

# **Single Submission Form**

Common Document for Submission to Regulatory,  
Listing, and Registration Authorities, and  
Market Institutions for the Issuance of Bonds under  
the ASEAN+3 Multi-Currency Bond Issuance Framework  
(AMBIF)

**ASEAN+3 Bond Market Forum (ABMF) Initiative**

# Single Submission Form

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## I. General Information for Single Submission Form

Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for Issuance of Bonds under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) to be submitted by Issuer(s) to Regulatory, Listing, and Registration Authorities, and Market Institutions for Regulatory Process(es) as applicable:

**Date of Submission:** September 25, 2015

**Issuer's Name:** Mizuho Bank, Ltd.

**Issuer's Address:** 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo, 100-8176, Japan

**Issuer's Representative's Name:** Nobuhide Hayashi

**Issuer's Representative's Title:** President & CEO (Representative Director)

### 1. Authorities and market institutions applied to for an approval and profile listing or registration in each market

Targeted Market	Regulatory, Listing, or Registration Authority, and Market Institution	Purpose of Submission	Tick
Cambodia	1-1. Securities and Exchange Commission of Cambodia (SECC)	Approval	
	1-2. National Bank of Cambodia (NBC)	Approval	
People's Republic of China	2-1. People's Bank of China (PBOC)	Approval	
	2-2. National Association of Financial Market Institutional Investors (NAFMII)	Approval	
Hong Kong, China	3-1. Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing	
	3-2. Hong Kong Monetary Authority (HKMA)—Central Moneymarkets Unit (CMU)	Approval	
Indonesia	4-1. Indonesian Financial Services Agency (OJK)	Approval	
	4-2. PT Kustodian Sentral Efek Indonesia (KSEI)	Approval	

<b>Japan</b>	5.	Tokyo Stock Exchange (TSE)—TOKYO PRO-BOND Market	Submission for Listing	X
<b>Republic of Korea</b>	6-1.	Korea Exchange (KRX)	Submission for Listing	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration	
<b>Lao People's Democratic Republic</b>	7-1.	Securities and Exchange Commission Office (SCC)	Approval	
	7-2.	Bank of Lao PDR	Approval	
<b>Malaysia</b>	8.	Bank Negara Malaysia (BNM)	Request for Approval	
<b>Myanmar</b>	9-1.	Securities and Exchange Commission	Approval	
	9-2.	Central Bank of Myanmar	Approval	
<b>Philippines</b>	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Notice of Exemption	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval	
	10-3.	Philippine Dealing & Exchange Corp. (PDEX)	Enrolment for Listing cum Trading	
	10-4.	Philippine Depository & Trust Corp. (PDTC)	Approval	
<b>Singapore</b>	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	
	11-2.	Central Depository Pte Ltd.(CDP)	Approval	
<b>Thailand</b>	12-1.	The Securities and Exchange Commission, Thailand (Thai SEC)	Filing for Approval	X
	12-2.	Public Debt Management Office	Request for Approval	X

		(PDMO) of the Ministry of Finance		
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	X
	12-4.	Bank of Thailand (BoT)	Request for Approval	
	12-5.	Thailand Securities Depository (TSD)	Approval	X

Viet Nam	13-1.	Ministry of Finance (MOF)	Approval	
	13-2.	State Securities Commission (SSC)	Approval	
	13-3.	State Bank of Vietnam (SBV)	Approval	
	13-4.	Vietnam Bond Market Association (VBMA)	Approval	

## 2. Issuer's Domicile:

Issuer's Domicile (Home Jurisdiction)	No.	Resident in
		Japan

## 3. Issuer's Parent Company's Jurisdiction:

Issuer's Parent Company's Jurisdiction	Japan
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## 4. Type of Submission:

Type-P	Bond Issuance Program:	<b>Tick</b>
Type-S	Shelf-Registration: <i>(regulatory system of collective registration of the total amount of the bond issuances that can be executed within a certain period of time)</i>	
Type-A	Stand-Alone Issuance:	X
Type-D	Drawdown Issuance from the Bond Issuance Program or Shelf-Registration:	

## 5. Distinction of the Form:

N.	New:	<b>Tick</b>
R.	Renewal (details are described below):	X
A.	Amendment (details are described below):	

## 6. Targeted Professional Investor Markets in ASEAN+3:

Tick

No.	Targeted Professional Investor Market	Tick
1.	(Cambodia: PP Market)	
2.	People's Republic of China: Inter-Bank Bond Market (IBBM)	
3.	<b>Hong Kong, China: Professional Investors Only Market</b>	
4.	Indonesia: PP Market	
5.	<b>Japan: TOKYO PRO-BOND Market (Professional Investor Market)</b>	X
6.	Republic of Korea: PP Market	
7.	(Lao People's Democratic Republic: PP Market)	
8.	<b>Malaysia: Excluded Offers – Sophisticated Investors Market</b>	
9.	(Myanmar: PP Market)	
10.	<b>Philippines: Qualified Buyers' Market</b>	
11.	<b>Singapore: Wholesale Market (Institutional Investors Market)</b>	
12.	<b>Thailand: PP-AI Regime (Accredited Investors Market)</b>	X
13.	(Viet Nam: PP Market)	

AI = Accredited Investors, PP = Private Placement, PP-AI = Private Placement to Accredited Investors.

## 7. Denominated Currency of the Bonds:

Tick

No.	Denominated Currency of the Bonds (ISO 4217 Code)		Tick
1.	KHR (Cambodia)		
2.	CNY	CNH: (HKMA-CMU settled)	
		CNH: (other than HKMA-CMU settled: )	
3.	HKD		
4.	IDR		
5.	JPY		
6.	KRW		
7.	LAK		
8.	MYR		
9.	MMK		
10.	PHP		
11.	SGD		

No.	Denominated Currency of the Bonds (ISO 4217 Code)	
12.	THB	X
13.	VND	
14.	USD	

#### 8. Clearing and Settlement:

No.	Denominated Currency of the Bonds	Name of Central Depository	Name of Depository System	Distinction of DVP, Non-DVP, or N.A.
	THB	Thailand Securities Depository Co., Ltd. (" <b>TSD</b> ")		

#### 9. Place of Disclosure:

No.	Name of the Place of Disclosure
1	TOKYO PRO-BOND Market (Professional Investor Market)
2	Thai SEC
Detailed explanation of the profile listing or registration, if necessary:	

#### 10. Other Important Matters:

No.	Jurisdiction (Market)	Important Matter
1.	Cambodia	
2.	People's Republic of China	
3.	Hong Kong, China	
4.	Indonesia	
5.	Japan	Notes to Investors 1. The TOKYO PRO-BOND Market (the " <b>TOKYO PRO-BOND Market</b> ") of Tokyo Stock Exchange, Inc. (the " <b>TSE</b> ") is a market for professional investors etc., ( <i>Tokutei Toshika tou</i> ). Bonds listed on the

		<p>market ("<b>Listed Bonds</b>") may involve a high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Bonds on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions only after having carefully considered the contents of information in this document.</p> <p>2. When information in this document contains (a) any false statement on important matters, or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content, a person who, at the time of announcement of information in this document, is an officer (meaning an officer stipulated in Article 21, Paragraph 1, Item 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "<b>FIEA</b>") (meaning a director of the board (<i>torishimari-yaku</i>), accounting advisor (<i>kaikei-sanyo</i>), company auditor (<i>kansa-yaku</i>) or executive officer (<i>shikkou-yaku</i>), or a person equivalent to any of these) of the issuer that announced information in this document shall be liable to compensate persons who acquired the securities for any damage or loss arising from the false statement or lack of information in accordance with the provisions of Article 21, Paragraph 1, Item 1 of the FIEA applied mutatis mutandis in Article 27-33 of the FIEA and Article 22 of the FIEA applied mutatis mutandis in Article 27-34 of the FIEA. However, this shall not apply to cases where the person who acquired the securities was aware of the existence of the false statement or the lack of information at the time of subscription for acquisition of the securities. Additionally, the officer shall not be required to assume the liability prescribed above, where he/she proves that he/she was not aware of, and was unable to obtain knowledge of, even with reasonable care, the existence of the false statement or the lack of information.</p> <p>3. The regulatory framework for TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the website of the TSE.</p> <p>4. TSE does not express opinions or issue guarantees</p>
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		<p>regarding the content of information contained in this document (including, but not limited to, whether information in this document (a) contains a false statement or (b) lacks information on: (i) important matters that should be announced; or (ii) a material fact that is necessary to avoiding misleading content) and shall not be liable for any damage or loss including liability as described in the above item 2.</p> <p>5. Information in this document shall constitute and form the Specified Securities Information (as set forth in Article 27-31, Paragraph 1 of the FIEA).</p> <p>6. Mizuho Bank, Ltd. has continuously submitted Annual Securities Reports for more than one year. See such Annual Securities Reports and other reports filed by the issuer in Japan which are written in Japanese and available at the electronic disclosure for investors' network of the Financial Service Agency of Japan ("EDINET") (<a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a>).</p> <p>7. The Bonds have not been and will not be registered under the FIEA. The Bonds may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used in this sentence means any person resident of Japan for Japanese securities law purpose, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan.</p> <p>8. The Bonds shall not be sold, transferred or otherwise dispose of to any person other than the Professional Investors, Etc. (<i>Tokutei Toushika tou</i>), as defined in Article 2, paragraph 3, Item 2 (b) (2) of the FIEA, except for the transfer of the Bonds to the following:</p> <p>(a) the Issuer, or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "<b>Voting Rights Held by All the Shareholders, Etc.</b>" (<i>Sou Kabunushi Tou no Giketsuken</i>)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA; the same shall apply hereinafter) of the Issuer under</p>
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		<p>his/her own name or another person's name (hereinafter such Officer shall be referred to as the "<b>Specified Officer</b>" (<i>Tokutei Yakuin</i>)), or to a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer (the "<b>Controlled Juridical Person, Etc.</b>") (<i>Hi-Shihai Houjin Tou</i>) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No.14 of 1993, as amended) (the "<b>Definitions Ordinance</b>")); or</p> <p>(b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.</p> <p>9. When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of offer to purchase the Bonds (collectively, "<b>Solicitation of the Bond Trade</b>") is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made in accordance with the FIEA and regulations thereunder (as amended from time to time):</p> <p>(a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;</p> <p>(b) the Bonds fall, or will fall, under the Securities for Professional Investors (<i>Tokutei Toushika Muke Yukashoken</i>) (as defined in Article 4, Paragraph 3 of the FIEA)</p> <p>(c) any acquisition or purchase of the Bonds by the Solicitation of the Bond Trade is conditional upon such person entering into an agreement providing for the restriction on transfer of the Bonds as set forth in 7 above, (i) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire</p>
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		<p>the Bonds to be newly issued), or (ii) the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), as the case may be;</p> <p>(d) Article 4, paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;</p> <p>(e) the Specified Securities Information, Etc. (<i>Tokutei Shouken Tou Jouhou</i>) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (<i>Hakkosha Tou Jouhou</i>) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<a href="http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html</a> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of Tokyo Stock Exchange, Inc.; and</p> <p>(f) the Issuer Information, Etc. will be provided to the holders of the Bonds or made public pursuant to Article 27-32 of the FIEA.</p> <p>10. The bonds have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act of Japan (Act No.26 of 1957) (as amended) (the “<b>Special Taxation Measures Act</b>”). Among other restrictions, the bonds may only be offered or sold, as part of the distribution pursuant to the underwriting agreement dated September 24, 2015 by underwriters at any time, to, or for the benefit of, a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Act (a “<b>specially-related person of the Issuer</b>”) or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph 29 of the Cabinet Order relating to the Special Taxation Measures Act (Cabinet Order</p>
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No. 43 of 1957, as amended) (the “**Cabinet Order**”) (a “**Designated Financial Institution**”).

**By subscribing for the Bonds, an investor will be deemed to have represented it is a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer or (ii) a Designated Financial Institution.**

(with respect to interest payable on or before December 31, 2015)

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

Interest payments on the Bonds to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer will be subject to deduction in respect of Japanese income tax at a current rate of 15.315% of the amount specified in subparagraph (a) or (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer (except as provided in subparagraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments business operator, etc. through a Japanese payment handling agent, as provided in Article 3-3, Paragraph 6 of the Special Taxation Measures Act in compliance with the

		<p>requirement for tax exemption under that paragraph, the amount of such interest minus the amount provided in the Cabinet Order relating to said Paragraph 6 (See “Taxation—Japan” set forth in the Attachment of this document.).</p> <p>(with respect to interest payable on or after January 1, 2016)</p> <p>Interest payments on the Bonds generally will be subject to Japanese withholding tax unless it is established that such Bonds are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of Mizuho Bank, or (ii) a Japanese designated financial institution described in Article 6, Paragraph 9 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a public corporation, a financial institution or a financial instruments business operator described in Article 3-3, Paragraph (6) of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph.</p> <p>Interest payments on the Bonds to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of Mizuho Bank will be subject to deduction in respect of Japanese income tax at a current rate of 15.315% of the amount of such interest. See “Taxation — Japan” set forth in the Attachment of this document.).</p> <p>10. All references in this document to “<b>Japanese Yen</b>”, “<b>yen</b>” and “<b>¥</b>” refer to the currency of Japan, those to “<b>U.S. Dollars</b>”, “<b>U.S.\$</b>” and “<b>\$</b>” refer to the currency of the United States of America, those to “<b>HKD</b>” refer to Hong Kong dollar, those to “<b>SGD</b>” refer to Singapore dollar, those to “<b>CNY</b>” refer to the currency of the People’s Republic of China (which for this purpose shall exclude Hong Kong, Macau and Taiwan), and those to “<b>A\$</b>” refer to Australian dollar. In addition, references in this Base Prospectus to the “<b>Group</b>” shall mean Mizuho Financial Group, Inc. (“<b>MHFG</b>”) and its consolidated</p>
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		subsidiaries, taken as a whole.
6.	Republic of Korea	
7.	Lao People's Democratic Republic	
8.	Malaysia	
9.	Myanmar	
10.	Philippines	
11.	Singapore	
12.	Thailand	
13.	Viet Nam	
14.	Other (if any)	<p>Comparability of Financial Statements</p> <p>As discussed in further detail in “Description of the Business – Introduction and History”, in the Attachment to this document, MHBK (defined below) was formed as a result of the merger between Mizuho Corporate Bank, Ltd. (“<b>MHCB</b>”) and Mizuho Bank, Ltd. (“<b>Former MHBK</b>”) on July 1, 2013, with the surviving entity, MHCB, being renamed “Mizuho Bank, Ltd.” as of the same date. As a result, the financial statements and figures of Former MHBK and the financial statements and figures of MHBK are not directly comparable as these are different legal entities sharing the same name.</p>

## II. Issuer Information

Method of describing Issuer Information*		Tick
A.	Fully describe Issuer Information	X
B.	Specify the documents and places where AMBIF Investors are able to access the documents and designate them as Documents Incorporated by Reference	
C.	A combination of A and B above	

### 1. Information on the Issuer:

1.	Name of Issuer:	Mizuho Bank, Ltd. (“ <b>MHBK</b> ” or the “ <b>Issuer</b> ”)
2.	Name and Title of Representative:	Nobuhide Hayashi, President & CEO (Representative Director)
3.	Address (Registered or Business Address):	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8176, Japan
4.	Liaison Contact Person:	<p>Mizuho Bank, Ltd  Address: 5-5, Otemachi 1-chome,  Chiyoda-ku, Tokyo 100-8176,  Japan  Telephone: +813-5220-8781  Fax: +813-3215-6775  Attention: Kotaro Hayashi</p> <p>Mizuho Bank, Ltd. Bangkok Branch  Address: 18th Floor, TISCO Tower, 48  North Sathorn Road, Silom,  Bangrak, Bangkok 10500  Thailand  Telephone: +66-2638-0200-5  Ext 2531, 2543, or 2540  Fax: +66-2638-0215  Attention: Masaaki Wada, Kitti Manassakorn  or Thitika Linitda</p>
5.	Telephone and e-Mail:	<p>(Japan) +813-5220-8781  <a href="mailto:kotaro.hayashi@mizuho-bk.co.jp">kotaro.hayashi@mizuho-bk.co.jp</a></p> <p>(Thailand) +66-2638-0200-5  Ext 2531, 2543, 2540  <a href="mailto:masaaki.wada@mizuho-cb.com">masaaki.wada@mizuho-cb.com</a>;  <a href="mailto:kitti.manassakorn@mizuho-cb.com">kitti.manassakorn@mizuho-cb.com</a>;  <a href="mailto:thitika.linitda@mizuho-cb.com">thitika.linitda@mizuho-cb.com</a></p>
6.	Business Registration No. (if any):	n/a

7.	Date and Place of Incorporation:	May 7, 1923
8.	Authorized and Paid-up Capital:	JPY 1,404 billion
9.	Trends of Key Financial Data:	See “Trend of Key Financial Data” set forth in the Attachment to this document.
10.	Description of Business:	See “Description of Business” set forth in the Attachment to this document.
11.	Risk Factors:	See “Risk Factors” set forth in the Attachment to this document.
12.	Board of Directors:	See “Management (Board of Directors and Corporate Auditors)” set forth in the Attachment to this document.
13.	Controlling Shareholders or, in the Case of a Public Company, Names of Major Shareholders:	Mizuho Financial Group, Inc. (“ <b>MHFG</b> ”) is the wholly-owning parent company of MHBK.
14.	Status of Affiliates:	See “1. Scope of Consolidation” and “2. Application of Equity Method”, each of “Notes to Consolidated Financial Statements – Basis of Preparation of Consolidated Financial Statements” included in the consolidated financial statements of the Issuer and Former MHBK which are included as the Attachment to this document.
15.	Website for Disclosure (if any):	n/a

## 2. Financial Information on the Issuer:

1.	Consolidated Financial Statements:	<p>The following documents shall be attached to, and to form part of, this document:</p> <p>(a) an English translation of the Japanese language audited annual consolidated financial statements of the Issuer for the years ended March 31, 2013, 2014 and 2015; and</p> <p>(b) English translation of the Japanese language audited annual consolidated financial statements of Former MHBK for the years ended March 31, 2013, each prepared in accordance with accounting principles generally accepted in Japan (“<b>Japanese GAAP</b>”).</p> <p>Under Japanese law, the Issuer is required to submit disclosure</p>
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		<p>documents written in Japanese, including (a) an Annual Securities Report containing audited annual financial statements, which shall be submitted no later than 3 months from the last day of each fiscal year of the Issuer; and (b) a Semi-annual Report containing unaudited semi-annual financial statements, which shall be submitted no later than 3 months from the last day of the first 6 months of each fiscal year of the Issuer, each prepared in accordance with Japanese GAAP, with the Kanto Local Financial Bureau through the EDINET. The Issuer will also prepare the Issuer Information (<i>hakkosya Jouhou</i>) containing an English translation of its annual financial statements and make it available at the website maintained by the Tokyo PRO-BOND Market (<a href="http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html</a> or any successor website).</p> <p>The Issuer shall, in accordance with applicable Thai laws and regulations, deliver to the Office of the SEC and the Bondholders' Representative, or make available by way of posting on the website of the Office of the SEC or the Issuer, copies of English translations of its unaudited interim consolidated financial statements (if prepared) and audited annual consolidated financial statements, for the relevant financial period, within, if applicable, the same period as that required under applicable laws or regulations, but in any case, shall be no later than 180 (one hundred and eighty) days from the end of the relevant financial period. If, after the Issue Date, such submission period to the Office of the SEC or method for the submission is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period, method for the submission or requirements according to such amended applicable laws or regulations, as the case may be.</p>
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2.	Other Matters	
	• Subsequent Events:	n/a
	• Litigations:	n/a

**3. Information on the Guarantor or Provider of other Credit Enhancement (if any):**

1.	Name:	n/a
2.	Address:	n/a
3.	Description of Business:	n/a
4.	Guaranty or Support Agreement Details:	n/a

**4. Financial Information on the Guarantor or Provider of Credit Enhancement:**

n/a

### III. Information on the Program or the Shelf-Registration

n/a

#### IV. Information on the Bonds

##### 1. Summary of the Terms and Conditions of the Bonds or Final Terms of Individual Issuance of Bonds:

1.	Issuer(s):	Mizuho Bank, Ltd.
2.	2-1.Guarantor (if any):	n/a
	2-2.Provider of Support Agreement (if any):	n/a
3.	Name of the Bonds:	The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018) (the “ <b>Bonds</b> ”)
4.	Aggregate Amount of the Bonds (Issue Amount):	3,000,000 (three million) units, with a total principal amount of Baht 3,000,000,000 (three billion baht)
5.	Form of Bonds:	The Bonds are in registered form.
6.	Status of the Bonds:	The Bonds constitute direct, unconditional, unsubordinated and (subject to negative pledge) unsecured obligations of the Issuer which rank pari passu and without any preference among themselves and will rank at least pari passu with all other present and future unsecured (subject to negative pledge) and unsubordinated obligations of the Issuer, with the exception of obligations in respect of national and local taxes in Japan and certain other statutory exceptions under Japanese law and other applicable law.
7.	Denomination of the Bonds:	The Bonds are denominated in Baht, with a nominal amount of Baht 1,000 (one thousand baht) each.
8.	Issue Price:	100% of the principal amount
9.	Offer Price:	100% of the principal amount
10.	Date of Issue:	September 28, 2015
11.	Date of Maturities:	September 28, 2018
12.	Early Redemption:	The Bonds may be redeemed at any time, at the option of the Issuer, in whole, but not in part, on giving not less than 30 nor more than 60 (sixty) days’ notice to bondholders, at the outstanding principal amount together with interest accrued to (but excluding) the date of redemption, if the issuer has or will become obligated to pay additional amounts as described under “Terms and Conditions of the Bonds – 10.4 Redemption for Taxation Reasons”.

		<p>Payment of Additional Amounts as a result of any change in, or amendment to, the laws, regulations or rulings of Japan (or of any political subdivision or taxing authority thereof or therein) affecting taxation, or any change in the official position regarding the application or interpretation of such laws, regulations or rulings, which change, amendment, application or interpretation becomes effective on or after the date of this document, and the obligation cannot be avoided by the Issuer taking reasonable measures available to it.</p> <p>No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay the additional amounts if a payment in respect of the Bonds were then due. See “Terms and Conditions of the Bonds – 10.4 Redemption for Taxation Reasons.”</p>
13.	Type of Bonds:	The Bonds will bear interest at fixed rate.
14.	Interest or Coupon Rate:	The Bonds will bear interest from September 28, 2015 at the rate of 2.33% per annum, payable semi-annually in arrears on March 28 and September 28 of each year, with the first payment to be made on March 28, 2016. Interest on the Bonds will be computed on the basis of a 365-day year.
15.	Interest or Coupon Payment Method:	Interest will be payable by the Issuer through the Registrar to the persons whose names appear on the list of the owners of the Bonds maintained by TSD, subject to Condition 3.3 of the Terms and Conditions of the Bonds.
16.	Negative Pledge:	The Bonds contain certain limitations on the Issuer in creating or permitting to subsist any mortgage, pledge, security transfer, charge or other security interest upon the whole or any part of its property, assets or revenues, present or future, to secure certain indebtedness in the form of or represented by bonds, notes, debentures or other securities issued or guaranteed by the Issuer which are either by their terms payable, or may be required to be paid, in any currency other than Japanese yen or are denominated in yen and more than 50% of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorization of the Issuer, unless the Bonds, as the case may be, are equally and ratably secured so as to rank pari

		passu with such indebtedness or guarantee or indemnity or like obligation thereof subject to certain exceptions, including for covered bonds. See “Terms and Conditions of the Bonds –7.4 Negative Pledge.”
17.	Cross Default:	The Bonds will contain a cross default in respect of any indebtedness for borrowed money having an aggregate nominal amount of at least U.S.\$10,000,000 issued by the Issuer which has been accelerated by or on behalf of the holder(s) of such indebtedness in accordance with the terms thereof or any agreement relating thereto, or any such indebtedness has not been paid when due on maturity and such failure has not been cured within the grace period, if any. See “Terms and Conditions of the Bonds –13 Event of Default.”
18.	Governing Law and Jurisdiction:	The Terms and Conditions of the Bonds and the Bonds shall be governed by and construed in accordance with the laws of Thailand. The Issuer agrees that any legal action arising out of or relating to the Terms and Conditions of the Bonds may be brought in the courts of Thailand and submits to the non-exclusive jurisdiction of such courts.
19.	Special Withholding Tax Applied to Financial Institutions including FATCA (if any):	See “Taxation – U.S. Foreign Agreement Tax Compliance Withholding” set forth in the Attachment to the document.

## 2. Other Information of the Bonds:

1.	Dealers and/or Underwriters or Equivalent:	The Siam Commercial Bank Public Company Limited. and TISCO Securities Company Limited. agree to act as the underwriter.
2.	Trustee or Equivalent (if any):	The Siam Commercial Bank Public Company Limited. is expected to be appointed as the Bondholders’ Representative under the Thai law.
3.	Fiscal Agent:	n/a
4.	Paying Agents:	TSD
5.	Registrar and Transfer Agent:	TSD

6.	Legal Advisor:	<p>Legal Advisers to the Issuer as to Thai law: Baker &amp; McKenzie Ltd. 25th Floor, Abdulrahim Place 990 Rama IV Road, Bangkok 10500 Thailand</p> <p>as to Japanese law: Nagashima Ohno &amp;Tsunematsu JP Tower 7-2, Marunouchi 2-chome Chiyoda-ku, Tokyo 100-7036 Japan</p>	
7.	Listing, Registration, or Filing Place(s) of the Bonds:	<p>Information about the Bonds will be disclosed at the website of Securities and Exchange Commission of Thailand.</p> <p>The Bonds are expected to be listed on the TOKYO PRO-BOND Market.</p>	
8.	Settlement Place(s) of each Denominated Currency Bonds:	Denominated Currency of Bond	Settlement
		Thai Baht (THB)	TSD
9.	Use of Proceeds:		
	1.	Amount of Proceeds from Sale of Bonds:	We estimate that the Issuer will receive net proceeds from the issuance and sale of the Bonds (after deducting estimated offering expenses payable by the Issuer) of approximately THB 2,983 million.
	2.	Use of Proceeds:	Issuer intends to use the net proceeds from the issuance and sale of the Bonds for general corporate purpose, including, lending to borrowers in Thailand.
10.	Risk Factors relating to the Bonds:		See “Risk Factors” set forth in the Attachment to this document.
11.	Selling Restrictions at Issuance:		
	1.	The Issuer has registered a transfer restriction of the Bonds with the SEC that no Bond will be transferred to any person other than those (1) qualified as “ <b>Institutional Investors</b> ” and “ <b>High Net Worth Investors</b> ” as defined in the Notification of the Securities and Exchange Commission regarding determination of definitions used in the notifications on the issue and sale of all types of debt instruments and (2) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD (collectively, the “ <b>Qualified Investors</b> ”). As a result, the	

	Issuer and/or the Registrar will not accept or register any transfer of Bonds to any person who is not a Qualified Investor except for the transfer by inheritance. See “Terms and Conditions of the Bonds - 4.2 Bond Transfer Restrictions.”
2.	The Bonds have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act. Accordingly, each of the underwriters has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, the Bonds in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan; and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its distribution at any time, directly or indirectly offer or sell any of the Bonds to, or for the benefit of, any person other than a beneficial owner that is, (x) for Japanese tax purposes, neither (A) an individual resident of Japan or a Japanese corporation, nor (B) specially-related person of the Issuer or (y) a Japanese financial institution, designated in Article 3-2-2, Paragraph 29 of the Cabinet Order.
Selling Restrictions Thereafter:	
1.	The Bonds have not been and will not be registered under the FIEA. The Bonds may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used in this sentence means any person resident of Japan for Japanese securities law purpose, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan.
2.	The Bonds shall not be sold, transferred or otherwise disposed of the Bonds to be held by them to any person other than the Professional Investors, Etc. ( <i>Tokutei Touseika tou</i> ), as defined in Article 2, Paragraph 3, Item 2 (b) (2) of the FIEA, except for the transfer of the Bonds to the following: <ul style="list-style-type: none"> <li>(a) the Issuer, or the Specified Officer, or to the Controlled Juridical Person, Etc. including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Definitions Ordinance); or</li> <li>(b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.</li> </ul>
3.	When Solicitation of the Bond Trade is made the following matters shall be notified from the holder of the Bonds who makes such Solicitation of the

	<p>Bond Trade to the person to whom such Solicitation of the Bond Trade is made in accordance with the FIEA and regulations thereunder (as amended from time to time):</p> <ul style="list-style-type: none"> <li>(a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;</li> <li>(b) the Bonds fall, or will fall, under the Securities for Professional Investors (<i>Tokutei Toushika Muke Yukashoken</i>) (as defined in Article 4, Paragraph 3 of the FIEA)</li> <li>(c) any acquisition or purchase of the Bonds by Solicitation of the Bond Trade is conditional upon such person entering into an agreement providing for the restriction on transfer of the Bonds as set forth in 1 above (i) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (ii) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued), as the case may be;</li> <li>(d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, paragraph 2 of the FIEA;</li> <li>(e) the Specified Securities Information, Etc. (<i>Tokutei Shouken Tou Jouhou</i>) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (<i>Hakkosha Tou Jouhou</i>) (as defined in Article 27-34 of the FIEA) with respect to the Issuer will be made available for Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (<a href="http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html</a> or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of Tokyo Stock Exchange, Inc.; and</li> <li>(f) the Issuer Information, Etc. will be provided to the holders of the Bonds or made public pursuant to Article 27-32 of the FIEA.</li> </ul>
4.	<p>As of the date of this document, the Professional Investors, Etc. (<i>Tokutei Toushika tou</i>), as defined in Article 2, Paragraph 3, Item 2 (b) (2) of the FIEA, are generally as follows:</p> <ul style="list-style-type: none"> <li>(a) Qualified Institutional Investors (Tekikaku Kikan Toushika), as defined in Article 2, Paragraph 3, Item 1 of the FIEA, including but not limited to, (i) financial instruments business operators as prescribed in Article 10, Paragraph 1, Item 1 of the Definitions Ordinance, (ii) investment corporations under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended), (iii) banks and (iv) insurance companies;</li> <li>(b) Japanese government;</li> <li>(c) The Bank of Japan;</li> <li>(d) certain other investors falling into the Professional Investors</li> </ul>

		<p>(<i>Tokutei Toushika</i>), as prescribed in Article 23 of the Definitions Ordinance;</p> <p>(e) non-residents of Japan (as defined in Article 1-5-2, Paragraph 1, Item 1 of the Cabinet Order for Enforcement of Financial Instruments and Exchange Act of Japan (Cabinet Order No. 321 of 1965, as amended) (the “<b>FIEA Enforcement Order</b>”) ) acquiring the relevant securities from residents of Japan (as defined in the said provision of the FIEA Enforcement Order) through intermediary, brokerage or agency of a Securities Related Company (<i>shoken kanren gyosha</i>) (as defined in Article 1-5-2, Paragraph 1 of the FIEA Enforcement Order); and</p> <p>(f) non-residents of Japan acquiring the relevant securities from a Securities Related Company or other non-residents of Japan.</p>
12.	Credit Rating for the Bonds:	The Bonds have been assigned credit ratings of A- and stable by Fitch Ratings Japan Limited (“ <b>Fitch</b> ”) on September 24, 2015 and national ratings of AAA by Fitch Ratings (Thailand) Limited (“ <b>Fitch Thailand</b> ”) on September 24, 2015. These ratings are not recommendations to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating company. The ratings on the Bonds could be lowered, suspended or withdrawn, and the Issuer’s credit ratings may not reflect all risks of investments in the Bonds.
13.	Other:	n/a
14.	Method of Distribution:	The Underwriters will offer and allocate the Bonds only to subscribers who (1) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD and (2) are qualified as: (i) Institutional Investors; and (ii) High Net Worth Investors who have represented to the Underwriters that they can get access and examine information necessary for making decision to invest in the Bonds by themselves and they agree and accept that an allocation of Bonds may not be made on a fair allocation basis. Therefore, according to Clause 7(1)(a)1 and Clause 7(1)(a)6 of the Notification of the Capital Market Supervisory Board No. TorThor. 70/2552 Re: Principles, Conditions and Methods for Selling Securities dated August 3, 2009 (as

		amended) (the “ <b>Notification TorThor. 70/2552</b> ”), each of the Underwriters is not prohibited to allocate the Bonds to: (i) itself, the directors, management, major shareholders, persons with a controlling influence, parent company and subsidiary(ies) of such Underwriter and any related person of the foregoing persons; and (ii) mutual funds having the characteristics as prescribed in Clauses 6(3) and 6(4) of the Notification TorThor. 70/2552.
15.	Outstanding Debt from Previous Issues of Bonds and Bonds :	none.
16.	Cross Currency Swap Information:	n/a
17.	Timing of Bond Issuance:	September 28, 2015

### 3. Information of Secondary Distribution

1.	Total Face Value or Total Value of Book-entry Bonds (THB)	(Undetermined)
2.	Total Distribution Price (THB)	(Undetermined)
3.	Address and Name of the Holder of Bonds Pertaining to Secondary Distribution	Mizuho Securities Co., Ltd. (“ <b>Mizuho Securities</b> ”) Address: Otemachi First Square 1-5-1, Otemachi Chiyoda-ku, Tokyo 100-0004 Japan
4.	Distribution Price	(Undetermined)
5.	Subscription Period	(Undetermined)
6.	Subscription Unit	(Undetermined)
7.	Subscription Deposit	(Undetermined)
8.	Place for Accepting Subscription	Head office and each Japanese branch office of the holders of Bonds pertaining to secondary distribution.
9.	Address and Name of the Person Entrusted with Secondary Distribution	n/a
10.	Terms and Conditions of the Contact for Entrustment of Secondary Distribution	n/a

## V. Terms and Conditions of the Bonds

**TERMS AND CONDITIONS  
OF  
“THE BONDS OF MIZUHO BANK, LTD. NO. 1/2558 DUE B.E. 2561 (2018)”**

The following is the text of the terms and conditions of “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018)” (the “**Bonds**”) setting out the rights and obligations of Mizuho Bank, Ltd. (the “**Issuer**”) and the Bondholders (as defined below) with respect to the Bonds, as may be supplemented, amended or modified by any subsequent amendment thereto, with The Siam Commercial Bank Public Company Limited acting as the Bondholders’ Representative. The Issuer has been granted approval by the Ministry of Finance of Thailand to offer for sale the Bonds in Thailand by virtue of the MOF Notification (as defined below).

The Bondholders’ rights in respect of the Bonds shall be as prescribed in these Conditions in relation to which the Bondholders and the Issuer shall be bound in all respects. The Issuer has appointed the Bondholders’ Representative and the Registrar pursuant to the Bondholders’ Representative Appointment Agreement and the Registrar Appointment Agreement, respectively. The Bondholders are deemed to accept the appointment of the Bondholders’ Representative and are entitled to the benefits of, are bound by, and are deemed to have notice of and understand, all provisions of these Conditions and the Bondholders’ Representative Appointment Agreement.

Execution copies of these Conditions, the Bondholders’ Representative Appointment Agreement and the Registrar Appointment Agreement are available for inspection during normal business hours at the principal office of the Bondholders’ Representative.

**1. DEFINITIONS**

In these Conditions:

“**Baht**” means Thai Baht, the lawful currency of the Kingdom of Thailand.

“**Bondholder(s)**” means the person(s) who owns the Bond(s) in accordance with Condition 3.3.

“**Bondholders’ Representative**” means The Siam Commercial Bank Public Company Limited or any successor as the Bondholders’ Representative in respect of the Bonds.

“**Bondholders’ Representative Appointment Agreement**” means the Bondholders’ Representative appointment agreement entered into between the Bondholders’ Representative and the Issuer dated on or around September 28, 2015 or the agreement appointing a new Bondholders’ Representative to replace the existing Bondholders’ Representative (if any).

“**Bond Rights**” means all rights relating to the Bonds including, without limitation, the right to receive principal and interest on the Bonds and the right to attend and vote at meetings of the Bondholders.

“**Bonds**” means “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018).”

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo, Japan and Bangkok, Thailand.

“**Closing Date**” has the meaning given to it in Condition 3.2(b).

“**Conditions**” means these terms and conditions setting out the rights and obligations of the Issuer and the Bondholders in respect of the Bonds.

“**Credit Rating Agency(ies)**” means a credit rating agency(ies) approved by the SEC.

“**Default Interest Rate**” means the default rate of interest for the Bonds, being the Interest Rate plus 2 (two) per cent per annum.

“**Event of Default**” means any of the events specified in Condition 13.1.

“**Interest Payment Date**” means every March 28 and September 28 of each year.

“**Interest Period**” means:

- (a) with respect to the first Interest Period, the period commencing on, and including, the Issue Date and ending on, but excluding, the first Interest Payment Date; and
- (b) with respect to any subsequent Interest Period, the period commencing on, and including, the Interest Payment Date of the preceding Interest Period and ending on, but excluding, the next Interest Payment Date of such Interest Period or the Maturity Date, as the case may be.

“**Interest Rate**” means the rates as set out in Condition 8.1, which shall be the rate at which the Bonds bear interest.

“**Issue Date**” means the issue date of the Bonds which is September 28, 2015.

“**Issuer’s Contact Person**” means Mizuho Bank, Ltd., Bangkok Branch or any successor as the Issuer’s contact person in Thailand for the purposes specified in Condition 19.

“**Maturity Date**” means September 28, 2018.

“**MOF Notification**” means the Ministry of Finance’s Notification Re: Approval for Issue of Bonds or Debentures Denominated in Baht in Thailand, dated April 11, 2006, as may from time to time be amended, modified, supplemented or replaced.

“**Record Date**” has the meaning given to it in Condition 3.2(b).

“**Register Book**” means the register book of the Bonds recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment and other matters related to the Bonds according to the relevant rules and procedures prescribed pursuant to the laws governing securities and notifications of the SEC.

“**Registrar**” means TSD acting in its capacity as registrar and paying agent or any successor as the registrar and paying agent in respect of the Bonds as permitted by relevant laws and regulations.

“**Registrar Appointment Agreement**” means the registrar appointment agreement entered into between the Registrar and the Issuer dated on or around September 28, 2015 or the agreement appointing a new Registrar to replace the existing Registrar (if any).

“**SEC**” means the Office of the Securities and Exchange Commission of Thailand.

“**Subscription Closing Date**” means the day on which the subscription of the Bonds is completed, in this case, September 25, 2015.

“**ThaiBMA**” means the Thai Bond Market Association or such other exchange as may be licensed by and registered with the SEC.

“**Thailand**” means the Kingdom of Thailand.

“**TSD**” means Thailand Securities Depository Company Limited, or any other successor organization legally entitled to operate a securities depository business in Thailand.

“**U.S.\$**” or “**U.S. Dollars**” means United States Dollars, the lawful currency of the United States of America.

“**Yen**” means Japanese yen, the lawful currency of Japan.

## **2. FORM, DENOMINATION, INTEREST AND TERM**

2.1 The Bonds are in registered form carrying interest at the Interest Rate. The Bonds have a tenor of 3 (three) years from the Issue Date and are named “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018).”

2.2 On the Issue Date, there are 3,000,000 (three million) units of the Bonds in total, with an aggregate total principal amount of Baht 3,000,000,000 (three billion baht). The Bonds are denominated in Baht, with a nominal amount of Baht 1,000 (one thousand baht) each.

## **3. REGISTER BOOK AND OWNERSHIP OF THE BONDS**

The Issuer has appointed TSD to act as a registrar and paying agent in respect of the Bonds in accordance with the Registrar Appointment Agreement made between the Issuer and TSD.

### **3.1 *Roles of the Registrar***

The Issuer shall cause the Registrar, by entering into the Registrar Appointment Agreement:

- (a) to deposit with TSD the Bonds of each Bondholder within 7 (seven) Business Days from the Subscription Closing Date; and
- (b) to enter the name of TSD, as the holder of the Bonds on behalf of the Bondholder, in the Register Book.

### **3.2 *Register Book; Closure of the Register Book***

- (a) The Issuer shall cause the Registrar, by entering into the Registrar Appointment Agreement, to prepare and keep the Register Book until the date that all Bonds are fully redeemed in accordance with these Conditions.
- (b) The Register Book will be closed on the 14th (fourteenth) day prior to any Interest Payment Date, the Maturity Date, any date fixed for any meeting of the Bondholders or any other date for any other purpose as specified in these Conditions and as notified by the Issuer to the Registrar and the Bondholders’ Representative (the “**Closing Date**”). If the Closing Date falls on a day that is not a Business Day, the Register Book shall be closed on the next Business Day, and in such case, the period between the Closing Date to each relevant Interest Payment Date, the Maturity Date, any date fixed for any meeting of the Bondholders or any other date for any other purpose as specified above shall be less than 14 (fourteen) days. The Registrar shall not register any transfer of the Bonds on the Closing Date. A Business Day immediately preceding the Closing Date is hereinafter referred to as a “**Record Date**.”

The Issuer and the Registrar hereby reserve the right to change the date and time for the closure of the Register Book without the need to obtain consent from the Bondholders, provided that such change: (i) must be in compliance with the rules and regulations of TSD or any other relevant authorities, and (ii) shall not adversely affect materially the rights and benefits of the Bondholders. In such case, the Record Date shall be changed accordingly.

### 3.3 *Ownership of Bonds*

Title to the Bonds is vested in Institutional Investors or the High Net Worth Investors (as defined in Condition 4.2 below) whose names are listed with TSD as the owners of such Bonds from time to time. For the purpose of determining the Bond Rights, the Bond Rights are vested in the Institutional Investors or the High Net Worth Investors (as defined in Condition 4.2 below) whose names are listed with TSD as the owners of such Bonds at the end of business hours of the Registrar on the Record Date, as notified in writing by TSD to the Registrar.

## 4. TRANSFERS OF BONDS

### 4.1 *Transfers of Bonds*

Bonds must be transferred in accordance with the Bond transfer restrictions, the applicable regulations of the Stock Exchange of Thailand, TSD and any other relevant regulatory authority and agency, including the relevant over-the-counter centers, that have issued regulations applicable to such transfer of the Bonds.

### 4.2 *Bond Transfer Restrictions*

#### (a) Thai transfer restriction

The Issuer has registered a transfer restriction of the Bonds with the SEC that no Bond will be transferred to any person other than those (1) qualified as “**Institutional Investors**” and “**High Net Worth Investors**” as defined in the Notification of the Securities and Exchange Commission regarding determination of definitions used in the notifications on the issue and sale of all types of debt instruments and (2) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD (collectively, the “**Qualified Investors**”). As a result, the Issuer and/or the Registrar will not accept or register any transfer of Bonds to any person who is not a Qualified Investor except for the transfer by inheritance.

#### (b) Japanese transfer restriction

Subject to amendment and modification in accordance with Condition 17 below, the Bonds shall not be sold, transferred or otherwise disposed of to any person other than the Professional Investors, Etc. (the “**Professional Investors, Etc.**”) (*Tokutei Toushika tou*), as defined in Article 2, Paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (“FIEA”), except for the transfer of the Bonds to the following:

- (i) the Issuer, or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of all the voting rights

in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the **“Voting Rights Held by All the Shareholders, Etc.”** (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA; the same shall apply hereinafter) of the Issuer under his/her own name or another person's name (the **“Specified Officer”** (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer (the **“Controlled Juridical Person, Etc.”** (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (ii) a company that holds shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(c) Matters Notified to the Bondholders and Other Offerees

When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of offer to purchase the Bonds (collectively, “Solicitation of the Bond Trade”) is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made in accordance with the FIEA and regulations thereunder (as amended from time to time):

- (i) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
- (ii) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Tousehika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
- (iii) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person entering into an agreement providing for the restriction on transfer of the Bonds as set forth in (b) above, (x) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued);
- (iv) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, Paragraph 2 of the FIEA;
- (v) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the

Professional Investors, Etc. by way of such information being posted on the website maintained by the TOKYO PRO-BOND Market of Tokyo Stock Exchange, Inc. (<http://www.jpx.co.jp/equities/products/tpbm/announcement/index.html>), in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange, Inc.; and

(vi) the Issuer Information, Etc. will be provided to the Bondholders or made public pursuant to Article 27-32 of the FIEA.

(d) Transfer of Bonds in violation of the Bond transfer restrictions

If any transfer of the Bonds is made in violation of the transfer restrictions specified in Condition 4.2(a) or Condition 4.2(b) above, a transferee in respect of such transfer (i.e. any person who is not both (i) a Qualified Investor and (ii) a Professional Investors, Etc., collectively, the “**Non-Qualified Person**”) shall not be recorded or registered as a Bondholder nor listed with TSD as the owner of the Bonds and shall not be entitled to any Bond Rights. In this regard, the Bond Rights shall be vested in a Bondholder(s) who has transferred the Bonds to the Non-Qualified Person and who is qualified as a Qualified Investor (the “**Qualified Bondholder**”). If such transferor Bondholder(s) is not a Qualified Bondholder, the Bond Rights shall be vested in the previous transferor Bondholder(s) who is a Qualified Bondholder.

Each Bondholder hereby acknowledges and agrees that: (i) it shall not transfer any Bonds held by it to any Non-Qualified Person; and (ii) the Issuer and the Registrar shall not be obliged to indemnify or liable to any Bondholder or Non-Qualified Person from and against any and all loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges, legal fees and expenses paid or incurred in disputing or defending any of the foregoing and any value added tax thereon) which such Bondholder and/or Non-Qualified Person may incur or which may be made against any of them arising out of or in relation to or in connection with any transfer of the Bonds in violation of the transfer restrictions specified in Condition 4.2(a) above.

## 5. STATUS OF BONDS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 7.4 below) unsecured obligations of the Issuer which rank *pari passu* and without any preference among themselves and will rank at least *pari passu* with all other present and future unsecured (subject to Condition 7.4 below) and unsubordinated obligations of the Issuer, with the exception of obligations in respect of national and local taxes in Japan and certain other statutory exceptions under Japanese law and other applicable law.

## 6. CREDIT RATING

As of the Issue Date, the Issuer has arranged for the assignment of a credit rating to itself and/or the Bonds by the Credit Rating Agency and the Issuer will procure that a credit rating by the Credit Rating Agency is assigned to itself and/or the Bonds throughout the term of the Bonds. For the avoidance of doubt, the credit rating result for the Issuer and/or the Bonds is subject to revision during the term of the Bonds.

## 7. COVENANTS OF THE ISSUER

The Issuer undertakes to comply with all the covenants set out in this Condition 7 for so long as any debt under the Bonds remains outstanding.

### 7.1 ***Appointment of Replacement of Bondholders' Representative and Registrar***

If it becomes necessary to replace the Bondholders' Representative and/or the Registrar, the Issuer shall use its best endeavors to appoint a replacement Bondholders' Representative and/or a replacement Registrar (as the case may be) as soon as practicable, but in any case no later than 90 (ninety) days from the date on which the Issuer is aware of the necessity for such replacement.

### 7.2 ***Registration with ThaiBMA***

Prior to or on the Issue Date, the Issuer shall apply for the registration of the Bonds with ThaiBMA and shall use its best effort to maintain the Bonds as securities registered with ThaiBMA until all the Bonds are fully redeemed.

### 7.3 ***Information***

- (a) The Issuer shall promptly send a written notice to the Bondholders' Representative if it becomes aware of the occurrence of any event which constitutes (or with the giving of notice, lapse of time, determination of materiality or the fulfillment of any other applicable condition or any combination of the foregoing, would constitute) an Event of Default under these Conditions.
- (b) The Issuer shall, in accordance with applicable Thai laws and regulations, deliver to the SEC and the Bondholders' Representative, or make available by way of posting on the website of the SEC or the Issuer, copies of English translations of its unaudited interim consolidated financial statements (if prepared) and audited annual consolidated financial statements, for the relevant financial period, within, if applicable, the same period as that required under applicable laws or regulations, but in any case, shall be no later than 180 (one hundred and eighty) days from the end of the relevant financial period. If, after the Issue Date, such submission period to the SEC or method for the submission is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period, method for the submission or requirements according to such amended applicable laws or regulations, as the case may be.
- (c) The Issuer shall report to the SEC and the Bondholders' Representative as promptly as possible when there is a material adverse change to the Issuer's business or financial status.

### 7.4 ***Negative Pledge***

So long as any Bonds remains outstanding, the Issuer will not create or permit to subsist any mortgage, pledge, security transfer, charge or other security interest for the benefit of holders of any bonds upon the whole or any part of its property, assets or revenues, present or future, to secure (i) payment of any sum due in respect of any bonds issued by it or in respect of any guarantee by it of any bonds issued by any person or (ii) any payment under any indemnity or like obligations relating to any bonds or guarantee unless, in each case at the same time, the Bonds are equally and rateably secured so as to rank *pari passu* with such bonds or guarantee or indemnity or like obligations or provided with such other security as the Bondholders' Representative shall in its absolute discretion deem not materially less beneficial to the interests of the holders of the Bonds or as shall be approved by a resolution passed at a meeting of the relevant Bondholders in accordance with Clause 6.3 of the Annex to these Conditions. Notwithstanding the foregoing, (i) any arrangement relating to the segregation, including but not limited to segregation by way of a self-settled trust (*jikoshintaku*), of any part of the Issuer's property, assets or revenues or the creation of any security interest, in each

case, for the purpose of issuing covered bonds shall be permitted and shall not require the creation of any security in respect of the Bonds, provided that such arrangement is entered into in compliance with, and only to the extent required by or permitted under, any Japanese law and regulation relating to covered bonds (a “**Covered Bond Regulation**”) and such segregated property, assets or revenues qualify as collateral for, or are to be applied in priority in meeting claims of, issues of covered bonds under the Covered Bond Regulation, and (ii) any arrangement relating to the segregation, including but not limited to segregation by way of a self-settled trust (*jiko shintaku*), of any part of the Issuer’s property, assets or revenues for the purpose of issuing securities that are similar in substance to covered bonds as issued by non-Japanese financial institutions shall be permitted and shall not require the creation of security in respect of the Bonds.

For the purpose of this Condition, the term “bonds” shall mean any indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which (i) (A) are by their terms payable, or may be required to be paid, in, or by reference to, any currency other than Japanese Yen and (B) more than 50 (fifty) per cent of the aggregate principal amount whereof is initially distributed outside Japan by or with the authorization of the Issuer and (ii) are not repayable (otherwise than at the option of or due to the default of the Issuer) within three years from the date of their creation and (iii) are quoted, listed or ordinarily traded on any stock exchange or over-the-counter market or other similar securities market outside Japan.

## **8. INTEREST**

### **8.1 *Interest Rate***

Interest on the Bonds shall accrue at 2.33 (two point three three) per cent per annum and payable semi-annually in arrears on each Interest Payment Date. Such interest shall be calculated on the outstanding principal amount of each Bond.

