

MIZUHO FINANCIAL GROUP INC
Form 6-K
May 14, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2010

Commission File Number 001-33098

Mizuho Financial Group, Inc.

(Translation of registrant's name into English)

5-1, Marunouchi 2-chome

Chiyoda-ku, Tokyo 100-8333

Japan

(Address of principal executive office)

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

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

SIGNATURES

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

Date: May 14, 2010

Mizuho Financial Group, Inc.

By: /s/ Takeo Nakano

Name: Takeo Nakano

Title: Managing Executive Officer / CFO

For Immediate Release:

May 14, 2010

Financial Statements for Fiscal 2009

<Under Japanese GAAP>

Company Name: Mizuho Financial Group, Inc. (MHFG)

Stock Code Number (Japan): 8411

Stock Exchanges (Japan): Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section)

URL: <http://www.mizuho-fg.co.jp/english/>

Representative:	Name:	Takashi Tsukamoto	Ordinary General Meeting of Shareholders (scheduled):	June 22, 2010
	Title:	President & CEO	Filing of Yuka Shoken Hokokusho to the Kanto Local	
For Inquiry:	Name:	Tatsuya Yamada	Finance Bureau (scheduled):	June 23, 2010
	Title:	General Manager, Accounting	Commencement of Dividend Payment (scheduled):	June 22, 2010
	Phone:	+81-3-5224-2030	Trading Accounts:	Established

Amounts less than one million yen are rounded down.

1. Financial Highlights for Fiscal 2009 (for the fiscal year ended March 31, 2010)

(1) Consolidated Results of Operations

(%: Changes from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%
Fiscal 2009	2,817,625	(19.8)	327,127		239,404	
Fiscal 2008	3,514,428	(22.3)	(395,131)		(588,814)	

	Net Income	Diluted Net Income	Net Income	Ordinary Profits	Ordinary Profits
	per Share of Common Stock	per Share of Common Stock	on Own Capital	to Total Assets	to Ordinary Income
	¥	¥	%	%	%
Fiscal 2009	16.29	15.57	10.9	0.2	11.6
Fiscal 2008	(54.14)		(29.6)	(0.2)	(11.2)

Reference: Equity in Income from Investments in Affiliates:

Fiscal 2009: ¥2,892 million; Fiscal 2008: ¥(3,584) million

(2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Own Capital Ratio	Total Net Assets	Consolidated
	¥ million	¥ million	%	per Share of Common Stock	Capital
				¥	Adequacy Ratio (BIS)
Fiscal 2009	156,253,572	5,837,053	2.2	191.53	13.46
Fiscal 2008	152,723,070	4,186,606	1.3	104.38	10.53

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

Reference: Own Capital:

As of March 31, 2010: ¥3,513,050 million; As of March 31, 2009: ¥2,133,751 million

- Notes: 1. Own Capital Ratio was calculated as follows: (Total Net Assets - Stock Acquisition Rights - Minority Interests) / Total Assets × 100
2. Consolidated Capital Adequacy Ratio (BIS) is based on the Standards for Bank Holding Company to Consider the Adequacy of Its Capital Based on Assets and Others Held by It and Its Subsidiaries Pursuant to Article 52-25 of the Banking Law (Financial Services Agency Ordinance Announcement No. 20, March 27, 2006).
3. Consolidated Capital Adequacy Ratio (BIS) as of March 31, 2010 is a preliminary figure.

(3) Conditions of Consolidated Cash Flows

	Cash Flows from Operating Activities ¥ million	Cash Flows from Investing Activities ¥ million	Cash Flows from Financing Activities ¥ million	Cash and Cash Equivalents at the end of the fiscal year ¥ million
Fiscal 2009	13,432,719	(14,153,529)	231,801	4,678,783
Fiscal 2008	573,765	2,408,207	32,972	5,048,671

2. Cash Dividends for Shareholders of Common Stock

(Record Date)	Cash Dividends per Share				Annual ¥ million	Total Cash Dividends (Total) ¥ million	Dividends Pay-out Ratio (Consolidated basis) %	Dividends on Net Assets (Consolidated basis) %
	First quarter-end ¥	Second quarter-end ¥	Third quarter-end ¥	Fiscal year-end ¥				
Fiscal 2008		0.00		10.00	10.00	111,676		5.5
Fiscal 2009		0.00		8.00	8.00	123,880	49.1	5.4
Fiscal 2010 (estimate)		0.00		6.00	6.00		22.1	

Note: Please refer to page 1-3 for cash dividends for shareholders of classified stock (unlisted), the rights of which are different from those of common stock.

3. Earnings Estimates for Fiscal 2010 (for the fiscal year ending March 31, 2011)

(%: Changes from the corresponding period of the previous fiscal year)

	Net Income		Net Income per Share of Common Stock ¥
	¥ million	%	
IH F2010			
Fiscal 2010	430,000	179.6	27.05

Note: The number of shares of common stock used in the above calculation is based on the number of shares of common stock as of March 31, 2010. It does not take into account any increase in the number of outstanding shares of common stock that may result from the issuance of new shares by shelf registration announced today (May 14, 2010) or any increase in the number of outstanding shares of common stock due to requests for acquisition (conversion) of the Eleventh Series Class XI Preferred Stock.

4. Others**(1) Changes in Significant Subsidiaries during the Fiscal Year (changes in specified subsidiaries accompanying changes in the scope of consolidation):** Yes

[Newly consolidated: (Company name:); Excluded: 1 (Company name: Mizuho Securities Co., Ltd.)]

Please refer to ORGANIZATION STRUCTURE OF MIZUHO FINANCIAL GROUP on page 1-8 for details.

(2) Changes in Accounting Methods and Presentation of Consolidated Financial Statements**(To be described in changes of fundamental and important matters for the preparation of Consolidated Financial Statements)**

Changes due to revisions of accounting standards, etc.: Yes

Changes other than above: Yes

Please refer to CHANGES OF FUNDAMENTAL AND IMPORTANT MATTERS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS on page 1-28 for details.

(3) Issued Shares of Common Stock

Year-end issued shares (including treasury stock):	As of March 31, 2010:	15,494,397,690 shares;
	As of March 31, 2009:	11,178,940,660 shares
Year-end treasury stock:	As of March 31, 2010:	9,397,093 shares;
	As of March 31, 2009:	11,335,903 shares

Please refer to Per Share Information (Consolidated basis) on page 1-50 for the number of shares, based on which Net Income per share of common stock (consolidated basis) was calculated.

