the board of directors and other committees of each company.

(c) Credit Risk Management

The board of directors of Mizuho Financial Group determines basic matters pertaining to credit risk management. In addition, we have established the Portfolio Management Committee as one of its business policy committees. This committee broadly discusses and coordinates basic policy in connection with credit risk management and matters in connection with overall credit portfolio management and credit risk monitoring for the Mizuho group. Under the control of the Chief Risk Officer of Mizuho Financial Group, the Risk Management Division and the Credit Risk Management Division jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

We have adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is "credit portfolio management," in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risk and respond appropriately.

We use statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VAR"). The difference between expected loss and credit VAR is measured as the credit risk amount ("unexpected loss"). We recognize two types of risk arising from allowing unexpected loss to become too large. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain areas, industrial sectors and other groupings. We manage these risks appropriately in line with our specific guidelines for each.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The board of directors of each of our principal banking subsidiaries and other core group companies determines key matters pertaining to credit risk in line with basic policies set forth by Mizuho Financial Group. Their respective business policy committees are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors.

The Chief Risk Officer of each principal banking subsidiary and core group company is responsible for matters relating to planning and implementing credit risk management. The credit risk management division of each principal banking subsidiary is responsible for planning and administering credit risk management and conducting credit risk measuring and monitoring. Each credit division determines policies and approves/disapproves individual transactions regarding review and management of and collection from customers in accordance with the lines of authority set forth by each principal banking subsidiary. In addition, each of our principal banking subsidiaries has also established internal audit divisions that are independent of the business divisions in order to ensure appropriate credit risk management.

(d) Market Risk Management

The board of directors of Mizuho Financial Group determines basic matters pertaining to market risk management policies. In addition, we have established the ALM & market risk management committee as one of its business policy committees. The committee broadly discusses and coordinates matters relating to basic asset and liability management policies risk planning and market risk management and proposes responses to emergencies such as sudden market changes.

The Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to market risk management planning and operations. The Risk Management Division of Mizuho Financial Group is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the division assesses and manages the overall market risk of the Mizuho group as a whole and keeps track of the market risk situation of our principal banking subsidiaries and other core group companies. The division also submits reports to the President & CEO on a daily basis and to our board of directors and the executive management committee of Mizuho Financial Group on a regular basis.

To manage market risk, we set limits that correspond to risk capital allocations. The amount of risk capital allocated to market risk corresponds to VAR and additional costs that may arise in order to close relevant positions. For trading and banking activities, we set limits for VAR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

Our principal banking subsidiaries and certain other core group companies have formulated their basic policies in line with the basic policies determined by Mizuho Financial Group. Their boards of directors determine important matters relating to market risk management while their Chief Executive Officers are responsible for controlling market risk. Based on a common Mizuho group risk capital allocation framework, the above-mentioned companies manage market risk by setting limits according to the risk capital allocated to market risk by Mizuho Financial Group.

Our principal banking subsidiaries and certain other core group companies have the same market risk management structure as the Mizuho Financial Group, such as their business policy committees being responsible for overall discussion and coordination of the market risk management, including their ALM & market risk management committees.

In addition, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their back offices, which are responsible for book entries and settlements. This system enables them to achieve mutual checks and control over market operations.

When VAR is not adequate to control risk, the middle offices manage risk using additional risk indices such as 10 BPV (Basis Point Value), carry out stress tests and set stop loss limits as needed.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(e) Situation of Market Risk

i. Overview of Banking Activities

The following table shows the VAR figures relating to our banking activities for the fiscal years indicated:

For the Fiscal Years ended March 31,	Billions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
As of fiscal year end	¥215.9	¥281.7	¥325.6	\$2,707,355
Maximum	297.9	300.7	349.0	2,902,266
Minimum	213.3	186.8	265.0	2,204,112
Average	246.3	253.5	307.9	2,560,870

[Definition of Banking business]

The following transactions are categorized as banking business, with trading business and strategically-held equity being categorized separately.

(1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.

(2) Equity (excluding strategically-held equity), bonds, investment trusts, etc. and hedges against related market risk.

The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.

Banking business VAR used to calculate Market Risk Equivalent is based on the following:

- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk;
- VAR : the total amount of linear risk and non-linear risk;
- confidence interval: one-tailed 99%;
- holding period of one month; and
- historical observation period of one year.

ii. Trading Business

The following table shows VAR figures of our trading activities for the fiscal years indicated :

For the Fiscal Years ended March 31,	Billions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
As of fiscal year end	¥3.5	¥5.4	¥6.5	\$54,715
Maximum	4.6	7.4	7.1	59,229
Minimum	2.6	3.3	3.1	26,248
Average	3.4	5.7	4.4	37,234

[Definition of trading activities]

(1) Transactions held for the purpose of short-term resale.

(2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.

(3) Deals that have both aspects of (1) and (2) above.

(4) Deals held for broking business or market making business.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Trading business VAR used to calculate Market Risk Equivalent is based on the following:

- variance co-variance model for linear risk and Monte-Carlo simulation for non-linear risk;
- VAR: the total amount of linear risk and non-linear risk;
- confidence interval: one-tailed 99%;
- holding period of one trading day; and
- historical observation period of one year.

iii. Strategic Equity Holding

We make the same market risk management based on VAR and risk indices for strategic equity holding portfolio as banking business and trading business.

The risk index of the strategic equity holding portfolio (sensitivity of the portfolio to a 1% change in TOPIX index) is set as ¥28.0 billion, ¥30.0 billion and ¥37.4 billion (\$310,963 thousand) for the fiscal years ended March 31, 2013, 2014 and 2015, respectively.

iv. Risk management using VAR

VAR is a commonly used market risk management technique with statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VAR model has the following shortcomings:

- VAR estimates could differ by assumptions of holding period, confidence interval level and approaches for the measurement.
- VAR which is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VAR might underestimate the probability of extreme market movements when the market gets inactive as VAR assumes sales of holding portfolio and hedges in the market during the holding period for the calculation.
- The use of a 99% confidence level does not take account of, nor makes any statement about, any losses that might occur beyond this confidence level.

The variance co-variance model used as the measurement technique of VAR assumes that change in a market movement follows a normal distribution. Therefore, the model might underestimate the risk under the circumstance that the market is likely to move extremely beyond the assumption. The model might also underestimate the risk when the normal correlation assumption between interest rate and share price collapses under the circumstances when a rise in the interest rate and a deterioration of share price happen simultaneously.

We check the validity of the market risk measurement made by VAR approach periodically by the back-test which compares VAR with actual profit and loss. In addition to VAR, we make a wide variety of management and controls such as risk indices monitoring, implementation of stress tests, loss limit monitoring in order to make strict risk management by capturing carefully all risks, including what VAR approach is not able to cover.

(f) Liquidity Risk Management

Our liquidity risk management structure is generally the same as the market risk management structure described above (“Item (d) Market Risk Management”). However, the head of the Financial Control & Accounting Group of Mizuho Financial Group is additionally responsible for matters relating to planning and running cash flow management operations, while the Financial Planning Division is responsible for monitoring and adjusting the cash flow management situation and for planning and implementing cash flow management. Reports on the cash flow situation are submitted to the ALM & market risk management committee, the executive management committee and the President & CEO.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

We measure liquidity risk using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & market risk management committee, discussed further by the executive management committee and determined by the President & CEO. We have established classifications for the cash flow conditions affecting the Group, ranging from “normal” to “anxious” and “crisis,” and have established procedures for dealing with cases which are deemed to fall into the “anxious” or “crisis” categories. In addition, we have constructed a system under which we will be able to respond smoothly in the event of emergency situations that affect our funding by establishing action plans.

(4) Supplementary Explanation of Matters Relating to Fair Value of Financial Instruments and Others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.

2. Matters Relating to Fair Value of Financial Instruments and Others

The following are the consolidated balance sheet amounts, fair values and differences between them as of March 31, 2013, 2014 and 2015. Unlisted stocks and others, the fair values of which are extremely difficult to determine, are excluded from the table below (see (Note 2)).

As of March 31, 2013	Millions of yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks* ¹	¥ 12,332,996	¥ 12,332,996	¥ —
(2) Call Loans and Bills Purchased* ¹	530,079	530,079	—
(3) Receivables under Resale Agreements	9,025,049	9,025,049	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions ..	5,543,914	5,543,914	—
(5) Other Debt Purchased* ¹	1,279,533	1,277,743	(1,789)
(6) Trading Assets			
Trading Securities	9,102,409	9,102,409	—
(7) Money Held in Trust* ¹	96,014	96,014	—
(8) Securities			
Bonds Held to Maturity	3,000,403	3,020,344	19,940
Other Securities	49,736,969	49,736,969	—
(9) Loans and Bills Discounted	67,536,882		
Reserves for Possible Losses on Loans* ¹	(669,587)		
	66,867,294	67,950,932	1,083,637
Total Assets	¥157,514,664	¥158,616,452	¥1,101,788
(1) Deposits	¥ 84,241,955	¥ 84,204,806	¥ (37,148)
(2) Negotiable Certificates of Deposit	15,326,781	15,326,606	(175)
(3) Call Money and Bills Sold	6,126,424	6,126,424	—
(4) Payables under Repurchase Agreements	17,451,041	17,451,041	—
(5) Guarantee Deposits Received under Securities Lending Transactions	11,325,439	11,325,439	—
(6) Trading Liabilities			
Securities Sold, Not yet Purchased	3,349,261	3,349,261	—
(7) Borrowed Money	7,699,440	7,718,009	18,568
(8) Bonds and Notes	5,141,746	5,267,901	126,154
Total Liabilities	¥150,662,091	¥150,769,491	¥ 107,399
Derivative Transactions* ²			
Derivative Transactions not Qualifying for Hedge Accounting	¥ 823,304		
Derivative Transactions Qualifying for Hedge Accounting ...	[207,589]		
Reserves for Derivative Transactions* ¹	(24,915)		
Total Derivative Transactions	¥ 590,799	¥ 590,799	¥ —

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- *1 General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted and reserves for derivative transactions are excluded. Reserves for Cash and Due from Banks, Call Loans and Bills Purchased, Other Debt Purchased, Money Held in Trust and others are directly written off against the consolidated balance sheet amount due to immateriality.
- *2 Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum.
Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

As of March 31, 2014	Millions of yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks* ¹	¥ 20,609,087	¥ 20,609,087	¥ —
(2) Call Loans and Bills Purchased* ¹	467,479	467,479	—
(3) Receivables under Resale Agreements* ¹	8,349,032	8,349,032	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	5,010,740	5,010,740	—
(5) Other Debt Purchased* ¹	3,262,798	3,261,309	(1,489)
(6) Trading Assets Trading Securities	7,038,301	7,038,301	—
(7) Money Held in Trust* ¹	168,367	168,367	—
(8) Securities Bonds Held to Maturity	4,040,082	4,057,817	17,734
Other Securities	39,267,868	39,267,868	—
(9) Loans and Bills Discounted	69,301,405		
Reserves for Possible Losses on Loans* ¹	(554,631)		
	<u>68,746,774</u>	<u>69,863,796</u>	<u>1,117,022</u>
Total Assets	¥156,960,533	¥158,093,800	¥1,133,267
(1) Deposits	¥ 89,055,505	¥ 89,016,879	¥ (38,626)
(2) Negotiable Certificates of Deposit	12,755,776	12,755,204	(572)
(3) Call Money and Bills Sold	7,194,432	7,194,432	—
(4) Payables under Repurchase Agreements	16,797,803	16,797,803	—
(5) Guarantee Deposits Received under Securities Lending Transactions	6,085,331	6,085,331	—
(6) Trading Liabilities Securities Sold, Not yet Purchased	4,309,956	4,309,956	—
(7) Borrowed Money	7,838,357	7,846,427	8,069
(8) Bonds and Notes	5,245,743	5,348,781	103,037
Total Liabilities	¥149,282,908	¥149,354,817	¥ 71,908
Derivative Transactions* ² Derivative Transactions not Qualifying for Hedge Accounting	¥ 615,267		
Derivative Transactions Qualifying for Hedge Accounting	[330,703]		
Reserves for Derivative Transactions* ¹	(11,710)		
Total Derivative Transactions	¥ 272,852	¥ 272,852	¥ —

- *1 General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted and reserves for derivative transactions are excluded. Reserves for Cash and Due from Banks, Call Loans and Bills Purchased, Receivables under Resale Agreements, Other Debt Purchased, Money Held in Trust and others are directly written off against the consolidated balance sheet amount due to immateriality.
- *2 Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum.
Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015	Millions of yen		
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks* ¹	¥ 29,094,362	¥ 29,094,362	¥ —
(2) Call Loans and Bills Purchased* ¹	443,394	443,394	—
(3) Receivables under Resale Agreements	8,582,239	8,582,239	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	4,059,340	4,059,340	—
(5) Other Debt Purchased* ¹	3,239,582	3,239,662	79
(6) Trading Assets Trading Securities	5,042,005	5,042,005	—
(7) Money Held in Trust* ¹	157,225	157,225	—
(8) Securities Bonds Held to Maturity	5,647,341	5,677,806	30,465
Other Securities	37,001,945	37,001,945	—
(9) Loans and Bills Discounted	73,415,170		
Reserves for Possible Losses on Loans* ¹	(461,940)		
	<u>72,953,230</u>	<u>74,059,603</u>	<u>1,106,373</u>
Total Assets	¥166,220,667	¥167,357,586	¥1,136,918
(1) Deposits	¥ 97,757,545	¥ 97,725,179	¥ (32,366)
(2) Negotiable Certificates of Deposit	15,694,906	15,694,463	(442)
(3) Call Money and Bills Sold	5,091,198	5,091,198	—
(4) Payables under Repurchase Agreements	19,612,120	19,612,120	—
(5) Guarantee Deposits Received under Securities Lending Transactions	2,245,639	2,245,639	—
(6) Trading Liabilities Securities Sold, Not yet Purchased	3,200,813	3,200,813	—
(7) Borrowed Money	7,195,869	7,171,622	(24,247)
(8) Bonds and Notes	6,013,731	6,151,033	137,301
Total Liabilities	¥156,811,824	¥156,892,070	¥ 80,245
Derivative Transactions* ² Derivative Transactions not Qualifying for Hedge Accounting	¥ 313,667		
Derivative Transactions Qualifying for Hedge Accounting	[23,904]		
Reserves for Derivative Transactions* ¹	(13,797)		
Total Derivative Transactions	¥ 275,965	¥ 275,965	¥ —

*1 General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted and reserves for derivative transactions are excluded. Reserves for Cash and Due from Banks, Call Loans and Bills Purchased, Other Debt Purchased, Money Held in Trust and others are directly written off against the consolidated balance sheet amount due to immateriality.

*2 Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum.
Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>Thousands of U.S. dollars</i>			
<i>As of March 31, 2015</i>	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and Due from Banks ^{*1}	\$ 241,908,723	\$ 241,908,723	\$ —
(2) Call Loans and Bills Purchased ^{*1}	3,686,660	3,686,660	—
(3) Receivables under Resale Agreements	71,358,105	71,358,105	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	33,751,897	33,751,897	—
(5) Other Debt Purchased ^{*1}	26,935,914	26,936,577	663
(6) Trading Assets Trading Securities	41,922,387	41,922,387	—
(7) Money Held in Trust ^{*1}	1,307,274	1,307,274	—
(8) Securities Bonds Held to Maturity	46,955,525	47,208,836	253,311
Other Securities	307,657,318	307,657,318	—
(9) Loans and Bills Discounted	610,419,643		
Reserves for Possible Losses on Loans ^{*1}	(3,840,859)		
	<u>606,578,784</u>	<u>615,777,865</u>	<u>9,199,081</u>
Total Assets	<u>\$1,382,062,587</u>	<u>\$1,391,515,642</u>	<u>\$9,453,055</u>
(1) Deposits	\$ 812,817,376	\$ 812,548,260	\$ (269,116)
(2) Negotiable Certificates of Deposit	130,497,265	130,493,587	(3,678)
(3) Call Money and Bills Sold	42,331,405	42,331,405	—
(4) Payables under Repurchase Agreements	163,067,432	163,067,432	—
(5) Guarantee Deposits Received under Securities Lending Transactions	18,671,651	18,671,651	—
(6) Trading Liabilities Securities Sold, Not yet Purchased	26,613,564	26,613,564	—
(7) Borrowed Money	59,830,961	59,629,354	(201,607)
(8) Bonds and Notes	50,001,929	51,143,542	1,141,613
Total Liabilities	<u>\$1,303,831,583</u>	<u>\$1,304,498,795</u>	<u>\$ 667,212</u>
Derivative Transactions ^{*2} Derivative Transactions not Qualifying for Hedge Accounting	\$ 2,608,025		
Derivative Transactions Qualifying for Hedge Accounting	[198,758]		
Reserves for Derivative Transactions ^{*1}	(114,718)		
Total Derivative Transactions	<u>\$ 2,294,549</u>	<u>\$ 2,294,549</u>	<u>\$ —</u>

*1 General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted and reserves for derivative transactions are excluded. Reserves for Cash and Due from Banks, Call Loans and Bills Purchased, Other Debt Purchased, Money Held in Trust and others are directly written off against the consolidated balance sheet amount due to immateriality.

*2 Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum.
Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Calculation method of fair value of financial instruments

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Assets

(1) Cash and Due from Banks

For Due from Banks which have no maturity, since fair values of these items approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms of these items are mainly short (i.e., within six months) and fair values of these items approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Purchased, (3) Receivables under Resale Agreements and (4) Guarantee Deposits Paid under Securities Borrowing Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values of these items approximate book values, we deem the book values to be fair values.

(5) Other Debt Purchased

Fair values of Other Debt Purchased are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from brokers and financial information vendors.

(6) Trading Assets

Fair values of securities held for trading, such as bonds held for trading, are based on the market prices and others.

(7) Money Held in Trust

As to securities managed as trust assets in a directed money trust for separate investment with the management of securities as its primary purpose, fair values of these items are calculated using the method stated in (8). For other Money Held in Trust, since fair values of these items approximate book values, we deem the book values to be fair values.

The notes to Money Held in Trust based on holding purpose are stated in “42.Fair Value of Securities and Money Held in Trust.”

(8) Securities

Fair values of stocks are based on the prices on securities exchanges, and those of bonds and others are based on the market prices, valuations obtained from brokers and information vendors and others. Fair values of investment trusts are based on the disclosed net asset value and others. Fair values of private placement bonds are calculated by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the internal ratings and terms.

Fair values of securitized products are based on valuations obtained from brokers and others, and reasonably calculated prices based on the reasonable estimates of our management. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the discounted cash flow method. The price decision variables include default rates, recovery rates, pre-payment rates, and discount rates.

Fair values of Floating-rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are based on the reasonably calculated prices as book value at the end of the current fiscal year. In deriving the reasonably calculated prices, we used the discount cash flow method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The notes to Securities based on holding purpose are stated in “42.Fair Value of Securities and Money Held in Trust.”

(9) Loans and Bills Discounted

Fair values of Loans and Bills Discounted are calculated by the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted. In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and guarantees, fair values approximate the amount of Debentures and others minus the amount of Reserves for Possible Losses on Loans in the consolidated balance sheet as of the consolidated balance sheet date and we thus deem such amount to be fair values.

Of the Loans and Bills Discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, we deem book values to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions.