### **8.2 *Interest Calculation***

The amount of interest payable in respect of any Bond for any Interest Period shall be calculated by multiplying (a) the product of the principal amount outstanding on each unit of the Bonds as at the first day of such Interest Period and the relevant Interest Rate applicable thereto by (b) the number of days in respect of that Interest Period and dividing by 365 (three hundred and sixty-five), and rounding the resulting figure to 6 (six) decimal places (in case the seventh decimal place is equivalent to or more than 5 (five), the 6th (sixth) decimal place shall be rounded up one decimal).

If respect of the final Interest Payment Date, the calculation of interest shall be subject to Condition 9.3 below.

### **8.3 *Default Interest***

Upon a default on any payment by the Issuer under these Conditions, the Default Interest Rate shall be charged on any unpaid amount of principal from the due date until the date on which the Issuer makes a full payment, irrespective of whether or not the Bondholders’ Representative has notified the Issuer or declared default as specified in Condition 13.2 below.

In such event, Condition 8.2 above shall apply *mutatis mutandis* and the Interest Rate used in Condition 8.2 above shall be replaced by the Default Interest Rate.

## **9. PAYMENTS OF PRINCIPAL AND INTEREST**

### **9.1 *Principal Payment***

The Issuer shall fully repay the principal amount of the Bonds on the Maturity Date.

### **9.2 *Interest Payments***

Interest on the Bonds shall be payable in arrears to each Bondholder on each Interest Payment Date. The first Interest Payment Date in relation to the Bonds shall be March 28, 2016 and the last Interest Payment Date shall be the Maturity Date.

### **9.3 *Non-Business Days***

If any payment date under these Conditions (including, but not limited to the Maturity Date and the Interest Payment Date) falls on a day that is not a Business Day, the relevant amount due and payable shall be paid on the next Business Day (and no interest shall be calculated with respect to any such postponement except for the final Interest Payment Date), with the same force and effect as if made on the original payment date. In respect of the final Interest Payment Date, interest shall accrue in accordance with these Conditions until, but excluding, the actual date of payment.

### **9.4 *Payment Methods***

- (a) Interest Payment: Interest due on any Interest Payment Date will be payable by the Issuer through the Registrar to the persons whose names appear on the list of the owners of the Bonds maintained by TSD, subject to Condition 3.3 above. Payments of interest on each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address specified by TSD for the relevant Bondholder; or (ii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar.
- (b) Principal Payment: Principal due on the Maturity Date will be payable by the Issuer through the Registrar to the persons whose names appear on the list of owners of the Bonds maintained by TSD, subject to Condition 3.3 above. Payments of principal on each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address specified by TSD for the relevant Bondholder; or (ii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar.

### **9.5 *Distribution of payments***

Upon the enforcement of the Bonds, all principal, interest and any other amounts received from the Issuer by the Bondholders' Representative under the Bonds shall be applied in the following order of priority:

- (a) firstly, the payment of all costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Bonds, including (but not limited to) the enforcement of these Conditions, in accordance with the Bondholders' Representative Appointment Agreement;
- (b) secondly, the remuneration of the Bondholders' Representative pursuant to the Bondholders' Representative Appointment Agreement;

- (c) thirdly, the interest of the Bonds accrued and unpaid up to the date of payment;
- (d) fourthly, the outstanding amount of the principal of the Bonds; and
- (e) finally, the balance (if any) to be paid to the Issuer without unreasonable delay.

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 *Redemption***

Unless previously redeemed, purchased or cancelled, the Bonds will be redeemed at their outstanding principal amount on the Maturity Date as specified in Condition 9.4(b) above, together with interest accrued thereon up to (but excluding) the Maturity Date.

### **10.2 *Purchase by the Issuer***

The Issuer may at any time purchase the Bonds in any open market or otherwise and at any price. If the Issuer makes a general tender offer to buy back the Bonds, the Issuer must buy back the Bonds from all the Bondholders who have tendered their intention to sell the Bonds, on a pro rata basis.

### **10.3 *Cancellation***

Bonds that are redeemed or purchased by the Issuer must be cancelled and may not be re-issued or resold. The Issuer must inform the Registrar of the Bonds purchased by it so that the Registrar shall cancel such Bonds. The Issuer will also file a report on the buy-back of the Bonds by it to ThaiBMA and the SEC as required by applicable laws and regulations.

### **10.4 *Redemption for Taxation Reasons***

- (a) Subject to Condition 10.4(b) below, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders in accordance with Condition 18.1 below (which notice shall be irrevocable), if:
  - (i) on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11.2 below as a result of any change in, or amendment to, the laws or regulations of Japan, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date; and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Bondholders' Representative a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to

the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Bonds redeemed pursuant to this Condition 10.4(a) will be redeemed at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption.

- (b) Prior to the lapse of 3 (three) years from the Issue Date, the Issuer will not be entitled to exercise the redemption option as specified in Condition 10.4(a) above in accordance with the MOF Notification unless the MOF Notification is amended to permit such early redemption or a specific waiver or approval to redeem the Bonds early is granted to the Issuer by the Ministry of Finance of Thailand.

## **11. TAXATION**

11.1 Notwithstanding Condition 11.2 below, payment under the Bonds will be subject to withholding tax in Thailand according to the Thai tax laws and the Issuer will not be required to gross-up such Thai withholding tax.

11.2 Subject to Condition 11.1 above, all payments of principal and interest in respect of the Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Japan or any political subdivision or any authority thereof or therein having power to tax (“**Tax**”), unless such withholding or deduction of such Tax is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bonds, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Bond:

- (a) in respect of which a beneficial owner is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Bond by reason of its (a) having some connection with Japan other than the mere holding of such Bond or (b) being a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act (as defined below) (a “specially-related person of the Issuer”); or
- (b) in respect of which a beneficial owner would otherwise be exempt from any such withholding or deduction but fails to comply with any applicable requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to the Issuer or the Registrar, as appropriate, or whose Interest Recipient Information is not duly communicated or whose interest is not duly delivered or paid through the Participant (as defined below) and the relevant international clearing organization to the Registrar; or
- (c) in respect of which a beneficial owner is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Designated Financial Institution (as defined below) who complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the Issuer or the Registrar, as appropriate, of its status as not being subject to Taxes to be withheld or deducted by the Issuer by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant Bond through a payment handling agent in Japan appointed by it); or

- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26 – 27, 2000 on the taxation of savings income; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another registrar or paying agent in a Member State of the European Union; or
- (f) presented for payment more than 30 (thirty) days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such 30th day.

Where a Bond is held through a certain participant of an international clearing organization or a certain financial intermediary (each, a “**Participant**”), in order to receive payments free of withholding or deduction by the Issuer for, or on account of Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Act of Japan (Act No. 26 of 1957) (as amended) (the “**Special Taxation Measures Act**”) and the cabinet order (No. 43) of March 31, 1957 thereunder, as amended (together with the ministerial ordinance and other regulations thereunder, the “**Act**”) (each, a “**Designated Financial Institution**”), all in accordance with the Act, such beneficial owner shall, at the time of entrusting a Participant with the custody of the relevant Bond, provide certain information prescribed by the Act to enable the Participant to establish that such beneficial owner is exempted from the requirement for Taxes to be withheld or deducted (the “**Interest Recipient Information**”) and advise the Participant if the beneficial owner ceases to be so exempted (including the case where the beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation became a specially-related person of the Issuer).

Where a Bond is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of, Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Designated Financial Institution, all in accordance with the Law, such beneficial owner shall, prior to each time on which it receives interest, submit to the Issuer or the Registrar, as appropriate, a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (a “**Written Application for Tax Exemption**”), stating, *inter alia*, the name and address of the beneficial owner, the title of the Bonds, the relevant Interest Payment Date, the amount of interest and the fact that the beneficial owner is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 18.1 below.

## 12. **PRESCRIPTION**

Claims in respect of the principal and interest of the Bonds shall become unenforceable unless the Bonds are presented for payment within a period of 10 (ten) years from the relevant payment date in the case of principal and 5 (five) years from the relevant payment date in the case of interest.

### 13. EVENTS OF DEFAULT

13.1 If any of the following events occurs and is continuing (each, an “**Event of Default**”), the Bondholders’ Representative shall deliver a default notice to the Issuer in compliance with, and subject to, Condition 13.2 below:

- (a) a default is made for more than 30 (thirty) days in the payment of any amount of principal or any interest due in respect of any of the Bonds when and as the same ought to be paid in accordance with these Conditions; or
- (b) a default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Bonds (other than any obligation for the payment of any amount due in respect of any of the Bonds) and (but only in a case where the Bondholders' Representative considers such default to be capable of being remedied) such default shall not be remedied to the Bondholders' Representative's satisfaction within 30 (thirty) days (or such longer period as the Bondholders' Representative may permit) of first written notification from the Bondholders' Representative to the Issuer requiring the same to be remedied; or
- (c) the maturity of any indebtedness for borrowed money by the Issuer, having an aggregate nominal amount of at least U.S.\$10,000,000 (ten million) (or the equivalent in any other currency or currencies) shall have been accelerated by or on behalf of the holder(s) of such indebtedness in accordance with the terms thereof or any agreement relating thereto or any such indebtedness shall not have been paid when due on maturity and such failure shall have not been cured within the grace period, if any, applicable thereto; or
- (d) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer bankrupt or insolvent or approving as properly filed a petition seeking reorganization of the Issuer under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the property of the Issuer or for the winding-up or liquidation of the affairs of the Issuer shall have been entered under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or
- (e) the Issuer shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking reorganization or arrangement under any applicable bankruptcy or reorganization law of Japan, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or
- (f) the Issuer shall cease to carry on the whole or substantially the whole of its business or shall dispose of the whole or a substantial part of its assets, in each case except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms whereof have been approved by the Bondholders' Representative or approved by a resolution passed by a meeting of the relevant

Bondholders in accordance with Clause 6.3 of the Annex to these Conditions or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assumes the entire obligation of the Issuer under the Bonds.

For the purpose of sub-paragraph (c) above, “indebtedness for borrowed money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition, consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash and any indebtedness which is in a currency other than U.S. Dollars may be translated into U.S. Dollars at the spot rate for the sale of U.S. Dollars against the purchase of the relevant currency quoted by any leading bank on any day when a quotation is required for such purpose .

13.2 If any Event of Default occurs and is continuing, and if

- (a) the Bondholders’ Representative deems appropriate; or
- (b) the Bondholders’ Representative has received a written demand from any one or more of the Bondholders together holding at least 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds; or
- (c) the Bondholders’ Representative has received a resolution of the Bondholders’ meeting in accordance with Condition 14 below; or

the Bondholders’ Representative shall (provided that, except in the case of the occurrence of the event under Condition 13.1(a) above, the Bondholders’ Representative shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Bondholders) deliver a default notice to the Issuer informing the Issuer of the occurrence of such Event of Default, declaring the Bonds to be immediately due and payable and demanding payment of all outstanding principal amounts under the Bonds together with interest accrued thereon until (but excluding) the date of repayment. If the Issuer defaults in making a payment under any Bond to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Bonds.

13.3 After the Bondholders’ Representative has delivered the default notice pursuant to Condition 13.2 above,

- (a) the Bondholders’ Representative shall take any actions to cause the Issuer to repay all the debts under the Bonds without further notice. Such actions include filing a lawsuit against the Issuer in so far as legally possible; and
- (b) no Bondholder shall be entitled to take any legal action directly against the Issuer in order to enforce the debt owed to it pursuant to the Bonds unless such Bondholder is able to demonstrate that the Issuer has not made the payment to such Bondholder and the Bondholders’ Representative has not taken any actions pursuant to Condition 13.3(a) above against the Issuer within 60 (sixty) days from the date of the default notice to the Issuer in accordance with Condition 13.2 above.

## **14. MEETINGS OF BONDHOLDERS**

14.1 The Issuer or the Bondholders' Representative shall be entitled to call a Bondholders' meeting at any time. The Bondholders' Representative shall promptly convene a Bondholders' meeting:

- (a) within 30 (thirty) days from its receipt of a written request from one or more Bondholder(s) together holding not less than 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds; or
- (b) as soon as possible after the Bondholders' Representative has become aware of an occurrence of any of the following events:
  - (i) an Event of Default has occurred and no default notice has been sent to the Issuer as specified in Condition 13.2 above;
  - (ii) a proposal to amend material terms of these Conditions has been made pursuant to Condition 17.1 below; or
  - (iii) an appointment of a new Bondholders' Representative is required except in the case where the Issuer has sent a notice to the Bondholders requesting their approval for the appointment of the new Bondholders' Representative pursuant to Condition 16.3(b) below.

14.2 A resolution duly passed at a duly convened meeting of the Bondholders shall be binding upon all Bondholders, whether or not present at the meeting. The rules and procedures for convening and conducting a meeting of the Bondholders are as set out in the Annex to these Conditions.

14.3 The Bondholders' Representative may adopt a resolution without holding a Bondholders' meeting if Bondholders approve the action by placing their signatures on a copy of the text of the resolution. Any such resolution shall be effective and duly bind all the Bondholders (regardless of whether or not a Bondholder has executed or accepted such resolution) when it has been signed by the Bondholders holding the aggregate number of votes required to pass such resolution in accordance with Clause 6 of the Annex to these Conditions, provided that the counting of the number of votes is based on the total outstanding amount of the Bonds. The duly signed copy or copies of the resolution shall be delivered to the Bondholders' Representative within a reasonable period of time as determined by the Bondholders' Representative and placed in the minutes of the Bondholders' meeting with a copy to the Registrar and the Issuer.

14.4 If there is only one Bondholder, a written resolution, duly signed by such Bondholder, shall be treated as a resolution of a Bondholders' meeting without having to hold a Bondholders' meeting.

14.5 The Issuer shall be responsible for all reasonable costs and expenses incurred in connection with the convening and holding of any meeting of the Bondholders.

## **15. POWERS, DUTIES AND RESPONSIBILITIES OF THE BONDHOLDERS' REPRESENTATIVE**

15.1 The Bondholders' Representative shall act in good faith and shall be bound to exercise the degree of care usually required from a person performing the business of the Bondholders' Representative. The Bondholders' Representative shall not be responsible to the Bondholders for any damages arising from the performance or non-performance of its obligations, except

those arising from willful misconduct, gross negligence and/or bad faith in the performance of its obligations as provided in these Conditions, in the Bondholders' Representative Appointment Agreement or in any applicable law.

15.2 The Bondholders' Representative shall duly perform and comply with its powers and duties which are prescribed by the relevant laws and the SEC regulations as powers and duties of a representative of Bondholders appointed by virtue of the SEC's notification and as specified in the Bondholders' Representative Appointment Agreement, including those powers and duties under these Conditions. The Bondholders' Representative's powers, duties and responsibilities include (but are not limited to) the following:

- (a) to act in accordance with these Conditions and the Bondholders' Representative Appointment Agreement and in the case where the Bondholders' Representative has the right to exercise its discretion to act under these Conditions, the Bondholders' Representative may at liberty use its discretion by upholding the interest of the Bondholders as the main objective;
- (b) to enter into an agreement with the Issuer in respect of the following matters without having to first obtain consent from a meeting of the Bondholders:
  - (i) amending or modifying these Conditions and/or any agreement relating to the Bonds in any respect that the Bondholders' Representative deems to be beneficial to the Bondholders or in a manner that would not materially prejudice the Bondholder's rights;
  - (ii) amending or modifying these Conditions and/or any agreement relating to the Bonds in order to correct any manifest errors or to ensure they are in line with the relevant law and regulations; and
  - (iii) providing a waiver or exemption in respect of any event specified in Condition 13.1 above at any time, the occurrence of which would otherwise require the Bondholders' Representative to proceed in accordance with Condition 13.2 above, if the Bondholders' Representative considers that such waiver or exemption is appropriate, taking into account the interest of the Bondholders as its main concern;
- (c) to monitor the Issuer's and compliance with, and performance of, its obligations under these Conditions;
- (d) to receive and keep in custody the original documents and assets including security (if any) which the Bondholders' Representative must receive or hold for the benefit of all Bondholders in connection with the performance of its duties under these Conditions and the Bonds;
- (e) to convene meetings of Bondholders as required under these Conditions and to attend all meetings of the Bondholders and to give its opinions to the meetings on suitable courses of action in cases where the Issuer fails to comply with these Conditions or in other cases which are or might be prejudicial to the interests of the Bondholders;
- (f) to promptly make a report to the Bondholders on important matters which have been carried out pursuant to the powers and duties of the Bondholders' Representative;
- (g) to facilitate the inspection by the Bondholders, at the principal office of the Bondholders' Representative during its normal office hours, of copies of the financial statements, these Conditions, the Bondholders' Representative Appointment

Agreement and the Registrar Appointment Agreement and other reports provided by the Issuer to the Bondholders' Representative; and

- (h) in the event that the Bondholders' Representative is for any reason disqualified from acting in its capacity as Bondholders' Representative, to immediately inform the Issuer in writing of such disqualification.

15.3 The Bondholders' Representative shall perform its duties and obligations in good faith for the interest and benefit of the Bondholders in accordance with these Conditions, the Bondholders' Representative Appointment Agreement and all applicable laws. The Bondholders' Representative shall not be liable to any person for damages arising from its acts in reliance upon affidavits issued by authorized directors of the Issuer, or opinions, recommendations or information supplied by experts given specifically to the Bondholders' Representative, if the Bondholders' Representative acts in good faith with such level of duty and care as can be expected from a professional entity acting as a bondholders' representative.

15.4 Any material amendment or modification of the Bondholders' Representative Appointment Agreement which may adversely affect any interest and benefit of the Bondholders must be approved in advance by a meeting of the Bondholders.

## **16. APPOINTMENT AND REMOVAL OF THE BONDHOLDERS' REPRESENTATIVE**

16.1 The Issuer has appointed the Bondholders' Representative to act as a representative of the Bondholders, in full compliance with all applicable laws as well as the Notification of the Capital Market Supervisory Board No. TorChor. 37/2552 Re: Qualifications Required for the Bondholders' Representative and Performance of the Bondholders' Representative according to its Powers and Duties dated August 3, 2009 (as amended) and any other relevant laws and regulations concerning qualifications of a bondholders' representative. The Bondholders' Representative has been approved by the SEC and other relevant authorities to perform its duties and functions as a representative of the Bondholders, as required by applicable laws and regulations. The Bondholders are deemed to have accepted and consented to the Issuer's appointment of the Bondholders' Representative as the Bondholders' Representative pursuant to the terms of the Bondholders' Representative Appointment Agreement and to ratify any action the Bondholders' Representative may have done for or on behalf of the Bondholders prior to and after the subscription or accepting the transfer of the Bonds.

16.2 Removal of the Bondholders' Representative is required under the following circumstances:

- (a) the Bondholders' Representative becomes disqualified to act as a representative of Bondholders and fails to rectify the event of such disqualification within 60 (sixty) days from the date of the disqualification;
- (b) a Bondholders' meeting passes a resolution to terminate the appointment of the Bondholders' Representative due to its negligent performance or failure to perform its duties;
- (c) the Bondholders' Representative is in breach of any provision of the Bondholders' Representative Appointment Agreement or these Conditions and such breach has not been remedied within 30 (thirty) days from the date the Issuer or any one or more of the Bondholders holding together at least 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds sends a written notice to the Bondholders' Representative demanding such remedy; and
- (d) the appointment of the Bondholders' Representative is terminated in accordance with the Bondholders' Representative Appointment Agreement.

- 16.3 In case of a removal of the Bondholders' Representative, the Bondholders' Representative or the Issuer shall proceed in accordance with either of the following:
- (a) call a meeting of the Bondholders to approve the appointment of a new Bondholders' Representative; or
  - (b) issue a notice to all Bondholders requesting approval for the appointment of the new Bondholders' Representative, and if such request is not rejected in writing by Bondholders holding more than 10 (ten) per cent of the total outstanding principal amount of the Bonds within 30 (thirty) days from the date of such notice, it shall be deemed that all Bondholders approve the appointment of the new Bondholders' Representative.
- 16.4 The existing Bondholders' Representative shall in any event continue to perform its duties and functions in order to protect the Bondholders' interests under these Conditions until the new Bondholders' Representative is legally appointed in accordance with these Conditions, applicable laws and regulations.
- 16.5 If the Bondholders' Representative is replaced, the Issuer and/or the new Bondholders' Representative, as the case may be, shall, if required by applicable laws and regulations, apply for approval from the SEC. After the Issuer has appointed the new Bondholders' Representative, the Issuer shall notify each Bondholder in writing of such appointment within 30 (thirty) days from the date thereof and the Bondholders' Representative who has been terminated shall promptly hand over all assets, information and documents currently held by it to the new Bondholders' Representative and shall fully co-operate with the new Bondholders' Representative so as to ensure an orderly transition and the proper performance and assumption of duties by the new Bondholders' Representative.

## **17. AMENDMENT TO THESE CONDITIONS**

- 17.1 Except as specified in Conditions 15.2 (b) (i) and (ii), any amendment to these Conditions requires the approval of the Issuer and the Bondholders' meeting in accordance with the Annex to these Conditions.
- 17.2 The Bondholders' Representative may amend any Conditions as specified in Conditions 15.2 (b) (i) and (ii). The Bondholders' Representative shall promptly inform the Issuer in writing of the amendment to these Conditions made by the Bondholders' Representative pursuant to Condition 18.3 below.
- 17.3 The Issuer shall deliver the amended Conditions to the Registrar and the Bondholders' Representative and shall cause the Registrar or the Bondholders' Representative to deliver copies of such amended Conditions and other relating document(s) (if any) to the SEC and ThaiBMA within 15 (fifteen) days from the effective date of such amendment and to the Bondholders upon written request.

## **18. NOTICES**

- 18.1 Notices to Bondholders
- (a) Notices to Bondholders will be deemed to be validly given if sent by registered mail (or the equivalent) or (if posted to an overseas address) by courier to the address specified by TSD for such Bondholder; and
  - (b) Any notice made or delivered to the Bondholders or the Bondholders' Representative under this Condition 18.1 will only be effective:

- (i) if sent by registered mail, 7 (seven) days after the dispatch; or
- (ii) if sent by courier, 48 (forty-eight) hours from the date of delivery to the courier service.

18.2 Neither the failure to give notice nor any defect in any notice given to any particular Bondholder shall affect the sufficiency of any notice with respect to other Bondholders.

18.3 Notices to the Issuer, the Registrar or the Bondholders' Representative

- (a) Notices to the Registrar shall be validly given if sent to the address or fax number of the Registrar specified in the Registrar Appointment Agreement;
- (b) Notices to the Bondholders' Representative shall be validly given if sent to the address or fax number of the Bondholders' Representative specified in the Bondholders' Representative Appointment Agreement.
- (c) Notices to the Issuer shall be validly given if sent to the address or fax number of the Issuer as specified below (or as otherwise notified from time to time to the Bondholders' Representative and the Registrar):

**THE ISSUER**

**Mizuho Bank, Ltd.**

Address: 1-5-5, Otemachi  
Chiyoda-ku, Tokyo  
100-8176, JAPAN

Telephone: +813-5220-8781  
Facsimile: +813-3215-6775  
Attention: Kotaro Hayashi

**THE ISSUER'S CONTACT PERSON**

Mizuho Bank, Ltd., Bangkok Branch

Address: 18th Floor, TISCO Tower  
48 North Sathorn Road, Silom, Bangrak, Bangkok  
10500 Thailand

Telephone: +66-2638-0200-5 Ext 2531, 2543, 2540  
Facsimile: +66-2638-0215  
Attention: Masaaki Wada, Kitti Manassakorn or Thitika Linitda

- (d) Any notice made or delivered by any of the Registrar, the Bondholders' Representative or the Issuer to each of them under this Condition 18.3 will only be effective:
  - (i) if sent by fax, when a transmission report showing the successful transmission of the facsimile is received by the sender;
  - (ii) if sent by registered mail, 7 (seven) days after the dispatch; or
  - (iii) if sent by courier, 48 (forty-eight) hours from the date of delivery to the courier service.

- 18.4 All notices and communications to be made to the Issuer in relation to the Bonds and these Conditions shall be made in English language, unless as otherwise required under the applicable laws or any other agreement, in which case an English translation thereof shall be provided to the Issuer.

## **19. THE ISSUER'S CONTACT PERSON IN THAILAND**

The Issuer has appointed Mizuho Bank, Ltd., Bangkok Branch, whose address is specified in Condition 18.3(c) above as its contact person in Thailand for the purposes of (i) receiving writs, summons, letters, orders or any other documents relating to the Bonds in Thailand on behalf of the Issuer; and (ii) contacting relevant government authorities relating the issue and offer of the Bonds in Thailand on behalf of the Issuer. If, for any reason, the existing Issuer's Contact Person ceases to act as the Issuer's contact person in Thailand or ceases to be registered in Thailand, the Issuer must forthwith appoint a new Issuer's Contact Person and inform the Bondholders' Representative and the Registrar of the appointment of such new Issuer's Contact Person together with its contact details as soon as practicable. In such case, the Issuer agrees to procure that the existing Issuer's Contact Person shall continue to perform its duties as specified above until a new Issuer's Contact Person is appointed. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## **20. CURRENCY INDEMNITY**

- 20.1 The Issuer shall make payment in respect of any sum payable under these Conditions in Baht. If any sum is due from the Issuer under these Conditions (a "Sum"), or any order, judgment or award given or made in any jurisdiction in relation to a Sum, has to be converted from Baht (the "First Currency") in which that Sum is payable into another currency for the purpose of:

- (a) making or filing a claim or proof against the Issuer, including the winding-up of the Issuer;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Issuer shall as an independent obligation, within 7 (seven) Business Days of demand, indemnify the Bondholder(s) to whom that Sum is payable against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into such another currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- 20.2 The indemnity specified under this Condition 20 shall constitute separate and independent obligations from the other obligations contained herein, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by any Bondholder from time to time, and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due hereunder or under any such judgment or order, to the fullest extent permitted by applicable laws.

## **21. GOVERNING LAW AND JURISDICTION**

- 21.1 These Conditions and the Bonds shall be governed by and construed in accordance with the laws of Thailand. To the extent of discrepancy or inconsistency between any provision of these Conditions and any laws or notifications applicable to the Bonds, the provisions of such laws or notifications applicable to the Bonds shall supersede only the parts of these Conditions which give rise to such discrepancy or inconsistency.

- 21.2 The Issuer agrees that any legal action arising out of or relating to these Conditions may be brought in the courts of Thailand and submits to the non-exclusive jurisdiction of such courts.
- 21.3 Nothing in these Conditions shall limit the right of the Bondholders' Representative and/or the Bondholders to commence any legal action against the Issuer and/or its assets in any other jurisdiction or to serve process in any manner permitted by law, and the taking of proceedings in any jurisdiction shall, to the full extent permitted by applicable laws of the relevant jurisdictions, not preclude the Bondholders' Representative and/or the Bondholders from taking proceedings in any other jurisdiction whether concurrently or not.
- 21.4 In the case where the Issuer has acquired or will subsequently acquire immunity from the proceedings in respect of itself or its property, the Issuer shall have waived such immunity, except immunity in respect of its property used for diplomatic or consular missions, property of a military nature, and property located in its territory and dedicated to a public or governmental use as distinguished from the property dedicated to commercial use.

These Conditions are made on September 24, 2015, and shall be effective from the Issue Date.

**MIZUHO BANK, LTD.**

**as Issuer**

By: \_\_\_\_\_

Authorized Signatory

**THE ANNEX**  
**REQUIREMENTS FOR THE MEETING OF BONDHOLDERS**

**1. Calling Meetings**

The Issuer or the Bondholders' Representative may call a meeting of the Bondholders by requesting the Registrar to send notice of the meeting by registered mail to the Bondholders and the Issuer or the Bondholders' Representative (who is not the person calling for the meeting) at least 7 (seven) days (excluding the date of delivery of such notice of the meeting and the meeting date) prior to the proposed meeting date. Such notice shall be in the English and Thai languages and shall specify the date, time and place for the meeting, the agenda of the meeting and the identity of the party calling the meeting. The Registrar shall deliver notice of the meeting to all Bondholders whose names and addresses appear in the record of TSD on the Record Date.

**2. Eligibility to Attend Meetings**

The following persons are eligible to attend each meeting of the Bondholders:

- (a) the Bondholders, the Issuer and the Bondholders' Representative;
- (b) the Bondholders may appoint another Bondholder(s) or any person ("Proxy") to attend the meeting and vote on their behalf, by executing a written proxy appointment in the form as set out by the Registrar, available at the principal office of the Registrar, provided that the original proxy form and supporting documents required by the Registrar must be submitted to the Registrar prior to the time scheduled for the meeting;
- (c) on the request of the Issuer and/or the Bondholders' Representative, financial advisors, legal advisors or other persons involved with the matters to be discussed at the meeting; and
- (d) any person permitted by the chairman of the meeting to attend the meeting for observation.

**3. Quorum Requirements**

- 3.1 Except with respect to meetings of Bondholders convened to approve the matters set out in Clause 6.3 and Clause 6.4, a quorum of a meeting of Bondholders shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent of the outstanding Bonds.
- 3.2 If a meeting is adjourned due to the lack of a quorum as required by Clause 3.1, the quorum for a subsequent meeting shall be constituted by the presence of two or more Bondholders, regardless of the aggregate number of Bonds held by them.
- 3.3 A quorum of a meeting of the Bondholders convened to consider the matters set out in Clause 6.3 shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 50 (fifty) per cent of the outstanding Bonds. If a meeting is adjourned due to the lack of a quorum as required by this Clause 3.3, the quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent of the outstanding Bonds.
- 3.4 A quorum of a meeting of the Bondholders convened to consider the matters set out in Clause 6.4 shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 66 (sixty-six) per cent of the outstanding Bonds. If a meeting is adjourned due to the

lack of a quorum as required by this Clause 3.4, the quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 33 (thirty-three) per cent of the outstanding Bonds.

#### **4. Chairman of the Meeting**

The Bondholders' Representative or such person authorized by the Bondholders' Representative shall preside as chairman of the meeting. Should the chairman of the meeting be absent upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, the meeting shall elect any Bondholder to preside over such meeting.

#### **5. Adjournment of the Meeting**

5.1 At any meeting of the Bondholders, upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, should the number of the Bondholders attending the meeting remain insufficient to constitute a quorum, the chairman of the meeting shall adjourn the meeting as follows:

- (a) If the meeting was called by the Issuer or the Bondholders' Representative, the chairman of the meeting shall adjourn the meeting to the date, time and place as specified by the chairman. The date for the adjourned meeting shall not be less than 7 (seven) days but not more than 14 (fourteen) days from the previous meeting date, unless the Issuer and the Bondholders' Representative agree not to call another meeting. In addition, the matters to be considered and resolved at the adjourned meeting must be only those pending from the previous meeting;
- (b) If the meeting was called by the Bondholders, no adjourned meeting shall be called as provided by paragraph (a) above; and
- (c) If the meeting was called due to the absence of a quorum at the previous meeting, no adjourned meeting shall be called as provided by paragraph (a) above.

5.2 The Registrar shall deliver the notice of any adjourned meeting to the Issuer, the Bondholders' Representative and the Bondholders who were sent notices of the previous meeting, not less than 3 (three) days prior to the adjourned meeting (excluding the date of the notice of the meeting and the meeting date). Such notice of the meeting shall specify the date, time and place for the meeting, the agenda of the meeting and quorum required for the adjourned meeting.

#### **6. Resolutions of the Meeting**

6.1 Resolutions on any matters by the meeting of the Bondholders shall be decided by a show of hands or casting of votes as selected by the chairman of the meeting. The votes held by each of the Bondholders will be equal to the number of Bonds held by them and one unit of Bonds shall be entitled to one vote. In the case of an equal vote, the chairman of the meeting shall have a decisive (casting) vote (for both a show of hands and secret ballot) in addition to the votes that the chairman of the meeting may be entitled to cast in his or her capacity as a Bondholder or a Proxy.

6.2 Resolutions of the meeting of the Bondholders on any matters other than those specified in Clauses 6.3 and 6.4 shall be decided by a majority of votes of the Bondholders attending the meeting and casting their votes.

- 6.3 Resolutions of the meeting of the Bondholders on any of the following matters shall be decided by a majority of votes representing not less than 66 (sixty-six) per cent of all votes of the Bondholders attending the meeting and casting their votes.
- (a) any amendment or waiver to the Conditions other than those matters specified in Clause 6.4;
  - (b) any matters in relation to Condition 7.4 or Condition 13.1(f);
  - (c) any declaration or waiver of an Event of Default; and
  - (d) any replacement of the Bondholders' Representative and the appointment of new Bondholders' Representative.
- 6.4 Resolutions of the meeting of the Bondholders on any of the following matters shall be decided by a majority of votes representing not less than 75 (seventy-five) per cent of all votes of the Bondholders attending the meeting and casting their votes.
- (a) the repayment of Bonds by way of conversion of the Bonds into shares, other Bonds or other property of the Issuer or any person;
  - (b) any amendment to the Maturity Date or the due date for any payment in respect of the Bonds;
  - (c) any amendment to, reduction, cancellation, or change of the security, the amount of principal, interest and/or any other sum due or payable in respect of the Bonds;
  - (d) a change of the currency of any payment to be made in respect of the Bonds;
  - (e) any amendment to the requirements for the meeting of the Bondholders in relation to quorum (Clause 3) and resolutions of the meeting (Clause 6); and
  - (f) any amendment to the Conditions to enable any actions relating to (a) to (e) above.
- 6.5 Any Bondholder that has any conflict of interest with respect to any matter to be decided at a meeting of Bondholders shall not be entitled to vote on such matter.

## **7. Minutes of the Meeting**

Within 14 (fourteen) days after the date of the meeting of the Bondholders, the Bondholders' Representative shall prepare the minutes of the meeting. The chairman of the meeting shall certify such minutes as accurate and the Bondholders' Representative shall keep the original minutes and make copies available for inspection by the Bondholders at its principal office during normal business hours.

VI. Attachments

## Registration Statement (Form 69-DEBT-II&HNW)

# MIZUHO

## Mizuho Bank, Ltd.

*(Kabushiki Kaisha Mizuho Ginko) (incorporated in Japan with limited liability)*

Offering in Thailand of Unsecured and Unsubordinated Bonds Namely,  
**"THE BONDS OF MIZUHO BANK, LTD. NO. 1/2558 DUE B.E. 2561 (2018)"**  
to Institutional Investors and High Net Worth Investors

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**Issue Price: 100 per cent.**

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"The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018)" (the "**Bonds**") will be issued in registered form. The Bonds have a tenor of 3 years. A total of 3,000,000 units of the Bonds will be issued, with a nominal value of Baht 1,000 each. The Bonds will be offered in an aggregate total principal amount of Baht 3,000,000,000. Interest on the Bonds will accrue at the rate of 2.33% per annum, from and including the issue date of the Bonds and shall be paid semi-annually in arrears on March 28 and September 28 in each year. Payment on the Bonds will be made subject to deductions for or on account of taxes of Thailand. It is expected that the Bonds will be assigned a credit ratings of A- by Fitch Ratings Japan Limited on September 24, 2015 and national ratings of AAA by Fitch Ratings (Thailand) Limited on September 24, 2015. These ratings are not recommendations to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating company. The ratings on the Bonds could be lowered, suspended or withdrawn, and the Issuer's credit ratings may not reflect all risks of an investments in the Bonds. The Issuer will procure that a credit rating by a credit rating agency approved by the Office of the Securities and Exchange Commission of Thailand (the "**Office of the SEC**") is assigned to itself and/or the Bonds throughout the term of the Bonds. The Bonds are expected to be listed on the TOKYO PRO-BOND Market (the "**TOKYO PRO-BOND Market**") of Tokyo Stock Exchange, Inc. (the "**TSE**"). The TSE does not represent or warrant any part of information contained in this document (including, but not limited to, whether information in this document (a) contains a false statement on important matters or (b) lacks a statement on: (i) important matters that should be stated; or (ii) a material fact that is necessary for avoiding misunderstanding) and will not be liable for any damages including liability.

### Underwriters

The Siam Commercial Bank Public Company Limited

TISCO Securities Company Limited

### Bondholders' Representative

The Siam Commercial Bank Public Company Limited

### Registrar

Thailand Securities Depository Co., Ltd.

### Subscription Period

September 25, 2015

Date of filing of the registration statement and draft prospectus: September 11, 2015  
Effective date of the registration statement and draft prospectus: September 25, 2015

The information contained in the registration statement and draft prospectus is disclosed on the basis of providing, in the view of the Issuer, sufficient information for investors to make their own decision and this information contains at least the information required by the Notifications of the Capital Market Supervisory Board regarding the offer for sale of foreign bonds or foreign debentures in Thailand.

Prior to making a decision to invest in the Bonds, investors should exercise their own judgment to consider detailed information relating to the Issuer and the conditions of the Bonds, including the suitability for investment and the relevant risk exposure. The effectiveness of the registration statement and draft prospectus does not represent that the Thai Securities and Exchange Commission, the Capital Market Supervisory Board or the Office of the SEC has suggested investment in the Bonds nor shall they assure the value or returns on the Bonds nor shall they certify the accuracy and completeness of information contained in the registration statement and draft prospectus. The liability for certification of the accuracy and completeness of information contained in the registration statement and draft prospectus is vested in the Issuer.

Should any information in the registration statement and draft prospectus contain any false statement or omission of any material information which should be disclosed, the Bondholders who have purchased the Bonds within one year from the effective date of the registration statement and draft prospectus shall be entitled to claim damages from the Issuer pursuant to Section 82 of the Securities and Exchange Act B.E. 2535 (1992) within one year from the date on which the Bondholders have become aware of, or should have been aware of, such false statement or omission of the material information, but not exceeding two years from the effective date of the registration statement and draft prospectus.

Investors can review or request a copy of the registration statement and draft prospectus filed with the Office of the SEC from the Capital Market Information Center of the Office of the SEC at 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok during the Office of the SEC's business days and hours or via <http://www.sec.or.th>.

**Investment in Securities involves certain risks.  
Investors should study information in the prospectus before making a decision on investment.**

## FACT SHEET

This Fact Sheet constitutes an integral part of the Registration Statement and this Prospectus for the Bonds (as defined below). This Fact Sheet contains only summarized information on the material terms of the Bonds and significant risks relating to the Bonds offered. Prospective investors should thoroughly study information contained in the Prospectus before making a decision to invest in the Bonds.

**Name Registered, Unsecured and Unsubordinated Bonds Namely,  
“THE BONDS OF MIZUHO BANK, LTD. NO. 1/2558 DUE B.E. 2561 (2018)”  
to be issued by Mizuho Bank, Ltd.**

**Part 1: Material Terms of the Bonds**

Bond Type	:	Name registered, unsecured and unsubordinated Bonds with a Bondholders' Representative
Interest Rate	:	2.33% per cent per annum, payable semi-annually
Issue Date	:	September 28, 2015
Maturity Date	:	September 28, 2018 or any early redemption date of the Bonds as specified in the Terms and Conditions of the Bonds
Number of Bonds offered	:	3,000,000 (three million) units
Value of Bonds offered	:	Baht 3,000,000,000 (three billion baht)
Offering Price	:	Baht 1,000 (one thousand baht) per unit
Currency	:	The Bonds are denominated in Thai Baht.
Nominal Amount	:	Baht 1,000 (one thousand baht) per unit
Redemption Price	:	Baht 1,000 (one thousand baht) per unit
Early Redemption	:	The Bonds may be redeemed at any time, at the option of the Issuer, in whole, but not in part, on giving not less than 30 nor more than 60 (sixty) days' notice to bondholders, at the outstanding principal amount together with interest accrued to (but excluding) the date of redemption, if the issuer has or will become obligated to pay additional amounts as described under “Terms and Conditions of the Bonds – 10.4 Redemption for Taxation Reasons”.
		Payment of Additional Amounts as a result of any change in, or amendment to, the laws, regulations or rulings of Japan (or of any political subdivision or taxing authority thereof or therein) affecting taxation, or any change in the official position regarding the application or interpretation of such laws, regulations or rulings, which change, amendment, application or interpretation becomes effective on or after the date of this document, and the obligation cannot be avoided by the Issuer taking reasonable measures available to it.
		No notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay the additional amounts if a payment in respect of the Bonds were then due. See “Terms and Conditions of the Bonds – 10.4 Redemption for Taxation Reasons.”.
Credit Rating	:	It is expected that the Bonds will be assigned a credit rating of A- by Fitch Ratings Japan Limited (“ <b>Fitch</b> ”) on September 24, 2015 and national ratings of AAA by Fitch Ratings (Thailand) Limited (“ <b>Fitch Thailand</b> ”) on September 24, 2015. These ratings are not recommendations to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating company. The ratings on the Bonds could be lowered, suspended or withdrawn, and the Issuer's

credit ratings may not reflect all risks of investment in the Bonds.

The Issuer will procure that a credit rating by a credit rating agency approved by the Office of the SEC is assigned to itself and/or the Bonds throughout the term of the Bonds.

Guarantee/Security : None

Conversion Right : None

Registration : The Issuer will apply for the Bonds to be registered with the Thai Bond Market Association.

The Bonds are expected to be listed on the TOKYO PRO-BOND Market.

## Part 2: Special Characteristics and Risks relating to the Bonds

(1) **Special Characteristics and Risks relating to the Bonds** (details of which are described in the Prospectus and the Terms and Conditions of the Bonds)

(1.1) The Bonds may be early redeemed in accordance with the following terms and conditions:

(a) Subject to Condition 10.4(b) of the Terms and Conditions, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), if:

- a. on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11.2 of the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of Japan, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date; and
- b. such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to the Terms and Conditions, the Issuer shall deliver to the Bondholders' Representative a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Bonds redeemed pursuant to Condition 10.4 (a) of the Terms and Conditions will be redeemed at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption.

(b) Prior to the lapse of 3 (three) years from the Issue Date, the Issuer will not be entitled to exercise the redemption option as specified in Condition 10.4 (a) of the Terms and Conditions in accordance with the MOF Notification unless the MOF Notification is amended to permit such early redemption or a specific waiver or approval to redeem the Bonds early is granted to the Issuer by the Ministry of Finance of Thailand.

(1.2) Distribution of Payments under the Bonds upon the enforcement of the Bonds

Upon the enforcement of the Bonds, All principal, interest and any other amounts received from the Issuer by the Bondholders' Representative under the Bonds shall be applied in the following order of priority:

- (a) firstly, the payment of all costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Bonds, including (but not limited to) the enforcement of the Terms and Conditions, in accordance with the Bondholders' Representative Appointment Agreement;
- (b) secondly, the remuneration of the Bondholders' Representative pursuant to the Bondholders' Representative Appointment Agreement;
- (c) thirdly, the interest of the Bonds accrued and unpaid up to the date of payment;
- (d) fourthly, the outstanding amount of the principal of the Bonds; and
- (e) finally, the balance (if any) to be paid to the Issuer without unreasonable delay.

### (1.3) Events of Default

The occurrence and continuity of any of the following events constitute an event of default under the Terms and Conditions.

- (a) a default is made for more than 30 (thirty) days in the payment of any amount of principal or any interest due in respect of any of the Bonds when and as the same ought to be paid in accordance with the Terms and Conditions; or
- (b) a default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Bonds (other than any obligation for the payment of any amount due in respect of any of the Bonds) and (but only in a case where the Bondholders' Representative considers such default to be capable of being remedied) such default shall not be remedied to the Bondholders' Representative's satisfaction within 30 (thirty) days (or such longer period as the Bondholders' Representative may permit) of first written notification from the Bondholders' Representative to the Issuer requiring the same to be remedied; or
- (c) the maturity of any indebtedness for borrowed money by the Issuer, having an aggregate nominal amount of at least U.S.\$10,000,000 (ten million) (or the equivalent in any other currency or currencies) shall have been accelerated by or on behalf of the holder(s) of such indebtedness in accordance with the terms thereof or any agreement relating thereto or any such indebtedness shall not have been paid when due on maturity and such failure shall have not been cured within the grace period, if any, applicable thereto; or
- (d) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer bankrupt or insolvent or approving as properly filed a petition seeking reorganization of the Issuer under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the property of the Issuer or for the winding-up or liquidation of the affairs of the Issuer shall have been entered under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or
- (e) the Issuer shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking reorganization or arrangement under any applicable bankruptcy or reorganization law of Japan, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or
- (f) the Issuer shall cease to carry on the whole or substantially the whole of its business or shall dispose of the whole or a substantial part of its assets, in each case except for the purposes of

or pursuant to a consolidation, amalgamation, merger or reconstruction the terms whereof have been approved by the Bondholders' Representative or approved by a resolution passed by a meeting of the relevant Bondholders in accordance with Clause 6.3 of the Annex to the Terms and Conditions or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assumes the entire obligation of the Issuer under the Bonds.

(1.4) Limitation of Legal Proceedings against the Issuer

- (i) Any legal action arising out of or relating to the Bonds under the Terms and Conditions of the Bonds may be brought against the Issuer in the courts of Thailand or any other court of competent jurisdiction and submits to the non-exclusive jurisdiction of such courts.
- (ii) The Issuer is a joint stock corporation (*Kabushiki Kaisha*) (incorporated with limited liability under the laws of Japan). Its directors, executive officers and corporate auditors are non-residents of Thailand, and substantial portion of its assets and the assets of such individuals are located outside Thailand. As a result, it may not be possible for investors to effect service of process within Thailand upon the Issuer or such persons, or to enforce against any of the Issuer or them judgments obtained in Thai courts, including judgments predicated upon the civil liability provisions of the securities laws of Thailand.

(2) **General Risks relating to the Bonds** (details of which are described under the section headed "Risk Factors" in the Attachment to this document.)

**The purchase of Bonds may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Bonds. Please see the section "Risk Factors" in the Attachment to this document.**

<p><b>Key information on the key risks that are specific to the Issuer:</b></p>	<p><b>In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise may be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Bonds. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Bonds.</b></p> <p><b>These factors include:</b></p> <ul style="list-style-type: none"> <li>• <b>incurrence of significant credit-related costs;</b></li> <li>• <b>declines in the value of the Issuer's securities portfolio;</b></li> <li>• <b>changes in interest rates;</b></li> <li>• <b>foreign exchange rate fluctuations;</b></li> <li>• <b>decrease in the market liquidity of the Issuer's assets;</b></li> <li>• <b>revised assumptions or other changes related to the Issuer's pension plans;</b></li> <li>• <b>a decrease in the Issuer's deferred tax assets;</b></li> </ul>
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	<ul style="list-style-type: none"> <li>• failure to maintain required capital adequacy ratio levels;</li> <li>• downgrades in the Issuer’s credit ratings;</li> <li>• ability to avoid reputational harm;</li> <li>• the effectiveness of our operation, legal and other risk management policies;</li> <li>• the effect of changes in general economic conditions in Japan and elsewhere:</li> <li>• ability to implement MHFG’s Medium-term Business Plan and the Issuer’s other strategic initiatives and measures effectively;</li> <li>• amendments and other changes to the laws and regulations that are applicable to the Issuer.</li> </ul>
<p><b>Key information on the key risks that are specific to the Bonds:</b></p>	<p>There are also risks associated with the Bonds. These include:</p> <ul style="list-style-type: none"> <li>• <b>Unsecured Obligations:</b> the Bonds are unsecured obligations of the Issuer and as a consequences their repayment may be compromised if the Issuer enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings, there is a default in payment under the Issuer’s indebtedness or there is otherwise an acceleration of any of the Issuer’s indebtedness.</li> <li>• <b>Restrictive Covenants:</b> The bonds are not protected by restrictive covenants.</li> <li>• <b>Transfer Restrictions:</b> The Bonds are subject to transfer restrictions.</li> <li>• <b>Modification without consent:</b> the Terms and Conditions of the Bonds may be modified without the consent of the Bondholders in certain circumstances.</li> <li>• <b>Withholding tax risk:</b> Bondholders may not receive payment of the full amounts due in respect of the Bonds as a result of amounts being withheld by the Issuer in order to comply with applicable laws.</li> <li>• <b>Change in law:</b> investors are exposed to the risk of changes in laws or regulations affecting the value of the Bonds.</li> <li>• <b>Exchange rate risk:</b> an investor's investment in the Bonds may be adversely affected by exchange rate movements.</li> <li>• <b>Credit ratings:</b> any credit rating assigned to the Bonds may not adequately reflect all the risks associated with an investment in the Bonds.</li> </ul>

## TRENDS OF KEY FINANCIAL DATA

### Capitalisation and Indebtedness

The following table sets forth the consolidated capitalisation and indebtedness of MHBK as at March 31, 2015, which has been extracted from the English translation of the Japanese language audited consolidated financial statements of MHBK as at March 31, 2015.

	<b>As at March 31, 2015</b>
	<i>(billions of yen)</i>
Bonds and Notes <sup>(1)</sup> .....	¥4,678
Net Assets:	
Common Stock and Preferred Stocks .....	1,404
Capital Surplus .....	2,286
Retained Earnings .....	2,156
Total Shareholder's Equity .....	5,847
Valuation Difference on Available-for-sale securities .....	1,522
Deferred Gains on Hedges .....	27
Revaluation Reserve for Land .....	146
Foreign Currency Translation Adjustments .....	(12)
Remeasurements of Defined Benefit Plans .....	157
Total Accumulated Other Comprehensive Income .....	1,840
Minority Interests .....	1,471
Total Net Assets <sup>(2)</sup> .....	¥9,159
Reserves:	
Allowance for Loan Losses.....	¥512
Allowance for Investment Losses.....	0
Provision for Bonus Payments .....	22
Net Defined Benefit Liability .....	6
Provision for Directors' Retirement Benefits.....	0
Provision for Possible Losses on Sales of Loans and Bills Discounted...	0
Provision for Contingencies.....	7
Provision for Reimbursement of Deposits .....	14
Provision for Reimbursement of Debentures .....	48
Total Reserves .....	¥613

#### Notes:

- (1) Subsequent to March 31, 2015, MHBK issued senior notes in the amounts of HKD1220 million in May and June 2015, SGD 50 million in June 2015, CNY250 million in June 2015, A\$220 million in July 2015, US\$150 million in July 2015, respectively.
- (2) Details of MHBK's share capital as at March 31, 2015 were as follows:

Authorised 33,150,000 shares (comprised 28,000,000 common stock and 5,150,000 preferred stock)

Issued 19,911,223 fully-paid shares (comprised 16,151,573 fully-paid common stock, representing 57 per cent. of authorised common stock and 3,759,650 fully-paid preferred stock, representing 73 per cent. of authorised preferred stock)

- (3) Amounts less than one billion yen have been disregarded. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.
- (4) Save as disclosed above, there has been no material change in the consolidated capitalisation and indebtedness of MHBK since March 31, 2015.

## Summary of Financial Information

Set out below is a summary of, and has been extracted from the English translation of the Japanese language audited consolidated financial statements of MHBK as at and for the years ended March 31, 2014 and 2015.