(Reference) Non-Consolidated Financial Statements for Fiscal 2009**1. Financial Highlights for Fiscal 2009 (for the fiscal year ended March 31, 2010)****(1) Non-Consolidated Results of Operations**

	Operating Income		Operating Profits		Ordinary Profits		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal 2009	33,792	(92.3)	13,984	(96.6)	1,086	(99.7)	3,379	(99.1)
Fiscal 2008	442,701	(45.1)	422,733	(46.2)	411,961	(46.6)	378,815	(53.2)

(%: Changes from the previous fiscal year)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	¥	¥
Fiscal 2009	(0.54)	

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

Fiscal 2008

32.00

28.45

(2) Non-Consolidated Financial Conditions

	Total Assets ¥ million	Total Net Assets ¥ million	Own Capital Ratio %	Total Net Assets per Share of Common Stock ¥
Fiscal 2009	5,225,971	4,011,146	76.7	223.59
Fiscal 2008	4,552,741	3,608,611	79.2	236.36

- Reference: 1. Own Capital:
As of March 31, 2010: ¥4,009,502 million; As of March 31, 2009: ¥3,607,578 million
2. Maximum amount available for dividends:
As of March 31, 2010: ¥1,549,745 million; As of March 31, 2009: ¥1,677,022 million
(Note) Maximum amount available for dividends is calculated pursuant to Article 461, Paragraph 2 of the Company Law.

This immediate release contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.

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.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency 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; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; changes to applicable laws and regulations; and our ability to implement our Medium-term Management Policy and other strategic initiatives and measures effectively.

Further information regarding factors that could affect our financial condition and results of operations is included in Item 3.D. Key Information Risk Factors, and Item 5. Operating and Financial Review and Prospects in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (SEC) which are available in the Financial Information section of our web page at www.mizuho-fg.co.jp/english/ and also at the SEC's web site at www.sec.gov.

We do not intend to update our 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, except as may be required by the rules of the Tokyo Stock Exchange.

Cash Dividends for Shareholders of Classified Stock

Breakdown of cash dividends per share and total cash dividends related to classified stock, the rights of which are different from those of common stock, is as follows:

(Record Date)	Cash Dividends per Share					Annual ¥	Total Cash Dividends (Annual) ¥ million
	First quarter-end ¥	Second quarter-end ¥	Third quarter-end ¥	Fiscal year-end ¥			
Eleventh Series Class XI Preferred Stock							
Fiscal 2008		0.00		20.00	20.00		18,239
Fiscal 2009		0.00		20.00	20.00		9,985
Fiscal 2010 (estimate)		0.00		20.00	20.00		
Thirteenth Series Class XIII Preferred Stock							
Fiscal 2008		0.00		30.00	30.00		1,100
Fiscal 2009		0.00		30.00	30.00		1,100
Fiscal 2010 (estimate)		0.00		30.00	30.00		

mNotes to XBRL

Please note that the names of the English accounts contained in XBRL data, which are available through EDINET and TDNet, may be different from those of the English accounts in our financial statements.

Reference: For example, in the EDINET website, it is stated that any information in English contained in this XBRL data that may be downloaded from the list is provided for reference purpose only, and the accuracy of the information is not assured. The examples of English account names, which are different in our financial statements and XBRL, include the following:

Mizuho: Reserves for Possible Losses on Loans	XBRL: Allowance for loan losses
Mizuho: Common Stock and Preferred Stock	XBRL: Capital Stock
Mizuho: Net Unrealized Gains on Other Securities, net of Taxes	XBRL: Valuation difference on available-for-sale securities
Mizuho: Other Operating Income (Expenses)	XBRL: Other ordinary income (expenses)
Mizuho: Other Ordinary Income (Expenses)	XBRL: Other income (expenses)

Please note that the names of the English accounts, including but not limited to, those other than the above examples, may be subject to change in the future.

1. CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

(Please refer to Summary of Financial Results for Fiscal 2009 for more information.)

(1) Analysis of Results of Operations

Looking back over the economic climate during the fiscal year ended March 31, 2010, the actions taken to stabilize the financial system and stimulate the economy by major countries in cooperation with each other in response to the financial crisis have been effective, and the global economy has emerged from its worst and is picking up moderately.

The United States and the euro area showed a return to positive real GDP growth in the third quarter of calendar year 2009 attributable mainly to the effects of economic stimulus policies. Also, in Asia, growth was maintained as strengthening of domestic demand in China induced exports from and production in neighboring countries.

As for the Japanese economy, it has entered a mild deflationary state with a severe employment and income environment continuing, and prospects of a self-sustaining recovery in domestic private-sector demand remain weak. However, exports have been increasing and personal consumption has been picking up, especially of durable goods, reflecting improvements in the foreign economic environment and the effectiveness of economic stimulus policies, and with positive real GDP growth maintained, the economy is picking up steadily.

Nevertheless, in a situation where causes of concern exist, such as the effects of the cessation of economic stimulus packages, worsening employment and the aggravation of the financial condition of certain nations in Europe and other areas, it remains uncertain whether the global economy is capable of maintaining its recovery going forward.

Given the above business environment, it is important for the group companies of Mizuho Financial Group, Inc. (the Group) to strengthen their profitability further by allocating management resources flexibly and by providing high-quality financial services to meet customers' needs, while maintaining financial soundness and enhancing corporate governance such as risk management.

Reflecting the above economic environment, Net Income amounted to ¥239.4 billion.

Taking segment information by type of business for MHFG and its consolidated subsidiaries categorized under banking business (banking and trust banking business), securities business and other, Ordinary Profits before excluding inter-segment Ordinary Profits was ¥272.5 billion for banking business, ¥57.8 billion for securities business and ¥3.8 billion for other. Looking at segment information by geographic area categorized under Japan, the Americas, Europe and Asia/Oceania, Ordinary Profits before excluding inter-segment Ordinary Profits was ¥304.2 billion for Japan, ¥81.9 billion for the Americas, ¥(21.5) billion for Europe and ¥43.0 billion for Asia/Oceania.

As for earnings estimates for fiscal 2010, we estimate Ordinary Profits of ¥570.0 billion and Net Income of ¥430.0 billion on a consolidated basis.

The above estimates are based on information that is available at this moment and assumptions of factors that have an influence on future results of operations. Actual results may differ materially from these estimates, depending on future events. Please refer to forward-looking statements on page 1-2.

(2) Analysis of Financial Conditions

Consolidated total assets as of March 31, 2010 amounted to ¥156,253.5 billion, increasing by ¥3,530.5 billion from the end of the previous fiscal year, mainly due to increases in Securities.

Securities were ¥43,096.4 billion, increasing by ¥ 12,922.8 billion from the end of the previous fiscal year. The balance of Loans and Bills Discounted amounted to ¥62,164.5 billion, decreasing by ¥8,355.6 billion from the end of the previous fiscal year.

