

MIZUHO FINANCIAL GROUP INC

Form 6-K

July 28, 2011

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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 July 2011

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

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

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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: July 28, 2011

Mizuho Financial Group, Inc.

By: /s/ Takeo Nakano

Name: Takeo Nakano

Title: Managing Director / CFO

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The following is an English translation of excerpt regarding Basel II capital adequacy disclosure and relevant information released in our Japanese language disclosure material published in July 2011. The capital adequacy disclosure and other financial information included herein are based on Japanese GAAP pursuant to Japanese regulatory requirements.

In this report, we, us, and our refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Mizuho Financial Group refers to Mizuho Financial Group, Inc.

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The Basel II Framework, based on the International Convergence of Capital Measurement and Capital Standards: A Revised Framework issued by the Basel Committee on Banking Supervision, requires the disclosure of capital adequacy information to ensure the enhanced effectiveness of market discipline. Our disclosure is made under the Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Capital Adequacy Conditions, etc. pursuant to Article 19-2, Paragraph 1, Item 5, Subitem (d), etc. of the Ordinance for Enforcement of the Banking Law (Ministry of Finance Ordinance No. 10 of 1982) (FSA Notice No. 15 of 2007).

As a method to calculate the amount of credit risk-weighted assets under the Basel II Framework, we have adopted the advanced internal ratings-based approach. In addition, as a method to calculate the amount equivalent to the operational risk, we have adopted the advanced measurement approach.

n Capital adequacy ratio highlights**Mizuho Financial Group (Consolidated)**

	As of March 31, 2010	(Billions of yen) As of March 31, 2011
Consolidated capital adequacy ratio (BIS standard)	13.46%	15.30%
Tier 1 capital ratio	9.09%	11.93%
Tier 1 capital		6,170.2
Tier 2 capital	5,173.4	2,103.4
Deductions for total risk-based capital	2,725.4 240.8	362.6
Total risk-based capital	7,658.0	7,910.9
Risk-weighted assets	56,863.2	51,693.8

(Reference)**Mizuho Corporate Bank (Consolidated)**

	As of March 31, 2010	(Billions of yen) As of March 31, 2011
Consolidated capital adequacy ratio (BIS standard)	16.00%	18.80%
Tier 1 capital ratio	12.57%	16.10%
Tier 1 capital	3,914.2	4,528.8
Tier 2 capital	1,239.3	881.2
Deductions for total risk-based capital	170.3	122.9
Total risk-based capital	4,983.2	5,287.1
Risk-weighted assets	31,128.7	28,121.6

Mizuho Corporate Bank (Non-consolidated)

	(Billions of yen)	
	As of March 31, 2010	As of March 31, 2011
Non-consolidated capital adequacy ratio (BIS standard)	17.68%	20.34%
Tier 1 capital ratio	11.99%	15.82%
Tier 1 capital	3,329.6	4,053.6
Tier 2 capital	1,644.9	1,214.8
Deductions for total risk-based capital	66.1	57.0
Total risk-based capital	4,908.4	5,211.5
Risk-weighted assets	27,762.5	25,617.3

Mizuho Bank (Consolidated)

	(Billions of yen)	
	As of March 31, 2010	As of March 31, 2011
Consolidated capital adequacy ratio (Domestic standard)	12.88%	14.91%
Tier 1 capital ratio	7.74%	10.38%
Tier 1 capital	1,866.2	2,374.7
Tier 2 capital	1,306.5	1,129.5
Deductions for total risk-based capital	68.2	93.4
Total risk-based capital	3,104.6	3,410.8
Risk-weighted assets	24,099.2	22,868.8
(Reference) Consolidated capital adequacy ratio (BIS standard)	12.83%	14.60%

Mizuho Bank (Non-Consolidated)

	(Billions of yen)	
	As of March 31, 2010	As of March 31, 2011
Non-consolidated capital adequacy ratio (Domestic standard)	12.97%	15.02%
Tier 1 capital ratio	7.83%	10.54%
Tier 1 capital	1,824.9	2,329.4
Tier 2 capital	1,305.6	1,129.4
Deductions for total risk-based capital	109.1	140.6
Total risk-based capital	3,021.4	3,318.1
Risk-weighted assets	23,280.9	22,091.2
(Reference) Non-consolidated capital adequacy ratio (BIS standard)	12.88%	14.68%

Table of Contents**Status of Mizuho Financial Group's consolidated capital adequacy****in Scope of consolidation****(1) Scope of consolidation for calculating consolidated capital adequacy ratio****(A) Difference from the companies included in the scope of consolidation based on consolidation rules for preparation of consolidated financial statements**

None as of March 31, 2010 and 2011.

(B) Number of consolidated subsidiaries

	As of March 31, 2010	As of March 31, 2011
Consolidated subsidiaries	162	152

Our major consolidated subsidiaries are Mizuho Corporate Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd.

The following table sets forth information with respect to our principal consolidated subsidiaries as of March 31, 2011:

Name	Country of organization	Main business	Proportion of ownership interest (%)	Proportion of voting interest (%)
Domestic				
Mizuho Corporate Bank, Ltd.	Japan	Banking	100.0%	100.0%
Mizuho Bank, Ltd.	Japan	Banking	100.0%	100.0%
Mizuho Trust & Banking Co., Ltd.	Japan	Trust and banking	74.8%	74.8%
Mizuho Securities Co., Ltd.	Japan	Securities	57.9%	59.5%
Mizuho Investors Securities Co., Ltd.	Japan	Securities	66.5%	66.8%
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 Financial Strategy Co., Ltd.	Japan	Consulting	100.0%	100.0%
Mizuho Private Wealth Management Co., Ltd.	Japan	Consulting	100.0%	100.0%
Mizuho Factors, Limited	Japan	Factoring	100.0%	100.0%
Mizuho Credit Guarantee Co., Ltd.	Japan	Credit guarantee	100.0%	100.0%
Mizuho Capital Co., Ltd.	Japan	Venture capital	50.0%	50.0%
Defined Contribution Plan Services Co., Ltd.	Japan	Pension plan-related business	60.0%	60.0%
Overseas				

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Mizuho Bank (Switzerland) Ltd	Switzerland	Trust and banking	100.0%	100.0%
Mizuho Capital Markets Corporation	U.S.A.	Derivatives	100.0%	100.0%
Mizuho Corporate Bank (China), Ltd.	China	Banking	100.0%	100.0%
Mizuho Corporate Bank (USA)	U.S.A.	Banking	100.0%	100.0%
Mizuho Corporate Bank Nederland N.V.	Netherlands	Banking and securities	100.0%	100.0%
Mizuho International plc	U.K.	Securities and banking	100.0%	100.0%
Mizuho Securities USA Inc.	U.S.A.	Securities	100.0%	100.0%
Mizuho Trust & Banking (Luxembourg) S.A.	Luxembourg	Trust and banking	100.0%	100.0%
Mizuho Trust & Banking Co. (USA)	U.S.A.	Trust and banking	100.0%	100.0%
PT. Bank Mizuho Indonesia	Indonesia	Banking	99.0%	99.0%

Note:

Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd. are listed on the Tokyo Stock Exchange.

In March 2011, we announced the basic policies for turning Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd. into wholly-owned subsidiaries. We are planning to conduct the transactions effective as of September 1, 2011 on the assumption that, among other things, permission will be obtained from, the relevant authorities in Japan and any applicable foreign countries that are required for the transactions.

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(C) Corporations providing financial services for which Article 9 of the Consolidated Capital Adequacy Ratio Notice is applicable

None as of March 31, 2010 and 2011.

(D) Related companies for which deductions set forth in Article 8, Paragraph 1, Item 2, Subsections 1 to 3 of the Consolidated Capital Adequacy Ratio Notice are applicable

None as of March 31, 2010 and 2011.

(E) Companies described in Article 52-23, Paragraph 1, Item 10 of the Banking Law that are mainly engaged in businesses as described in Subsection 1 of such item or companies set forth in Item 11 of such paragraph, but that are not in the holding company's corporate group

None as of March 31, 2010 and 2011.

(F) Restrictions on transfer of funds or capital within the holding company's corporate group

None as of March 31, 2010 and 2011.

Table of Contents**n Consolidated capital adequacy ratio****(2) Summary table of consolidated capital adequacy ratio (BIS standard)**

		(Billions of yen)	
		As of March 31, 2010	As of March 31, 2011
Tier 1 capital	Common stock and preferred stock	1,805.5	2,181.3
	Non-cumulative perpetual preferred stock		
	Advance payment for new shares		
	Capital surplus	552.1	937.6
	Retained earnings	854.6	1,132.3
	Less: Treasury stock	5.1	3.1
	Advance payment for treasury stock		
	Less: Dividends (estimate), etc	134.9	140.0
	Less: Unrealized losses on other securities		7.0
	Foreign currency translation adjustments	(92.6)	(103.9)
	Stock acquisition rights	2.3	2.7
	Minority interest in consolidated subsidiaries	2,289.0	2,269.6
	Preferred securities issued by overseas SPCs	1,937.8	1,919.8
	Less: Goodwill equivalent		1.9
	Less: Intangible fixed assets recognized as a result of a merger	41.9	38.9
	Less: Capital increase due to securitization transactions	6.5	5.4
	Less: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	48.9	52.9
	Total of Tier 1 capital before deduction of deferred tax assets (total of the above items)	5,173.4	6,170.2
	Deduction for deferred tax assets		
	Total	(A) 5,173.4	6,170.2
	Preferred securities with a step-up interest rate provision	(B) 524.0	524.0
	Ratio to Tier 1 = (B) / (A) X 100	10.12%	8.49%
Tier 2 capital	45% of unrealized gains on other securities	122.6	
	45% of revaluation reserve for land	106.7	106.2
	General reserve for possible losses on loans	5.4	4.9
	Excess of eligible reserves relative to expected losses by banks adopting internal ratings-based approach		
	Debt capital, etc.	2,490.5	1,992.2
	Perpetual subordinated debt and other debt capital	586.3	343.6
	Dated subordinated debt and redeemable preferred stock	1,904.2	1,648.6
	Total	2,725.4	2,103.4

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	Tier 2 capital included as qualifying capital	(C)	2,725.4	2,103.4
Tier 3 capital	Short-term subordinated debt			
	Tier 3 capital included as qualifying capital	(D)		
Deductions for total risk-based capital	Deductions for total risk-based capital	(E)	240.8	362.6
Total risk-based capital	(A) + (C) + (D) (E)	(F)	7,658.0	7,910.9
Risk-weighted assets	Credit risk-weighted assets	(G)	51,908.7	46,997.1
	On-balance-sheet items		42,796.2	38,958.0
	Off-balance-sheet items		9,112.4	8,039.0
	Market risk equivalent assets [(I)/8%] (Reference) Market risk equivalent	(H) (I)	1,297.9 103.8	1,389.2 111.1
	Operational risk equivalent assets [(K)/8%] (Reference) Operational risk equivalent	(J) (K)	3,656.5 292.5	3,307.4 264.5
	Adjusted amount for credit risk-weighted assets	(L)		
	Adjusted amount for operational risk equivalent	(M)		
	Total [(G) + (H) + (J) + (L) +(M)]	(N)	56,863.2	51,693.8
Consolidated capital adequacy ratio (BIS standard) = (F) / (N) X 100			13.46%	15.30%
Tier 1 capital ratio = (A) / (N) X 100			9.09%	11.93%

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Notes:

1. The above figures are calculated based on the BIS standard applied on a consolidated basis under the Standards for Determining the Status of Capital Adequacy in consideration of assets held by a bank holding company and by its subsidiaries, in accordance with Banking Law Article 52-25 (FSA Notice No. 20 of 2006 (the Notice)). For the figures as of March 31, 2010 and 2011, we did not apply the exception to the Notice (FSA Notice No. 79 of 2008).
2. As it is not possible to break down Mizuho Financial Group's common stock and preferred stock according to classes of stock, non-cumulative perpetual preferred stock is not stated separately from capital.
3. In calculating the consolidated capital adequacy ratio, we underwent an examination following the procedures agreed with Ernst & Young ShinNihon LLC, on the basis of Treatment in implementing examination by agreed-upon procedures for calculating capital adequacy ratio (Industry Committee Report No. 30 of the Japanese Institute of Certified Public Accountants). Note that this is not a part of the accounting audit performed on our consolidated financial statements. This consists of an examination under agreed-upon procedures performed by Ernst & Young ShinNihon LLC on a portion of the internal control structure concerning the calculation of the capital adequacy ratio and a report of the results to us. As such, they do not represent an opinion regarding the capital adequacy ratio itself nor the internal controls related to the calculation of the capital adequacy ratio.
4. The amounts of net deferred tax assets as of March 31, 2010 and 2011 were ¥520.8 billion and ¥471.1 billion, respectively, and the maximum amounts of deferred tax assets that can be recorded without diminishing the amount of Tier 1 capital for the purpose of calculating capital adequacy ratio as of March 31, 2010 and 2011 were ¥1,034.6 billion and ¥1,234.0 billion, respectively.
5. The adjusted amount for credit risk-weighted assets is the amount obtained by multiplying (i) 12.5 by (ii) the excess, if any, of the required capital under the foundation internal ratings-based approach multiplied by the rate prescribed in the Notice over the required capital under the advanced internal ratings-based approach; and the adjusted amount for operational risk equivalent is the amount obtained by multiplying (i) 12.5 by (ii) the excess, if any, of the required capital under the basic indicator approach multiplied by the rate prescribed in the Notice over the required capital under the advanced measurement approach.