Liabilities

(1) Deposits (2) Negotiable Certificates of Deposit

For demand deposits, we deem the payment amounts required on the consolidated balance sheet date (i.e., book values) to be fair values. In addition, fair values of fixed deposits and negotiable certificates of deposits are calculated by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are the interest rates. Since fair values of those whose deposit terms are short (i.e., within six months) approximate book values, we mainly deem the book values to be fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Guarantee Deposits Received under Securities Lending Transactions

Since contractual terms of these financial instruments are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(6) Trading Liabilities

Fair values of Securities Sold, Not yet Purchased in Trading Liabilities are based on the market prices and others.

(7) Borrowed Money

Fair values of Borrowed Money are calculated mainly by discounting the total amount of the principal and interest of such Borrowed Money classified by certain period at the interest rates considered to be applicable to similar loans.

(8) Bonds and Notes

Fair values of Bonds and Notes issued by MHFG and its consolidated subsidiaries are based on the market prices for Bonds and Notes which have market prices, and calculated by discounting the total amount of principal and interest by the interest rates considered to be applicable to similar Bonds and Notes for those which do not have market prices.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Derivative Transactions

Derivative transactions include interest rate-related transactions (futures, options, swaps and others), currency-related transactions (futures, options, swaps and others), bond-related transactions (futures, futures options and others), and are based on the prices on securities exchanges, discounted value of future cash flows, option pricing models and others.

(Note 2) Consolidated balance sheet amounts of financial instruments whose fair values are deemed to be extremely difficult to determine are indicated below, and are not included in “Assets (5) Other Debt Purchased”, “Assets (7) Money Held in Trust” and “Assets (8) Other Securities” in fair value information of financial instruments.

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Category	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(i) Unlisted Stocks* ¹	¥232,008	¥213,486	¥163,219	\$1,357,112
(ii) Investments in Partnerships and others* ²	143,280	102,239	74,158	616,599
(iii) Other* ³	100,369	100,350	100,595	836,417
Total* ⁴	¥475,658	¥416,076	¥337,974	\$2,810,128

*1 We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

*2 Of the Investments in Partnerships and others, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

*3 We do not treat Preferred Securities and others included in Other as being subject to disclosure of fair values as there are no market prices and other factors and they are deemed extremely difficult to determine fair values.

*4 During the fiscal years ended March 31, 2013, 2014 and 2015, the amounts of impairment (devaluation) were ¥8,059 million, ¥5,674 million and ¥3,525 million (\$29,317 thousand), respectively, on a consolidated basis.

(Note 3) Projected redemption amounts after the consolidated balance sheet date for financial assets and securities with maturities

Types of Financial Instruments	As of March 31, 2013					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Due from Banks	¥11,491,743	¥ 1,842	¥ 0	¥ —	¥ —	¥ —
Call Loans and Bills Purchased	530,541	—	—	—	—	—
Other Debt Purchased	684,975	70,987	51,606	55,675	12,835	401,991
Securities* ¹	14,121,855	9,939,885	14,144,030	3,338,354	3,324,018	3,475,392
Bonds Held to Maturity	100,000	1,200,000	1,700,000	—	—	—
Japanese Government						
Bonds	100,000	1,200,000	1,700,000	—	—	—
Foreign Bonds	—	—	—	—	—	—
Other Securities with Maturities	14,021,855	8,739,885	12,444,030	3,338,354	3,324,018	3,475,392
Japanese Government						
Bonds	12,151,001	5,296,118	8,759,500	1,815,000	2,470,400	5,000
Japanese Local Government						
Bonds	34,783	63,314	75,749	10,490	53,691	826
Japanese Corporate Bonds	600,281	690,244	416,374	126,789	123,679	993,048
Foreign Bonds	1,217,716	2,660,514	3,121,551	1,368,677	651,779	2,470,703
Other	18,070	29,693	70,855	17,397	24,468	5,814
Loans and Bills Discounted* ²	28,334,336	13,122,908	9,704,405	4,163,165	3,829,908	7,187,332
Total	¥55,163,453	¥23,135,623	¥23,900,042	¥7,557,194	¥7,166,762	¥11,064,716

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Types of Financial Instruments	As of March 31, 2014					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Due from Banks	¥19,259,245	¥ 2,527	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Purchased	467,758	—	—	—	—	—
Other Debt Purchased	2,787,584	74,967	60,351	30,122	12,505	293,408
Securities* ¹	8,786,147	11,631,227	10,708,846	2,545,570	1,884,094	2,661,588
Bonds Held to Maturity	600,000	1,300,000	1,780,000	—	360,000	—
Japanese Government						
Bonds	600,000	1,300,000	1,780,000	—	360,000	—
Foreign Bonds	—	—	—	—	—	—
Other Securities with Maturities	8,186,147	10,331,227	8,928,846	2,545,570	1,524,094	2,661,588
Japanese Government						
Bonds	5,925,125	7,789,736	5,981,000	1,294,200	919,830	—
Japanese Local Government						
Bonds	30,258	56,375	73,922	15,575	64,604	779
Japanese Corporate Bonds	421,781	651,551	489,320	133,671	53,531	1,007,218
Foreign Bonds	1,796,757	1,778,151	2,334,421	1,093,728	467,120	1,650,999
Other	12,224	55,412	50,182	8,393	19,008	2,590
Loans and Bills Discounted* ²	27,834,054	13,956,403	10,609,798	4,760,685	3,830,892	7,209,394
Total	¥59,134,791	¥25,665,125	¥21,378,996	¥7,336,378	¥5,727,492	¥10,164,391

Types of Financial Instruments	As of March 31, 2015					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Due from Banks	¥28,079,235	¥ 0	¥ —	¥ —	¥ —	¥ —
Call Loans and Bills Purchased	444,115	—	—	—	—	—
Other Debt Purchased	2,830,119	104,074	49,705	10,511	6,419	235,890
Securities* ¹	7,140,210	11,439,072	9,166,962	1,705,388	2,859,863	3,501,455
Bonds Held to Maturity	600,000	1,800,000	1,480,000	—	480,000	1,195,442
Japanese Government						
Bonds	600,000	1,800,000	1,480,000	—	480,000	—
Foreign Bonds	—	—	—	—	—	1,195,442
Other Securities with Maturities	6,540,210	9,639,072	7,686,962	1,705,388	2,379,863	2,306,012
Japanese Government						
Bonds	3,619,984	7,753,929	4,552,600	422,500	996,630	—
Japanese Local Government						
Bonds	36,161	60,928	43,536	15,203	77,738	732
Japanese Corporate Bonds	489,761	762,405	427,237	125,564	55,091	781,179
Foreign Bonds	2,377,181	924,204	2,595,350	1,088,601	1,238,094	1,518,367
Other	17,121	137,604	68,238	53,519	12,309	5,732
Loans and Bills Discounted* ²	28,131,562	15,736,232	11,785,704	5,302,236	4,078,615	7,294,016
Total	¥66,625,243	¥27,279,379	¥21,002,373	¥7,018,136	¥6,944,899	¥11,031,361

Types of Financial Instruments	As of March 31, 2015					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Thousands of U.S. dollars					
Due from Banks	\$233,468,328	\$ 1	\$ —	\$ —	\$ —	\$ —
Call Loans and Bills Purchased	3,692,653	—	—	—	—	—
Other Debt Purchased	23,531,386	865,339	413,283	87,398	53,379	1,961,341
Securities* ¹	59,368,174	95,111,603	76,219,863	14,179,669	23,778,696	29,113,290
Bonds Held to Maturity	4,988,775	14,966,326	12,305,645	—	3,991,020	9,939,658
Japanese Government						
Bonds	4,988,775	14,966,326	12,305,645	—	3,991,020	—
Foreign Bonds	—	—	—	—	—	9,939,658
Other Securities with						
Maturities	54,379,399	80,145,277	63,914,218	14,179,669	19,787,676	19,173,632
Japanese Government						
Bonds	30,098,813	64,471,020	37,853,164	3,512,930	8,286,605	—
Japanese Local						
Government Bonds	300,668	506,596	361,989	126,410	646,362	6,092
Japanese Corporate						
Bonds	4,072,185	6,339,119	3,552,318	1,044,019	458,063	6,495,218
Foreign Bonds	19,765,378	7,684,413	21,579,369	9,051,313	10,294,295	12,624,656
Other	142,355	1,144,129	567,378	444,997	102,351	47,666
Loans and Bills Discounted* ²	233,903,403	130,840,883	97,993,719	44,086,108	33,912,163	60,647,012
Total	\$553,963,944	\$226,817,826	\$174,626,865	\$58,353,175	\$57,744,238	\$91,721,643

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

*1 Securities include those of which fair values are extremely difficult to determine.

*2 Amounts do not include loans to bankrupt, substantially bankrupt, and intensive control obligors and other loans, of which redemption amounts cannot be projected, of ¥670,937 million, ¥518,604 million and ¥434,565 million (\$3,613,250 thousand), and loans with no maturities of ¥523,888 million, ¥581,570 million and ¥652,236 million (\$5,423,105 thousand) as of March 31, 2013, 2014 and 2015, respectively.

(Note 4) Projected repayment amounts after the consolidated balance sheet date for Bonds and Notes, Borrowed Money, and other interest-bearing liabilities

Types of Financial Instruments	As of March 31, 2013					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Deposits*1	¥ 79,834,232	¥ 3,519,754	¥ 752,524	¥ 85,275	¥ 50,168	¥ —
Negotiable Certificates of						
Deposit	15,314,570	12,355	—	—	—	—
Call Money and Bills Sold	6,126,424	—	—	—	—	—
Borrowed Money*2	6,097,600	786,026	181,558	65,526	248,751	171,938
Short-term Bonds	477,400	—	—	—	—	—
Bonds and Notes*2	696,171	1,464,329	1,544,586	282,120	548,992	533,996
Total	¥108,546,398	¥ 5,782,466	¥ 2,478,669	¥ 432,922	¥ 847,911	¥ 705,934

Types of Financial Instruments	As of March 31, 2014					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Deposits*1	¥ 84,980,956	¥ 3,180,878	¥ 759,550	¥ 78,984	¥ 55,135	¥ —
Negotiable Certificates of						
Deposit	12,746,255	9,699	—	—	—	—
Call Money and Bills Sold	7,194,432	—	—	—	—	—
Borrowed Money*2	5,494,545	1,478,979	145,201	105,313	317,958	163,313
Short-term Bonds	584,568	—	—	—	—	—
Bonds and Notes*2	921,520	1,353,512	1,287,998	311,135	661,207	650,985
Total	¥111,922,278	¥ 6,023,068	¥ 2,192,750	¥ 495,433	¥ 1,034,302	¥ 814,299

Types of Financial Instruments	As of March 31, 2015					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Millions of yen					
Deposits*1	¥ 93,499,413	¥ 3,298,473	¥ 819,434	¥ 78,103	¥ 62,120	¥ —
Negotiable Certificates of						
Deposit	15,642,151	52,968	—	—	—	—
Call Money and Bills Sold	5,091,198	—	—	—	—	—
Borrowed Money*2	965,869	1,104,853	4,305,972	124,314	363,692	238,115
Short-term Bonds	816,705	—	—	—	—	—
Bonds and Notes*2	749,976	2,106,632	1,250,358	193,731	1,025,914	647,078
Total	¥116,765,313	¥ 6,562,928	¥ 6,375,766	¥ 396,149	¥ 1,451,727	¥ 885,194

Types of Financial Instruments	As of March 31, 2015					
	Within 1 year	1-3 years	3-5 years	5-7 years	7-10 years	Over 10 years
	Thousands of U.S. dollars					
Deposits*1	\$777,412,597	\$27,425,575	\$ 6,813,292	\$ 649,401	\$ 516,510	\$ —
Negotiable Certificates of						
Deposit	130,058,631	440,413	—	—	—	—
Call Money and Bills Sold	42,331,405	—	—	—	—	—
Borrowed Money*2	8,030,841	9,186,441	35,802,552	1,033,630	3,023,967	1,979,844
Short-term Bonds	6,790,600	—	—	—	—	—
Bonds and Notes*2	6,235,773	17,515,863	10,396,263	1,610,806	8,530,093	5,380,215
Total	\$970,859,847	\$54,568,292	\$53,012,107	\$3,293,837	\$12,070,570	\$7,360,059

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

*1 Demand deposits are included in “Within 1 year.”

*2 Amounts do not include Borrowed Money and Bonds and Notes with no maturities of ¥148,039 million and ¥72,000 million, ¥133,044 million and ¥60,200 million, and ¥93,051 million (\$773,686 thousand) and ¥40,900 million (\$340,068 thousand) as of March 31, 2013, 2014 and 2015, respectively.

42. Fair Value of Securities and Money Held in Trust

The following tables contain information relating to “Securities,” Trading Securities, Short-term Bonds, certain other items in “Trading Assets,” Negotiable Certificates of Deposit in “Cash and Due from Banks,” certain items in “Other Debt Purchased,” certain items in “Other Assets,” and “Money Held in Trust.”

As of March 31, 2013	Millions of yen		
	Consolidated Balance Sheet Amount	Fair value	Difference
Bonds Held-to-Maturity (Total)	¥ 3,000,403	¥ 3,020,344	¥ 19,940
Bonds Whose Fair Values Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 2,800,591	¥ 2,820,614	¥ 20,022
Japanese Government Bonds	2,800,591	2,820,614	20,022
Foreign Bonds	—	—	—
Bonds Whose Fair Values Do Not Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 199,811	¥ 199,730	¥ (81)
Japanese Government Bonds	199,811	199,730	(81)
Foreign Bonds	—	—	—
As of March 31, 2014	Millions of yen		
	Consolidated Balance Sheet Amount	Fair value	Difference
Bonds Held-to-Maturity (Total)	¥ 4,040,082	¥ 4,057,817	¥ 17,734
Bonds Whose Fair Values Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 3,830,230	¥ 3,848,185	¥ 17,954
Japanese Government Bonds	3,830,230	3,848,185	17,954
Foreign Bonds	—	—	—
Bonds Whose Fair Values Do Not Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 209,852	¥ 209,632	¥ (220)
Japanese Government Bonds	209,852	209,632	(220)
Foreign Bonds	—	—	—
As of March 31, 2015	Millions of yen		
	Consolidated Balance Sheet Amount	Fair value	Difference
Bonds Held-to-Maturity (Total)	¥ 5,647,341	¥ 5,677,806	¥ 30,465
Bonds Whose Fair Values Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 5,191,248	¥ 5,222,508	¥ 31,260
Japanese Government Bonds	4,260,214	4,289,216	29,001
Foreign Bonds	931,033	933,292	2,259
Bonds Whose Fair Values Do Not Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	¥ 456,092	¥ 455,298	¥ (794)
Japanese Government Bonds	99,911	99,738	(173)
Foreign Bonds	356,181	355,560	(621)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>Thousands of U.S. dollars</i>			
<i>As of March 31, 2015</i>	<i>Consolidated Balance Sheet Amount</i>	<i>Fair value</i>	<i>Difference</i>
Bonds Held-to-Maturity (Total)	\$46,955,525	\$47,208,836	\$ 253,311
Bonds Whose Fair Values Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	\$43,163,284	\$43,423,201	\$ 259,917
Japanese Government Bonds	35,422,091	35,663,224	241,133
Foreign Bonds	7,741,193	7,759,977	18,784
Bonds Whose Fair Values Do Not Exceed the Consolidated Balance Sheet Amount			
Bonds Held-to-Maturity:	\$ 3,792,241	\$ 3,785,635	\$ (6,606)
Japanese Government Bonds	830,726	829,284	(1,442)
Foreign Bonds	2,961,515	2,956,351	(5,164)
Millions of yen			
<i>As of March 31, 2013</i>	<i>Consolidated Balance Sheet Amount</i>	<i>Acquisition Cost</i>	<i>Difference</i>
Other Securities* ¹ (Total)	¥50,508,516	¥49,627,073	¥ 881,442* ²
Other Securities Whose Consolidated Balance Sheet Amount Exceeds Acquisition Cost			
Other Securities:	¥37,777,064	¥36,628,151	¥1,148,913
Japanese Stocks	2,092,306	1,249,041	843,264
Japanese Bonds:	28,161,134	28,026,887	134,247
Japanese Government Bonds	25,681,978	25,592,305	89,672
Japanese Local Government Bonds	216,514	212,405	4,108
Short-term Bonds	—	—	—
Japanese Corporate Bonds	2,262,642	2,222,176	40,465
Other:	7,523,623	7,352,222	171,401
Foreign Bonds	6,490,529	6,416,513	74,016
Other Debt Purchased	285,742	278,111	7,631
Other	747,351	657,597	89,754
Other Securities Whose Consolidated Balance Sheet Amount Does Not Exceed Acquisition Cost			
Other Securities:	¥12,731,451	¥12,998,921	¥ (267,470)
Japanese Stocks	683,729	816,911	(133,181)
Japanese Bonds:	5,882,116	5,902,887	(20,771)
Japanese Government Bonds	5,123,172	5,124,634	(1,462)
Japanese Local Government Bonds	27,242	27,289	(46)
Short-term Bonds	—	—	—
Japanese Corporate Bonds	731,701	750,963	(19,262)
Other:	6,165,605	6,279,122	(113,516)
Foreign Bonds	5,354,280	5,410,391	(56,110)
Other Debt Purchased	284,683	292,910	(8,226)
Other	526,641	575,821	(49,179)
Money Held in Trust			
Other Money Held in Trust	¥ —	¥ —	¥ —

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2014	Millions of yen		
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Other Securities* ¹ (Total)	¥40,212,540	¥39,084,860	¥1,127,679* ²
Other Securities Whose Consolidated Balance Sheet Amount Exceeds Acquisition Cost			
Other Securities:	¥21,440,137	¥19,964,600	¥1,475,537
Japanese Stocks	2,687,603	1,489,738	1,197,864
Japanese Bonds:	13,767,572	13,719,445	48,126
Japanese Government Bonds	11,480,120	11,462,298	17,821
Japanese Local Government Bonds	182,761	179,978	2,783
Short-term Bonds	—	—	—
Japanese Corporate Bonds	2,104,690	2,077,168	27,521
Other:	4,984,962	4,755,416	229,546
Foreign Bonds	3,414,577	3,382,425	32,151
Other Debt Purchased	229,037	223,935	5,101
Other	1,341,347	1,149,054	192,293
Other Securities Whose Consolidated Balance Sheet Amount Does Not Exceed Acquisition Cost			
Other Securities:	¥18,772,402	¥19,120,260	¥ (347,858)
Japanese Stocks	423,227	514,097	(90,869)
Japanese Bonds:	11,326,974	11,343,728	(16,753)
Japanese Government Bonds	10,577,389	10,581,809	(4,420)
Japanese Local Government Bonds	61,900	62,006	(105)
Short-term Bonds	99	99	—
Japanese Corporate Bonds	687,584	699,811	(12,227)
Other:	7,022,200	7,262,434	(240,234)
Foreign Bonds	5,699,638	5,902,426	(202,787)
Other Debt Purchased	485,888	488,822	(2,934)
Other	836,673	871,185	(34,512)
Money Held in Trust			
Other Money Held in Trust	¥ 1,513	¥ 1,513	¥ —