	<b>As at and for the years ended 31 March</b>	
	<b>2014</b>	<b>2015</b>
	(billions of yen)	
Balance Sheet data:		
Total Assets .....	¥149,043	¥161,842
Total Liabilities .....	141,147	152,682
Total Net Assets .....	7,896	9,159
Statement of Income data <sup>(3)</sup> :		
Ordinary Income .....	2,020	2,476
Ordinary Expenses .....	1,255	1,644
Income before Income Taxes and Minority Interests .....	769	813
Net Income .....	488	485

### Notes:

- (1) Amounts less than one billion yen have been disregarded.
- (2) Ordinary Income and Ordinary Expenses exclude Extraordinary Gains (¥12 billion for the year ended March 31, 2014 and ¥0 billion for the year ended March 31, 2015) and Extraordinary Losses (¥9 billion for the year ended March 31, 2014 and ¥18 billion for the year ended March 31, 2015), respectively.
- (3) Statement of income figures for the year ended March 31, 2014 represent the operating results of MHCB for the first quarter and of MHBK for the second, third and fourth quarters of such year ended March 31, 2014. Former MHBK's statement of income data for the first quarter of the year ended March 31, 2014 have not been included in the statement of income figures of MHBK for the year ended March 31, 2014. Please see below.

The following table sets out selected consolidated income data of Former MHBK for the three months ended June 30, 2013. These figures have not been included in MHBK's statement of income for the year ended March 31, 2014, and have not been audited or reviewed by the independent auditors of Former MHBK or MHBK.

**Three months ended  
June 30, 2013**

	(billions of yen)
Ordinary Profits	¥81
Income before Income Taxes and Minority Interests	80
Net Income	88

### Recent Business

The comparison with the previous fiscal year in the following paragraphs in this section is that between (i) the aggregate of the figures of Former MHBK for the three months ended June 30, 2013 and the figures of MHBK for the year ended March 31, 2014, and (ii) the figures of MHBK for the year ended March 31, 2015. The aggregate figures referred to in (i) have not been included in MHBK's statement of income for the year ended March 31, 2014, and have not been audited or reviewed by the independent auditors of Former MHBK, MHCB or MHBK.

For the year ended March 31, 2015, MHBK's consolidated ordinary income increased by ¥157.1 billion from *the* previous year to ¥2,476.9 billion mainly due to an increase in non-interest income. Ordinary expenses increased by ¥171.5 billion from the previous year to ¥1,644.7 billion mainly due to an increase in amortization of the loans and bills discounted.

Net interest income increased by ¥20.6 billion from the previous year to ¥1,087.2 billion.

Net fee and commission income increased by ¥30.9 billion from the previous year to ¥380.1 billion. Net trading income increased by ¥22.3 billion from the previous year to ¥63.9 billion mainly due to an increase in trading income from derivative transactions. Net other operating income increased by ¥72.7 billion from the previous year to ¥154.3 billion mainly due to an increase in trading income from securities such as government bonds. As a result, gross profits (the sum of net interest income, net fee and commission income, net trading income and net other operating income) increased by ¥146.6 billion from the previous year to ¥1,685.7 billion.

Credit-related costs, which is the aggregate amount of expenses related to portfolio problems (including provision for general allowance for loan losses) and gains on reversal of allowance for loan losses, etc., was ¥10.3 billion. Net gains related to stocks and others increased to a profit of ¥103.7 billion, due to an increase of gains on sales of stocks and others.

As a result, ordinary profits decreased by ¥14.4 billion from the previous year to ¥832.2 billion and net income decreased by ¥92.1 billion from the previous year to ¥485.3 billion.

The following table sets out selected consolidated income data of MHBK for the two years ended March 31, 2014 and 2015. The data for the year ended March 31, 2014 show the aggregate figures of the former MHBK's figures for the first quarter and MHBK's figures for such fiscal year, for a comparison purpose. These figures have not been included in MHBK's statement of income for the year ended March 31, 2014, and have not been audited or reviewed by the independent auditors of Former MHBK, MHCB or MHBK.

**For the years ended 31 March**

	<b>2014</b>	<b>2015</b>
	(billions of yen)	
Gross Profits .....	¥1,539	¥1,685
General and Administrative Expenses.....	867	926
Expenses Related to Portfolio Problems (Including Provision for General Allowance for Loan Losses).....	23	86
Reversal of Allowance for Loan Losses, etc.....	123	76
Net Gains Related to Stocks and Others.....	56	103
Ordinary Profits.....	846	832
Net Extraordinary Gains (Losses) .....	2	(18)
Income before Income Taxes and Minority Interests .....	849	813
Net Income.....	577	485

## DESCRIPTION OF BUSINESS

### Introduction and History

The Mizuho group was created on September 29, 2000 through the establishment of Mizuho Holdings, Inc. (“**MHHD**”) as a holding company of the Group’s three predecessor banks, The Dai-Ichi Kangyo Bank, The Fuji Bank and The Industrial Bank of Japan. On October 1, 2000, the respective securities subsidiaries of the predecessor banks merged to form Mizuho Securities and the respective trust bank subsidiaries merged on the same date to form Mizuho Trust & Banking Co., Ltd. (“**Mizuho Trust & Banking**”).

A further major step in the Mizuho group’s development occurred in April 2002 when the operations of the Group’s three predecessor banks were realigned through a corporate split and merger process under Japanese law into a wholesale banking subsidiary, MHCB, and a banking subsidiary serving primarily retail and small and medium-sized enterprise customers, the Former MHBK. As an additional step for realigning the group structure, MHFG was established on January 8, 2003 as a corporation organised under the laws of Japan, and on March 12, 2003, it became the holding company for the Group through a stock-for-stock exchange with MHHD, which became an intermediate holding company focused on management of the Group’s banking and securities businesses. The legal and commercial name of the company is Mizuho Financial Group, Inc.

In May 2003, the Group initiated a project to promote early corporate revitalisation of customers in need of revitalisation or restructuring and to separate the oversight of restructuring borrowers from the normal credit origination function. In July 2003, the Group’s three principal banking subsidiaries, MHCB, Former MHBK and Mizuho Trust & Banking each transferred loans, equity securities and other claims outstanding relating to approximately 950 companies to new subsidiaries that they formed. In October 2005, based on the significant reduction in the balance of impaired loans held by these new subsidiaries, which the Group call the “revitalisation subsidiaries,” it deemed the corporate revitalisation project to be complete, and each of the revitalisation subsidiaries was merged into its respective banking subsidiary parent.

In the fiscal year ended March 31, 2006, the Group realigned its entire business operations into a Global Corporate Group, Global Retail Group and Global Asset and Wealth Management Group. In October 2005, in connection with this realignment, the Group established Mizuho Private Wealth Management Co., Ltd., a private banking subsidiary, and converted Mizuho Holdings on October 1, 2005 from an intermediate holding company into Mizuho Financial Strategy Co., Ltd., an advisory company that provides advisory services to financial institutions.

In May 2009, Mizuho Securities and Shinko Securities Co., Ltd. conducted their merger, with the aim of improving the Group’s service-providing capabilities to its clients and to offer competitive cutting-edge financial services on a global basis.

In September 2011, Mizuho Trust & Banking became a wholly-owned subsidiary of MHFG, Mizuho Securities became an unlisted subsidiary of MHCB and Mizuho Investors Securities Co., Ltd. (“**Mizuho Investors Securities**”) became a wholly-owned subsidiary of Former MHBK, through their respective stock-for-stock exchanges. The purpose of these stock-for-stock exchanges was to further enhance the “group collective capabilities” by integrating group-wide business operations and optimising management resources such as workforce and branch network.

In January 2013, Mizuho Securities and Mizuho Investors Securities merged in order to provide integrated securities services as the full-line securities company of the Group. Mizuho Securities aims to further strengthen collaboration among the banking, trust banking and securities businesses of the

Group, expand the company's customer base to enhance the domestic retail business, and rationalise and streamline management infrastructure.

In April 2013, the Group turned Mizuho Securities, a consolidated subsidiary of MHFG, into a directly-held subsidiary of MHFG, whereby the Group moved to a new group capital structure, placing banking, trust banking, securities and other major group companies under the direct control of the holding company.

In July 2013, Former MHBK and MHCN merged, and MHCN, the surviving company, changed its trade name to Mizuho Bank, Ltd. The purpose of the merger is to become able to provide directly and promptly diverse and functional financial services to both Former MHBK and MHCN customers, leveraging the current "strengths" and "advantages" of Former MHBK and MHCN, and to continue to improve customer services by further enhancing group collaboration among the banking, trust and securities functions and, at the same time, to realise further enhancement of the consolidation of group-wide business operations and optimisation of management resources, such as workforce and branch network, by strengthening group governance and improving group management efficiency.

## **Business**

MHBK operates through a network of 421 domestic branches and 40 domestic sub-branches, 24 overseas branches, 14 overseas marketing offices and 7 overseas representative offices as at June 30, 2015. MHBK had 34,528 employees as at March 31, 2015.

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

The following are the main services and products which MHBK offers:

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

MHBK is incorporated under Japanese law. The registered head office of MHBK is located at 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8176.

## **Medium-Term Business Plan**

Since the fiscal year ended March 31, 2014, the Group has been promoting "One MIZUHO New Frontier Plan—Stepping up to the Next Challenge—", its three year medium-term business plan.

This medium-term business plan is a proactive plan aimed at launching the new Mizuho toward the "new frontier" of the next generation of finance, in response to structural and regulatory changes in the economy and society both in Japan and overseas. In the medium-term business plan, the Group has developed five basic policies reflecting its vision for its future, the necessary elements for the new frontier of finance and its future direction based on an analysis of its current situation, and to add more

detail to these five basic policies, it has also developed ten basic strategies in terms of business strategy as well as business management and management foundations, etc., as follows:

#### *Mizuho's Vision*

The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia and Japan.

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

#### *Five Basic Policies*

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

#### *Ten Basic Strategies*

##### *Business Strategy*

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

##### *Business Management, Management Foundations, etc.*

- Strengthen stable financial foundations based on abundant liquidity and appropriate capital levels.
- Establish the optimal management foundations (human resources and business infrastructure) to support business strategy.
- Further strengthen proactive governance and risk management.
- Embed the new Mizuho corporate identity towards forming a common culture throughout the Group and take actions towards becoming the best financial services provider.

#### *Advanced Group Management Structure*

During the fiscal year ended March 31, 2015, the second fiscal year of the medium-term business plan, the Group has been striving to realise its commitment to become the most trusted financial services group.

Specifically, the Group has pursued unified strategies across the group-wide banking, trust banking and securities business areas with the intent of developing the cross-organisational financial know-how and

industry knowledge of the group companies and thereby providing various financial services in a prompt manner through group-wide collaboration in response to various customer needs.

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

#### *Brand Strategy*

MHFG adopts a brand slogan, “One MIZUHO: Building the future with you,” to indicate MHFG’s commitment to become “The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia and Japan”.

### **Management of MHFG**

In June 2014, MHFG transformed itself into a Company with Committees, from its previous form of Company with Board of Corporate Auditors. Under the Companies Act of Japan (Act No. 86 of 2005) (“**Companies Act**”), Companies with Committees are required to establish a nominating committee, a compensation committee and an audit committee and the majority of the respective committee members must be outside directors, as defined under the Companies Act. Such companies are also required to appoint executive officers under the Companies Act.

#### *Board of Directors*

Under the Companies Act, the duties of the board of directors include making decisions on business execution and supervision of the execution of duties of directors and executive officers, and by its resolution, it may delegate making decisions on business execution (excluding certain specified matters) to the executive officers.

The main roles of MHFG’s Board of Directors are making decisions on business execution such as basic management policies, which are legally matters to be determined solely by the Board of Directors, and supervising the execution of duties by directors and executive officers. The Board of Directors shall, in principle, delegate to the President & Executive Officer of MHFG, who is also the Group CEO, decisions on business execution (excluding matters that are legally required to be determined solely by the Board of Directors), for the purpose of realising swift and flexible decision-making and expeditious corporate management and strengthening the supervision of directors and executive officers by the Board of Directors.

Pursuant to its Articles of Incorporation, MHFG has no more than 15 directors and maintains the following structure in order to manage the Board of Directors in an effective and stable manner. In light of the role of the Board of Directors to supervise management, the majority of the members of the Board of Directors consist of outside directors and internal directors who do not concurrently serve as persons performing executive roles (“**Internal Non-Executive Directors**”, and together with outside directors, “**Non-Executive Directors**”). Currently, the Board of Directors consists of a total of 13 directors (six outside directors, two Internal Non-Executive Directors and five directors concurrently serving as executive officers).

#### *Nominating Committee*

Under the Companies act, the duties of the nominating committee include the determination of the contents of proposals regarding the appointment and dismissal of directors to be submitted to the general meeting of shareholders.

The main roles of the Nominating Committee of MHFG are to determine the contents of proposals regarding the appointment and dismissal of its directors to be submitted to the general meeting of shareholders, exercise the approval rights held by MHFG with respect to the appointment and dismissal of directors of each of MHBK, Mizuho Trust & Banking and Mizuho Securities (the “**Core Subsidiaries**”) and exercise the approval rights held by MHFG with respect to the appointment and removal of representative directors and senior directors of the Core Subsidiaries.

#### *Compensation Committee*

Under the Companies act, the duties of the compensation committee include the determination of the compensation for each individual director and executive officer.

The main roles of the Compensation Committee of MHFG are to determine the compensation for each individual director and executive officer of MHFG, exercise the approval rights held by MHFG regarding compensation of each individual director of the Core Subsidiaries and determine the basic policies and compensation system for directors and executive officers of MHFG and the Core Subsidiaries.

#### *Audit Committee*

Under the Companies act, the duties of the audit committee include the audit of the execution of duties by directors and executive officers and preparation of audit reports.

The main roles of the Audit Committee of MHFG are to audit the execution of duties by the directors and executive officers, monitor and inspect the establishment and management of the internal control system of MHFG and its subsidiaries, monitor and inspect the condition of the execution of duties with respect to corporate management of subsidiaries and others by executive officers, prepare audit reports and determine the contents of proposals regarding the appointment, dismissal and non-reappointment of accounting auditors to be submitted to the general meeting of shareholders.

#### *Executive Officers*

Executive officers decide on the business execution delegated by a resolution of the board of directors and implement business execution.

## **Japanese Government Supervision and Regulation**

### *Financial Services Agency*

Under the Banking Act of Japan (Act No.59 of 1981) (as amended) (the “**Banking Act**”), the Prime Minister has supervisory control over banks in Japan and has delegated certain supervisory control over the banks in Japan to the Commissioner of the Financial Services Agency (the “**CFSA**”).

Under the Banking Act the CFSA’s supervisory control over banks in Japan extends to various areas, including approval of reductions in capital, approval of establishment or closure of offices overseas, approval of mergers, corporate splits or business transfers, and approval of liquidations or discontinuations of business by existing banks. The CFSA also has the authority to instruct Japanese banks to suspend their business or to remove directors if such banks violate laws, other regulations or their articles of incorporation or commit acts contrary to public policy and, in the case of Japanese banks which are in financial difficulty, to direct such banks to submit certain property to be held for the protection of depositors and to issue such other orders as it may deem necessary.

### *Capital Adequacy*

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the Financial Services Agency closely follow the risk-adjusted approach proposed by the Bank for International Settlements and are intended to further strengthen the soundness and stability of Japanese banks. Under the risk-based capital framework of these guidelines, balance sheet assets and off-balance-sheet exposures are assessed according to broad categories of

relative risk, based primarily on the credit risk of the counterparty, country transfer risk and the risk regarding the category of transactions.

In December 2010, the Basel Committee on Banking Supervision issued its Basel III rules text, which builds on the International Convergence of Capital Measurement and Capital Standards document (“**Basel III**”), to strengthen the regulation, supervision, and risk management of the banking sector. Basel III text presents the details of global regulatory standards on bank capital adequacy and liquidity. The rules text sets out higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two global liquidity standards.

The Financial Services Agency’s revisions to its capital adequacy guidelines became effective from March 31, 2013, which generally reflect rules in the Basel III text that have been applied from January 1, 2013.

Under the revised guidelines, the minimum capital adequacy ratio is 8 per cent. on both a consolidated and non- consolidated basis for banks with international operations, such as MHBK, or on a consolidated basis for bank holding companies with international operations, such as MHFG. Within the minimum capital adequacy ratio, the Common Equity Tier 1 capital requirement is 4.5 per cent. and the Tier 1 capital requirement is 6 per cent.

#### *Prompt Corrective Action and Precautionary Measures*

Under the prompt corrective action (“**PCA**”) system, which was introduced in April 1998, the CFSA may take certain corrective actions if a Japanese financial institution, including MHBK, fails to maintain the required risk-adjusted capital ratios. These actions include (i) requiring a financial institution to formulate and implement reform measures, (ii) requiring it to reduce its assets or take other specific actions and (iii) issuing an order to suspend all or part of its business operations. The PCA system also requires financial institutions to establish “self-assessment” programmes. Financial institutions, including MHBK, are required to analyse their assets giving due consideration to accounting principles and other applicable rules and to classify their assets into various categories taking into account the likelihood of repayment and the risk of impairment to the value of the assets. These classifications will determine whether an addition to or reduction in reserves or write-offs is necessary.

In addition, a prompt warning system was introduced in December 2002 to enable the CFSA to take precautionary measures to maintain and promote the sound operations of financial institutions even before those financial institutions become subject to the PCA system.

#### *Governmental Measures to Prevent Systemic Risk Arising from Troubled Institutions*

Under the Deposit Insurance Act (Act No. 34 of 1971) (as amended) (the “**Deposit Insurance Act**”), where the Prime Minister recognises that the failure of a bank which falls into any of (i) through (iii) below may cause an extremely grave problem in maintaining the financial order in Japan or the region where such bank operates (“systemic risk”), the Prime Minister may confirm to take any of the following measures: (i) if the bank does not fall into either of those described in (ii) or (iii), the Deposit Insurance Corporation (the “**DIC**”) may subscribe for shares or subordinated bonds of, or lend subordinated loans to the bank, or subscribe for shares of its parent holding company; (ii) if the bank may suspend or has suspended repayment of deposits or is unable to fully perform its obligations with its assets, financial aid exceeding the pay-off cost may be available; and (iii) if the bank may suspend or has suspended repayment of deposits and is unable to fully perform its obligations with its assets, and the systemic risk cannot be avoided by the measure mentioned in (ii) above, the DIC may acquire all of the bank’s shares.

In addition, where the Prime Minister recognises that the failure of a financial institution, including a bank, which falls into either of (a) or (b) below may cause significant disruption in the financial markets or other financial systems in Japan (“market systemic risk”), the Prime Minister may confirm to take any of the

following measures; (a) if the financial institution is not a financial institution which is unable to fully perform its obligations with its assets, the DIC shall supervise the operation of the business of and the management and disposal of assets of that financial institution, and may provide it with loans or guarantees necessary to avoid the market systemic risk, or subscribe for shares or subordinated bonds of, or lend subordinated loans to it; and (b) if the financial institution is or may be unable to fully perform its obligations with its assets or has suspended or may suspend repayment of its obligations, the DIC shall supervise it, and may provide financial aid necessary to assist merger, business transfer or other reorganisation in respect to such failed financial institution. In case measures mentioned in (b) above are taken, the Prime Minister may order that the financial institution's operation and assets be under the control of the DIC. The business and liabilities of that financial institution may also be transferred to a "bridge financial institution" established by the DIC for the purpose of the temporary maintenance and continuation of operations of, or repayment of the liabilities of, such financial institution, and the "bridge financial institution" will seek to transfer that financial institution's business or liabilities to another financial institution.

In November 2014, the FSB published the latest list of global systemically important banks ("**G-SIBs**"), which includes MHFG. The list is annually updated by the FSB each November. In Japan, under the Comprehensive Guidelines for Supervision of Major Banks, etc., as part of crisis management, financial institutions identified as G-SIBs must prepare and submit a recovery plan, which includes the triggers to implement the recovery plan and an analysis of recovery options, to the Financial Services Agency, and the Financial Services Agency must prepare a resolution plan for each G-SIB.

#### *Deposit Insurance System*

The DIC under the Deposit Insurance Act protects depositors in cases where financial institutions fail to meet their obligations. The DIC receives annual insurance premiums from insured banks. The effective premium rate from April 2010, which is the weighted average of the rate for Payment and Settlement Deposits (*kessaiyo-yokin*) (as defined in the Deposit Insurance Act and its related regulations) and for other deposits ("**General Deposits, Etc.**") (*ippan-yokin-tou*), was 0.084 per cent. However, for the fiscal years ended March 31, 2013, 2014 and 2015, because there were no insured bank failures, the effective premium rate of 0.07 per cent. was applied retroactively from the beginning of such fiscal years, and the amount paid in excess of such rates was respectively reimbursed to insured banks without interest. The effective premium rate from April 1, 2015 was changed to 0.042 per cent.

These insurance premiums may be paid out in case of a suspension of repayment of deposits, a banking licence revocation or the dissolution or bankruptcy of a bank. Payouts to General Deposits, Etc. are limited to a maximum of ¥10,000,000 of the principal amount together with any interest accrued related to such principal amount with respect to each depositor, while payouts to the principal of Payment and Settlement Deposits are protected in full.

Financial institutions such as, among others, banks (including MHBK), trust banks, and credit associations participate in the deposit insurance system on a compulsory basis.

#### *Capital Injection by the Government*

With respect to capital injection by the Government and the Bank of Japan, the Strengthening Financial Functions Act of Japan (Act No. 128 of 2004) (as amended) was enacted on June 18, 2004 in order to establish a scheme of public money injection into financial institutions and thereby enhance the soundness of such financial institutions on or prior to March 31, 2008 and revitalise economic activities in the regions where they do business. On December 17, 2008, certain amendments to the Strengthening Financial Functions Act took effect. These amendments relaxed certain requirements for public money injection into Japanese banks and bank holding companies and other financial institutions under the prior scheme and extended the period of application therefor, which had expired on March 31, 2008, to March 31, 2012. These amendments aim to promote not only the soundness of such financial

institutions but also loans or other forms of credit extended to small and medium-sized enterprises in order to revitalise local economies. The period of application was extended to 21 March 2017 by further amendments to the Strengthening Financial Functions Act in 2011.

#### *The Bank of Japan*

Certain financial institutions in Japan such as city banks (including MHBK), regional banks, trust banks and long-term credit banks maintain deposits with the Bank of Japan, the Japanese central bank, and rely substantially upon obtaining borrowings from, and rediscounting bills with, the Bank of Japan. Each bank enters into an agreement with the Bank of Japan under which the latter reserves the right to examine the affairs of the bank.

#### **Significant or Material Change**

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Issuer, or the Issuer and its consolidated subsidiaries taken as a whole, since March 31, 2015, and no material adverse change in the financial position or prospects of the Issuer, or the Issuer and its consolidated subsidiaries taken as a whole, since March 31, 2015.

#### **Litigation**

None of the Issuer or its consolidated subsidiaries (whether as defendant or otherwise) is engaged in or has knowledge of the existence of any governmental, legal, arbitration, administrative or other proceedings, the results of which might have or have had during the 12 months prior to the date hereof a significant effect on the financial position or the operations of the Issuer or its consolidated subsidiaries, taken as a whole, nor are the Issuer or any of its consolidated subsidiaries aware of any such proceedings being threatened.

#### **Independent Auditors**

The Japanese consolidated financial statements of the Issuer as at, and for the years ended, March 31, 2013, 2014 and 2015, and of Former MHBK as at, and for the year ended, March 31, 2013, have been audited by Ernst & Young ShinNihon LLC, independent auditors.

#### **Encumbrances over Assets of the Issuer**

All properties and assets owned by the Issuer are free and clear of mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind incurred as a result of the borrowing of money except such as (i) are disclosed elsewhere in this document and the financial statements attached hereto or (ii) do not, singly or in the aggregate, result in any change which is materially adverse to the condition (financial or other), prospects, results of operations or general affairs of the Issuer.

## RISK FACTORS

*MHBK's business, financial condition and operating results could be materially adversely affected by any of the factors discussed below. Prospective investors should also read the detailed information set out elsewhere in this document (including any documents deemed to be incorporated by reference herein) and reach their own view prior to making any investment decision.*

### **Risks Related to MHBK's Business**

#### ***MHBK may incur significant credit-related and other costs in the future due to problem loans***

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

#### ***MHBK's equity investment portfolio exposes it to market risks that could adversely affect its financial condition and results of operations***

MHBK holds substantial investments in marketable equity securities, mainly common stock of Japanese listed companies. In addition to the partial hedges that it applies as it deems necessary in recent years, it sold a portion of such investments, and it may make further sales in the future. However, significant declines in Japanese stock prices in the future would lead to unrealised losses, losses on impairment and losses from sales of equity securities which could have a material adverse effect on MHBK's financial condition and results of operations. In addition, net unrealised gains and losses on such investments, based on Japanese GAAP, are taken into account when calculating the amount of capital for purposes of the calculation of MHBK's capital adequacy ratios and, as a result, a decline in the value of such investments would negatively affect such ratios. Accordingly, MHBK's financial condition and results of operations could be materially and adversely affected.

#### ***Changes in interest rates could adversely affect MHBK's financial condition and results of operations***

MHBK holds a significant amount of bonds, consisting mostly of Japanese government bonds, and other instruments primarily for the purpose of investment. As a result of such holdings, an increase in interest rates, primarily yen interest rates, could lead to unrealised losses of bonds or losses from sales of bonds. In addition, due mainly to differences in maturities between financial assets and liabilities, changes in interest rates could have an adverse effect on its average interest rate spread. MHBK manages interest rate risk under its risk management policies, which provide for adjustments in the composition of MHBK's bond portfolio and the utilisation of derivatives and other hedging methods to reduce its exposure to interest rate risk. However, in the event of significant changes in interest rates, including as a result of a change in Japanese monetary policy, increased sovereign risk due to deterioration of public finances and market trends, MHBK's financial condition and results of operations could be materially and adversely affected.

***MHBK's financial condition and results of operations could be adversely affected by foreign exchange rate fluctuations***

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

***MHBK may incur further losses relating to decreases in the market liquidity of assets that it holds***

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

***MHBK's pension-related costs could increase as a result of revised assumptions or changes in its pension plans***

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

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

MHBK recorded deferred tax assets, net of valuation allowance, based on a reasonable estimation of future taxable income in accordance with applicable accounting standards. Its financial condition and results of operations could be materially and adversely affected if its deferred tax assets decrease due to a change in its estimation of future taxable income, a change in tax rate as a result of tax system revision or other factors. Because MHBK considers the sale of available-for-sale securities to be a qualifying tax-planning strategy, turmoil in financial markets such as significant declines in stock prices could lead to a decrease in its estimated future taxable income.

***Financial transactions entered into for hedging and other similar purposes could adversely affect MHBK's financial condition and results of operations***

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

***Failure to maintain capital adequacy ratios above minimum required levels, as a result of the materialisation of risks or regulatory changes, could result in restrictions on MHBK's business activities***

MHBK endeavours to maintain sufficient levels of capital adequacy ratios, which are calculated pursuant to standards set forth by Japan's Financial Services Agency and based on Japanese GAAP, taking into account its plans for investments in risk-weighted assets, the efficiency of its capital structure and other

factors. However, MHBK's capital adequacy ratios could decline in the future, including as a result of the materialization of any of the risks enumerated in these "Risk Factors" and changes to the methods it uses to calculate capital adequacy ratios. Also, there are regulatory adjustments such as goodwill and other intangibles, deferred tax assets, investments in the capital of banking, financial and insurance entities etc., that are deducted from its regulatory capital under certain conditions. MHBK's regulatory capital and capital adequacy ratios could decline due to such regulations.

In addition, if the framework set by the Basel Committee on Banking Supervision, upon which the Financial Services Agency's rules concerning banks' capital adequacy ratios are based, is changed or if the Financial Services Agency otherwise changes its banking regulations, MHBK might not be able to meet the minimum regulatory requirements for capital adequacy ratios. For example, in December 2010, the Basel Committee on Banking Supervision issued its Basel III rules text, which presents the details of global regulatory standards on bank capital adequacy and liquidity. In March 2012, the Financial Services Agency published revisions to its capital adequacy guidelines which generally reflect rules in the Basel III text and became effective as of March 31, 2013. Furthermore, the Financial Stability Board (the "FSB") named the Group as one of 30 global systemically important banks ("G-SIBs") in November 2014. As a G-SIB, the Group will be subject to additional capital requirements. The group of G-SIBs will be updated annually and published by the FSB each November.

If the capital adequacy ratios of MHBK fall below specified levels, the Financial Services Agency could require MHBK to take corrective actions, including, depending on the level of deficiency, submission of an improvement plan that would strengthen its capital base, a reduction of its total assets or a suspension of a portion of its business operations. In addition, MHBK is subject to capital adequacy regulations in foreign jurisdictions such as the United States, and its business could be adversely affected if its capital adequacy ratios fall below specified levels.

***Downgrades in MHBK's credit ratings could have negative effects on its funding costs and business operations***

Credit ratings are assigned to MHBK by major domestic and international credit rating agencies. The credit ratings are based on information furnished by MHBK or obtained by the credit rating agencies from independent sources and are also influenced by credit ratings of Japanese government bonds and general views regarding the Japanese financial system as a whole. The credit ratings are subject to revision, suspension or withdrawal by the credit rating agencies at any time. A downgrade in MHBK's credit ratings could result in, among other things, the following:

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

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

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

***MHBK's business will be adversely affected if it encounters difficulties in raising funds***

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

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

***The Group's Medium-term Business Plan and other strategic initiatives and measures may not result in the anticipated outcome***

MHBK has been implementing strategic initiatives and measures in various areas. In February 2013, MHFG announced its new Medium-term Business Plan for the three fiscal years ending March 31, 2016, in which it set forth various strategic initiatives and measures and also established a number of key target figures that it aims to achieve by the end of the fiscal year ending March 31, 2016.

However, the Group may not be successful in implementing such initiatives and measures, or even if it is successful in implementing them, the implementation of such initiatives and measures may not have their anticipated effects. In addition, MHBK may not be able to meet the key target figures announced in the Medium-term Business Plan due to these or other factors, including, but not limited to, differences in the actual economic environment compared to its assumptions underlying the Medium-term Business Plan, as well as the risks enumerated in these "Risk Factors."

***MHBK will be exposed to new or increased risks as it expands the range of its products and services***

MHBK offers a broad range of financial services, including banking and other services. As the needs of its customers become more sophisticated and broader in scope, and as the Japanese financial industry continues to be deregulated, MHBK has been entering into various new areas of business, including through various business and equity alliances, which expose it to new risks. While MHBK has developed and intends to maintain risk management policies that it believes are appropriate to address such risks, if a risk materialises in a manner or to a degree outside of its expectations, its business, financial condition and results of operations could be materially and adversely affected.

***MHBK is subject to various laws and regulations, and violations could result in penalties and other regulatory actions***

MHBK's business and employees in Japan are subject to various laws and regulations, including those applicable to financial institutions as well as general laws applicable to its business activities, and it is under the regulatory oversight of the Financial Services Agency. MHBK's businesses outside of Japan are also subject to the laws and regulations of the jurisdictions in which they operate and are subject to oversight by the regulatory authorities of those jurisdictions.

MHBK's compliance and legal risk management structures are designed to prevent violations of such laws and regulations, but they may not be effective in preventing all future violations. Future violations of laws and regulations could result in regulatory action and harm its reputation, and its business, financial condition and results of operations could be materially and adversely affected.

***Employee errors and misconduct could subject MHBK to losses and reputational harm***

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

***Problems relating to MHBK's information technology systems could significantly disrupt its business operations***

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

***MHBK's reputation could be harmed and it may be subject to liabilities and regulatory actions if it is unable to protect personal and other confidential information***

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

***MHBK's business would be harmed if it is unable to attract and retain skilled employees***

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

***MHFG's failure to establish, maintain and apply adequate internal controls over financial reporting could negatively impact investor confidence in the reliability of MHBK's financial statements.***

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

***MHBK is subject to risk of litigation and other legal proceedings***

As a financial institution engaging in banking and other financial businesses in and outside of Japan, MHBK is subject to the risk of litigation for damages and other legal proceedings in the ordinary course

of its business. Adverse developments related to future legal proceedings could have a material adverse effect on its financial condition and results of operations.

***MHBK's risk management policies and procedures may not adequately address unidentified or unanticipated risks***

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

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

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

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

***MHBK may be adversely affected if economic or market conditions in Japan or elsewhere deteriorate***

MHBK conducts business operations in Japan as well as overseas, including in the United States, Europe and Asia. If general economic conditions in Japan or other regions were to deteriorate or if the financial markets become subject to turmoil, it could experience weakness in its business, as well as deterioration in the quality of its assets. Future deterioration in general economic conditions or financial market turmoil could materially and adversely affect its financial condition and results of operations.

***Amendments and other changes to the laws and regulations that are applicable to MHBK could have an adverse effect on its operations***

MHBK is subject to general laws, regulations and accounting rules applicable to its business activities in and outside of Japan. It is also subject to various laws and regulations applicable to financial institutions such as the Banking Act, including capital adequacy requirements, in and outside of Japan. If the laws and regulations that are applicable to MHBK are amended or otherwise changed, such as in a way that restricts it from engaging in business activities that it currently conducts, its business, financial condition and results of operations could be materially and adversely affected.

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

Ongoing deregulation in Japan has lowered the barriers to entry with respect to the provision of banking, trust, securities and other financial services. While such deregulation has the effect of increasing MHBK's own business opportunities, it also allows other major financial groups, foreign financial institutions, non-bank finance companies, government-affiliated entities such as Japan Post Bank and other financial services providers to enter into new business areas or expand existing businesses, resulting in the intensification of competition in the financial services industry. If MHBK is unable to respond effectively to current or future competition, its business, financial condition and results of operations could be adversely affected. In addition, intensifying competition and other factors could lead to reorganisation within the financial services industry, and this could have an adverse effect on MHBK's competitive position or otherwise adversely affect the price of its securities.

***MHBK's business could be significantly disrupted due to natural disasters, accidents or other causes***

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

***Negative rumours about MHBK could have an adverse effect on its business***

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

***Risks related to Bonds generally***

Set out below is a brief description of certain risks relating to the Bonds generally:

***The Bonds may not be a suitable investment for prospective investors***

Prospective investors must determine the suitability of any Bonds in light of their own circumstances. In particular, prospective investors should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained in this document;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Bonds and the impact such investment will have on their overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the terms of the Bonds; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

Additionally, their investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Prospective investors should consult their legal advisors to determine whether and to what extent (1) the Bonds are legal investments for them, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to their purchase of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

***The Bonds are unsecured obligations***

The Bonds are unsecured obligations of the Issuer and as a consequence their repayment may be compromised if the Issuer enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings, there is a default in payment under the Issuer's indebtedness or there is otherwise an acceleration of any of the Issuer's indebtedness. If any of these events occurs, the Issuer's assets may not be sufficient to pay amounts due on any of the Bonds.

***The Bonds are not protected by restrictive covenants***

The Bonds do not contain restrictive financial, operating or other covenants or restrictions, including those on change of control, payment of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Issuer. As a result, the Bondholders will have no influence on the taking of any such corporate action by the Issuer.

***The Bonds are subject to transfer restrictions***

The Bonds will not be registered under the FIEA, and when offered within Japan, they may not be offered or sold, transferred or otherwise disposed to any person other than the Professional Investors, Etc. (*Tokutei Toushika tou*), as defined in Article 2, paragraph 3, Item 2 (b) (2) of the FIEA.

The Issuer has registered a transfer restriction of the Bonds with the Office of the SEC, and the Issuer is bound by the transfer restriction to procure, that no Bond will be transferred to any person other than those (1) qualified as "**Institutional Investors**" and "**High Net Worth Investors**" as defined in the Notification of the Securities and Exchange Commission regarding determination of definitions used in the notifications on the issue and sale of all types of debt instruments and (2) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD (collectively, the "**Qualified Investors**"). As a result, the Issuer and/or the Registrar will not accept or register any transfer of Bonds to any person who is not a Qualified Investor except for the transfer by inheritance.

For a further discussions of the transfer restrictions applicable to the Bonds, see "V. Terms and Conditions of the Bonds – 4.2 Bond Transfer Restrictions."

***Change of law which governs the Bonds may adversely affect Bondholders***

The Terms and Conditions of the Bonds are based on Thai law in effect as at the date of issue of the relevant Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Thai law or administrative practice after the date of issue of the relevant Bonds.

***Modification, waivers and substitution may adversely affect Bondholders and Majority interests in Bondholders' meetings may adversely affect other Bondholders***

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and/or vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Bonds and any agreement relating to the Bonds may be amended by the Issuer and the Bondholders' Representative without consent from a Bondholders' meeting (i) if the Bondholders' Representative deems that such amendment is beneficial to the Bondholders or is made in a manner that would not prejudice the Bondholders' rights, (ii) in order to correct any manifest errors or to ensure that such documents are in line with the relevant laws and regulations or, (iii) in the case of providing a waiver or exemption in respect of any event of default at any time, the occurrence of which would otherwise require the Bondholders' Representative to proceed with acceleration of the Bonds, if the Bondholders' Representative considers that such waiver or exemption is appropriate, taking into account the interest of the Bondholders as its main concern.

***Investors may have difficulty enforcing judgments against the Issuer and its management***

The Issuer is a joint stock corporation (*Kabushiki Kaisha*) (incorporated with limited liability under the laws of Japan). All of its directors, executive officers and corporate auditors are non-residents of Thailand, and substantial portion of its assets and the assets of such individuals are located outside Thailand. As a result, it may not be possible for investors to effect service of process within Thailand upon the Issuer or such persons, or to enforce against any of the Issuer or them judgments obtained in Thai courts, including judgments predicated upon the civil liability provisions of the securities laws of Thailand.

***Risks related to the market generally***

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***The secondary market generally***

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds.

***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Bonds in the THB. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the THB. These include the risk that exchange rates may significantly change (including changes due to devaluation of the THB or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the THB would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks***

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

***Credit ratings may not reflect all risks***

It is expected that the Bonds will be assigned credit ratings of A- by Fitch and national ratings of AAA by Fitch Thailand. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

**U.S. Foreign Account Tax Compliance Withholding**

The United States has passed legislation referred to as Foreign Account Tax Compliance Act ("FATCA") which will impose new information reporting requirements and in some cases 30 per cent. withholding with respect to, among other things, payments made by certain entities. Investors in the Bonds should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

## **MANAGEMENT (BOARD OF DIRECTORS AND CORPORATE AUDITORS)**

MHBK's Articles of Incorporation provide that it shall have not more than 15 Directors and not more than six Corporate Auditors. Directors and Corporate Auditors are elected at general meetings of shareholders, and their terms of office expire at the end of the ordinary general meeting of shareholders, relating to the last business year ending within a year (in the case of Directors) or four years (in the case of Corporate Auditors) from their election. Directors and Corporate Auditors may serve any number of consecutive terms.

The Board of Directors is responsible for the administration of the affairs of MHBK and determines its business policy and other important matters. The Representative Directors, who are authorised individually to represent MHBK, are elected by a resolution of the Board of Directors. The President is appointed from among the directors by a resolution of the Board of Directors. The Board of Directors may, by its resolutions, appoint Chairpersons, Deputy Chairpersons, Deputy Presidents, Senior Managing Directors and Managing Directors from among the Directors.

The Corporate Auditors of MHBK are not required to be certified public accountants. The Corporate Auditors perform duties such as examining the consolidated and non-consolidated financial statements and business reports of MHBK to be submitted annually by a Representative Director to the general meetings of shareholders and respectively preparing his or her audit report based on such examination and a report of an Independent Auditor. They also have the statutory duty of supervising the administration by the Directors of MHBK's affairs. They are obliged to participate in the meetings of the Board of Directors and to express their opinions if it is deemed to be necessary, but are not entitled to vote.

MHBK must appoint, in addition to its Corporate Auditors, an independent certified public accountant or an audit corporation as an Independent Auditor at a general meeting of shareholders, who is under a statutory duty to examine the consolidated and non-consolidated financial statements of MHBK proposed by a Representative Director to be submitted to the general meeting of shareholders, and to report his or her opinion thereon to certain Corporate Auditors designated by the Board of Corporate Auditors to receive such report (if such Corporate Auditors are not designated, all Corporate Auditors) and the Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements).

The Board of Corporate Auditors has a statutory duty to prepare and submit an audit report to the Independent Auditor and certain Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements and the business report). A Corporate Auditor may note his opinion in the audit report if his opinion expressed in his or her audit report is different from the opinion expressed in the audit report issued by an Independent Auditor.

At present, the Directors and Corporate Auditors of MHBK are as follows:

<b>Title</b>	<b>Name</b>
President & CEO (Representative Director)	Nobuhide Hayashi
Deputy President (Representative Director)	Masaaki Kono
Deputy President (Representative Director)	Kosuke Nakamura
Senior Managing Director (Representative Director)	Nobuyuki Fujii
Senior Managing Director	Shusaku Tsuhara
Managing Director	Ryusuke Aya
Managing Director	Junichi Shinbo
Managing Director	Koji Fujiwara
Director	Hideyuki Takahashi
Director	Hirohisa Kashiwazaki

<u>Title</u>	<u>Name</u>
Director	Yasuhiro Sato
Director	Yukio Machida <sup>(1)</sup>
Director	Seiji Koga <sup>(1)</sup>
Director	Toshio Kinoshita <sup>(1)</sup>
Corporate Auditor	Toshinari Iyoda
Corporate Auditor	Makoto Kimura
Corporate Auditor	Yuta Chiba
Corporate Auditor	Masami Ishizaka <sup>(2)</sup>
Corporate Auditor	Isao Imai <sup>(2)</sup>
Corporate Auditor	Toshiaki Hasegawa <sup>(2)</sup>

Notes:

- (1) Messers. Machida, Koga and Kinoshita satisfy the requirements for an “outside director” under the Companies Act.
- (2) Messers. Ishizaka, Imai and Hasegawa satisfy the requirements for an “outside corporate auditor” under the Companies Act.

All the Directors and Corporate Auditors are engaged in the business of MHBK and its subsidiaries on a full-time basis, except for Messrs. Kono, Tsuchihara, Aya, Shinbo, Fujiwara, Takahashi, Sato, Machida, Koga, Ishizaka, Imai and Hasegawa. Messers. Kono, Tsuchihara, Aya, Shinbo, Fujiwara, Takahashi and Sato are a Director (full-time) of MHFG. Mr. Sato is also a Director of Mizuho Trust & Banking and Mizuho Securities. Messers. Machida, Koga, Imai and Hasegawa are an attorney-at-law. Mr. Ishizaka is a chairman of Okura Zaimu Kyokai. The business address of the Directors is 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8176.

Further, MHBK has in place an Executive Officer System in order to separate management decisions from execution thereof and to clarify the authority and responsibility of management of the company. The President controls the business of MHBK and its subsidiaries as the chief executive officer in the execution of the business based on the basic management policy decided by the Board of Directors.

## INFORMATION RELATING TO THE OFFERING FOR SALE OF THE BONDS

Mizuho Bank, Ltd. (the “**Issuer**”), having its registered office at 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo, 100-8176, Japan intends to offer the Bonds for sale in accordance with the details and conditions set forth below.

### 1. **General Description of the Bonds and the Offering**

The Bonds are subject to the Terms and Conditions. See “IV. Information on the Bonds – Summary of the Terms and Conditions of the Bonds or Final Terms of Individual Issuance of Bonds:” and “V. Terms and Conditions of the Bonds.”

### 2. **Transfer restrictions**

For a further discussions of the transfer restrictions applicable to the Bonds, see “V. Terms and Conditions of the Bonds – 4.2 Bond Transfer Restrictions.”

### 3. **Subscription, Allocation and Selling Restrictions**

#### 3.1. **Offering Method**

The offering of the Bonds is made through the Underwriters in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 14/2552 Re: *The Offer for Sale of Foreign Bonds or Foreign Debentures in Thailand* dated March 13, 2009, as amended.

The Bonds will only be offered and allocated to subscribers who (1) are “**Institutional Investors**” and “**High Net Worth Investors**,” as respectively defined in Clause 3(2)(a) and Clause 3(2)(b) of the Notification No. GorJor. 5/2552 and (2) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD (collectively, the “**Qualified Investors**”).

(a) The types of the Institutional Investors referred to above are as follows:

- (1) Bank of Thailand;
- (2) commercial banks;
- (3) banks established under specific law;
- (4) finance companies;
- (5) credit foncier companies;
- (6) securities companies;
- (7) non-life insurance companies;
- (8) life insurance companies;
- (9) mutual funds;
- (10) private funds managed by securities companies for investment of investors under (1) to (9) or (11) to (26) or high net worth investors;
- (11) provident funds;
- (12) Government Pension Fund;
- (13) Social Security Fund;
- (14) National Savings Fund;

- (15) Financial Institutions Development Fund;
- (16) derivatives business operators under the law on derivatives;
- (17) future business operators under the law on agricultural futures trading;
- (18) international financial institutions;
- (19) Deposit Protection Agency;
- (20) Stock Exchange of Thailand;
- (21) juristic persons in the category of statutory corporation;
- (22) juristic persons whose shares are held by persons under (1) to (21) in an aggregate amount exceeding seventy five per cent of the total number of shares with voting rights;
- (23) foreign investors having similar characteristics to investors under (1) to (22);
- (24) fund managers whose names are registered as qualified fund manager under the Notification of the Office of the SEC concerning rules, conditions and procedures for appointing and performing of duties of fund manager; and
- (25) derivatives fund managers whose names are registered as qualified derivatives fund manager under the Notification of the Office of the SEC concerning rules, conditions and procedures for appointing and performing of duties of derivatives fund manager.

(b) The types of the High Net Worth Investors referred to above are as follows:

- (1) a juristic person having any of the following characteristics:
  - (i) having shareholder equity as appeared in its latest audited financial statements of Baht 100 million or more; or
  - (ii) having direct investment in securities or derivatives as appeared in its latest audited financial statements of Baht 20 million or more;
- (2) an individual when combining with spouse having any of the following characteristics:
  - (i) having net asset value of Baht 50 million or more, excluding value of property which is a permanent residence of such individual;
  - (ii) having annual income of Baht 4 million or more; or
  - (iii) having direct investment in securities or derivatives of Baht 10 million or more.

### **3.2. Underwriters**

The Siam Commercial Bank Public Company Limited  
 9 Rutchadapisek Road  
 Jatujak  
 Bangkok 10900  
 Tel: +662-544-5740  
 Fax: +662-937-7969

TISCO Securities Company Limited  
 4th Floor, TISCO Tower  
 48/8 North Sathorn Road  
 Bangrak, Bangkok 10500  
 Tel: +662-633-6441-45  
 Fax: +662-633-6450

### 3.3. Conditions with respect to the Arrangement of the Bond Offering

The Issuer has appointed the Underwriters whose names and addresses are as specified in Clause 3.2 above as Underwriters to the Bond transaction. In respect of the arrangement for the offering and sale of the Bonds, each of the Underwriters agrees to manage, arrange and procure subscriptions by Institutional Investors and High Net Worth Investors in accordance with and subject to the terms and conditions specified in the Underwriting Agreement dated on or around September 24, 2015 entered into between the Issuer and the Underwriters. In performing such duties, each of the Underwriters: (i) has already obtained all relevant license(s) required under the applicable laws and regulations of Thailand; (ii) must comply with the Notification TorThor. 70/2552 and other relevant regulations applicable to it in relation to the offering and allocation of the Bonds.

### 3.4. Estimate Amount of Bond Proceeds to be Received by the Issuer and Expenses Incurred in connection with the Bond Offering

(a) Estimate amount of the Bond proceeds to be received by the Issuer

- The estimate amount of net proceeds to be received by the Issuer from the sale of the Bonds will be THB 3,000,000,000.

(b) Estimate amounts of fees and expenses incurred in connection with the Bond offering:

- Registration statement filing fee THB 53,500
- Other expenses\* THB 17,000,000

\* Other expenses include the approximate fees payable to the relevant third parties, e.g. the Underwriters, the Bondholders' Representative, the Registrar, the Guarantor, legal advisors and credit rating agencies, costs of printing the prospectuses, subscription forms and other documents and publication costs, roadshow expenses and application fee for registering of the Bonds with the Thai Bond Market Association.

### 3.5. Obtaining of the Prospectuses, Subscription Forms and Subscription Period

(a) Any prospective subscriber may obtain the prospectuses and subscription forms at the offices of the Underwriters (as specified in Clause 3.2) during business hours and days of each such Underwriter no later than September 25, 2015.

(b) The subscription period of the Bonds is September 25, 2015 (the "**Subscription Period**"), during business hours/days of the office of each of the Underwriters as specified in Clause 3.2 above. During the Subscription Period, subscribers may subscribe for the Bonds from any of the Underwriters, in accordance with procedures, details and conditions specified in Clause 3.6 below.

### 3.6. Date and Method for Subscription and Settlement

(a) Each subscriber shall duly, completely and clearly fill in and sign the subscription form and affix the company seal (if any) thereto.

(b) The subscriber may submit the completed subscription form to any Underwriter at its office specified in Clause 3.2 during the business hours/days of such Underwriter during the Subscription Period.

(c) In subscribing for the Bonds, (i) a subscriber who is qualified as an Institutional Investor is required to subscribe for a minimum of 100 units of Bonds or THB 100,000 in value and, if more, in a multiple of 10 units of Bonds or THB 10,000 in value; and (ii) a subscriber who is qualified as a High Net Worth Investor is required to subscribe for a minimum of 100 units of Bonds or THB 100,000 in value and, if more, in a multiple of 100 units of Bonds or THB 100,000 in value.

(d) Subscription payments for the Bonds shall be made by subscribers on the date of subscription in full in a single payment in the form of:

- (1) in the case of payment by an Institutional Investor only: cheque, cashier's cheque or bank draft which can be settled at any clearing house in Bangkok Metropolis, and payment shall be made simultaneously with the submission of the subscription form. Such cheque, cashier's cheque or bank draft must be dated no later than the Issue Date of the Bonds, crossed "A/C Payee Only" and made payable to the following accounts namely:

"Subscription Account for Bonds of Mizuho Bank, Ltd. No. 1/2558"

- (2) in the case of payment by either an Institutional Investor or a High Net Worth Investor: cash payment or wire transfer or payment through BAHTNET SYSTEM, (i) in the case of payment by an Institutional Investor, by no later than 10.00 a.m. on the Issue Date of the Bonds; and (ii) in the case of payment by a High Net Worth Investor, by no later than September 25, 2015, provided that only the Institutional Investors (and not the High Net Worth Investors) can make the payment via BATHNET SYSTEM; and the payment by way of wire transfer must be made from and to accounts opened with the same bank. The payment by wire transfer or via BAHTNET SYSTEM must be transferred to the following accounts namely:

"Subscription Account for Bonds of Mizuho Bank, Ltd. No. 1/2558"

- (e) Subscribers for the Bonds are required to submit the following documents together with their subscription forms and payments:

- (1) Documents showing authorization

- (i) For subscribers who are entities incorporated in Thailand:

- A copy of the most recent affidavit issued by the Ministry of Commerce which is not more than 1 year old, certified as a true and correct copy by authorized signatories of such entity, with its common seal (if any) affixed thereto; and
- A certified copy of the citizenship identity card, alien certificate or passport, as the case may be, of the authorized signatory of such entity.