Table of Contents**n Risk-based capital****(3) Summary of types of capital instruments****(A) Summary of preferred securities**

We have included each of the following preferred securities issued by our overseas special purpose companies as Tier 1 capital for the purposes of our consolidated capital adequacy ratios. The preferred securities issued by Mizuho Capital Investment (EUR) 1 Limited were redeemed in full on June 30, 2011.

Preferred securities issued by SPCs of Mizuho Financial Group

Issuer	Mizuho Preferred Capital (Cayman) 1 Limited (as MPC1, and the preferred securities described below are referred to as the MPC1 Preferred Securities.)
Type of securities	Non-cumulative perpetual preferred securities
Mandatory redemption date	None
Optional redemption	Optionally redeemable on each dividend payment date falling in or after June 2012 (subject to prior approval from regulatory authorities)
Dividends	Floating dividend rate (No dividend rate step-up. As stated in Dividend suspension events below, dividend payments that are suspended are non-cumulative.)
Dividend payment date	Last business day of June in each year
Total amount issued	¥171.0 billion
Issue date	February 14, 2002
Dividend suspension events	If any of the following events arise, dividend payments are suspended on a non-cumulative basis: <ul style="list-style-type: none"> (1) when Mizuho Financial Group issues to MPC 1 a Loss Absorption Certificate⁽¹⁾; (2) when dividends on Mizuho Financial Group's Preferred Stock⁽²⁾ are suspended; (3) when Mizuho Financial Group issues to MPC 1 a Distributable Amounts Limitation Certificate⁽⁴⁾ stating that there are no Available Distributable Amounts⁽³⁾; and (4) when the dividend payment date is not a Mandatory Dividend Payment Date⁽⁵⁾, and Mizuho Financial Group issues to MPC 1 a dividend instruction instructing it not to pay any dividends on such dividend payment date.
Mandatory dividend event	If Mizuho Financial Group pays any dividends on its common stock with respect to a fiscal year, full dividends must be paid on Parity Preferred securities ⁽⁶⁾ in June of the calendar year in which such fiscal year ends. However, it is subject to the following conditions: (1) no Loss Absorption Certificate ⁽¹⁾ has been issued; (2) no preferred stock dividend limitation has arisen with respect thereto (partial dividend payments are made to the extent applicable); and (3) no Distributable Amounts Limitation Certificate ⁽⁴⁾ has been issued with respect thereto (partial dividends are paid to the extent applicable).
Distributable amounts limitation	When Mizuho Financial Group issues a Distributable Amounts Limitation Certificate ⁽⁴⁾ to MPC1, dividends are limited to the Available Distributable Amounts ⁽³⁾ .
Dividend limitations	When dividends on Mizuho Financial Group's Preferred Stock ⁽²⁾ are reduced, dividends on Parity Preferred Securities ⁽⁶⁾ are also reduced by an equal percentage.

Claims on residual assets

Same priority as Mizuho Financial Group's Preferred Stock⁽²⁾

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Issuer	Mizuho Capital Investment (USD) 1 Limited (MCI (USD) 1, and the preferred securities described below are referred to as MCI (USD) 1 Preferred Securities.)	Mizuho Capital Investment (EUR) 1 Limited (MCI (EUR) 1, and the preferred securities described below are referred to as MCI (EUR) 1 Preferred Securities.)
Type of securities	Non-cumulative perpetual preferred securities	Non-cumulative perpetual preferred securities
Mandatory redemption date	None	None
Optional redemption	Starting from the dividend payment date falling in June 2016, optionally redeemable on each dividend payment date in five-year intervals (subject to prior approval from regulatory authorities)	Starting from the dividend payment date falling in June 2011, optionally redeemable on each dividend payment date in five-year intervals (subject to prior approval from regulatory authorities)
Dividends	Fixed dividend rate for the first ten years (although a floating dividend rate is applied with respect to dividend payment dates after June 2016. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)	Fixed dividend rate for the first five years (although a floating dividend rate is applied with respect to dividend payment dates after June 2011. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)
Dividend payment date	June 30th and December 30th of each year	June 30th of each year until June 2011, and June 30th and December 30th of each year thereafter
Total amount issued	US\$600 million	500 million
Issue date	March 13, 2006	March 13, 2006
Dividend suspension events	(Mandatory dividend suspension or reduction event) (1) When a Liquidation Event ⁽⁷⁾ , Reorganization Event ⁽⁸⁾ , Insolvency Event ⁽⁹⁾ or Governmental Action ⁽¹⁰⁾ has occurred to Mizuho Financial Group; (2) when Mizuho Financial Group's Available Distributable Amounts ⁽¹¹⁾ is insufficient, or dividends on its preferred stock ⁽¹³⁾ are suspended or reduced; (Optional dividend suspension or reduction event) (3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (USD) 1 Preferred Securities, and Mizuho Financial Group issues a dividend suspension notice to MCI (USD) 1; and (4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (USD) 1.	(Mandatory dividend suspension or reduction event) (1) When a Liquidation Event ⁽⁷⁾ , Reorganization Event ⁽⁸⁾ , Insolvency Event ⁽⁹⁾ or Governmental Action ⁽¹⁰⁾ has occurred to Mizuho Financial Group; (2) when Mizuho Financial Group's Available Distributable Amounts ⁽¹²⁾ is insufficient, or dividends on its preferred stock ⁽¹³⁾ are suspended or reduced; (Optional dividend suspension or reduction event) (3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (EUR) 1 Preferred Securities, and Mizuho Financial Group issues a dividend suspension notice to MCI (EUR) 1; and (4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (EUR) 1.
Mandatory dividend event	If Mizuho Financial Group pays any dividends on its common stock with respect to a fiscal year, dividend payments for the full	If Mizuho Financial Group pays any dividends on its common stock with respect to a fiscal year, dividend payments for the full

	<p>amount of MCI (USD) 1 Preferred Securities must be made on the dividend payment dates during the subsequent fiscal year; provided that</p> <p>no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.</p>	<p>amount of MCI (EUR) 1 Preferred Securities must be made on dividend payment dates during the subsequent fiscal year; provided that no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.</p>
Distributable amounts limitation	<p>Dividends for the MCI (USD) 1 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts⁽¹¹⁾.</p>	<p>Dividends for the MCI (EUR) 1 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts⁽¹²⁾.</p>
Dividend limitations	<p>When dividends on Mizuho Financial Group Preferred Stock⁽¹³⁾ are reduced, dividends on MCI (USD) 1 Preferred Securities are also reduced by an equal percentage.</p>	<p>When dividends on Mizuho Financial Group Preferred Stock⁽¹³⁾ are reduced, dividends on MCI (EUR) 1 Preferred Securities are also reduced by an equal percentage.</p>
Claims for residual assets	<p>Same priority as Mizuho Financial Group's Preferred Stock⁽¹³⁾</p>	<p>Same priority as Mizuho Financial Group's Preferred Stock⁽¹³⁾</p>

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Issuer	Mizuho Capital Investment (JPY) 1 Limited (MCI (JPY) 1, and the preferred securities described below are referred to as MCI (JPY) 1 Preferred Securities.)	Mizuho Capital Investment (JPY) 2 Limited (MCI (JPY) 2, and the preferred securities described below are referred to as MCI (JPY) 2 Preferred Securities.)	Mizuho Capital Investment (JPY) 3 Limited (MCI (JPY) 3, and the preferred securities described below (Series A and Series B) are collectively referred to as MCI (JPY) 3 Preferred Securities.)
Type of securities	Non-cumulative perpetual preferred securities	Non-cumulative perpetual preferred securities	Non-cumulative perpetual preferred securities
Mandatory redemption date	None	None	None
Optional redemption	Starting from the dividend payment date falling in June 2016, optionally redeemable on each dividend payment date in five-year intervals (subject to prior approval from regulatory authorities)	Starting from the dividend payment date falling in June 2018, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)	Starting from the dividend payment date falling in June 2019, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)
Dividends	Fixed dividend rate for the first ten years (although a floating dividend rate is applied with respect to dividend payment dates after June 2016. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)	Fixed dividend rate for the first ten years (although a floating dividend rate is applied with respect to dividend payment dates after June 2018. Dividend rate step-up is applied. Dividend payments that are suspended are non-cumulative.)	Series A Fixed dividend rate for the first ten years (although a floating dividend rate is applied with respect to dividend payment dates after June 2019. Dividend rate step-up is applied. Dividend payments that are suspended are non-cumulative.) Series B Fixed dividend rate for the first ten years (although a floating dividend rate is applied with respect to dividend payment dates after June 2019. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)
Dividend payment date	June 30th and December 30th of each year	June 30th and December 30th of each year	June 30th and December 30th of each year
Total amount issued	¥400 billion	¥274.5 billion	Series A ¥249.5 billion Series B ¥53.5 billion
Issue date	January 12, 2007	January 11, 2008	July 11, 2008
Dividend suspension events	(Mandatory dividend suspension or reduction event) (1) When a Liquidation Event ⁽⁷⁾ , Reorganization Event ⁽⁸⁾ , Insolvency Event ⁽⁹⁾ or Governmental	(Mandatory dividend suspension or reduction event) (1) When a Liquidation Event ⁽⁷⁾ , Reorganization Event ⁽⁸⁾ , Insolvency Event ⁽⁹⁾ or Governmental Action ⁽¹⁰⁾ has	(Mandatory dividend suspension or reduction event) (1) When a Liquidation Event ⁽⁷⁾ , Reorganization Event ⁽⁸⁾ , Insolvency Event ⁽⁹⁾ or Governmental