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015	Millions of yen		
	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
Other Securities* ¹ (Total)	¥37,704,504	¥35,173,125	¥2,531,378* ²
Other Securities Whose Consolidated Balance Sheet Amount Exceeds Acquisition Cost			
Other Securities:	¥26,539,885	¥23,916,691	¥2,623,193
Japanese Stocks	3,838,387	1,651,030	2,187,357
Japanese Bonds:	14,292,166	14,236,356	55,809
Japanese Government Bonds	12,180,998	12,156,981	24,016
Japanese Local Government Bonds	223,065	218,882	4,183
Short-term Bonds	—	—	—
Japanese Corporate Bonds	1,888,103	1,860,492	27,610
Other:	8,409,331	8,029,303	380,027
Foreign Bonds	6,207,461	6,126,701	80,760
Other Debt Purchased	188,534	184,285	4,249
Other	2,013,335	1,718,317	295,018
Other Securities Whose Consolidated Balance Sheet Amount Does Not Exceed Acquisition Cost			
Other Securities:	¥11,164,618	¥11,256,434	¥ (91,815)
Japanese Stocks	283,518	311,919	(28,401)
Japanese Bonds:	6,036,256	6,047,965	(11,708)
Japanese Government Bonds	5,234,793	5,236,173	(1,379)
Japanese Local Government Bonds	15,522	15,538	(15)
Short-term Bonds	99	99	—
Japanese Corporate Bonds	785,840	796,153	(10,312)
Other:	4,844,843	4,896,549	(51,705)
Foreign Bonds	3,825,059	3,865,759	(40,699)
Other Debt Purchased	299,661	301,081	(1,419)
Other	720,122	729,708	(9,586)
Money Held in Trust			
Other Money Held in Trust	¥ 3,415	¥ 3,415	¥ —

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>As of March 31, 2015</i>	<i>Thousands of U.S. dollars</i>		
	<i>Consolidated Balance Sheet Amount</i>	<i>Acquisition Cost</i>	<i>Difference</i>
Other Securities* ¹ (Total)	\$313,498,828	\$292,451,365	\$21,047,463* ²
Other Securities Whose Consolidated Balance Sheet Amount Exceeds Acquisition Cost			
Other Securities:	\$220,669,207	\$198,858,332	\$21,810,875
Japanese Stocks	31,914,757	13,727,702	18,187,055
Japanese Bonds:	118,834,010	118,369,975	464,035
Japanese Government Bonds	101,280,436	101,080,751	199,685
Japanese Local Government Bonds	1,854,704	1,819,922	34,782
Short-term Bonds	—	—	—
Japanese Corporate Bonds	15,698,870	15,469,302	229,568
Other:	69,920,440	66,760,655	3,159,785
Foreign Bonds	51,612,716	50,941,226	671,490
Other Debt Purchased	1,567,595	1,532,265	35,330
Other	16,740,129	14,287,164	2,452,965
Other Securities Whose Consolidated Balance Sheet Amount Does Not Exceed Acquisition Cost			
Other Securities:	\$ 92,829,621	\$ 93,593,033	\$ (763,412)
Japanese Stocks	2,357,347	2,593,496	(236,149)
Japanese Bonds:	50,189,215	50,286,564	(97,349)
Japanese Government Bonds	43,525,349	43,536,818	(11,469)
Japanese Local Government Bonds	129,065	129,198	(133)
Short-term Bonds	831	831	—
Japanese Corporate Bonds	6,533,970	6,619,717	(85,747)
Other:	40,283,059	40,712,973	(429,914)
Foreign Bonds	31,803,937	32,142,341	(338,404)
Other Debt Purchased	2,491,576	2,503,379	(11,803)
Other	5,987,546	6,067,253	(79,707)
Money Held in Trust			
Other Money Held in Trust	\$ 28,400	\$ 28,400	\$ —

*¹ The fair value of Japanese stocks is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. The fair value of securities other than Japanese stocks is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.

*² Unrealized Gains (Losses) or Difference include gains of ¥3,311 million, gains of ¥37,413 million and gains of ¥52,059 million (\$432,857 thousand) which were recognized in the statements of income for the fiscal years ended March 31, 2013, 2014 and 2015, respectively, by applying the fair-value hedge method and others.

Note: A summary of Trading Securities and Money Held in Trust for investment purposes and related unrealized gains and losses recognized in the statements of income are as follows: *

<i>As of March 31,</i>	<i>Millions of yen</i>			<i>Thousands of U.S. dollars</i>	
	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2015</i>	
	<i>Unrealized gains (losses)</i>	<i>Unrealized gains (losses)</i>	<i>Unrealized gains (losses)</i>	<i>Unrealized gains (losses)</i>	
Trading Securities	¥36,788	¥(19,036)	¥(5,103)	\$(42,438)	

<i>As of March 31,</i>	<i>Millions of yen</i>				<i>Thousands of U.S. dollars</i>			
	<i>2013</i>		<i>2014</i>		<i>2015</i>		<i>2015</i>	
	<i>Fair value</i>	<i>Unrealized gains (losses)</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>
Money Held in Trust for Investment	¥96,014	¥34	¥166,856	¥31	¥154,312	¥25	\$1,283,051	\$211

* Fair values of trading securities as of March 31, 2013, 2014 and 2015 are described in “41. Financial Instruments.”

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Other Securities Sold during the Fiscal Year

				Millions of yen		
				Proceeds from sales	Total amount of gains on sales	Total amount of losses on sales
For the Fiscal Year ended March 31, 2013						
Stocks	.....	¥	245,287	¥	68,124	¥17,613
Bonds	.....		68,766,443		106,359	4,837
Japanese Government Bonds	.....		66,720,654		92,554	4,485
Japanese Local Government Bonds	.....		216,144		1,493	64
Japanese Corporate Bonds	.....		1,829,643		12,311	287
Other	.....		26,198,145		187,834	63,264
Total	.....		<u>¥95,209,875</u>		<u>¥362,318</u>	<u>¥85,714</u>
				Millions of yen		
				Proceeds from sales	Total amount of gains on sales	Total amount of losses on sales
For the Fiscal Year ended March 31, 2014						
Stocks	.....	¥	152,135	¥	43,367	¥ 2,978
Bonds	.....		61,282,363		61,375	18,111
Japanese Government Bonds	.....		60,283,392		55,395	16,420
Japanese Local Government Bonds	.....		101,652		280	53
Japanese Corporate Bonds	.....		897,318		5,699	1,637
Other	.....		11,655,380		113,884	57,236
Total	.....		<u>¥73,089,879</u>		<u>¥218,627</u>	<u>¥78,326</u>
				Thousands of U.S. dollars		
				Proceeds from sales	Total amount of gains on sales	Total amount of losses on sales
For the Fiscal Year ended March 31, 2015						
Stocks	.....	¥	175,816	\$	1,461,850	\$ 18,528
Bonds	.....		57,275,999		476,228,477	35,936
Japanese Government	.....					
Bonds	.....		56,125,675		466,663,968	438,869
Japanese Local	.....					
Government Bonds	.....		67,442		560,757	442
Japanese Corporate	.....					
Bonds	.....		1,082,881		9,003,752	84,631
Other	.....		19,379,289		161,131,530	1,737,106
Total	.....		<u>¥76,831,104</u>		<u>\$638,821,857</u>	<u>\$2,936,988</u>
	.....		<u>¥353,231</u>		<u>\$2,936,988</u>	<u>\$905,452</u>

Note: The above table contains Other Securities that are deemed extremely difficult to determine fair values.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Unrealized Gains/Losses on Other Securities

Unrealized Gains/Losses on Other Securities as of March 31, 2013, 2014 and 2015 are as follows:

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Difference between Acquisition Cost and Fair Value*1 . . .	¥ 877,912	¥1,090,304	¥2,479,388	\$20,615,184
Other Securities*2	877,912	1,090,304	2,479,388	20,615,184
Other Money Held in Trust	—	—	—	—
Deferred Tax Liabilities	(261,212)	(309,344)	(693,523)	(5,766,385)
Difference between Acquisition Cost and Fair Value, net of Taxes	616,699	780,959	1,785,865	14,848,799
Amount Corresponding to Minority Interests	12,965	51,543	55,379	460,459
Amount Corresponding to Net Unrealized Gains (Losses) on Other Securities Owned by Affiliated Companies, which is attributable to MHFG	12,149	4,105	6,863	57,064
Net Unrealized Gains (Losses) on Other Securities	¥ 615,883	¥ 733,522	¥1,737,348	\$14,445,404

*1 The difference between acquisition cost and fair value excludes ¥(3,311) million, ¥(37,413) million and ¥(52,059) million (\$432,857 thousand) which were recognized in the statements of income for the fiscal years ended March 31, 2013, 2014 and 2015, respectively, by applying the fair-value hedge method and others, and includes translation differences regarding securities which do not have readily determinable fair value.

*2 Other securities includes translation differences regarding securities which do not have readily determinable fair value.

43. Derivatives Information

The fair value of derivatives not qualifying for hedge accounting and derivatives qualifying for hedge accounting as of March 31, 2013, 2014 and 2015 is shown in the tables below. In the following tables:

- (i) Contract value represents notional amounts for swap transactions and contract amounts for other transactions. Contract value amounts do not indicate the market risk related to derivative transactions.
- (ii) Fair values of listed contracts are based on the closing prices of the Osaka Exchange, the Tokyo Stock Exchange, the Tokyo Financial Exchange, the New York Mercantile Exchange and others. Fair values of over-the-counter contracts and inter-company or internal transactions are based on the discounted value of future cash flows, option pricing models and others.

(1) Derivative Transactions not Qualifying for Hedge Accounting

Transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(a) Interest Rate-Related Transactions

As of March 31, 2013	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 10,322,881	¥ 5,539,712	¥ (51,392)	¥ (51,392)
Bought	10,530,177	5,027,367	51,299	51,299
Options:				
Sold	2,982,924	687,023	(2,622)	(135)
Bought	3,528,289	556,531	2,079	(46)
Over-the-Counter:				
FRAs:				
Sold	12,538,135	1,282,444	(7,573)	(7,573)
Bought	16,088,710	1,915,772	8,973	8,973
Swaps:				
Receive Fixed / Pay Float	350,692,588	250,491,339	10,076,025	10,076,025
Receive Float / Pay Fixed	349,079,795	246,822,066	(9,843,277)	(9,843,277)
Receive Float / Pay Float	55,732,257	32,855,926	17,536	17,536
Receive Fixed / Pay Fixed	531,928	472,888	8,243	8,243
Options:				
Sold	12,024,653	8,219,007	(171,040)	(171,040)
Bought	10,718,591	7,335,559	175,788	175,788
Inter-company or Internal Transactions:				
Swaps:				
Receive Fixed / Pay Float	2,316,264	1,693,920	34,745	34,745
Receive Float / Pay Fixed	6,728,993	5,846,944	(87,892)	(87,892)
Receive Float / Pay Float	—	—	—	—
Total	/	/	¥ 210,892	¥ 211,253

As of March 31, 2014	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 11,434,707	¥ 6,223,939	¥ (21,915)	¥ (21,915)
Bought	9,827,139	5,320,408	23,324	23,324
Options:				
Sold	2,186,768	595,526	(4,124)	315
Bought	1,999,072	529,727	3,435	(472)
Over-the-Counter:				
FRAs:				
Sold	8,433,201	412,133	(1,240)	(1,240)
Bought	8,632,960	595,270	1,172	1,172
Swaps:				
Receive Fixed / Pay Float	407,440,608	306,247,246	6,628,141	6,628,141
Receive Float / Pay Fixed	403,412,602	302,059,018	(6,518,422)	(6,518,422)
Receive Float / Pay Float	78,629,699	51,655,329	18,800	18,800
Receive Fixed / Pay Fixed	548,055	510,588	10,242	10,242
Options:				
Sold	11,831,701	8,344,424	(154,320)	(154,320)
Bought	9,905,879	6,449,245	143,026	143,026
Inter-company or Internal Transactions:				
Swaps:				
Receive Fixed / Pay Float	4,501,399	4,096,364	42,775	42,775
Receive Float / Pay Fixed	9,999,717	8,903,953	(24,133)	(24,133)
Receive Float / Pay Float	41,922	41,922	(2)	(2)
Total	/	/	¥ 146,759	¥ 147,292

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 20,114,158	¥ 10,963,649	¥ (72,633)	¥ (72,633)
Bought	18,446,654	8,159,936	66,886	66,886
Options:				
Sold	1,400,403	171,604	(2,288)	1,258
Bought	2,237,975	216,340	2,977	(1,663)
Over-the-Counter:				
FRAs:				
Sold	10,996,182	2,026,655	(7,643)	(7,643)
Bought	10,280,528	901,965	4,519	4,519
Swaps:				
Receive Fixed / Pay Float	469,271,002	367,963,727	9,081,978	9,081,978
Receive Float / Pay Fixed	465,176,624	361,554,098	(8,881,155)	(8,881,155)
Receive Float / Pay Float	77,934,862	54,389,480	24,135	24,135
Receive Fixed / Pay Fixed	759,547	702,891	15,692	15,692
Options:				
Sold	12,678,598	7,466,690	(175,701)	(175,701)
Bought	8,857,843	5,410,994	146,701	146,701
Inter-company or Internal Transactions:				
Swaps:				
Receive Fixed / Pay Float	4,955,416	4,692,702	92,893	92,893
Receive Float / Pay Fixed	11,634,436	10,636,915	(140,360)	(140,360)
Receive Float / Pay Float	42,678	—	(5)	(5)
Total	/	/	¥ 155,997	¥ 154,904

As of March 31, 2015	Thousands of U.S. dollars			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	\$ 167,241,694	\$ 91,158,637	\$ (603,917)	\$ (603,917)
Bought	153,377,025	67,846,815	556,139	556,139
Options:				
Sold	11,643,833	1,426,828	(19,031)	10,467
Bought	18,607,929	1,798,786	24,757	(13,828)
Over-the-Counter:				
FRAs:				
Sold	91,429,138	16,850,885	(63,550)	(63,550)
Bought	85,478,745	7,499,505	37,582	37,582
Swaps:				
Receive Fixed / Pay Float	3,901,812,606	3,059,480,565	75,513,250	75,513,250
Receive Float / Pay Fixed	3,867,769,388	3,006,186,897	(73,843,481)	(73,843,481)
Receive Float / Pay Float	647,999,186	452,228,161	200,679	200,679
Receive Fixed / Pay Fixed	6,315,352	5,844,283	130,478	130,478
Options:				
Sold	105,417,800	62,082,734	(1,460,891)	(1,460,891)
Bought	73,649,647	44,990,395	1,219,765	1,219,765
Inter-company or Internal Transactions:				
Swaps:				
Receive Fixed / Pay Float	41,202,430	39,018,068	772,374	772,374
Receive Float / Pay Fixed	96,735,984	88,441,966	(1,167,046)	(1,167,046)
Receive Float / Pay Float	354,852	—	(46)	(46)
Total	/	/	\$ 1,297,062	\$ 1,287,975

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(b) Currency-Related Transactions

As of March 31, 2013	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 14,573	¥ 5,252	¥ (11)	¥ (11)
Bought	23,252	3,060	21	21
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter:				
Swaps	38,105,893	22,896,029	(53,902)	(359,290)
Forwards:				
Sold	42,260,682	2,528,310	(1,060,217)	(1,060,217)
Bought	22,631,705	2,937,514	1,347,690	1,347,690
Options:				
Sold	4,931,194	2,445,797	(292,565)	(5,004)
Bought	4,607,257	2,312,240	293,774	(1,903)
Inter-company or Internal Transactions:				
Swaps	2,779,435	1,676,816	342,708	273,325
Forwards:				
Sold	6,004	—	44	44
Bought	114,192	—	1,859	1,859
Total	/	/	¥ 579,401	¥ 196,513

As of March 31, 2014	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 23,653	¥ 2,370	¥ 1,155	¥ 1,155
Bought	36,577	—	(12)	(12)
Options:				
Sold	1,591	—	(2)	(2)
Bought	1,591	—	1	1
Over-the-Counter:				
Swaps	37,982,073	23,686,551	72,286	81,567
Forwards:				
Sold	48,353,520	2,396,363	(521,989)	(521,989)
Bought	21,270,382	1,582,140	584,296	584,296
Options:				
Sold	4,092,234	1,968,449	(254,982)	(79,347)
Bought	3,717,363	1,723,713	149,686	(28,017)
Inter-company or Internal Transactions:				
Swaps	2,530,888	1,213,503	392,733	4,255
Forwards:				
Sold	—	—	—	—
Bought	142,564	—	858	858
Total	/	/	¥ 424,032	¥ 42,764

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 26,333	¥ 2,329	¥ —	¥ —
Bought	44,356	21,625	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter:				
Swaps	39,935,672	25,590,121	(23,922)	(68,615)
Forwards:				
Sold	61,859,800	3,505,977	(729,229)	(729,229)
Bought	27,467,918	1,866,989	883,713	883,713
Options:				
Sold	4,079,543	1,354,653	(318,638)	(184,339)
Bought	3,666,208	1,159,267	145,563	18,054
Inter-company or Internal Transactions:				
Swaps	2,293,679	1,534,304	184,643	3,577
Forwards:				
Sold	—	—	—	—
Bought	158,892	—	(2,766)	(2,766)
Total	<u>/</u>	<u>/</u>	¥ 139,364	¥ (79,605)

As of March 31, 2015	Thousands of U.S. dollars			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	\$ 218,951	\$ 19,372	\$ —	\$ —
Bought	368,808	179,809	—	—
Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter:				
Swaps	332,050,155	212,772,274	(198,908)	(570,515)
Forwards:				
Sold	514,341,066	29,150,886	(6,063,267)	(6,063,267)
Bought	228,385,455	15,523,321	7,347,749	7,347,749
Options:				
Sold	33,919,876	11,263,440	(2,649,360)	(1,532,715)
Bought	30,483,149	9,638,876	1,210,304	150,116
Inter-company or Internal Transactions:				
Swaps	19,071,087	12,757,165	1,535,245	29,745
Forwards:				
Sold	—	—	—	—
Bought	1,321,135	—	(23,003)	(23,003)
Total	<u>/</u>	<u>/</u>	\$ 1,158,760	\$ (661,890)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(c) Stock-Related Transactions

As of March 31, 2013	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Index Futures:				
Sold	¥343,392	¥ —	¥ (7,840)	¥ (7,840)
Bought	10,312	—	72	72
Index Futures Options:				
Sold	693,577	153,930	(42,842)	(22,150)
Bought	652,404	147,005	45,026	19,084
Over-the-Counter:				
Equity Linked Swaps	530,924	316,180	7,745	7,745
Options:				
Sold	684,145	354,813	(108,931)	(77,820)
Bought	564,258	323,248	112,658	91,486
Other:				
Sold	—	—	—	—
Bought	39,783	24,000	1,322	1,322
Total	/	/	¥ 7,211	¥ 11,899

As of March 31, 2014	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Index Futures:				
Sold	¥239,437	¥ 3,127	¥ (5,833)	¥ (5,833)
Bought	19,249	1,375	694	694
Index Futures Options:				
Sold	813,856	160,012	(52,217)	(21,940)
Bought	747,113	108,037	57,001	26,616
Over-the-Counter:				
Equity Linked Swaps	316,375	269,784	9,384	9,384
Options:				
Sold	474,013	253,480	(107,163)	(86,543)
Bought	391,844	240,158	122,104	106,053
Other:				
Sold	—	—	—	—
Bought	99,119	72,600	(1,103)	(1,103)
Total	/	/	¥ 22,866	¥ 27,328