Deposits amounted to ¥76,339.7 billion, decreasing by ¥839.7 billion from the end of the previous fiscal year.

Net Assets amounted to ¥5,837.0 billion, increasing by ¥1,650.4 billion from the end of the previous fiscal year. Shareholders' Equity was ¥3,207.2 billion, Total Valuation and Translation Adjustments was ¥305.8 billion and Minority Interests was ¥2,321.7 billion.

Net Cash Provided in Operating Activities was ¥13,432.7 billion mainly due to decreased Loans and Bills Discounted. Net Cash Provided (Used in) by Investing Activities was ¥(14,153.5) billion mainly due to acquisition of securities, and Net Cash Provided in Financing Activities was ¥231.8 billion. As a result, Cash and Cash Equivalents as of March 31, 2010 was ¥4,678.7 billion.

The Consolidated Capital Adequacy Ratio (Basel II BIS Standard) was 13.46% (preliminary).

	March 31, 2008	March 31, 2009	March 31, 2010
Basel II	11.70%	10.53%	13.46%

(3) Basic Policy on Profit Distribution, Proposed Dividend Payment for Fiscal 2009 and Forecast Dividend Payment for Fiscal 2010

We have pursued strengthening of stable capital base and steady returns to shareholders as our disciplined capital management, and have been putting more priority on strengthening of stable capital base, considering global discussions about capital adequacy and the uncertainty of economic and market trends.

Based on this policy, in consideration of our consolidated financial results, we plan to make cash dividend payments of ¥8 per share of common stock (a decrease of ¥2 from the previous fiscal year) for the fiscal year ending March 31, 2010 as previously announced.

We also propose making dividend payments on preferred stock as prescribed (i.e., a cash dividend of ¥20 per share for the Eleventh Series Class XI Preferred Stock and a cash dividend of ¥30 per share for the Thirteenth Series Class XIII Preferred Stock).

As for the dividend forecast for fiscal 2010, in the present circumstances of a heightened awareness of the importance of financial institutions capital adequacy, we continue to consider the balance between strengthening of stable capital base and steady returns to shareholders. From this standpoint, we plan to make cash dividend payments of ¥6 per share of common stock.

The above dividend estimate is based on information that is currently available to us and on assumptions regarding factors that have an influence on future results of operations. Actual results may differ materially from these estimates. Please refer to forward-looking statements on page 1-2.

2. ORGANIZATION STRUCTURE OF MIZUHO FINANCIAL GROUP

Mizuho Financial Group (the Group) is composed of Mizuho Financial Group, Inc. (MHFG) and its affiliates. The Group provides various financial services, principally banking business, together with securities business, trust and asset management business among others.

Of the major domestic subsidiaries and affiliates, the following companies are listed on domestic stock exchanges:

Company Name	Location	Main Business	Ownership Percentage (%)	Listed Stock Exchanges
Mizuho Securities Co., Ltd.	Chiyoda-Ku, Tokyo	Securities Business	59.5	Tokyo Stock Exchange (First Section)
			59.5	Osaka Securities Exchange (First Section)
				Nagoya Stock Exchange (First Section)
Mizuho Trust & Banking Co., Ltd.	Chuo-Ku, Tokyo	Trust and Banking Business	74.8	Tokyo Stock Exchange (First Section)
			0.2	Osaka Securities Exchange (First Section)
Mizuho Investors Securities Co., Ltd.	Chuo-Ku, Tokyo	Securities Business	66.8	Tokyo Stock Exchange (First Section)
			66.8	Osaka Securities Exchange (First Section)
				Nagoya Stock Exchange (First Section)

Italic figures of Ownership Percentage denote percentage of interest held by subsidiaries.

Changes in Significant Subsidiaries during the Fiscal Year

(changes in specified subsidiaries accompanying changes in the scope of consolidation)

On May 7, 2009, Shinko Securities Co., Ltd. (Shinko) (which was an affiliate of MHFG) and Mizuho Securities Co., Ltd. (MHSC) (which was a subsidiary of MHFG) consummated a merger, under which Shinko became the surviving entity and MHSC became the absorbed entity. Accordingly, MHSC, which was a specified subsidiary of MHFG before the merger, ceased to be a specified subsidiary. Please refer to MATTERS RELATED TO COMBINATION AND OTHERS on page 1-48 for more information.

3. MANAGEMENT POLICY

(1) Principal Management Policy

Mizuho Financial Group (the Group) pursues our goals of being held in high regard by our shareholders and the financial markets and earning widespread trust from the community as Japan's leading comprehensive financial services group on the basis of the three fundamental management philosophies below.

- a) To provide the highest level of comprehensive financial services to our customers and clients.
- b) To provide an attractive, inspiring workplace for our employees where they can each demonstrate their rich individuality and ability to meet their respective challenges.
- c) To enable each group company to demonstrate to the utmost its own particular characteristics and strengths in its respective business field and function.

(2) Management's Medium/Long-term Targets and Issues to be Resolved

The actions taken to stimulate the economy by individual countries have been effective, and the global economy has emerged from its worst and is picking up moderately. Nevertheless, in a situation where causes of concern exist, such as the effects of the cessation of economic stimulus packages and worsening employment, it remains uncertain whether the global economy is capable of maintaining its recovery going forward.

In such business environment, the Group announced the Mizuho's Transformation Program on May 14, 2010, as its Medium-term Management Policy. This formulates a policy to enhance profitability, financial base and front-line business capabilities of the Group through a fundamental review of those areas in an aim to respond promptly and appropriately to a new business environment while the Group practices its customer first policy. By promoting the Mizuho's Transformation Program, which consists of three (3) programs, namely, Program for Improving Profitability, Program for Enhancing Financial Base, and Program for Strengthening Front-line Business Capabilities, the Group aims to become the financial institution most trusted by customers.

With respect to capital management, because the strengthening of its capital base has become increasingly important for financial institutions as a reform of global capital regulations is currently being conducted, the Group has established a new medium-term target of increasing its consolidated Tier 1 capital ratio level to approximately 12%, and its prime capital* level to 8% or above. (* Prime capital is calculated by the following formula: Prime capital = Tier 1 capital - preferred securities - preferred stock (excluding mandatory convertible preferred stock))

The MHFG's board of directors resolved on May 14, 2010 to file a Shelf Registration Statement (hakkoutourokusho) for the issuance of its common stock in an amount of up to JPY 800.0 billion. The decision is aimed at establishing a capital base that will serve as a foundation for the Group's future sustainable growth, on a basis of reforms in capital regulation. This registration is to secure flexibility of capital to expand in business areas with high growth potential and to further develop business with its customers. The Group will continuously make efforts to strengthen its capital base through the building-up of its retained earnings by strengthening its profitability, and through implementing various countermeasures in anticipation of developments regarding reforms in capital regulations.