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	<p>Action⁽¹⁰⁾ has occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁴⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (JPY) 1 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (JPY) 1; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (JPY) 1</p>	<p>occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁵⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (JPY) 2 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (JPY) 2; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (JPY) 2</p>	<p>Action⁽¹⁰⁾ has occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁶⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (JPY) 3 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (JPY) 3; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (JPY) 3</p>
Mandatory dividend event	<p>If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (JPY) 1 Preferred Securities must be made on dividend payment dates during the subsequent fiscal year; provided that</p>	<p>If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (JPY) 2 Preferred Securities must be made on dividend payment dates during the subsequent fiscal year; provided that</p>	<p>If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (JPY) 3 Preferred Securities must be made on dividend payment dates during the subsequent fiscal year; provided that</p>
	<p>no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.</p>	<p>no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.</p>	<p>no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.</p>
Distributable amounts limitation	<p>Dividends for the MCI (JPY) 1 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts⁽¹⁴⁾.</p>	<p>Dividends for the MCI (JPY) 2 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts⁽¹⁵⁾.</p>	<p>Dividends for the MCI (JPY) 3 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts⁽¹⁶⁾.</p>
Dividend limitations	<p>When dividends on Mizuho Financial Group's Preferred Stock⁽¹³⁾ are reduced, dividends on MCI (JPY) 1 Preferred securities are also reduced by an equal percentage.</p>	<p>When dividends on Mizuho Financial Group's Preferred Stock⁽¹³⁾ are reduced, dividends on MCI (JPY) 2 Preferred securities are also reduced by an equal percentage.</p>	<p>When dividends on Mizuho Financial Group's Preferred Stock⁽¹³⁾ are reduced, dividends on MCI (JPY) 3 Preferred securities are also reduced by an equal percentage.</p>
Claims for residual assets	<p>Same priority as Mizuho Financial Group's Preferred Stock⁽¹³⁾</p>	<p>Same priority as Mizuho Financial Group's Preferred Stock⁽¹³⁾</p>	<p>Same priority as Mizuho Financial Group's Preferred Stock⁽¹³⁾</p>

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Issuer	Mizuho Capital Investment (JPY) 4 Limited (MCI (JPY) 4, and the preferred securities described below are referred to as MCI (JPY) 4 Preferred Securities.)	Mizuho Capital Investment (USD) 2 Limited (MCI (USD) 2, and the preferred securities described below are referred to as MCI (USD) 2 Preferred Securities.)	Mizuho Capital Investment (JPY) 5 Limited (MCI (JPY) 5, and the preferred securities described below (Series A, Series B and Series C) are collectively referred to as MCI (JPY) 5 Preferred Securities.)
Type of securities	Non-cumulative perpetual preferred securities	Non-cumulative perpetual preferred securities	Non-cumulative perpetual preferred securities
Mandatory redemption date	None	None	None
Optional redemption	Starting from the dividend payment date falling in June 2015, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)	Starting from the dividend payment date falling in June 2014, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)	<p>Series A</p> <p>Starting from the dividend payment date falling in June 2014, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)</p> <p>Series B</p> <p>Starting from the dividend payment date falling in June 2015, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)</p> <p>Series C</p> <p>Starting from the dividend payment date falling in June 2015, optionally redeemable on each dividend payment date (subject to prior approval from regulatory authorities)</p>
Dividends	<p>Fixed dividend rate for the first seven years (although a floating dividend rate is applied with respect to dividend payment dates after June 2015. No dividend rate step-up.</p> <p>Dividend payments that are suspended are non-cumulative.)</p>	<p>Fixed dividend rate for the first five years (although a floating dividend rate is applied with respect to dividend payment dates after June 2014. No dividend rate step-up.</p> <p>Dividend payments that are suspended are non-cumulative.)</p>	<p>Series A</p> <p>Fixed dividend rate for the first five years (although a floating dividend rate is applied with respect to dividend payment dates after June 2014. No dividend rate step-up.</p> <p>Dividend payments that are suspended are non-cumulative.)</p> <p>Series B</p> <p>Fixed dividend rate for the first six years (although a floating dividend rate is applied with respect to dividend payment dates</p>

after June 2015. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)

Series C

Fixed dividend rate for the first six years (although a floating dividend rate is applied with respect to dividend payment dates after June 2015. No dividend rate step-up. Dividend payments that are suspended are non-cumulative.)

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Dividend payment date	March 31, 2009 and June 30th and December 30th of each year	June 30th and December 30th of each year	June 30th and December 30th of each year
Total amount issued	¥355 billion	\$850 million	Series A ¥139.5 billion Series B ¥72.5 billion Series C ¥25.0 billion
Issue date	December 29, 2008	February 27, 2009	Series A June 30, 2009 Series B August 31, 2009 Series C September 29, 2009
Dividend suspension events	<p>(Mandatory dividend suspension or reduction event)</p> <p>(1) When a Liquidation Event⁽⁷⁾, Reorganization Event⁽⁸⁾, Insolvency Event⁽⁹⁾ or Governmental Action⁽¹⁰⁾ has occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁷⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (JPY) 4 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (JPY) 4; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (JPY) 4</p>	<p>(Mandatory dividend suspension or reduction event)</p> <p>(1) When a Liquidation Event⁽⁷⁾, Reorganization Event⁽⁸⁾, Insolvency Event⁽⁹⁾ or Governmental Action⁽¹⁰⁾ has occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁸⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (USD) 2 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (USD) 2; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (USD) 2</p>	<p>(Mandatory dividend suspension or reduction event)</p> <p>(1) When a Liquidation Event⁽⁷⁾, Reorganization Event⁽⁸⁾, Insolvency Event⁽⁹⁾ or Governmental Action⁽¹⁰⁾ has occurred to Mizuho Financial Group;</p> <p>(2) when Mizuho Financial Group's Available Distributable Amounts⁽¹⁹⁾ is insufficient, or dividends on its preferred stock⁽¹³⁾ are suspended or reduced;</p> <p>(Optional dividend suspension or reduction event)</p> <p>(3) when the capital adequacy ratio of Mizuho Financial Group or its Tier 1 capital ratio fails to meet the minimum requirement, or would fall short as a result of the dividend payments on the MCI (JPY) 5 Preferred Securities and when Mizuho Financial Group issues a dividend suspension notice to MCI (JPY) 5; and</p> <p>(4) when Mizuho Financial Group fails to pay dividends on its common stock and issues a dividend suspension notice to MCI (JPY) 5</p>
Mandatory dividend event	If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (JPY) 4 Preferred Securities must be made on	If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (USD) 2 Preferred Securities must be made on	If Mizuho Financial Group pays any dividends on its common stock to holders of record as of a prescribed record date in the immediately preceding fiscal year, dividend payments for the full amount of MCI (JPY) 5 Preferred Securities must be made on

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	dividend payment dates during the subsequent fiscal year; provided that	dividend payment dates during the subsequent fiscal year; provided that	dividend payment dates during the subsequent fiscal year; provided that
	no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.	no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.	no event for the mandatory suspension or reduction of dividends has occurred and that no dividend suspension notice has been issued in conjunction with the occurrence of an optional dividend suspension or reduction event.
Distributable amounts limitation	Dividends for the MCI (JPY) 4 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts ⁽¹⁷⁾ .	Dividends for the MCI (USD) 2 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts ⁽¹⁸⁾ .	Dividends for the MCI (JPY) 5 preferred securities are paid to the extent of Mizuho Financial Group's Available Distributable Amounts ⁽¹⁹⁾ .
Dividend limitations	When dividends on Mizuho Financial Group's Preferred Stock ⁽¹³⁾ are reduced, dividends on MCI (JPY) 4 Preferred securities are also reduced by an equal percentage.	When dividends on Mizuho Financial Group's Preferred Stock ⁽¹³⁾ are reduced, dividends on MCI (USD) 2 Preferred securities are also reduced by an equal percentage.	When dividends on Mizuho Financial Group's Preferred Stock ⁽¹³⁾ are reduced, dividends on MCI (JPY) 5 Preferred securities are also reduced by an equal percentage.
Claims for residual assets	Same priority as Mizuho Financial Group's Preferred Stock ⁽³⁾	Same priority as Mizuho Financial Group's Preferred Stock ⁽³⁾	Same priority as Mizuho Financial Group's Preferred Stock ⁽³⁾

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Notes:

(1) Loss Absorption Certificate

Refers to a certificate that Mizuho Financial Group delivers to the issuer (in case of the loss absorption event set forth in clause (iv) below, the issuance thereof is at our discretion) upon any of the following events with respect to Mizuho Financial Group: (i) liquidation event that shall be deemed to occur where a liquidation proceeding is commenced by or against Mizuho Financial Group or a competent court in Japan shall have (a) adjudicated Mizuho Financial Group to be subject to bankruptcy proceedings or (b) approved a preparation of a reorganization plan for abolishment of all business of Mizuho Financial Group; (ii) reorganization event that shall be deemed to occur if a competent court in Japan shall have adjudicated (a) the commencement of a corporate reorganization proceeding of Mizuho Financial Group under the Corporate Reorganization Law or (b) the commencement of a civil rehabilitation proceeding of Mizuho Financial Group under the Civil Rehabilitation Law; (iii) governmental action that shall be deemed to occur if the government authority in Japan (a) publicly declares Mizuho Financial Group is not able to pay its debts as they become due, (b) publicly declares Mizuho Financial Group's liabilities exceed its assets, (c) publicly declares Mizuho Financial Group to be under public management or (d) issues an order that Mizuho Financial Group be transferred to a third party; (iv) inadequate ratio event that shall be deemed to occur if capital adequacy ratio or Tier 1 capital ratio fails to meet the minimum requirement or would fall short as a result of a dividend payment on the relevant preferred securities; (v) default event that shall be deemed to occur if Mizuho Financial Group is not able to pay its debts as they become due or would not be able to do so as a result of a dividend payment on the relevant preferred securities; or (vi) insolvency event shall be deemed to occur if the liabilities of Mizuho Financial Group exceeds its assets or would exceed its assets as a result of a dividend payment on the relevant preferred securities.

(2) Preferred Stock

Refers to preferred stock of Mizuho Financial Group qualifying as Tier 1 capital and ranking most senior compared to other preferred stock of Mizuho Financial Group as to dividend payments. It includes such preferred stocks that are issued in the future.

(3) Available Distributable Amounts

Refers to the maximum amount available for dividends (Distributable Amounts) calculated based on the immediately preceding fiscal year's financial statements, less the aggregate amount of dividends paid previously during the current fiscal year and scheduled to be paid thereafter in respect of such fiscal year in respect of any Preferred Stock (provided that each interim dividend payment on Preferred Stock to be paid during such current Fiscal Year shall be excluded in calculating Available Distributable Amounts). Notwithstanding the foregoing, if there are securities issued by a company other than Mizuho Financial Group of which the rights to dividends and the rights at the time of liquidation, etc., are determined by reference to the financial condition and results of operation of Mizuho Financial Group and which rank, in relation to MPC1, equal in point of subordination as the Parity Preferred Securities⁽⁶⁾ (Parallel Preferred Securities), the Available Distributable Amounts are adjusted as follows:

Available Distributable Amounts after the adjustment = Available Distributable Amounts x (Total of full dividend payment amount for Parity Preferred Securities⁽⁶⁾ in such fiscal year) / (Total of full dividend payment amount for Parity Preferred Securities⁽⁶⁾ in such fiscal year + Total amount of full dividend payment amount for Parallel Securities in such fiscal year)