- (ii) For subscribers who are entities incorporated in foreign countries:

- Copies of the certificate of incorporation, Memorandum of Association, Articles of Association, and the most recent affidavit which are not more than 1 year old, certified as true and correct by the authorized signatory of such entity, with its common seal (if any) affixed thereto; and
- A certified copy of the passport of authorized signatory of such juristic person.

- (iii) For subscribers who are individuals residing in Thailand:

- A certified copy of the citizenship identity card or (if the subscriber does not have an identification card) certified copies of the card issued by the governmental entity and house registration document containing the identification card number of the subscriber).

- (iv) For subscribers who are individuals residing outside of Thailand:

- A certified copy of the foreign certificate or passport.

- (2) Documents for Japanese tax purposes:

- (i) Evidence showing that the relevant subscriber has opened a securities account into which the Bonds are to be deposited with a custodian (which shall mean a custodian bank licensed under Thai law to receive payments with respect to the Bonds on behalf of that subscriber) which is a participant of TSD; and

- (ii) Evidence showing that the custodian with which the subscriber opened a securities account is capable to provide TSD with a certificate with regard to the proportion of its position that is held on behalf of “Gross Recipients” and the proportion that is held on behalf of “Net Recipients” pursuant to under the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) (the “**Special Taxation Measures Act**”) and the Cabinet Order (Cabinet Order No. 43 of 1957) (the “**Cabinet Order**”), or any amendments thereto.

For the purpose of this 3.6 (e) (2), “**Gross Recipient(s)**” shall mean a beneficial owner that is:

- for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person who has a special relationship with the issuer of the Bonds as described in Article 6, paragraph (4) of the Special Taxation measures Act;
- a Japanese financial institution, designated in Article 3-2-2, Paragraph 29 of the Cabinet Order; or
- an individual resident of Japan or a Japanese corporation whose receipt of interest on the Securities is made through a payment handling agent in Japan as defined in Article 2-2, Paragraph 2 of the Cabinet Order, and

“**Net Recipient(s)**” shall mean a beneficial owner who does not fall under the Gross Recipients.

- (f) Subscriptions for the Bonds shall be made at the office of any Underwriter (as specified in Clause 3.2 above) in accordance with the procedures, rules and conditions (other than those specified above) as provided by each of the Underwriters at its place of subscription.
- (g) Subscribers who have submitted their subscription forms and made payments for their subscriptions may not cancel their subscriptions or request a refund of their subscription payments, except as specified in paragraph (h) below.
- (h) If any of the Underwriters is informed by the Issuer that there has occurred any event causing or requiring the Issuer to suspend or cancel the offering of the Bonds or to be unable to issue or deliver the Bonds to subscribers, the subscribers who have subscribed and made payments for the Bonds will be entitled to a refund of their subscription payments as specified in Clause 3.9 below.
- (i) Subscribers will not be entitled to receive any interest or compensation during the period from (and including) the subscription date to the Issue Date of the Bonds.

### **3.7. Allocation of Bonds**

(a) Restrictions on Allocation

The Underwriters will offer and allocate the Bonds only to subscribers who are qualified as Institutional Investors and High Net Worth Investors who have represented to the Underwriters that they can get access and examine information necessary for making decision to invest in the Bonds by themselves and they agree and accept that an allocation of Bonds may not be made on a fair allocation basis. Therefore, according to Clause 7(1)(a)6 of the Notification TorThor. 70/2552, each of the Underwriters is not prohibited to allocate the Bonds to: (i) itself, the directors, management, major shareholders, persons with a controlling influence, parent company and subsidiary(ies) of such Underwriter and any related person of the foregoing persons; and (ii) mutual funds having the characteristics as prescribed in Clauses 6(3) and 6(4) of the Notification TorThor. 70/2552.

(b) Allocation of the Bonds

The allocation of the Bonds to subscribers shall be at the absolute discretion of the Issuer and the Underwriters. The Issuer and the Underwriters may allocate any amount of the Bonds to any person or may refuse to allocate the Bonds subscribed by any subscribers as they deem appropriate.

(c) Cancellation of Subscription

The Underwriters are entitled to revoke or cancel any subscription for the Bonds by any subscriber who fails to comply with the procedures indicated in Clause 3.6 above or whose payment of subscription price by a crossed cheque or cashier cheque is not honoured upon presentation thereof.

A subscriber is entitled to revoke the subscription for the Bonds in the event that the Issuer suspends or ceases the offering of the Bonds or is unable to deliver the offered Bonds, from the announcement date of the suspension or cessation of the offering or the Issuer's inability to deliver the Bonds to (and including) the last Business Day of the Subscription Period (the "**Revocation Period**").

**3.8. Procedure for Refunding Subscription Payments in case of Excess Subscriptions**

If a subscriber is not allocated any Bond or is allocated Bonds in an amount less than that subscribed for, each of the Underwriters will return the subscription payments received by it to the subscriber without interest and/or compensation thereon by delivering a crossed cheque payable to the subscriber by registered post at the address indicated in the subscription form within 10 (ten) Business Days from the last day of the Subscription Period. However, if any Underwriter cannot return the payment to the subscriber within such time period, the subscriber shall be entitled to receive from such Underwriter interest at a rate of 7.5 per cent per annum on such unpaid amount calculated from (and including) the day following the last day of the 10 (ten) Business-Day period specified above to (but excluding) the actual payment date. Mailing of a cheque to the subscriber within the period of time specified above by registered post at the address shown in the subscription form shall be deemed to constitute valid refund of such moneys and upon such mailing the subscriber shall have no right to claim for any interest or compensation.

**3.9. Procedure for Refunding Subscription Payments in case of Repression or Cessation**

If a subscriber revoke the subscription for the Bonds as specified in the second paragraph of Clause 3.7(c) above, each of the Underwriters will return the subscription payments received by it to the subscriber without interest and/or compensation thereon by delivering a crossed cheque payable to the subscriber by registered post at the address indicated in the subscription form within 14 (fourteen) days from the last day of the Revocation Period, or the last day of the Subscription Period in case of (b) above. However, if any Underwriter cannot return the payment to the subscriber within such time period, the subscriber shall be entitled to receive from such Underwriter interest at a rate of 7.5 per cent per annum on such unpaid amount calculated from (and including) the day following the last day of the 14 (fourteen) day period specified above to (but excluding) the actual payment date. Mailing of a cheque to the subscriber within the period of time specified above by registered post at the address shown in the subscription form shall be deemed to constitute valid refund of such moneys and upon such mailing the subscriber shall have no right to claim for any interest or compensation.

**4. Delivery of Bonds**

The Issuer will procure that the Registrar credits the allocated Bonds to the account maintained with the participants of TSD as specified in the subscription form within 7 (seven) Business Days from the last day of the Subscription Period. The Registrar will record in the register of the Bonds that TSD is holding the Bonds on behalf of the subscriber(s).

## TAXATION

The following is a general guide and should be treated with appropriate caution. Prospective investors who are in any doubt as to their tax position should consult their own professional advisers.

### Japan

*The following is a general description of certain Japanese tax aspects of the Bonds and does not purport to be a comprehensive description of the tax aspects of the Bonds. Prospective investors should note that, although the general tax information on Japanese taxation is described hereunder for convenience, the statements below are general in nature and not exhaustive.*

*Prospective investors are advised to consult their own legal, tax, accountancy or other professional advisers in order to ascertain their particular circumstances regarding taxation. The statements below are based on current tax laws and regulations in Japan and current tax treaties executed by Japan all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). Neither such statements nor any other statements in this document are to be regarded as advice on the tax position of any beneficial owner of the Bonds or any person purchasing, selling or otherwise dealing in the Bonds or any tax implication arising from the purchase, sale or other dealings in respect of the Bonds.*

### Representation by Investors upon Primary Distribution

BY SUBSCRIBING FOR THE BONDS, AND INVESTOR WILL BE DEEMED TO HAVE REPRESENTED IT IS A BENEFICIAL OWNER THAT IS, (I) FOR JAPANESE TAX PURPOSES, NEITHER (A) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (B) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES ACT OR (II) A JAPANESE FINANCIAL INSTITUTION, DESIGNATED IN ARTICLE 3-2-2, PARAGRAPH 29 OF THE CABINET ORDER.

### The Bonds are Not "Taxable-Linked Securities"

The Bonds do not constitute "taxable linked securities" as prescribed by Article 6, paragraph 4 of Special Taxation Measures Act (being securities for which the amount of interest is to be calculated by reference to certain indexes (as prescribed by Article 3-2-2, paragraph 8 of the Cabinet Order) relating to the Issuer or a specially-related person of the Issuer).

### Capital Gains, Stamp Tax and Other Similar Taxes, Inheritance and Gift Taxes

Gains derived from the sale of Bonds outside Japan by an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan are, in general, not subject to Japanese income tax or corporate tax.

No stamp, issue, registration or similar taxes or duties will, under current Japanese law, be payable in Japan by Bondholders in connection with the issue of the Bonds, nor will such taxes be payable by Bondholders in connection with their transfer if such transfer takes place outside Japan.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual, wherever resident, who has acquired Bonds from another individual as legatee, heir or donee.

### Interest Payments

*The following description of Japanese taxation (limited to national taxes) applies exclusively to interest on the Bonds and (i) any issue differential, meaning any difference between the issue price of the Bonds bearing interest and the amount which the holder receives upon redemption of such interest-bearing Bonds, which is payable on or before December 31, 2015 or (ii) any redemption gain, meaning any*

*difference between the acquisition price of the interest-bearing Bonds of the holder and the amount which the holder receives upon redemption of such interest-bearing Bonds, which is payable on or after January 1, 2016 (collectively, "Issue Differential"), where such Bonds are issued outside Japan on or after April 1, 2010 and payable outside Japan. It does not address the tax treatment of the original issue discount of Bonds that fall under "discounted bonds" as prescribed by the Special Taxation Measures Act. In addition, the following description assumes that, on or after January 1, 2016, no coupons that are traded separately from the Bonds are issued; otherwise different tax consequences may apply. It is not intended to be exhaustive and prospective investors are recommended to consult their tax advisers as to their exact tax position.*

## **1 Non-resident Investors**

If the recipient of interest on the Bonds or of the Issue Differential with respect to interest-bearing Bonds is an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes, as described below, the Japanese tax consequences on such individual non-resident of Japan or non-Japanese corporation are significantly different depending upon whether such individual non-resident of Japan or non-Japanese corporation is a specially-related person of the Issuer (as defined below). Most importantly, if such individual non-resident of Japan or non-Japanese corporation is a specially-related person of the Issuer (as defined below), income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Issuer under Japanese tax law.

### **1.1 Interest**

- (1) If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of the interest on the Bonds is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no Japanese income tax or corporate tax is payable with respect to such interest whether by way of withholding or otherwise, if such recipient complies with certain requirements, *inter alia*:
  - (i) if the relevant Bonds are held through a certain participant in an international clearing organisation such as TSD or a certain financial intermediary prescribed by the Special Taxation Measures Act and the relevant Cabinet Order (together with the Special Taxation Measures Act and the ministerial ordinance and other regulations thereunder, the "**Act**") (each, a "**Participant**"), the requirement to provide, at the time of entrusting a Participant with the custody of the relevant Bonds, certain information prescribed by the Law to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the "**Interest Recipient Information**"), and to advise the Participant if such individual non-resident of Japan or non-Japanese corporation ceases to be so exempted (including the case where it became a specially-related person of the Issuer (as defined below)); and
  - (ii) if the relevant Bonds relating thereto are not held by a Participant, the requirement to submit to the relevant paying agent a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (the "**Written Application for Tax Exemption**"), together with certain documentary evidence.

Failure to comply with such requirements described above including the case where the Interest Recipient Information is not duly communicated

as required under the Law will result in the withholding by the Issuer of income tax at the rate of 15.315 per cent. of the amount of such interest.

- (2) If the recipient of interest on the Bonds is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of interest is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such interest will not be subject to a 15.315 per cent. withholding tax by the Issuer, if the recipient provides the Interest Recipient Information or submits the Written Application for Tax Exemption as set out in paragraph 1.1(1) above. Failure to do so will result in the withholding by the Issuer of income tax at the rate of 15.315 per cent. of the amount of such interest. The amount of such interest will be aggregated with the recipient's other Japanese source income and will be subject to regular income tax or corporate tax, as appropriate.
- (3) Notwithstanding paragraphs 1.1(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a person who has a special relationship with the Issuer (that is, in general terms, a person who directly or indirectly controls or is directly or indirectly controlled by, or is under direct or indirect common control with, the Issuer) within the meaning prescribed by the Cabinet Order under Article 6, Paragraph 4 of the Special Taxation Measures Act (such person is referred to as a "**specially-related person of the Issuer**") as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, the exemption from Japanese withholding tax on interest mentioned above will not apply, and income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Issuer. If such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan, regular income tax or corporate tax, as appropriate, collected otherwise by way of withholding, could apply to such interest under Japanese tax law.
- (4) If an individual non-resident of Japan or a non-Japanese corporation (regardless of whether it is a specially-related person of the Issuer) is subject to Japanese withholding tax with respect to interest on the Bonds under Japanese tax law, a reduced rate of withholding tax or exemption from such withholding tax may be available under the relevant income tax treaty between Japan and the country of tax residence of such individual non-resident of Japan or non-Japanese corporation. As of the date of this document, Japan has an income tax treaty with Thailand, whereby the above-mentioned withholding tax rate is reduced to 10 per cent only if the Thai resident who is the recipient of the interest is a financial institution as defined under that treaty. Japan also has income tax treaties, conventions or agreements whereby the above-mentioned withholding tax rate is reduced, generally to 10 per cent. with, *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland and the United States of America. Japan signed with the United Kingdom and Sweden protocols amending the tax treaties between the respective governments, whereby interest paid to qualified United Kingdom and Swedish residents is generally exempt from Japanese withholding tax, which apply to interest to be payable on or after January 1, 2015. Japan and the United States of America have also signed an amending protocol generally exempting interest from Japanese withholding tax; however, this amending protocol has not yet

entered into force. Under the current income tax treaty between Japan and the United States of America, certain limited categories of qualified United States residents receiving interest on the Bonds may, subject to compliance with certain procedural requirements under Japanese law, be fully exempt from Japanese withholding tax for interest on the Bonds. Under the income tax treaties with France, Australia, the Netherlands and Switzerland, similar exemptions to those provided in the current income tax treaty between Japan and the United States of America will be available (provided that no exemption will apply to pension funds in the case of Australia). In order to avail themselves of such reduced rate of, or exemption from, Japanese withholding tax under any applicable income tax treaty, individual non-residents of Japan or non-Japanese corporations which are entitled, under any applicable income tax treaty, to a reduced rate of, or exemption from, Japanese withholding tax on payment of interest by the Issuer are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Interest (as well as any other required forms and documents) in advance through the Issuer to the relevant tax authority before payment of interest.

- (5) Under the Law, (a) if an individual non-resident of Japan or a non-Japanese corporation that is a beneficial owner of the Bonds becomes a specially-related person of the Issuer, or an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the Issuer becomes a beneficial owner of the Bonds, and (b) if such Bonds are held through a Participant, then such individual non-resident of Japan or non-Japanese corporation should notify the Participant of such change in status by the immediately following interest payment date of the Bonds. As described in paragraph 1.1.(3) above, as the status of such individual non-resident of Japan or non-Japanese corporation as a specially-related person of the Issuer for Japanese withholding tax purposes is determined based on the status as of the beginning of the fiscal year of the Issuer in which the relevant interest payment date falls, such individual non-resident of Japan or non-Japanese corporation should, by such notification, identify and advise the Participant of the specific interest payment date on which Japanese withholding tax starts to apply with respect to such individual non-resident of Japan or non-Japanese corporation as being a specially-related person of the Issuer.

## **1.2 Issue Differential**

- (1) If the recipient of the Issue Differential with respect to the Bonds is an individual non-resident of Japan or a non-Japanese corporation having no permanent establishment within Japan or having a permanent establishment within Japan but where the receipt of such Issue Differential is not attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, no income tax or corporate tax is payable by way of withholding or otherwise with respect to such Issue Differential.
- (2) If the recipient of the Issue Differential with respect to the Bonds is an individual non-resident of Japan or a non-Japanese corporation having a permanent establishment within Japan and the receipt of such Issue Differential is attributable to the business of such individual non-resident of Japan or non-Japanese corporation carried on within Japan through such permanent establishment, such Issue Differential will not be subject to any

withholding tax but will be aggregated with the recipient's other Japanese source income which is subject to Japanese taxation and subject to regular income tax or corporate tax, as appropriate.

- (3) Notwithstanding paragraphs 1.2(1) and (2) above, if an individual non-resident of Japan or a non-Japanese corporation mentioned above is a specially-related person of the Issuer as of the beginning of the fiscal year of the Issuer in which such individual non-resident of Japan or non-Japanese corporation acquired such Bonds, the Issue Differential will not be subject to withholding tax but will be subject to regular income tax or corporate tax, as appropriate, under Japanese tax law, regardless of whether such individual non-resident of Japan or non-Japanese corporation has a permanent establishment within Japan; provided that exemption may be available under the relevant income tax treaty.

## 2 Resident Investors

If the recipient of interest on the Bonds is an individual resident of Japan or a Japanese corporation for Japanese tax purposes, as described below, regardless of whether such recipient is a specially-related person of the Issuer, in addition to any applicable local tax, income tax will be withheld at the rate of 15.315 per cent. of (i) the amount of such interest, if such interest is paid to an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below) which complies with the requirement for tax exemption under Article 6, Paragraph 9 of the Special Taxation Measures Act) (except as provided in item (ii) below) or (ii) the amount of such interest minus the amount provided in the Cabinet Order relating to Article 3-3, Paragraph 6 of the Special Taxation Measures Act, if such interest is paid to a Public Corporation (as defined below) or a Specified Financial Institution (as defined below) through the Japanese Custodian (as defined below) in compliance with the requirement for tax exemption under Article 3-3, Paragraph 6 of the Special Taxation Measures Act (on or after January 1, 2016, notwithstanding item (ii) above, no amount of interest is subject to withholding tax, if such interest is paid to a Public Corporation (as defined below) or a Specified Financial Institution (as defined below) through the Japanese Custodian (as defined below) in compliance with the requirement for tax exemption under Article 3-3, Paragraph 6 of the Special Taxation Measures Act). In addition to the withholding tax consequences upon resident investors as explained in this section 2, resident investors should consult their own tax advisors regarding their regular income tax or corporate tax consequences other than by way of withholding, bearing in mind, especially for individual residents of Japan, the change to the taxation regime of Bonds taking effect on January 1, 2016.

### 2.1 Interest

- (1) If an individual resident of Japan or a Japanese corporation (other than a Specified Financial Institution (as defined below) or a Public Corporation (as defined below), who complies with the requirement as referred to in paragraph 2.1(2) below) receives payments of interest on the Bonds through certain Japanese payment handling agents (each a "**Japanese Payment Handling Agent**"), income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Japanese Payment Handling Agent rather than by the Issuer. As the Issuer is not in a position to know in advance the recipient's status, the recipient of interest falling within this category should inform the Issuer through the relevant paying agent of its status in a timely manner. Failure to so inform may result in double withholding.
- (2) If the recipient of interest on the Bonds is a Japanese public corporation or a Japanese public-interest corporation designated by the relevant law (*Kokyohojin tou*) (a "**Public Corporation**") or a Japanese bank, a Japanese insurance company, a Japanese financial instruments business operator or other Japanese financial institution falling

under certain categories prescribed by the relevant Cabinet Order under Article 3-3, Paragraph 6 of the Special Taxation Measures Act (each, a “**Specified Financial Institution**”) that keeps its Bonds deposited with, and receives the interest through, a Japanese Payment Handling Agent with custody of the Bonds (the “**Japanese Custodian**”) and such recipient submits through such Japanese Custodian to the competent tax authority the report prescribed by the Law, no withholding tax is levied on (i) (if interest is to be paid on or before December 31, 2015) such portion of interest as is prescribed by the relevant Cabinet Order as that which is corresponding to the period the Bonds were held by such recipient or (ii) (if interest is to be paid on or after January 1, 2016) the full amount of interest. However, since the Issuer is not in a position to know in advance the recipient’s such tax exemption status, the recipient of interest falling within this category should inform the Issuer through the relevant paying agent of its status in a timely manner. Failure to so notify the Issuer may result in the withholding by the Issuer of a 15.315 per cent. income tax. Any amount of interest received by such Public Corporation or Specified Financial Institution in excess of the non-taxable portion described above is subject to income tax of 15.315 per cent. of such excess amount to be withheld by the Japanese Custodian.

- (3) If an individual resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below) which complies with the requirements described in paragraph 2.1(4) below) receives interest on the Bonds not through a Japanese Payment Handling Agent, income tax at the rate of 15.315 per cent. of the amount of such interest will be withheld by the Issuer.
- (4) If a Japanese bank, Japanese insurance company, Japanese financial instruments business operator or other Japanese financial institution falling under certain categories prescribed by the Cabinet Order under Article 6, Paragraph 9 of the Special Taxation Measures Act (each, a “**Designated Financial Institution**”) receives interest on the Bonds not through a Japanese Payment Handling Agent and such recipient complies with the requirement, *inter alia*, to provide the Interest Recipient Information or to submit the Written Application for Tax Exemption as referred to in paragraph 1.1 (1) above, no withholding tax will be imposed.

## **2.2 Issue Differential**

If the recipient of the Issue Differential with respect to interest-bearing Bonds is an individual resident of Japan or a Japanese corporation, such Issue Differential will not be subject to any withholding tax.

## **3 Special Additional Tax for Reconstruction From the Great East Japan Earthquake**

Due to the imposition of a special additional withholding tax of 0.315 per cent. (or 2.1 per cent. of 15 per cent.) to secure funds for reconstruction from the Great East Japan Earthquake, the withholding tax rate has been effectively increased to 15.315 per cent. during the period beginning on January 1, 2013 and ending on December 31, 2037. There is also a special additional tax imposed upon regular income tax, due other than by way of withholding, for individual non-residents of Japan as referred to in the foregoing descriptions, for a certain period.

## **Thailand**

### **1. Income Tax**

#### **1.1. Bondholder who is a resident of Thailand**

##### **1.1.1 Individual**

In considering a residency of an individual, Thai tax law disregards the nationality of such individual. The individual Bondholder is deemed to be a tax resident of Thailand if he/she

has resided in Thailand for a period or periods aggregating 180 (one hundred and eighty) days or more in the same calendar year (the "**Resident Individual Bondholder**").

(a) Interest

Interest received by the Resident Individual Bondholder is subject to 15 per cent. withholding tax.

(b) Capital Gains

A capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Bonds is subject to 15 per cent. withholding tax.

A Resident Individual Bondholder, however, has the right to elect to pay tax at the withholding tax rate prescribed in (i) or (ii) above, without having to include such interest or capital gain with his other income for the purpose of calculating personal income tax. If the Resident Individual Bondholder elects to include the interest or capital gain with his other income for the purpose of calculating personal income tax, he will be entitled to treat the tax so withheld as a credit.

#### 1.1.2 Company or Juristic Partnership

A Bondholder, which is a company or a juristic partnership established pursuant to the laws of Thailand, or established pursuant to a foreign law but doing business in Thailand, a foundation or an association, excluding one which is specified by a ministerial notification to be a public charity organization or institution pursuant to section 47(7) (b) of the Revenue Code, (the "**Resident Corporate Bondholder**") will have the following tax liabilities:

(a) Interest

Interest received by a Resident Corporate Bondholder which is a company or a juristic partnership, which includes a commercial bank, a finance company, a securities company or a credit foncier company, is subject to 1 per cent. withholding tax. The Resident Corporate Bondholder must include interest in their revenue for the purpose of calculating corporate income tax and will be entitled to treat the tax so withheld as a credit.

Interest received by the Resident Corporate Bondholder which is a foundation or an association that is not a public charity organization or institution is subject to 10 per cent. withholding tax.

(b) Capital Gains

Capital gains are not subject to withholding tax. The portion in excess of the original investment must be included in the revenue of the Resident Corporate Bondholder for the purpose of calculating corporate income tax.

## 1.2. Bondholder who is not a resident of Thailand

### 1.1.3 Individual

(a) Interest

Except where the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Bondholder provide otherwise, interest received by the Bondholder who is not the Resident Individual Bondholder (the "**Non-Resident Individual Bondholder**") from or within Thailand, is subject to 15 per cent. withholding tax.

(b) Capital Gains

Except where the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Non-Resident Individual Bondholder provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition of the Bonds, paid from or within Thailand, is subject to 15 per cent. withholding tax.

1.1.4 Company or Juristic Partnership

A Bondholder, which is a company or a juristic partnership established pursuant to a foreign law and not doing (or not being deemed to be doing) business in Thailand or not having a permanent establishment in Thailand (the "**Non-Resident Corporate Bondholder**") will have the following tax liabilities:

(a) Interest

Unless the terms and conditions of double taxation agreement entered into between Thailand and the resident country of the Non-Resident Corporate Bondholder provide otherwise, interest received by the Non-Resident Corporate Bondholder which is paid from or within Thailand is subject to 15 per cent. withholding tax.

(b) Capital Gains

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the Non-Resident Corporate Bondholder provide otherwise, a capital gain received from the transfer of the Bonds, which is paid from or within Thailand, is subject to 15 per cent. withholding tax.

**2. Specific Business Tax**

A Bondholder who carries on business in Thailand may be subject to a 0.01 per cent. specific business tax (SBT) plus 10 per cent. municipal tax which is levied on such SBT for interest of the Bonds received by the Bondholders or gains before deduction of any expenses from the sale or other transfer of the Bonds, if such interest or gains are considered to be income derived from a business of banking under the law governing commercial banking or any other specific law, an undertaking of finance business, securities business and credit foncier business under the laws governing finance business, securities business and credit foncier business or a business similar to that of commercial banking.

**3. Stamp Duty**

A sale or other transfer of the Bonds is exempt from stamp duty.

**U.S. Foreign Account Tax Compliance Withholding**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010, the Issuer and other non-U.S. financial institutions through which payments on the bonds are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made

after December 31, 2016 in respect of (i) any bonds issued or materially modified on or after the later of (a) July 1, 2014, and (b) the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register and (ii) any bonds which are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be triggered on payments on the bonds if (i) the Issuer is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement (an “**FFI Agreement**”) with the U.S. Internal Revenue Service (“**IRS**”) to provide certain information on its account holders (making the Issuer a “**Participating FFI**”), (ii) the Issuer is required to withhold on “foreign passthru payments”, and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such bonds is made is not a Participating FFI or otherwise exempt from FATCA withholding.

## FINANCIAL STATEMENTS

## **I . Fiscal Year Ended March 31, 2015**

### Financial Information

1. The consolidated financial statements of Mizuho Bank, Ltd. (“MHBK”) are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter the “Ordinance on Consolidated Financial Statements”). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982).
2. The non-consolidated financial statements of MHBK are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter the “Ordinance on Financial Statements, etc.”). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982).
3. The consolidated financial statements and the non-consolidated financial statements of MHBK for the year ended March 31, 2015 were audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
4. MHBK sincerely endeavors to secure appropriateness of consolidated financial statements or the like. Specifically, in order to comprehend the detail of accounting standards and other regulations and properly respond to the amendments and changes thereof, we have joined relevant organizations such as Financial Accounting Standards Foundation and Japanese Bankers Association, and gather information, dispatch our opinion in a proactive manner, and participate in training seminars held thereby. With regard to amendments and changes to important accounting standards and other regulations, proposals or reports are properly made at the Board of Directors, in particular.

1. Consolidated Financial Statements and Others  
(1) Consolidated Financial Statements  
1) Consolidated Balance Sheet

(Millions of Yen)

		As of March 31, 2014		As of March 31, 2015
<b>Assets</b>				
Cash and Due from Banks	*8	19,415,640	*8	26,011,670
Call Loans and Bills Bought		479,655		472,438
Receivables under Resale Agreements		729,856		598,521
Receivables under Securities Borrowing Transactions		388,060		133,336
Monetary Claims Bought		3,205,466		3,191,117
Trading Assets	*8	4,783,631	*8	5,253,810
Money Held in Trust		2,808		3,249
Securities	*1,*2,*8,*16	41,662,369	*1,*2,*8,*16	40,785,819
Loans and Bills Discounted	*3,*4,*5,*6,*7,*8,*9	66,880,997	*3,*4,*5,*6,*7,*8,*9	71,313,641
Foreign Exchange Assets	*7	1,564,543	*7	1,604,600
Derivatives		2,828,725		3,557,381
Other Assets	*8	1,499,765	*8	2,055,984
Tangible Fixed Assets	*11,*12	840,702	*11,*12	835,216
Buildings		287,438		306,037
Land	*10	428,449	*10	423,864
Lease Assets		16,918		17,084
Construction in Progress		34,770		13,745
Other Tangible Fixed Assets		73,126		74,485
Intangible Fixed Assets		362,055		487,223
Software		233,558		252,278
Goodwill		11,262		10,553
Lease Assets		4,311		7,408
Other Intangible Fixed Assets		112,922		216,982
Net Defined Benefit Asset		356,371		641,275
Deferred Tax Assets		70,346		26,378
Customers' Liabilities for Acceptances and Guarantees		4,569,520		5,383,189
Allowance for Loan Losses		(597,281)		(512,473)
Allowance for Investment Loss		(16)		(1)
<b>Total Assets</b>		<b>149,043,219</b>		<b>161,842,381</b>

	As of March 31, 2014		As of March 31, 2015	
<b>Liabilities</b>				
Deposits	*8	86,947,394	*8	95,067,633
Negotiable Certificates of Deposit		11,746,394		14,615,346
Call Money and Bills Sold	*8	6,071,334	*8	3,476,748
Payables under Repurchase Agreements	*8	7,690,487	*8	10,140,790
Payables under Securities Lending Transactions	*8	3,159,574	*8	513,983
Commercial Paper		677,459		538,511
Trading Liabilities		2,929,729		3,971,146
Borrowed Money	*8,*13	7,422,832	*8,*13	6,870,180
Foreign Exchange Liabilities		412,457		585,638
Short-term Bonds		112,468		99,205
Bonds and Notes	*14	4,032,847	*14	4,678,117
Derivatives		3,009,535		3,491,810
Other Liabilities		2,146,087		2,605,552
Provision for Bonus Payments		21,753		22,416
Net Defined Benefit Liability		5,684		6,609
Provision for Directors' Retirement Benefits		401		423
Provision for Possible Losses on Sales of Loans and Bills Discounted		1,259		13
Provision for Contingencies		6,309		7,845
Provision for Reimbursement of Deposits		15,307		14,772
Provision for Reimbursement of Debentures		54,956		48,878
Deferred Tax Liabilities		32,245		471,243
Deferred Tax Liabilities for Land Revaluation	*10	81,060	*10	72,392
Acceptances and Guarantees		4,569,520		5,383,189
<b>Total Liabilities</b>		<b>141,147,101</b>		<b>152,682,448</b>
<b>Net Assets</b>				
Common Stock and Preferred Stock		1,404,065		1,404,065
Capital Surplus		2,286,795		2,286,795
Retained Earnings		1,951,263		2,156,949
<b>Total Shareholder's Equity</b>		<b>5,642,124</b>		<b>5,847,810</b>
Valuation Difference on Available-for-sale Securities		614,488		1,522,514
Deferred Gains (Losses) on Hedges		(3,673)		27,016
Revaluation Reserve for Land	*10	140,745	*10	146,419
Foreign Currency Translation Adjustments		(32,054)		(12,688)
Remeasurements of Defined Benefit Plans		(9,822)		157,448
<b>Total Accumulated Other Comprehensive Income</b>		<b>709,683</b>		<b>1,840,710</b>
Minority Interests		1,544,310		1,471,412
<b>Total Net Assets</b>		<b>7,896,118</b>		<b>9,159,932</b>
<b>Total Liabilities and Net Assets</b>		<b>149,043,219</b>		<b>161,842,381</b>

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income

(Millions of Yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Ordinary Income	2,020,951	2,476,973
Interest and Dividend Income	1,195,512	1,388,785
Interest on Loans and Bills Discounted	787,733	904,782
Interest and Dividends on Securities	273,849	330,181
Interest on Call Loans and Bills Bought	5,893	7,531
Interest on Receivables under Resale Agreements	6,988	6,943
Interest on Receivables under Securities Borrowing Transactions	1,096	288
Interest on Due from Banks	33,723	47,573
Other Interest Income	86,226	91,485
Fee and Commission Income	385,285	484,627
Trading Income	49,420	63,915
Other Operating Income	150,062	284,204
Other Ordinary Income	240,671	255,440
Reversal of Allowance for Loan Losses	93,141	67,517
Recovery of Written-Off Claims	18,582	16,672
Others	*1 128,947	*1 171,250
Ordinary Expenses	1,255,370	1,644,764
Interest Expenses	261,662	301,487
Interest on Deposits	97,996	121,998
Interest on Negotiable Certificates of Deposit	26,468	28,809
Interest on Call Money and Bills Sold	12,225	5,914
Interest on Payable under Repurchase Agreements	11,072	14,777
Interest on Payables under Securities Lending Transactions	4,925	4,188
Interest on Commercial Paper	1,809	1,682
Interest on Borrowed Money	36,281	34,070
Interest on Short-term Bonds	296	247
Interest on Bonds and Notes	48,029	58,082
Other Interest Expenses	22,556	31,715
Fee and Commission Expenses	76,039	104,482
Trading Expenses	889	-
Other Operating Expenses	100,515	129,844
General and Administrative Expenses	728,129	926,938
Other Ordinary Expenses	*2 88,134	*2 182,011
Ordinary Profits	765,580	832,208

(Millions of Yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Extraordinary Gains	12,655	516
Gains on Disposal of Fixed Assets	282	516
Gains on Negative Goodwill Incurred	5,621	–
Other Extraordinary Gains	*3 6,751	*3 –
Extraordinary Losses	9,018	18,858
Losses on Disposal of Fixed Assets	3,833	8,470
Losses on Impairment of Fixed Assets	5,184	10,387
Income before Income Taxes and Minority Interests	769,218	813,867
Current Income Taxes	83,550	232,550
Deferred Income Taxes	133,289	33,728
Total Income Taxes	216,839	266,279
Income before Minority Interests	552,379	547,587
Minority Interests in Net Income	63,700	62,269
Net Income	488,678	485,317

## Consolidated Statement of Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
Income before Minority Interests	552,379	547,587
Other Comprehensive Income	*1 105,983	*1 1,136,755
Valuation Difference on Available-for-sale Securities	146,777	908,555
Deferred Gains (Losses) on Hedges	(54,274)	30,628
Revaluation Reserve for Land	3	7,531
Foreign Currency Translation Adjustments	9,992	9,420
Remeasurements of Defined Benefit Plans	–	167,152
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method	3,483	13,467
Comprehensive Income	658,362	1,684,343
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of the Parent	588,268	1,618,201
Comprehensive Income Attributable to Minority Interests	70,093	66,141

3) Consolidated Statement of Changes in Net Assets  
For the year ended March 31, 2014

(Millions of Yen)

	Shareholder's Equity			
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Total Shareholder's Equity
Balance as of the Beginning of the Year	1,404,065	1,039,244	1,169,101	3,612,411
Changes during the Year				
Dividends of Surplus		(383,919)	(170,509)	(554,429)
Net Income			488,678	488,678
Reversal of Revaluation Reserve for Land			1,604	1,604
Increase by Merger		1,631,471	489,644	2,121,115
Change of Scope of Consolidation			(27,256)	(27,256)
Net Changes in Items Other Than Shareholder's Equity during the Year				
Total Changes during the Year	–	1,247,551	782,161	2,029,713
Balance as of the End of the Year	1,404,065	2,286,795	1,951,263	5,642,124

	Accumulated Other Comprehensive Income						Minority Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance as of the Beginning of the Year	468,397	84,315	27,375	(86,335)	–	493,752	1,253,365	5,359,529
Changes during the Year								
Dividends of Surplus								(554,429)
Net Income								488,678
Reversal of Revaluation Reserve for Land								1,604
Increase by Merger								2,121,115
Change of Scope of Consolidation								(27,256)
Net Changes in Items Other Than Shareholder's Equity during the Year	146,091	(87,988)	113,369	54,281	(9,822)	215,930	290,944	506,875
Total Changes during the Year	146,091	(87,988)	113,369	54,281	(9,822)	215,930	290,944	2,536,589
Balance as of the End of the Year	614,488	(3,673)	140,745	(32,054)	(9,822)	709,683	1,544,310	7,896,118

For the year ended March 31, 2015

(Millions of Yen)

	Shareholder's Equity			
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Total Shareholder's Equity
Balance as of the Beginning of the Year	1,404,065	2,286,795	1,951,263	5,642,124
Cumulative Effects of Changes in Accounting Policies			7,268	7,268
Balance as of the Beginning of the Year Reflecting Changes in Accounting Policies	1,404,065	2,286,795	1,958,532	5,649,393
Changes during the Year				
Dividends of Surplus			(288,757)	(288,757)
Net Income			485,317	485,317
Reversal of Revaluation Reserve for Land			1,856	1,856
Net Changes in Items Other Than Shareholder's Equity during the Year				
Total Changes during the Year	-	-	198,417	198,417
Balance as of the End of the Year	1,404,065	2,286,795	2,156,949	5,847,810

	Accumulated Other Comprehensive Income						Minority Interests	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred Gains (Losses) on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance as of the Beginning of the Year	614,488	(3,673)	140,745	(32,054)	(9,822)	709,683	1,544,310	7,896,118
Cumulative Effects of Changes in Accounting Policies								7,268
Balance as of the Beginning of the Year Reflecting Changes in Accounting Policies	614,488	(3,673)	140,745	(32,054)	(9,822)	709,683	1,544,310	7,903,386
Changes during the Year								
Dividends of Surplus								(288,757)
Net Income								485,317
Reversal of Revaluation Reserve for Land								1,856
Net Changes in Items Other Than Shareholder's Equity during the Year	908,026	30,689	5,674	19,365	167,270	1,131,026	(72,897)	1,058,128
Total Changes during the Year	908,026	30,689	5,674	19,365	167,270	1,131,026	(72,897)	1,256,545
Balance as of the End of the Year	1,522,514	27,016	146,419	(12,688)	157,448	1,840,710	1,471,412	9,159,932

## 4) Consolidated Statement of Cash Flows

	(Millions of Yen)	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Cash Flows from Operating Activities		
Income before Income Taxes and Minority Interests	769,218	813,867
Depreciation	94,303	119,707
Losses on Impairment of Fixed Assets	5,184	10,387
Amortization of Goodwill	685	785
Gains on Negative Goodwill Incurred	(5,621)	–
Share of Profit of Affiliates Accounted for by the Equity Method	(7,448)	(14,255)
Decrease in Allowance for Loan Losses	(124,166)	(97,535)
Decrease in Allowance for Investment Loss	(15)	(15)
Increase (Decrease) in Provision for Possible Losses on Sales of Loans and Bills Discounted	1,210	(1,245)
Increase (Decrease) in Provision for Contingencies	(2,841)	1,600
Increase (Decrease) in Provision for Bonus Payments	11,298	(158)
Increase in Net Defined Benefit Asset	(21,002)	(29,090)
Increase in Net Defined Benefit Liability	74	785
Increase in Provision for Directors' Retirement Benefits	48	21
Increase (Decrease) in Provision for Reimbursement of Deposits	1,298	(535)
Increase (Decrease) in Provision for Reimbursement of Debentures	12,783	(6,078)
Interest and Dividend Income	(1,195,512)	(1,388,785)
Interest Expenses	261,662	301,487
Gains Related to Securities	(71,528)	(179,504)
Gains on Money Held in Trust	(13)	(9)
Foreign Exchange Gains – Net	(702,155)	(606,659)
Losses on Disposal of Fixed Assets	3,551	7,953
Net Decrease (Increase) in Trading Assets	1,136,970	(372,312)
Net Increase (Decrease) in Trading Liabilities	(662,418)	962,391
Net Decrease (Increase) in Derivative Assets	1,680,237	(644,523)
Net Increase (Decrease) in Derivative Liabilities	(1,457,626)	399,262
Net Increase in Loans and Bills Discounted	(2,566,064)	(2,608,996)
Net Increase in Deposits	1,543,546	6,864,820
Net Increase (Decrease) in Negotiable Certificates of Deposit	(1,402,267)	2,299,548
Net Increase (Decrease) in Borrowed Money excluding Subordinated Borrowed Money	1,448,404	(500,746)
Net Decrease in Due from Banks excluding Deposits with Central Banks	124,566	515,635
Net Decrease in Call Loans and Others	523,509	275,561
Net Decrease in Receivables under Securities Borrowing Transactions	598,217	254,723
Net Increase (Decrease) in Call Money and Others	3,144,703	(1,136,508)
Net Decrease in Commercial Paper	(106,221)	(253,152)
Net Decrease in Payables under Securities Lending Transactions	(3,581,886)	(2,645,591)
Net Decrease (Increase) in Foreign Exchange Assets	(55,223)	95,699
Net Increase in Foreign Exchange Liabilities	160,417	162,161
Net Increase (Decrease) in Short-term Bonds (Liabilities)	66,822	(13,262)
Increase (Decrease) in Bonds and Due to Issuance and Redemption	(91,475)	908,281
Interest and Dividend Received	1,255,905	1,408,706
Interest Paid	(284,219)	(312,336)
Other – Net	(756,219)	191,952
Subtotal	(249,306)	4,784,036
Income Taxes Paid	(75,940)	(127,599)
Net Cash Provided by (Used in) Operating Activities	(325,246)	4,656,436

(Millions of Yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
<b>Cash Flows from Investing Activities</b>		
Payments for Purchase of Securities	(60,476,595)	(77,001,142)
Proceeds from Sales of Securities	61,890,138	72,718,687
Proceeds from Redemption of Securities	6,133,582	7,220,058
Payments for Increase in Money Held in Trust	(0)	(500)
Proceeds from Decrease in Money Held in Trust	40	62
Payments for Acquisition of Tangible Fixed Assets	(67,548)	(48,229)
Payments for Acquisition of Intangible Fixed Assets	(101,949)	(158,012)
Proceeds from Sales of Tangible Fixed Assets	4,250	1,476
Proceeds from Sales of Intangible Fixed Assets	0	0
Payments for Purchase of Subsidiaries' Stocks (Affecting the Scope of Consolidation)	(37,419)	–
Net Cash Provided by Investing Activities	<u>7,344,497</u>	<u>2,732,401</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Subordinated Borrowed Money	154,380	150,000
Repayments of Subordinated Borrowed Money	(33,000)	(280,405)
Repayments for Redemption of Subordinated Bonds	(78,000)	(265,000)
Proceeds from Stock Issuance to Minority Shareholders	1,036	866
Repayments to Minority Shareholders	–	(102,229)
Dividends Paid	(129,955)	(288,757)
Dividends Paid to Minority Shareholders	(74,847)	(62,752)
Net Cash Used in Financing Activities	<u>(160,386)</u>	<u>(848,277)</u>
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	63,379	32,911
Net Increase in Cash and Cash Equivalents	<u>6,922,243</u>	<u>6,573,471</u>
Cash and Cash Equivalents at the Beginning of the Year	4,702,553	18,350,815
Increase in Cash and Cash Equivalents Resulting from Merger	6,806,412	–
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	(80,394)	–
Cash and Cash Equivalents at the End of the Year	<u>*1 18,350,815</u>	<u>*1 24,924,286</u>

## Notes to Consolidated Financial Statements

### Basis of Preparation of Consolidated Financial Statements

#### 1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 96

(Change in scope of consolidation)

During the fiscal year, Mizuho AsiaInfra Capital Pte. Ltd. and two other companies were included in the scope of consolidation as a result of their new incorporations.

During the fiscal year, Mizuho Capital No. 2 Investment Limited Partnership and eight other companies were excluded from the scope of consolidation since they are no longer categorized as subsidiaries as a result of liquidation.

- (2) Non-consolidated subsidiaries

None

#### 2. Application of Equity Method

- (1) Non-consolidated subsidiaries accounted for by the equity method

None

- (2) Number of affiliates accounted for by the equity method: 11

Names of principal companies:

Orient Corporation

The Chiba Kogyo Bank, Ltd.

Joint Stock Commercial Bank for Foreign Trade of Vietnam

- (3) Non-consolidated subsidiaries not accounted for by the equity method

None

- (4) Affiliates not accounted for by the equity method

Name of principal company:

Asian-American Merchant Bank Limited

Affiliates not accounted for by the equity method are excluded from the scope of the equity method since the exclusion has no material effect on MHBK's consolidated financial statements in terms of Net Income/Loss (amount corresponding to MHBK's equity position), Retained Earnings (amount corresponding to MHBK's equity position), Accumulated Other Comprehensive Income (amount corresponding to MHBK's equity position), etc.

#### 3. Balance Sheet Dates of Consolidated Subsidiaries

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

July 31:	1 company
December 29:	10 companies
December 31:	42 companies
March 31:	43 companies

- (2) Consolidated subsidiaries with the balance sheet date of December 29 are consolidated based on their provisional financial statements as of December 31. The consolidated subsidiary with the balance sheet date of July 31 is consolidated based on its provisional financial statements as of the date of the consolidated balance sheet. Other consolidated subsidiaries are consolidated based on their financial statements as of their respective balance sheet dates.

The necessary adjustments have been made to the consolidated financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated balance sheet.

#### 4. Accounting Policies

- (1) Valuation of Loan Receivables in the same way as Trading Securities and recognition of income/expenses

Loan Receivables held for trading purposes are accounted for in the same way as Trading Securities. Specifically, they are recognized on a trade date basis and recorded in "Monetary Claims Bought" on the consolidated balance sheet, and such Monetary Claims Bought is stated at fair value at the consolidated balance sheet date. Relevant interest received and gains or losses on sales during the fiscal year together with the gains or losses resulting from any change in the value between the beginning and the end of the fiscal year are recorded in "Other Operating Income" or "Other Operating Expenses" on the consolidated statement of income.

- (2) Valuation of Trading Assets/Liabilities and recognition of income/expenses

Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments and related indices are recognized on a trade date basis and recorded in "Trading Assets" or "Trading Liabilities" on the consolidated balance sheet. Related income or expenses are recorded in "Trading Income" or "Trading Expenses" on the consolidated statement of income.

Securities and monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Financial derivatives, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that the transactions were terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and interest paid during the fiscal year, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the fiscal year and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the

fiscal year, assuming they were terminated and settled at the end of the fiscal year.

(3) Valuation of Securities

A. Bonds held to maturity are stated on an amortized cost using the moving average method (straight-line method) while investments in stocks of affiliates, which are not accounted for by the equity method, are valued on a cost basis using the moving average method. Regarding Available-for-sale Securities, in principle, Japanese stocks are valued on a mark-to-market basis primarily using the average market price over the month preceding the consolidated balance sheet date, and others are valued on a mark-to-market basis primarily using the market price at the consolidated balance sheet date, where cost of securities sold is calculated primarily by the moving average method. However, Other Securities, the fair values of which are deemed extremely difficult to determine, are stated at cost as determined by the moving average method.

The Valuation Difference on Available-for-sale Securities is booked directly to Net Assets, excluding the amount reflected in profit and loss due to the application of the fair value hedge method.

B. Securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are valued on a mark-to-market basis.

(4) Valuation of Derivatives

Derivative transactions (other than transactions for trading purposes) are valued on a mark-to-market basis.

(5) Method of depreciation of Fixed Assets

1) Tangible Fixed Assets (excluding lease assets)

Depreciation of Buildings is computed by the straight-line method, and that of others is computed by the declining-balance method.

The useful lives for Buildings and others are as follows:

Buildings: 3 to 50 years

Others: 2 to 20 years

Depreciation of Tangible Fixed Assets of consolidated subsidiaries is computed mainly by the declining-balance method based on estimated useful lives.

2) Intangible Fixed Assets (excluding lease assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful lives, primarily five to ten years, determined by MHBK and its consolidated subsidiaries.

3) Lease Assets

Lease assets among “Tangible Fixed Assets” and “Intangible Fixed Assets” relating to finance leases not involving the transfer of ownership to the lessee are depreciated or amortized, in principle, using the same methods as those that are applied to fixed assets owned by MHBK and its consolidated subsidiaries.

(6) Deferred charges

Bond Issuance Costs are recognized as expenses when incurred.

(7) Allowance for Loan Losses

Allowance for Loan Losses of MHBK and its principal domestic consolidated subsidiaries is determined in accordance with internally developed standards as follows:

The allowance for claims to obligors which are classified as substantially bankrupt (“substantially bankrupt obligors”) or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances (“bankrupt obligors”), is provided at 100% of the amount remaining after direct write-offs and deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantors. Also, an allowance is provided for claims to obligors that are not currently bankrupt but are likely to become bankrupt (“intensive control obligors”). In this case, the allowance is provided at the amount deemed necessary based on overall solvency analyses of the amounts of claims, net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantors.

In the case of intensive control obligors and obligors with Restructured Loans and Bills Discounted, if the exposure exceeds a certain specific amount, allowance is provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, where the allowance is determined as the difference between the book value of the loan and its present value of expected future cash flows discounted by the contractual interest rate before the loan was classified as a restructured loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, an allowance is provided for the individually estimated loss amount.

In the case of all other claims, an allowance is determined based on the estimated credit loss rate, which is calculated using the actual credit loss amount during a specific period in the past. For claims originated in specific foreign countries, additional allowances are provided based on the prospective losses after consideration of the relevant countries’ political and economic situations, etc.

All claims are assessed by the relevant business divisions in accordance with the internal rules for self-assessment of assets. The Credit Review Division, which is independent of the originating divisions, reviews the results of the self-assessment of assets for all claims based on the internal rules.

For claims to bankrupt obligors and substantially bankrupt obligors which are collateralized or guaranteed by a third party, the amounts deemed uncollectible, which are calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims, are charged off against the respective loan balances. The total amounts directly written-off are ¥225,670 million (¥192,391 million at the end of the previous fiscal year).

With respect to the Allowance for Loan Losses of other consolidated subsidiaries, for normal obligors, the amounts deemed necessary are provided in the allowance based on the actual ratio of credit losses in the past, etc. In the case of intensive control obligors and certain other obligors, the expected uncollectible amounts are provided in the allowance after considering the

recoverability of each claim.