The Group companies will strengthen profitability by providing superior financial services to their customers through the use of their respective strengths and the promotion of mutual collaboration within the Group. In compliance with the Law concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc. of Japan, the Group companies are constantly aware of a financial institution's social responsibility and the importance of financial institution's public mission, and will make efforts to facilitate financing uniformly through the Group. The Group will also strive to win the further confidence of its domestic and overseas customers by continuing to establish a firm compliance structure and an advanced risk management regime.

[Business Strategy]

(Please refer to Management Structure of Mizuho Financial Group, Inc. on page 1-12.)

(Global Corporate Group)

In order to become the top corporate finance provider, MHC B will aim to continuously strengthen its profitability by mainly focusing on its strategic business fields, and continuously establish a solid management administration regime that is capable of meeting changes in the environment. In particular, MHC B will further strengthen its profitability through the allocation of management resources to its businesses in Asia and in other areas that MHC B intends to improve. In addition, MHC B will reinforce the framework for improving its ability to offer financial solutions to domestic customers and will promote collaboration with the Group companies. Moreover, MHC B will improve its management administration regime, including the improvement of portfolio management. Furthermore, MHC B will actively take appropriate risks, according to appropriate risk management, and will actively fulfill its financial intermediation function.

MHSC, which went through a merger in May 2009, employs two main business strategies: implementing a profit model centered on the business with customers and creating a management structure that is highly responsive to environmental changes. In particular, in addition to the further development and achievement of the merger's synergistic effects through collaborations between the departments of MHSC and the improvement in internal efficiency, MHSC will implement measures that aim for a dramatic improvement in profitability, and will focus on the promotion of globalization and the improvement of its internal control system.

Through the aforementioned measures, Global Corporate Group will make efforts to provide corporate customers with, not only the high-quality solutions of the banking and securities businesses, but also the financial services that are most suited to their needs, for which the financial functions of the Group will be fully utilized.

(Global Retail Group)

MHBK will return to its original starting point as a commercial bank, and will deepen and advance its relationship of trust with customers, including individual customers, small- and medium-sized enterprises, middle market corporations, and their management, based on its philosophy of putting customers first. Additionally, MHBK will actively take appropriate risks according to proper risk management. MHBK, sufficiently understanding the purpose of the Law concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc. of Japan, etc., and being constantly aware of a financial institution's social responsibility and the importance of a financial institution's public mission, will make efforts to facilitate financing.

In the individuals market, MHBK will strengthen its marketing, and improve its products, services, and sales framework, while it further enhances remote channels to expand points of contact with customers. In the corporate market, MHBK will actively provide customers with smooth financing and optimum solutions while it conducts careful credit controls. MHBK will respond to more diversified and sophisticated needs of its customers by reinforcing its collaboration with the Group companies and leveraging the full resources of the Group.

MHBK will continue to strengthen its compliance, customer protection, and security to ensure its customers will be able to carry out their transactions without worries.

(Global Asset & Wealth Management Group)

MHTB will make every effort to increase profits and to significantly broaden its customer base through the provision of trust products and/or trust services to customers of the whole Group and will further devote management resources to areas in which MHTB specializes and in which MHTB will be able to demonstrate benefits of a trust business by selecting and concentrating on such area in order to improve its expertise and profitability. Specifically, MHTB will create a solid operating framework which can further strengthen collaboration among the Group through the establishment and expansion of joint branches dealing with banking, trust and securities businesses and through the reinforcement of the general marketing functions of the trust business. Also, MHTB will continue to focus on enhancing its internal controls, thereby strengthening compliance and customer protection in the process of enhancing the unification of the Group. Additionally, MHTB will actively take appropriate risks according to proper risk management, and will actively fulfill its financial intermediation function. Mizuho Private Wealth Management Co., Ltd. will promote the further strengthening of its owner-consulting capabilities through the full use of products and functions across the Group companies. As core companies in the asset management business of the Group, Mizuho Asset Management Co., Ltd. and DIAM Co., Ltd. will respond to the diverse needs of customers.

In our efforts to become a financial partner that helps customers shape their future and achieve their dreams, which is an ideal implicit in the Group brand slogan, Channel to Discovery, the Group will work to fulfill our social responsibilities and public duties and further promote our corporate values by steadily pursuing business strategies under a solid internal control system and promoting CSR (corporate social responsibility) activities, including support for financial education and environmental efforts.

1-12

4. CONSOLIDATED FINANCIAL STATEMENTS AND OTHERS

(1) CONSOLIDATED BALANCE SHEETS

	As of March 31, 2009		As of March 31, 2010
Assets			
Cash and Due from Banks	¥ 5,720,253	*8	¥ 5,211,477
Call Loans and Bills Purchased	141,296		605,238
Receivables under Resale Agreements	6,270,321		7,129,676
Guarantee Deposits Paid under Securities Borrowing Transactions	5,819,418		5,744,901
Other Debt Purchased	2,612,368		2,040,445
Trading Assets	13,514,509	*2,*8	13,986,791
Money Held in Trust	40,693		119,438
Securities	30,173,632	*1,*2,*8,*16	43,096,460
Loans and Bills Discounted	70,520,224	*3,*4,*5,*6,*7,*8,*9	62,164,579
Foreign Exchange Assets	980,003	*7	707,803
Derivatives other than for Trading Assets	7,872,780		7,060,302
Other Assets	4,138,508	*8,*18	3,742,205
Tangible Fixed Assets	842,809	*8,*11,*12	927,337
Buildings	283,992		312,512
Land	410,391	*10	470,185
Lease Assets	8,678		9,734
Construction in Progress	19,931		22,420
Other Tangible Fixed Assets	119,815		112,485
Intangible Fixed Assets	303,854		427,278
Software	232,786		244,925
Lease Assets	1,354		2,325
Other Intangible Fixed Assets	69,713		180,027
Deferred Tax Assets	722,160		533,030
Customers Liabilities for Acceptances and Guarantees	3,939,818		3,643,706
Reserves for Possible Losses on Loans	(889,579)		(887,073)
Reserve for Possible Losses on Investments	(3)		(29)
Total Assets	¥ 152,723,070		¥ 156,253,572

Mizuho Financial Group, Inc.