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- (4) Distributable Amounts Limitation Certificate
- Refers to a certificate issued by Mizuho Financial Group on or before the annual general meeting of shareholders to issuers if Available Distributable Amounts falls short of total dividends to be paid on the dividend payment date, which shall set forth the Available Distributable Amounts of such fiscal year.
- (5) Mandatory Dividend Payment Date
- Refers to a dividend payment date in June of a calendar year when a fiscal year of Mizuho Financial Group ends with respect to which it paid dividends on its common stock.
- (6) Parity Preferred Securities
- Refers to the collective designation for preferred securities and MPC1 Preferred Securities issued by MPC1 which are perpetual and the dividend payment dates and the use of proceeds are the same as that of the relevant MPC1 Preferred Securities. (As to MPC1, for example, Parity Preferred Securities are the collective designation of MPC1 Preferred Securities as well as other preferred securities that satisfy the above conditions if newly issued in the future.)
- (7) Liquidation Event
- Shall be deemed to occur where a liquidation proceeding is commenced by or against Mizuho Financial Group or a competent court in Japan shall have (i) adjudicated Mizuho Financial Group to be subject to bankruptcy proceedings or (ii) approved a preparation of a reorganization plan for abolishment of all business of Mizuho Financial Group.
- (8) Reorganization Event
- Shall be deemed to occur if a competent court in Japan shall have adjudicated (i) the commencement of a corporate reorganization proceeding of Mizuho Financial Group under the Corporate Reorganization Law or (ii) the commencement of a civil rehabilitation proceeding of Mizuho Financial Group under the Civil Rehabilitation Law.
- (9) Insolvency Event
- Shall be deemed to occur if (i) Mizuho Financial Group is not able to pay its debts as they become due or would not be able to do so as a result of a dividend payment on the relevant preferred securities, or (ii) if the liabilities of Mizuho Financial Group exceeds its assets or would exceed its assets as a result of a dividend payment on the relevant preferred securities.
- (10) Governmental Action
- Shall be deemed to occur if the government authority in Japan (i) publicly declares Mizuho Financial Group is not able to pay its debts as they become due, (ii) publicly declares Mizuho Financial Group's liabilities exceed its assets, (iii) publicly declares Mizuho Financial Group to be under public management or (iv) issues an order that Mizuho Financial Group be transferred to a third party.
- (11) Available Distributable Amounts for MCI (USD) 1 Preferred Securities
- (i) Amount available in June
- Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (USD) 1 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (USD) 1 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (USD) 1 Preferred Securities.
- (ii) Amount available in December
- Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (USD) 1 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date falling in June, pro-rated between full dividends on MCI (USD) 1 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (USD) 1 Preferred Securities falling in June up to the dividend payment date falling in December.
- (12) Available Distributable Amounts for MCI (EUR) 1 Preferred Securities
- (Up to the dividend payment date falling in June 2011)

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend payment amount on MCI (EUR) 1 Preferred Securities and the full dividend payment amount on preferred securities for the then current fiscal year that are equivalently subordinated in nature with MCI (EUR) 1 Preferred Securities (Equivalent Securities).

(From the dividend payment date falling in December 2011)

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend payment amount on MCI (EUR) 1 Preferred Securities and the full dividend amount on Equivalent Securities to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (EUR) 1 Preferred Securities.

(ii) Amount available in December

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (EUR) 1 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date falling in June, pro-rated between full dividends on MCI (EUR) 1 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (EUR) 1 Preferred Securities falling in June up to the dividend payment date falling in December.

(13) Preferred Stocks

Refers to preferred stock of Mizuho Financial Group qualifying as Tier 1 capital and ranking most senior compared to other preferred stock of Mizuho Financial Group as to dividend payments and claims to residual assets.

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(14) Available Distributable Amounts for the MCI (JPY) 1 Preferred Securities

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (JPY) 1 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (JPY) 1 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (JPY) 1 Preferred Securities.

(ii) Amount available in December

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (JPY) 1 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (JPY) 1 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (JPY) 1 Preferred Securities falling in June up to the dividend payment date falling in December.

(15) Available Distributable Amounts for the MCI (JPY) 2 Preferred Securities

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (JPY) 2 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (JPY) 2 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (JPY) 2 Preferred Securities.

(ii) Amount available in December

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (JPY) 2 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (JPY) 2 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (JPY) 2 Preferred Securities falling in June up to the dividend payment date falling in December.

(16) Available Distributable Amounts for the MCI (JPY) 3 Preferred Securities

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (JPY) 3 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (JPY) 3 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (JPY) 3 Preferred Securities.

(ii) Amount available in December (except for the amount available in December 2008)

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (JPY) 3 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (JPY) 3 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (JPY) 3 Preferred Securities falling in June up to the dividend payment date falling in December.

(iii) Amount available in December 2008

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments) and (B) the dividends on Equivalent Securities paid or declared to be paid from April 1, 2008 to June 30, 2008, pro-rated between full

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dividends on MCI (JPY) 3 Preferred Securities for the dividend payment date falling in December 2008 and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after June 30, 2008 up to the dividend payment date falling in December 2008.

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(17) Available Distributable Amounts for the MCI (JPY) 4 Preferred Securities

(i) Amount available in March 2009

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the fiscal year ended March 31, 2008, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments) and (B) the dividends on Equivalent Securities paid or declared to be paid from April 1, 2008 to December 30, 2008, pro-rated between the full dividend amount on MCI (JPY) 4 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (JPY) 4 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid from the day after December 30, 2008 up to the dividend payment date falling in March 2009.

(ii) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (JPY) 4 Preferred Securities and the full dividend amount on Equivalent Securities to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (JPY) 4 Preferred Securities.

(iii) Amount available in December

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (JPY) 4 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (JPY) 4 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (JPY) 4 Preferred Securities falling in June up to the dividend payment date falling in December.

(18) Available Distributable Amounts for the MCI (USD) 2 Preferred Securities

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (USD) 2 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (USD) 2 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (USD) 2 Preferred Securities.

(ii) Amount available in December

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (USD) 2 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (USD) 2 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (USD) 2 Preferred Securities falling in June up to the dividend payment date falling in December.

(19) Available Distributable Amounts for the MCI (JPY) 5 Preferred Securities

(i) Amount available in June

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), pro-rated between the full dividend amount on MCI (JPY) 5 Preferred Securities and the full dividend amount on preferred securities that are equivalently subordinated in nature with MCI (JPY) 5 Preferred Securities (Equivalent Securities) to which dividends are paid in whole or in part or declared to be paid on or prior to the relevant dividend payment date of MCI (JPY) 5 Preferred Securities.

(ii) Amount available in December (except for the amount available in December 2009)

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the immediately preceding fiscal year, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments), (B) the amount of dividend payments on MCI (JPY) 5 Preferred Securities made or declared to be made on or prior to the dividend payment date falling in June and (C) the dividends on Equivalent Securities paid or declared to be paid on or prior to the dividend payment date in June, pro-rated between full dividends on MCI (JPY) 5 Preferred Securities for the dividend payment date falling in December and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after the dividend payment date of MCI (JPY) 5 Preferred Securities falling in June up to the dividend payment date falling in December.

(iii) Amount available in December 2009

Refers to Distributable Amounts of Mizuho Financial Group calculated based on the financial statements for the fiscal year ended March 31, 2009, less (A) the amount of dividend payments on Preferred Stock⁽¹³⁾ (excluding interim dividend payments) and (B) the dividends on Equivalent Securities paid or declared to be paid from April 1, 2009 to June 30, 2009, pro-rated between full dividends on MCI (JPY) 5 Preferred Securities for the dividend payment date falling in December 2009 and full dividends on Equivalent Securities paid in whole or in part or declared to be paid from the day after June 30, 2009 up to the dividend payment date falling in December 2009.

Table of Contents**(B) Summary of preferred stock**

The preferred stocks that have been issued as stated below are included in Tier 1 capital of Mizuho Financial Group's consolidated capital adequacy ratio.

	Eleventh Series Class XI	Thirteenth Series Class XIII
	Preferred Stock	Preferred Stock
Amount outstanding as of fiscal year end (excluding treasury stock)	¥416.886 billion	¥36.69 billion
Preferred dividend payment	An annual dividend payment of ¥20 per preferred share to holders of preferred stock in priority to dividend payments to holders of common stock.	An annual dividend payment of ¥30 per preferred share to holders of preferred stock in priority to dividend payments to holders of common stock.
Non-cumulative clause	In the event that all or part of the preferred dividends are not paid during a given fiscal year, the shortfall is not accumulated in or beyond the following fiscal year.	In the event that all or part of the preferred dividends are not paid during a given fiscal year, the shortfall is not accumulated in or beyond the following fiscal year.
Non-participation clause	No distribution of surplus exceeding the preferred dividend payment is made to holders of preferred stock.	No distribution of surplus exceeding the preferred dividend payment is made to holders of preferred stock.
Preferred interim dividend payment	If an interim dividend payment is made, ¥10 per share is to be paid in priority to holders of common stock.	If an interim dividend payment is made, ¥15 per share is to be paid in priority to holders of common stock.
Distribution of residual assets	¥1,000 per preferred share is to be paid in priority to holders of common stock and no other distribution of residual assets is to be made.	¥1,000 per preferred share is to be paid in priority to holders of common stock and no other distribution of residual assets is to be made.
Conversion⁽¹⁾ request	Conversion period	n.a.
	Conversion price	n.a.
	Reset of conversion price	n.a.
	On July 1 of each year from July 1, 2009 to July 1, 2015 (hereafter, "Conversion Price Reset Date"), in the event the market price of common stock on such date is below the effective conversion price on the day before the relevant Conversion Price Reset Date, the reset price is to be adjusted as of the relevant Conversion Price Reset Date to such market price (minimum: ¥284.90), where market price is defined as the average of the daily closing prices of common stock as reported by the Tokyo Stock Exchange for the 30 consecutive trading days	

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commencing on the 45th trading day prior to the Conversion Price Reset Date.

Adjustment of the conversion price	Adjustments to the conversion price are to be made upon the issuance or disposition of common stock at a price lower than the market price and in other specified circumstances.	n.a.
Number of shares of common stock to be provided upon conversion	The number obtained by dividing (i) the total issue price of the preferred stock submitted in connection with the conversion request by the holders of such preferred stock by (ii) the conversion price.	n.a.

Table of Contents**Mandatory conversion of preferred stock**

Mizuho Financial Group shall acquire on July 1, 2016 any preferred stock in respect of which a request for conversion has not been made by June 30, 2016 and deliver common stock to the holder of such preferred stock. The number of shares of common stock to be delivered is obtained by dividing ¥1,000 by the average of the daily closing prices of common stock as reported by the Tokyo Stock Exchange for the 30 consecutive trading days commencing on the 45th trading day prior to July 1, 2016 (minimum: ¥284.90).

n.a.

Conversion clause

n.a.

On or after April 1, 2013, as determined by a resolution of the general meeting of shareholders, all or a portion of the preferred stock can be repurchased at the conversion price set forth below.

The conversion price per share will be the sum of ¥1,000 and the preferred dividend pro-rated for the number of days from the first day of the fiscal year during which the conversion date falls; provided, however, that if preferred interim dividends are paid, the conversion price per share is to be reduced by the amount of such interim dividend.

Voting rights

The holders of preferred stock shall not have voting rights at a general meeting of shareholders; provided, however, that the holders of preferred stock may have voting rights from the date of a general meeting of shareholders if a proposal for the payment of preferred dividends is not submitted to such general meeting of shareholders, or immediately after the closing of a general meeting of shareholders if a proposal on the preferred dividends is rejected at such general meeting of shareholders, until, in either case, such time as a resolution of a general meeting of shareholders for the payment of preferred dividends is approved.

The holders of preferred stock shall not have voting rights at a general meeting of shareholders; provided, however, that the holders of preferred stock may have voting rights from the date of a general meeting of shareholders if a proposal for the payment of preferred dividends is not submitted to such general meeting of shareholders, or immediately after the closing of a general meeting of shareholders if a proposal on the preferred dividends is rejected at such general meeting of shareholders, until, in either case, such time as a resolution of a general meeting of shareholders for the payment of preferred dividends is approved.

Preferential status

All classes of preferred stock rank *pari passu* with respect to preferred dividends, preferred interim dividends and residual assets.

All classes of preferred stock rank *pari passu* with respect to preferred dividends, preferred interim dividends and residual assets.

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(C) Summary of debt capital instruments

1. Summary

The following debt capital instruments are included in Tier 2 capital:

Perpetual subordinated debt;

Dated subordinated debt; and

Dated preferred stock.

Of the above, perpetual subordinated debt and dated subordinated debt are in the form of subordinated bonds with subordination clause (corporate bonds with subordination clause) or subordinated loans (borrowing by means of loan agreement with subordination clause) (collectively, Subordinated Bonds, Etc.). Specifically, such debt capital is raised as follows:

(1) Subordinated bonds offered to investors in Japan and abroad;

(2) Subordinated bonds using a Euro MTN program, etc.; and

(3) Subordinated loans.