As of March 31, 2015	Millions of yen			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Index Futures:				
Sold	¥390,456	¥ 18,332	¥ (3,833)	¥ (3,833)
Bought	27,315	1,430	196	196
Index Futures Options:				
Sold	663,199	172,682	(68,155)	(36,499)
Bought	645,806	145,100	58,483	28,089
Over-the-Counter:				
Equity Linked Swaps	181,297	173,993	3,473	3,473
Options:				
Sold	495,265	364,698	(124,602)	(111,770)
Bought	317,510	218,019	133,441	120,027
Other:				
Sold	12,127	—	220	220
Bought	143,454	132,512	11,050	11,050
Total	/	/	¥ 10,275	¥ 10,955

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2015	Thousands of U.S. dollars			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Index Futures:				
Sold	\$3,246,497	\$ 152,427	\$ (31,871)	\$ (31,871)
Bought	227,121	11,894	1,631	1,631
Index Futures Options:				
Sold	5,514,257	1,435,790	(566,691)	(303,476)
Bought	5,369,643	1,206,452	486,266	233,554
Over-the-Counter:				
Equity Linked Swaps	1,507,417	1,446,687	28,882	28,882
Options:				
Sold	4,117,946	3,032,332	(1,036,021)	(929,330)
Bought	2,639,985	1,812,754	1,109,520	997,983
Other:				
Sold	100,833	—	1,838	1,838
Bought	1,192,772	1,101,794	91,882	91,882
Total	<u> / </u>	<u> / </u>	<u>\$ 85,436</u>	<u>\$ 91,093</u>

(d) Bond-Related Transactions

As of March 31,	Millions of yen							
	2013				2014			
	Contract value		Fair value	Unrealized gains (losses)	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year			Total	Over one year		
Listed:								
Futures:								
Sold	¥1,022,307	¥19,214	¥(2,734)	¥(2,734)	¥711,733	¥ 4,144	¥1,047	¥1,047
Bought	719,742	11,963	2,532	2,532	854,379	2,220	(1,061)	(1,061)
Futures Options:								
Sold	415,079	—	(801)	(186)	350,070	—	(362)	80
Bought	396,906	—	845	4	306,172	—	618	(133)
Over-the-Counter:								
Options:								
Sold	591,420	16,157	(5,542)	(3,855)	642,479	38,617	(9,294)	(5,703)
Bought	568,680	16,157	5,696	4,099	538,920	38,617	8,279	5,989
Total	<u> / </u>	<u> / </u>	<u>¥ (4)</u>	<u>¥ (138)</u>	<u> / </u>	<u> / </u>	<u>¥ (772)</u>	<u>¥ 219</u>

As of March 31,	Millions of yen			
	2015			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥651,757	¥ —	¥ (3,524)	¥ (3,524)
Bought	537,221	—	2,738	2,738
Futures Options:				
Sold	908,250	—	(155)	(44)
Bought	45,968	—	35	0
Over-the-Counter:				
Options:				
Sold	831,084	165,564	(22,095)	(19,935)
Bought	843,332	165,564	21,287	19,923
Total	<u> / </u>	<u> / </u>	<u>¥ (1,713)</u>	<u>¥ (840)</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31,	Thousands of U.S. dollars			
	2015			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	\$5,419,122	\$ —	\$ (29,303)	\$ (29,303)
Bought	4,466,798	—	22,772	22,772
Futures Options:				
Sold	7,551,763	—	(1,293)	(372)
Bought	382,209	—	292	6
Over-the-Counter:				
Options:				
Sold	6,910,155	1,376,610	(183,716)	(165,752)
Bought	7,011,990	1,376,610	177,000	165,660
Total	<u>/</u>	<u>/</u>	<u>\$ (14,248)</u>	<u>\$ (6,989)</u>

(e) Commodity-Related Transactions

As of March 31,	Millions of yen							
	2013				2014			
	Contract value		Fair value	Unrealized gains (losses)	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year			Total	Over one year		
Listed:								
Futures:								
Sold	¥ 75,402	¥ 3,543	¥ (481)	¥ (481)	¥ 40,507	¥ 1,373	¥ (322)	¥ (322)
Bought	76,096	3,286	214	214	37,531	1,452	385	385
Futures Options:								
Sold	93	—	(0)	0	—	—	—	—
Bought	93	—	0	(1)	—	—	—	—
Over-the-Counter:								
Swaps	—	—	—	—	—	—	—	—
Options:								
Sold	189,710	106,132	(22,010)	(22,010)	201,003	90,993	(10,918)	(10,918)
Bought	180,106	97,250	31,968	31,968	184,254	74,989	17,683	17,683
Total	<u>/</u>	<u>/</u>	<u>¥ 9,690</u>	<u>¥ 9,689</u>	<u>/</u>	<u>/</u>	<u>¥ 6,828</u>	<u>¥ 6,828</u>

As of March 31,	Millions of yen			
	2015			
	Contract value		Fair value	Unrealized gains (losses)
	Total	Over one year		
Listed:				
Futures:				
Sold	¥ 10,301	¥ 170	¥ 597	¥ 597
Bought	10,330	365	(618)	(618)
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter:				
Swaps	197	—	(37)	(37)
Options:				
Sold	163,398	93,254	9,049	9,049
Bought	149,067	76,317	(4,657)	(4,657)
Total	<u>/</u>	<u>/</u>	<u>¥ 4,332</u>	<u>¥ 4,332</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>As of March 31,</i>	<i>Thousands of U.S. dollars</i>			
	<i>2015</i>			
	<i>Contract value</i>		<i>Fair value</i>	<i>Unrealized gains (losses)</i>
	<i>Total</i>	<i>Over one year</i>		
Listed:				
Futures:				
Sold	\$ 85,653	\$ 1,420	\$ 4,970	\$ 4,970
Bought	85,891	3,043	(5,145)	(5,145)
Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter:				
Swaps	1,646	—	(315)	(315)
Options:				
Sold	1,358,594	775,379	75,240	75,240
Bought	1,239,442	634,553	(38,725)	(38,725)
Total	<u><u>/</u></u>	<u><u>/</u></u>	<u><u>\$ 36,025</u></u>	<u><u>\$ 36,025</u></u>

Note: Commodities include oil, copper, aluminum and others.

(f) Credit Derivative Transactions

<i>As of March 31, 2013</i>	<i>Millions of yen</i>			
	<i>Contract value</i>		<i>Fair value</i>	<i>Unrealized gains (losses)</i>
	<i>Total</i>	<i>Over one year</i>		
Over-the-Counter:				
Credit Derivatives:				
Sold	¥ 2,463,306	¥ 1,842,469	¥ 2,235	¥ 2,235
Bought	2,885,546	2,215,559	13,877	13,877
Total	<u><u>/</u></u>	<u><u>/</u></u>	<u><u>¥ 16,113</u></u>	<u><u>¥ 16,113</u></u>

<i>As of March 31, 2014</i>	<i>Millions of yen</i>			
	<i>Contract value</i>		<i>Fair value</i>	<i>Unrealized gains (losses)</i>
	<i>Total</i>	<i>Over one year</i>		
Over-the-Counter:				
Credit Derivatives:				
Sold	¥ 2,201,564	¥ 1,876,471	¥ 24,493	¥ 24,493
Bought	2,548,197	2,129,993	(8,940)	(8,940)
Total	<u><u>/</u></u>	<u><u>/</u></u>	<u><u>¥ 15,552</u></u>	<u><u>¥ 15,552</u></u>

<i>As of March 31, 2015</i>	<i>Millions of yen</i>			
	<i>Contract value</i>		<i>Fair value</i>	<i>Unrealized gains (losses)</i>
	<i>Total</i>	<i>Over one year</i>		
Over-the-Counter:				
Credit Derivatives:				
Sold	¥ 2,441,236	¥ 2,098,088	¥ 33,718	¥ 33,718
Bought	2,625,807	2,290,170	(28,307)	(28,307)
Total	<u><u>/</u></u>	<u><u>/</u></u>	<u><u>¥ 5,410</u></u>	<u><u>¥ 5,410</u></u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>As of March 31, 2015</i>	<i>Thousands of U.S. dollars</i>			
	<i>Contract value</i>		<i>Fair value</i>	<i>Unrealized gains (losses)</i>
	<i>Total</i>	<i>Over one year</i>		
Over-the-Counter:				
Credit Derivatives:				
Sold	\$20,297,968	\$17,444,819	\$ 280,358	\$ 280,358
Bought	21,832,602	19,041,907	(235,368)	(235,368)
Total	<u> / </u>	<u> / </u>	<u>\$ 44,990</u>	<u>\$ 44,990</u>

Note: "Sold" and "Bought" indicate assumption and cession of credit risk, respectively.

(2) Derivative Transactions Qualifying for Hedge Accounting

(a) Interest Rate-Related Transactions

<i>As of March 31, 2013</i>		<i>Millions of yen</i>		
		<i>Contract value</i>		<i>Fair value</i>
		<i>Total</i>	<i>Over one year</i>	
Primary Method:	Loans, deposits, bonds and notes, borrowings and others			
Swaps:				
Receive Fixed / Pay Float		¥23,957,859	¥19,470,203	¥ 349,777
Receive Float / Pay Fixed		5,899,953	4,803,948	(123,288)
Receive Float / Pay Float		170,000	80,000	152
Fair Value Hedge Method:	Other securities and others			
Swaps:				
Receive Fixed / Pay Float		4,329	—	19
Receive Float / Pay Fixed		78,801	66,482	(2,473)
Receive Float / Pay Float		—	—	—
Exceptional Accrual Method:	Loans, borrowings and others			
Swaps:				Note 2.
Receive Fixed / Pay Float		30,000	30,000	
Receive Float / Pay Fixed		40,465	20,645	
Total		<u> / </u>	<u> / </u>	<u>¥ 224,186</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of March 31, 2014	Primary hedged items	Millions of yen		
		Contract value		Fair value
		Total	Over one year	
Primary Method:	Loans, deposits, bonds and notes, borrowings and others			
Swaps:				
Receive Fixed / Pay Float		¥25,093,042	¥20,684,955	¥ 182,200
Receive Float / Pay Fixed		7,384,122	6,892,414	(103,681)
Receive Float / Pay Float		121,922	71,922	65
Fair Value Hedge Method:	Other securities and others			
Swaps:				
Receive Fixed / Pay Float		—	—	—
Receive Float / Pay Fixed		218,436	206,607	(1,004)
Receive Float / Pay Float		—	—	—
Exceptional Accrual Method:	Loans, borrowings and others			
Swaps:				Note 2.
Receive Fixed / Pay Float		30,000	30,000	
Receive Float / Pay Fixed		93,122	83,213	
Total		/	/	¥ 77,580

As of March 31, 2015	Primary hedged items	Millions of yen		
		Contract value		Fair value
		Total	Over one year	
Primary Method:	Loans, deposits, bonds and notes, borrowings and others			
Swaps:				
Receive Fixed / Pay Float		¥25,936,670	¥23,540,848	¥ 256,734
Receive Float / Pay Fixed		7,459,578	7,216,778	(120,535)
Receive Float / Pay Float		42,678	—	5
Fair Value Hedge Method:	Other securities and others			
Swaps:				
Receive Fixed / Pay Float		—	—	—
Receive Float / Pay Fixed		291,094	239,313	(1,384)
Receive Float / Pay Float		1,774	1,199	(190)
Exceptional Accrual Method:	Loans, borrowings and others			
Swaps:				Note 2.
Receive Fixed / Pay Float		30,000	10,000	
Receive Float / Pay Fixed		60,945	48,652	
Total		/	/	¥ 134,629

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

		<i>Thousands of U.S. dollars</i>		
<i>As of March 31, 2015</i>	<i>Primary hedged items</i>	<i>Contract value</i>		<i>Fair value</i>
		<i>Total</i>	<i>Over one year</i>	
Primary Method:	Loans, deposits, bonds and notes, borrowings and others			
Swaps:				
	Receive Fixed / Pay Float	\$215,653,702	\$195,733,338	\$ 2,134,653
	Receive Float / Pay Fixed	62,023,598	60,004,810	(1,002,211)
	Receive Float / Pay Float	354,852	—	46
Fair Value Hedge Method:	Other securities and others			
Swaps:				
	Receive Fixed / Pay Float	—	—	—
	Receive Float / Pay Fixed	2,420,340	1,989,800	(11,514)
	Receive Float / Pay Float	14,754	9,970	(1,580)
Exceptional Accrual Method:	Loans, borrowings and others			
Swaps:				<i>Note 2.</i>
	Receive Fixed / Pay Float	249,439	83,146	
	Receive Float / Pay Fixed	506,737	404,524	
	Total	/	/	\$ 1,119,394

- Notes: 1. Primarily the deferred method is applied under “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).
2. Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans and borrowings, hedged items, those fair values are included in fair values of such loans and borrowings in “41. Financial Instruments.”

(b) Currency-Related Transactions

		<i>Millions of yen</i>		
<i>As of March 31, 2013</i>	<i>Primary hedged items</i>	<i>Contract value</i>		<i>Fair value</i>
		<i>Total</i>	<i>Over one year</i>	
Primary Method:	Loans, deposits, borrowings, parent company's interest of subsidiaries' net assets and others			
Swaps		¥8,816,368	¥2,340,415	¥(421,944)
Forwards:				
	Sold	230,289	—	(9,795)
	Bought	6,004	—	(44)
Allocation Method:	—			
Forwards:				
	Sold	—	—	—
	Total	/	/	¥(431,784)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Millions of yen				
As of March 31, 2014	Primary hedged items	Contract value		Fair value
		Total	Over one year	
Primary Method:	Loans, deposits, borrowings, parent company's interest of subsidiaries' net assets and others			
Swaps		¥ 6,803,174	¥ 1,544,593	¥ (406,588)
Forwards:				
Sold		276,593	—	(2,496)
Bought		—	—	—
Allocation Method:	Short-term bonds			
Forwards:				Note 2.
Sold		3,391	—	
Total		/	/	¥ (409,084)

Millions of yen				
As of March 31, 2015	Primary hedged items	Contract value		Fair value
		Total	Over one year	
Primary Method:	Loans, deposits, borrowings, parent company's interest of subsidiaries' net assets and others			
Swaps		¥ 7,560,770	¥ 2,045,971	¥ (136,735)
Forwards:				
Sold		281,490	—	(33)
Bought		—	—	—
Allocation Method:	Short-term bonds			
Forwards:				Note 2.
Sold		2,729	—	
Total		/	/	¥ (136,769)

Thousands of U.S. dollars				
As of March 31, 2015	Primary hedged items	Contract value		Fair value
		Total	Over one year	
Primary Method:	Loans, deposits, borrowings, parent company's interest of subsidiaries' net assets and others			
Swaps		\$62,864,975	\$17,011,488	\$(1,136,907)
Forwards:				
Sold		2,340,486	—	(277)
Bought		—	—	—
Allocation Method:	Short-term bonds			
Forwards:				Note 2.
Sold		22,696	—	
Total		/	/	\$(1,137,184)

- Notes: 1. Primarily the deferred method is applied under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No. 25).
2. Forward Exchange Contracts qualifying for the allocation method are treated as a unit of short-term bonds, hedged items.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(c) Stock-Related Transactions

As of March 31, 2013	Primary hedged items	Millions of yen		
		Contract value		Fair value
		Total	Over one year	
Fair Value Hedge Method:	Other securities			
Forward Stock Agreements:				
Sold		¥ —	¥—	¥ —
Index Futures:				
Sold		79	—	(6)
Bought		272	—	15
Total		/	/	¥ 8

As of March 31, 2014	Primary hedged items	Millions of yen		
		Contract value		Fair value
		Total	Over one year	
Fair Value Hedge Method:	Other securities			
Forward Stock Agreements:				
Sold		¥ 23,327	¥—	¥ 800
Index Futures:				
Sold		106	—	2
Bought		252	—	(3)
Total		/	/	¥ 800

As of March 31, 2015	Primary hedged items	Millions of yen		
		Total	Over one year	Fair value
Fair Value Hedge Method:	Other securities			
Forward Stock Agreements:				
Sold		¥113,707	¥—	¥ (21,765)
Index Futures:				
Sold		131	—	(3)
Bought		277	—	3
Total		/	/	¥ (21,764)

As of March 31, 2015	Primary hedged items	Thousands of U.S. dollars		
		Contract value		Fair value
		Total	Over one year	
Fair Value Hedge Method:	Other securities			
Forward Stock Agreements:				
Sold		\$945,436	\$—	\$(180,970)
Index Futures:				
Sold		1,090	—	(28)
Bought		2,311	—	30
Total		/	/	\$(180,968)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

44. Segment Information

Segment Information by Management Approach

1. Summary of Reportable Segment

We engage in banking, trust banking, securities and other businesses through consolidated subsidiaries and affiliates. As these subsidiaries and affiliates are in different industries and regulatory environments, we disclose business segment information based on the relevant principal consolidated subsidiaries such as MHBK, MHTB and MHSC for investors to measure the present and future cash flows properly.

Operating segments of MHBK are aggregated based on the type of customer characteristics and are aggregated into the following seven reportable segments: Personal Banking; Retail Banking; Corporate Banking (Large Corporations); Corporate Banking; Financial Institutions & Public Sector Business; International Banking; and Trading and others.

2. Calculating Method of Gross Profits (excluding the amounts of credit costs of trust accounts), Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans), and the Amount of Assets by Reportable Segment

The following information of reportable segment is based on internal management reporting.

Gross profits (excluding the amounts of credit costs of trust accounts) is the total amount of Interest income, Fiduciary income, Fee and commission income, Trading income, and Other operating income.

Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) is the amount of which General administrative expenses (excluding non-recurring expenses) and Other (Equity in income from investments in affiliates and certain other consolidation adjustments) are deducted from Gross profits (excluding the amounts of credit costs of trust accounts).

Asset information by segment is not prepared on the grounds that management does not use asset information of each segment for the purpose of asset allocation or performance evaluation.