	As of March 31, 2009		Millions of yen As of March 31, 2010
Liabilities			
Deposits	¥ 77,179,540	*8	¥ 76,339,779
Negotiable Certificates of Deposit	9,359,479		10,287,808
Debentures	2,300,459		1,517,797
Call Money and Bills Sold	6,449,829	*8	5,786,370
Payables under Repurchase Agreements	9,173,846	*8	12,075,802
Guarantee Deposits Received under Securities Lending Transactions	4,110,941	*8	6,615,512
Trading Liabilities	7,995,359		7,579,695
Borrowed Money	8,941,972	*8, *13	9,663,867
Foreign Exchange Liabilities	591,132		172,990
Short-term Bonds	428,785		492,397
Bonds and Notes	4,597,403	*14	4,970,257
Due to Trust Accounts	986,147		1,025,431
Derivatives other than for Trading Liabilities	7,578,211		6,614,116
Other Liabilities	4,620,459		3,376,769
Reserve for Bonus Payments	47,942		48,946
Reserve for Employee Retirement Benefits	36,329	*18	34,263
Reserve for Director and Corporate Auditor Retirement Benefits	1,978		2,112
Reserve for Possible Losses on Sales of Loans	28,711		15,258
Reserve for Contingencies	20,555		14,809
Reserve for Frequent Users Services	11,389		
Reserve for Reimbursement of Deposits	13,605		14,748
Reserve for Reimbursement of Debentures	8,973		10,824
Reserves under Special Laws	1,750		2,149
Deferred Tax Liabilities	7,486		12,226
Deferred Tax Liabilities for Revaluation Reserve for Land	104,355	*10	98,875
Acceptances and Guarantees	3,939,818		3,643,706
Total Liabilities	148,536,464		150,416,519
Net Assets			
Common Stock and Preferred Stock	1,540,965		1,805,565
Capital Surplus	411,318		552,135
Retained Earnings	608,053		854,703
Treasury Stock	(6,218)		(5,184)
Total Shareholders Equity	2,554,119		3,207,219
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	(519,574)		176,931
Net Deferred Hedge Gains, net of Taxes	67,525		83,093
Revaluation Reserve for Land, net of Taxes	146,447	*10	138,430
Foreign Currency Translation Adjustments	(114,765)		(92,623)
Total Valuation and Translation Adjustments	(420,367)		305,831
Stock Acquisition Rights	1,187		2,301
Minority Interests	2,051,667		2,321,700
Total Net Assets	4,186,606		5,837,053

Total Liabilities and Net Assets	¥ 152,723,070	¥ 156,253,572
---	---------------	---------------

(2) CONSOLIDATED STATEMENTS OF INCOME

	<i>Millions of yen</i>	
	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Ordinary Income	¥ 3,514,428	¥ 2,817,625
Interest Income	2,144,436	1,571,994
<i>Interest on Loans and Bills Discounted</i>	1,367,354	1,047,718
<i>Interest and Dividends on Securities</i>	466,785	350,536
<i>Interest on Call Loans and Bills Purchased</i>	8,253	3,675
<i>Interest on Receivables under Resale Agreements</i>	149,001	34,292
<i>Interest on Securities Borrowing Transactions</i>	37,853	9,148
<i>Interest on Due from Banks</i>	36,393	10,214
<i>Other Interest Income</i>	78,793	116,408
Fiduciary Income	55,891	49,100
Fee and Commission Income	514,997	557,312
Trading Income	301,521	312,330
Other Operating Income	259,151	179,021
Other Ordinary Income	238,431	*1 147,866
Ordinary Expenses	3,909,560	2,490,498
Interest Expenses	1,075,584	420,287
<i>Interest on Deposits</i>	390,176	164,334
<i>Interest on Negotiable Certificates of Deposit</i>	87,019	29,779
<i>Interest on Debentures</i>	17,594	11,959
<i>Interest on Call Money and Bills Sold</i>	46,394	11,035
<i>Interest on Payables under Repurchase Agreements</i>	196,546	33,763
<i>Interest on Securities Lending Transactions</i>	41,493	11,693
<i>Interest on Commercial Paper</i>	21	
<i>Interest on Borrowed Money</i>	74,093	36,023
<i>Interest on Short-term Bonds</i>	5,916	2,707
<i>Interest on Bonds and Notes</i>	83,638	98,308
<i>Other Interest Expenses</i>	132,690	20,682
Fee and Commission Expenses	98,343	91,271
Other Operating Expenses	295,102	161,584
General and Administrative Expenses	1,192,701	1,317,247
Other Ordinary Expenses	1,247,828	500,107
<i>Provision for Reserves for Possible Losses on Loans</i>	280,250	116,115
<i>Other</i>	967,578	*2 383,991
Ordinary Profits (Losses)	¥ (395,131)	¥ 327,127

Mizuho Financial Group, Inc.

	<i>Millions of yen</i>	
	For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
Extraordinary Gains	¥ 22,137	¥ 118,259
Gains on Disposition of Tangible Fixed Assets	2,205	3,063
Recovery on Written-off Claims	19,001	45,034
Reversal of Reserve for Contingent Liabilities from Financial Instruments and Exchange	930	23
Gains on Negative Goodwill Incurred		68,206
Other Extraordinary Gains		1,930
Extraordinary Losses	32,882	67,621
Losses on Disposition of Tangible Fixed Assets	11,155	8,898
Losses on Impairment of Fixed Assets	10,898	4,742
Other Extraordinary Losses	10,828	*3 53,979
Income (Loss) before Income Taxes and Minority Interests	(405,877)	377,765
Income Taxes:		
Current	48,247	25,253
Refund of Income Taxes		(7,212)
Deferred	109,103	25,108
Total Income Taxes	157,350	43,148
Income before Minority Interests		334,617
Minority Interests in Net Income	25,586	95,212
Net Income (Loss)	¥ (588,814)	¥ 239,404

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	For the fiscal year ended March 31, 2009	Millions of yen For the fiscal year ended March 31, 2010
Shareholder's Equity		
Common Stock and Preferred Stock		
Balance as of the end of the previous period	¥ 1,540,965	¥ 1,540,965
Changes during the period		
Issuance of New Shares		264,600
Total Changes during the period		264,600
Balance as of the end of the period	1,540,965	1,805,565
Capital Surplus		
Balance as of the end of the previous period	411,093	411,318
Changes during the period		
Issuance of New Shares		271,729
Disposition of Treasury Stock	225	
Transfer from Capital Surplus to Retained Earnings Caused by Coping with a Loss of a Subsidiary		(130,913)
Total Changes during the period	225	140,816
Balance as of the end of the period	411,318	552,135
Retained Earnings		
Balance as of the end of the previous period	1,476,129	608,053
Changes during the period		
Cash Dividends	(133,898)	(131,015)
Net Income (Loss)	(588,814)	239,404
Disposition of Treasury Stock	(101)	(662)
Cancellation of Treasury Stock	(146,308)	
Transfer from Capital Surplus to Retained Earnings Caused by Coping with a Loss of a Subsidiary		130,913
Transfer from Revaluation Reserve for Land, net of Taxes	1,046	8,010
Total Changes during the period	(868,076)	246,649
Balance as of the end of the period	608,053	854,703
Treasury Stock		
Balance as of the end of the previous period	(2,507)	(6,218)
Changes during the period		
Repurchase of Treasury Stock	(150,359)	(4)
Disposition of Treasury Stock	280	1,038
Cancellation of Treasury Stock	146,308	
Decrease in Stock issued by MHFG held by Equity-Method Affiliates	60	
Total Changes during the period	(3,710)	1,033

Balance as of the end of the period	¥	(6,218)	¥	(5,184)
-------------------------------------	---	---------	---	---------

Mizuho Financial Group, Inc.