The Subordinated Bonds, Etc., are issued by or loaned to Mizuho Financial Group, its banking subsidiaries or overseas consolidated SPC subsidiaries.

In each case, the above instruments are based on terms that are in accordance with relevant public notices and supervisory guidelines of the Financial Services Agency so as to ensure eligibility as Tier 2 capital, and the following is the summary of such terms as of July 1, 2011.

At present, we have no dated preferred stock outstanding.

2. Subordination clause

Subordinated Bonds, Etc., include subordination clauses pursuant to which, in the event that certain grounds for subordination arise, payments of principal and interest on the relevant Subordinated Bonds, Etc., are ranked lower in priority compared to the execution of obligations relating to more senior claims which are obligations other than those that rank *pari passu* or junior to such Subordinated Bonds, Etc. (concerning the rights of holders of Subordinated Bonds, Etc., that seek payment, the order of priority in receiving payments in bankruptcy proceedings is junior to subordinated bankrupt claims as set forth in the Bankruptcy Law). As a result, senior creditors have priority over holders of Subordinated Bonds, Etc., in the event of bankruptcy, corporate reorganization and civil rehabilitation proceedings, etc.

3. Perpetual subordinated debt

Perpetual subordinated debt is a debt capital instrument with all of the following features:

(1) Unsecured, fully paid and subordinated to other obligations;

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- (2) Not redeemable or repayable, except when it is optional and the debtor anticipates that a sufficient capital adequacy ratio will be maintained after such redemption or repayment or in connection with the raising of capital in an amount equal to or in excess of the amount to be redeemed or repaid;
 - (3) Applicable to absorb losses while the obligor continues to do business; and
 - (4) Contains a provision that allows a deferred payment of interest.
4. Dated subordinated debt

Dated subordinated debt differs from perpetual subordinated debt in that it has a fixed redemption or repayment term of more than five years.

In the case of both perpetual subordinated debt and dated subordinated debt, if a step-up in interest is provided for, the application of such step-up must be made at a time five years or more from the issue or loan date so as to prevent the interest to be paid after step-up from being excessive, and the amount of step-up must be within the limit that the Financial Services Agency determines in supervisory guidelines.

(4) Summary of approach to assessing capital adequacy

In order to ensure that risk-based capital is sufficiently maintained in light of the risk held by us, we regularly conduct the following assessment of capital adequacy in addition to adopting a suitable and effective capital adequacy monitoring structure.

Maintaining a sufficient BIS capital adequacy ratio and Tier 1 capital ratio

We confirm our maintenance of a high level of financial soundness by conducting regular evaluations to examine whether our risk-based capital is adequate in qualitative as well as quantitative terms, in light of our business plans and strategic targets to match the increase in risk-weighted assets acquired for growth, in addition to maintaining risk-based capital that exceeds the minimum requirements (8% under BIS standards, 4% under domestic standards).

Balancing risk and capital

On the basis of the framework for allocating risk capital, after obtaining the clearest possible grasp of the group's overall risk exposure, we endeavor to control risk so as to keep it within the range of our business capacity by means of allocating capital that corresponds to the amount of risk to the business groups and units of our banking subsidiaries, etc., within the bounds of our capital, and we conduct regular assessments to ensure that a sufficient level of capital is maintained for our risk profile. When making these assessments, we examine whether an appropriate return on risk is maintained in addition to considering the effects that interest rate risk related to our banking book, credit concentration risk and stress tests have on our capital.

Table of Contents**(5) Required capital by portfolio classification**

	As of March 31, 2010		(Billions of yen) As of March 31, 2011	
	EAD	Required capital	EAD	Required capital
Credit risk	154,949.9	5,743.4	168,629.5	5,084.9
Internal ratings-based approach	147,120.5	5,462.6	160,055.2	4,834.2
Corporate (except specialized lending)	49,916.2	3,253.4	49,049.3	2,690.6
Corporate (specialized lending)	2,755.9	327.7	2,615.8	326.0
Sovereign	61,363.4	65.3	74,995.2	53.8
Bank	4,834.2	147.1	5,073.8	134.4
Retail	13,148.9	578.8	13,885.2	665.1
Residential mortgage	10,664.9	403.3	10,774.8	447.5
Qualifying revolving loan	337.2	29.6	350.4	33.3
Other retail	2,146.7	145.9	2,759.9	184.2
Equities	3,848.4	449.1	3,530.3	375.5
PD/LGD approach	1,022.2	154.0	1,037.1	109.9
Market-based approach (simple risk weight method)	292.9	80.3	285.3	78.3
Market-based approach (internal models approach)				
Transitional measure applied	2,533.2	214.8	2,207.9	187.2
Regarded-method exposure	1,094.0	306.6	1,035.1	255.5
Purchase receivables	1,999.8	81.0	1,929.8	68.7
Securitizations	4,996.1	75.1	4,422.1	89.6
Others	3,163.2	177.8	3,518.1	174.7
Standardized approach	7,829.3	280.8	8,574.3	250.6
Sovereign	3,354.9	5.9	4,664.3	3.3
Bank	1,529.7	27.0	1,250.4	24.5
Corporate	2,335.2	177.2	2,038.9	157.5
Residential mortgage	0.0	0.0	0.0	0.0
Securitizations	40.9	36.7	39.4	30.1
Others	568.3	33.9	581.1	35.1
Market risk	n.a.	103.8	n.a.	111.1
Standardized approach	n.a.	77.9	n.a.	84.5
Interest rate risk	n.a.	54.5	n.a.	49.8
Equities risk	n.a.	15.0	n.a.	26.1
Foreign exchange risk	n.a.	1.5	n.a.	4.3
Commodities risk	n.a.	6.7	n.a.	4.2
Option transactions	n.a.		n.a.	
Internal models approach	n.a.	25.9	n.a.	26.6
Operational risk	n.a.	292.5	n.a.	264.5
Advanced measurement approach	n.a.	243.8	n.a.	218.5
Basic indicator approach	n.a.	48.6	n.a.	46.0
Total required capital (consolidated)	n.a.	4,549.0	n.a.	4,135.5

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Notes:

1. EAD: Exposure at default.
2. PD: Probability of default.
3. LGD: Loss given default.
4. Required capital: For credit risk, the sum of (i) 8% of credit risk-weighted assets, (ii) expected losses and (iii) deductions from capital. For market risk, the market risk equivalent amount. For operational risk, the operational risk equivalent amount.
5. Total required capital (consolidated): 8% of the denominator of the capital adequacy ratio.
6. The major exposures included in each portfolio classification of internal ratings-based approach are as follows:

Corporate (excluding specialized lending)	Credits to corporations and sole proprietors (excluding credits to retail customers)
Corporate (specialized lending)	Credits which limit interest and principal repayment sources to cash flow derived from specific real estate, chattel, businesses, etc, including real estate non-recourse lone, ship finance and project finance, etc.
Sovereign	Credits to central governments, central banks and local governmental entities
Bank	Credits to banks and securities companies, etc.
Retail	Housing loans (residential mortgage), credit card loans (qualifying revolving retail loan) and other individual consumer loans and loans to business enterprises with total credit amount of less than ¥100 million, etc. (other retail).
Equities	Capital stock, preferred securities, perpetual subordinated debt, etc. (excluding trading assets)
	* The transitional measure applies to those held from September 30, 2004 or earlier, and others are applied either the PD/LGD approach or the market-based approach.
Regarded-method exposure	Investment trusts and funds, etc.
Purchase receivables	Receivables purchased from third parties excluding securities (excluding securitizations)
Securitizations	Transactions in the form of non-recourse and having a senior/subordinated structure, etc. (excluding specialized lending).

7. EAD calculated using the standardized approach for credit risk represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.

Table of Contents**n Credit risk****(6) Credit risk management****Summary of credit risk management**

See pages 45 to 47 for a summary of our credit risk management policies and procedures.

We apply the advanced internal ratings-based approach to calculate credit risk-weighted assets under Basel II. With regard to some business units or asset classes that are deemed to be immaterial for purposes of calculating credit risk-weighted assets, we apply the standardized approach.

We use our estimates of PD (probability of default) and LGD (loss given default) in calculating credit risk-weighted assets. In accordance with regulations, we estimate PD by using long-term averages of actual defaults, to which conservative adjustments are made, based on internal data, and make adjustments to LGD taking into account recessionary periods. We regularly perform verifications of PD and LGD through back testing and other methods. We also utilize these estimates for measuring credit risks for internal use, allocating risk capital and other purposes.

Status of portfolios to which the standardized approach is applied

Eligible external credit assessment institutions used for determining the risk weight for portfolios to which the standardized approach is applied are Rating and Investment Information, Inc. (R&I) in Japan and Standard & Poor's Ratings Services (S&P) overseas.

We apply a 100% risk weight for all of our corporate exposure.

Summary of our internal rating system

See pages 45 to 46 for a summary of our internal rating system and rating assignment procedures.

The following table sets forth information with respect to the definition of obligor ratings.

Obligor ratings**Obligor ratings**

(major category)	Definition of ratings	Classification
A1 A3	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.	Investment grade zone
B1 B2	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.	
C1 C3	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.	
D1 D3	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future changes in business environment is low.	Non-investment grade zone
E1 E2	Obligors who require close watching going forward because there are problems with their borrowing conditions, 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 as a result of their poor or unstable business conditions.	
F1	R* Obligors who 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 (including obligors who are receiving ongoing support from financial institutions).	Default
G1	Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable	

of restructuring.

H1 Obligor who have already gone bankrupt, from both a legal and/or formal perspective.

* Including restructured loans and loans past due for three months or more

Table of Contents**(7) Credit risk exposure, etc.**

We exclude regarded-method exposure and securitization exposure from the amount of credit risk exposure.

The outstanding balance is based on exposure at default.

No significant difference exists between period-end credit risk position and the average credit risk position during the fiscal years ended March 31, 2010 and 2011.

Status of credit risk exposure**(A) Breakdown by geographical area**

	As of March 31, 2010					(Billions of yen)
	Loans, commitments and other non-OTC derivative off-balance-sheet exposures	Securities	OTC derivatives	Others	Total	
Domestic	73,354.5	35,042.5	2,178.9	6,891.1	117,467.1	
Overseas	13,607.7	5,553.6	2,127.3	2,274.3	23,563.1	
Asia	2,798.3	509.1	113.3	535.9	3,956.8	
Central and South America	1,981.3	169.8	195.6	3.5	2,350.4	
North America	4,731.6	2,851.6	679.8	1,438.1	9,701.3	
Eastern Europe	77.8		0.0	0.8	78.7	
Western Europe	2,895.3	1,851.1	1,056.1	203.1	6,005.9	
Other areas	1,123.2	171.7	82.1	92.7	1,469.8	
Total	86,962.3	40,596.1	4,306.2	9,165.5	141,030.2	
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,788.4	

	As of March 31, 2011					(Billions of yen)
	Loans, commitments and other non-OTC derivative off-balance-sheet exposures	Securities	OTC derivatives	Others	Total	
Domestic	80,450.9	36,914.8	2,146.5	10,636.2	130,148.6	
Overseas	13,971.5	5,354.8	2,112.5	3,010.2	24,449.2	
Asia	3,452.6	773.5	119.3	869.9	5,215.4	
Central and South America	2,062.6	147.4	232.2	3.5	2,445.9	
North America	4,602.1	3,168.3	637.1	1,721.0	10,128.7	
Eastern Europe	48.8		0.0	1.5	50.4	
Western Europe	2,706.2	1,122.5	1,040.9	255.8	5,125.6	
Other areas	1,098.9	142.9	82.7	158.3	1,483.0	
Total	94,422.5	42,269.7	4,259.0	13,646.5	154,597.9	

Exempt portion	n.a.	n.a.	n.a.	n.a.	8,534.9
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Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Exposure to non-Japanese residents is included in Overseas.
3. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(B) Breakdown by industry**

(Billions of yen)