Gross profits (excluding the amounts of credit costs of trust accounts) relating to transactions between segments is based on the current market price.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

3. Gross Profits (excluding the amounts of credit costs of trust accounts) and Net Business Profits or Losses (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) by Reportable Segment

Millions of yen									
The former MHBK (Consolidated)									
The former MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2013	Personal banking	Retail banking	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Trading and others	Others		
Gross Profits (excluding the amounts of credit costs of trust accounts)									
Net Interest Income (expense)	¥219,200	¥ 83,300	¥14,900	¥106,100	¥19,900	¥ 70,424	¥513,824	¥36,770	¥550,594
Net Non-interest Income	33,900	42,300	19,300	70,700	11,000	136,450	313,650	46,679	360,330
Total	¥253,100	¥125,600	¥34,200	¥176,800	¥30,900	¥206,875	¥827,475	¥83,449	¥910,924
General and Administrative Expenses (excluding Non- Recurring Losses)	218,600	113,700	11,600	73,200	14,300	92,996	524,396	43,863	568,259
Others	—	—	—	—	—	—	—	(7,403)	(7,403)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 34,500	¥ 11,900	¥22,600	¥103,600	¥16,600	¥113,878	¥303,078	¥32,183	¥335,261
The former MHCB (Consolidated)									
The former MHCB (Unconsolidated)									
	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	MHSC (Con- solidated)		Others	
Gross Profits (excluding the amounts of credit costs of trust accounts)									
Net Interest Income (expense)	¥140,900	¥ 500	¥16,300	¥108,200	¥135,801	¥401,701	¥ (1,757)	¥86,195	¥ 486,139
Net Non-interest Income	103,300	200	13,200	104,700	111,973	333,373	228,951	10,478	572,803
Total	¥244,200	¥ 700	¥29,500	¥212,900	¥247,775	¥735,075	¥227,193	¥96,673	¥1,058,942
General and Administrative Expenses (excluding Non- Recurring Losses)	76,800	1,300	12,200	66,600	84,148	241,048	197,133	33,781	471,963
Others	—	—	—	—	—	—	13	(50,021)	(50,008)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥167,400	¥ (600)	¥17,300	¥146,300	¥163,626	¥494,026	¥ 30,073	¥12,870	¥ 536,971

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

	MHTB (Consolidated)	Others	MHFG (Consolidated)
Gross Profits (excluding the amounts of credit costs of trust accounts)			
Net Interest Income (expense)	¥ 39,474	¥ (309)	¥1,075,898
Net Non-interest Income	104,976	57,708	1,095,818
Total	¥144,451	¥ 57,398	¥2,171,716
General and Administrative Expenses (excluding Non-Recurring Losses) . . .	90,100	40,692	1,171,016
Others	(3,487)	(27,646)	(88,545)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 50,862	¥(10,940)	¥ 912,155

(Aggregate of the former MHBK and the former MHCB)

Millions of yen								
Aggregate of the former MHBK and the former MHCB								
For the Fiscal Year ended March 31, 2013	Personal banking	Retail banking	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	
Gross Profits (excluding the amounts of credit costs of trust accounts)								
Net Interest Income	¥219,200	¥ 83,300	¥155,800	¥106,600	¥36,200	¥108,200	¥206,225	¥ 915,525
Net Non-interest Income	33,900	42,300	122,600	70,900	24,200	104,700	248,424	647,024
Total	¥253,100	¥125,600	¥278,400	¥177,500	¥60,400	¥212,900	¥454,650	¥1,562,550
General and Administrative Expenses (excluding Non-Recurring Losses) . . .	218,600	113,700	88,400	74,500	26,500	66,600	177,145	765,445
Others	—	—	—	—	—	—	—	—
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 34,500	¥ 11,900	¥190,000	¥103,000	¥33,900	¥146,300	¥277,504	¥ 797,104

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Millions of yen										
MHBK (Consolidated)										
MHBK (Unconsolidated)										
For the Fiscal Year ended March 31, 2014	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	Others		
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income	¥164,600	¥60,400	¥170,700	¥ 77,300	¥30,700	¥128,900	¥167,508	¥ 800,108	¥133,741	¥ 933,849
Net Non-interest Income (expense)	31,600	38,000	135,400	55,800	21,700	139,800	(24,097)	398,202	9,121	407,323
Total	¥196,200	¥98,400	¥306,100	¥133,100	¥52,400	¥268,700	¥143,410	¥1,198,310	¥142,862	¥1,341,173
General and Administrative Expenses (excluding Non-Recurring Losses)	171,300	87,800	83,800	58,800	25,100	82,500	149,728	659,028	52,263	711,291
Others	—	—	—	—	—	—	—	—	(56,037)	(56,037)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 24,900	¥10,600	¥222,300	¥ 74,300	¥27,300	¥186,200	¥ (6,317)	¥ 539,282	¥ 34,561	¥ 573,844
					MHTB (Consolidated)	MHSC (Consolidated)	Others	MHFG (Consolidated)		
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income					¥ 40,181	¥ 2,937	¥131,334	¥1,108,303		
Net Non-interest Income (expense)					108,155	283,853	127,644	926,978		
Total					¥148,337	¥286,791	¥258,979	¥2,035,281		
General and Administrative Expenses (excluding Non-Recurring Losses)					90,927	246,210	180,824	1,229,253		
Others					(2,929)	36	(2,831)	(61,762)		
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)					¥ 54,480	¥ 40,617	¥ 75,323	¥ 744,264		

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(Aggregate of the former MHBK for the first quarter, the former MHCN for the first quarter, and MHBK after the merger from the second quarter to the fourth quarter)

Millions of yen								
Aggregate of the former MHBK for the first quarter, the former MHCN for the first quarter, and MHBK after the merger from the second quarter to the fourth quarter								
For the Fiscal Year ended March 31, 2014	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	
Gross Profits (excluding the amounts of credit costs of trust accounts)								
Net Interest Income	¥218,000	¥ 80,700	¥173,300	¥102,500	¥35,500	¥128,900	¥184,852	¥ 923,752
Net Non-interest Income (expense)	39,800	49,800	140,400	70,100	24,100	139,800	(3,636)	460,363
Total	¥257,800	¥130,500	¥313,700	¥172,600	¥59,600	¥268,700	¥181,215	¥1,384,115
General and Administrative Expenses (excluding Non-Recurring Losses)	226,400	116,700	87,200	77,700	29,000	82,500	171,616	791,116
Others	—	—	—	—	—	—	—	—
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 31,400	¥ 13,800	¥226,500	¥ 94,900	¥30,600	¥186,200	¥ 9,598	¥ 592,998

Millions of yen										
MHBK (Consolidated)										
MHBK (Unconsolidated)										
For the Fiscal Year ended March 31, 2015	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others		Others	
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income	¥217,500	¥ 78,400	¥179,400	¥100,500	¥33,500	¥141,900	¥183,696	¥ 934,896	¥152,401	¥1,087,298
Net Non-interest Income	49,800	53,300	127,800	79,400	27,300	170,100	52,874	560,574	37,845	598,420
Total	¥267,300	¥131,700	¥307,200	¥179,900	¥60,800	¥312,000	¥236,571	¥1,495,471	¥190,247	¥1,685,718
General and Administrative Expenses (excluding Non- Recurring Losses)	233,500	118,400	94,400	76,500	30,300	92,600	188,037	833,737	70,963	904,700
Others	—	—	—	—	—	—	—	—	(43,198)	(43,198)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 33,800	¥ 13,300	¥212,800	¥103,400	¥30,500	¥219,400	¥ 48,533	¥ 661,733	¥ 76,085	¥ 737,819

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

	MHTB (Consolidated)	MHSC (Consolidated)	Others	MHFG (Consolidated)
Gross Profits (excluding the amounts of credit costs of trust accounts)				
Net Interest Income	¥ 39,484	¥ 1,753	¥ 897	¥1,129,433
Net Non-interest Income	122,565	335,799	61,520	1,118,305
Total	¥162,049	¥337,552	¥62,418	¥2,247,738
General and Administrative Expenses (excluding Non-Recurring Losses)	94,527	267,970	54,025	1,321,224
Others	(3,697)	32	(2,689)	(49,552)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 63,824	¥ 69,614	¥ 5,703	¥ 876,961

Thousands of U.S. dollars

	MHBK (Consolidated)									
	MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2015	<i>Personal banking</i>	<i>Retail banking</i>	<i>Corporate banking (Large corporation)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Inter- national</i>	<i>Trading and others</i>		<i>Others</i>	
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income	\$1,808,431	\$ 651,867	\$1,491,644	\$ 835,619	\$278,540	\$1,179,845	\$1,527,369	\$ 7,773,315	\$1,267,160	\$ 9,040,475
Net Non-interest Income	414,068	443,170	1,062,609	660,182	226,989	1,414,318	439,632	4,660,968	314,675	4,975,643
Total	\$2,222,499	\$1,095,037	\$2,554,253	\$1,495,801	\$505,529	\$2,594,163	\$1,967,001	\$12,434,283	\$1,581,835	\$14,016,118
General and Administrative Expenses (excluding Non-Recurring Losses)	1,941,465	984,452	784,901	636,069	251,933	769,934	1,563,460	6,932,214	590,035	7,522,249
Others	—	—	—	—	—	—	—	—	(359,177)	(359,177)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	\$ 281,034	\$ 110,585	\$1,769,352	\$ 859,732	\$253,596	\$1,824,229	\$ 403,541	\$ 5,502,069	\$ 632,623	\$ 6,134,692

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

	<i>MHTB</i> <i>(Consolidated)</i>	<i>MHSC</i> <i>(Consolidated)</i>	<i>Others</i>	<i>MHFG</i> <i>(Consolidated)</i>
Gross Profits (excluding the amounts of credit costs of trust accounts)				
Net Interest Income	\$ 328,299	\$ 14,576	\$ 7,464	\$ 9,390,814
Net Non-interest Income	<u>1,019,085</u>	<u>2,792,045</u>	<u>511,519</u>	<u>9,298,292</u>
Total	<u>\$1,347,384</u>	<u>\$2,806,621</u>	<u>\$518,983</u>	<u>\$18,689,106</u>
General and Administrative Expenses (excluding Non-Recurring Losses)	<u>785,965</u>	<u>2,228,075</u>	<u>449,201</u>	<u>10,985,490</u>
Others	<u>(30,746)</u>	<u>271</u>	<u>(22,359)</u>	<u>(412,011)</u>
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	<u>\$ 530,673</u>	<u>\$ 578,817</u>	<u>\$ 47,423</u>	<u>\$ 7,291,605</u>

- Notes: 1. Gross profits (excluding the amounts of credit costs of trust accounts) is reported instead of sales reported by general corporations.
2. "Others" includes elimination of transactions between each subsidiary.
3. Following the transformation into the new group management structure conducted in April 2013, reclassification was made on the above table to reflect the relevant changes. MHFG turned MHSC that had formerly been a consolidated subsidiary of MHFG into a directly-held subsidiary of MHFG in April 2013.
4. Following the change in the allocation method between customer segments made in April, 2014, reclassification was made on the above table for the fiscal year ended March 31, 2014 to reflect the relevant change.
5. In the above table for the fiscal year ended March 31, 2014, "MHBK (Unconsolidated)" reports the results of the former MHCBC for the first quarter and MHBK after the merger from the second quarter to the fourth quarter. "Others" includes the result of the former MHBK for the first quarter.
6. The former MHSC and the former Mizuho Investors Securities Co., Ltd. ("MHIS") merged in January 2013. In the above table for the fiscal year ended March 31, 2013, "Others" in "the former MHBK (Consolidated)" includes the result of the former MHIS before the merger and "MHSC (Consolidated)" reports the result of MHSC (Consolidated) after the merger.

4. The Difference between the Total Amounts of Reportable Segments and the Recorded Amounts in Consolidated Statement of Income, and the Contents of the Difference (Matters relating to adjustment to difference)

The above amount of Gross profits (excluding the amounts of credit costs of trust accounts) and that of Net business profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) derived from internal management reporting by reportable segment are different from the amounts recorded in Consolidated Statement of Income.

The contents of the difference for the period are as follows:

- (a) The Total of Gross Profits (excluding the amounts of credit costs of trust accounts) of Segment Information and Ordinary Profits

	Millions of yen			<i>Thousands of U.S. dollars</i>
	2013	2014	2015	2015
Gross Profits (excluding the amounts of credit costs of trust accounts):				
Total Amount of the Above Segment				
Information	¥ 2,171,716	¥ 2,035,281	¥ 2,247,738	\$ 18,689,105
Other Ordinary Income	197,015	331,333	301,037	2,503,016
General and Administrative Expenses	(1,244,647)	(1,258,227)	(1,351,611)	(11,238,145)
Other Ordinary Expenses	<u>(373,708)</u>	<u>(120,800)</u>	<u>(186,296)</u>	<u>(1,548,987)</u>
Ordinary Profits	<u>¥ 750,376</u>	<u>¥ 987,587</u>	<u>¥ 1,010,867</u>	<u>\$ 8,404,989</u>

Note: Ordinary profits represents Total Income excluding certain special income less Total Expenses excluding certain special expenses.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- (b) The Total of Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) of Segment Information and Income before Income Taxes and Minority Interests Recorded in Consolidated Statements of Income

	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans):				
Total Amount of the Above Segment Information	¥ 912,155	¥744,264	¥876,961	\$7,291,605
Credit Costs for Trust Accounts	—	—	—	—
General and Administrative Expenses (non-recurring losses)	(73,631)	(28,973)	(30,386)	(252,655)
Expenses Related to Portfolio Problems (including reversal of (provision for) general reserve for losses on loans)	(136,983)	(23,355)	(87,051)	(723,798)
Gains on Reversal of Reserves for Possible Losses on Loans, and other	25,146	136,235	82,351	684,724
Net Gains (Losses) Related to Stocks	(82,949)	77,031	131,910	1,096,789
Net Extraordinary Gains (Losses)	(32,543)	(2,220)	(20,235)	(168,250)
Other	106,639	82,384	37,082	308,324
Income before Income Taxes and Minority Interests Recorded in Consolidated Statements of Income	¥ 717,832	¥985,366	¥990,632	\$8,236,739

5. Related Information

- (a) Information about Geographic Areas

- (i) Ordinary income

	Millions of yen				
	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
2013					
Ordinary Income	¥ 2,284,685	¥ 244,863	¥ 133,373	¥ 250,083	¥ 2,913,005
	Millions of yen				
	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
2014					
Ordinary Income	¥ 2,275,599	¥ 202,888	¥ 180,856	¥ 268,415	¥ 2,927,760
	Millions of yen				
	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
2015					
Ordinary Income	¥ 2,375,535	¥ 284,770	¥ 184,355	¥ 335,564	¥ 3,180,225
	Thousands of U.S. dollars				
	Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
2015					
Ordinary Income	\$19,751,689	\$2,367,756	\$1,532,847	\$2,790,092	\$26,442,384

- Notes: 1. Geographic analyses are presented based on geographic contiguity, similarities in economic activities, and relation of business operations. The above table shows Ordinary Income instead of sales of non-financial companies.
2. Japan includes Ordinary Income of MHFG and domestic consolidated subsidiaries excluding overseas branches, Americas includes Ordinary Income of consolidated subsidiaries and branches in Canada, the United States of America and others, Europe includes Ordinary Income of consolidated subsidiaries and branches in the United Kingdom and others and Asia/Oceania includes Ordinary Income of consolidated subsidiaries and branches in Hong Kong, the Republic of Singapore and others.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(ii) Tangible fixed assets

Information on tangible fixed assets by geographical areas as of March 31, 2013, 2014 and 2015 is not disclosed since tangible fixed assets in Japan accounted for more than 90% of tangible fixed assets on the consolidated balance sheets of the company.

(b) Information about Major Customers

Information about major customers is not disclosed since there are no outside customers accounted for more than 10% of Ordinary Income of the company.

6. Information about Impairment Loss on Tangible Fixed Assets by Reportable Segment

Millions of yen									
The former MHBK (Consolidated)									
The former MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2013	Personal banking	Retail banking	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Trading and others	Others		
Impairment Loss	¥—	¥—	¥—	¥—	¥—	¥7,694	¥7,694	¥390	¥8,085
The former MHCB (Consolidated)									
The former MHCB (Unconsolidated)									
	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	MHSC (Con- solidated)	Others		
Impairment Loss	¥—	¥—	¥—	¥—	¥1,600	¥1,600	¥1,737	¥0	¥3,338
						MHTB (Consolidated)	Others	MHFG (Consolidated)	
Impairment Loss						¥482	¥5	¥11,912	
Millions of yen									
MHBK (Consolidated)									
MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2014	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	Others	
Impairment Loss	¥—	¥—	¥—	¥—	¥—	¥—	¥3,538	¥3,538	¥1,645
							MHTB (Consolidated)	MHSC (Consolidated)	MHFG (Consolidated)
Impairment Loss							¥1,153	¥149	¥19
Millions of yen									
MHBK (Consolidated)									
MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2015	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	Others	
Impairment Loss	¥—	¥—	¥—	¥—	¥—	¥—	¥10,387	¥10,387	¥0
							MHTB (Consolidated)	MHSC (Consolidated)	MHFG (Consolidated)
Impairment Loss							¥59	¥859	¥52

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>Thousands of U.S. dollars</i>									
<i>MHBK (Consolidated)</i>									
<i>MHBK (Unconsolidated)</i>									
<u>For the Fiscal Year ended March 31, 2015</u>	<i>Personal banking</i>	<i>Retail banking</i>	<i>Corporate banking (Large corporations)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Inter- national</i>	<i>Trading and others</i>	<i>Others</i>	
Impairment Loss	\$—	\$—	\$—	\$—	\$—	\$—	\$86,364	\$86,364	\$6 \$86,370
					<i>MHTB (Consolidated)</i>		<i>MHSC (Consolidated)</i>	<i>Others</i>	<i>MHFG (Consolidated)</i>
Impairment Loss					\$493		\$7,143	\$440	\$94,446

7. Information about Amortization and Unamortized Balance of Goodwill by Reportable Segment

<i>Millions of yen</i>									
<i>The former MHBK (Consolidated)</i>									
<i>The former MHBK (Unconsolidated)</i>									
<u>For the Fiscal Year ended March 31, 2013</u>	<i>Personal banking</i>	<i>Retail banking</i>	<i>Corporate banking (Large corporation)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Trading and others</i>	<i>Others</i>		
Amortization of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥ 274	¥ 274
Unamortized Balance of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥2,054	¥2,054
<i>The former MHC (Consolidated)</i>									
<i>The former MHC (Unconsolidated)</i>									
	<i>Corporate banking (Large corporation)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Inter- national</i>	<i>Trading and others</i>	<i>MHSC (Con- solidated)</i>	<i>Others</i>		
Amortization of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥ 217	¥ 217
Unamortized Balance of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥1,742	¥1,742
						<i>MHTB (Consolidated)</i>		<i>Others</i>	<i>MHFG (Consolidated)</i>
Amortization of Goodwill						¥—		¥ 2,912	¥ 3,405
Unamortized Balance of Goodwill						¥—		¥53,889	¥57,686

<i>Millions of yen</i>									
<i>MHBK (Consolidated)</i>									
<i>MHBK (Unconsolidated)</i>									
<u>For the Fiscal Year ended March 31, 2014</u>	<i>Personal banking</i>	<i>Retail banking</i>	<i>Corporate banking (Large corporations)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Inter- national</i>	<i>Trading and others</i>	<i>Others</i>	
Amortization of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥ 685 ¥ 685
Unamortized Balance of Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥11,262 ¥11,262
					<i>MHTB (Consolidated)</i>		<i>MHSC (Consolidated)</i>	<i>Others</i>	<i>MHFG (Consolidated)</i>
Amortization of Goodwill					¥—		¥—	¥ 2,986	¥ 3,672
Unamortized Balance of Goodwill					¥—		¥—	¥50,976	¥62,238

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

Millions of yen									
MHBK (Consolidated)									
MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2015	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	International	Trading and others	Others	
Amortization of									
Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥ 785 ¥ 785
Unamortized Balance of									
Goodwill	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥10,553 ¥10,553
					MHTB (Consolidated)	MHSC (Consolidated)	Others		MHFG (Consolidated)
Amortization of Goodwill					¥—	¥—	¥ 2,912		¥ 3,698
Unamortized Balance of Goodwill					¥—	¥—	¥48,063		¥58,617

Thousands of U.S. dollars									
MHBK (Consolidated)									
MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2015	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	International	Trading and others	Others	
Amortization of									
Goodwill	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$ 6,528 \$ 6,528
Unamortized Balance of									
Goodwill	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$87,751 \$87,751
					MHTB (Consolidated)	MHSC (Consolidated)	Others		MHFG (Consolidated)
Amortization of Goodwill					\$—	\$—	\$ 24,220		\$ 30,748
Unamortized Balance of Goodwill					\$—	\$—	\$399,630		\$487,381

8. Information about Gain on Negative Goodwill Incurred by Reportable Segment

Millions of yen									
The former MHBK (Consolidated)									
The former MHBK (Unconsolidated)									
For the Fiscal Year ended March 31, 2013	Personal banking	Retail banking	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Trading and others	Others		
Gain on Negative									
Goodwill Incurred	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥30,040	¥30,040
The former MHCB (Consolidated)									
The former MHCB (Unconsolidated)									
	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	MHSC (Consolidated)	Others		
Gain on Negative									
Goodwill Incurred	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥11,742	¥11,742
						MHTB (Consolidated)	Others		MHFG (Consolidated)
Gain on Negative Goodwill Incurred						¥—	¥(41,782)		¥—

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

For the Fiscal Year ended March 31, 2014	Millions of yen								
	MHBK (Consolidated)								
	MHBK (Unconsolidated)								
	Personal banking	Retail banking	Corporate banking (Large corporations)	Corporate banking	Financial Institutions & Public sector business	Inter- national	Trading and others	Others	
Gain on Negative Goodwill									
Incurred	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥5,621 ¥5,621
					MHTB (Consolidated)	MHSC (Consolidated)	Others		MHFG (Consolidated)
Gain on Negative Goodwill Incurred					¥—	¥—	¥—		¥5,621

For the fiscal years ended March 31, 2015

- There is no applicable information.