- (8) Allowance for Investment Loss  
The allowance is provided to cover any future potential losses on investments. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.
- (9) Provision for Bonus Payments  
This provision is provided for future bonus payments to employees. Of the amount deemed necessary for employees' bonuses, the portion attributable to the fiscal year is booked.
- (10) Provision for Directors' Retirement Benefits  
This provision, which is provided for future retirement benefit payments to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the fiscal year, based on the internally established standards.
- (11) Provision for Possible Losses on Sales of Loans and Bills Discounted  
This provision is provided for future possible losses on sales of loans and bills discounted at the amount deemed necessary based on the estimate of possible future losses.
- (12) Provision for Contingencies  
This provision is provided to cover possible losses against contingencies that are not covered by other specific provisions. The balance is an estimation of possible future losses considered necessary to be provided.
- (13) Provision for Reimbursement of Deposits  
This provision is provided for losses for deposits derecognized from liabilities at the estimated amount of future claims for withdrawal by depositors.
- (14) Provision for Reimbursement of Debentures  
This provision is provided for debentures derecognized from liabilities at the estimated amount of future claims by holders.
- (15) Accounting method for retirement benefits  
In calculating projected benefit obligation, the benefit formula basis is used as a method of attributing projected retirement benefits to the period up to the end of this fiscal year. Unrecognized net actuarial gain (loss) is recognized as expense starting from the following fiscal year and amortized over a fixed number of years (10 years) within the average remaining service period of the current employees using the straight-line method.  
Some consolidated subsidiaries apply the non-actuarial method that assumes the amount required for voluntary resignation at the end of the year to be projected benefit obligation in computing Net Defined Benefit Liability and Retirement Benefit Expenses.
- (16) Assets and Liabilities denominated in foreign currencies  
Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of MHBK are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the stocks of affiliates not accounted for by the equity method, which are translated at historical exchange rates.  
Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the respective balance sheet dates.
- (17) Hedge accounting
- A. Hedge of interest rate risk  
MHBK applies the deferred hedge method or the fair value hedge method as hedge accounting for interest rate risk accompanying various financial assets and liabilities.  
"Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 24) is applied to portfolio hedges against a large number of small-balance monetary claims/liabilities.  
The effectiveness of the portfolio hedges against a large number of small-balance monetary claims/liabilities is assessed as follows:  
(i) The effectiveness of a fair value hedge is assessed for each identified (i) groups of hedged deposits, loans and similar instruments and (ii) corresponding groups of hedging instruments such as interest rate swaps in the same maturity bucket.  
(ii) The effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.  
The effectiveness of an individual hedge is also assessed based on the fluctuations in the quotations or cash flows of the hedged item and those of the hedging instrument.  
Deferred Gains (Losses) on Hedges which are recorded on the consolidated balance sheet and resulted from the application of the "macro-hedge method" based on "Tentative Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives, are amortized as interest income or interest expenses over the remaining maturity or the average remaining maturity of the respective hedging instruments.  
The unamortized amounts of Gross Deferred Losses on Hedges and Gross Deferred Gains on Hedges under the "macro-hedge method" at the end of the fiscal year are ¥856 million (¥1,849 million at the end of the previous fiscal year) before tax effects deduction and ¥704 million (¥1,500 million at the end of the previous fiscal year) before tax effects deduction, respectively.
- B. Hedge of foreign exchange risks  
MHBK applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign-currency-denominated financial assets and liabilities as stipulated in "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No. 25). The effectiveness of the currency-swap transactions, exchange swap transactions and similar transactions hedging the foreign exchange risks of foreign-currency-denominated monetary claims and liabilities is assessed based on comparison of

foreign currency position of the hedged monetary claims and liabilities and the hedging instruments.

In addition to the above methods, MHBK applies the deferred hedge method or the fair value hedge method to portfolio hedges of the foreign exchange risks associated with investments in overseas subsidiaries and affiliates, and foreign-currency-denominated available-for-sale securities, other than bonds, identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign-currency-denominated securities.

#### C. Inter-company trading among consolidated companies, etc.

Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting because these inter-company derivatives are conducted in conformity with standards for covering transactions with outside third parties for which exact hedging with no arbitrariness is deemed possible in accordance with JICPA Industry Audit Committee Reports No. 24 and 25.

The deferred hedge method, the fair value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods to part of assets and liabilities of MHBK and consolidated subsidiaries.

#### (18) Amortization method and amortization period of Goodwill

Goodwill is amortized over the period during which it has an effect in 20 years or less using the straight-line method. The full amount of Goodwill that has no material impact is expensed as incurred.

#### (19) Definition of Cash and Cash Equivalents in the consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consist of cash and deposits with central banks included in "Cash and Due from Banks" on the consolidated balance sheet.

#### (20) Consumption taxes and local consumption taxes

With respect to MHBK and its domestic consolidated subsidiaries, consumption taxes and local consumption taxes are primarily excluded from the transaction amounts.

### Changes in Accounting Policies

#### Application of "Accounting Standard for Retirement Benefits" and others

MHBK has applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; hereinafter, the "Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; hereinafter, the "Guidance"), in terms of regulations stipulated in the text of the Accounting Standard, Paragraph 35, and the Guidance, Paragraph 67, from the beginning of the fiscal year. MHBK has reviewed the calculation methods of projected benefit obligation and service cost, changed the method of attributing the projected retirement benefits to periods of service from a straight-line basis to a benefit formula basis, and changed the method of determining the discount rate from the method using the discount rate based on the average period up to the estimated timing of the benefit payment and other factors to the method using different discount rates in accordance with each period up to the estimated timing of the benefit payment.

The Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37, and the amount of financial impact resulting from the change in the calculation method of projected benefit obligation and service cost was added to or deducted from Retained Earnings at the beginning of the fiscal year.

As a result of this, at the beginning of the fiscal year, Net Defined Benefit Asset increased by ¥8,187 million and Retained Earnings increased by ¥7,268 million. Ordinary Profits and Income before Income Taxes and Minority Interests for the fiscal year increased by ¥7,313 million, respectively.

#### Issued But Not Yet Adopted Accounting Standard and Others

##### Accounting Standard for Business Combinations and Others (September 13, 2013)

#### (1) Outline

This accounting standard and others were revised mainly focusing on 1) the treatment of changes in the parent company's equity of its subsidiary while the parent company's control continues with additional acquisition of the subsidiary's stocks, 2) the treatment of acquisition-related expenses, 3) the treatment of provisional accounting, and 4) the presentation of Net Income and the change from Minority Interests to Non-Controlling Interests.

#### (2) Scheduled date of application

MHBK is scheduled to apply this accounting standard and others after revision from the beginning of the fiscal year starting on April 1, 2015.

#### (3) Effect of application of this accounting standard and others

The effect of the application of this accounting standard and others is under consideration.

### Change in Presentation of Consolidated Financial Statements

#### Consolidated statement of income

"Refund of Income Taxes," which was separately presented in the previous fiscal year ended March 31, 2014, is included in "Current Income Taxes" in the fiscal year ended March 31, 2015, since the amount became immaterial. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result of this, ¥(3,892) million presented in "Refund of Income Taxes" in the consolidated statement of income for the

previous fiscal year has been reclassified as “Current Income Taxes.”

Notes to Consolidated Balance Sheet

\*1. Stocks of and Other Investments in affiliates

	As of March 31, 2014	As of March 31, 2015
Stocks	¥269,149 million	¥289,943 million
Other Investments	¥421 million	¥421 million

\*2. Securities that borrowers are allowed to re-sell under unsecured lending transactions are included in Japanese Government Bonds in “Securities.” The amounts are as follows:

	As of March 31, 2014	As of March 31, 2015
	¥130,325 million	¥– million

In certain transactions, MHBK has the right to re-sell or pledge or re-pledge following securities held under uncollateralized securities borrowing agreements, cash-collateralized securities borrowing agreements and securities purchased with resale agreements.

	As of March 31, 2014	As of March 31, 2015
Securities pledged or re-pledged as collateral	¥1,947,701 million	¥3,018,159 million
Securities held without being pledged or re-pledged at the end of the fiscal year	¥1,139,648 million	¥859,328 million

\*3. Loans and Bills Discounted include following Loans and Bills Discounted to Bankrupt Obligors and Non-Accrual Delinquent Loans and Bills Discounted.

	As of March 31, 2014	As of March 31, 2015
Loans and Bills Discounted to Bankrupt Obligors	¥12,093 million	¥10,194 million
Non-Accrual Delinquent Loans and Bills Discounted	¥491,796 million	¥416,381 million

Loans and Bills Discounted to Bankrupt Obligors are loans, excluding loans written-off, for which no interest was accrued since delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason, and there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965).

Non-Accrual Delinquent Loans and Bills Discounted represent Non-Accrual Loans other than (i) Loans and Bills Discounted to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.

\*4. Balances of Loans and Bills Discounted Past Due for 3 Months or More are as follows:

	As of March 31, 2014	As of March 31, 2015
Balances of Loans and Bills Discounted Past Due for 3 Months or More	¥4,109 million	¥3,496 million

Loans and Bills Discounted Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for the payments, and which are not included in Loans and Bills Discounted to Bankrupt Obligors, or Non-Accrual Delinquent Loans and Bills Discounted.

\*5. Balances of Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2014	As of March 31, 2015
Balances of Restructured Loans and Bills Discounted	¥497,091 million	¥605,313 million

Restructured Loans and Bills Discounted represent loans on which contracts were amended in favor of borrowers (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the borrowers. Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted and Loans and Bills Discounted Past Due for 3 Months or More are not included.

\*6. Total balances of Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted, Loans and Bills Discounted Past Due for 3 Months or More and Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2014	As of March 31, 2015
Total	¥1,005,090 million	¥1,035,386 million

The amounts given in \*3. through \*6. are gross amounts before deduction of amounts for the Allowance for Loan Losses.

\*7. In accordance with “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24), Bills Discounted are treated as financial transactions. MHBK has rights to sell or pledge or re-pledge these commercial bills and foreign exchange bills. The face values of these bills are as follows:

	As of March 31, 2014	As of March 31, 2015
	¥1,321,311 million	¥1,370,507 million

\*8. Breakdown of assets pledged as collateral is as follows:

	As of March 31, 2014	As of March 31, 2015
The following assets have been pledged as collateral:		
Trading Assets	¥559,636 million	¥363,021 million
Securities	¥14,115,237 million	¥9,800,349 million
Loans and Bills Discounted	¥8,400,394 million	¥6,741,383 million
Other Assets	¥1,112 million	¥1,006 million
Total	¥23,076,380 million	¥16,905,760 million

The following liabilities are collateralized by the above assets:

Deposits	¥868,400 million	¥770,465 million
Call Money and Bills Sold	¥1,542,200 million	¥1,045,000 million
Payables under Repurchase Agreements	¥5,696,229 million	¥6,982,728 million
Payables under Securities Lending Transactions	¥3,158,839 million	¥513,983 million
Borrowed Money	¥5,528,674 million	¥5,126,380 million

In addition to the above, following items are pledged as collateral in connection with foreign and domestic exchange settlement transactions, derivative transactions, etc. or as a substitute for margin payments for futures transactions.

	As of March 31, 2014	As of March 31, 2015
Cash and Due from Banks	¥30,438 million	¥34,156 million
Trading Assets	¥12,356 million	¥13,825 million
Securities	¥3,009,338 million	¥4,266,522 million
Loans and Bills Discounted	¥159,954 million	¥191,639 million

“Other Assets” include Margin Payments for Futures Transactions, Guarantee Money, and Cash Collateral Paid for Financial Instruments and Others, etc., the breakdown of which is as follows:

	As of March 31, 2014	As of March 31, 2015
Margin Payments for Futures Transactions	¥18,094 million	¥27,971 million
Guarantee Money	¥98,558 million	¥95,145 million
Cash Collateral Paid for Financial Instruments and Others, etc.	¥199,979 million	¥377,880 million

\*9. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which MHBK is obligated to make loans up to the prearranged amount at the request of customers unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounts is as follows:

	As of March 31, 2014	As of March 31, 2015
Unutilized balance	¥67,085,081 million	¥79,811,000 million

Amount relating to contracts for which the original contractual term is one year or less or unconditionally cancelable at any time	¥55,818,021 million	¥61,634,997 million
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Since many of these contracts expire without the rights being exercised, the unutilized balance itself does not necessarily affect future cash flows. Many of these contracts include a provision that entitles MHBK to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHBK obtains, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and subsequently monitors customers' business condition periodically, based on and in accordance with procedures established internally, and takes measures to control credit risks such as amendments to contracts, if needed.

\*10. In accordance with the "Act on Revaluation of Land" (Act No. 34 of March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item "Deferred Tax Liabilities for Land Revaluation" indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item "Revaluation Reserve for Land" under Net Assets.

Date revalued March 31, 1998

Revaluation method as specified in Article 3, Paragraph 3 of the above-mentioned Act

Land used for business activities was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998), with reasonable adjustments to compensate for sites with long depth, etc. and also on the basis of the appraisal valuation stipulated in Article 2, Item 5 of the above-mentioned Order.

The difference at the consolidated balance sheet date between the total fair value of land used for business activities, which has been revalued in accordance with Article 10 of the above-mentioned Act, and the total book value of the land after the revaluation

	As of March 31, 2014	As of March 31, 2015
	¥156,731 million	¥147,005 million

\*11. Accumulated Depreciation of Tangible Fixed Assets

	As of March 31, 2014	As of March 31, 2015
Accumulated Depreciation	¥702,319 million	¥731,502 million

\*12. Advanced Depreciation of Tangible Fixed Assets

	As of March 31, 2014	As of March 31, 2015
Advanced Depreciation	¥35,151 million	¥34,658 million

\*13. Borrowed Money includes Subordinated Borrowed Money.

	As of March 31, 2014	As of March 31, 2015
Subordinated Borrowed Money	¥969,140 million	¥916,810 million

\*14. Bonds and Notes include Subordinated Bonds.

	As of March 31, 2014	As of March 31, 2015
Subordinated Bonds	¥1,122,000 million	¥857,000 million

\*15. MHBK has keep well agreements, jointly and severally with Mizuho Financial Group, Inc., MHBK's parent company, with each of Mizuho Securities Co., Ltd., Mizuho International plc and Mizuho Securities USA Inc., which are also subsidiaries of Mizuho Financial Group, Inc., concerning their Joint Euro Medium-Term Note Programme. The bond issue balance under the program is as follows:

	As of March 31, 2014	As of March 31, 2015
	¥654,638 million	¥746,059 million

\*16. Amounts of liabilities for guarantees on corporate bonds included in "Securities," which were issued through private placement under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act

	As of March 31, 2014	As of March 31, 2015
	¥986,577 million	¥1,036,575 million

Notes to Consolidated Statement of Income

\*1. Other Ordinary Income includes the following item.

	For the year ended March 31, 2014	For the year ended March 31, 2015
Gains on Sales of Stocks and Others	¥57,209 million	¥120,331 million

\*2. Other Ordinary Expenses include the following item.

	For the year ended March 31, 2014	For the year ended March 31, 2015
Written-Off of Loans	¥14,696 million	¥84,498 million

\*3. Other Extraordinary Gains are as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2015
Gains on Step Acquisitions	¥6,751 million	¥- million

Notes to Consolidated Statement of Comprehensive Income

\*1. Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2014	For the year ended March 31, 2015
<b>Valuation Difference on Available-for-sale Securities</b>		
Amount arising during the year	301,183	1,460,446
Reclassification adjustments	(86,005)	(200,290)
Before adjustments to tax effects	215,177	1,260,155
Amount of tax effects	(68,399)	(351,600)
Valuation Difference on Available-for-sale Securities	146,777	908,555
<b>Deferred Gains (Losses) on Hedges</b>		
Amount arising during the year	(43,339)	76,049
Reclassification adjustments	(32,894)	(30,651)
Adjustment to acquisition cost of assets	(8,217)	–
Before adjustments to tax effects	(84,450)	45,397
Amount of tax effects	30,176	(14,768)
Deferred Gains (Losses) on Hedges	(54,274)	30,628
<b>Revaluation Reserve for Land</b>		
Amount arising during the year	–	–
Reclassification adjustments	–	–
Before adjustments to tax effects	–	–
Amount of tax effects	3	7,531
Revaluation Reserve for Land	3	7,531
<b>Foreign Currency Translation Adjustments</b>		
Amount arising during the year	9,992	7,379
Reclassification adjustments	–	2,041
Before adjustments to tax effects	9,992	9,420
Amount of tax effects	–	–
Foreign Currency Translation Adjustments	9,992	9,420
<b>Remeasurements of Defined Benefit Plans</b>		
Amount arising during the year	–	230,233
Reclassification adjustments	–	17,393
Before adjustments to tax effects	–	247,626
Amount of tax effects	–	(80,474)
Remeasurements of Defined Benefit Plans	–	167,152
<b>Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method</b>		
Amount arising during the year	3,483	13,467
Total amount of Other Comprehensive Income	105,983	1,136,755

Notes to Consolidated Statement of Changes in Net Assets  
For the year ended March 31, 2014

1. Types and Total Number of Issued Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2013	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2014	Abstract
Issued Shares					
Common Stock	16,151	–	–	16,151	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	

	Number of Shares as of April 1, 2013	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2014	Abstract
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	19,911	–	–	19,911	
Treasury Stock					
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights  
None

3. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2014

(Resolution)	Type of Stock	Type of Dividend Properties	Book Value of Dividend Properties (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on March 29, 2013	Common Stock	Stocks of Subsidiaries	424,473	26,280	–	April 1, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 24, 2013	Common Stock	129,955	8,046	March 31, 2013	June 24, 2013
	Second series Class IV Preferred Stock	0	42,000	March 31, 2013	June 24, 2013
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2013	June 24, 2013
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2013	June 24, 2013

(2) Of dividends whose record dates belong to the year ended March 31, 2014, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 23, 2014	Common Stock	288,757	Retained Earnings	17,878	March 31, 2014	June 23, 2014
	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2014	June 23, 2014
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2014	June 23, 2014

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2014	June 23, 2014

For the year ended March 31, 2015

1. Types and Total Number of Issued Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2014	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2015	Abstract
Issued Shares					
Common Stock	16,151	–	–	16,151	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	19,911	–	–	19,911	
Treasury Stock					
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

None

3. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2015

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 23, 2014	Common Stock	288,757	17,878	March 31, 2014	June 23, 2014
	Second series Class IV Preferred Stock	0	42,000	March 31, 2014	June 23, 2014
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2014	June 23, 2014
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2014	June 23, 2014

(2) Of dividends whose record dates belong to the year ended March 31, 2015, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on June 3, 2015	Common Stock	242,661	Retained Earnings	15,024	March 31, 2015	June 3, 2015
	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2015	June 3, 2015
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2015	June 3, 2015
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2015	June 3, 2015

#### Notes to Consolidated Statement of Cash Flows

\*1. Cash and Cash Equivalents at the balance sheet date are reconciled to Cash and Due from Banks on the consolidated balance sheet as follows:

	For the year ended March 31, 2014	For the year ended March 31, 2015
Cash and Due from Banks	¥19,415,640 million	¥26,011,670 million
Due from Banks, excluding Deposits with Central Banks	¥(1,064,825) million	¥(1,087,383) million
Cash and Cash Equivalents	¥18,350,815 million	¥24,924,286 million

#### 2. Significant non-fund transaction

(1) The amount and main details of decrease in assets and liabilities resulting from Mizuho Securities Co., Ltd. and others being no longer categorized as consolidated subsidiaries through the distribution of shares as dividend-in-kind:

	For the year ended March 31, 2014	For the year ended March 31, 2015
Total Assets	¥23,901,499 million	¥– million
Of which Receivables under Resale Agreements	¥9,487,658 million	¥– million
Of which Trading Assets	¥8,316,569 million	¥– million
Total Liabilities	¥23,309,091 million	¥– million
Of which Payables under Repurchase Agreements	¥12,083,346 million	¥– million
Of which Trading Liabilities	¥4,321,528 million	¥– million

(2) The amount and main details of increase in assets and liabilities resulting from the merger with the former Mizuho Bank, Ltd.

	For the year ended March 31, 2014	For the year ended March 31, 2015
Total Assets	¥76,030,986 million	¥– million
Of which Loans and Bills Discounted	¥31,451,823 million	¥– million
Of which Securities	¥21,805,151 million	¥– million
Total Liabilities	¥73,247,664 million	¥– million
Of which Deposits	¥61,267,605 million	¥– million

#### Lease Transactions

##### I. Finance Leases

Finance Leases not Involving the Transfer of Ownership (Lessee)

##### 1) Details of lease assets

(A) Tangible Fixed Assets

Primarily equipment

(B) Intangible Fixed Assets

Software

2) Depreciation method of lease assets

As stated in “(5) Method of depreciation of Fixed Assets” of “4. Accounting Policies” under Basis of Preparation of Consolidated Financial Statements

2. Operating Leases

Future Lease Payments Related to Non-cancelable Operating Leases

(1) Lessee

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Due within One Year	35,890	37,495
Due after One Year	164,388	145,131
Total	200,278	182,627

(2) Lessor

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Due within One Year	777	735
Due after One Year	4,370	4,313
Total	5,147	5,049

Financial Instruments

1. Matters Relating to the Conditions of Financial Instruments

(1) Policy on financial instruments

MHBK, which primarily engages in banking business, and its group companies (the “Group”) incur financial liabilities such as customer deposits and funding through financial markets on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engage in trading activities for certain financial instruments. Some consolidated subsidiaries conduct other financial business.

For these businesses, the Group manages appropriately the risks of individual financial instruments and carefully matches difference in transaction terms and various risk factors.

(2) Type and risk of financial instruments

The main financial assets of the Group consist of customer loans and securities such as stocks and government bonds for investment purposes. These financial assets are subject to various types of risk of losses that may be incurred by the Group due to a decline in, or total loss of, the value of assets as a result of deterioration in a counterparty’s and an issuer’s financial position (“credit risk”), or due to a decline in the value of assets as a result of fluctuations in interest rates, stock prices and foreign exchange rates and so on (“market risk”).

The main financing source of the Group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses arising from funding difficulties due to financial market turmoil or deterioration in our financial position that forces us to raise funds at significantly higher interest rates than usual or that makes it difficult for us to raise the necessary funds (“liquidity risk”).

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of financial assets and liabilities of the Group, exposing the Group to various risks, including credit risk, market risk and liquidity risk.

In addition, the Group uses derivative financial instruments to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management (“ALM”). The Group primarily utilizes the “portfolio hedge” by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative instruments like interest rate swaps are used as hedging instruments for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these instruments, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure that changes in interest rate risk or cash flows of the hedged items are highly effectively offset by the hedging instruments. It should be noted that the Group uses derivative financial instruments for trading purposes and so on as well.

(3) Risk management for financial instruments

1) Commitment to risk management

The Group recognizes the conducting of operations tailored to the risks and managing such risks as a key issue relating to its management. In order to implement its business strategy while maintaining our financial stability, the Group maintains comprehensive risk management and control measures.

The Group maintains basic policies for risk management established by our Board of Directors that are applicable to the entire Group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, the Group maintains various measures to strengthen and enhance the sophistication of its risk management system.

2) General concept of risk management

The Group classifies its risk exposures according to the various kinds of risk, including “credit risk,” “market risk,” “liquidity risk” and “operational risk,” and manages each type of risk according to its characteristics.

In addition to managing each type of risk individually, the Group has established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

More specifically, the Group allocates risk capital to each risk unit to control risk within the limits set for each unit. The Group also controls risk within managerially acceptable limits by working to ensure that the overall risk the Group holds on an entire Group basis does not exceed shareholder's equity and other measures of financial strength. To ensure the ongoing financial health of the Group, MHBK regularly monitors the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees.

### 3) Credit risk management

The Board of Directors of MHBK determines key matters pertaining to credit risk management policies and the CEO supervises the credit risk management. In addition, the "Portfolio Management Committee" and "Credit Committee" as its management policy committees broadly discuss and coordinate matters relating to the management of the Group's credit portfolio and credit policies towards obligors. The Head of Risk Management Group is responsible for matters relating to planning and implementing credit risk management. Each department of the credit risk management division conducts credit risk measuring and monitoring, and forms and promotes basic plans of credit risk management. The Head of Credit Group is responsible for matters regarding credit examination and manages credit risk mainly from the viewpoint of individual credits. Each credit department approves/disapproves, manages and collects from customers individual credit transactions. In addition, MHBK has also established the Credit Review Division as an internal audit division that is independent of the business divisions in order.

The Group has adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which the Group manages the process for each individual transaction and individual obligor from execution until collection, based on its assessment of the credit quality of the customer. Through this process, the Group curbs losses in the case of a credit event. The second is "credit portfolio management," in which the Group utilizes statistical methods to assess the potential for losses related to credit risk. Through this process, the Group identifies credit risk and responds appropriately.

Regarding the method of credit portfolio management, MHBK uses statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VaR"). The difference between expected loss and credit VaR is measured as the credit risk amount ("unexpected loss"). MHBK recognizes two types of risk arising from allowing too large a proportion of credit risk to be allocated in certain areas. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain geographical areas, industrial sectors and other groupings. MHBK manages these risks appropriately in line with its specific guidelines for each.

### 4) Market risk management

The Board of Directors of MHBK determines key matters pertaining to market risk management policies. In addition, MHBK has established the "ALM & Market Risk Committee" as one of its management policy committees. The committee broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes actions to be taken in emergency situations such as sudden market changes.

The Head of Risk Management Group of MHBK is responsible for matters relating to market risk management planning and operations. The Risk Management Division of MHBK is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the division assesses and manages the overall market risk of MHBK and the Group as a whole and submits reports to the CEO on a daily basis and to our Board of Directors and the Executive Management Committee, etc. of MHBK on a regular basis.

To manage market risk, MHBK sets limits that correspond to risk capital allocations. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, MHBK sets limits for VaR and for losses. For banking activities, MHBK sets position limits based on interest rate sensitivity as needed.

The Board of Directors of MHBK decides the "Basic Policies for Market and Liquidity Risk Management," which determine key matters pertaining to market risk management policies, and the CEO supervises the market risk management in compliance with said Basic Policies. In addition, MHBK has established the ALM & Market Risk Committee as a management policy committee that broadly discusses and coordinates matters relating to the market risk management. Moreover, MHBK has established middle offices specializing in risk management that are independent of its front offices, which engage in market transactions, and its back offices, which are responsible for book entries and settlements. This structure enables them to achieve mutual checks and control over market operations. When VaR is not adequate to control risk, the middle offices manage risk by managing risk indicators, using 10 BPV (Basis Point Value) or others, by carrying out stress tests, and setting loss limits as needed.

### 5) Situation of market risk

#### i. Banking activities

The following table shows the VaR figures relating to the banking activities of the Group for the fiscal year (period) indicated:

(Billions of Yen)

	For the three months ended June 30, 2013	For the nine months ended March 31, 2014	For the year ended March 31, 2015
As of the fiscal year (period) end	86.6	262.5	289.1

Maximum	146.9	296.9	335.4
Minimum	81.7	169.9	245.4
Average	119.8	245.7	286.9

[Definition of banking activities]

The following transactions are categorized as banking activities, with trading activities and strategically-held equity being categorized separately.

- (1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.
- (2) Equity (excluding strategically-held equity), bonds, investment trusts, etc. and hedges against related market risk.

The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.

[Method of calculating VaR of banking activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one month, 3) Historical observation period of one year

ii. Trading activities

The following table shows the VaR figures relating to the trading activities of the Group for the fiscal year (period) indicated:

	(Billions of Yen)		
	For the three months ended June 30, 2013	For the nine months ended March 31, 2014	For the year ended March 31, 2015
As of the fiscal year (period) end	3.2	2.6	1.3
Maximum	5.8	5.5	2.5
Minimum	2.4	2.4	1.3
Average	3.6	3.6	1.8

[Definition of trading activities]

- (1) Transactions held for the purpose of short-term resale.
- (2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.
- (3) Deals that have both aspects of (1) and (2) above.
- (4) Deals held for broking business or market making business.

[Method of calculating VaR of trading activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one day, 3) Historical observation period of one year

iii. Strategic equity holding

The Group performs the same market risk management based on VaR and risk indices for the strategic equity holding portfolio as for banking activities and trading activities. The risk index of the strategic equity holding portfolio (sensitivity of the portfolio to a 1% change in TOPIX index) is set as ¥34.3 billion as of March 31, 2015 (¥27.6 billion as of March 31, 2014).

iv. Risk management using VaR

VaR is a commonly used market risk measurement technique based on statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VaR model has the following limitations:

- VaR estimates could differ by assumptions of holding period, confidence interval and approaches for the measurement.
- VaR that is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VaR might underestimate the probability of loss when the market becomes inactive due to market confusion since VaR is based on the assumptions of sales of holding portfolio or hedges in the market during the holding period for the calculation.
- VaR model does not take account of any losses that might occur beyond this confidence interval.

The variance co-variance model used as the measurement technique of VaR assumes that changes in market movements follow a normal distribution. Therefore, the model might underestimate the risk in a circumstance where the market is likely to move extremely beyond the assumption. The model might also underestimate the risk when the normal correlation assumption between interest rate and share price collapses in a circumstance where a rise in the interest rate and a deterioration of share price happen simultaneously.

The Group checks the validity of the market risk measurement made by VaR approach periodically by backtesting, which compares VaR with actual profit and loss. In addition to VaR, the Group performs a wide variety of management processes and controls such as risk indices monitoring, implementation of stress tests, and loss limit monitoring in order to perform strict risk management by carefully grasping all risks, including those VaR approach is not able to cover.

#### 6) Liquidity risk management

The Group's liquidity risk management structure is generally the same as the market risk management structure described above "4) Market risk management." However, liquidity risk is managed under the system where the Head of Markets Unit is responsible for the planning and implementing cash flow management, the ALM Department is responsible for matters relating to identifying and coordinating cash flow situation, and plans and runs cash flow management operations. Reports on the cash flow situation are submitted to the ALM & Market Risk Committee and the Executive Management Committee, etc.

Liquidity risk is measured using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk, etc. are discussed and coordinated by the ALM & Market Risk Committee, discussed further by the Executive Management Committee and determined by the CEO. The Group has established classifications for the cash flow conditions affecting the Group, ranging from "normal" to "cause for concern" and "critical," and has established procedures for dealing with cases that are deemed to fall into the "cause for concern" or "critical" category. In addition, a structure has been constructed under which the Group will be able to respond smoothly in the event of an "emergency situation" that affects the Group's funding.

#### (4) Supplementary explanation of matters relating to fair value of financial instruments and others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.

## 2. Matters Relating to Fair Value of Financial Instruments and Others

The following are carrying values, fair values and differences between them. Unlisted stocks and others, the fair values of which are deemed extremely difficult to determine, are excluded from the table below (see (Note 2)).

As of March 31, 2014

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	19,414,402	19,414,402	–
(2) Call Loans and Bills Bought (*1)	479,355	479,355	–
(3) Receivables under Resale Agreements (*1)	729,364	729,364	–
(4) Receivables under Securities Borrowing Transactions	388,060	388,060	–
(5) Monetary Claims Bought (*1)	3,205,326	3,205,326	–
(6) Trading Assets			
Trading Securities	1,433,768	1,433,768	–
(7) Money Held in Trust (*1)	2,805	2,805	–
(8) Securities			
Bonds Held to Maturity	4,040,082	4,057,817	17,734
Available-for-sale Securities	37,003,279	37,003,279	–
(9) Loans and Bills Discounted	66,880,997		
Allowance for Loan Losses (*1)	(540,732)		
	66,340,265	67,435,665	1,095,400
Total Assets	133,036,711	134,149,846	1,113,134
(1) Deposits	86,947,394	86,911,200	(36,194)
(2) Negotiable Certificates of Deposit	11,746,394	11,745,819	(574)

(3) Call Money and Bills Sold	6,071,334	6,071,334	–
(4) Payables under Repurchase Agreements	7,690,487	7,690,487	–
(5) Payables under Securities Lending Transactions	3,159,574	3,159,574	–
(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	47,817	47,817	–
(7) Borrowed Money	7,422,832	7,455,248	32,415
(8) Bonds and Notes	4,032,847	4,108,955	76,108
<b>Total Liabilities</b>	<b>127,118,682</b>	<b>127,190,438</b>	<b>71,756</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	523,400		
Derivative Transactions Designated as Hedge	[328,325]		
Allowance for Derivative Transactions (*1)	(11,649)		
<b>Total Derivative Transactions</b>	<b>183,426</b>	<b>183,426</b>	<b>–</b>

(\*1) General and individually estimated allowance for losses relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for losses on Cash and Due from Banks, Call Loans and Bills Bought, Receivables under Resale Agreements, Monetary Claims Bought and Money Held in Trust are directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

As of March 31, 2015

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	26,009,828	26,009,828	–
(2) Call Loans and Bills Bought (*1)	471,689	471,689	–
(3) Receivables under Resale Agreements	598,521	598,521	–
(4) Receivables under Securities Borrowing Transactions	133,336	133,336	–
(5) Monetary Claims Bought (*1)	3,190,938	3,190,938	–
(6) Trading Assets			
Trading Securities	1,172,330	1,172,330	–
(7) Money Held in Trust (*1)	2,747	2,747	–
(8) Securities			
Bonds Held to Maturity	5,647,341	5,677,806	30,465
Available-for-sale Securities	34,563,795	34,563,795	–
(9) Loans and Bills Discounted	71,313,641		
Allowance for Loan Losses (*1)	(454,153)		
	70,859,488	71,942,905	1,083,416
<b>Total Assets</b>	<b>142,650,016</b>	<b>143,763,899</b>	<b>1,113,882</b>
(1) Deposits	95,067,633	95,037,351	(30,281)
(2) Negotiable Certificates of Deposit	14,615,346	14,614,902	(444)
(3) Call Money and Bills Sold	3,476,748	3,476,748	–
(4) Payables under Repurchase Agreements	10,140,790	10,140,790	–
(5) Payables under Securities Lending Transactions	513,983	513,983	–

(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	10,412	10,412	–
(7) Borrowed Money	6,870,180	6,897,308	27,128
(8) Bonds and Notes	4,678,117	4,763,351	85,234
<b>Total Liabilities</b>	<b>135,373,211</b>	<b>135,454,848</b>	<b>81,637</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	227,258		
Derivative Transactions Designated as Hedge	[25,123]		
Allowance for Derivative Transactions (*1)	(13,728)		
<b>Total Derivative Transactions</b>	<b>188,406</b>	<b>188,406</b>	<b>–</b>

(\*1) General and individually estimated allowance for losses relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for losses on Cash and Due from Banks, Call Loans and Bills Bought, Monetary Claims Bought and Money Held in Trust are directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Measurement method of fair value of financial instruments

Assets

(1) Cash and Due from Banks

For Due from Banks which have no maturity, since fair values approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Bought, (3) Receivables under Resale Agreements and (4) Receivables under Securities Borrowing Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(5) Monetary Claims Bought

Fair values of Monetary Claims Bought are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from brokers and quote vendors.

(6) Trading Assets

Fair values of securities held for trading, such as bonds held for trading, are based on the market prices and others.

(7) Money Held in Trust

Fair values of securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are determined by the method described in (8) below. For Money Held in Trust other than this, since fair values approximate book values, we deem the book values to be fair values. The notes to Money Held in Trust based on holding purpose are stated in “Money Held in Trust.”

(8) Securities

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

With respect to securitization products, we applied valuations obtained from brokers or reasonably calculated prices based on the reasonable estimates of its management as fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the Discounted Cash Flow Method. The price decision variables include default rates, recovery rates, pre-payment rates and discount rates.

Fair values of Floating-Rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are based on the reasonably calculated prices as book value at the end of the fiscal year. In deriving the reasonably calculated prices, we used the Discounted Cash Flow Method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

The notes to Securities based on holding purpose are stated in “Securities.”

(9) Loans and Bills Discounted

Fair values of Loans and Bills Discounted are calculated by the total amount of principal and interest discounted at the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted. In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and

guarantees, fair values approximate the carrying value of claims minus Allowance for Loan Losses on the consolidated balance sheet as of the end of the fiscal year, and we thus deem such amount to be fair values.

Of the Loans and Bills Discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, we deem the book values to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions.

#### Liabilities

##### (1) Deposits and (2) Negotiable Certificates of Deposit

For demand deposits, we deem the payment amounts if required on the consolidated balance sheet date (i.e., book values) to be fair values. In addition, fair values of Time Deposits and Negotiable Certificates of Deposits are calculated by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are the market interest rates. For the deposits whose deposit terms are short (i.e., within six months), since fair values approximate book values, we mainly deem the book values to be fair values.

##### (3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Payables under Securities Lending Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

##### (6) Trading Liabilities

Fair values of Securities Sold, Not Yet Purchased in Trading Liabilities are based on the market prices and others.

##### (7) Borrowed Money

Fair values of Borrowed Money are calculated by discounting the total amount of the principal and interest of such Borrowed Money classified by certain period at the interest rates considered to be applicable to similar loans.

##### (8) Bonds and Notes

Fair values of Bonds and Notes issued by MHBK and its consolidated subsidiaries are based on the market prices for Bonds and Notes which have market prices, and calculated by discounting the total amount of principal and interest by the interest rates considered to be applicable to similar Bonds and Notes for those which do not have market prices.

#### Derivative Transactions

This topic is to be discussed later in the section of “Derivative Transactions.”

(Note 2) Carrying values of financial instruments whose fair values are deemed extremely difficult to determine are indicated below, and are not included in “Assets (5) Monetary Claims Bought,” “Assets (7) Money Held in Trust” and “Assets (8) Available-for-sale Securities” in fair value information of financial instruments.

(Millions of Yen)

Category	As of March 31, 2014	As of March 31, 2015
1) Unlisted Stocks (*1)	183,895	139,142
2) Investments in Partnerships and Others (*2)	65,195	45,082
3) Other (*3)	100,350	100,595
Total (*4)	349,441	284,820

(\*1) We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

(\*2) Of the Investments in Partnerships and Others, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

(\*3) We do not treat preferred subscription certificates and others included in Other as being subject to disclosure of fair values as there are no market prices and other factors and they are deemed extremely difficult to determine fair values.

(\*4) During the fiscal year ended March 31, 2014, the amount of impairment (“devaluation”) was ¥4,873 million. During the fiscal year ended March 31, 2015, the amount of impairment (“devaluation”) was ¥2,177 million.

(Note 3) Redemption schedule by term for Monetary Claims and Securities with maturities after the consolidated balance sheet date

As of March 31, 2014

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	18,108,943	9,602	–	–	–	–
Call Loans and Bills Bought	479,655	–	–	–	–	–

Monetary Claims Bought	2,769,556	61,052	51,462	24,188	8,800	288,540
Securities (*1)	8,592,730	10,824,319	10,291,850	2,240,221	1,736,808	2,659,796
Bonds Held to Maturity	600,000	1,300,000	1,780,000	–	360,000	–
Japanese Government Bonds	600,000	1,300,000	1,780,000	–	360,000	–
Foreign Bonds	–	–	–	–	–	–
Available-for-sale Securities with maturities	7,992,730	9,524,319	8,511,850	2,240,221	1,376,808	2,659,796
Japanese Government Bonds	5,817,720	7,147,900	5,918,500	1,059,200	849,600	–
Japanese Local Government Bonds	30,158	55,655	73,777	13,266	64,214	779
Bonds and Notes	345,722	596,917	456,702	133,030	48,572	1,007,218
Foreign Bonds	1,793,967	1,689,472	2,030,248	1,029,431	406,398	1,650,999
Other	5,162	34,373	32,621	5,292	8,023	798
Loans and Bills Discounted (*2)	27,469,817	13,110,344	10,095,317	4,505,825	3,590,911	7,026,890
Total	57,420,704	24,005,319	20,438,630	6,770,235	5,336,519	9,975,227

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥503,890 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥578,001 million of those whose terms are not determined.

As of March 31, 2015

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	25,009,915	–	–	–	–	–
Call Loans and Bills Bought	472,438	–	–	–	–	–
Monetary Claims Bought	2,788,591	102,440	48,443	9,382	4,991	234,357
Securities (*1)	6,387,467	11,209,638	8,776,946	1,543,696	2,645,996	3,451,541
Bonds Held to Maturity	600,000	1,800,000	1,480,000	–	480,000	1,195,442
Japanese Government Bonds	600,000	1,800,000	1,480,000	–	480,000	–
Foreign Bonds	–	–	–	–	–	1,195,442
Available-for-sale Securities with maturities	5,787,467	9,409,638	7,296,946	1,543,696	2,165,996	2,256,098
Japanese Government Bonds	2,978,900	7,658,100	4,307,600	337,400	996,400	–
Japanese Local Government Bonds	35,611	60,758	42,130	13,765	77,738	732
Bonds and Notes	389,625	659,666	397,401	125,021	54,012	781,179
Foreign Bonds	2,369,148	920,565	2,490,812	1,025,484	1,032,708	1,470,926
Other	14,181	110,548	59,002	42,025	5,137	3,260
Loans and Bills Discounted (*2)	28,098,865	15,043,361	11,163,593	4,998,794	3,806,364	7,127,148
Total	62,757,277	26,355,439	19,988,984	6,551,873	6,457,352	10,813,048

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥425,914 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥649,599 million of those whose terms are not determined.

(Note 4) Repayment schedule by term for Bonds and Notes, Borrowed Money, and other interest-bearing debt after the consolidated balance sheet date

As of March 31, 2014

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years

Deposits (*1)	83,298,312	2,847,459	667,501	78,984	55,135	–
Negotiable Certificates of Deposit	11,738,753	7,819	–	–	–	–
Call Money and Bills Sold	6,071,334	–	–	–	–	–
Borrowed Money (*2)	5,260,160	1,160,679	99,201	97,313	588,618	83,813
Short-term Bonds	112,468	–	–	–	–	–
Bonds and Notes (*2)	638,241	1,194,534	1,231,364	282,100	321,293	325,913
Total	107,119,270	5,210,492	1,998,067	458,398	965,048	409,727

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥133,044 million for Borrowed Money and ¥39,400 million for Bonds and Notes) are not included in the table.

As of March 31, 2015

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	91,331,499	2,881,362	714,547	78,103	62,120	–
Negotiable Certificates of Deposit	14,565,791	49,768	–	–	–	–
Call Money and Bills Sold	3,476,748	–	–	–	–	–
Borrowed Money (*2)	514,570	949,553	4,210,272	116,814	837,002	148,915
Short-term Bonds	99,205	–	–	–	–	–
Bonds and Notes (*2)	540,420	1,978,338	1,194,773	158,200	505,744	261,240
Total	110,528,234	5,859,022	6,119,593	353,118	1,404,867	410,156

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥93,051 million for Borrowed Money and ¥39,400 million for Bonds and Notes) are not included in the table.

#### Securities

- \* The following tables contain information relating to items which are classified as “Securities;” Trading Securities, Securities related to Trading Transactions and Short-term Bonds in “Trading Assets;” Negotiable Certificates of Deposits in “Cash and Due from Banks;” and certain items in “Monetary Claims Bought.”

##### 1. Trading Securities

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Unrealized Gains (Losses) Recognized in the Consolidated Statement of Income	215	556

##### 2. Bonds Held to Maturity

As of March 31, 2014

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Value Exceeds Carrying Value	Japanese Government Bonds	3,830,230	3,848,185	17,954
	Foreign Bonds	–	–	–
	Subtotal	3,830,230	3,848,185	17,954
Bonds Whose Fair Value Does Not Exceed Carrying Value	Japanese Government Bonds	209,852	209,632	(220)
	Foreign Bonds	–	–	–
	Subtotal	209,852	209,632	(220)

Total	4,040,082	4,057,817	17,734
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As of March 31, 2015

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Value Exceeds Carrying Value	Japanese Government Bonds	4,260,214	4,289,216	29,001
	Foreign Bonds	931,033	933,292	2,259
	Subtotal	5,191,248	5,222,508	31,260
Bonds Whose Fair Value Does Not Exceed Carrying Value	Japanese Government Bonds	99,911	99,738	(173)
	Foreign Bonds	356,181	355,560	(621)
	Subtotal	456,092	455,298	(794)
Total		5,647,341	5,677,806	30,465

### 3. Available-for-sale Securities

As of March 31, 2014

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	2,423,237	1,340,138	1,083,098
	Bonds	12,802,718	12,756,447	46,271
	Japanese Government Bonds	10,626,557	10,609,696	16,860
	Japanese Local Government Bonds	178,934	176,315	2,619
	Japanese Corporate Bonds	1,997,226	1,970,434	26,791
	Others	4,697,501	4,524,965	172,536
	Foreign Bonds	3,298,642	3,267,369	31,273
	Monetary Claims Bought	218,195	213,376	4,818
	Other	1,180,663	1,044,219	136,443
	Subtotal	19,923,457	18,621,551	1,301,905
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	440,759	534,022	(93,263)
	Bonds	10,992,337	11,008,309	(15,972)
	Japanese Government Bonds	10,304,813	10,308,559	(3,745)
	Japanese Local Government Bonds	61,900	62,006	(105)
	Japanese Corporate Bonds	625,622	637,743	(12,120)
	Others	6,449,736	6,682,993	(233,257)
	Foreign Bonds	5,353,884	5,551,717	(197,832)
	Monetary Claims Bought	483,469	486,402	(2,933)
	Other	612,382	644,873	(32,490)
Subtotal	17,882,832	18,225,325	(342,492)	
Total		37,806,289	36,846,876	959,413

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge

method and others was a gain of ¥37,413 million.

As of March 31, 2015

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	3,532,375	1,529,392	2,002,982
	Bonds	13,324,291	13,270,277	54,014
	Japanese Government Bonds	11,267,403	11,244,725	22,677
	Japanese Local Government Bonds	219,341	215,318	4,023
	Japanese Corporate Bonds	1,837,547	1,810,233	27,314
	Others	7,714,426	7,441,821	272,604
	Foreign Bonds	5,839,185	5,769,881	69,303
	Monetary Claims Bought	187,898	183,653	4,244
	Other	1,687,343	1,488,286	199,056
	Subtotal	24,571,094	22,241,492	2,329,601
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	269,146	302,603	(33,457)
	Bonds	5,688,773	5,699,904	(11,130)
	Japanese Government Bonds	5,070,997	5,072,219	(1,222)
	Japanese Local Government Bonds	15,522	15,538	(15)
	Japanese Corporate Bonds	602,254	612,146	(9,891)
	Others	4,621,595	4,672,346	(50,750)
	Foreign Bonds	3,732,423	3,772,722	(40,299)
	Monetary Claims Bought	290,803	292,222	(1,419)
	Other	598,369	607,401	(9,032)
	Subtotal	10,579,516	10,674,854	(95,338)
Total		35,150,610	32,916,346	2,234,263

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method was a gain of ¥52,059 million.

4. Bonds Held to Maturity which were sold during the year ended March 31, 2015

None

5. Available-for-sale Securities which were sold during the fiscal year

For the year ended March 31, 2014

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	116,740	28,694	2,383
Bonds	53,628,965	47,783	8,534
Japanese Government Bonds	52,768,824	43,109	6,899
Japanese Local Government Bonds	100,049	277	53
Japanese Corporate Bonds	760,091	4,396	1,581
Other	8,213,742	78,317	50,357

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Total	61,959,448	154,796	61,274

Note: Available-for-sale Securities whose fair values are deemed extremely difficult to determine are included.

For the year ended March 31, 2015

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	163,872	73,541	2,076
Bonds	55,937,727	59,312	3,842
Japanese Government Bonds	54,808,550	49,144	3,596
Japanese Local Government Bonds	67,442	53	47
Japanese Corporate Bonds	1,061,733	10,114	197
Other	16,967,609	171,678	95,630
Total	73,069,209	304,532	101,548

Note: Available-for-sale Securities whose fair values are deemed extremely difficult to determine are included.

6. Securities whose classification was changed

None

7. Impairment (“Devaluation”) of Securities

Certain Securities excluding Trading Securities (excluding those whose fair values are deemed extremely difficult to determine) are presented on the consolidated balance sheet at their fair value and the difference between the acquisition cost and the fair value is recognized as a loss for the fiscal year (“loss on impairment”) if the fair value (primarily the market price on the last day of the fiscal year) has significantly deteriorated compared with the acquisition cost (including amortized cost) and recoverability of the fair value over the acquisition cost is not expected.

Loss on impairment for the fiscal year ended March 31, 2014 was ¥7,516 million.

Loss on impairment for the fiscal year ended March 31, 2015 was ¥2,693 million.

The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows:

Securities whose fair value is 50% or less of the acquisition cost

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

Money Held in Trust

1. Money Held in Trust for investment purposes

As of March 31, 2014

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	2,808	31

As of March 31, 2015

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	3,249	25

2. Money Held in Trust, for the purpose of being held to maturity

None

3. Other Money Held in Trust other than for investment purposes or to be held to maturity

None

Valuation Difference on Available-for-sale Securities

Details of Valuation Difference on Available-for-sale Securities on the consolidated balance sheet are as follows:

As of March 31, 2014

(Millions of Yen)

	Amount
Valuation Difference	922,075
Available-for-sale Securities	922,075
(-) Deferred Tax Liabilities	267,665
Valuation Difference on Available-for-sale Securities (Before adjusting for amount corresponding to Minority Interests)	654,410
(-) Amount corresponding to Minority Interests	43,817
(+) Amount corresponding to MHBK's interest in the valuation difference on available-for-sale securities owned by affiliates accounted for by the equity method	3,896
Valuation Difference on Available-for-sale Securities	614,488

Notes: 1. A gain of ¥37,413 million reflected in profit and loss due to the application of the fair value hedge method and others is deducted from the Valuation Difference on Available-for-sale Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Available-for-sale Securities whose fair values are deemed extremely difficult to determine is included in "Available-for-sale Securities" under "Valuation Difference."

As of March 31, 2015

(Millions of Yen)

	Amount
Valuation Difference	2,182,227
Available-for-sale Securities	2,182,227
(-) Deferred Tax Liabilities	619,265
Valuation Difference on Available-for-sale Securities (Before adjusting for amount corresponding to Minority Interests)	1,562,961
(-) Amount corresponding to Minority Interests	47,037
(+) Amount corresponding to MHBK's interest in the valuation difference on available-for-sale securities owned by affiliates accounted for by the equity method	6,590
Valuation Difference on Available-for-sale Securities	1,522,514

Notes: 1. A gain of ¥52,059 million reflected in profit and loss due to the application of the fair value hedge method is deducted from the Valuation Difference on Available-for-sale Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Available-for-sale Securities whose fair values are deemed extremely difficult to determine is included in "Available-for-sale Securities" under "Valuation Difference."