As of March 31, 2010

	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC	Others	Total
	exposures	Securities	derivatives		
Manufacturing	13,568.8	2,326.0	620.9	198.3	16,714.1
Construction	1,605.5	224.6	18.9	10.6	1,859.7
Real estate	7,158.4	531.1	57.9	50.6	7,798.1
Service industries	4,729.2	1,077.0	181.5	86.6	6,074.6
Wholesale and retail	7,173.6	603.6	677.0	414.0	8,868.3
Finance and insurance	9,189.5	1,346.0	2,114.4	1,220.1	13,870.2
Individuals	12,003.9		0.3	14.9	12,019.1
Other industries	13,765.7	5,521.2	627.5	5,034.2	24,948.7
Japanese Government; Bank of Japan	17,767.3	28,966.2	7.6	2,135.8	48,877.1
Total	86,962.3	40,596.1	4,306.2	9,165.5	141,030.2
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,788.4

(Billions of yen)

As of March 31, 2011

	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC	Others	Total
	exposures	Securities	derivatives		
Manufacturing	13,031.1	2,228.1	617.2	225.4	16,102.0
Construction	1,426.7	198.3	22.1	4.9	1,652.1
Real estate	6,669.9	512.1	51.7	42.0	7,276.0
Service industries	3,784.0	989.9	157.8	82.2	5,014.0
Wholesale and retail	7,264.2	589.1	655.0	513.2	9,021.6
Finance and insurance	9,384.2	1,864.0	2,069.9	1,314.5	14,632.7
Individuals	12,135.1		0.2	14.0	12,149.4
Other industries	14,300.7	4,990.4	675.9	5,813.5	25,780.7
Japanese Government; Bank of Japan	26,426.1	30,897.5	8.8	5,636.4	62,968.9
Total	94,422.5	42,269.7	4,259.0	13,646.5	154,597.9
Exempt portion	n.a.	n.a.	n.a.	n.a.	8,534.9

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(C) Breakdown by residual contractual maturity**

(Billions of yen)

	As of March 31, 2010				
	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC		Total
	exposures	Securities	derivatives	Others	
Less than one year	28,104.6	16,630.5	475.6	1,671.2	46,882.1
From one year to less than three years	15,067.7	10,608.3	1,670.3	33.1	27,379.6
From three years to less than five years	8,841.0	5,227.7	1,147.5	2.1	15,218.5
Five years or more	24,146.3	4,386.7	921.4	24.2	29,478.9
Other than above	10,802.4	3,742.6	91.1	7,434.7	22,071.0
Total	86,962.3	40,596.1	4,306.2	9,165.5	141,030.2
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,788.4

(Billions of yen)

	As of March 31, 2011				
	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC		Total
	exposures	Securities	derivatives	Others	
Less than one year	29,640.8	15,622.7	489.5	1,928.9	47,682.0
From one year to less than three years	13,673.1	9,881.0	1,781.8	38.9	25,374.9
From three years to less than five years	9,339.6	7,815.5	1,033.2	27.0	18,215.4
Five years or more	26,685.1	5,387.3	864.7	0.0	32,937.2
Other than above	15,083.7	3,563.0	89.6	11,651.6	30,388.1
Total	94,422.5	42,269.7	4,259.0	13,646.5	154,597.9
Exempt portion	n.a.	n.a.	n.a.	n.a.	8,534.9

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of exposure past due three months or more or in default****(D) Breakdown by geographical area**

	As of March 31, 2010					(Billions of yen)
	Loans, commitments and other non-OTC derivative off-balance-sheet exposures	Securities	OTC derivatives	Others	Total	
	Domestic	1,726.5	32.8	38.1	84.3	1,881.8
Overseas	239.3	2.1	0.5	23.7	265.7	
Asia	42.6	0.0	0.1	4.5	47.3	
Central and South America	27.6	1.5	0.0	0.3	29.5	
North America	32.2	0.6	0.0	16.5	49.4	
Eastern Europe	12.8			0.0	12.8	
Western Europe	70.8		0.3	1.8	73.0	
Other areas	52.9		0.0	0.3	53.3	
Total	1,965.9	34.9	38.7	108.0	2,147.5	
Exempt portion	n.a.	n.a.	n.a.	n.a.	3.6	

	As of March 31, 2011					(Billions of yen)
	Loans, commitments and other non-OTC derivative off-balance-sheet exposures	Securities	OTC derivatives	Others	Total	
	Domestic	1,561.1	28.8	79.2	75.3	1,744.6
Overseas	185.5	1.9	8.2	20.8	216.6	
Asia	25.1	0.0	0.0	4.0	29.2	
Central and South America	42.3	1.5	6.3	0.0	50.2	
North America	23.6	0.4	0.0	14.7	38.8	
Eastern Europe	8.7			0.0	8.7	
Western Europe	58.3		1.8	1.7	61.8	
Other areas	27.3			0.3	27.6	
Total	1,746.7	30.7	87.5	96.2	1,961.2	
Exempt portion	n.a.	n.a.	n.a.	n.a.	1.5	

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset

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classes that are immaterial for the purpose of calculating credit risk-weighted assets.

2. Exposure to non-Japanese residents is included in Overseas.
3. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(E) Breakdown by industry**

(Billions of yen)

As of March 31, 2010

	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC		Total
	exposures	Securities	derivatives	Others	
Manufacturing	408.9	9.6	8.2	18.4	445.2
Construction	104.8	10.4	0.4	2.5	118.2
Real estate	349.4	0.9	0.4	6.7	357.6
Service industries	258.4	1.0	5.0	6.7	271.2
Wholesale and retail	266.5	6.4	19.1	37.7	329.8
Finance and insurance	64.5	1.8	0.4	19.0	85.9
Individuals	195.2		0.0	1.5	196.8
Other industries	317.7	4.6	4.9	15.0	342.3
Total	1,965.9	34.9	38.7	108.0	2,147.5
Exempt portion	n.a.	n.a.	n.a.	n.a.	3.6

(Billions of yen)

As of March 31, 2011

	Loans, commitments and other non-OTC derivative off-balance-sheet		OTC		Total
	exposures	Securities	derivatives	Others	
Manufacturing	415.7	9.3	39.5	19.5	484.1
Construction	94.0	3.4	0.4	1.9	99.9
Real estate	291.1	5.2	0.2	4.5	301.1
Service industries	191.3	3.5	3.7	6.9	205.5
Wholesale and retail	266.8	2.4	34.9	35.9	340.1
Finance and insurance	24.5	1.8	0.1	17.3	43.9
Individuals	264.5		0.0	1.6	266.2
Other industries	198.4	4.9	8.4	8.2	220.0
Total	1,746.7	30.7	87.5	96.2	1,961.2
Exempt portion	n.a.	n.a.	n.a.	n.a.	1.5

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of reserves for possible losses on loans**

The amounts associated with regarded-method exposure and securitization exposure are excluded.

(F) Fiscal year-end balances of reserves for possible losses on loans and changes during the fiscal year

(after partial direct write-offs)

	As of, or for the fiscal year ended, March 31, 2010	(Billions of yen) As of, or for the fiscal year ended, March 31, 2011
General reserve for possible losses on loans		
Beginning balance	583.2	563.8
Increase during the fiscal year	563.8	501.4
Decrease during the fiscal year	583.2	563.8
Ending balance	563.8	501.4
Specific reserve for possible losses on loans		
Beginning balance	299.5	317.7
Increase during the fiscal year	317.7	259.1
Decrease during the fiscal year	299.5	317.7
Ending balance	317.7	259.1
Reserve for possible losses on loans to restructuring countries		
Beginning balance	0.5	0.1
Increase during the fiscal year	0.1	0.0
Decrease during the fiscal year	0.5	0.1
Ending balance	0.1	0.0
Total		
Beginning balance	883.4	881.8
Increase during the fiscal year	881.8	760.5
Decrease during the fiscal year	883.4	881.8
Ending balance	881.8	760.5

Note:

General reserve for possible losses on loans in the above table represents the amount recorded in our consolidated balance sheet, and the amounts associated with regarded-method exposure and securitization exposure are not excluded.

(G) Specific reserve for possible losses on loans by geographical area and industry

	As of March 31, 2009	As of March 31, 2010	(Billions of yen) Change
Domestic	218.6	274.8	56.2
Manufacturing	16.1	24.7	8.6
Construction	5.4	6.4	0.9
Real estate	51.8	30.2	(21.6)
Service industries	34.2	22.5	(11.6)

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Wholesale and retail	35.0	29.0	(6.0)
Finance and insurance	2.8	9.4	6.5
Individuals	58.7	71.1	12.4
Other industries	14.3	81.2	66.9
Overseas	74.5	36.2	(38.2)
Exempt portion	6.4	6.7	0.2
Total	299.5	317.7	18.2

	As of March 31, 2010	As of March 31, 2011	(Billions of yen) Change
Domestic	274.8	220.0	(54.8)
Manufacturing	24.7	27.0	2.2
Construction	6.4	18.6	12.2
Real estate	30.2	19.7	(10.5)
Service industries	22.5	17.0	(5.5)
Wholesale and retail	29.0	39.0	10.0
Finance and insurance	9.4	0.5	(8.8)
Individuals	71.1	84.2	13.1
Other industries	81.2	13.5	(67.6)
Overseas	36.2	34.2	(1.9)
Exempt portion	6.7	4.8	(1.8)
Total	317.7	259.1	(58.6)

Notes:

1. Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.
2. Following the revision of the Japan Standardized Industrial Classification in November 2007, partial amendment has been made to the industry classification from the fiscal year ended March 31, 2010. Such amendment is also reflected in the figures as of March 31, 2009.

Table of Contents**(H) Write-offs of loans by industry**

	(Billions of yen)	
	For the fiscal year ended March 31, 2010	For the fiscal year ended March 31, 2011
Manufacturing	11.7	13.3
Construction	2.3	1.8
Real estate	16.8	8.6
Service industries	6.7	9.1
Wholesale and retail	34.0	19.8
Finance and insurance	1.1	0.4
Individuals	2.7	9.3
Other industries	53.3	8.8
Exempt portion	0.3	0.1
Total	129.3	71.6

Notes:

- The above table represents the breakdown of losses on write-offs of loans recorded in our consolidated statement of income after excluding the amounts associated with regarded-method exposure and securitization exposure.
 - Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.
 - Other industries include overseas and non-Japanese resident portions.
- Status of exposure to which the standardized approach is applied**

(I) Exposure by risk weight category after applying credit risk mitigation

	(Billions of yen)			
	As of March 31, 2010			
Risk weight	On-balance sheet	Off-balance sheet	Total	With external rating
0%	527.6	2,723.5	3,251.1	129.5
10%	1.0		1.0	
20%	325.9	1,179.6	1,505.5	19.5
35%	0.0		0.0	
50%	22.5	20.0	42.6	15.9
100%	2,006.8	980.6	2,987.4	58.0
150%	0.4		0.4	
350%				
625%				
937.5%				
1,250%		0.0	0.0	
Total	2,884.4	4,903.9	7,788.4	223.1

	(Billions of yen)			
	As of March 31, 2011			
Risk weight	On-balance sheet	Off-balance sheet	Total	With external rating
0%	714.7	3,893.1	4,607.9	90.0
10%	1.2		1.2	
20%	302.1	847.9	1,150.1	9.2
35%	0.0		0.0	
50%	73.9	8.2	82.2	5.5
100%	1,863.2	829.9	2,693.2	34.6
150%	0.0		0.0	
350%				
625%		0.0	0.0	
937.5%		0.0	0.0	
1,250%		0.0	0.0	
Total	2,955.4	5,579.4	8,534.9	139.6

Notes:

1. The amounts in the above table are before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.
2. Off-balance-sheet exposure shows credit equivalent amount.