	For the fiscal year ended March 31, 2009	<i>Millions of yen</i> For the fiscal year ended March 31, 2010
Total Shareholders' Equity		
Balance as of the end of the previous period	¥ 3,425,680	¥ 2,554,119
Changes during the period		
Issuance of New Shares		536,329
Cash Dividends	(133,898)	(131,015)
Net Income (Loss)	(588,814)	239,404
Repurchase of Treasury Stock	(150,359)	(4)
Disposition of Treasury Stock	404	376
Cancellation of Treasury Stock		
Transfer from Capital Surplus to Retained Earnings Caused by Coping with a Loss of a Subsidiary		
Transfer from Revaluation Reserve for Land, net of Taxes	1,046	8,010
Decrease in Stock issued by MHFG held by Equity-Method Affiliates	60	
Total Changes during the period	(871,560)	653,100
Balance as of the end of the period	2,554,119	3,207,219
Valuation and Translation Adjustments		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes		
Balance as of the end of the previous period	401,375	(519,574)
Changes during the period		
Net Changes in Items other than Shareholders' Equity	(920,949)	696,505
Total Changes during the period	(920,949)	696,505
Balance as of the end of the period	(519,574)	176,931
Net Deferred Hedge Gains (Losses), net of Taxes		
Balance as of the end of the previous period	5,985	67,525
Changes during the period		
Net Changes in Items other than Shareholders' Equity	61,539	15,568
Total Changes during the period	61,539	15,568
Balance as of the end of the period	67,525	83,093
Revaluation Reserve for Land, net of Taxes		
Balance as of the end of the previous period	147,467	146,447
Changes during the period		
Net Changes in Items other than Shareholders' Equity	(1,020)	(8,017)
Total Changes during the period	(1,020)	(8,017)
Balance as of the end of the period	146,447	138,430
Foreign Currency Translation Adjustments		
Balance as of the end of the previous period	(78,394)	(114,765)
Changes during the period		
Net Changes in Items other than Shareholders' Equity	(36,371)	22,141

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

Total Changes during the period	(36,371)	22,141
Balance as of the end of the period	¥ (114,765)	¥ (92,623)

1-18

Mizuho Financial Group, Inc.

	For the fiscal year ended March 31, 2009	<i>Millions of yen</i> For the fiscal year ended March 31, 2010
Total Valuation and Translation Adjustments		
Balance as of the end of the previous period	¥ 476,434	¥ (420,367)
Changes during the period		
Net Changes in Items other than Shareholders' Equity	(896,802)	726,199
Total Changes during the period	(896,802)	726,199
Balance as of the end of the period	(420,367)	305,831
Stock Acquisition Rights		
Balance as of the end of the previous period		1,187
Changes during the period		
Net Changes in Items other than Shareholders' Equity	1,187	1,113
Total Changes during the period	1,187	1,113
Balance as of the end of the period	1,187	2,301
Minority Interests		
Balance as of the end of the previous period	1,792,045	2,051,667
Changes during the period		
Net Changes in Items other than Shareholders' Equity	259,621	270,033
Total Changes during the period	259,621	270,033
Balance as of the end of the period	2,051,667	2,321,700
Total Net Assets		
Balance as of the end of the previous period	5,694,159	4,186,606
Changes during the period		
Issuance of New Shares		536,329
Cash Dividends	(133,898)	(131,015)
Net Income (Loss)	(588,814)	239,404
Repurchase of Treasury Stock	(150,359)	(4)
Disposition of Treasury Stock	404	376
Cancellation of Treasury Stock		
Transfer from Capital Surplus to Retained Earnings Caused by Coping with a Loss of a Subsidiary		
Transfer from Revaluation Reserve for Land, net of Taxes	1,046	8,010
Decrease in Stock issued by MHFG held by Equity-Method Affiliates	60	
Net Changes in Items other than Shareholders' Equity	(635,992)	997,346
Total Changes during the period	(1,507,553)	1,650,446
Balance as of the end of the period	¥ 4,186,606	¥ 5,837,053

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the fiscal year ended March 31, 2009	Millions of yen For the fiscal year ended March 31, 2010
Cash Flow from Operating Activities		
Income (Loss) before Income Taxes and Minority Interests	¥ (405,877)	¥ 377,765
Depreciation	142,676	155,936
Losses on Impairment of Fixed Assets	10,898	4,742
Amortization of Goodwill	66	468
Gains on Negative Goodwill Incurred		(68,206)
Equity in Loss (Gain) from Investments in Affiliates	3,584	(2,892)
Increase (Decrease) in Reserves for Possible Losses on Loans	207,169	(6,395)
Increase (Decrease) in Reserve for Possible Losses on Investments	(27)	26
Increase (Decrease) in Reserve for Possible Losses on Sales of Loans	(22,184)	(13,422)
Increase (Decrease) in Reserve for Contingencies	6,460	(5,746)
Increase (Decrease) in Reserve for Bonus Payments	9,072	(1,611)
Increase (Decrease) in Reserve for Employee Retirement Benefits	472	2,083
Increase (Decrease) in Reserve for Director and Corporate Auditor Retirement Benefits	(5,079)	(325)
Increase (Decrease) in Reserve for Frequent Users Services	3,040	(12,555)
Increase (Decrease) in Reserve for Reimbursement of Deposits	3,990	1,143
Increase (Decrease) in Reserve for Reimbursement of Debentures	8,973	1,851
Interest Income - accrual basis	(2,144,436)	(1,571,994)
Interest Expenses - accrual basis	1,075,584	420,287
Losses (Gains) on Securities	548,270	(21,645)
Losses (Gains) on Money Held in Trust	(87)	202
Foreign Exchange Losses (Gains) - net	339,310	150,355
Losses (Gains) on Disposition of Fixed Assets	8,949	5,834
Losses (Gains) on Securities Contribution to Employees Retirement Benefits Trust		(6,731)
Decrease (Increase) in Trading Assets	(173,012)	445,550
Increase (Decrease) in Trading Liabilities	114,658	(1,021,020)
Decrease (Increase) in Derivatives other than for Trading Assets	(1,855,354)	796,198
Increase (Decrease) in Derivatives other than for Trading Liabilities	2,098,531	(937,759)
Decrease (Increase) in Loans and Bills Discounted	(6,593,357)	8,359,531
Increase (Decrease) in Deposits	2,521,344	(724,724)
Increase (Decrease) in Negotiable Certificates of Deposit	(617,405)	939,762
Increase (Decrease) in Debentures	(858,983)	(782,662)
Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowed Money)	4,318,212	475,914
Decrease (Increase) in Due from Banks (excluding Due from Central Banks)	663,824	66,841
Decrease (Increase) in Call Loans, etc.	1,022,085	(988,952)
Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	3,249,719	906,356
Increase (Decrease) in Call Money, etc.	(1,355,886)	2,421,380
Increase (Decrease) in Commercial Paper	(30,000)	
Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	(2,816,799)	1,759,440
Decrease (Increase) in Foreign Exchange Assets	(226,677)	276,587
Increase (Decrease) in Foreign Exchange Liabilities	369,818	(418,117)
Increase (Decrease) in Short-term Bonds (Liabilities)	(358,999)	(15,587)
Increase (Decrease) in Bonds and Notes	520,993	478,718
Increase (Decrease) in Due to Trust Accounts	(133,798)	39,283
Interest and Dividend Income - cash basis	2,233,069	1,645,101
Interest Expenses - cash basis	(1,138,316)	(433,350)
Other - net	(206,414)	680,151