#### Derivative Transactions

##### 1. Derivative Transactions not Designated as Hedge

With regard to derivative transactions not designated as hedge, contract amounts or contractual principal equivalents, fair values and net unrealized gains (losses), and fair value measurement method by type of transaction as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

##### (1) Interest Rate-Related Transactions

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures: Sold	11,176,837	6,070,052	(21,739)	(21,739)
	Bought	9,703,057	5,270,930	23,266	23,266

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Options:				
	Sold	2,142,697	595,526	(4,060)	379
	Bought	1,911,694	529,727	3,385	(522)
	FRAs:				
	Sold	7,598,487	412,133	(1,364)	(1,364)
	Bought	8,006,287	595,270	1,539	1,539
	Swaps:				
	Receive Fixed / Pay Float	349,963,537	265,236,602	6,021,523	6,021,523
	Receive Float / Pay Fixed	348,816,926	262,344,526	(5,920,967)	(5,920,967)
	Receive Float / Pay Float	47,398,139	33,262,057	3,320	3,320
	Receive Fixed / Pay Fixed	265,799	233,796	1,898	1,898
	Options:				
	Sold	11,157,793	7,749,396	(114,363)	(114,363)
	Bought	9,523,996	6,147,620	122,816	122,816
Inter-Compan y and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	4,130,328	3,825,292	38,666	38,666
	Receive Float / Pay Fixed	8,202,717	7,196,953	(19,123)	(19,123)
	Receive Float / Pay Float	41,922	41,922	(2)	(2)
	Total	–	–	134,793	135,326

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.  
Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2015

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Futures:				
	Sold	19,934,526	10,850,247	(71,926)	(71,926)
	Bought	18,400,673	8,133,471	66,842	66,842
	Options:				
	Sold	1,321,915	171,604	(2,245)	1,302
	Bought	2,123,263	216,340	2,928	(1,712)
	FRAs:				
	Sold	10,236,509	2,026,655	(4,237)	(4,237)
	Bought	9,836,463	901,965	2,802	2,802
	Swaps:				
	Receive Fixed / Pay Float	410,939,108	317,455,746	7,975,281	7,975,281

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Receive Float / Pay Fixed	406,294,296	313,565,660	(7,809,781)	(7,809,781)
	Receive Float / Pay Float	52,950,648	38,338,737	6,530	6,530
	Receive Fixed / Pay Fixed	463,797	435,286	4,516	4,516
	Options:				
	Sold	11,889,330	6,765,966	(110,252)	(110,252)
	Bought	8,474,979	5,063,900	126,303	126,303
Inter-Company and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	4,584,005	4,346,291	88,359	88,359
	Receive Float / Pay Fixed	9,783,036	9,155,515	(132,210)	(132,210)
	Receive Float / Pay Float	42,678	–	(5)	(5)
Total		–	–	142,906	141,813

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(2) Currency-Related Transactions

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	23,653	2,370	1,155	1,155
	Bought	36,577	–	(12)	(12)
	Options:				
	Sold	1,591	–	(2)	(2)
	Bought	1,591	–	1	1
Over-the- Counter	Currency Swaps	35,638,533	22,261,875	5,440	14,721
	Forward Exchange Contracts:				
	Sold	48,338,033	2,394,507	(518,430)	(518,430)
	Bought	21,686,934	1,569,711	584,760	584,760
	Options:				
	Sold	3,783,401	1,717,037	(227,010)	(70,458)
	Bought	3,490,662	1,551,978	124,462	(28,339)
Inter-Company and Inter-Office Transactions	Currency Swaps	2,530,888	1,213,503	392,733	4,255
Total		–	–	363,098	(12,348)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2015

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	26,333	2,329	—	—
	Bought	44,356	21,625	—	—
	Options:				
	Sold	—	—	—	—
	Bought	—	—	—	—
Over-the-Counter	Currency Swaps	37,400,639	23,736,351	(90,149)	(134,842)
	Forward Exchange Contracts:				
	Sold	61,775,844	3,493,384	(725,986)	(725,986)
	Bought	27,652,475	1,849,816	875,881	875,881
	Options:				
	Sold	3,646,780	1,072,788	(286,652)	(170,435)
	Bought	3,354,282	987,431	116,360	16,009
Inter-Company and Inter-Office Transactions	Currency Swaps	2,293,679	1,534,304	184,643	3,577
Total		—	—	74,098	(135,795)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

### (3) Stock-Related Transactions

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	—	—	—	—
	Bought	—	—	—	—
	Index Futures Options:				
	Bought	—	—	—	—
Over-the-Counter	Equity-Linked Swaps	172,800	172,800	—	—
Total		—	—	—	—

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values are determined using the discounted value of future cash flows and others.

As of March 31, 2015

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	63,449	–	30	30
	Bought	5,819	–	(35)	(35)
	Index Futures Options:				
	Bought	13,200	–	28	(47)
Over-the-Counter	Equity-Linked Swaps	91,400	91,400	–	–
Total		–	–	23	(52)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Osaka Exchange and others.  
Fair values of over-the-counter contracts are determined using the discounted value of future cash flows and others.

(4) Bond-Related Transactions

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	610,646	–	1,097	1,097
	Bought	606,405	–	(1,157)	(1,157)
	Bond Futures Options:				
	Sold	337,131	–	(310)	105
	Bought	186,910	–	514	(118)
Total		–	–	143	(74)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values are determined using the closing prices of the Osaka Exchange and others.

As of March 31, 2015

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	390,770	–	(2,745)	(2,745)
	Bought	318,370	–	2,354	2,354
	Bond Futures Options:				
	Sold	871,805	–	(119)	(46)
	Bought	12,147	–	12	(6)
Total		–	–	(497)	(443)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values are determined using the closing prices of the Osaka Exchange and others.

(5) Commodity-Related Transactions  
As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	40,507	1,373	(322)	(322)
	Bought	37,531	1,452	385	385
Over-the-Counter	Commodity Swaps	–	–	–	–
	Commodity Options:				
	Sold	201,003	90,993	(10,918)	(10,918)
	Bought	184,254	74,989	17,683	17,683
Total		–	–	6,828	6,828

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, term of contract and other components of the contracts.
3. Commodities are oil, copper, aluminum and others.

As of March 31, 2015 (Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	10,301	170	597	597
	Bought	10,330	365	(618)	(618)
Over-the-Counter	Commodity Swaps	197	–	(37)	(37)
	Commodity Options:				
	Sold	163,398	93,254	9,049	9,049
	Bought	149,067	76,317	(4,657)	(4,657)
Total		–	–	4,332	4,332

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, term of contract and other components of the contracts.
3. Commodities are oil, copper, aluminum and others.

(6) Credit Derivative Transactions  
As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	329,199	271,779	2,728	2,728
	Bought	506,431	390,877	15,807	15,807
Total		–	–	18,536	18,536

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, price of the underlying products, term of contract and other components of the contracts.
3. "Sold" and "Bought" indicate assumption and cession of credit risk, respectively.

As of March 31, 2015

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	278,473	196,863	4,116	4,116
	Bought	330,849	262,394	2,279	2,279
Total		–	–	6,395	6,395

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, price of the underlying products, term of contract and other components of the contracts.
3. "Sold" and "Bought" indicate assumption and cession of credit risk, respectively.

## 2. Derivative Transactions Designated as Hedge

With regard to derivative transactions designated as hedge, contract amounts or contractual principal equivalents, fair values and fair-value measurement method by type of transaction and method of hedge accounting as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

### (1) Interest Rate-Related Transactions

As of March 31, 2014

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, etc.			
	Receive Fixed / Pay Float		24,653,042	20,249,955	181,158
	Receive Float / Pay Fixed		7,248,050	6,756,342	(101,120)
	Receive Float / Pay Float		121,922	71,922	65
Method of Recognizing Profit or Loss on Hedged Items	Swaps:	Available-for-sale Securities, etc.			
	Receive Float / Pay Fixed		218,436	206,607	(1,004)
	Receive Float / Pay Float		–	–	–
Exceptional Accrual Method for Interest Rate Swaps	Swaps:	Loans and Bills Discounted, Borrowed Money, etc.			
	Receive Float / Pay Fixed		93,122	83,213	Note 3
Total		–	–	–	79,099

- Notes: 1. The deferred hedge accounting is applied mainly in accordance with the "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 24).
2. Fair values are determined using the discounted value of future cash flows and others.
3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged items such as Loans and Bills Discounted, Borrowed Money and others, fair values thereof are included in the fair values of the corresponding Loans and Bills Discounted, Borrowed Money and others in the section of "Financial Instruments."

As of March 31, 2015

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps: Receive Fixed / Pay Float	Loans and Bills Discounted, Deposits, Borrowed Money, etc.	25,537,270	23,141,448	254,847
	Receive Float / Pay Fixed		7,108,167	6,890,367	(117,100)
	Receive Float / Pay Float		42,678	–	5
Method of Recognizing Profit or Loss on Hedged Items	Swaps: Receive Float / Pay Fixed	Available-for-sale Securities, etc.	291,094	239,313	(1,384)
	Receive Float / Pay Float		1,774	1,199	(190)
Exceptional Accrual Method for Interest Rate Swaps	Swaps: Receive Float / Pay Fixed	Loans and Bills Discounted, etc.	60,945	48,652	Note 3
	Total		–	–	–

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged items such as Loans and Bills Discounted and others, fair values thereof are included in the fair values of the corresponding Loans and Bills Discounted and others in the section of “Financial Instruments.”

(2) Currency-Related Transactions

As of March 31, 2014

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.	6,803,174	1,544,593	(406,588)
	Forward Exchange Contracts: Sold		134,028	–	(1,638)
Allocation Method ( <i>Furiate Shori</i> ) for Forward Exchange Contracts	Forward Exchange Contracts: Sold	Short-term Bonds	3,391	–	Note 3
Total		–	–	–	(408,226)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Items subject to the allocation method (*furiate shori*) for forward exchange contracts are accounted for synthetically with the short-term bonds that are hedged items.

As of March 31, 2015

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.	7,560,770	2,045,971	(136,735)
	Forward Exchange Contracts: Sold		122,597	–	(2,799)
Allocation Method ( <i>Furiate Shori</i> ) for Forward Exchange Contracts	Forward Exchange Contracts: Sold	Short-term Bonds	2,729	–	Note 3
Total		–	–	–	(139,535)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Items subject to the allocation method (*furiate shori*) for forward exchange contracts are accounted for synthetically with the short-term bonds that are hedged items.

### (3) Stock-Related Transactions

As of March 31, 2014 (Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Method of Recognizing Profit or Loss on Hedged Items	Forward Contracts: Sold	Available-for-sale Securities	23,327	–	800
Total		–	–	–	800

Note: Fair values are determined using the discounted value of future cash flows and others.

As of March 31, 2015

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Method of Recognizing Profit or Loss on Hedged Items	Forward Contracts: Sold	Available-for-sale Securities	113,707	–	(21,765)
Total		–	–	–	(21,765)

Note: Fair values are determined using the discounted value of future cash flows and others.

### (4) Bond-Related Transactions

None

### Provision for Employee Retirement Benefits

#### 1. Outline of Adopted Employee Retirement Benefit Plans

(1) MHBK and its domestic consolidated subsidiaries adopt the Corporate Pension Fund Plans (Kigyō Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido) as Defined-Benefit Corporate Pension Plans. MHBK and its certain domestic consolidated subsidiaries adopt Defined-Contribution Pension Plans for part of the Termination Allowance Plans (Taishoku Ichijikin Seido).

(2) MHBK has established employee retirement benefit trusts.

#### 2. Defined-Benefit Corporate Pension Plans

(1) Reconciliation of Projected Benefit Obligation as of Beginning of Year and as of End of Year

(Millions of Yen)

Classification	For the year ended March 31, 2014	For the year ended March 31, 2015
Projected Benefit Obligation as of Beginning of Year	418,489	1,032,023
Cumulative Effects of Changes in Accounting Policies	–	(8,187)
Balance as of Beginning of Year Reflecting Changes in Accounting Policies	418,489	1,023,835
Service Cost	16,580	20,795
Interest Cost	14,867	9,233
Actuarial Loss (Gain)	2,699	65,348
Retirement Benefits Paid	(54,283)	(55,337)
Increase by Merger	709,432	–
Change of Scope of Consolidation	(76,006)	–
Others	244	1,618
Projected Benefit Obligation as of End of Year	1,032,023	1,065,494

Note: The above Projected Benefit Obligation includes the amount measured by certain consolidated subsidiaries under the non-actuarial method.

## (2) Reconciliation of Plan Assets as of Beginning of Year and as of End of Year

(Millions of Yen)

Classification	For the year ended March 31, 2014	For the year ended March 31, 2015
Plan Assets as of Beginning of Year	460,847	1,382,709
Expected Return on Plan Asset	24,179	30,102
Actuarial Gain (Loss)	120,073	295,581
Amount of Employer Contribution	26,844	31,935
Amount of Employee Contribution	682	816
Retirement Benefits Paid	(41,187)	(41,006)
Increase by Merger	855,082	–
Change of Scope of Consolidation	(64,186)	–
Others	374	19
Plan Assets as of End of Year	1,382,709	1,700,160

## (3) Reconciliation of Projected Benefit Obligation and Plan Assets as of End of Year and Net Defined Benefit Liability and Net Defined Benefit Asset on Consolidated Balance Sheet

(Millions of Yen)

Classification	As of March 31, 2014	As of March 31, 2015
Projected Benefit Obligation	1,032,023	1,065,494
Plan Assets	(1,382,709)	(1,700,160)
Net Amount of Liability and Asset on Consolidated Balance Sheet	(350,686)	(634,665)

(Millions of Yen)

Classification	As of March 31, 2014	As of March 31, 2015
Net Defined Benefit Liability	5,684	6,609
Net Defined Benefit Asset	(356,371)	(641,275)
Net Amount of Liability and Asset on Consolidated Balance Sheet	(350,686)	(634,665)

## (4) Retirement Benefit Expenses and Amounts of Components

(Millions of Yen)

Classification	For the year ended March 31, 2014	For the year ended March 31, 2015
Service Cost	15,898	19,989
Interest Cost	14,867	9,233
Expected Return on Plan Asset	(24,179)	(30,102)
Amortization of Net Actuarial Loss (Gain)	12,763	17,393
Others	3,284	4,671
Retirement Benefit Expenses from Defined-Benefit Corporate Pension Plans	22,633	21,186

Notes: 1. The amount of employee contribution to Mizuho Pension Funds is deducted from "Service Cost."

2. Retirement benefit expenses of some consolidated subsidiaries which adopt the non-actuarial method for the calculation of projected benefit obligation are included in "Service Cost" in full.

## (5) Remeasurements of Defined Benefit Plans in Other Comprehensive Income

The breakdown of the items recorded in Remeasurements of Defined Benefit Plans in Other Comprehensive Income (before tax effects deduction) is as follows.

(Millions of Yen)

Classification	For the year ended March 31, 2014	For the year ended March 31, 2015
Net Actuarial Loss (Gain)	–	(247,626)
Total	–	(247,626)

## (6) Remeasurements of Defined Benefit Plans in Accumulated Other Comprehensive Income

The breakdown of the items recorded in Remeasurements of Defined Benefit Plans in Accumulated Other Comprehensive Income (before tax effects deduction) is as follows.

(Millions of Yen)

Classification	As of March 31, 2014	As of March 31, 2015
Unrecognized Net Actuarial Loss (Gain)	22,045	(225,581)
Total	22,045	(225,581)

## (7) Plan Assets

1) The ratio of asset allocation to total plan assets by each category is as follows.

Classification	As of March 31, 2014	As of March 31, 2015
Japanese Stocks	54.22%	61.49%
Japanese Bonds	17.66%	14.99%
Foreign Stocks	13.09%	11.43%
Foreign Bonds	4.37%	3.79%
General Account of Life Insurance Companies	5.28%	4.38%
Others	5.38%	3.92%
Total	100.00%	100.00%

Note: Total plan assets include employee retirement benefit trusts established for the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido), which were 58.03% of the total as of March 31, 2014, and 63.50% of the total as of March 31, 2015.

## 2) Method of establishing expected long-term rates of return on plan asset

In order to determine the expected long-term rates of return on plan assets, the current and forecast distribution of plan assets and the current and expected long-term rates of return from the diverse assets that comprise the plan assets are taken into consideration.

## (8) Actuarial Accounting Assumptions

Main actuarial accounting assumptions

Classification	For the year ended March 31, 2014	For the year ended March 31, 2015
Discount Rate	Mainly 1.70%	Mainly 0.07% – 1.62%
Expected Long-term Rates of Return on Plan Asset	Mainly 1.93% – 2.80%	Mainly 1.90% – 2.40%

### 3. Defined-Contribution Pension Plans

The required contribution from MHBK and its consolidated subsidiaries into the defined-contribution pension plans is ¥326 million for the year ended March 31, 2014 and ¥445 million for the year ended March 31, 2015.

## Deferred Tax Assets and Liabilities

### 1. Breakdown of Deferred Tax Assets and Liabilities

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
<b>Deferred Tax Assets</b>		
Net Operating Loss Carryforwards	20,318	18,832
Devaluation of Securities	178,949	131,897
Allowance for Loan Losses	223,194	193,701
Securities (contributed to retirement benefit trusts)	188,920	175,845
Valuation Difference on Available-for-sale Securities	25,862	6,926
Others	113,805	115,604
Subtotal Deferred Tax Assets	751,049	642,808
Valuation Allowance	(248,820)	(183,234)
Total Deferred Tax Assets	502,229	459,573
<b>Deferred Tax Liabilities</b>		
Valuation Difference on Available-for-sale Securities	(265,865)	(616,782)
Net Defined Benefit Asset	(126,689)	(206,490)
Deferred Gains (Losses) on Hedges	(21)	(9,579)
Others	(71,550)	(71,586)
Total Deferred Tax Liabilities	(464,127)	(904,439)
Net Deferred Tax Assets (Liabilities)	38,101	(444,865)

### 2. Major Differences Between the Effective Statutory Tax Rate of MHBK and the Effective Income Tax Rate of Consolidated Financial Statements After Tax Effect Accounting Application

	As of March 31, 2014	As of March 31, 2015
Effective Statutory Tax Rate	37.92%	35.55%
<b>(Adjustments)</b>		
Changes in Valuation Allowance	(4.27)	(1.99)
Permanent Nontaxable Differences (e.g. cash dividends received)	(2.27)	(1.85)
Tax Rate Differences from the Consolidated Subsidiaries	(3.34)	(3.18)
Adjustment to Reduce the Amount of Deferred Tax Assets at the End of the Year Due to Changes in Tax Rates	0.94	3.08
Other	(0.79)	1.11
Effective Income Tax Rate	28.19%	32.72%

### 3. Adjustments of the Amounts of Deferred Tax Assets and Liabilities Due to Changes in Income Taxes Rates and Other Reasons

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 9 of 2015) and “Act on Partial Amendment to the Local Tax Act, etc.” (Act No. 2 of 2015) were promulgated on March 31, 2015, and accordingly, the tax rate of income taxes and other rates have been lowered from the fiscal year beginning on or after April 1, 2015. Due to this change, the effective statutory tax rate

used for the calculation of deferred tax assets and deferred tax liabilities has been revised from the previous rate of 35.55%. The rate of 32.98% has been applied to the temporary differences, expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2015, while the rate of 32.20% has been applied to the temporary differences, expected to be either deductible, taxable, or expired in or after the fiscal year beginning on April 1, 2016.

In addition, due to the reform of net operating loss carryforwards, the amount of net operating losses that can be deducted has been limited to the equivalent of 65% of taxable income before such deductions from the fiscal year beginning on April 1, 2015 through the fiscal year beginning on April 1, 2016, while the amount of net operating losses that can be deducted has been limited to the equivalent of 50% of taxable income before such deductions in or after the fiscal year beginning on April 1, 2017.

As a result of the changes in tax rates and net operating loss carryforwards, Deferred Tax Liabilities decreased by ¥45,884 million, Valuation Difference on Available-for-sale Securities increased by ¥62,415 million, Deferred Gains (Losses) on Hedges increased by ¥956 million, Remeasurements of Defined Benefit Plans in Accumulated Other Comprehensive Income increased by ¥7,556 million, and Deferred Income Taxes increased by ¥25,043 million. Deferred Tax Liabilities for Land Revaluation decreased by ¥7,531 million and Revaluation Reserve for Land increased by the same amount.

## Segment Information

### Segment Information

#### 1. Outline of Reportable Segments

MHBK and its group companies (the "Group") classify its operating segments based on the nature of products and services, attributes of customers and its organizational structure.

The below-mentioned reportable segment information is based on the internal control reports used by the management in assessing performance of each operating segment in the Group. Net business profits (before provision for general allowance for loan losses) is mainly used for the assessment pursuant to the rules and practices of management accounting in the Group.

The Group classifies its operating segments into MHBK (non-consolidated) and others. The operating segment consisting of MHBK (non-consolidated) is classified and presented as six customer segments separated according to customer type: personal banking, retail banking, corporate banking (large corporations), corporate banking, financial institutions and public sector business, and international banking; and one segment for trading and others.

#### [MHBK]

MHBK provides banking and other financial services to customers including individual customers, middle market corporations and small and medium-sized enterprises, large corporations, financial institutions, the public sector, and Japanese and non-Japanese corporations in overseas countries. The following is a summary of each customer segment:

Personal banking	: Individual customers (excluding individual customers served by the retail banking segment)
Retail banking	: Individual customers such as enterprise owners and land owners, small and medium-sized enterprises
Corporate banking (large corporations)	: Large corporations in Japan and their group companies
Corporate banking	: Middle market corporations and small and medium-sized enterprises equivalent to listed companies in Japan
Financial institutions and public sector business	: Financial institutions, national government and local government bodies
International banking	: Japanese and non-Japanese corporations in overseas countries

#### [Others]

Composed of MHBK's subsidiaries and others, this segment provides financial instruments and services mainly to the Group's customers.

#### 2. Measurement Method of Gross Profits, Net Business Profits (before Provision for General Allowance for Loan Losses) and Assets by Reportable Segment

The below-mentioned reportable segment information is based on the internal control reports.

Gross profits is the total of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income.

Net business profits (before provision for general allowance for loan losses) is the amount obtained by deducting or adjusting expenses (excluding extraordinary items) and other (consolidation adjustment items including share of profit/loss of affiliates accounted for by the equity method) from gross profits.

Asset information by segment has not been prepared because the management does not use the asset information by segment in deciding the allocation of resources and in assessing performance.

Gross profits of inter-segment transactions is based on actual market prices.

#### 3. Information of Amounts of Gross Profits and Net Business Profits (before Provision for General Allowance for Loan Losses) by Reportable Segment

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)								Others	
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Gross Profits	196,200	98,400	306,100	133,100	52,400	268,700	143,410	1,198,310	142,862	1,341,173
Expenses (excluding Extraordinary Items)	171,300	87,800	83,800	58,800	25,100	82,500	149,728	659,028	52,263	711,291
Other	-	-	-	-	-	-	-	-	(56,037)	(56,037)
Net Business Profits (before Provision for General Allowance for Loan Losses)	24,900	10,600	222,300	74,300	27,300	186,200	(6,317)	539,282	34,561	573,844

- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.  
2. The figures of "Others" include those to be eliminated as inter-office transactions among subsidiaries.  
3. Following a change in the method for allocating amounts to customer segments in April 2014, the figures in the above table have been reclassified to reflect this change.  
4. The former MHBK and Mizuho Corporate Bank, Ltd. ("MHCB") merged in July 2013. In the above table, "MHBK (Non-Consolidated)" refers to the aggregate figures of MHCB for the first quarter and MHBK after the merger from the second quarter to the fourth quarter.

(Aggregate figures for MHBK and MHCB)

(Millions of Yen)

	Aggregate figures for MHBK and MHCB							
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others	
Gross Profits	257,800	130,500	313,700	172,600	59,600	268,700	181,215	1,384,115
Expenses (excluding Extraordinary Items)	226,400	116,700	87,200	77,700	29,000	82,500	171,616	791,116
Other	-	-	-	-	-	-	-	-
Net Business Profits (before Provision for General Allowance for Loan Losses)	31,400	13,800	226,500	94,900	30,600	186,200	9,598	592,998

Note: The former MHBK and MHCB merged in July 2013. In the above table, figures for the former MHBK and MHCB for the first quarter, and MHBK after the merger from the second quarter to the fourth quarter, are presented in simple aggregation.

For the year ended March 31, 2015

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)								Others	
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Gross Profits	267,300	131,700	307,200	179,900	60,800	312,000	236,571	1,495,471	190,247	1,685,718
Expenses (excluding Extraordinary Items)	233,500	118,400	94,400	76,500	30,300	92,600	188,037	833,737	70,963	904,700
Other	–	–	–	–	–	–	–	–	(43,198)	(43,198)
Net Business Profits (before Provision for General Allowance for Loan Losses)	33,800	13,300	212,800	103,400	30,500	219,400	48,533	661,733	76,085	737,819

Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.

2. The figures of “Others” include those to be eliminated as inter-office transactions among subsidiaries.

#### 4. Reconciliation Between the Total of Reportable Segments and the Amounts on Consolidated Statement of Income

Each of the above-mentioned gross profits and net business profits (before provision for general allowance for loan losses) of reportable segments based on the internal control reports differs from the corresponding amount on the consolidated statement of income. The reconciliations thereof are shown below.

##### (1) Total of Gross Profits of Reportable Segments and Ordinary Profits on Consolidated Statement of Income

(Millions of Yen)

Gross Profits	For the year ended March 31, 2014	For the year ended March 31, 2015
Total of Reportable Segments	1,341,173	1,685,718
Other Ordinary Income	240,671	255,440
General and Administrative Expenses	(728,129)	(926,938)
Other Ordinary Expenses	(88,134)	(182,011)
Ordinary Profits on Consolidated Statement of Income	765,580	832,208

##### (2) Total of Net Business Profits (before Provision for General Allowance for Loan Losses) of Reportable Segments and Income before Income Taxes and Minority Interests on Consolidated Statement of Income

(Millions of Yen)

Net Business Profits (before Provision for General Allowance for Loan Losses)	For the year ended March 31, 2014	For the year ended March 31, 2015
Total of Reportable Segments	573,844	737,819
Expenses (for Extraordinary Items)	(16,837)	(22,237)
Expenses Related to Portfolio Problems (Including Provision for General Allowance for Loan Losses)	(15,363)	(86,958)
Reversal of Allowance for Loan Losses, etc.	106,173	76,567
Net Gains (Losses) Related to Stocks and Others	50,131	103,798
Net Extraordinary Gains (Losses)	3,637	(18,341)
Other	67,633	23,219

Net Business Profits (before Provision for General Allowance for Loan Losses)	For the year ended March 31, 2014	For the year ended March 31, 2015
Income before Income Taxes and Minority Interests on Consolidated Statement of Income	769,218	813,867

#### Related Information

For the year ended March 31, 2014

##### 1. Information by Geographic Area

###### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
1,444,118	152,122	161,000	263,708	2,020,951

Notes: 1. For MHBK and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHBK (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

###### (2) Tangible Fixed Assets

Information of Tangible Fixed Assets is not presented since the amount of Tangible Fixed Assets held in Japan exceeds 90% of the amount of Tangible Fixed Assets on the consolidated balance sheet.

##### 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

For the year ended March 31, 2015

##### 1. Information by Geographic Area

###### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
1,779,308	212,292	154,951	330,420	2,476,973

Notes: 1. For MHBK and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHBK (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

###### (2) Tangible Fixed Assets

Information of Tangible Fixed Assets is not presented since the amount of Tangible Fixed Assets held in Japan exceeds 90% of the amount of Tangible Fixed Assets on the consolidated balance sheet.

##### 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

Information of Losses on Impairment of Fixed Assets by Reportable Segment

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Losses on Impairment of Fixed Assets	-	-	-	-	-	-	3,538	3,538	1,645	5,184

For the year ended March 31, 2015

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Losses on Impairment of Fixed Assets	-	-	-	-	-	-	10,387	10,387	0	10,387

Information of Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Amount of amortization during the fiscal year	-	-	-	-	-	-	-	-	685	685
Balance at the end of the fiscal year	-	-	-	-	-	-	-	-	11,262	11,262

For the year ended March 31, 2015

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Amount of amortization during the fiscal year	-	-	-	-	-	-	-	-	785	785
Balance at the end of the fiscal year	-	-	-	-	-	-	-	-	10,553	10,553

Information of Gains on Negative Goodwill Incurred by Reportable Segment

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)								Others	
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Gains on Negative Goodwill Incurred	-	-	-	-	-	-	-	-	5,621	5,621

For the year ended March 31, 2015

None

Related Party Transactions

1. Related Party Transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

(A) Companies, etc. whose parent company is the same as that of the company submitting the consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting the consolidated financial statements

For the year ended March 31, 2014

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Companies whose parent company is the same	Mizuho International plc	London, the United Kingdom	562,861	Securities business, Banking	-	Debtor-Creditor Relationship • Leasing Relationship of Facilities	-	Repurchase agreements	1,612,440 (*1)	Payables under Repurchase Agreements	1,612,440

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

For the year ended March 31, 2015

There are no material items that should be disclosed.

(2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

There are no material items that should be disclosed.

2. Notes Concerning the Parent Company or Important Affiliated Companies

(1) Parent company information

Mizuho Financial Group, Inc. (listed on the Tokyo Stock Exchange (first section) and the New York Stock Exchange)

(2) Summary of financial information of important affiliated companies

None

Per Share Information

	For the year ended March 31, 2014	For the year ended March 31, 2015
Net Assets per Share	¥393,262.23	¥476,022.72
Net Income per Share	¥30,255.76	¥30,047.71

	For the year ended March 31, 2014	For the year ended March 31, 2015
Diluted Net Income per Share	¥30,255.72	¥30,047.67

Notes: 1. The basis used for calculating Net Assets per Share is as follows:

		As of March 31, 2014	As of March 31, 2015
Net Assets per Share			
Total Net Assets	Millions of Yen	7,896,118	9,159,932
Amount to be deducted from the Total Net Assets	Millions of Yen	1,544,314	1,471,416
Of which subscriptions to preferred stock	Millions of Yen	4	4
Of which preferred dividends	Millions of Yen	0	0
Of which minority interests	Millions of Yen	1,544,310	1,471,412
Net Assets that belong to Common Stock at the end of the year	Millions of Yen	6,351,803	7,688,515
Number of shares of common stock at the end of the year, which is used to calculate Net Assets per Share	Thousands of Shares	16,151	16,151

2. The basis used for calculating Net Income per Share and Diluted Net Income per Share is as follows:

		For the year ended March 31, 2014	For the year ended March 31, 2015
Net Income per Share			
Net Income	Millions of Yen	488,678	485,317
Amount not attributable to Common Shareholder	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Net Income that belongs to Common Stock	Millions of Yen	488,678	485,317
Average number of shares of Common Stock during the year	Thousands of Shares	16,151	16,151
Diluted Net Income per Share			
Adjustment on Net Income	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Increase in Common Stock	Thousands of Shares	0	0
Of which increase due to Preferred Stock	Thousands of Shares	0	0
Outline of potential shares that were not used in calculating Diluted Net Income per Share because they have no dilutive effects		—	—

3. As stated in “Changes in Accounting Policies,” MHBK has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter, the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015; hereinafter, the “Guidance”), in terms of regulations stipulated in the text of the Accounting Standard, Paragraph 35, and the Guidance, Paragraph 67, from the beginning of the fiscal year, and the Accounting Standard and the Guidance have been applied in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37.
- The effect of this application on the Net Assets per Share at the beginning of the fiscal year, Net Income per Share and Diluted Net Income per Share is immaterial.

#### Significant Subsequent Events

MHBK made a Board of Directors’ resolution on May 15, 2015 concerning the redemption of preferred subscription certificates issued by an overseas special-purpose subsidiary it owns. The outline of preferred subscription certificates to be

redeemed is as follows:

- (1) Issuing entity 1) MHBK Capital Investment (JPY) 4 Limited  
2) MHCBC Capital Investment (JPY) 4 Limited  
(2) Type of issued securities Non-accumulative dividend type permanent preferred subscription certificate  
(3) Total amount of redemption 1) ¥35,000 million  
2) ¥320,000 million  
(4) Scheduled redemption date June 30, 2015  
(5) Reason for redemption Arrival of optional redemption date

#### 5) Consolidated Supplementary Financial Schedules

##### Schedule of Bonds and Notes

Company	Type of Bond	Date of Issuance	Beginning Balance (Millions of Yen)	Ending Balance (Millions of Yen)	Interest Rate (%)	Collateral	Date of Maturity
MHBK	Straight Corporate Bond Notes 1, 4, 5	Aug. 2005 – Mar. 2015	3,958,105 (USD 5,796,166 thousand) (AUD 180,000 thousand)	4,624,117 [540,420] (USD 14,249,587 thousand) (AUD 660,000 thousand) (SGD 100,000 thousand)	0.10 – 9.00	None	Apr. 2015 –
	Short-term Bond Note 4	Mar. 2015	25,000	25,000 [25,000]	0.06	None	Apr. 2015
*1	Straight Corporate Bond Note 2	Jul. 1995 – May 2012	57,400	54,000	1.30 – 3.90	None	Jun. 2018 –
*2	Straight Corporate Bond Notes 2, 5	–	17,341 (CNY 999,507 thousand)	–	–	–	–
*3	Short-term Bond Notes 3, 4	Oct. 2014 – Mar. 2015	87,468	74,205 [74,205]	0.12 – 0.28	None	Apr. 2015 – May 2015
Total	–	–	4,145,315	4,777,322	–	–	–

Notes: 1. “Straight Corporate Bonds” include Euro-yen bonds (Ending Balance ¥97,750 million) and others.

2. \*1 and \*2 are summaries of the straight corporate bonds issued by the consolidated subsidiaries as following:

	Name of Consolidated Subsidiaries
*1	Mizuho Finance (Cayman) Limited, Mizuho Finance (Curacao) N. V., Mizuho Finance (Aruba) A.E.C.
*2	Mizuho Bank (China), Ltd.

3. \*3 is the aggregate amount of short-term bonds issued by the below-mentioned consolidated subsidiaries.

	Name of Consolidated Subsidiaries
*3	BLUE HEAVEN FUNDING CORPORATION, ASTRO CAPITAL CORPORATION II, ETERNAL FUNDING CORPORATION, Allstar Funding Co., Ltd.

4. Figures indicated in [ ] represent the amounts to be redeemed within one year.

5. For foreign bonds and notes, original currencies amounts are presented in ( ).

6. Amounts of redemption within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Amount (Millions of Yen)	639,625	680,589	1,297,748	383,477	811,296

##### Schedule of Borrowed Money (Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Borrowed Money	7,422,832	6,870,180	0.52	–
Bills Rediscounted	–	–	–	–
Other Borrowings	7,422,832	6,870,180	0.52	Apr. 2015 –
Lease Obligations	22,455	25,593	1.64	Apr. 2015 – Feb. 2021

Notes: 1. “Average Interest Rate” is calculated by weighted average of “Interest” and “Ending Balance” at the balance sheet date.

2. Repayments of Other Borrowings and Lease Obligations within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Other Borrowings	514,570	861,527	88,026	4,162,785	47,487

(Millions of Yen)					
Lease Obligations (Millions of Yen)	6,269	5,636	5,177	4,610	2,995

Since banking business accepts deposit and funds money from call market and promissory note market for the operating purposes, the details of “Borrowed Money” and “Lease Obligations” in “Other Liabilities” in the “Liabilities” section of the consolidated balance sheet are presented in the Schedule of Borrowed Money.

(Reference) Details of issued commercial paper by the promissory note method, by which MHBK funds money as operating activities.

(Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Commercial Paper	677,459	538,511	0.22	–

#### Schedule of Asset Retirement Obligations

Information of Schedule of Asset Retirement Obligations is not presented as it is permitted by the provisions of Article 92-2 of the Ordinance on Consolidated Financial Statements, since the amount of Asset Retirement Obligations is one percent or less of the total of Liabilities and Net Assets.

(2) Others

None

## Independent Auditor's Report (Translation)

June 22, 2015

The Board of Directors  
Mizuho Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner  
Certified Public Accountant      Mutsuo Emi

Designated and Engagement Partner  
Certified Public Accountant      Ryuichi Nagano

Designated and Engagement Partner  
Certified Public Accountant      Hiroshi Nishida

Designated and Engagement Partner  
Certified Public Accountant      Shinichi Hayashi

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets, the consolidated statement of cash flows, the basis of preparation of consolidated financial statements, other notes to the consolidated financial statements and the related consolidated supplementary financial schedules of Mizuho Bank, Ltd. applicable to the fiscal year from April 1, 2014 through March 31, 2015, stated in the financial information section.

### *Management's Responsibility for the Consolidated Financial Statements and the Related Consolidated Supplementary Financial Schedules*

Management is responsible for the preparation and fair presentation of these consolidated financial statements and the related consolidated supplementary financial schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements and the related consolidated supplementary financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the related consolidated supplementary financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the related consolidated supplementary financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the related consolidated supplementary financial schedules, whether due to fraud or error. The purpose of an audit of the consolidated financial statements and the related consolidated supplementary financial schedules is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the related consolidated supplementary financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements and the related consolidated supplementary financial schedules referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of Mizuho Bank, Ltd. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in Mizuho Bank, Ltd. which should be disclosed in compliance with the Certified Public Accountants Act.

- 
- Notes: 1. The above report is the electronic version of the original "Independent Auditor's Report." The original version is separately retained by Mizuho Bank, Ltd.
2. The associated XBRL data was not included in the scope of the audit.

## **II. Fiscal Year Ended March 31, 2014**

### Financial Information

1. The consolidated financial statements of Mizuho Bank, Ltd. (“MHBK”) are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter the “Ordinance on Consolidated Financial Statements”). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982). The comparative information included in the consolidated financial statements for the fiscal year (from April 1, 2013 through March 31, 2014) was prepared based on the Ordinance on Consolidated Financial Statements before its revision, pursuant to Article 3, Paragraph 2 of the Supplementary Provisions of the “Cabinet Office Ordinance for Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Cabinet Office Ordinance No. 61 of September 21, 2012). The classification of assets and liabilities and that of income and expenses are in accordance with the Ordinance for Enforcement of the Banking Act before its revision, pursuant to Paragraph 2 of the Supplementary Provisions of the “Cabinet Office Ordinance for Partial Revision of the Ordinance for Enforcement of the Banking Act, etc.” (Cabinet Office Ordinance No. 63 of September 27, 2013).
2. The non-consolidated financial statements of MHBK are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter the “Ordinance on Financial Statements, etc.”). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982). The comparative information included in the non-consolidated financial statements for the fiscal year (from April 1, 2013 through March 31, 2014) was prepared based on the Ordinance on Financial Statements, etc. before its revision, pursuant to Article 2, Paragraph 2 of the Supplementary Provisions of the “Cabinet Office Ordinance for Partial Revision of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Cabinet Office Ordinance No. 61 of September 21, 2012). The classification of assets and liabilities and that of income and expenses are in accordance with the Ordinance for Enforcement of the Banking Act before its revision, pursuant to Paragraph 2 of the Supplementary Provisions of the “Cabinet Office Ordinance for Partial Revision of the Ordinance for Enforcement of the Banking Act, etc.” (Cabinet Office Ordinance No. 63 of September 27, 2013).
3. The consolidated financial statements and the non-consolidated financial statements of MHBK for the year ended March 31, 2014 were audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
4. MHBK sincerely endeavors to secure appropriateness of consolidated financial statements or the like. Specifically, in order to comprehend the detail of accounting standards and other regulations and properly respond to the amendments and changes thereof, we have joined relevant organizations such as Financial Accounting Standards Foundation and Japanese Bankers Association, and gather information, dispatch our opinion in a proactive manner, and participate in training seminars held thereby. With regard to amendments and changes to important accounting standards and other regulations, proposals or reports are properly made at the Board of Directors, in particular.

1. Consolidated Financial Statements and Others  
(1) Consolidated Financial Statements  
1) Consolidated Balance Sheet

(Millions of Yen)

		As of March 31, 2013		As of March 31, 2014
<b>Assets</b>				
Cash and Due from Banks	*8	5,505,074	*8	19,415,640
Call Loans and Bills Purchased		518,958		479,655
Receivables under Resale Agreements		9,008,854		729,856
Guarantee Deposits Paid under Securities Borrowing Transactions		5,632,635		388,060
Other Debt Purchased		128,996		3,205,466
Trading Assets	*8	13,830,973	*8	4,783,631
Money Held in Trust		95,949		2,808
Securities	*1,*2,*8,*16	26,253,697	*1,*2,*8,*16	41,662,369
Loans and Bills Discounted	*3,*4,*5,*6,*7,*8,*9	32,136,538	*3,*4,*5,*6,*7,*8,*9	66,880,997
Foreign Exchange Assets	*7	1,303,815	*7	1,564,543
Derivatives		4,313,012		2,828,725
Other Assets	*8	2,012,546	*8	1,499,765
Tangible Fixed Assets	*11,*12	142,014	*11,*12	840,702
Buildings		37,748		287,438
Land	*10	68,243	*10	428,449
Lease Assets		1,444		16,918
Construction in Progress		8,801		34,770
Other Tangible Fixed Assets		25,776		73,126
Intangible Fixed Assets		146,934		362,055
Software		73,543		233,558
Goodwill		1,742		11,262
Lease Assets		1,153		4,311
Other Intangible Fixed Assets		70,495		112,922
Net Defined Benefit Asset		–		356,371
Deferred Tax Assets		13,931		70,346
Customers' Liabilities for Acceptances and Guarantees		3,357,843		4,569,520
Allowance for Possible Losses on Loans		(350,084)		(597,281)
Allowance for Possible Losses on Investments		(22)		(16)
<b>Total Assets</b>		<b>104,051,669</b>		<b>149,043,219</b>

(Millions of Yen)

		As of March 31, 2013		As of March 31, 2014
<b>Liabilities</b>				
Deposits	*8	23,320,041	*8	86,947,394
Negotiable Certificates of Deposit		10,981,877		11,746,394
Call Money and Bills Sold	*8	13,349,648	*8	6,071,334
Payables under Repurchase Agreements	*8	17,446,042	*8	7,690,487
Guarantee Deposits Received under Securities Lending Transactions	*8	7,716,017	*8	3,159,574
Commercial Paper		472,718		677,459
Trading Liabilities		7,703,703		2,929,729

	As of March 31, 2013		As of March 31, 2014	
Borrowed Money	*8,*13	3,036,265	*8,*13	7,422,832
Foreign Exchange Liabilities		207,855		412,457
Short-term Bonds		352,400		112,468
Bonds and Notes	*14	3,949,621	*14	4,032,847
Derivatives		4,398,067		3,009,535
Other Liabilities		2,246,637		2,146,087
Reserve for Bonus Payments		29,854		21,753
Reserve for Employee Retirement Benefits		17,949		–
Net Defined Benefit Liability		–		5,684
Reserve for Retirement Benefits for Directors and Corporate Auditors		516		401
Reserve for Possible Losses on Sales of Loans and Bills Discounted		48		1,259
Reserve for Contingencies		3,314		6,309
Reserve for Reimbursement of Deposits		–		15,307
Reserve for Reimbursement of Debentures		–		54,956
Reserves under Special Laws		1,203		–
Deferred Tax Liabilities		84,303		32,245
Deferred Tax Liabilities for Revaluation Reserve for Land	*10	16,209	*10	81,060
Acceptances and Guarantees		3,357,843		4,569,520
<b>Total Liabilities</b>		<b>98,692,140</b>		<b>141,147,101</b>
<b>Net Assets</b>				
Common Stock and Preferred Stock		1,404,065		1,404,065
Capital Surplus		1,039,244		2,286,795
Retained Earnings		1,169,101		1,951,263
<b>Total Shareholder's Equity</b>		<b>3,612,411</b>		<b>5,642,124</b>
Net Unrealized Gains on Other Securities, net of Taxes		468,397		614,488
Net Deferred Hedge Gains (Losses), net of Taxes		84,315		(3,673)
Revaluation Reserve for Land, net of Taxes	*10	27,375	*10	140,745
Foreign Currency Translation Adjustments		(86,335)		(32,054)
Remeasurements of Defined Benefit Plans		–		(9,822)
<b>Total Accumulated Other Comprehensive Income</b>		<b>493,752</b>		<b>709,683</b>
Minority Interests		1,253,365		1,544,310
<b>Total Net Assets</b>		<b>5,359,529</b>		<b>7,896,118</b>
<b>Total Liabilities and Net Assets</b>		<b>104,051,669</b>		<b>149,043,219</b>

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income

(Millions of Yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Ordinary Income	1,547,693	2,020,951
Interest and Dividend Income	785,667	1,195,512
Interest on Loans and Bills Discounted	443,717	787,733
Interest and Dividends on Securities	195,089	273,849
Interest on Call Loans and Bills Purchased	5,373	5,893
Interest on Receivables under Resale Agreements	52,381	6,988
Interest on Securities Borrowing Transactions	10,738	1,096
Interest on Due from Banks	19,011	33,723
Other Interest Income	59,355	86,226
Fee and Commission Income	275,494	385,285
Trading Income	189,238	49,420
Other Operating Income	225,820	150,062
Other Ordinary Income	71,472	240,671
Gains on Reversal of Allowance for Possible Losses on Loans	–	93,141
Recovery of Written-Off Claims	11,206	18,582
Others	*1 60,266	*1 128,947
Ordinary Expenses	1,189,300	1,255,370
Interest Expenses	299,528	261,662
Interest on Deposits	70,207	97,996
Interest on Negotiable Certificates of Deposit	30,055	26,468
Interest on Call Money and Bills Sold	35,657	12,225
Interest on Payable under Repurchase Agreements	53,655	11,072
Interest on Securities Lending Transactions	10,703	4,925
Interest on Commercial Paper	1,676	1,809
Interest on Borrowed Money	29,449	36,281
Interest on Short-term Bonds	429	296
Interest on Bonds and Notes	41,025	48,029
Other Interest Expenses	26,666	22,556
Fee and Commission Expenses	44,907	76,039
Trading Expenses	–	889
Other Operating Expenses	72,842	100,515
General and Administrative Expenses	491,935	728,129
Other Ordinary Expenses	280,086	88,134
Provision for Allowance for Possible Losses on Loans	125,557	–
Others	*2 154,529	*2 88,134
Ordinary Profits	358,393	765,580

(Millions of Yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Extraordinary Gains	16,399	12,655
Gains on Disposal of Fixed Assets	687	282
Gains on Negative Goodwill Incurred	11,742	5,621
Other Extraordinary Gains	*3 3,969	*3 6,751
Extraordinary Losses	46,206	9,018
Losses on Disposal of Fixed Assets	1,670	3,833
Losses on Impairment of Fixed Assets	3,338	5,184
Other Extraordinary Losses	*4 41,197	*4 –
Income before Income Taxes and Minority Interests	328,586	769,218
Current Income Taxes	35,575	87,442
Refund of Income Taxes	(14,158)	(3,892)
Deferred Income Taxes	(10,868)	133,289
Total Income Taxes	10,548	216,839
Income before Minority Interests	318,037	552,379
Minority Interests in Net Income	58,139	63,700
Net Income	259,898	488,678

## Consolidated Statement of Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Income before Minority Interests	318,037	552,379
Other Comprehensive Income	*1 491,691	*1 105,983
Net Unrealized Gains on Other Securities, net of Taxes	470,006	146,777
Net Deferred Hedge Gains (Losses), net of Taxes	3,259	(54,274)
Revaluation Reserve for Land, net of Taxes	–	3
Foreign Currency Translation Adjustments	11,926	9,992
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method	6,498	3,483
Comprehensive Income	809,728	658,362
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of the Parent	749,068	588,268
Comprehensive Income Attributable to Minority Interests	60,660	70,093

3) Consolidated Statement of Changes in Net Assets  
For the year ended March 31, 2013

(Millions of Yen)

	Shareholder's Equity			
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Total Shareholder's Equity
Balance as of the beginning of the year	1,404,065	1,039,244	1,048,463	3,491,772
Changes during the year				
Cash Dividends			(140,438)	(140,438)
Net Income			259,898	259,898
Transfer of Revaluation Reserve for Land, net of Taxes			1,178	1,178
Net Changes in Items other than Shareholder's Equity during the year				
Total Changes during the year	–	–	120,638	120,638
Balance as of the end of the year	1,404,065	1,039,244	1,169,101	3,612,411

	Accumulated Other Comprehensive Income						Minority Interests	Total Net Assets
	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains, net of Taxes	Revaluation Reserve for Land, net of Taxes	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance as of the beginning of the year	393	81,056	28,554	(104,243)	–	5,760	1,235,126	4,732,660
Changes during the year								
Cash Dividends								(140,438)
Net Income								259,898
Transfer of Revaluation Reserve for Land, net of Taxes								1,178
Net Changes in Items other than Shareholder's Equity during the year	468,004	3,259	(1,178)	17,907	–	487,992	18,238	506,230
Total Changes during the year	468,004	3,259	(1,178)	17,907	–	487,992	18,238	626,869
Balance as of the end of the year	468,397	84,315	27,375	(86,335)	–	493,752	1,253,365	5,359,529

For the year ended March 31, 2014

(Millions of Yen)

	Shareholder's Equity			
	Common Stock and Preferred Stock	Capital Surplus	Retained Earnings	Total Shareholder's Equity
Balance as of the beginning of the year	1,404,065	1,039,244	1,169,101	3,612,411
Changes during the year				

Cash Dividends		(383,919)	(170,509)	(554,429)
Net Income			488,678	488,678
Transfer of Revaluation Reserve for Land, net of Taxes			1,604	1,604
Increase by Merger		1,631,471	489,644	2,121,115
Change of Scope of Consolidation			(27,256)	(27,256)
Net Changes in Items other than Shareholder's Equity during the year				
Total Changes during the year	–	1,247,551	782,161	2,029,713
Balance as of the end of the year	1,404,065	2,286,795	1,951,263	5,642,124

	Accumulated Other Comprehensive Income						Minority Interests	Total Net Assets
	Net Unrealized Gains on Other Securities, net of Taxes	Net Deferred Hedge Gains (Losses), net of Taxes	Revaluation Reserve for Land, net of Taxes	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance as of the beginning of the year	468,397	84,315	27,375	(86,335)	–	493,752	1,253,365	5,359,529
Changes during the year								
Cash Dividends								(554,429)
Net Income								488,678
Transfer of Revaluation Reserve for Land, net of Taxes								1,604
Increase by Merger								2,121,115
Change of Scope of Consolidation								(27,256)
Net Changes in Items other than Shareholder's Equity during the year	146,091	(87,988)	113,369	54,281	(9,822)	215,930	290,944	506,875
Total Changes during the year	146,091	(87,988)	113,369	54,281	(9,822)	215,930	290,944	2,536,589
Balance as of the end of the year	614,488	(3,673)	140,745	(32,054)	(9,822)	709,683	1,544,310	7,896,118

#### 4) Consolidated Statement of Cash Flows

(Millions of Yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash Flows from Operating Activities		
Income before Income Taxes and Minority Interests	328,586	769,218
Depreciation	50,723	94,303
Losses on Impairment of Fixed Assets	3,338	5,184
Amortization of Goodwill	217	685
Gains on Negative Goodwill Incurred	(11,742)	(5,621)
Equity in Earnings from Investments in Affiliates	(2,292)	(7,448)
Increase (Decrease) in Allowance for Possible Losses on Loans	100,425	(124,166)
Increase (Decrease) in Allowance for Possible Losses on Investments	13	(15)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Increase in Reserve for Possible Losses on Sales of Loans and Bills Discounted	40	1,210
Decrease in Reserve for Contingencies	(7,723)	(2,841)
Increase in Reserve for Bonus Payments	6,300	11,298
Decrease in Reserve for Employee Retirement Benefits	(482)	–
Increase in Net Defined Benefit Asset	–	(21,002)
Increase in Net Defined Benefit Liability	–	74
Increase (Decrease) in Reserve for Retirement Benefits for Directors and Corporate Auditors	(463)	48
Increase in Reserve for Reimbursement of Deposits	–	1,298
Increase in Reserve for Reimbursement of Debentures	–	12,783
Interest and Dividend Income	(785,667)	(1,195,512)
Interest Expenses	299,528	261,662
Gains on Securities	(51,009)	(71,528)
Gains on Money Held in Trust	(44)	(13)
Foreign Exchange Gains – Net	(648,476)	(702,155)
Losses on Disposal of Fixed Assets	983	3,551
Net Decrease (Increase) in Trading Assets	(159,592)	1,136,970
Net Decrease in Trading Liabilities	(454,343)	(662,418)
Net Decrease in Derivative Assets	248,843	1,680,237
Net Decrease in Derivative Liabilities	(139,912)	(1,457,626)
Net Increase in Loans and Bills Discounted	(2,112,400)	(2,566,064)
Net Increase in Deposits	2,057,628	1,543,546
Net Increase (Decrease) in Negotiable Certificates of Deposit	659,268	(1,402,267)
Net Increase (Decrease) in Borrowed Money excluding Subordinated Borrowed Money	(5,037,347)	1,448,404
Net Decrease in Due from Banks excluding Deposits with Central Banks	245,890	124,566
Net Decrease (Increase) in Call Loans and Others	(1,211,660)	523,509
Net Decrease in Guarantee Deposits Paid under Securities Borrowing Transactions	21,021	598,217
Net Increase in Call Money and Others	4,567,783	3,144,703
Net Increase (Decrease) in Commercial Paper	57,699	(106,221)
Net Increase (Decrease) in Guarantee Deposits Received under Securities Lending Transactions	2,857,738	(3,581,886)
Net Increase in Foreign Exchange Assets	(319,270)	(55,223)
Net Increase (Decrease) in Foreign Exchange Liabilities	(42,574)	160,417
Net Increase (Decrease) in Short-term Bonds (Liabilities)	(96,298)	66,822
Increase (Decrease) in Bonds and Due to Issuance and Redemption	185,465	(91,475)
Interest and Dividend Received	807,507	1,255,905
Interest Paid	(297,788)	(284,219)
Other – Net	820,792	(756,219)
Subtotal	1,940,702	(249,306)
Income Taxes Paid	(38,685)	(75,940)
Net Cash Provided by (Used in) Operating Activities	1,902,017	(325,246)

(Millions of Yen)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash Flows from Investing Activities		
Payments for Purchase of Securities	(43,637,111)	(60,476,595)
Proceeds from Sales of Securities	39,753,383	61,890,138
Proceeds from Redemption of Securities	2,820,984	6,133,582
Payments for Increase in Money Held in Trust	(23,380)	(0)

	For the year ended March 31, 2013	For the year ended March 31, 2014
Proceeds from Decrease in Money Held in Trust	2,759	40
Payments for Acquisition of Tangible Fixed Assets	(16,057)	(67,548)
Payments for Acquisition of Intangible Fixed Assets	(35,790)	(101,949)
Proceeds from Sales of Tangible Fixed Assets	5,765	4,250
Proceeds from Sales of Intangible Fixed Assets	1,259	0
Payments for Purchase of Subsidiaries' Stocks (Affecting the Scope of Consolidation)	–	(37,419)
Proceeds from Sales of Subsidiaries' Stocks (Affecting the Scope of Consolidation)	1,479	–
Net Cash Provided by (Used in) Investing Activities	<u>(1,126,706)</u>	<u>7,344,497</u>
Cash Flows from Financing Activities		
Proceeds from Subordinated Borrowed Money	220,985	154,380
Repayments of Subordinated Borrowed Money	(42,300)	(33,000)
Proceeds from Issuance of Subordinated Bonds	11,000	–
Repayments for Redemption of Subordinated Bonds	(42,979)	(78,000)
Proceeds from Stock Issuance to Minority Shareholders	–	1,036
Repayments to Minority Shareholders	(113,300)	–
Dividends Paid	(140,438)	(129,955)
Dividends Paid to Minority Shareholders	(54,557)	(74,847)
Net Cash Used in Financing Activities	<u>(161,590)</u>	<u>(160,386)</u>
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	36,066	63,379
Net Increase in Cash and Cash Equivalents	<u>649,787</u>	<u>6,922,243</u>
Cash and Cash Equivalents at the Beginning of the Year	4,052,641	4,702,553
Increase in Cash and Cash Equivalents Resulting from Merger	–	6,806,412
Increase in Cash and Cash Equivalents Resulting from Merger of Consolidated Subsidiaries	124	–
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	–	(80,394)
Cash and Cash Equivalents at the End of the Year	<u>*1 4,702,553</u>	<u>*1 18,350,815</u>

## Notes to Consolidated Financial Statements

### Basis of Preparation of Consolidated Financial Statements

#### 1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 102

(Change in scope of consolidation)

During the fiscal year, Mizuho Credit Guarantee Co., Ltd. and 63 other companies were included in the scope of consolidation as a result of a merger with the former Mizuho Bank, Ltd. and other factors.