45. Related Party

For the fiscal years ended March 31, 2013, 2014 and 2015

- There are no material additions to the current scope subject to disclosure.

46. Per Share Information

Per share information as of or for the fiscal years ended March 31, 2013, 2014 and 2015 are calculated based on the following information:

As of or for the fiscal years ended March 31,	Yen			U.S. dollars
	2013	2014	2015	2015
Net Assets per Share of Common Stock	¥229.70	¥253.25	¥322.86	\$2.68
Net Income per Share of Common Stock	22.96	28.18	24.91	0.21
Diluted Net Income per Share of Common Stock	22.05	27.12	24.10	0.20

Notes: 1. Total Net Assets per Share of Common Stock is based on the following information.

As of March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Total Net Assets	¥ 7,736,230	¥ 8,304,549	¥ 9,800,538	\$81,487,803
Deductions from Total Net Assets	2,190,405	2,163,015	1,854,668	15,420,872
Paid-in Amount of Preferred				
Stock	377,354	312,651	213,120	1,772,021
Cash Dividends on Preferred				
Stock	3,956	3,126	2,131	17,720
Stock Acquisition Rights	2,687	3,179	3,820	31,764
Minority Interests	1,806,407	1,844,057	1,635,595	13,599,367
Net Assets (year-end) related to				
Common Stock	5,545,824	6,141,534	7,945,869	66,066,931
Year-end Outstanding Shares of				
Common Stock, based on which				
Total Net Assets per Share of	24,142,736	24,250,067	24,610,248	
Common Stock was calculated	Thousand shares	Thousand shares	Thousand shares	/

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

2. Net Income per Share of Common Stock is based on the following information.

For the fiscal years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Net Income	¥ 560,516	¥ 688,415	¥ 611,935	\$5,088,012
Amount not attributable to Common				
Stock	8,221	6,744	4,910	40,826
Cash Dividends on Preferred				
Stock	8,221	6,437	4,910	40,826
Cancellation differences on				
Dividend Preferred Stock	—	307	—	—
Net Income related to Common Stock . .	552,294	681,670	607,025	5,047,186
Average Outstanding Shares of Common				
Stock (during the period)	24,053,281	24,189,669	24,368,115	
	Thousand shares	Thousand shares	Thousand shares	/

3. Diluted Net Income per Share of Common Stock is based on the following information.

For the fiscal years ended March 31,	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Adjustments to Net Income	¥ 7,120	¥ 6,437	¥ 4,910	\$40,826
Cash Dividends on Preferred				
Stock	7,120	6,437	4,910	40,826
Increased Number of Shares of				
Common Stock	1,311,947	1,181,582	1,012,931	
	Thousand shares	Thousand shares	Thousand shares	/
Preferred Stock	1,291,854	1,164,941	994,744	
	Thousand shares	Thousand shares	Thousand shares	/
Stock Acquisition Rights	20,092	16,641	18,186	
	Thousand shares	Thousand shares	Thousand shares	/
Description of Dilutive Securities which				
were not included in the Calculation				
of Diluted Net Income per Share of				
Common Stock as they have no				
Dilutive effects	—	—	—	/

4. As indicated in “6. Change in Accounting Policies”, Mizuho Financial Group has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) (hereinafter, the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015) (hereinafter, the “Guidance”), in terms of regulations stipulated in the text of the Accounting Standard, Paragraph 35 and the Guidance, Paragraph 67, beginning with the fiscal year ended March 31, 2015 and the Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37.

As a result of this, the impact on Net Assets per Share of Common Stock at the beginning of the fiscal year ended March 31, 2015, Net Income per Share of Common Stock, and Diluted Net Income per Share of Common Stock for the fiscal year ended March 31, 2015 is immaterial.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

47. Subsequent Events

Mizuho Financial Group, Inc. decided to redeem in full preferred securities issued by its group's overseas special purpose subsidiaries on May 15, 2015, as set forth below.

(1) Issuers	a. Mizuho Capital Investment (JPY) 4 Limited b. Mizuho Capital Investment (JPY) 5 Limited
(2) Type of securities	Non-cumulative Perpetual Preferred Securities
(3) Total redemption amount	a. ¥355,000 million b. Series B ¥72,500 million, Series C ¥25,000 million
(4) Scheduled redemption date	June 30, 2015
(5) Major reasons for the redemption	Arrival of optional redemption date

Independent Auditors' Quarterly Review Report

The Board of Directors

Mizuho Financial Group, Inc.

We have reviewed the accompanying quarterly consolidated financial statements of Mizuho Financial Group, Inc., which comprise the quarterly consolidated balance sheet as of December 31, 2015, and the related quarterly consolidated statements of income, comprehensive income for the nine-month periods ended December 31, 2014 and 2015, and the related notes.

Management's Responsibility for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion independently on these quarterly consolidated financial statements based on our review. We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan.

A review of quarterly consolidated financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Mizuho Financial Group, Inc. as of December 31, 2015, and the consolidated results of their operations for the nine-month periods ended December 31, 2014 and 2015, in accordance with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these quarterly consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, based on our review, the accompanying quarterly consolidated financial statements have been properly translated on the basis described in Note 1.

/s/ Ernst & Young ShinNihon LLC

February 9, 2016

Tokyo, Japan

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars (Note 1)
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Assets			
Cash and Due from Banks (Note 26)	¥ 29,096,166	¥ 37,393,820	\$ 310,219,183
Call Loans and Bills Purchased	444,115	498,146	4,132,625
Receivables under Resale Agreements	8,582,239	9,131,164	75,752,154
Guarantee Deposits Paid under Securities Borrowing Transactions	4,059,340	3,624,545	30,069,233
Other Debt Purchased (Note 26)	3,239,831	3,105,179	25,760,572
Trading Assets (Note 4)	10,781,735	12,114,805	100,504,441
Money Held in Trust (Note 26)	157,728	165,068	1,369,405
Securities (Notes 5, 16 and 26)	43,278,733	38,888,647	322,620,273
Loans and Bills Discounted (Note 6)	73,415,170	75,882,584	629,522,022
Foreign Exchange Assets (Note 7)	1,623,736	1,809,972	15,015,537
Derivatives other than for Trading Assets (Note 27)	3,544,243	2,456,923	20,382,641
Other Assets (Notes 8 and 26)	4,066,424	3,261,271	27,055,509
Tangible Fixed Assets (Note 9)	1,078,051	1,077,815	8,941,558
Intangible Fixed Assets	657,556	767,886	6,370,388
Net Defined Benefit Asset	743,382	787,525	6,533,316
Deferred Tax Assets	36,938	34,033	282,338
Customers' Liabilities for Acceptances and Guarantees (Note 16)	5,404,843	5,002,301	41,499,099
Reserves for Possible Losses on Loans (Note 10)	(525,486)	(464,347)	(3,852,226)
Reserve for Possible Losses on Investments	(2)	—	—
Total Assets	¥189,684,749	¥195,537,344	\$1,622,178,068

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets—(Continued)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Liabilities and Net Assets			
Liabilities			
Deposits (Note 11)	¥113,452,451	¥119,328,899	\$ 989,952,710
Call Money and Bills Sold (Note 12)	5,091,198	4,915,104	40,775,715
Payables under Repurchase Agreements	19,612,120	20,083,562	166,613,261
Guarantee Deposits Received under Securities Lending Transactions	2,245,639	2,207,053	18,309,719
Commercial Paper (Note 13)	538,511	899,850	7,465,165
Trading Liabilities (Note 4)	8,743,196	8,962,242	74,350,779
Borrowed Money (Note 14)	7,195,869	7,633,718	63,329,339
Foreign Exchange Liabilities (Note 7)	473,060	392,742	3,258,192
Short-term Bonds	816,705	1,018,323	8,448,010
Bonds and Notes	6,013,731	6,453,895	53,541,527
Due to Trust Accounts	1,780,768	2,113,303	17,531,969
Derivatives other than for Trading Liabilities (Note 27) . . .	3,474,332	2,215,293	18,378,077
Other Liabilities (Note 15)	4,261,955	4,146,442	34,398,894
Reserve for Bonus Payments	59,869	30,912	256,451
Net Defined Benefit Liability	47,518	49,426	410,044
Reserve for Director and Corporate Auditor Retirement Benefits	1,527	1,704	14,142
Reserve for Possible Losses on Sales of Loans	13	1,012	8,402
Reserve for Contingencies	7,845	4,826	40,037
Reserve for Reimbursement of Deposits	15,851	14,971	124,200
Reserve for Reimbursement of Debentures	48,878	38,621	320,403
Reserves under Special Laws	1,607	1,956	16,234
Deferred Tax Liabilities	524,321	530,102	4,397,732
Deferred Tax Liabilities for Revaluation Reserve for Land . .	72,392	71,714	594,945
Acceptances and Guarantees (Note 16)	5,404,843	5,002,301	41,499,099
Total Liabilities	¥179,884,211	¥186,117,984	\$1,544,035,046

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Balance Sheets—(Continued)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Net Assets			
Common Stock and Preferred Stock (Note 17)	¥ 2,255,404	¥ 2,255,790	\$ 18,714,043
Capital Surplus	1,110,006	1,111,410	9,220,264
Retained Earnings	2,769,371	3,045,962	25,269,307
Treasury Stock (Note 17)	(3,616)	(3,713)	(30,808)
Total Shareholders' Equity	6,131,166	6,409,450	53,172,806
Net Unrealized Gains (Losses) on Other Securities (Note 26)	1,737,348	1,510,707	12,532,830
Deferred Gains or Losses on Hedges	26,635	49,049	406,911
Revaluation Reserve for Land	146,419	145,061	1,203,432
Foreign Currency Translation Adjustments	(40,454)	(53,994)	(447,942)
Remeasurements of Defined Benefit Plans	160,005	159,771	1,325,464
Total Accumulated Other Comprehensive Income . .	2,029,955	1,810,594	15,020,695
Stock Acquisition Rights	3,820	2,762	22,919
Non-controlling Interests	1,635,595	1,196,552	9,926,602
Total Net Assets	9,800,538	9,419,359	78,143,022
Total Liabilities and Net Assets	¥189,684,749	¥195,537,344	\$1,622,178,068

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Income

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars (Note 1)
	2014	2015	2015
Income			
Interest Income (Note 18)	¥1,075,607	¥1,069,570	\$ 8,873,160
Fiduciary Income	36,697	38,112	316,180
Fee and Commission Income	512,360	546,463	4,533,458
Trading Income (Note 19)	166,455	216,540	1,796,420
Other Operating Income (Note 20)	315,341	238,893	1,981,861
Other Income (Note 22)	202,792	296,582	2,460,452
Total Income	2,309,254	2,406,162	19,961,531
Expenses			
Interest Expenses (Note 18)	249,283	308,247	2,557,220
Fee and Commission Expenses	108,450	115,441	957,703
Trading Expenses (Note 19)	—	2,836	23,528
Other Operating Expenses (Note 21)	82,918	57,151	474,132
General and Administrative Expenses	993,135	1,008,415	8,365,817
Other Expenses (Note 23)	70,946	127,536	1,058,047
Total Expenses	1,504,735	1,619,629	13,436,447
Income before Income Taxes	804,519	786,533	6,525,084
Income Taxes:			
Current	209,317	147,487	1,223,553
Refund of Income Taxes	(570)	(3,137)	(26,029)
Deferred	19,067	78,970	655,140
Total Income Taxes	227,813	223,320	1,852,664
Profit	576,705	563,213	4,672,420
Profit Attributable to Non-controlling Interests	53,479	43,722	362,721
Profit Attributable to Owners of Parent	¥ 523,226	¥ 519,491	\$ 4,309,699

Per Share of Common Stock

As of December 31,	Yen		U.S. dollars (Note 1)
	2014	2015	2015
Net Income:			
Basic	¥21.39	¥20.91	\$0.17
Diluted	20.61	20.46	0.17

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Consolidated Financial Statements
Consolidated Statements of Comprehensive Income

For the nine months ended December 31,	Millions of yen		<i>Thousands of U.S. dollars (Note 1)</i>
	2014	2015	2015
Profit	¥ 576,705	¥ 563,213	\$ 4,672,420
Other Comprehensive Income:	691,030	(216,137)	(1,793,078)
Net Unrealized Gains (Losses) on Other Securities	633,284	(222,776)	(1,848,155)
Deferred Gains or Losses on Hedges	36,676	22,551	187,087
Revaluation Reserve for Land	—	6	53
Foreign Currency Translation Adjustments	4,221	(10,609)	(88,017)
Remeasurements of Defined Benefit Plans	10,902	(1,675)	(13,896)
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	5,946	(3,634)	(30,150)
Comprehensive Income	¥1,267,736	¥ 347,075	\$ 2,879,342
Comprehensive Income Attributable to Owners of the Parent:	¥1,211,518	¥ 301,494	\$ 2,501,199
Comprehensive Income Attributable to Non-controlling Interests: ...	56,217	45,581	378,143

See accompanying “Notes to Consolidated Financial Statements,” which are an integral part of these statements.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements

1. Basis for Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Mizuho Financial Group, Inc. ("MHFG") and its consolidated subsidiaries in accordance with the provisions set forth in the Company Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements which were previously filed with the Director General of the Kanto Local Finance Bureau are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥120.54=US\$1.00, the foreign exchange rate on December 31, 2015, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2. Changes in Accounting Policies and Accounting Estimates / Restatements

For the nine months ended December 31, 2015

- (a) MHFG has applied "Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) (hereinafter, the "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) (hereinafter, the "Consolidation Accounting Standard"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) (hereinafter, the "Business Divestitures Accounting Standard") and other standards from the first quarter ended June 30, 2015. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which MHFG continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after April 1, 2015, the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of Net Income and others has been changed and presentation of Minority Interests has been changed to Non-controlling Interests. In order to reflect the changes in presentation of financial statements, reclassification was made accordingly in the quarterly consolidated financial statements for the nine months ended December 31, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015.

The Business Combinations Accounting Standard and other standards have been applied in accordance with the transitional treatment set forth in Article 58-2 (3) of the Business Combinations Accounting Standard, Article 44-5 (3) of the Consolidation Accounting Standard and Article 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, Goodwill decreased by ¥48,063 million, Retained Earnings decreased by ¥48,999 million, and Capital Surplus increased by ¥935 million as of April 1, 2015. In addition, Ordinary Profits and Income before Income Taxes for the nine months ended December 31, 2015 each increased by ¥2,184 million.

3. Change in Presentation of Financial Statements

For the nine months ended December 31, 2015

- (a) Refund of Income Taxes formerly included within Current Income Taxes is separately presented from the nine months ended December 31, 2015 due to increased materiality. Refund of Income Taxes formerly included within Current Income Taxes for the nine months ended December 31, 2014 was ¥570 million.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

4. Trading Assets and Liabilities

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Trading Assets:			
Trading Securities	¥ 5,042,005	¥ 6,296,193	\$ 52,233,227
Derivatives for Trading Transactions	5,526,350	5,646,209	46,840,959
Derivatives for Trading Securities	213,379	172,402	1,430,255
Total	¥ 10,781,735	¥ 12,114,805	\$ 100,504,441
Trading Liabilities:			
Trading Securities Sold Short	¥ 3,200,813	¥ 3,354,339	\$ 27,827,607
Derivatives for Trading Transactions	5,335,870	5,455,388	45,257,908
Derivatives for Trading Securities	206,512	152,514	1,265,264
Total	¥ 8,743,196	¥ 8,962,242	\$ 74,350,779

5. Securities

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Japanese Government Bonds	¥ 21,775,918	¥ 17,992,095	\$ 149,262,448
Japanese Local Government Bonds	238,587	224,969	1,866,349
Japanese Short-term Bonds	99	99	829
Japanese Corporate Bonds	2,674,037	2,778,569	23,051,018
Japanese Stocks	4,500,792	4,451,108	36,926,400
Other	14,089,298	13,441,804	111,513,229
Total	¥ 43,278,733	¥ 38,888,647	\$ 322,620,273

6. Loans and Bills Discounted

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Loans on Deeds	¥ 61,263,590	¥ 62,869,058	\$ 521,561,796
Overdrafts	7,960,639	8,026,618	66,588,837
Loans on Notes	3,216,933	3,989,922	33,100,399
Bills Discounted	418,171	464,379	3,852,493
Financing Receivables, including Factoring, Leasing and Property Financing	551,112	527,663	4,377,501
Other	4,723	4,941	40,996
Total	¥ 73,415,170	¥ 75,882,584	\$ 629,522,022

Loans and Bills Discounted as of March 31, 2015 and December 31, 2015 include the following:

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Loans to Bankrupt Obligors* ¹	¥ 10,246	¥ 31,773	\$ 263,594
Non-Accrual Delinquent Loans* ²	425,778	374,809	3,109,420
Loans Past Due for Three Months or More* ³	3,496	1,303	10,815
Restructured Loans* ⁴	614,928	481,353	3,993,312
Total	¥ 1,054,450	¥ 889,240	\$ 7,377,141

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- *1 Loans to Bankrupt Obligors represent non-accrual loans to obligors who are legally bankrupt as defined in Article 96, Paragraph 1, Items 3 and 4 of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965).
- *2 Non-Accrual Delinquent Loans represent non-accrual loans other than (i) Loans to Bankrupt Obligors and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of obligors in financial difficulties.
- *3 Loans to Bankrupt Obligors or Non-Accrual Delinquent Loans, both of which are classified as non-accrual, are not included in this category.
- *4 Restructured Loans represent loans on which contracts were amended in favor of obligors (e.g., the reduction of or exemption from stated interest, the deferral of interest payments, the extension of maturity dates, or renunciation of claims) in order to assist or facilitate the restructuring of obligors in financial difficulties.