Table of Contents**(J) Deduction from capital**

	As of March 31, 2010	(Billions of yen) As of March 31, 2011
Deduction from capital	36.2	27.9
Status of exposure to which the internal ratings-based approach is applied		

(K) Specialized lending exposure under supervisory slotting criteria by risk weight category

Risk weight	(Billions of yen)	
	As of March 31, 2010	As of March 31, 2011
50%	241.8	158.0
70%	672.3	757.2
90%	165.1	235.9
95%	47.7	4.1
115%	223.2	80.2
120%	23.7	15.4
140%	8.4	
250%	470.8	402.5
Default	37.1	102.4
Total	1,890.6	1,756.1

(L) Equity exposure under simple risk weight method by risk weight category

Risk weight	(Billions of yen)	
	As of March 31, 2010	As of March 31, 2011
300%	224.8	217.7
400%	68.1	67.6
Total	292.9	285.3

Note: Of the equity exposure under the simple risk weight method, 300% risk weight is applied for listed equities and 400% for unlisted equities.

Table of Contents**(M) Portfolio by asset class and ratings segment (Corporate, etc.)**

(Billions of yen, except percentages)

As of March 31, 2010

	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Corporate	5.06	35.70	n.a.	51.20	52,412.4	38,803.8	13,608.6	9,912.0	75.19
Investment grade zone	0.12	36.84	n.a.	25.08	28,687.3	18,963.8	9,723.5	7,780.0	75.18
Non-investment grade zone	4.00	32.51	n.a.	86.15	21,988.4	18,196.7	3,791.7	2,090.6	75.19
Default	100.00	57.35	54.32	40.20	1,736.6	1,643.2	93.3	41.3	75.81
Sovereign	0.01	38.78	n.a.	1.31	61,598.8	47,419.8	14,179.0	101.7	75.00
Investment grade zone	0.00	38.78	n.a.	1.16	61,496.7	47,324.1	14,172.6	95.3	75.00
Non-investment grade zone	1.59	38.77	n.a.	91.71	102.0	95.6	6.4	6.3	75.00
Default	100.00	69.07	64.41	61.76	0.0	0.0			
Bank	1.02	37.70	n.a.	28.84	4,967.6	2,121.1	2,846.5	298.2	77.54
Investment grade zone	0.12	37.07	n.a.	23.85	4,518.7	1,933.4	2,585.2	229.9	78.87
Non-investment grade zone	2.35	39.67	n.a.	83.10	413.4	154.3	259.1	68.3	73.09
Default	100.00	95.65	93.27	31.59	35.4	33.2	2.1		
Equity exposure under PD/LGD approach	1.65	90.00	n.a.	169.82	1,022.2	1,022.2			
Investment grade zone	0.08	90.00	n.a.	113.81	788.1	788.1			
Non-investment grade zone	5.17	90.00	n.a.	365.13	229.7	229.7			
Default	100.00	90.00	90.00		4.3	4.3			
Total	2.27	37.83	n.a.	25.68	120,001.3	89,367.0	30,634.3	10,312.0	75.25
Investment grade zone	0.05	38.54	n.a.	10.35	95,491.0	69,009.6	26,481.4	8,105.3	75.28
Non-investment grade zone	3.97	33.25	n.a.	88.94	22,733.8	18,676.5	4,057.3	2,165.3	75.12
Default	100.00	58.19	55.18	39.93	1,776.4	1,680.9	95.5	41.3	75.81

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(Billions of yen, except percentages)

As of March 31, 2011

	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Corporate	4.08	35.30	n.a.	46.38	51,448.3	38,017.0	13,431.3	9,671.1	75.10
Investment grade zone	0.11	36.51	n.a.	23.60	29,926.6	20,015.7	9,910.9	7,797.9	75.12
Non-investment grade zone	3.29	32.37	n.a.	80.84	20,116.7	16,723.2	3,393.5	1,843.8	75.03
Default	100.00	51.50	48.63	38.08	1,404.9	1,278.0	126.8	29.3	75.10
Sovereign	0.00	38.73	n.a.	0.88	75,302.4	54,017.2	21,285.2	114.2	76.70
Investment grade zone	0.00	38.73	n.a.	0.80	75,235.2	53,951.3	21,283.8	113.9	76.71
Non-investment grade zone	2.51	38.66	n.a.	96.54	67.1	65.7	1.4	0.2	75.00
Default	100.00	43.59	39.62	52.58	0.1	0.1			
Bank	0.79	37.55	n.a.	25.13	5,157.1	2,440.6	2,716.5	255.1	75.67
Investment grade zone	0.11	37.23	n.a.	21.31	4,749.2	2,263.8	2,485.4	197.6	75.87
Non-investment grade zone	1.77	36.83	n.a.	72.83	379.0	148.1	230.9	57.5	75.00
Default	100.00	98.49	96.44	27.19	28.7	28.6	0.1		
Equity exposure under PD/LGD approach	0.58	90.00	n.a.	125.95	1,037.1	1,037.1			
Investment grade zone	0.08	90.00	n.a.	108.30	934.8	934.8			
Non-investment grade zone	2.33	90.00	n.a.	296.15	99.2	99.2			
Default	100.00	90.00	90.00		3.0	3.0			
Total	1.62	37.76	n.a.	20.41	132,945.1	95,512.0	37,433.1	10,040.5	75.13
Investment grade zone	0.04	38.50	n.a.	8.74	110,846.0	77,165.8	33,680.2	8,109.5	75.16
Non-investment grade zone	3.26	32.75	n.a.	81.78	20,662.2	17,036.3	3,625.9	1,901.6	75.03
Default	100.00	52.52	49.67	37.78	1,436.8	1,309.8	126.9	29.3	75.10

Notes:

- Investment grade zone includes obligor ratings A1 through B2, non-investment grade zone includes C1 through E2 (excluding E2R), and default includes E2R through H1 (see page 21 for details of obligor ratings).
- Corporate does not include specialized lending exposure under supervisory slotting criteria.
- Each asset class includes purchased receivables.
- The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.

Table of Contents**(N) Portfolio by asset class and ratings segment (Retail)**

(Billions of yen, except percentages)

As of March 31, 2010

	PD	LGD	EL default	Risk weight	EAD	On-balance	Off-balance	Amount of undrawn	Weighted average of credit conversion factor
	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(Billions of yen)	sheet	sheet	commitments	(%)
	(%)	(%)	(%)	(%)					
Residential mortgage	2.54	41.91	n.a.	32.90	10,664.9	10,279.4	385.5	11.4	75.00
Non-default	0.84	41.78	n.a.	32.89	10,482.1	10,104.3	377.8	11.4	75.00
Default	100.00	49.54	46.99	33.58	182.7	175.0	7.7		
Qualifying revolving loan (retail)	3.64	83.85	n.a.	71.80	337.2	233.9	103.2	1,422.6	7.26
Non-default	3.21	83.85	n.a.	71.90	335.7	232.7	103.0	1,420.3	7.25
Default	100.00	83.36	79.53	50.34	1.5	1.2	0.2	2.3	11.44
Other retail	4.49	56.03	n.a.	55.10	2,146.7	2,124.7	21.9	25.9	70.27
Non-default	1.78	56.08	n.a.	55.68	2,087.4	2,068.4	18.9	22.9	67.12
Default	100.00	54.27	51.65	34.70	59.2	56.3	2.9	3.0	93.79
Total	2.88	45.29	n.a.	37.52	13,148.9	12,638.1	510.7	1,460.1	8.91
Non-default	1.05	45.19	n.a.	37.59	12,905.3	12,405.5	499.8	1,454.7	8.73
Default	100.00	50.90	48.33	33.96	243.5	232.6	10.9	5.4	58.13

(Billions of yen, except percentages)

As of March 31, 2011

	PD	LGD	EL default	Risk weight	EAD	On-balance	Off-balance	Amount of undrawn	Weighted average of credit conversion factor
	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(Billions of yen)	sheet	sheet	commitments	(%)
	(%)	(%)	(%)	(%)					
Residential mortgage	3.16	41.64	n.a.	34.47	10,774.8	10,444.5	330.2	7.6	75.00
Non-default	0.90	41.51	n.a.	34.64	10,529.4	10,206.5	322.9	7.6	75.00
Default	100.00	47.37	45.30	27.46	245.4	238.0	7.3		
Qualifying revolving loan (retail)	4.42	79.63	n.a.	75.18	350.4	241.6	108.7	1,436.5	7.57
Non-default	3.93	79.63	n.a.	75.35	348.7	240.2	108.5	1,434.1	7.57
Default	100.00	79.16	76.06	40.96	1.7	1.4	0.2	2.3	12.29
Other retail	5.77	51.46	n.a.	49.61	2,759.9	2,730.8	29.0	26.0	73.67
Non-default	2.03	51.52	n.a.	50.28	2,654.5	2,629.5	24.9	21.9	69.80
Default	100.00	50.17	47.70	32.62	105.3	101.2	4.1	4.1	94.20

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Total	3.71	44.55	n.a.	38.51	13,885.2	13,417.1	468.1	1,470.2	9.10
Non-default	1.20	44.46	n.a.	38.75	13,532.7	13,076.3	456.3	1,463.7	8.85
Default	100.00	48.36	46.17	29.07	352.5	340.7	11.7	6.5	64.29

Notes:

1. Each asset class includes purchased receivables.
2. The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.

Table of Contents**(O) Actual losses by asset class**

(Billions of yen)

	For the period from April 1, 2009 through March 31, 2010 Actual losses	For the period from April 1, 2010 through March 31, 2011 Actual losses
Corporate	166.5	22.9
Sovereign	0.3	0.2
Bank	1.0	(0.4)
Residential mortgage	33.2	31.5
Qualifying revolving loan (retail)	0.2	1.4
Other retail	4.3	23.1
Total	205.8	78.7

Note:

Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserve for possible losses on loans and general reserve for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

<Analysis>

Actual losses of ¥78.7 billion in the period from April 1, 2010 through March 31, 2011 decreased by 127.1 billion compared with the period from April 1, 2009 through March 31, 2010. The decrease was due mainly to decrease in losses from corporate exposure reflecting our efforts to implement appropriate credit management while responding to our customers' financing needs.

(P) Comparison of estimated and actual losses by asset class

(Billions of yen)

	For the period from April 1, 2007 through March 31, 2008 Estimated losses (expected losses as of March 31, 2007)			For the period from April 1, 2008 through March 31, 2009 Estimated losses (expected losses as of March 31, 2008)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
Corporate	1,086.0	217.0	74.6	1,121.0	350.0	345.3
Sovereign	5.4	(7.0)	0.0	1.3	(11.1)	0.0
Bank	6.4	2.6	(2.6)	2.9	2.5	28.6
Residential mortgage	78.2	6.8	5.1	86.6	22.7	17.2
Qualifying revolving loan (retail)	7.2	2.3	(0.1)	7.9	3.2	2.1
Other retail	52.9	8.8	(2.8)	51.9	16.4	3.8
Total	1,236.5	230.5	74.1	1,271.8	383.9	397.3

(Billions of yen)

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	For the period from April 1, 2009 through March 31, 2010			For the period from April 1, 2010 through March 31, 2011		
	Estimated losses (expected losses as of March 31, 2009)	After deduction of reserves	Actual losses	Estimated losses (expected losses as of March 31, 2010)	After deduction of reserves	Actual losses
Corporate	1,313.1	473.3	166.5	1,296.9	454.0	22.9
Sovereign	1.7	(10.8)	0.3	1.5	(11.4)	0.2
Bank	35.5	6.5	1.0	38.4	8.3	(0.4)
Residential mortgage	95.8	24.8	33.2	122.6	31.1	31.5
Qualifying revolving loan (retail)	10.3	3.8	0.2	10.2	3.5	1.4
Other retail	51.3	15.6	4.3	51.2	15.0	23.1
Total	1,508.0	513.3	205.8	1,521.1	500.6	78.7

Notes:

1. Estimated losses after deduction of reserve are the amount after deductions of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as of the beginning of each period.
2. Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

Table of Contents**n Methods for credit risk mitigation****(8) Risk management regarding credit risk mitigation**

We obtain collateral and guarantees as a means of securing credit. In obtaining the collateral and guarantees, we evaluate the value of the collateral, guarantee performance capability of guarantor and legal enforceability, and we also conduct periodical subsequent re-evaluations. Furthermore, we monitor the state of concentration of collateral type and concentration of credit risks in individual companies, including indirect credit exposure such as guarantees.