During the fiscal year, Mizuho Securities Co., Ltd. and 32 other companies were excluded from the scope of consolidation since they are no longer categorized as subsidiaries as a result of Mizuho Securities Co., Ltd. becoming a directly-held subsidiary of Mizuho Financial Group, Inc. and other factors.

- (2) Non-consolidated subsidiaries

None

#### 2. Application of Equity Method

- (1) Non-consolidated subsidiaries accounted for by the equity method

None

- (2) Number of affiliates accounted for by the equity method: 11

Names of principal companies:

Orient Corporation

The Chiba Kogyo Bank, Ltd.

Joint Stock Commercial Bank for Foreign Trade of Vietnam

(Change in scope of equity method)

During the fiscal year, Orient Corporation and seven other companies were included in the scope of the equity method as a result of a merger with the former Mizuho Bank, Ltd. and other factors.

During the fiscal year, Neostella Capital Co., Ltd. and 16 other companies were excluded from the scope of the equity method since they are no longer categorized as affiliates as a result of Mizuho Securities Co., Ltd. becoming a directly-held subsidiary of Mizuho Financial Group, Inc. and other factors.

- (3) Non-consolidated subsidiaries not accounted for by the equity method

None

- (4) Affiliates not accounted for by the equity method

Name of principal company:

Asian-American Merchant Bank Limited

Affiliates not accounted for by the equity method are excluded from the scope of the equity method since the exclusion has no material effect on MHBK's consolidated financial statements in terms of Net Income/Loss (amount corresponding to MHBK's equity position), Retained Earnings (amount corresponding to MHBK's equity position) and Accumulated Other Comprehensive Income (amount corresponding to MHBK's equity position).

#### 3. Balance Sheet Dates of Consolidated Subsidiaries

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

July 31:	1 company
December 29:	11 companies
December 31:	46 companies
March 31:	44 companies

(Change in balance sheet dates of consolidated subsidiaries)

During the fiscal year, Working Capital Management Co. L.P. and one other company changed their balance sheet dates from May 31 to March 31. These changes have no effect on consolidated financial statements.

- (2) Consolidated subsidiaries with the balance sheet date of December 29 are consolidated based on their provisional financial statements as of December 31. The consolidated subsidiary with the balance sheet date of July 31 is consolidated based on its provisional financial statements as of the date of the consolidated balance sheet. Other consolidated subsidiaries are consolidated based on their financial statements as of their respective balance sheet dates.

The necessary adjustments have been made to the consolidated financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated balance sheet.

#### 4. Accounting Policies

- (1) Valuation of Loan Receivables in the same way as Trading Securities and recognition of income/expenses

Loan Receivables held for trading purposes are accounted for in the same way as Trading Securities. Specifically, they are recognized on a trade date basis and recorded in "Other Debt Purchased" on the consolidated balance sheet, and such Other Debt Purchased is stated at fair value at the consolidated balance sheet date. Relevant interest received and gains or losses on sales during the fiscal year together with the gains or losses resulting from any change in the value between the beginning and the end of the fiscal year are recorded in "Other Operating Income" or "Other Operating Expenses" on the consolidated statement of income.

- (2) Valuation of Trading Assets/Liabilities and recognition of income/expenses

Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments and related indices are recognized on a trade date basis and recorded in “Trading Assets” or “Trading Liabilities” on the consolidated balance sheet. Related income or expenses are recorded in “Trading Income” or “Trading Expenses” on the consolidated statement of income.

Securities and monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Financial derivatives, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that the transactions were terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and interest paid during the fiscal year, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the fiscal year and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the fiscal year, assuming they were terminated and settled at the end of the fiscal year.

(3) Valuation of Securities

A. Bonds held to maturity are stated on an amortized cost using the moving average method (straight-line method) while investments in stocks of affiliates, which are not accounted for by the equity method, are valued on a cost basis using the moving average method. Regarding Other Securities, in principle, Japanese stocks are valued on a mark-to-market basis primarily using the average market price over the month preceding the consolidated balance sheet date, and others are valued on a mark-to-market basis primarily using the market price at the consolidated balance sheet date, where cost of securities sold is calculated primarily by the moving average method. However, Other Securities, the fair values of which are deemed extremely difficult to determine, are stated at cost as determined by the moving average method.

The net unrealized gains (losses) on Other Securities are booked directly to Net Assets, excluding the amount reflected in profit and loss due to the application of the fair value hedge method and others.

B. Securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are valued on a mark-to-market basis.

(4) Valuation of Derivatives

Derivative transactions (other than transactions for trading purposes) are valued on a mark-to-market basis.

(5) Method of depreciation of Fixed Assets

1) Tangible Fixed Assets (excluding lease assets)

Depreciation of Buildings is computed by the straight-line method, and that of others is computed by the declining-balance method.

The useful lives for Buildings and others are as follows:

Buildings: 3 to 50 years

Others: 2 to 20 years

Depreciation of Tangible Fixed Assets of consolidated subsidiaries is computed mainly by the declining-balance method based on estimated useful lives.

2) Intangible Fixed Assets (excluding lease assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful lives, primarily five to ten years, determined by MHBK and its consolidated subsidiaries.

3) Lease Assets

Lease assets among “Tangible Fixed Assets” and “Intangible Fixed Assets” relating to finance leases not involving the transfer of ownership to the lessee are depreciated or amortized, in principle, using the same methods as those that are applied to fixed assets owned by MHBK and its consolidated subsidiaries.

(6) Deferred charges

1) Bond Issuance Costs

Bond Issuance Costs are recognized as expenses when incurred.

2) Discounts on Bond Premium

Bonds are stated at amortized cost using the straight-line method on the consolidated balance sheet. Discounts on bonds on the consolidated balance sheet as of March 31, 2006 are amortized under the straight-line method over the term of the bond by applying the previous accounting method, and the unamortized balance is directly deducted from bonds based on the tentative measure stipulated in the ASBJ PITF No. 19, “Tentative Treatment of Accounting for Deferred Assets” issued on August 11, 2006.

(7) Allowance for Possible Losses on Loans

Allowance for Possible Losses on Loans of MHBK and its principal domestic consolidated subsidiaries is determined in accordance with internally developed standards as follows.

The allowance for claims to obligors which are classified as substantially bankrupt (“substantially bankrupt obligors”) or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances (“bankrupt obligors”), is provided at 100% of the amount remaining after direct write-offs and deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantees. Also, an allowance is provided for claims to obligors that are not currently bankrupt but are likely to become bankrupt (“intensive control obligors”). In this case, the allowance is provided at the amount deemed necessary based on overall solvency analyses of the amounts of claims, net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.

In the case of intensive control obligors and obligors with Restructured Loans and Bills Discounted, if the exposure exceeds a certain specific amount, allowance is provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, where the allowance is determined as the difference between the book value of the loan and its present value of expected future cash flows discounted by the contractual interest rate before the loan

was classified as a restructured loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, an allowance is provided for the individually estimated loss amount.

In the case of all other claims, an allowance is determined based on the estimated credit loss rate, which is calculated using the actual credit loss amount during a specific period in the past. Allowance for Loans to Restructuring Countries is provided based on the prospective loss after consideration of the relevant country's political and economic situation, etc.

All claims are assessed by the relevant business divisions in accordance with the internal rules for self-assessment of assets. The Internal Audit Division, which is independent of the originating divisions, reviews the results of the self-assessment of assets for all claims based on the internal rules.

For claims to bankrupt obligors and substantially bankrupt obligors which are collateralized or guaranteed by a third party, the amounts deemed uncollectible, which are calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims, are charged off against the respective loan balances. The total amounts directly written-off are ¥192,391 million (¥90,237 million at the end of the previous fiscal year).

With respect to the Allowance for Possible Losses on Loans of other consolidated subsidiaries, for normal obligors, the amounts deemed necessary are provided in the allowance based on the actual ratio of credit losses in the past, etc. In the case of intensive control obligors and certain other obligors, the expected uncollectible amounts are provided in the allowance after considering the recoverability of each claim.

(8) Allowance for Possible Losses on Investments

The allowance is provided to cover any future potential losses on investments. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.

(9) Reserve for Bonus Payments

This reserve is provided for future bonus payments to employees. Of the amount deemed necessary for employees' bonuses, the portion attributable to the fiscal year is booked.

(10) Reserve for Retirement Benefits for Directors and Corporate Auditors

This reserve, which is provided for future retirement benefit payments to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the fiscal year, based on the internally established standards.

(11) Reserve for Possible Losses on Sales of Loans and Bills Discounted

This reserve is provided for future possible losses on sales of loans and bills discounted at the amount deemed necessary based on the estimate of possible future losses.

(12) Reserve for Contingencies

This reserve is provided to cover possible losses against contingencies that are not covered by other specific reserves. The balance is an estimation of possible future losses considered necessary to be reserved.

(13) Reserve for Reimbursement of Deposits

This reserve is provided for losses for deposits derecognized from liabilities at the estimated amount of future claims for withdrawal by depositors.

(14) Reserve for Reimbursement of Debentures

This reserve is provided for debentures derecognized from liabilities at the estimated amount of future claims by holders.

(15) Accounting method for retirement benefits

In calculating projected benefit obligation, the straight-line basis is used as a method of attributing projected retirement benefits to the period up to the end of this fiscal year. Unrecognized net actuarial gain (loss) is recognized as expense starting from the following fiscal year and amortized over a fixed number of years (primarily 10 to 12 years) within the average remaining service period of the current employees using the straight-line method.

Some consolidated subsidiaries apply the non-actuarial method that assumes the amount required for voluntary resignation at the end of the year to be projected benefit obligation in computing Net Defined Benefit Liability and Retirement Benefit Expenses.

(16) Assets and Liabilities denominated in foreign currencies

Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of MHBK are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the stocks of affiliates not accounted for by the equity method, which are translated at historical exchange rates.

Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the respective balance sheet dates.

(17) Hedge accounting

A. Hedge of interest rate risk

MHBK applies the deferred hedge method or the fair value hedge method as hedge accounting for interest rate risk accompanying various financial assets and liabilities.

"Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 24) is applied to portfolio hedges against a large number of small-balance monetary claims/liabilities.

The effectiveness of the portfolio hedges against a large number of small-balance monetary claims/liabilities is assessed as follows:

- (i) The effectiveness of a fair value hedge is assessed for each identified (i) groups of hedged deposits, loans and similar instruments and (ii) corresponding groups of hedging instruments such as interest rate swaps in the same maturity bucket.
- (ii) The effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

The effectiveness of an individual hedge is also assessed based on the fluctuations in the quotations or cash flows of the hedged

item and those of the hedging instrument.

Net Deferred Hedge Gains (Losses), net of Taxes which are recorded on the consolidated balance sheet and resulted from the application of the “macro-hedge method” based on “Tentative Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives, are amortized as interest income or interest expenses over the remaining maturity or the average remaining maturity of the respective hedging instruments.

The unamortized amounts of Gross Deferred Hedge Losses and Gross Deferred Hedge Gains under the “macro-hedge method” at the end of the fiscal year are ¥1,849 million (¥3,343 million at the end of the previous fiscal year) before tax effects deduction and ¥1,500 million (¥2,545 million at the end of the previous fiscal year) before tax effects deduction, respectively.

#### B. Hedge of Foreign Exchange Risks

MHBK applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign-currency-denominated financial assets and liabilities as stipulated in “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

The effectiveness of the currency-swap transactions, exchange swap transactions and similar transactions hedging the foreign exchange risks of foreign-currency-denominated monetary claims and liabilities is assessed based on comparison of foreign currency position of the hedged monetary claims and liabilities and the hedging instruments.

In addition to the above methods, MHBK applies the deferred hedge method or the fair value hedge method to portfolio hedges of the foreign exchange risks associated with investments in overseas subsidiaries and affiliates, and foreign-currency-denominated securities, other than bonds, identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign-currency-denominated securities.

#### C. Inter-company trading among consolidated companies, etc.

Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting because these inter-company derivatives are covered with outside third parties and appropriate hedge operations without subjectivities are conducted in accordance with JICPA Industry Audit Committee Reports No. 24 and 25.

The deferred hedge method, the fair value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods to part of assets and liabilities of MHBK and consolidated subsidiaries.

#### (18) Amortization method and amortization period of Goodwill

Goodwill is amortized over the period during which it has an effect in 20 years or less using the straight-line method. The full amount of Goodwill that has no material impact is expensed as incurred.

#### (19) Definition of Cash and Cash Equivalents in the consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consist of cash and deposits with central banks included in “Cash and Due from Banks” on the consolidated balance sheet.

#### (20) Consumption taxes and local consumption taxes

With respect to MHBK and its domestic consolidated subsidiaries, consumption taxes and local consumption taxes are primarily excluded from the transaction amounts.

### Changes in Accounting Policies

#### Changes in Accounting Policies due to Revisions of Accounting Standards and Others

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

MHBK has applied “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, March 25, 2011) and others beginning with the fiscal year and has newly included SPARCS FUNDING CORPORATION and other companies in consolidated subsidiaries.

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

##### Application of “Accounting Standard for Retirement Benefits” and others

MHBK has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter, the “Accounting Standard for Retirement Benefits”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter, the “Guidance on Accounting Standard for Retirement Benefits”) beginning with the end of the fiscal year (excluding regulations stipulated in the text of the Accounting Standard for Retirement Benefits Paragraph 35 and the Guidance on Accounting Standard for Retirement Benefits Paragraph 67) and has recorded the difference between projected benefit obligation and plan assets as Net Defined Benefit Asset or Liability from the end of the fiscal year.

The Accounting Standard for Retirement Benefits, etc. have been applied in accordance with the transitional treatment stipulated in

the Accounting Standard for Retirement Benefits Paragraph 37, and unrecognized net actuarial gain (loss) after adjusting for tax effects has been recorded as Remeasurements of Defined Benefit Plans in Accumulated Other Comprehensive Income.

As a result of this, ¥356,371 million of Net Defined Benefit Asset and ¥5,684 million of Net Defined Benefit Liability have been recorded at the end of the fiscal year. Deferred Tax Assets increased by ¥7,837 million and Accumulated Other Comprehensive Income decreased by ¥9,822 million.

#### Issued But Not Yet Adopted Accounting Standard and Others

##### 1. Accounting Standard for Retirement Benefits and Others (May 17, 2012)

###### (1) Outline

From the viewpoint of improvements to financial reporting and international convergence, this accounting standard and others were amended mainly focusing on the treatment of unrecognized net actuarial gain (loss) and unrecognized prior service cost, the method of determination of projected benefit obligations and current service cost, and enhancement of disclosures.

###### (2) Scheduled date of application

MHBK is scheduled to apply the amendments to the method of determination of projected benefit obligations and current service cost from the beginning of the fiscal year starting on April 1, 2014.

###### (3) Effect of application of this accounting standard and others

The effect of the application of this accounting standard and others is under consideration.

##### 2. Accounting Standard for Business Combinations and Others (September 13, 2013)

###### (1) Outline

This accounting standard and others were revised mainly focusing on 1) the treatment of changes in the parent company's equity of its subsidiary while the parent company's control is continuing because of additional acquisition of the subsidiary's stocks, 2) the treatment of acquisition-related expenses, 3) the treatment of provisional accounting, and 4) the presentation of Net Income and the change from minority interests to non-controlling interests.

###### (2) Scheduled date of application

MHBK is scheduled to apply this accounting standard and others after revision from the beginning of the fiscal year starting on April 1, 2015.

###### (3) Effect of application of this accounting standard and others

The effect of the application of this accounting standard and others is under consideration.

#### Notes to Consolidated Balance Sheet

##### \*1. Stocks of and Other Investments in Affiliates

	As of March 31, 2013	As of March 31, 2014
Stocks	¥60,512 million	¥269,149 million
Other Investments	¥421 million	¥421 million

##### \*2. Securities that borrowers are allowed to re-sell under unsecured lending transactions are included in Japanese Government Bonds in "Securities." The amounts are as follows.

	As of March 31, 2013	As of March 31, 2014
	¥- million	¥130,325 million

In certain transactions, MHBK has the right to re-sell or pledge or re-pledge following securities held under uncollateralized securities borrowing agreements, cash-collateralized securities borrowing agreements and securities purchased with resale agreements.

	As of March 31, 2013	As of March 31, 2014
Securities pledged or re-pledged as collateral	¥11,055,599 million	¥1,947,701 million
Securities held without being pledged or re-pledged at the end of the fiscal year	¥1,793,076 million	¥1,139,648 million

##### \*3. Loans and Bills Discounted include following Loans and Bills Discounted to Bankrupt Obligors and Non-Accrual Delinquent Loans and Bills Discounted.

	As of March 31, 2013	As of March 31, 2014
Loans and Bills Discounted to Bankrupt Obligors	¥21,380 million	¥12,093 million
Non-Accrual Delinquent Loans and Bills Discounted	¥164,216 million	¥491,796 million

Loans and Bills Discounted to Bankrupt Obligors are loans, excluding loans written-off, for which no interest was accrued since delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason,

there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965).

Non-Accrual Delinquent Loans and Bills Discounted represent Non-Accrual Loans other than (i) Loans and Bills Discounted to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.

\*4. Balances of Loans and Bills Discounted Past Due for 3 Months or More are as follows:

	As of March 31, 2013	As of March 31, 2014
Balances of Loans and Bills Discounted Past Due for 3 Months or More	¥3 million	¥4,109 million
Loans and Bills Discounted Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for the payments, and which are not included in Loans and Bills Discounted to Bankrupt Obligors, or Non-Accrual Delinquent Loans and Bills Discounted.		

\*5. Balances of Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2013	As of March 31, 2014
Balances of Restructured Loans and Bills Discounted	¥261,604 million	¥497,091 million
Restructured Loans and Bills Discounted represent loans on which contracts were amended in favor of borrowers (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the borrowers. Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted and Loans and Bills Discounted Past Due for 3 Months or More are not included.		

\*6. Total balances of Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted, Loans and Bills Discounted Past Due for 3 Months or More and Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2013	As of March 31, 2014
Total	¥447,205 million	¥1,005,090 million
The amounts given in *3. through *6. are gross amounts before deduction of amounts for the Allowance for Possible Losses on Loans.		

\*7. In accordance with “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24), Bills Discounted are treated as financial transactions. MHBK has rights to sell or pledge or re-pledge these commercial bills and foreign exchange bills. The face values of these bills are as follows:

	As of March 31, 2013	As of March 31, 2014
	¥826,358 million	¥1,321,311 million

\*8. Breakdown of assets pledged as collateral is as follows:

	As of March 31, 2013	As of March 31, 2014
The following assets have been pledged as collateral:		
Trading Assets	¥5,197,950 million	¥559,636 million
Securities	¥13,347,246 million	¥14,115,237 million
Loans and Bills Discounted	¥3,568,881 million	¥8,400,394 million
Other Assets	¥3,675 million	¥1,112 million
Total	¥22,117,754 million	¥23,076,380 million

The following liabilities are collateralized by the above assets:

Deposits	¥64,634 million	¥868,400 million
Call Money and Bills Sold	¥760,000 million	¥1,542,200 million
Payables under Repurchase Agreements	¥7,721,232 million	¥5,696,229 million

Guarantee Deposits Received under Securities Lending Transactions	¥7,018,113 million	¥3,158,839 million
Borrowed Money	¥1,177,081 million	¥5,528,674 million

In addition to the above, following items are pledged as collateral in connection with foreign and domestic exchange settlement transactions, derivative transactions etc. or as a substitute for margin payments for futures transactions.

	As of March 31, 2013	As of March 31, 2014
Cash and Due from Banks	¥13,113 million	¥30,438 million
Trading Assets	¥266,909 million	¥12,356 million
Securities	¥1,066,659 million	¥3,009,338 million
Loans and Bills Discounted	¥123,719 million	¥159,954 million

“Other Assets” include Margin Payments for Futures Transactions, Guarantee Money, and Collateral Pledged for Financial Instruments and Others, etc., the breakdown of which is as follows.

	As of March 31, 2013	As of March 31, 2014
Margin Payments for Futures Transactions	¥74,940 million	¥18,094 million
Guarantee Money	¥33,022 million	¥98,558 million
Collateral Pledged for Financial Instruments and Others, etc.	¥508,912 million	¥199,979 million

\*9. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which MHBK is obligated to make loans up to the prearranged amount at the request of customers unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounts is as follows:

	As of March 31, 2013	As of March 31, 2014
Unutilized balance	¥37,592,155 million	¥67,085,081 million
Amount relating to contracts for which the original contractual term is one year or less or unconditionally cancelable at any time	¥28,563,215 million	¥55,818,021 million

Since many of these contracts expire without the rights being exercised, the unutilized balance itself does not necessarily affect future cash flows. Many of these contracts include a provision that entitles MHBK to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHBK obtains, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and subsequently monitors customers’ business condition periodically, based on and in accordance with procedures established internally, and takes measures to control credit risks such as amendments to contracts, if needed.

\*10. In accordance with the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item “Deferred Tax Liabilities for Revaluation Reserve for Land” indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item “Revaluation Reserve for Land, net of Taxes” under Net Assets.

Date revalued March 31, 1998

Revaluation method as specified in Article 3, Paragraph 3 of the above-mentioned Act

Land used for business activities was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998), with reasonable adjustments to compensate for sites with long depth, etc. and also on the basis of the appraisal valuation stipulated in Article 2, Item 5 of the above-mentioned Order.

The difference at the consolidated balance sheet date between the total fair value of land used for business activities, which has been revalued in accordance with Article 10 of the above-mentioned Act, and the total book value of the land after the revaluation

	As of March 31, 2013	As of March 31, 2014
	¥3,440 million	¥156,731 million

\*11. Accumulated depreciation of Tangible Fixed Assets

	As of March 31, 2013	As of March 31, 2014
Accumulated depreciation	¥159,008 million	¥702,319 million

\*12. Advanced depreciation of Tangible Fixed Assets

	As of March 31, 2013	As of March 31, 2014
Advanced depreciation	¥900 million	¥35,151 million

\*13. Borrowed Money includes subordinated borrowed money.

	As of March 31, 2013	As of March 31, 2014
Subordinated borrowed money	¥655,420 million	¥969,140 million

\*14. Bonds and Notes include subordinated bonds.

	As of March 31, 2013	As of March 31, 2014
Subordinated bonds	¥403,538 million	¥1,122,000 million

15. Since April 1, 2013, MHBK has keep well agreements, jointly and severally with Mizuho Financial Group, Inc., MHBK's parent company, with each of Mizuho Securities Co., Ltd., Mizuho International plc and Mizuho Securities USA Inc., which are also subsidiaries of Mizuho Financial Group, Inc., concerning their Joint Euro Medium-Term Note Programme. The bond issue balance under the program is as follows:

As of March 31, 2013	As of March 31, 2014
¥– million	¥654,638 million

\*16. Amounts of liabilities for guarantees on corporate bonds included in Securities, which were issued through private placement under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act

As of March 31, 2013	As of March 31, 2014
¥30,724 million	¥986,577 million

Notes to Consolidated Statement of Income

\*1. Other Ordinary Income includes following items.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Gains on Sales of Stocks and Others	¥36,747 million	¥57,209 million
Income from Matured Debentures	¥– million	¥34,479 million
Gains on Liquidation of Securitization Products	¥12,245 million	¥– million

\*2. Other Ordinary Expenses include following items.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Losses on Write-Offs of Loans	¥12,179 million	¥14,696 million
Head Office Relocation Expenses	¥– million	¥13,214 million
Provision for Reserve for Reimbursement of Debentures	¥– million	¥12,783 million

\*3. Other Extraordinary Gains include following items.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Gains on step acquisitions	¥– million	¥6,751 million
Gains on Transfer of Business at a Securities Subsidiary	¥3,961 million	¥– million

\*4. Other Extraordinary Losses are as follows.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Losses on Change in Equity Resulting from the Merger of the Securities Subsidiary	¥34,710 million	¥– million

Expenses Related to Merger of Securities Subsidiary

¥6,486 million

¥– million

Notes to Consolidated Statement of Comprehensive Income

\*1. Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

	(Millions of Yen)	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Net Unrealized Gains (Losses) on Other Securities, net of Taxes		
Amount arising during the year	691,360	301,183
Reclassification adjustments	(44,783)	(86,005)
Before adjustments to tax effects	646,577	215,177
Amount of tax effects	(176,570)	(68,399)
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	470,006	146,777
Net Deferred Hedge Gains (Losses), net of Taxes		
Amount arising during the year	23,204	(43,339)
Reclassification adjustments	(17,805)	(32,894)
Adjustment to acquisition cost of assets	–	(8,217)
Before adjustments to tax effects	5,399	(84,450)
Amount of tax effects	(2,139)	30,176
Net Deferred Hedge Gains (Losses), net of Taxes	3,259	(54,274)
Revaluation Reserve for Land, net of Taxes		
Amount arising during the year	–	–
Reclassification adjustments	–	–
Before adjustments to tax effects	–	–
Amount of tax effects	–	3
Revaluation Reserve for Land, net of Taxes	–	3
Foreign Currency Translation Adjustments		
Amount arising during the year	3,721	9,992
Reclassification adjustments	8,204	–
Before adjustments to tax effects	11,926	9,992
Amount of tax effects	–	–
Foreign Currency Translation Adjustments	11,926	9,992
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method		
Amount arising during the year	6,498	3,483
Total amount of Other Comprehensive Income	491,691	105,983

Notes to Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2013

1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
Outstanding Shares					
Common Stock	16,151	–	–	16,151	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	

	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
Total	19,911	–	–	19,911	
Treasury Stock					
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

## 2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

None

## 3. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 25, 2012	Common Stock	140,437	8,695	March 31, 2012	June 25, 2012
	Second series Class IV Preferred Stock	0	42,000	March 31, 2012	June 25, 2012
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2012	June 25, 2012
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2012	June 25, 2012

(2) Of dividends whose record dates belong to the year ended March 31, 2013, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Type of Dividend Properties	Book Value of Dividend Properties (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on March 29, 2013	Common Stock	Stocks of Subsidiaries	424,473	Capital Surplus and Retained Earnings	26,280	–	April 1, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 24, 2013	Common Stock	129,955	Retained Earnings	8,046	March 31, 2013	June 24, 2013
	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2013	June 24, 2013
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2013	June 24, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2013	June 24, 2013

For the year ended March 31, 2014

1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2013	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2014	Abstract
Outstanding Shares					
Common Stock	16,151	–	–	16,151	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	19,911	–	–	19,911	
Treasury Stock					
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

None

3. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2014

(Resolution)	Type of Stock	Type of Dividend Properties	Book Value of Dividend Properties (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on March 29, 2013	Common Stock	Stocks of Subsidiaries	424,473	26,280	–	April 1, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General	Common Stock	129,955	8,046	March 31, 2013	June 24, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Meeting of Shareholders Held on June 24, 2013	Second series Class IV Preferred Stock	0	42,000	March 31, 2013	June 24, 2013
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2013	June 24, 2013
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2013	June 24, 2013

(2) Of dividends whose record dates belong to the year ended March 31, 2014, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 23, 2014	Common Stock	288,757	Retained Earnings	17,878	March 31, 2014	June 23, 2014
	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2014	June 23, 2014
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2014	June 23, 2014
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2014	June 23, 2014

#### Notes to Consolidated Statement of Cash Flows

\*1. Cash and Cash Equivalents at the balance sheet date are reconciled to Cash and Due from Banks on the consolidated balance sheet as follows:

	For the year ended March 31, 2013	For the year ended March 31, 2014
Cash and Due from Banks	¥5,505,074 million	¥19,415,640 million
Due from Banks, excluding Deposits with Central Banks	¥(802,521) million	¥(1,064,825) million
Cash and Cash Equivalents	¥4,702,553 million	¥18,350,815 million

#### 2. Significant non-fund transaction

(1) The amount and main details of increase in assets and liabilities resulting from the merger of Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Total Assets	¥210,209 million	¥– million
Of which Trading Assets	¥47,833 million	¥– million
Of which Guarantee Deposits Paid under Securities Borrowing Transactions	¥42,949 million	¥– million
Total Liabilities	¥111,700 million	¥– million
Of which Other Liabilities	¥41,153 million	¥– million
Of which Trading Liabilities	¥31,620 million	¥– million

(2) The amount and main details of decrease in assets and liabilities resulting from Mizuho Securities Co., Ltd. and others being no longer categorized as consolidated subsidiaries through the distribution of shares as dividend-in-kind:

	For the year ended March 31, 2013	For the year ended March 31, 2014
Total Assets	¥– million	¥23,901,499 million

	For the year ended March 31, 2013	For the year ended March 31, 2014
Of which Receivables under Resale Agreements	¥– million	¥9,487,658 million
Of which Trading Assets	¥– million	¥8,316,569 million
Total Liabilities	¥– million	¥23,309,091 million
Of which Payables under Repurchase Agreements	¥– million	¥12,083,346 million
Of which Trading Liabilities	¥– million	¥4,321,528 million

(3) The amount and main details of increase in assets and liabilities resulting from the merger with the former Mizuho Bank, Ltd.

	For the year ended March 31, 2013	For the year ended March 31, 2014
Total Assets	¥– million	¥76,030,986 million
Of which Loans and Bills Discounted	¥– million	¥31,451,823 million
Of which Securities	¥– million	¥21,805,151 million
Total Liabilities	¥– million	¥73,247,664 million
Of which Deposits	¥– million	¥61,267,605 million

#### Lease Transactions

##### 1. Finance Leases

Finance Leases not Involving the Transfer of Ownership  
(Lessee)

##### 1) Details of lease assets

(A) Tangible Fixed Assets

Primarily equipment

(B) Intangible Fixed Assets

Software

##### 2) Depreciation method of lease assets

As stated in “(5) Method of depreciation of Fixed Assets” of “4. Accounting Policies” under Basis of Preparation of Consolidated Financial Statements

##### 2. Operating Leases

Future Lease Payments Related to Non-cancelable Operating Leases

##### (1) Lessee

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Due within One Year	28,526	35,890
Due after One Year	60,530	164,388
Total	89,057	200,278

##### (2) Lessor

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Due within One Year	822	777
Due after One Year	4,260	4,370
Total	5,082	5,147

#### Financial Instruments

##### 1. Matters relating to the Conditions of Financial Instruments

##### (1) Policy on financial instruments

MHBK, which primarily engages in banking business, and its group companies (the “Group”) incur financial liabilities such as customer deposits and funding through financial markets on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engage in trading activities for certain financial instruments. Some consolidated subsidiaries conduct securities business and other financial business.

For these businesses, the Group manages appropriately the risks of individual financial instruments and carefully matches difference in transaction terms and various risk factors.

##### (2) Type and risk of financial instruments

The main financial assets of the Group consist of customer loans and securities such as stocks and government bonds for investment purposes. These financial assets are subject to various types of risk of losses that may be incurred by the Group due to a decline in, or total loss of, the value of assets as a result of deterioration in a counterparty's and an issuer's financial position ("credit risk"), or due to a decline in the value of assets as a result of fluctuations in interest rates, stock prices and foreign exchange rates and so on ("market risk").

The main financing source of the Group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses arising from funding difficulties due to financial market turmoil or deterioration in our financial position that forces us to raise funds at significantly higher interest rates than usual or that makes it difficult for us to raise the necessary funds ("liquidity risk").

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of financial assets and liabilities of the Group, exposing the Group to various risks, including credit risk, market risk and liquidity risk.

In addition, the Group uses derivative financial instruments to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management ("ALM"). The Group primarily utilizes the "portfolio hedge" by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative instruments like interest rate swaps are used as hedging instruments for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these instruments, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure that changes in interest rate risk or cash flows of the hedged items are highly effectively offset by the hedging instruments. It should be noted that the Group uses derivative financial instruments for trading purposes and so on as well.

### (3) Risk management for financial instruments

#### 1) Commitment to risk management

The Group recognizes the conducting of operations tailored to the risks and managing such risks as a key issue relating to its management. In order to implement its business strategy while maintaining our financial stability, the Group maintains comprehensive risk management and control measures.

The Group maintains basic policies for risk management established by our Board of Directors that are applicable to the entire Group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, the Group maintains various measures to strengthen and enhance the sophistication of its risk management system.

#### 2) General concept of risk management

The Group classifies its risk exposures according to the various kinds of risk, including "credit risk," "market risk," "liquidity risk" and "operational risk," and manages each type of risk according to its characteristics.

In addition to managing each type of risk individually, the Group has established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

More specifically, the Group allocates risk capital to each risk unit to control risk within the limits set for each unit. The Group also controls risk within managerially acceptable limits by working to ensure that the overall risk the Group holds on an entire Group basis does not exceed shareholder's equity and other measures of financial strength. To ensure the ongoing financial health of the Group, MHBK regularly monitors the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees.

#### 3) Credit risk management

The Group has adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which the Group manages the process for each individual transaction and individual obligor from execution until collection, based on its assessment of the credit quality of the customer. Through this process, the Group curbs losses in the case of a credit event. The second is "credit portfolio management," in which the Group utilizes statistical methods to assess the potential for losses related to credit risk. Through this process, the Group identifies credit risk and responds appropriately.

Regarding the method of credit portfolio management, MHBK uses statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VaR"). The difference between expected loss and credit VaR is measured as the credit risk amount ("unexpected loss"). MHBK recognizes two types of risk arising from allowing too large a proportion of overall credit risk to be allocated in certain areas. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain geographical areas, industrial sectors and other groupings. MHBK manages these risks appropriately in line with its specific guidelines for each.

The Board of Directors of MHBK determines key matters pertaining to credit risk management policies and the CEO supervises the credit risk management. In addition, the "Portfolio Management Committee" and "Credit Committee" as its management policy committees broadly discuss and coordinate matters relating to the management of the Group's credit portfolio and credit policies towards obligors. The Head of Risk Management Group is responsible for matters relating to planning and implementing credit risk management. Each department of the credit risk management division conducts credit risk measuring and monitoring, and forms and promotes basic plans of credit risk management. The Head of Credit Group is responsible for matters regarding credit examination and manages credit risk mainly from the viewpoint of individual credits. Each credit department approves/disapproves, manages and collects from customers individual credit transactions. In addition, from the standpoint of strengthening internal checks, MHBK has also established the Asset Audit Department as an internal audit division that is independent of the business divisions in order.

#### 4) Market risk management

The Board of Directors of MHBK determines key matters pertaining to market risk management policies. In addition, MHBK has established the “ALM & Market Risk Committee” as one of its management policy committees. The committee broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes actions to be taken in emergency situations such as sudden market changes.

The Head of Risk Management Group of MHBK is responsible for matters relating to market risk management planning and operations. The Risk Management Division of MHBK is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the division assesses and manages the overall market risk of MHBK and the Group as a whole and submits reports to the CEO on a daily basis and to our Board of Directors and the Management Council, etc. of MHBK on a regular basis.

To manage market risk, MHBK sets limits that correspond to risk capital allocations. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, MHBK sets limits for VaR and for losses. For banking activities, MHBK sets position limits based on interest rate sensitivity as needed.

The Board of Directors of MHBK decides the “Basic Policies for Market and Liquidity Risk Management,” which determine key matters pertaining to market risk management policies, and the CEO supervises the market risk management in compliance with said Basic Policies. In addition, MHBK has established the ALM & Market Risk Committee as a management policy committee that broadly discusses and coordinates matters relating to the market risk management. Moreover, MHBK has established middle offices specializing in risk management that are independent of its front offices, which engage in market transactions, and its back offices, which are responsible for book entries and settlements. This system enables them to achieve mutual checks and control over market operations. When VaR is not adequate to control risk, the middle offices manage risk by managing risk indicators, using 10 BPV (Basis Point Value) or others, by carrying out stress tests, and setting loss limits as needed.

5) Situation of market risk

i. Outline of banking activities

The following table shows the VaR figures relating to the banking activities of the Group for the fiscal year (period) indicated:

(Billions of Yen)

	For the year ended March 31, 2013	For the three months ended June 30, 2013	For the nine months ended March 31, 2014
As of the fiscal year (period) end	135.2	86.6	262.5
Maximum	161.9	146.9	296.9
Minimum	117.7	81.7	169.9
Average	135.0	119.8	245.7

[Definition of banking activities]

The following transactions are categorized as banking activities, with trading activities and strategically-held equity being categorized separately.

(1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.

(2) Equity (excluding strategically-held equity), bonds, investment trusts, etc. and hedges against related market risk.

The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.

[Method of calculating VaR of banking activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one month, 3) Historical observation period of one year

ii. Trading activities

The following table shows the VaR figures relating to the trading activities of the Group for the fiscal year (period) indicated:

(Billions of Yen)

	For the year ended March 31, 2013	For the three months ended June 30, 2013	For the nine months ended March 31, 2014
As of the fiscal year (period) end	4.5	3.2	2.6
Maximum	6.1	5.8	5.5
Minimum	2.7	2.4	2.4
Average	3.7	3.6	3.6

[Definition of trading activities]

- (1) Transactions held for the purpose of short-term resale.
- (2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.
- (3) Deals that have both aspects of (1) and (2) above.
- (4) Deals held for broking business or market making business.

[Method of calculating VaR of trading activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one day, 3) Historical observation period of one year

iii. Strategic equity holding

The Group performs the same market risk management based on VaR and risk indices for the strategic equity holding portfolio as for banking activities and trading activities. The risk index of the strategic equity holding portfolio (sensitivity of the portfolio to a 1% change in TOPIX index) is set as ¥27.6 billion as of March 31, 2014 (¥18.3 billion as of March 31, 2013).

iv. Risk management using VaR

VaR is a commonly used market risk measurement technique based on statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VaR model has the following limitations:

- VaR estimates could differ by assumptions of holding period, confidence interval and approaches for the measurement.
- VaR that is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VaR might underestimate the probability of loss when the market becomes inactive due to market confusion since VaR is based on the assumptions of sales of holding portfolio or hedges in the market during the holding period for the calculation.
- VaR model does not take account of any losses that might occur beyond this confidence interval.

The variance co-variance model used as the measurement technique of VaR assumes that changes in market movements follow a normal distribution. Therefore, the model might underestimate the risk in a circumstance where the market is likely to move extremely beyond the assumption. The model might also underestimate the risk when the normal correlation assumption between interest rate and share price collapses in a circumstance where a rise in the interest rate and a deterioration of share price happen simultaneously.

The Group checks the validity of the market risk measurement made by VaR approach periodically by backtesting, which compares VaR with actual profit and loss. In addition to VaR, the Group performs a wide variety of management processes and controls such as risk indices monitoring, implementation of stress tests, and loss limit monitoring in order to perform strict risk management by carefully grasping all risks, including those VaR approach is not able to cover.

6) Liquidity risk management

The Group's liquidity risk management structure is generally the same as the market risk management structure described above "4) Market risk management." However, liquidity risk is managed under the system where the Head of Markets Unit is responsible for the planning and implementing cash flow management, the ALM Department is responsible for matters relating to identifying and coordinating cash flow situation, and plans and runs cash flow management operations. Reports on the cash flow situation are submitted to the ALM & Market Risk Committee and the Management Council, etc.

Liquidity risk is measured using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & Market Risk Committee, discussed further by the Management Council, etc. and determined by the CEO. The Group has established classifications for the cash flow conditions affecting the Group, ranging from "normal" to "cause for concern" and "critical," and has established procedures for dealing with cases that are deemed to fall into the "cause for concern" or "critical" categories. In addition, a system has been constructed under which the Group will be able to respond smoothly in the event of an "emergency situation" that affects the Group's funding.

(4) Supplementary explanation of matters relating to fair value of financial instruments and others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.

2. Matters Relating to Fair Value of Financial Instruments and Others

The following are carrying values, fair values and differences between them. Unlisted stocks and others, the fair values of which are deemed extremely difficult to determine, are excluded from the table below (see (Note 2)).

As of March 31, 2013

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	5,504,078	5,504,078	–
(2) Call Loans and Bills Purchased (*1)	518,374	518,374	–
(3) Receivables under Resale Agreements	9,008,854	9,008,854	–
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	5,632,635	5,632,635	–
(5) Other Debt Purchased (*1)	128,945	128,945	–
(6) Trading Assets			
Trading Securities	8,833,503	8,833,503	–
(7) Money Held in Trust (*1)	95,949	95,949	–
(8) Securities			
Bonds Held to Maturity	–	–	–
Other Securities	25,709,483	25,709,483	–
(9) Loans and Bills Discounted	32,136,538		
Allowance for Possible Losses on Loans (*1)	(304,580)		
	31,831,958	32,101,940	269,981
<b>Total Assets</b>	<b>87,263,783</b>	<b>87,533,765</b>	<b>269,981</b>
(1) Deposits	23,320,041	23,320,890	849
(2) Negotiable Certificates of Deposit	10,981,877	10,981,877	–
(3) Call Money and Bills Sold	13,349,648	13,349,648	–
(4) Payables under Repurchase Agreements	17,446,042	17,446,042	–
(5) Guarantee Deposits Received under Securities Lending Transactions	7,716,017	7,716,017	–
(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	3,349,261	3,349,261	–
(7) Borrowed Money	3,036,265	3,067,810	31,544
(8) Bonds and Notes	3,949,621	3,992,221	42,599
<b>Total Liabilities</b>	<b>83,148,776</b>	<b>83,223,770</b>	<b>74,994</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	717,463		
Derivative Transactions Designated as Hedge	[251,414]		
Allowance for Derivative Transactions (*1)	(13,702)		
<b>Total Derivative Transactions</b>	<b>452,347</b>	<b>452,347</b>	<b>–</b>

(\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on loans on Cash and Due from Banks, Call Loans and Bills Purchased, Other Debt Purchased and Money Held in Trust are directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

As of March 31, 2014

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	19,414,402	19,414,402	–

(2) Call Loans and Bills Purchased (*1)	479,355	479,355	–
(3) Receivables under Resale Agreements (*1)	729,364	729,364	–
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	388,060	388,060	–
(5) Other Debt Purchased (*1)	3,205,326	3,205,326	–
(6) Trading Assets			
Trading Securities	1,433,768	1,433,768	–
(7) Money Held in Trust (*1)	2,805	2,805	–
(8) Securities			
Bonds Held to Maturity	4,040,082	4,057,817	17,734
Other Securities	37,003,279	37,003,279	–
(9) Loans and Bills Discounted	66,880,997		
Allowance for Possible Losses on Loans (*1)	(540,732)		
	66,340,265	67,435,665	1,095,400
<b>Total Assets</b>	<b>133,036,711</b>	<b>134,149,846</b>	<b>1,113,134</b>
(1) Deposits	86,947,394	86,911,200	(36,194)
(2) Negotiable Certificates of Deposit	11,746,394	11,745,819	(574)
(3) Call Money and Bills Sold	6,071,334	6,071,334	–
(4) Payables under Repurchase Agreements	7,690,487	7,690,487	–
(5) Guarantee Deposits Received under Securities Lending Transactions	3,159,574	3,159,574	–
(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	47,817	47,817	–
(7) Borrowed Money	7,422,832	7,455,248	32,415
(8) Bonds and Notes	4,032,847	4,108,955	76,108
<b>Total Liabilities</b>	<b>127,118,682</b>	<b>127,190,438</b>	<b>71,756</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	523,400		
Derivative Transactions Designated as Hedge	[328,325]		
Allowance for Derivative Transactions (*1)	(11,649)		
<b>Total Derivative Transactions</b>	<b>183,426</b>	<b>183,426</b>	<b>–</b>

(\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on loans on Cash and Due from Banks, Call Loans and Bills Purchased, Receivables under Resale Agreements, Other Debt Purchased and Money Held in Trust are directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Measurement method of fair value of financial instruments

Assets

(1) Cash and Due from Banks

For Due from Banks which have no maturity, since fair values approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Purchased, (3) Receivables under Resale Agreements and (4) Guarantee Deposits Paid under Securities Borrowing Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(5) Other Debt Purchased

Fair values of Other Debt Purchased are based on the values deemed as market prices obtained by the reasonable estimate

such as those obtained from brokers and quote vendors.

(6) Trading Assets

Fair values of securities held for trading, such as bonds held for trading, are based on the market prices and others.

(7) Money Held in Trust

Fair values of Securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are determined by the method described in (8) below. For Money Held in Trust other than this, since fair values approximate book values, we deem the book values to be fair values. The notes to Money Held in Trust based on holding purpose are stated in "Money Held in Trust."

(8) Securities

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

Fair values of some securitization products are determined by discounting the estimated future cash flows based on the analysis of back assets at the discount rate considered as market rate.

Fair values of Floating-Rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are based on the reasonably calculated prices as book value at the end of the fiscal year. In deriving the reasonably calculated prices, we used the Discounted Cash Flow Method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

With respect to the credit investments in securitization products made as an alternative to loans held by the European and North American offices of MHBK, we applied reasonably calculated prices based on the reasonable estimates of its management as fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the Discounted Cash Flow Method. The price decision variables include default rates, recovery rates, pre-payment rates and discount rates, and the subject Securities included Residential Mortgage-Backed Securities, Collateralized Loan Obligations, Commercial Mortgage-Backed Securities, and other Asset Backed Securities.

The notes to Securities based on holding purpose are stated in "Securities."