Note: The amounts given in the above table are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.

7. Foreign Exchange Assets and Liabilities

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Foreign Exchange Assets:			
Foreign Bills Bought	¥ 952,558	¥ 969,119	\$ 8,039,818
Foreign Bills Receivable	416,944	382,517	3,173,368
Due from Banks (Foreign)	254,167	457,130	3,792,351
Advance to Foreign Banks	65	1,205	10,000
Total	¥ 1,623,736	¥ 1,809,972	\$ 15,015,537
Foreign Exchange Liabilities:			
Due to Banks (Foreign)	¥ 416,320	¥ 273,997	\$ 2,273,080
Advance from Foreign Banks	25,800	33,199	275,424
Foreign Bills Payable	26,251	81,458	675,781
Foreign Bills Sold	4,688	4,087	33,907
Total	¥ 473,060	¥ 392,742	\$ 3,258,192

8. Other Assets

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Accrued Income	¥ 281,063	¥ 254,044	\$ 2,107,550
Prepaid Expenses	43,258	54,595	452,927
Other	3,742,102	2,952,631	24,495,032
Total	¥ 4,066,424	¥ 3,261,271	\$ 27,055,509

9. Tangible Fixed Assets

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Land	¥ 612,901	¥ 612,355	\$ 5,080,101
Buildings	340,101	336,666	2,792,986
Lease Assets	18,566	25,115	208,360
Construction in Progress	13,786	18,621	154,481
Other	92,695	85,056	705,630
Total	¥ 1,078,051	¥ 1,077,815	\$ 8,941,558

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

10. Reserves for Possible Losses on Loans

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
General Reserve for Possible Losses on Loans	¥(344,496)	¥(307,635)	\$(2,552,145)
Specific Reserve for Possible Losses on Loans	(180,386)	(156,697)	(1,299,965)
Reserve for Possible Losses on Loans to Restructuring Countries	(603)	(13)	(116)
Total	¥(525,486)	¥(464,347)	\$(3,852,226)

11. Deposits

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Current Deposits	¥ 7,183,120	¥ 7,477,866	\$ 62,036,392
Ordinary Deposits* ¹	45,900,575	46,220,287	383,443,569
Deposits at Notice	863,870	685,202	5,684,437
Time Deposits	38,409,156	42,746,465	354,624,737
Negotiable Certificates of Deposit	15,694,906	17,165,077	142,401,507
Other	5,400,823	5,033,999	41,762,068
Total	¥113,452,451	¥119,328,899	\$989,952,710

*¹ Ordinary Deposits includes savings deposits.

12. Call Money and Bills Sold

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Call Money	¥5,091,198	¥4,915,104	\$40,775,715
Bills Sold	—	—	—
Total	¥5,091,198	¥4,915,104	\$40,775,715

13. Commercial Paper

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Commercial Paper	¥538,511	¥899,850	\$7,465,165

14. Borrowed Money

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Borrowed Money	¥7,195,869	¥7,633,718	\$63,329,339
Bills Rediscounted	—	—	—
Other Borrowings* ¹	7,195,869	7,633,718	63,329,339

*¹ Other Borrowings includes subordinated debt of ¥456,000 million and ¥322,000 million (\$2,671,312 thousand) as of March 31, 2015 and December 31, 2015, respectively.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

15. Other Liabilities

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Accrued Expenses	¥ 139,417	¥ 178,784	\$ 1,483,193
Unearned Income	149,019	152,107	1,261,882
Income Taxes Payable	158,755	45,028	373,554
Lease Liabilities	29,128	38,382	318,423
Other	3,785,635	3,732,140	30,961,842
Total	¥4,261,955	¥4,146,442	\$34,398,894

16. Acceptances and Guarantees

All commitments and contingent liabilities of a material nature resulting from guarantees or otherwise are included in the contra-accounts Acceptances and Guarantees and Customers' Liabilities for Acceptances and Guarantees.

The outstanding balances of the accounts were as follows:

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2015	As of December 31, 2015	As of December 31, 2015
Guarantees	¥5,170,320	¥4,788,895	\$39,728,682
Letters of Credit	163,196	158,074	1,311,382
Acceptances	71,327	55,332	459,035
Total	¥5,404,843	¥5,002,301	\$41,499,099

Note: Liabilities for guarantees on corporate bonds included in Securities, which were issued by private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Law (the Securities and Exchange Law as of March 31, 2007) amounted to ¥ 1,036,575 million and ¥1,015,838 million (\$8,427,396 thousand) as of March 31, 2015 and December 31, 2015, respectively.

17. Common Stock and Preferred Stock

Common Stock and Preferred Stock at March 31, 2015 and December 31, 2015 were as follows:

As of March 31, 2015 Class of stock	Number of shares		Per share (Yen)				With Redemption or not
	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend	Liquidation value	Convertible or not	
Common Stock	48,000,000,000	24,621,897,967	¥3.5	¥ 4	¥ —	No	No
Eleventh Series Class XI Preferred Stock	914,752,000	914,752,000	10	10	1,000	Yes	No

Notes: 1. Treasury Stock and stocks held by subsidiaries and affiliates are not excluded. The numbers are as follows:

Common Stock	8,695 thousand shares
Eleventh Series Class XI Preferred Stock	701,631 thousand shares

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

2. Each total number of shares which are authorized to be issued is as follows:

First Series Class XIV Preferred Stock	900,000 thousand shares
Second Series Class XIV Preferred Stock	900,000 thousand shares
Third Series Class XIV Preferred Stock	900,000 thousand shares
Fourth Series Class XIV Preferred Stock	900,000 thousand shares
First Series Class XV Preferred Stock	900,000 thousand shares
Second Series Class XV Preferred Stock	900,000 thousand shares
Third Series Class XV Preferred Stock	900,000 thousand shares
Fourth Series Class XV Preferred Stock	900,000 thousand shares
First Series Class XVI Preferred Stock	1,500,000 thousand shares
Second Series Class XVI Preferred Stock	1,500,000 thousand shares
Third Series Class XVI Preferred Stock	1,500,000 thousand shares
Fourth Series Class XVI Preferred Stock	1,500,000 thousand shares
The total number of shares of the First to Fourth Series Class XIV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.	
The total number of shares of the First to Fourth Series Class XV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.	
The total number of shares of the First to Fourth Series Class XVI Preferred Stock, which are authorized to be issued, shall not exceed 1,500,000,000 in total.	

As of December 31, 2015 Class of stock	Number of shares		Per share (Yen)				Convertible or not	With Redemption or not
	Authorized	Issued and outstanding	Interim cash dividend	Year-end cash dividend	Liquidation value			
Common Stock	48,000,000,000	24,877,532,747	¥3.75	¥ 4	¥ —		No	No
Eleventh Series Class XI Preferred Stock	914,752,000	914,752,000	10	10	1,000		Yes	No
First Series Class XIV Preferred Stock	900,000,000	—	—	—	—		—	—
Second Series Class XIV Preferred Stock	900,000,000	—	—	—	—		—	—
Third Series Class XIV Preferred Stock	900,000,000	—	—	—	—		—	—
Fourth Series Class XIV Preferred Stock	900,000,000	—	—	—	—		—	—
First Series Class XV Preferred Stock	900,000,000	—	—	—	—		—	—
Second Series Class XV Preferred Stock	900,000,000	—	—	—	—		—	—
Third Series Class XV Preferred Stock	900,000,000	—	—	—	—		—	—
Fourth Series Class XV Preferred Stock	900,000,000	—	—	—	—		—	—
First Series Class XVI Preferred Stock	1,500,000,000	—	—	—	—		—	—
Second Series Class XVI Preferred Stock	1,500,000,000	—	—	—	—		—	—
Third Series Class XVI Preferred Stock	1,500,000,000	—	—	—	—		—	—
Fourth Series Class XVI Preferred Stock	1,500,000,000	—	—	—	—		—	—

Note: 1. The total number of shares of the First to Fourth Series Class XIV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.
The total number of shares of the First to Fourth Series Class XV Preferred Stock, which are authorized to be issued, shall not exceed 900,000,000 in total.
The total number of shares of the First to Fourth Series Class XVI Preferred Stock, which are authorized to be issued, shall not exceed 1,500,000,000 in total.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

18. Interest Income and Interest Expenses

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Interest Income:			
Loans and Bills Discounted	¥ 700,106	¥ 697,965	\$5,790,321
Securities	239,688	224,603	1,863,312
Call Loans and Bills Purchased	6,142	4,951	41,082
Due from Banks	36,572	48,552	402,789
Receivables under Resale Agreements	20,465	30,503	253,053
Guarantee Deposits Paid under Securities Borrowing Transactions	5,221	6,235	51,732
Other Interest Income	67,410	56,758	470,871
Total	¥1,075,607	¥1,069,570	\$8,873,160
Interest Expenses:			
Deposits	¥ 112,188	¥ 147,344	\$1,222,367
Call Money and Bills Sold	5,757	5,951	49,376
Payables under Repurchase Agreements	21,878	41,748	346,345
Guarantee Deposits Received under Securities Lending Transactions	6,366	2,339	19,412
Commercial Paper	1,217	1,236	10,257
Borrowed Money	13,643	15,230	126,354
Other Interest Expenses	88,231	94,395	783,109
Total	¥ 249,283	¥ 308,247	\$2,557,220
Net	¥ 826,323	¥ 761,323	\$6,315,940

19. Trading Income and Trading Expenses

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Trading Income:			
Net Gains on Trading Securities	¥120,429	¥112,737	\$ 935,272
Net Gains on Derivatives for Trading Transactions	46,025	103,802	861,148
Total	¥166,455	¥216,540	\$1,796,420
Trading Expenses:			
Net Losses on Trading Securities	¥ —	¥ 2,836	\$ 23,528
Total	¥ —	¥ 2,836	\$ 23,528
Net	¥166,455	¥213,704	\$1,772,892

20. Other Operating Income

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Gains on Foreign Exchange Transactions	¥ 89,505	¥ 34,539	\$ 286,538
Gains on Sales of Bonds	160,727	120,269	997,754
Gains on Derivatives other than for Trading or Hedging	—	12,280	101,879
Other	65,109	71,804	595,690
Total	¥315,341	¥238,893	\$1,981,861

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

21. Other Operating Expenses

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
For the nine months ended December 31,			
Losses on Sales of Bonds	¥ 39,465	¥30,310	\$251,458
Expenses on Derivatives other than for Trading or Hedging	10,611	—	—
Losses on Devaluation of Bonds	1,741	395	3,279
Other	31,100	26,445	219,395
Total	¥ 82,918	¥57,151	\$474,132

22. Other Income

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
For the nine months ended December 31,			
Gains on Sales of Stocks	¥108,399	¥216,034	\$1,792,219
Indemnity Receipt from the Erroneous Stock Order in the Securities			
Subsidiary	—	12,822	106,373
Gains on Disposition of Fixed Assets	93	7,533	62,498
Other	94,298	60,193	499,362
Total	¥202,792	¥296,582	\$2,460,452

23. Other Expenses

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
For the nine months ended December 31,			
System Migration-related Expenses	¥ —	¥ 26,229	\$ 217,603
Losses on Disposition of Fixed Assets	2,616	2,675	22,192
Other	68,330	98,632	818,252
Total	¥ 70,946	¥127,536	\$1,058,047

24. Information on Shareholders' Equity

For the nine months ended December 31, 2014

Cash dividends distributed by MHFG are as follows:

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date	Resource of Dividends
June 24, 2014	Common Stock	¥ 84,886	¥3.5	March 31, 2014	June 24, 2014	Retained Earnings
(Ordinary General Meeting of Shareholders)	Eleventh Series Class XI Preferred Stock	3,126	10	March 31, 2014	June 24, 2014	Retained Earnings
Total		¥ 88,012	/			
November 14, 2014	Common Stock	¥ 85,344	¥3.5	September 30, 2014	December 5, 2014	Retained Earnings
(Board of Directors' Meeting)	Eleventh Series Class XI Preferred Stock	2,778	10	September 30, 2014	December 5, 2014	Retained Earnings
Total		¥ 88,123	/			

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

For the nine months ended December 31, 2015

Cash dividends distributed by MHFG are as follows:

Resolution	Types	Cash Dividends (Millions of yen)	Cash Dividends (Thousands of U.S. dollars)	Cash Dividends per Share (Yen)	Cash Dividends per Share (U.S. dollars)	Record Date	Effective Date	Resource of Dividends
May 15, 2015	Common Stock	¥ 98,452	\$816,765	¥ 4	\$0.03	March 31, 2015	June 4, 2015	Retained Earnings
(Board of Directors' Meeting)	Eleventh Series Class XI Preferred Stock	2,131	17,680	10	0.08	March 31, 2015	June 4, 2015	Retained Earnings
Total		<u>¥100,584</u>	<u>\$834,445</u>	<u>/</u>	<u>/</u>			
November 13, 2015	Common Stock	¥ 93,240	\$773,520	¥3.75	\$0.03	September 30, 2015	December 4, 2015	Retained Earnings
(Board of Directors' Meeting)	Eleventh Series Class XI Preferred Stock	1,440	11,952	10	0.08	September 30, 2015	December 4, 2015	Retained Earnings
Total		<u>¥ 94,680</u>	<u>\$785,472</u>	<u>/</u>	<u>/</u>			

25. Cash Flows

We have not prepared Consolidated Statements of Cash Flows for the nine months ended December 31, 2015. Depreciation (including Amortization of intangible fixed assets excluding goodwill) and Amortization of Goodwill for the nine months ended December 31, 2014 and 2015 are as follows:

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Depreciation	¥117,162	¥119,584	\$992,069
Amortization of Goodwill	2,762	452	3,754

26. Fair value of Securities and Money Held in Trust

In addition to “Securities” on the consolidated balance sheet, Negotiable Certificates of Deposit in “Cash and Due from Banks,” certain items in “Other Debt Purchased” and certain items in “Other Assets” are also included. Unlisted stocks and others, the fair values of which are extremely difficult to determine, are excluded.

As of March 31, 2015	Millions of yen		
	Consolidated Balance Sheet Amount	Fair value	Difference
Bonds Held-to-Maturity (Total)	¥5,647,341	¥5,677,806	¥30,465
Japanese Government Bonds	4,360,126	4,388,954	28,827
Foreign Bonds	1,287,214	1,288,852	1,638
As of December 31, 2015	Millions of yen		
	Consolidated Balance Sheet Amount	Fair value	Difference
Bonds Held-to-Maturity (Total)	¥5,117,490	¥5,147,490	¥30,000
Japanese Government Bonds	3,910,053	3,946,456	36,402
Foreign Bonds	1,207,437	1,201,034	(6,402)

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of December 31, 2015	<i>Thousands of U.S. dollars</i>		
	<i>Consolidated Balance Sheet Amount</i>	<i>Fair value</i>	<i>Difference</i>
Bonds Held-to-Maturity (Total)	\$42,454,706	\$42,703,588	\$248,882
Japanese Government Bonds	32,437,805	32,739,804	301,999
Foreign Bonds	10,016,901	9,963,784	(53,117)

Note: Fair value is primarily based on the market price at the consolidated balance sheet date.

As of March 31, 2015	<i>Millions of yen</i>		
	<i>Consolidated Balance Sheet Amount</i>	<i>Acquisition Cost</i>	<i>Difference</i>
Other Securities (Total)	¥37,704,504	¥35,173,125	¥2,531,378
Japanese Stocks	4,121,905	1,962,950	2,158,955
Japanese Bonds:	20,328,423	20,284,321	44,101
Japanese Government Bonds	17,415,791	17,393,154	22,636
Japanese Local Government Bonds	238,587	234,420	4,167
Japanese Short-term Bonds	99	99	—
Japanese Corporate Bonds	2,673,943	2,656,646	17,297
Other:	13,254,174	12,925,853	328,321
Foreign Bonds	10,032,520	9,992,460	40,060
Other Debt Purchased	488,196	485,366	2,829
Other	2,733,457	2,448,025	285,431
Money Held in Trust			
Other Money Held in Trust	¥ 3,415	¥ 3,415	¥ —

As of December 31, 2015	<i>Millions of yen</i>		
	<i>Consolidated Balance Sheet Amount</i>	<i>Acquisition Cost</i>	<i>Difference</i>
Other Securities (Total)	¥33,798,237	¥31,572,615	¥2,225,621
Japanese Stocks	4,009,098	1,890,232	2,118,866
Japanese Bonds:	17,084,644	17,031,115	53,528
Japanese Government Bonds	14,082,042	14,050,573	31,469
Japanese Local Government Bonds	224,969	220,244	4,724
Japanese Short-term Bonds	99	99	—
Japanese Corporate Bonds	2,777,532	2,760,197	17,334
Other:	12,704,494	12,651,267	53,226
Foreign Bonds	9,795,900	9,872,278	(76,377)
Other Debt Purchased	400,624	397,824	2,800
Other	2,507,968	2,381,165	126,803
Money Held in Trust			
Other Money Held in Trust	¥ 2,578	¥ 2,578	¥ —

As of December 31, 2015	<i>Thousands of U.S. dollars</i>		
	<i>Consolidated Balance Sheet Amount</i>	<i>Acquisition Cost</i>	<i>Difference</i>
Other Securities (Total)	\$280,390,220	\$261,926,457	\$18,463,763
Japanese Stocks	33,259,488	15,681,367	17,578,121
Japanese Bonds:	141,734,233	141,290,157	444,076
Japanese Government Bonds	116,824,643	116,563,575	261,068
Japanese Local Government Bonds	1,866,349	1,827,152	39,197
Japanese Short-term Bonds	829	829	—
Japanese Corporate Bonds	23,042,412	22,898,601	143,811
Other:	105,396,499	104,954,933	441,566
Foreign Bonds	81,266,806	81,900,432	(633,626)
Other Debt Purchased	3,323,585	3,300,353	23,232
Other	20,806,108	19,754,148	1,051,960
Money Held in Trust			
Other Money Held in Trust	\$ 21,394	\$ 21,394	\$ —

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

- Notes: 1. Difference include gains of ¥52,059 million and gains of ¥52,828 million (\$438,264 thousand) which were recognized in the consolidated statement of income for the fiscal year ended March 31, 2015 and the nine months ended December 31, 2015 respectively, by applying the fair-value hedge method.
2. The fair value of Japanese stocks is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. The fair value of securities other than Japanese stocks is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date.
3. Certain Securities other than Trading Securities (excluding Securities for which it is deemed to be extremely difficult to determine the fair value) are devalued to the fair value, and the difference between the acquisition cost and the fair value is treated as the loss for the fiscal year (impairment (devaluation)), if the fair value (primarily the closing market price at the consolidated balance sheet date) has significantly deteriorated compared with the acquisition cost (including amortized cost), and unless it is deemed that there is a possibility of a recovery in the fair value. The amount of impairment (devaluation) for the fiscal year ended March 31, 2015 and the nine months ended December 31, 2015 was ¥3,206 million and ¥8,392 million (\$69,625 thousand), respectively.
- The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:
- Securities whose fair value is 50% or less of the acquisition cost;
- Securities whose fair value exceeds 50% but is 70% or less of the acquisition cost and the quoted market price maintains a certain level or lower.
4. Floating-rate Japanese Government Bonds
- Fair values of Floating-rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are based on the reasonably calculated prices as book value at the end of the third quarter. In deriving the reasonably calculated prices, we used the discounted cash flow method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

27. Derivatives Information

The fair value of derivatives not qualifying for hedge accounting as of March 31, 2015 and December 31, 2015 is shown in the tables below.