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

Subtotal	538,081	13,377,814
Cash Refunded (Paid) in Income Taxes	35,684	54,904
Net Cash Provided by (Used in) Operating Activities	573,765	13,432,719

1-20

Mizuho Financial Group, Inc.

	For the fiscal year ended March 31, 2009	<i>Millions of yen</i> For the fiscal year ended March 31, 2010
Cash Flow from Investing Activities		
Payments for Purchase of Securities	(72,752,600)	(70,659,603)
Proceeds from Sale of Securities	57,885,003	46,046,866
Proceeds from Redemption of Securities	17,497,697	10,736,568
Payments for Increase in Money Held in Trust	(49,100)	(71,280)
Proceeds from Decrease in Money Held in Trust	41,193	32,580
Payments for Purchase of Tangible Fixed Assets	(106,101)	(135,502)
Payments for Purchase of Intangible Fixed Assets	(114,952)	(119,014)
Proceeds from Sale of Tangible Fixed Assets	5,956	15,449
Proceeds from Sale of Intangible Fixed Assets	1,112	0
Proceeds from Sale of Equity of Consolidated Subsidiaries		406
Net Cash Provided by (Used in) Investing Activities	2,408,207	(14,153,529)
Cash Flow from Financing Activities		
Proceeds from Subordinated Borrowed Money	1,388	12
Repayments of Subordinated Borrowed Money	(125,000)	(34,000)
Proceeds from Issuance of Subordinated Bonds	274,000	320,400
Payments for Redemption of Subordinated Bonds	(127,902)	(431,503)
Proceeds from Issuance of Common Stock		536,329
Proceeds from Investments by Minority Shareholders	747,821	238,198
Repayments to Minority Shareholders	(373,976)	(176,157)
Cash Dividends Paid	(133,393)	(130,297)
Cash Dividends Paid to Minority Shareholders	(79,785)	(91,180)
Payments for Repurchase of Treasury Stock	(150,359)	(4)
Proceeds from Sale of Treasury Stock	179	3
Net Cash Provided by (Used in) Financing Activities	32,972	231,801
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(22,066)	2,341
Net Increase (Decrease) in Cash and Cash Equivalents	2,992,879	(486,665)
Cash and Cash Equivalents at the beginning of the fiscal year	2,055,793	5,048,671
Decrease in Cash and Cash Equivalents for Exclusion from Scope of Consolidation	(0)	
Increase (Decrease) in Cash and Cash Equivalents Due to Merger of Consolidated Subsidiaries		116,777
Cash and Cash Equivalents at the end of the fiscal year	¥ 5,048,671	*1 ¥ 4,678,783

(5) MATTERS RELATED TO THE ASSUMPTION OF GOING CONCERN

There is no applicable information.

(6) FUNDAMENTAL AND IMPORTANT MATTERS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

a) Number of consolidated subsidiaries: 162

Names of principal companies:

Mizuho Bank, Ltd.

Mizuho Corporate Bank, Ltd.

Mizuho Trust & Banking Co., Ltd.

Mizuho Securities Co., Ltd.

On May 7, 2009, Shinko Securities Co., Ltd. (Shinko) (which was an affiliate of MHFG) and Mizuho Securities Co., Ltd. (MHSC) (which was a subsidiary of MHFG) consummated a merger, under which Shinko became the surviving entity and MHSC became the absorbed entity. The trade name was changed to Mizuho Securities Co., Ltd. upon the merger.

During the period, Mizuho Securities Co., Ltd. after the merger and 27 other companies were newly consolidated as a result of the merger between MHSC and Shinko and other factors.

During the period, Mizuho Securities Co., Ltd. before the merger and ten other companies were excluded from the scope of consolidation as a result of dissolution upon the merger and other factors.

b) Number of non-consolidated subsidiaries: 0

2. Application of the Equity Method

a) Number of non-consolidated subsidiaries under the equity method: 0

b) Number of affiliates under the equity method: 21

Name of principal company:

The Chiba Kogyo Bank, Ltd.

During the period, Eiwa Securities Co. Ltd. and one other company were newly included in the scope of the equity method as a result of the merger between MHSC and Shinko.

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

During the period, Shinko Securities Co., Ltd. and two other companies were excluded from the scope of the equity method as they became consolidated subsidiaries as a result of the merger with Mizuho Securities Co., Ltd.

c) Number of non-consolidated subsidiaries not under the equity method: 0

d) Affiliates not under the equity method:

Name of principal company:

Asian-American Merchant Bank Limited

Non-consolidated subsidiaries and affiliates not under the equity method are excluded from the scope of the equity method since such exclusion has no material effect on MHFG's consolidated financial statements in terms of Net Income (Loss) (amount corresponding to MHFG's equity position), Retained Earnings (amount corresponding to MHFG's equity position), Net Deferred Hedge Gains (Losses), net of Taxes (amount corresponding to MHFG's equity position) and others.