When calculating the credit risk weighted assets for capital adequacy ratio regulations, the effect of credit risk mitigation through financial collateral (mainly deposits and securities), other collateral (mainly real estate) and guarantees by sovereign, banks or corporations above a certain credit rating is reflected.

For derivatives transactions and repurchase transactions, in cases in which a bilateral netting contract is valid in light of the legal system of the relevant jurisdiction, we take its effect into consideration.

(9) Credit risk mitigation by portfolio classification

The amounts of exposure to which the method of credit risk mitigation through collateral and guarantees is applied are as follows:

	(Billions of yen)				
	As of March 31, 2010				
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	2,476.1	4,822.8	5,411.5	87.6	12,798.2
Corporate	2,095.5	4,762.2	3,497.8	87.6	10,443.3
Sovereign	0.4	13.5	889.4		903.3
Bank	367.1	4.9	218.8		590.9
Retail	13.1	42.1	805.3		860.6
Residential mortgage			269.9		269.9
Qualifying revolving loan			0.7		0.7
Other retail	13.1	42.1	534.6		589.9
Others					
Standardized approach	2,373.2	n.a.			2,373.2
Sovereign	2,256.4	n.a.			2,256.4
Bank	1.5	n.a.			1.5
Corporate	115.2	n.a.			115.2
Residential mortgage		n.a.			
Securitizations		n.a.			
Others		n.a.			
Total	4,849.4	4,822.8	5,411.5	87.6	15,171.5

	(Billions of yen)				
	As of March 31, 2011				
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	2,509.4	4,775.5	5,307.8	30.7	12,623.5
Corporate	2,136.1	4,561.6	3,417.4	21.1	10,136.2
Sovereign	0.2	23.8	581.5		605.6

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Bank	343.2	16.2	288.8	9.6	657.9
Retail	29.7	173.9	1,020.0		1,223.7
Residential mortgage			252.5		252.5
Qualifying revolving loan			0.4		0.4
Other retail	29.7	173.9	767.0		970.7
Others					
Standardized approach	3,391.0	n.a.			3,391.0
Sovereign	3,319.7	n.a.			3,319.7
Bank	4.7	n.a.			4.7
Corporate	66.6	n.a.			66.6
Residential mortgage		n.a.			
Securitizations		n.a.			
Others		n.a.			
Total	5,900.4	4,775.5	5,307.8	30.7	16,014.6

Table of Contents**n Counterparty risk in derivatives transactions and long-settlement transactions****(10) Management of counterparty risk in derivatives transactions and long-settlement transactions**

In managing the risk pertaining to counterparty risk in derivatives transactions and long-settlement transactions, we generally allocate risk capital together with loans, etc. As to derivatives transactions with financial institutions, etc., we periodically, where necessary, deliver and receive collateral to and from the counterparty based on the replacement cost to mitigate credit risk (collateralized derivative transactions). In conducting such transactions, there is a risk in which we may be required to provide additional collateral in cases where our credit profile deteriorates. We calculate reserves for derivatives transactions by multiplying the same reserve ratio that we use for loans, etc., against the replacement cost.

(11) Status of counterparty risk in derivatives transactions and long-settlement transactions**(A) Status of derivatives transactions and long-settlement transactions****Derivative transactions**

	As of March 31, 2010			As of March 31, 2011		
	Gross replacement cost	Gross add-on	Credit equivalent amount	Gross replacement cost	Gross add-on	Credit equivalent amount
(Billions of yen)						
Current exposure method						
Foreign exchange-related transactions	2,411.5	1,907.0	4,318.5	2,400.6	1,794.6	4,195.3
Interest rate-related transactions	7,093.9	2,233.9	9,327.9	5,785.0	2,647.0	8,432.0
Gold-related transactions	0.0	0.0	0.0			
Equity-related transactions	72.3	75.7	148.0	58.4	73.0	131.5
Transactions related to precious metals (other than gold)	0.0	0.0	0.1	0.0	0.0	0.0
Other commodity-related transactions	117.8	95.3	213.2	110.3	62.4	172.7
Credit derivatives transactions	120.7	643.3	764.1	73.5	545.8	619.3
Subtotal (A)	9,816.4	4,955.5	14,772.0	8,428.0	5,123.1	13,551.1
Netting benefits by close-out netting settlement contracts (B)	n.a.	n.a.	9,552.2	n.a.	n.a.	8,652.7
Subtotal (C)=(A)+(B)	n.a.	n.a.	5,219.8	n.a.	n.a.	4,898.4
Effect of credit risk mitigation by collateral (D)	n.a.	n.a.	565.8	n.a.	n.a.	261.0
Total (C)+(D)	n.a.	n.a.	4,654.0	n.a.	n.a.	4,637.4
Standardized method			Credit equivalent amount			Credit equivalent amount
Total			288.3			230.3

Note: The current exposure method and standardized method are used as the method to calculate credit equivalent amounts.

Long-settlement transactions

	As of March 31, 2010			As of March 31, 2011		
	Gross replacement cost	Gross add-on	Credit equivalent amount	Gross replacement cost	Gross add-on	Credit equivalent amount
(Billions of yen)						

Long-settlement transactions	13.6	2.2	15.8	5.9	0.9	6.9
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Notes:

1. The current exposure method is used as the method to calculate credit equivalent amounts.
2. Neither the netting benefits by close-out netting settlement contracts nor the effect of credit risk mitigation by collateral applies to long-settlement transactions.

Table of Contents**(B) Amounts of credit risk mitigation by type**

	As of March 31, 2010	(Billions of yen) As of March 31, 2011
Financial collateral	62.0	57.5
Other collateral	62.5	129.7
Guarantees, others	13.1	16.5
Total	137.8	203.8

(C) Notional amount of credit derivatives subject to credit equivalent amount calculations

		As of March 31, 2010 Notional amount	(Billions of yen) As of March 31, 2011 Notional amount
Credit derivatives type:			
Credit default swap	Protection bought	4,842.0	4,230.7
	Protection sold	4,605.5	4,275.2
Total return swap	Protection bought		
	Protection sold		
Total	Protection bought	4,842.0	4,230.7
	Protection sold	4,605.5	4,275.2

Note: Credit derivatives used for credit risk mitigation are as follows:

	As of March 31, 2010	(Billions of yen) As of March 31, 2011
Credit derivatives used for credit risk mitigation	162.1	79.3

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n Securitization exposure

We classify transactions as securitization exposure based on two characteristics, non-recourse and senior/subordinated structure, pursuant to the definitions set forth in the Consolidated Capital Adequacy Ratio Notice, etc.; provided that the transactions do not include those which fall within specialized lending exposure.

Disclosed figures on securitization exposure in this section are based on transactions that are subject to the calculation of the amount of credit risk-weighted assets and do not include assets held in our (including our securities company subsidiaries) trading account.

(12) Summary of securitization exposure and its risk management

We are associated with securitization transactions from various perspectives and positions. With respect to quantitative information related to (a) to (c) below, see Quantitative disclosure items for securitization exposure described beginning from the next page that follows the definition set forth in the Consolidated Capital Adequacy Ratio Notice, etc.

(a) Securitization of Our Assets (Securitization as Originator)

For the purposes of mitigating credit concentration risk and controlling economic capital, etc., we engage in securitization transactions (such as synthetic CDOs) of which underlying assets include mortgage loans, exposure to our corporate customers and securitization exposure. When conducting a securitization as originator, we consider various sides of such transaction, including the effects of reduction of economic capital and improvement of return on risk as well as the practical effects of risk transfers, and make a comprehensive judgment on structure and appropriateness of transaction.

(b) Securitization Program (ABCP/ABL) Sponsor

As a means of supporting our customers in their securitization of account receivables and trade notes, etc. held by our customers, we retain securitization exposure by providing the asset-backed loan (ABL), or providing an asset-backed commercial paper (ABCP) backup line, as sponsor. In such cases, in addition to gaining firm understanding of the actual risk profile through due diligence from the viewpoint of investors, we apply internal ratings and make evaluations by assessing such transactions and carefully managing the exposure together with other direct loan assets.

(c) Investment in Alternative Credit Risk Assets (Securitization Transactions as Investor)

We hold securitization instruments, such as ABS, CMBS, RMBS, and CDO, for the purpose of investing in alternative credit risk assets that are different from conventional credit risk assets in order to diversify our investment portfolio. The Portfolio Management Committee, etc., establish investment limits for securitization transactions as investor, and we maintain a stringent structure for management of such transactions. In addition, we implement stress tests based on scenarios under the market liquidity depletion and sharp price declines.

In addition, we undertake various securitization program arrangements such as ABL, ABCP and trust schemes, etc., as a means of financing for our customers. We endeavor to understand the actual risk profile, including the underlying assets, and to disclose appropriately the risks and terms of the program to the investing customer.

Furthermore, we actively act as servicer for securitization transactions, offer settlement account facilities (servicer cash advance) and provide interest rate swaps to securitization conduits.

We conduct credit risk measurements on all credit transactions, including securitization transactions, and carry out periodic monitoring on investment balance and performance on securitization transactions, etc., and report results to our Portfolio Management Committee, etc.

Status of Response to Basel II

In calculating credit risk-weighted assets of securitization exposure under the internal ratings-based approach, we apply the ratings-based approach (RBA) if the asset has a rating obtained from eligible external credit assessment institutions and apply the supervisory formula approach (SF) in other cases pursuant to Consolidated Capital Adequacy Ratio Notice. We deduct securitization exposure from our capital when neither RBA nor SF can be applied.

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In addition, in calculating credit risk-weighted assets of securitization exposure under the standardized approach, we calculate based on risk weight according to ratings by eligible external credit assessment institutions and weighted average risk weight of underlying assets.

As for the eligible external credit assessment institutions, we refer to Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings, Ltd. in determining securitization exposure risk weight (We do not separately designate eligible external credit assessment institutions for each type of securitization exposure).

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(13) Accounting policies for securitization transactions

The point at which financial assets and liabilities relating to securitization transactions begin or cease to be recognized, their evaluation and accounting treatment are pursuant to Accounting Standards Relating to Financial Products (Business Accounting Standards No. 10), etc., and we conduct valuations based on market price or other reasonably calculated price (such as a price quoted by a broker or an information vender) unless the valuation based on such information is recognized as extremely difficult to conduct in practice. With respect to the credit investments in securitization products made as an alternative to loans by the European, North American and other offices of domestic consolidated banking subsidiaries, given the current situation in which the volume of actual transactions is extremely limited and there exists a considerable gap between the offers and bids of sellers and buyers, we determined that valuations obtained from brokers and information vendors cannot be deemed to be the fair value, and we applied reasonably calculated prices based on the reasonable estimates of our management as fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management, we used the discounted cash flow method, and the price decision variables include default rates, recovery rates, pre-payment rates and discount rates.

Furthermore, we apply appropriate accounting treatment on compound financial products based on Report on Auditing Securitized Instruments , announced by the Japanese Institute of Certified Public Accountants on March 26, 2008.

Table of Contents**(14) Quantitative disclosure items for securitization exposure****Securitization exposure as originator****(A) Information by type of underlying assets**

	(Billions of yen)							
	As of, or for the fiscal year ended, March 31, 2010							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Conventional securitizations								
Amount of underlying assets (a)		233.6			1.1	0.5		235.3
<i>Default exposure</i>		4.1			1.0			5.1
Losses during the fiscal year		0.5						0.5
Amount of exposures securitized during the fiscal year								
Gains and losses recognized on sales during the fiscal year								
Securitization subject to early amortization treatment								