(1) Interest Rate-Related Transactions

Millions of yen			
As of March 31, 2015	Contract value	Fair value	Unrealized gains (losses)
Listed:			
Futures	¥ 38,560,813	¥ (5,746)	¥ (5,746)
Options	3,638,379	688	(404)
Over-the-Counter:			
FRAs	21,276,711	(3,123)	(3,123)
Swaps	1,013,142,035	240,651	240,651
Options	21,536,441	(29,000)	(29,000)
Inter-company or Internal Transactions:			
Swaps	16,632,531	(47,472)	(47,472)
Total	/	¥155,997	¥154,904
Millions of yen			
As of December 31, 2015	Contract value	Fair value	Unrealized gains (losses)
Listed:			
Futures	¥ 35,638,819	¥ (10,428)	¥ (10,428)
Options	1,847,381	(26)	(368)
Over-the-Counter:			
FRAs	32,152,713	(3,136)	(3,136)
Swaps	975,931,702	273,099	273,099
Options	17,929,680	(22,081)	(22,081)
Inter-company or Internal Transactions:			
Swaps	17,423,984	(48,878)	(48,878)
Total	/	¥188,548	¥188,206

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<u>As of December 31, 2015</u>	<i>Thousands of U.S. dollars</i>		
	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	\$ 295,659,698	\$ (86,514)	\$ (86,514)
Options	15,325,878	(216)	(3,053)
Over-the-Counter:			
FRAs	266,738,954	(26,022)	(26,022)
Swaps	8,096,330,699	2,265,638	2,265,638
Options	148,744,655	(183,192)	(183,192)
Inter-company or Internal Transactions:			
Swaps	144,549,396	(405,494)	(405,494)
Total	<u>/</u>	<u>\$1,564,200</u>	<u>\$1,561,363</u>

Notes: 1. The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

2. Derivative transactions qualifying for hedge accounting under “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.24, February 13, 2002) and others are excluded from the above table.

(2) Currency-Related Transactions

<u>As of March 31, 2015</u>	<i>Millions of yen</i>		
	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	¥ 70,689	¥ —	¥ —
Over-the-Counter:			
Swaps	39,935,672	(23,922)	(68,615)
Forwards	89,327,718	154,484	154,484
Options	7,745,751	(173,075)	(166,285)
Inter-company or Internal Transactions:			
Swaps	2,293,679	184,643	3,577
Forwards	158,892	(2,766)	(2,766)
Total	<u>/</u>	<u>¥ 139,364</u>	<u>¥ (79,605)</u>

<u>As of December 31, 2015</u>	<i>Millions of yen</i>		
	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	¥ 145,453	¥ (31)	¥ (31)
Over-the-Counter:			
Swaps	42,761,670	28,485	(11,874)
Forwards	84,204,920	152,850	152,850
Options	5,849,063	(106,689)	(105,353)
Inter-company or Internal Transactions:			
Swaps	4,357,780	78,398	(6,453)
Forwards	167,439	(3,695)	(3,695)
Total	<u>/</u>	<u>¥ 149,318</u>	<u>¥ 25,443</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>Thousands of U.S. dollars</i>			
<u>As of December 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	\$ 1,206,684	\$ (264)	\$ (264)
Over-the-Counter:			
Swaps	354,750,875	236,314	(98,514)
Forwards	698,564,130	1,268,052	1,268,052
Options	48,523,840	(885,095)	(874,009)
Inter-company or Internal Transactions:			
Swaps	36,152,152	650,396	(53,535)
Forwards	1,389,075	(30,655)	(30,655)
Total	<u><u>/</u></u>	<u><u>\$1,238,748</u></u>	<u><u>\$ 211,075</u></u>

- Notes: 1. The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.
2. The following transactions are excluded from the above table:
- Transactions qualifying for hedge accounting under “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25, July 29, 2002) and others.
 - Transactions which are specified for certain financial assets and liabilities denominated in foreign currencies and reflected on the consolidated balance sheets.
 - Transactions denominated in foreign currencies which are eliminated in consolidation.

(3) Stock-Related Transactions

<i>Millions of yen</i>			
<u>As of March 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Index Futures	¥ 417,772	¥ (3,636)	¥ (3,636)
Index Futures Options	1,309,006	(9,672)	(8,409)
Over-the-Counter:			
Equity Linked Swaps	181,297	3,473	3,473
Options	812,776	8,839	8,256
Other	155,581	11,271	11,271
Total	<u><u>/</u></u>	<u><u>¥10,275</u></u>	<u><u>¥10,955</u></u>

<i>Millions of yen</i>			
<u>As of December 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Index Futures	¥ 628,466	¥ (579)	¥ (579)
Index Futures Options	1,760,791	(4,135)	539
Over-the-Counter:			
Equity Linked Swaps	120,254	15,033	15,033
Options	909,497	(5,547)	(6,890)
Other	263,728	16,178	16,178
Total	<u><u>/</u></u>	<u><u>¥20,949</u></u>	<u><u>¥24,280</u></u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<u>As of December 31, 2015</u>	<i>Thousands of U.S. dollars</i>		
	<i>Contract value</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>
Listed:			
Index Futures	\$ 5,213,755	\$ (4,807)	\$ (4,807)
Index Futures Options	14,607,529	(34,311)	4,472
Over-the-Counter:			
Equity Linked Swaps	997,629	124,715	124,715
Options	7,545,190	(46,019)	(57,165)
Other	2,187,895	134,218	134,218
Total	<u><u>/</u></u>	<u><u>\$173,796</u></u>	<u><u>\$201,433</u></u>

Notes: 1. The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.
2. Derivative transactions qualifying for hedge accounting are excluded from the above table.

(4) Bond-Related Transactions

<u>As of March 31, 2015</u>	<i>Millions of yen</i>		
	<i>Contract value</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>
Listed:			
Futures	¥1,188,979	¥ (785)	¥(785)
Futures Options	954,218	(120)	(43)
Over-the-Counter:			
Options	1,674,416	(807)	(11)
Total	<u><u>/</u></u>	<u><u>¥(1,713)</u></u>	<u><u>¥(840)</u></u>

<u>As of December 31, 2015</u>	<i>Millions of yen</i>		
	<i>Contract value</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>
Listed:			
Futures	¥1,921,419	¥(219)	¥(219)
Futures Options	716,106	142	128
Over-the-Counter:			
Options	1,013,541	196	733
Total	<u><u>/</u></u>	<u><u>¥ 120</u></u>	<u><u>¥ 642</u></u>

<u>As of December 31, 2015</u>	<i>Thousands of U.S. dollars</i>		
	<i>Contract value</i>	<i>Fair value</i>	<i>Unrealized gains (losses)</i>
Listed:			
Futures	\$15,940,098	\$(1,818)	\$(1,818)
Futures Options	5,940,822	1,180	1,064
Over-the-Counter:			
Options	8,408,343	1,634	6,082
Total	<u><u>/</u></u>	<u><u>\$ 996</u></u>	<u><u>\$ 5,328</u></u>

Note: The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

(5) Commodity-Related Transactions

Millions of yen			
<u>As of March 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	¥ 20,631	¥ (21)	¥ (21)
Over-the-Counter:			
Swaps	197	(37)	(37)
Options	312,465	4,391	4,391
Total	<u> / </u>	<u>¥4,332</u>	<u>¥4,332</u>
Millions of yen			
<u>As of December 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	¥ 6,702	¥ (99)	¥ (99)
Over-the-Counter:			
Swaps	176	0	0
Options	325,875	3,693	3,693
Total	<u> / </u>	<u>¥3,594</u>	<u>¥3,594</u>
Thousands of U.S. dollars			
<u>As of December 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Listed:			
Futures	\$ 55,602	\$ (828)	\$ (828)
Over-the-Counter:			
Swaps	1,467	7	7
Options	2,703,468	30,643	30,643
Total	<u> / </u>	<u>\$29,822</u>	<u>\$29,822</u>

Notes: 1. The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

2. Commodities include oil, copper, aluminum and others.

(6) Credit Derivative Transactions

Millions of yen			
<u>As of March 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Over-the-Counter:			
Credit Derivatives	¥5,067,043	¥5,410	¥5,410
Total	<u> / </u>	<u>¥5,410</u>	<u>¥5,410</u>
Millions of yen			
<u>As of December 31, 2015</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Unrealized gains (losses)</u>
Over-the-Counter:			
Credit Derivatives	¥5,299,520	¥14,186	¥14,186
Total	<u> / </u>	<u>¥14,186</u>	<u>¥14,186</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

As of December 31, 2015	Thousands of U.S. dollars		
	Contract value	Fair value	Unrealized gains (losses)
Over-the-Counter:			
Credit Derivatives	\$43,964,831	\$117,692	\$117,692
Total	<u> / </u>	<u>\$117,692</u>	<u>\$117,692</u>

Note: The above transactions are marked to market, and changes in unrealized gains (losses) are included in the consolidated statements of income.

28. Segment Information

Segment Information by Management Approach

(1) Summary of Reportable Segment

We engage in banking, trust banking, securities and other businesses through consolidated subsidiaries and affiliates. As these subsidiaries and affiliates are in different industries and regulatory environments, we disclose business segment information based on the relevant principal consolidated subsidiaries such as MHBK, MHTB and MHSC for investors to measure the present and future cash flows properly.

Operating segments of MHBK are aggregated based on the type of customer characteristics and are aggregated into the following seven reportable segments: Personal Banking; Retail Banking; Corporate Banking (Large Corporations); Corporate Banking; Financial Institutions & Public Sector Business; International Banking; and Trading and others.

(2) Gross Profits (excluding the amounts of credit costs of trust accounts) and Net Business Profits or Losses (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) by Reportable Segment

	Millions of yen									
	MHBK (Consolidated)									
	MHBK (Unconsolidated)									
	Personal banking	Retail banking	Corporate banking (Large corporation)	Corporate banking	Financial Institutions & Public sector business	Inter-national	Trading and others	Others		
For the nine months ended December 31, 2014										
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income	¥160,100	¥58,500	¥124,100	¥ 73,300	¥23,600	¥111,500	¥133,296	¥ 684,396	¥110,716	¥ 795,113
Net Non-interest Income	29,300	37,900	84,700	52,500	18,800	122,400	99,918	445,518	21,850	467,369
Total	<u>¥189,400</u>	<u>¥96,400</u>	<u>¥208,800</u>	<u>¥125,800</u>	<u>¥42,400</u>	<u>¥233,900</u>	<u>¥233,215</u>	<u>¥1,129,915</u>	<u>¥132,567</u>	<u>¥1,262,482</u>
General and Administrative Expenses (excluding Non-Recurring Losses)	<u>174,300</u>	<u>89,500</u>	<u>71,500</u>	<u>58,000</u>	<u>22,700</u>	<u>68,500</u>	<u>135,357</u>	<u>619,857</u>	<u>47,497</u>	<u>667,355</u>
Others	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(29,909)</u>	<u>(29,909)</u>
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	<u>¥ 15,100</u>	<u>¥ 6,900</u>	<u>¥137,300</u>	<u>¥ 67,800</u>	<u>¥19,700</u>	<u>¥165,400</u>	<u>¥ 97,857</u>	<u>¥ 510,057</u>	<u>¥ 55,159</u>	<u>¥ 565,217</u>

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

	MHTB (Consolidated)	MHSC (Consolidated)	Others	MHFG (Consolidated)
Gross Profits (excluding the amounts of credit costs of trust accounts)				
Net Interest Income	¥ 29,934	¥ 1,089	¥ 186	¥ 826,323
Net Non-interest Income	85,724	240,943	45,448	839,486
Total	¥115,659	¥242,032	¥45,634	¥1,665,809
General and Administrative Expenses (excluding Non-Recurring Losses)	69,591	196,260	37,134	970,342
Others	(2,734)	21	(1,994)	(34,616)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 43,334	¥ 45,793	¥ 6,505	¥ 660,850

Millions of yen

	MHBK (Consolidated)									
	MHBK (Unconsolidated)									
			Corporate banking (Large corporation)	Financial Institutions & Public sector business			Inter- national	Trading and others		
For the nine months ended December 31, 2015	Personal banking	Retail banking		Corporate banking					Others	
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income	¥162,100	¥57,200	¥120,900	¥ 71,900	¥23,500	¥131,000	¥ 60,499	¥ 627,099	¥ 99,812	¥ 726,911
Net Non-interest Income	27,600	36,800	96,400	50,700	21,300	137,000	73,393	443,193	26,867	470,060
Total	¥189,700	¥94,000	¥217,300	¥122,600	¥44,800	¥268,000	¥133,892	¥1,070,292	¥126,679	¥1,196,972
General and Administrative Expenses (excluding Non-Recurring Losses)	176,400	89,700	68,700	56,500	21,900	89,800	123,107	626,107	51,205	677,313
Others	—	—	—	—	—	—	—	—	(16,570)	(16,570)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 13,300	¥ 4,300	¥148,600	¥ 66,100	¥22,900	¥178,200	¥ 10,785	¥ 444,185	¥ 58,902	¥ 503,087

	MHTB (Consolidated)	MHSC (Consolidated)	Others	MHFG (Consolidated)
Gross Profits (excluding the amounts of credit costs of trust accounts)				
Net Interest Income	¥ 28,383	¥ 3,787	¥ 2,239	¥ 761,323
Net Non-interest Income	88,731	257,458	48,329	864,579
Total	¥117,115	¥261,246	¥50,569	¥1,625,903
General and Administrative Expenses (excluding Non-Recurring Losses)	73,625	212,056	44,048	1,007,043
Others	(2,751)	48	1,496	(17,777)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	¥ 40,738	¥ 49,238	¥ 8,017	¥ 601,082

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

<i>Thousands of U.S. dollars</i>										
<i>MHBK (Consolidated)</i>										
<i>MHBK (Unconsolidated)</i>										
For the nine months ended December 31, 2015	<i>Personal banking</i>	<i>Retail banking</i>	<i>Corporate banking (Large corporation)</i>	<i>Corporate banking</i>	<i>Financial Institutions & Public sector business</i>	<i>Inter-national</i>	<i>Trading and others</i>	<i>Others</i>		
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest										
Income	\$1,344,782	\$474,531	\$1,002,987	\$ 596,483	\$194,956	\$1,086,776	\$ 501,906	\$5,202,421	\$ 828,041	\$6,030,462
Net Non-interest										
Income	228,970	305,293	799,734	420,607	176,705	1,136,552	608,870	3,676,731	222,889	3,899,620
Total	\$1,573,752	\$779,824	\$1,802,721	\$1,017,090	\$371,661	\$2,223,328	\$1,110,776	\$8,879,152	\$1,050,930	\$9,930,082
General and Administrative Expenses (excluding Non-Recurring Losses)	1,463,415	744,151	569,935	468,724	181,683	744,981	1,021,301	5,194,190	424,804	5,618,994
Others	—	—	—	—	—	—	—	—	(137,471)	(137,471)
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)	\$ 110,337	\$ 35,673	\$1,232,786	\$ 548,366	\$189,978	\$1,478,347	\$ 89,475	\$3,684,962	\$ 488,655	\$4,173,617
					<i>MHTB (Consolidated)</i>	<i>MHSC (Consolidated)</i>	<i>Others</i>	<i>MHFG (Consolidated)</i>		
Gross Profits (excluding the amounts of credit costs of trust accounts)										
Net Interest Income					\$235,471	\$ 31,425	\$ 18,582	\$ 6,315,940		
Net Non-interest Income					736,118	2,135,874	400,944	7,172,556		
Total					\$971,589	\$2,167,299	\$419,526	\$13,488,496		
General and Administrative Expenses (excluding Non-Recurring Losses) . . .					610,797	1,759,220	365,423	8,354,434		
Others					(22,829)	404	12,414	(147,482)		
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans)					\$337,963	\$ 408,483	\$ 66,517	\$ 4,986,580		

Notes: 1. Gross profits (excluding the amounts of credit costs of trust accounts) is reported instead of sales reported by general corporations.
2. "Others" includes elimination of transactions between each subsidiary.
3. Following the change in the allocation method between customer segments made in April, 2015, reclassification was made on the above table for the fiscal year ended December 31, 2014 to reflect the relevant change.

- (3) The Difference between total Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) and the recorded amounts in the Consolidated Statements of Income, and the Contents of the Difference (Matters relating to adjustment of difference)

The total amount of the above Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans) derived from internal management reporting and the amount of Income before income taxes recorded in the Consolidated Statements of Income are different.

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

The contents of the difference for the nine months ended December 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net Business Profits (excluding the amounts of credit costs of trust accounts, before reversal of (provision for) general reserve for losses on loans):			
Total Amount of the Above Segment Information	¥660,850	¥601,082	\$4,986,580
Credit Costs for Trust Accounts	—	—	—
General and Administrative Expenses (non-recurring losses)	(22,792)	(1,372)	(11,383)
Expenses Related to Portfolio Problems (including reversal of (provision for) general reserve for losses on loans)	(13,766)	(24,825)	(205,956)
Gains on Reversal of Reserves for Possible Losses on Loans, and others	45,507	15,438	128,078
Net Gains (Losses) Related to Stocks	96,085	184,131	1,527,556
Net Extraordinary Gains (Losses)	(3,532)	16,623	137,910
Other	42,167	(4,544)	(37,701)
Income before Income Taxes Recorded in Consolidated Statements of Income	¥804,519	¥786,533	\$6,525,084

29. Per Share Information

Per share information for the nine months ended December 31, 2014 and 2015 are calculated based on the following information:

For the nine months ended December 31,	Yen		U.S. dollars
	2014	2015	2015
Net Income per Share of Common Stock	¥21.39	¥20.91	\$0.17
Diluted Net Income per Share of Common Stock	20.61	20.46	0.17

Notes: 1. Net Income per Share of Common Stock is based on the following information.

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net Income	¥523,226	¥519,491	\$4,309,699
Amount not attributable to Common			
Stock	2,778	1,440	11,952
Cash Dividends on Preferred			
Stock	2,778	1,440	11,952
Net Income related to Common Stock	520,447	518,050	4,297,747
Average Outstanding Shares of Common			
Stock (during the period)	24,324,351 Thousand shares	24,767,389 Thousand shares	/

Financial Data of Mizuho Financial Group, Inc.
Notes to Consolidated Financial Statements—(Continued)

2. Diluted Net Income per Share of Common Stock is based on the following information.

For the nine months ended December 31,	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Adjustments to Net Income	¥2,778	¥1,440	\$11,952
<i>Cash Dividends on Preferred Stock . . .</i>	2,778	1,440	11,952
Increased Number of Shares of Common			
Stock	1,054,302 Thousand shares	619,574 Thousand shares	/
<i>Preferred Stock</i>	1,038,004 Thousand shares	601,534 Thousand shares	/
<i>Stock Acquisition Rights</i>	16,297 Thousand shares	18,039 Thousand shares	/
Description of Dilutive Securities which were not included in the Calculation of Diluted Net Income per Share of Common Stock as they have no dilutive effects	—	—	/

30. Subsequent Events

There is no applicable information.

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