3. Balance Sheet Dates of Consolidated Subsidiaries

- a) Balance sheet dates of consolidated subsidiaries are as follows:

The day before the last business day of June	16 companies
October 31	1 company
December 29	11 companies
December 31	59 companies
March 31	75 companies

- b) Consolidated subsidiaries with balance sheet dates of the day before the last business day of June, October 31, and December 29 were consolidated based on their tentative financial statements as of and for the period ended December 31. 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.

4. Special Purpose Entities Subject to Disclosure

- a) Summary of special purpose entities subject to disclosure and transactions with these special purpose entities Mizuho Bank, Ltd. (MHBK), Mizuho Corporate Bank, Ltd. (MHCB), and Mizuho Trust & Banking Co., Ltd. (MHTB), which are consolidated subsidiaries of MHFG, granted loans, credit facilities and liquidity facilities to 23 special purpose entities (mainly incorporated in the Cayman Islands) in their borrowings and fund raising by commercial paper in order to support securitization of monetary assets of customers.

The aggregate assets and aggregate liabilities of these 23 special purpose entities at their respective balance sheet dates amounted to ¥2,090,738 million and ¥2,089,710 million, respectively. MHBK, MHCB and MHTB do not own any shares with voting rights in any of these special purpose entities and have not dispatched any director or employee to them.

- b) Major transactions with these special purpose entities subject to disclosure as of or for the fiscal year ended March 31, 2010 are as follows:

As of March 31, 2010	<i>Millions of yen</i>
Loans	¥ 1,690,892
Credit and Liquidity Facilities	¥ 370,549
For the Fiscal Year ended March 31, 2010	<i>Millions of yen</i>
Interest Income on Loans	¥ 15,013
Fee and Commission Income, etc.	¥ 2,562

5. STANDARDS OF ACCOUNTING METHOD

Amounts less than one million yen are rounded down.

1. 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 sheet. Income or expenses generated on the relevant trading transactions are recorded in Trading Income or Trading Expenses on the consolidated statement 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 fair value, assuming that such transactions are terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and the interest 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.

2. Securities

(i) Bonds held to maturity are stated at amortized cost (straight-line method) and determined by the moving average method. Investments in non-consolidated subsidiaries and affiliates, which are not under the equity method, are stated at acquisition cost and determined by the moving average method. Other Securities which have readily determinable fair value are stated at fair value. Fair value of Japanese stocks with a quoted market price is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. 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 and determined by the moving average method.

The net unrealized gains on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.

(ii) Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as given in (i) above.

3. Derivative Transactions

Derivative transactions (other than transactions for trading purposes) are valued at fair value.

4. Depreciation

(1) 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:

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

Buildings: 3 years to 50 years

Others: 2 years to 20 years

(2) 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 five years as determined by MHFG and consolidated subsidiaries.

(3) 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.

5. Deferred Assets

(1) Stock issuance costs

Stock issuance costs are expensed as incurred.

(2) Bond issuance costs

Bond issuance costs are expensed as incurred.

(3) Debenture issuance costs

Debenture issuance costs are expensed as incurred.

(4) Bond discounts

Bonds are stated at amortized costs computed by the straight-line method on the consolidated balance sheets.

Bond discounts booked on the consolidated balance sheets as of March 31, 2006 are amortized under the straight-line method over the term of the bond by applying the previous accounting method and the unamortized balance is directly deducted from bonds, based on the tentative measure stipulated in the Tentative Solution on Accounting for Deferred Assets (ASBJ Report No. 19, August 11, 2006).

6. 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 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 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. Reserves for Possible Losses on Loans are provided for on the basis of such verified assessments.

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 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 claims balances. The total directly written-off amount was ¥568,404 million.

Edgar Filing: MIZUHO FINANCIAL GROUP INC - Form 6-K

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.

1-25

7. 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.

Except for securitization products which are included as reference assets of another securitization schemes of the Group's domestic banking subsidiary, Reserve for Possible Losses on Investments is provided against unrealized losses on securitization products related with the discontinuation of business regarding credit investments primarily in Europe which were made as an alternative to loans by the Group's domestic banking subsidiary. Since securities are recognized at fair value on the consolidated balance sheet, the balance of Securities is offset against that of Reserve for Possible Losses on Investments by ¥15,269 million.

8. 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.

9. Reserve for Employee Retirement Benefits

Reserve for Employee Retirement Benefits (including Prepaid Pension Cost), which is provided for future benefit payments to employees, is recorded as the required amount, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Unrecognized actuarial differences are 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 of the respective fiscal year.

10. 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 at the end of the respective fiscal year, based on the internally established standards.

11. 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, taking into consideration the current financial condition that can change rapidly.

12. Reserve for Contingencies

Reserve for Contingencies is maintained to provide against possible losses from contingencies, which are not covered by other specific reserves in off-balance transactions, trust transactions and others. The balance is an estimate of possible future losses, on an individual basis, considered to require a reserve.

13. Reserve for Reimbursement of Deposits

Reserve for Reimbursement of Deposits is provided against the losses for the deposits derecognized from the liabilities at the estimated amount of future claims for withdrawal by depositors and others.

14. 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.

15. Reserve under Special Laws

Reserve under Special Laws is Reserve for Contingent Liabilities from Financial Instruments and Exchange. This is the reserve pursuant to Article 46-5, Paragraph 1 and Article 48-3, Paragraph 1 of the Financial Instruments and Exchange Law to indemnify the losses incurred from accidents in the purchase and sale of securities, other transactions or derivative transactions.

16. 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 non-consolidated subsidiaries and 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.

17. Hedge Accounting

(1) 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 domestic consolidated trust banking subsidiaries is accounted for in accordance with the method stipulated in the Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks (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 a 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.

Among Net Deferred Hedge Losses, net of Taxes recorded on the consolidated balance sheet, those deferred hedge losses are included that 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 others are controlled on a macro-basis using derivatives transactions. The 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 and gross deferred hedge gains on the macro-hedges, before net of applicable income taxes were ¥41,464 million and ¥37,260 million, respectively.

(2) 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 in foreign currency and Other Securities 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 in foreign currency.

(3) 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 statement 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.

18. 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.

19. Amortization Method of Goodwill and Amortization Period

As a rule, Goodwill is amortized over a period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount has no material impact.

20. Scope of Cash and Cash Equivalents on Consolidated Statements of Cash Flows

For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consists of cash and due from central banks included in Cash and Due from Banks on the consolidated balance sheet.

(7) CHANGES OF FUNDAMENTAL AND IMPORTANT MATTERS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Changes of Accounting Method)

Accounting Standard for Business Combinations and others

As Accounting Standard for Business Combinations (ASBJ Statement No.21, December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, December 26, 2008), Partial amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23, December 26, 2008), Rev