(9) Loans and Bills Discounted

Fair values of Loans and Bills Discounted are calculated by the total amount of principal and interest discounted at the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted. In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and guarantees, fair values approximate the carrying value of claims minus Allowance for Possible Losses on Loans on the consolidated balance sheet as of the end of the fiscal year, and we thus deem such amount to be fair values.

Of the Loans and Bills Discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, we deem the book values to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions.

## Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

For demand deposits, we deem the payment amounts if required on the consolidated balance sheet date (i.e., book values) to be fair values. In addition, fair values of Time Deposits and Negotiable Certificates of Deposits are calculated by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are the market interest rates. For the deposits whose deposit terms are short (i.e., within six months), since fair values approximate book values, we mainly deem the book values to be fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Guarantee Deposits Received under Securities Lending Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(6) Trading Liabilities

Fair values of Securities Sold, Not Yet Purchased in Trading Liabilities are based on the market prices and others.

(7) Borrowed Money

Fair values of Borrowed Money are calculated by discounting the total amount of the principal and interest of such Borrowed Money classified by certain period at the interest rates considered to be applicable to similar loans.

(8) Bonds and Notes

Fair values of Bonds and Notes issued by MHBK and its consolidated subsidiaries are based on the market prices for Bonds and Notes which have market prices, and calculated by discounting the total amount of principal and interest by the interest rates considered to be applicable to similar Bonds and Notes for those which do not have market prices.

## Derivative Transactions

This topic is to be discussed later in the section of "Derivative Transactions."

(Note 2) Carrying values of financial instruments whose fair values are deemed extremely difficult to determine are indicated below, and are not included in “Assets (5) Other Debt Purchased,” “Assets (7) Money Held in Trust” and “Assets (8) Securities” in fair value information of financial instruments.

(Millions of Yen)

Category	As of March 31, 2013	As of March 31, 2014
1) Unlisted Stocks (*1)	250,673	183,895
2) Investments in Partnerships (*2)	132,440	65,195
3) Other (*3)	100,165	100,350
Total (*4)	483,279	349,441

(\*1) We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

(\*2) Of the Investments in Partnerships, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

(\*3) We do not treat Preferred Subscription Certificates and others included in Other as being subject to disclosure of fair values as there are no market prices and other factors and they are deemed extremely difficult to determine fair values.

(\*4) During the fiscal year ended March 31, 2013, the amount of impairment (“devaluation”) was ¥6,217 million. During the fiscal year ended March 31, 2014, the amount of impairment (“devaluation”) was ¥4,873 million.

(Note 3) Redemption schedule by term for Monetary Claims and Securities with Maturities after the consolidated balance sheet date

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	5,495,480	1,842	–	–	–	–
Call Loans and Bills Purchased	518,958	–	–	–	–	–
Other Debt Purchased	85,138	10,253	1,812	3,273	–	28,995
Securities (*1)	6,604,605	2,940,439	7,522,110	2,056,916	1,585,762	1,911,898
Bonds Held to Maturity	–	–	–	–	–	–
Japanese Government Bonds	–	–	–	–	–	–
Other Securities with maturities	6,604,605	2,940,439	7,522,110	2,056,916	1,585,762	1,911,898
Japanese Government Bonds	5,345,450	515,900	6,110,000	800,000	1,027,400	5,000
Japanese Local Government Bonds	2,380	3,631	5,627	3,576	6,786	826
Bonds and Notes	66,547	90,901	110,518	45,681	15,450	430,055
Foreign Bonds	1,172,932	2,300,905	1,232,827	1,188,557	516,784	1,475,165
Other	17,295	29,101	63,136	19,101	19,341	851
Loans and Bills Discounted (*2)	14,008,770	7,627,732	5,967,787	2,032,599	1,476,140	785,752
Total	26,712,954	10,580,268	13,491,710	4,092,790	3,061,903	2,726,645

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥185,596 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥52,157 million of those whose terms are not determined.

As of March 31, 2014

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	18,108,943	9,602	–	–	–	–
Call Loans and Bills Purchased	479,655	–	–	–	–	–

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Other Debt Purchased	2,769,556	61,052	51,462	24,188	8,800	288,540
Securities (*1)	8,592,730	10,824,319	10,291,850	2,240,221	1,736,808	2,659,796
Bonds Held to Maturity	600,000	1,300,000	1,780,000	–	360,000	–
Japanese Government Bonds	600,000	1,300,000	1,780,000	–	360,000	–
Other Securities with maturities	7,992,730	9,524,319	8,511,850	2,240,221	1,376,808	2,659,796
Japanese Government Bonds	5,817,720	7,147,900	5,918,500	1,059,200	849,600	–
Japanese Local Government Bonds	30,158	55,655	73,777	13,266	64,214	779
Bonds and Notes	345,722	596,917	456,702	133,030	48,572	1,007,218
Foreign Bonds	1,793,967	1,689,472	2,030,248	1,029,431	406,398	1,650,999
Other	5,162	34,373	32,621	5,292	8,023	798
Loans and Bills Discounted (*2)	27,469,817	13,110,344	10,095,317	4,505,825	3,590,911	7,026,890
Total	57,420,704	24,005,319	20,438,630	6,770,235	5,336,519	9,975,227

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥503,890 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥578,001 million of those whose terms are not determined.

(Note 4) Repayment schedule by term for Bonds and Notes, Borrowed Money, and other Interest-bearing Debt after the consolidated balance sheet date

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	23,103,212	205,646	9,083	1,497	600	–
Negotiable Certificates of Deposit	10,974,736	7,285	–	–	–	–
Call Money and Bills Sold	13,349,648	–	–	–	–	–
Borrowed Money (*2)	1,375,942	845,641	137,138	62,703	379,000	166,800
Short-term Bonds	352,400	–	–	–	–	–
Bonds and Notes (*2)	671,671	1,163,344	1,364,586	157,320	242,307	344,996
Total	49,827,612	2,221,917	1,510,808	221,521	621,908	511,796

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥69,039 million for Borrowed Money and ¥5,400 million for Bonds and Notes) are not included in the table.

As of March 31, 2014

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	83,298,312	2,847,459	667,501	78,984	55,135	–
Negotiable Certificates of Deposit	11,738,753	7,819	–	–	–	–
Call Money and Bills Sold	6,071,334	–	–	–	–	–
Borrowed Money (*2)	5,260,160	1,160,679	99,201	97,313	588,618	83,813
Short-term Bonds	112,468	–	–	–	–	–
Bonds and Notes (*2)	638,241	1,194,534	1,231,364	282,100	321,293	325,913
Total	107,119,270	5,210,492	1,998,067	458,398	965,048	409,727

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥133,044 million for Borrowed Money and ¥39,400 million for Bonds and Notes) are not included in the table.

## Securities

- \* The following tables contain information relating to items which are classified as “Securities,” Trading Securities, Securities related to Trading Transactions and Short-term Bonds in “Trading Assets,” Negotiable Certificates of Deposits in “Cash and Due from Banks;” certain items in “Other Debt Purchased;” and certain items in “Other Assets.”

### 1. Trading Securities

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Unrealized Gains (Losses) Recognized in the Consolidated Statement of Income	36,733	215

### 2. Bonds Held to Maturity

As of March 31, 2013

None

As of March 31, 2014

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Values Exceed the Carrying Value	Japanese Government Bonds	3,830,230	3,848,185	17,954
Bonds Whose Fair Values Do Not Exceed the Carrying Value	Japanese Government Bonds	209,852	209,632	(220)
Total		4,040,082	4,057,817	17,734

### 3. Other Securities

As of March 31, 2013 (Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	1,549,835	856,274	693,561
	Bonds	13,054,036	12,989,478	64,558
	Japanese Government Bonds	12,291,317	12,242,672	48,644
	Japanese Local Government Bonds	22,081	21,263	817
	Japanese Corporate Bonds	740,638	725,541	15,096
	Other	4,688,499	4,598,256	90,243
	Foreign Bonds	4,197,861	4,152,225	45,635
	Other Debt Purchased	–	–	–
	Other	490,638	446,030	44,607
Subtotal		19,292,372	18,444,009	848,362
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	461,987	539,362	(77,375)
	Bonds	1,723,864	1,726,638	(2,773)
	Japanese Government Bonds	1,679,821	1,680,023	(202)
	Japanese Local Government Bonds	1,558	1,559	(1)
	Japanese Corporate Bonds	42,485	45,055	(2,569)

	Type	Carrying Value	Acquisition Cost	Difference
	Other	4,347,842	4,436,579	(88,737)
	Foreign Bonds	3,917,757	3,960,845	(43,087)
	Other Debt Purchased	35,572	36,041	(468)
	Other	394,512	439,692	(45,180)
	Subtotal	6,533,694	6,702,580	(168,886)
Total		25,826,066	25,146,590	679,475

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method and others was a gain of ¥3,311 million.  
As of March 31, 2014

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	2,423,237	1,340,138	1,083,098
	Bonds	12,802,718	12,756,447	46,271
	Japanese Government Bonds	10,626,557	10,609,696	16,860
	Japanese Local Government Bonds	178,934	176,315	2,619
	Japanese Corporate Bonds	1,997,226	1,970,434	26,791
	Other	4,697,501	4,524,965	172,536
	Foreign Bonds	3,298,642	3,267,369	31,273
	Other Debt Purchased	218,195	213,376	4,818
	Other	1,180,663	1,044,219	136,443
	Subtotal	19,923,457	18,621,551	1,301,905
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	440,759	534,022	(93,263)
	Bonds	10,992,337	11,008,309	(15,972)
	Japanese Government Bonds	10,304,813	10,308,559	(3,745)
	Japanese Local Government Bonds	61,900	62,006	(105)
	Japanese Corporate Bonds	625,622	637,743	(12,120)
	Other	6,449,736	6,682,993	(233,257)
	Foreign Bonds	5,353,884	5,551,717	(197,832)
	Other Debt Purchased	483,469	486,402	(2,933)
	Other	612,382	644,873	(32,490)
	Subtotal	17,882,832	18,225,325	(342,492)
Total		37,806,289	36,846,876	959,413

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method and others was a gain of ¥37,413 million.

4. Bonds Held to Maturity which were sold during the year ended March 31, 2014  
None

5. Other Securities which were sold during the fiscal year  
For the year ended March 31, 2013

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	116,394	20,784	13,181
Bonds	22,005,220	58,437	976
Japanese Government Bonds	20,576,699	52,088	734
Japanese Local Government Bonds	122,071	541	38
Japanese Corporate Bonds	1,306,449	5,807	203
Other	17,515,946	120,133	50,416
Total	39,637,560	199,354	64,574

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

For the year ended March 31, 2014

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	116,740	28,694	2,383
Bonds	53,628,965	47,783	8,534
Japanese Government Bonds	52,768,824	43,109	6,899
Japanese Local Government Bonds	100,049	277	53
Japanese Corporate Bonds	760,091	4,396	1,581
Other	8,213,742	78,317	50,357
Total	61,959,448	154,796	61,274

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

#### 6. Securities whose classification was changed

During the fiscal year, the classification of ¥297,657 million in Other Securities was changed to Investments in Stocks of Affiliates. As a result of this, Securities decreased by ¥155,463 million, Net Unrealized Gains (Losses) on Other Securities, net of Taxes decreased by ¥96,843 million, Deferred Tax Liabilities decreased by ¥37,708 million and Retained Earnings decreased by ¥23,839 million.

#### 7. Impairment (“Devaluation”) of Securities

Certain Securities excluding Trading Securities (excluding those whose fair values are deemed extremely difficult to determine) are presented on the consolidated balance sheet at their fair value and the difference between the acquisition cost and the fair value is recognized as a loss for the fiscal year (“loss on impairment”) if the fair value (primarily the market price on the last day of the fiscal year) has significantly deteriorated compared with the acquisition cost (including amortized cost) and recoverability of the fair value over the acquisition cost is not expected.

Loss on impairment for the fiscal year ended March 31, 2013 was ¥90,220 million.

Loss on impairment for the fiscal year ended March 31, 2014 was ¥7,516 million.

The criteria for determining whether a security’s fair value has “significantly deteriorated” are outlined as follows:

Securities whose fair value is 50% or less of the acquisition cost

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

#### Money Held in Trust

##### 1. Money Held in Trust for investment purposes

As of March 31, 2013

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	95,949	34

As of March 31, 2014 (Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	2,808	31

2. Money Held in Trust, for the purpose of being held to maturity

None

3. Other Money Held in Trust other than for investment purposes or to be held to maturity

None

#### Net Unrealized Gains (Losses) on Other Securities

Details of Net Unrealized Gains (Losses) on Other Securities on the consolidated balance sheet are as follows:

As of March 31, 2013

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	676,014
Other Securities	676,014
(-) Deferred Tax Liabilities	203,135
Net Unrealized Gains on Other Securities (Before adjusting for amount corresponding to Minority Interests)	472,878
(-) Amount corresponding to Minority Interests	6,176
(+) Amount corresponding to MHC B's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the equity method	1,694
Net Unrealized Gains on Other Securities, net of Taxes	468,397

Notes: 1. A gain of ¥3,311 million reflected in profit and loss due to the application of the fair value hedge method and others is deducted from the Unrealized Gains (Losses) on Other Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

As of March 31, 2014

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	922,075
Other Securities	922,075
(-) Deferred Tax Liabilities	267,665
Net Unrealized Gains on Other Securities (Before adjusting for amount corresponding to Minority Interests)	654,410
(-) Amount corresponding to Minority Interests	43,817
(+) Amount corresponding to MHBK's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the equity method	3,896
Net Unrealized Gains on Other Securities, net of Taxes	614,488

Notes: 1. A gain of ¥37,413 million reflected in profit and loss due to the application of the fair value hedge method and others is deducted from the Unrealized Gains (Losses) on Other Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

#### Derivative Transactions

1. Derivative Transactions not Designated as Hedge

With regard to derivative transactions not designated as hedge, contract amounts or contractual principal equivalents, fair values and net unrealized gains (losses), and fair value measurement method by type of transaction as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market

risk associated with the derivatives.

(1) Interest Rate-Related Transactions  
As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	10,202,570	5,489,583	(51,344)	(51,344)
	Bought	10,398,159	4,995,114	51,285	51,285
	Options:				
	Sold	2,982,924	687,023	(2,622)	(135)
	Bought	3,528,289	556,531	2,079	(46)
Over-the-Counter	FRAs:				
	Sold	12,538,135	1,282,444	(7,573)	(7,573)
	Bought	16,088,710	1,915,772	8,973	8,973
	Swaps:				
	Receive Fixed / Pay Float	337,886,797	242,059,256	9,907,180	9,907,180
	Receive Float / Pay Fixed	338,907,180	240,995,005	(9,713,354)	(9,713,354)
	Receive Float / Pay Float	55,933,475	33,692,472	12,842	12,842
	Receive Fixed / Pay Fixed	531,928	472,888	8,243	8,243
	Options:				
	Sold	12,033,174	8,256,980	(175,742)	(175,742)
Bought	11,049,245	7,529,946	180,335	180,335	
Inter-Company and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	2,148,766	1,586,421	30,644	30,644
	Receive Float / Pay Fixed	4,169,633	3,730,982	(70,939)	(70,939)
	Receive Float / Pay Float	—	—	—	—
Total		—	—	180,007	180,368

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	11,176,837	6,070,052	(21,739)	(21,739)
	Bought	9,703,057	5,270,930	23,266	23,266

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Options:				
	Sold	2,142,697	595,526	(4,060)	379
	Bought	1,911,694	529,727	3,385	(522)
Over-the-Counter	FRAs:				
	Sold	7,598,487	412,133	(1,364)	(1,364)
	Bought	8,006,287	595,270	1,539	1,539
	Swaps:				
	Receive Fixed / Pay Float	349,963,537	265,236,602	6,021,523	6,021,523
	Receive Float / Pay Fixed	348,816,926	262,344,526	(5,920,967)	(5,920,967)
	Receive Float / Pay Float	47,398,139	33,262,057	3,320	3,320
	Receive Fixed / Pay Fixed	265,799	233,796	1,898	1,898
	Options:				
	Sold	11,157,793	7,749,396	(114,363)	(114,363)
Bought	9,523,996	6,147,620	122,816	122,816	
Inter-Company and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	4,130,328	3,825,292	38,666	38,666
	Receive Float / Pay Fixed	8,202,717	7,196,953	(19,123)	(19,123)
	Receive Float / Pay Float	41,922	41,922	(2)	(2)
Total		-	-	134,793	135,326

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.

Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(2) Currency-Related Transactions

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	14,573	5,252	(11)	(11)
	Bought	23,252	3,060	21	21
	Options:				
	Sold	-	-	-	-
Bought	-	-	-	-	
Over-the-Counter	Currency Swaps	36,846,677	21,898,050	(34,706)	(361,043)
	Forward Exchange Contracts:				
	Sold	44,098,751	3,440,091	(1,120,033)	(1,120,033)
	Bought	22,853,107	2,914,912	1,272,723	1,272,723
	Options:				

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Sold	4,581,578	2,173,041	(280,084)	(5,773)
	Bought	4,320,850	2,018,771	277,348	(13,898)
Inter-Company and Inter-Office Transactions	Currency Swaps Forward Exchange Contracts:	2,779,435	1,676,816	342,708	273,325
	Sold	1,318	–	(0)	(0)
	Bought	114,192	–	1,859	1,859
Total		–	–	459,824	47,168

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	23,653	2,370	1,155	1,155
	Bought	36,577	–	(12)	(12)
	Options:				
	Sold	1,591	–	(2)	(2)
	Bought	1,591	–	1	1
Over-the-Counter	Currency Swaps Forward Exchange Contracts:	35,638,533	22,261,875	5,440	14,721
	Sold	48,338,033	2,394,507	(518,430)	(518,430)
	Bought	21,686,934	1,569,711	584,760	584,760
	Options:				
	Sold	3,783,401	1,717,037	(227,010)	(70,458)
	Bought	3,490,662	1,551,978	124,462	(28,339)
Inter-Company and Inter-Office Transactions	Currency Swaps Forward Exchange Contracts:	2,530,888	1,213,503	392,733	4,255
	Sold	–	–	–	–
	Bought	–	–	–	–
Total		–	–	363,098	(12,348)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(3) Stock-Related Transactions  
As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	324,970	–	(6,906)	(6,906)
	Bought	10,312	–	72	72
	Index Futures Options:				
	Sold	693,577	153,930	(42,842)	(22,150)
	Bought	652,404	147,005	45,026	19,084
Over-the-Counter	Equity-Linked Swaps	530,924	316,180	7,745	7,745
	Options:				
	Sold	684,145	354,813	(108,931)	(77,820)
	Bought	564,258	323,248	112,658	91,486
	Other:				
	Bought	39,783	24,000	1,322	1,322
	Total	–	–	8,145	12,833

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.

Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	–	–	–	–
	Bought	–	–	–	–
	Index Futures Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
Over-the-Counter	Equity-Linked Swaps	172,800	172,800	–	–
	Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
	Other:				
	Bought	–	–	–	–
	Total	–	–	–	–

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values are determined using the discounted value of future cash flows and others.

(4) Bond-Related Transactions

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	894,898	19,214	(2,569)	(2,569)
	Bought	671,141	11,963	2,425	2,425
	Bond Futures Options:				
	Sold	382,795	–	(745)	(191)
	Bought	378,511	–	817	8
Over-the-Counter	Options:				
	Sold	591,420	16,157	(5,542)	(3,855)
	Bought	568,680	16,157	5,696	4,099
Total		–	–	81	(82)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.  
Fair values of over-the-counter contracts are determined using option pricing models and others.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	610,646	–	1,097	1,097
	Bought	606,405	–	(1,157)	(1,157)
	Bond Futures Options:				
	Sold	337,131	–	(310)	105
	Bought	186,910	–	514	(118)
Over-the-Counter	Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
Total		–	–	143	(74)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values are determined using the closing prices of the Osaka Exchange and others.

(5) Commodity-Related Transactions

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	75,293	3,543	(486)	(486)
	Bought	75,588	3,286	208	208
	Commodity Futures Options:				
	Sold	93	–	(0)	0
	Bought	93	–	0	(1)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Commodity Options:				
	Sold	201,313	117,394	(29,748)	(29,748)
	Bought	201,347	117,630	31,284	31,284
Total		–	–	1,256	1,255

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.
3. Commodities are oil, copper, aluminum and others.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	40,507	1,373	(322)	(322)
	Bought	37,531	1,452	385	385
	Commodity Futures Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
Over-the-Counter	Commodity Options:				
	Sold	201,003	90,993	(10,918)	(10,918)
	Bought	184,254	74,989	17,683	17,683
Total		–	–	6,828	6,828

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.
3. Commodities are oil, copper, aluminum and others.

(6) Credit Derivative Transactions

As of March 31, 2013 (Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	2,463,306	1,842,469	2,235	2,235
	Bought	2,885,546	2,215,559	13,877	13,877
Total		–	–	16,113	16,113

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, price of the underlying products, term of contract and other components of contract.
3. “Sold” and “Bought” indicate assumption and cession of credit risk, respectively.

As of March 31, 2014

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	329,199	271,779	2,728	2,728
	Bought	506,431	390,877	15,807	15,807
Total		–	–	18,536	18,536

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, price of the underlying products, term of contract and other components of contract.

3. “Sold” and “Bought” indicate assumption and cession of credit risk, respectively.

## 2. Derivative Transactions Designated as Hedge

With regard to derivative transactions designated as hedge, contract amounts or contractual principal equivalents, fair values and fair-value measurement method by type of transaction and method of hedge accounting as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

### (1) Interest Rate-Related Transactions

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, etc.			
	Receive Fixed / Pay Float		14,363,699	13,112,941	301,857
	Receive Float / Pay Fixed		5,752,455	4,696,450	(119,229)
	Receive Float / Pay Float		170,000	80,000	152
Method of Recognizing Profit or Loss on Hedged Items	Swaps:	Other Securities, etc.			
	Receive Fixed / Pay Float		4,329	–	19
	Receive Float / Pay Fixed		78,801	66,482	(2,473)
Exceptional Accrual Method for Interest Rate Swaps	Swaps:	Loans and Bills Discounted, Borrowed Money, etc.			
	Receive Fixed / Pay Float		30,000	30,000	Note 3
	Receive Float / Pay Fixed		20,645	20,645	
Total		–	–	–	180,326

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged item such as Loans and Bills Discounted, Borrowed Money and others, fair values thereof are included in the fair values of the corresponding Loans and Bills Discounted, Borrowed Money and others in the section of “Financial Instruments.”

As of March 31, 2014

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps: Receive Fixed / Pay Float	Loans and Bills Discounted, Deposits, Borrowed Money, etc.	24,653,042	20,249,955	181,158
	Receive Float / Pay Fixed		7,248,050	6,756,342	(101,120)
	Receive Float / Pay Float		121,922	71,922	65
Method of Recognizing Profit or Loss on Hedged Items	Swaps: Receive Fixed / Pay Float	Other Securities, etc.	–	–	–
	Receive Float / Pay Fixed		218,436	206,607	(1,004)
Exceptional Accrual Method for Interest Rate Swaps	Swaps: Receive Fixed / Pay Float	Loans and Bills Discounted, Borrowed Money, etc.	–	–	Note 3
	Receive Float / Pay Fixed		93,122	83,213	
Total		–	–	–	79,099

- Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).
2. Fair values are determined using the discounted value of future cash flows and others.
3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged item such as Loans and Bills Discounted, Borrowed Money and others, fair values thereof are included in the fair values of the corresponding Loans and Bills Discounted, Borrowed Money and others in the section of “Financial Instruments.”

(2) Currency-Related Transactions

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.	8,816,368	2,340,415	(421,944)
	Forward Exchange Contracts: Sold		230,289	–	(9,795)
	Bought		1,318	–	0
Allocation Method ( <i>Furiate Shori</i> ) for Forward Exchange Contracts	Forward Exchange Contracts: Sold	–	–	–	–
Total		–	–	–	(431,740)

- Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).
2. Fair values are determined using the discounted value of future cash flows and others.

As of March 31, 2014

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted,	6,803,174	1,544,593	(406,588)
	Forward Exchange Contracts:	Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.	134,028	—	(1,638)
	Sold Bought		— —	— —	— —
Allocation Method ( <i>Furiate Shori</i> ) for Forward Exchange Contracts	Forward Exchange Contracts: Sold	Short-term Bonds	3,391	—	Note 3
Total		—	—	—	(408,226)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Items subject to the allocation method (*furiate shori*) for forward exchange contracts are accounted for synthetically with the short-term bonds that are hedged items.

### (3) Stock-Related Transactions

As of March 31, 2013

None

As of March 31, 2014

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Method of Recognizing Profit or Loss on Hedged Items	Forward Contracts: Sold	Other Securities	23,327	—	800
Total		—	—	—	800

Note: Fair values are determined using the discounted value of future cash flows and others.

### (4) Bond-Related Transactions

None

### Reserve for Employee Retirement Benefits

For the year ended March 31, 2013

#### 1. Outline of Adopted Employee Retirement Benefit Plans

(1) MHCBC and its domestic consolidated subsidiaries adopt the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido) as Defined-Benefit Corporate Pension Plans. MHCBC and its certain domestic consolidated subsidiaries adopted Defined-Contribution Pension Plans for part of the Termination Allowance Plans (Taishoku Ichijikin Seido).

(2) MHCBC has established employee retirement benefit trusts.

#### 2. Reserve for Employee Retirement Benefits are reconciled as follows:

Description	Amount (Millions of Yen)
Projected Benefit Obligation (A)	(418,489)
Plan Assets (B)	460,847
Unfunded Projected Benefit Obligation (C) = (A) + (B)	42,358
Unrecognized Net Actuarial Loss (Gain) (D)	69,549
Net Amounts on Consolidated Balance Sheet (E) = (C) + (D)	111,907

Description	Amount (Millions of Yen)
Prepaid Pension Cost (F)	129,856
Reserve for Employee Retirement Benefits (E) - (F)	(17,949)

- Notes: 1. The above Projected Benefit Obligation does not include additional retirement benefits paid to employees.  
2. The above Projected Benefit Obligation includes the amount measured by certain consolidated subsidiaries under the non-actuarial method.

3. Breakdown of Retirement Benefit Expenses (Gains) was as follows:

Classification	Amount (Millions of Yen)
Service Cost	7,472
Interest Cost	7,018
Expected Return on Plan Asset	(9,642)
Amortization of Net Actuarial Loss (Gain)	18,039
Others (such as Additional Retirement Benefit)	2,857
Net Retirement Benefit Expenses	25,745

- Notes: 1. The amount of employee contribution to Mizuho Pension Funds is deducted from "Service Cost."  
2. Retirement benefit expenses of some consolidated subsidiaries which adopt the non-actuarial method for the calculation of projected benefit obligation are included in "Service Cost" in full.

4. Assumptions Used in Calculation of Projected Benefit Obligations

- (1) Discount Rate Mainly 1.7%
- (2) Expected Rate of Return on Plan Assets Mainly 1.85% – 2.80%
- (3) Method of Attributing the Projected Benefits to Periods of Service  
Straight-line basis
- (4) Amortization of Net Actuarial Gain (Loss)  
Primarily 10 to 12 years (The amount allocated by straight-line method over certain years within the average remaining service period of the employees of each fiscal year is expensed from the following fiscal year.)

For the year ended March 31, 2014

1. Outline of Adopted Employee Retirement Benefit Plans

- (1) MHBK and its domestic consolidated subsidiaries adopt the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido) as Defined-Benefit Corporate Pension Plans. MHBK and its certain domestic consolidated subsidiaries adopted Defined-Contribution Pension Plans for part of the Termination Allowance Plans (Taishoku Ichijikin Seido).
- (2) MHBK has established employee retirement benefit trusts.

2. Defined-Benefit Corporate Pension Plans

- (1) Reconciliation of Projected Benefit Obligation as of Beginning of Year and as of End of Year

Classification	Amount (Millions of Yen)
Projected Benefit Obligation as of Beginning of Year	418,489
Service Cost	16,580
Interest Cost	14,867
Actuarial Loss (Gain)	2,699
Retirement Benefits Paid	(54,283)
Increase by Merger	709,432

Classification	Amount (Millions of Yen)
Change of Scope of Consolidation	(76,006)
Others	244
Projected Benefit Obligation as of End of Year	1,032,023

Note: The above Projected Benefit Obligation includes the amount measured by certain consolidated subsidiaries under the non-actuarial method.

(2) Reconciliation of Plan Assets as of Beginning of Year and as of End of Year

Classification	Amount (Millions of Yen)
Plan Assets as of Beginning of Year	460,847
Expected Return on Plan Asset	24,179
Actuarial Gain (Loss)	120,073
Amount of Employer Contribution	26,844
Amount of Employee Contribution	682
Retirement Benefits Paid	(41,187)
Increase by Merger	855,082
Change of Scope of Consolidation	(64,186)
Others	374
Plan Assets as of End of Year	1,382,709

(3) Reconciliation of Projected Benefit Obligation and Plan Assets as of End of Year and Net Defined Benefit Liability and Net Defined Benefit Asset on Consolidated Balance Sheet

Classification	Amount (Millions of Yen)
Projected Benefit Obligation	1,032,023
Plan Assets	(1,382,709)
Net Amount of Liability and Asset on Consolidated Balance Sheet	(350,686)

Classification	Amount (Millions of Yen)
Net Defined Benefit Liability	5,684
Net Defined Benefit Asset	(356,371)
Net Amount of Liability and Asset on Consolidated Balance Sheet	(350,686)

(4) Retirement Benefit Expenses and Amounts of Components

Classification	Amount (Millions of Yen)
Service Cost	15,898
Interest Cost	14,867
Expected Return on Plan Asset	(24,179)
Amortization of Net Actuarial Loss (Gain)	12,763
Others	3,284
Retirement Benefit Expenses from Defined-Benefit Corporate Pension Plans	22,633

Notes: 1. The amount of employee contribution to Mizuho Pension Funds is deducted from "Service Cost."

2. Retirement benefit expenses of some consolidated subsidiaries which adopt the non-actuarial method for the calculation of projected benefit obligation are included in "Service Cost" in full.

(5) Remeasurements of Defined Benefit Plans

The breakdown of the items recorded in Remeasurements of Defined Benefit Plans (before tax effects deduction) is as

follows.

Classification	Amount (Millions of Yen)
Unrecognized Net Actuarial Loss (Gain)	22,045
Total	22,045

(6) Plan Assets

1) The ratio of asset allocation to total plan assets by each category is as follows.

Japanese Stocks	54.22%
Japanese Bonds	17.66%
Foreign Stocks	13.09%
Foreign Bonds	4.37%
General Account of Life Insurance Companies	5.28%
Others	5.38%
Total	100.00%

Note: Total plan assets include 58.03% in employee retirement benefit trusts established for the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido).

2) Method of Establishing Expected Long-term Rates of Return on Plan Asset

In order to determine the expected long-term rates of return on plan assets, the current and forecast distribution of plan assets and the current and expected long-term rates of return from the diverse assets that comprise the plan assets are taken into consideration.

(7) Actuarial Accounting Assumptions

Main actuarial accounting assumptions as of the end of the fiscal year

1) Discount Rate Mainly 1.70%

2) Expected Long-term Rates of Return on Plan Asset Mainly 1.93% – 2.80%

3. Defined-Contribution Pension Plans

The required contribution from MHBK and its consolidated subsidiaries into the defined-contribution pension plans is ¥326 million.

Deferred Tax Assets and Liabilities

1. Breakdown of Deferred Tax Assets and Liabilities (Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Deferred Tax Assets		
Tax Losses Carry-Forward	129,737	20,318
Devaluation of Securities	327,940	178,949
Allowance for Possible Losses on Loans	124,218	223,194
Securities (contributed to retirement benefit trusts)	62,599	188,920
Net Unrealized Gains on Other Securities	17,166	25,862
Others	83,688	113,805
Subtotal Deferred Tax Assets	745,351	751,049
Valuation Allowance	(466,114)	(248,820)
Total Deferred Tax Assets	279,237	502,229
Deferred Tax Liabilities		
Net Unrealized Gains (Losses) on Other Securities	(202,398)	(265,865)
Prepaid Pension Cost	(44,629)	-
Net Defined Benefit Asset	-	(126,689)
Net Deferred Hedge Gains (Losses), net of Taxes	(46,751)	(21)
Others	(55,830)	(71,550)

Total Deferred Tax Liabilities	(349,609)	(464,127)
Net Deferred Tax Assets (Liabilities)	(70,372)	38,101

Note: From the fiscal year, “Securities (contributed to retirement benefit trusts)” is separately presented since the impact of its amount on the consolidated financial statements increased. As a result of this change in presentation, ¥62,599 million included in “Other Deferred Tax Assets” in the previous fiscal year has been reclassified as “Securities (contributed to retirement benefit trusts)”.

## 2. Major Differences Between the Effective Statutory Tax Rate of MHBK and the Effective Income Tax Rate of Consolidated Financial Statements After Tax Effect Accounting Application

	As of March 31, 2013	As of March 31, 2014
Effective Statutory Tax Rate	38.01%	37.92%
(Adjustments)		
Changes in Valuation Allowance	(24.62)	(4.27)
Permanent Nontaxable Differences (e.g. cash dividends received)	(3.47)	(2.27)
Tax Rate Differences from the Consolidated Subsidiaries	(6.45)	(3.34)
Adjustment to Reduce the Amount of Deferred Tax Assets at the End of the Year Due to Changes in Tax Rates	-	0.94
Other	(0.26)	(0.79)
Effective Income Tax Rate	3.21%	28.19%

## 3. Adjustments of the Amounts of Deferred Tax Assets and Liabilities Due to Changes in Tax Rates of Income Taxes

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 10 of 2014) was promulgated on March 31, 2014, and accordingly, the special corporation tax for restoration has been abolished from the fiscal year beginning on or after April 1, 2014. Due to this change, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the temporary differences, expected to be either deductible, taxable or expired in the fiscal year beginning on April 1, 2014, has been revised from the previous rate of 37.92% to 35.55%.

As a result of this change in tax rate, Deferred Tax Assets decreased by ¥6,057 million, Net Unrealized Gains (Losses) on Other Securities, net of Taxes increased by ¥1,177 million, and Deferred Income Taxes increased by ¥7,208 million.

## Business Combination and Others

1. At the meeting of the Board of Directors and the General Meeting of Shareholders that were held on March 29, 2013, the former Mizuho Corporate Bank, Ltd. (“MHCB”) adopted a resolution to distribute as dividend-in-kind all shares of Mizuho Securities Co., Ltd. (“MHSC”), a consolidated subsidiary of MHCB, to Mizuho Financial Group, Inc. (“MHFG”), the parent company of MHCB. As a result of such distribution of dividends conducted as of April 1, 2013, MHSC has become a directly-held subsidiary of MHFG.

(1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, and outline of the transaction including its purpose

1) Names of the companies involved in the combination and purposes of business

Items	Directly-holding parent company	Directly-held subsidiary
Names of the companies involved in the combination	MHFG	MHSC
Purposes of business	Financial holding company	Financial instruments business

2) Date of the combination

April 1, 2013     Date of distribution of dividend-in-kind

3) Legal form of the combination

The combination will be conducted by MHCB and the former Mizuho Bank, Ltd., each a wholly-owned subsidiary of MHFG, distributing to MHFG all of the shares of MHSC that are held by each of MHCB and the former Mizuho Bank, Ltd. as a dividend-in-kind.

4) Outline of the transaction including its purpose

MHFG aims to build the most effective and advanced group management structure. This will include moving to a “single bank” and “single securities” structure that aims to promote timely and unified group strategic planning under the strong governance of the holding company as well as taking advantage of the characteristics and competitiveness of being the only Japanese banking group that holds its own bank, trust bank and securities company. It will also include moving to a

new group capital structure and new group operational structure and the strengthening of group governance. Toward this end, MHFG has turned MHSC, a consolidated subsidiary of MHFG, into its directly-held subsidiary and has moved to a new group capital structure, which places banking, trust banking, securities and other major group companies under the direct control of the holding company.

(2) Outline of accounting treatment

This event has been treated based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) and “Guidance on Accounting Standard for Treasury Shares and Appropriation of Legal Reserves” (ASBJ Guidance No. 2, August 11, 2006). The resultant changes in the scope of consolidation and the scope of the equity method are as stated in “1. Scope of Consolidation” and “2. Application of Equity Method” under Basis of Preparation of Consolidated Financial Statements.

2. The former Mizuho Bank, Ltd. (“Former MHBK”) and the former Mizuho Corporate Bank, Ltd. (“MHCB”), each a wholly-owned subsidiary of Mizuho Financial Group, Inc. (“MHFG”), merged as of July 1, 2013 based on the merger agreement signed on February 26, 2013.

(1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, name of the company after the combination, and outline of the transaction including its purpose

1) Names of the companies involved in the combination and purposes of business

Items	Combining company	Combined company
Names of the companies involved in the combination	MHCB	Former MHBK
Purposes of business	Banking	Banking

2) Date of the combination

July 1, 2013

3) Legal form of the combination

The absorption-type merger in which MHCB is the surviving company and Former MHBK is the dissolving company.

4) Name of the company after the combination

New company name: Mizuho Bank, Ltd.

5) Outline of the transaction including its purpose

Through the merger, MHFG aims to become able to provide diverse and functional financial services directly and promptly to both Former MHBK and MHCB customers, utilizing the current “strengths” and “advantages” of Former MHBK and MHCB, and to continue to improve customer services by further enhancing group collaboration among the banking, trust and securities functions. At the same time, MHFG aims to realize further enhancement of the consolidation of group-wide business operations and optimization of management resources, such as workforce and branch network, by strengthening group governance and improving group management efficiency.

(2) Outline of accounting treatment

Based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008), this event has been treated as a transaction under common control. The resultant changes in the scope of consolidation and the scope of the equity method are as stated in “1. Scope of Consolidation” and “2. Application of Equity Method” under Basis of Preparation of Consolidated Financial Statements.

Segment Information

Segment Information

1. Outline of Reportable Segments

MHBK and its group companies (the “Group”) classify its operating segments based on the nature of products and services, attributes of customers and its organizational structure.

The below-mentioned reportable segment information is based on the internal control reports used by the management in assessing performance of each operating segment in the Group. Net business profits (before provision for general allowance for possible losses on loans) is mainly used for the assessment pursuant to the rules and practices of management accounting in the Group.

The Group classifies its operating segments into MHBK (non-consolidated) and others. The operating segment consisting of MHBK (non-consolidated) is classified and presented as six customer segments separated according to customer type: personal banking, retail banking, corporate banking (large corporations), corporate banking, financial institutions and public sector business, and international banking; and one segment for trading and others.

The present MHSC was launched in January 2013 through a merger between the former MHSC and the former Mizuho Investors Securities Co., Ltd. In April 2013, following a review of the Group's capital structure, MHSC changed from a consolidated subsidiary of MHBK to a consolidated subsidiary of MHBK's holding company, MHFG. As a consequence, although Mizuho Securities Group was included in the Group in the fiscal year ended March 31, 2013, it is not included in the Group in the fiscal year ended March 31, 2014.

In addition, Former MHBK and MHCN merged in July 2013 with MHCN as the surviving company and MHBK as the merged entity's company name. As a consequence, although the group information presented was that of Mizuho Corporate Bank Group in the fiscal year ended March 31, 2013, the group information presented in the fiscal year ended March 31, 2014, is that of Mizuho Bank Group after the merger.

[MHBK]

MHBK provides banking and other financial services to customers including individual customers, middle market corporations and small and medium-sized enterprises, large corporations, financial institutions, the public sector, and Japanese and non-Japanese corporations in overseas countries. The following is a summary of each customer segment:

Personal banking	: Individual customers (excluding individual customers served by the retail banking segment)
Retail banking	: Individual customers such as enterprise owners and land owners, small and medium-sized enterprises
Corporate banking (large corporations)	: Large corporations in Japan and their group companies
Corporate banking	: Middle market corporations and small and medium-sized enterprises equivalent to listed companies
Financial institutions and public sector business	: Financial institutions, national government and local government bodies
International banking	: Japanese and non-Japanese corporations in overseas countries

[Others]

Composed of MHBK's subsidiaries and others, this segment provides financial instruments and services mainly to the Group's customers.

2. Measurement Method of Gross Profits, Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) and Assets by Reportable Segment

The below-mentioned reportable segment information is based on the internal control reports.

Gross profits is the total of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income.

Net business profits (before provision for general allowance for possible losses on loans) is the amount obtained by deducting or adjusting expenses (excluding extraordinary items) and other (consolidation adjustment items including equity in earnings/losses from investments in affiliates) from gross profits.

Asset information by segment has not been prepared because the management does not use the asset information by segment in deciding the allocation of resources and in assessing performance.

Gross profits of inter-segment transactions is based on actual market prices.

3. Information of Amounts of Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) by Reportable Segment

For the year ended March 31, 2013

(Millions of Yen)

	MHCN (Consolidated)								
	MHCN (Non-Consolidated)						MHSC (Consolidated)	Others	
	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others				
Gross Profits	244,200	700	29,500	212,900	247,775	735,075	227,193	96,673	1,058,942
Expenses (excluding Extraordinary Items)	76,800	1,300	12,200	66,600	84,148	241,048	197,133	33,781	471,963
Other	—	—	—	—	—	—	13	(50,021)	(50,008)
Net Business Profits (before Provision for General Allowance)	167,400	(600)	17,300	146,300	163,626	494,026	30,073	12,870	536,971

for Possible Losses on Loans)									
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- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.  
2. The figures of "Others" include those to be eliminated as inter-office transactions among subsidiaries.  
3. Following a move to a new group operational structure in April 2013, the figures in the above table have been reclassified to reflect this change. MHSC, which was previously a consolidated subsidiary of MHC B, became a directly-held subsidiary of MHFG in April 2013.  
4. MHSC and Mizuho Investors Securities Co., Ltd. merged in January 2013. In the above table, "MHSC (Consolidated)" refers to MHSC (Consolidated) after the merger.

(Aggregate figures for Former MHBK and MHC B)

(Millions of Yen)

	Aggregate figures for Former MHBK and MHC B							
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others	
Gross Profits	253,100	125,600	278,400	177,500	60,400	212,900	454,650	1,562,550
Expenses (excluding Extraordinary Items)	218,600	113,700	88,400	74,500	26,500	66,600	177,145	765,445
Other	-	-	-	-	-	-	-	-
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	34,500	11,900	190,000	103,000	33,900	146,300	277,504	797,104

Note: Former MHBK and MHC B merged in July 2013. In the above table, figures for Former MHBK and MHC B in simple aggregation are presented.

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)							Others		
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Gross Profits	197,900	94,600	296,900	129,700	50,800	268,700	159,710	1,198,310	142,862	1,341,173
Expenses (excluding Extraordinary Items)	171,300	87,800	83,800	58,800	25,100	82,500	149,728	659,028	52,263	711,291
Other	-	-	-	-	-	-	-	-	(56,037)	(56,037)
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	26,600	6,800	213,100	70,900	25,700	186,200	9,982	539,282	34,561	573,844

- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.  
2. The figures of "Others" include those to be eliminated as inter-office transactions among subsidiaries.  
3. Former MHBK and MHC B merged in July 2013. In the above table, "MHBK (Non-Consolidated)" refers to the

aggregate figures of MHC B for the first quarter and MHBK after the merger from the second quarter to the fourth quarter.

(Aggregate figures for Former MHBK and MHC B)

(Millions of Yen)

	Aggregate figures for Former MHBK and MHC B							
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others	
Gross Profits	260,100	125,300	304,100	168,000	57,700	268,700	200,215	1,384,115
Expenses (excluding Extraordinary Items)	226,400	116,700	87,200	77,700	29,000	82,500	171,616	791,116
Other	—	—	—	—	—	—	—	—
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	33,700	8,600	216,900	90,300	28,700	186,200	28,598	592,998

Note: Former MHBK and MHC B merged in July 2013. In the above table, figures for Former MHBK and MHC B for the first quarter, and MHBK after the merger from the second quarter to the fourth quarter, are presented in simple aggregation.

#### 4. Reconciliation Between the Total of Reportable Segments and the Amounts on Consolidated Statement of Income

Each of the above-mentioned gross profits and net business profits (before provision for general allowance for possible losses on loans) of reportable segments based on the internal control reports differs from the corresponding amount on the consolidated statement of income. The reconciliations thereof are shown below.

##### (1) Total of Gross Profits of Reportable Segments and Ordinary Profits on Consolidated Statement of Income

(Millions of Yen)

Gross Profits	For the year ended March 31, 2013	For the year ended March 31, 2014
Total of Reportable Segments	1,058,942	1,341,173
Other Ordinary Income	71,472	240,671
General and Administrative Expenses	(491,935)	(728,129)
Other Ordinary Expenses	(280,086)	(88,134)
Ordinary Profits on Consolidated Statement of Income	358,393	765,580

##### (2) Total of Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of Reportable Segments and Income before Income Taxes and Minority Interests on Consolidated Statement of Income

(Millions of Yen)

Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	For the year ended March 31, 2013	For the year ended March 31, 2014
Total of Reportable Segments	536,971	573,844
Expenses (for Extraordinary Items)	(19,972)	(16,837)
Expenses Related to Portfolio Problems (Including Reversal of Provision for General Allowance for Possible Losses on Loans)	(147,746)	(15,363)
Gains on Reversal of Allowance for Possible Losses on Loans, etc.	11,097	106,173
Net Gains (Losses) Related to Stocks and Others	(85,816)	50,131
Net Extraordinary Gains (Losses)	(29,807)	3,637
Other	63,860	67,633
Income before Income Taxes and Minority Interests on Consolidated	328,586	769,218

Statement of Income		
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#### Related Information

For the year ended March 31, 2013

#### 1. Information by Geographic Area

##### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
954,672	208,317	136,735	247,968	1,547,693

Notes: 1. For MHC B and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHC B (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

##### (2) Tangible Fixed Assets

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
124,983	6,484	2,999	7,546	142,014

#### 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

For the year ended March 31, 2014

#### 1. Information by Geographic Area

##### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
1,444,118	152,122	161,000	263,708	2,020,951

Notes: 1. For MHBK and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHBK (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHBK overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

##### (2) Tangible Fixed Assets

Information of Tangible Fixed Assets is not presented since the amount of Tangible Fixed Assets held in Japan exceeds 90% of the amount of Tangible Fixed Assets on the consolidated balance sheet.

#### 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

#### Information of Losses on Impairment of Fixed Assets by Reportable Segment

For the year ended March 31, 2013

(Millions of Yen)

	MHC B (Consolidated)							
	MHC B (Non-Consolidated)					MHSC (Consoli- dated)	Others	
	Corporate banking	Corporate banking	Financial institutions	Internatio- nal	Trading and			

	(large corporations)		and public sector business	banking	others				
Losses on Impairment of Fixed Assets	-	-	-	-	1,600	1,600	1,737	0	3,338

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Losses on Impairment of Fixed Assets	-	-	-	-	-	-	3,538	3,538	1,645	5,184

Information of Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment

For the year ended March 31, 2013

(Millions of Yen)

	MHC (Consolidated)							
	MHC (Non-Consolidated)						MHSC (Consolidated)	Others
	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Amount of amortization during the fiscal year	-	-	-	-	-	-	217	217
Balance at the end of the fiscal year	-	-	-	-	-	-	1,742	1,742

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)									Others
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Amount of amortization during the fiscal year	-	-	-	-	-	-	-	-	685	685
Balance at the end of the fiscal year	-	-	-	-	-	-	-	-	11,262	11,262

Information of Gains on Negative Goodwill Incurred by Reportable Segment

For the year ended March 31, 2013

(Millions of Yen)

	MHC (Consolidated)							
	MHC (Non-Consolidated)						MHSC (Consolidated)	Others
	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector	International banking	Trading and others			

			business						
Gains on Negative Goodwill Incurred	-	-	-	-	-	-	-	11,742	11,742

For the year ended March 31, 2014

(Millions of Yen)

	MHBK (Consolidated)									
	MHBK (Non-Consolidated)								Others	
	Personal banking	Retail banking	Corporate banking (large corporations)	Corporate banking	Financial institutions and public sector business	International banking	Trading and others			
Gains on Negative Goodwill Incurred	-	-	-	-	-	-	-	-	5,621	5,621

### Related Party Transactions

#### 1. Related Party Transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

(A) Companies, etc. whose parent company is the same as that of the company submitting the consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting the consolidated financial statements

For the year ended March 31, 2013

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Companies whose parent company is the same	Former Mizuho Bank, Ltd.	Chiyoda-ku, Tokyo	700,000	Banking	-	Debtor-Creditor Relationship • Leasing Relationship of Facilities	3	Financing by call money	9,800,000 (*1)	Call Money and Bills Sold	9,800,000

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

#### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

For the year ended March 31, 2014

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Companies whose parent company is the same	Mizuho International plc	London, the United Kingdom	562,861	Securities business, Banking	-	Debtor-Creditor Relationship • Leasing Relationship of Facilities	-	Repurchase agreements	1,612,440 (*1)	Payables under Repurchase Agreements	1,612,440

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

#### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

(2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

No material items that should be disclosed.

#### 2. Notes Concerning the Parent Company or Important Affiliated Companies

##### (1) Parent company information

Mizuho Financial Group, Inc. (listed on the Tokyo Stock Exchange (first section) and the New York Stock Exchange)

## (2) Summary of financial information of important affiliated companies

None

## Per Share Information

	For the year ended March 31, 2013	For the year ended March 31, 2014
Net Assets per Share	¥254,226.60	¥393,262.23
Net Income per Share	¥16,091.18	¥30,255.76
Net Income per Share – Diluted	¥16,091.16	¥30,255.72

Notes: 1. The basis used for calculating Net Assets per Share is as follows:

		As of March 31, 2013	As of March 31, 2014
Net Assets per Share			
Total Net Assets	Millions of Yen	5,359,529	7,896,118
Amount to be deduced from the Total Net Assets	Millions of Yen	1,253,369	1,544,314
Of which subscriptions to preferred stock	Millions of Yen	4	4
Of which preferred dividends	Millions of Yen	0	0
Of which minority interests	Millions of Yen	1,253,365	1,544,310
Net Assets that belong to Common Stock at the end of the year	Millions of Yen	4,106,159	6,351,803
Number of shares of common stock at the end of the year, which is used to calculate Net Assets per Share	Thousands of Shares	16,151	16,151

2. The basis used for calculating Net Income per Share and Diluted Net Income per Share is as follows:

		For the year ended March 31, 2013	For the year ended March 31, 2014
Net Income per Share			
Net Income	Millions of Yen	259,898	488,678
Amount not attributable to Common Shareholder	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Net Income that belongs to Common Stock	Millions of Yen	259,897	488,678
Average number of shares of Common Stock during the year	Thousands of Shares	16,151	16,151
Net Income per Share – Diluted			
Adjustment on Net Income	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Increase in Common Stock	Thousands of Shares	0	0
Of which increase due to Preferred Stock	Thousands of Shares	0	0
Outline of potential shares that were not used in calculating Diluted Net Income per Share because they have no dilutive effects		—	—

## Changes in Accounting Policies

MHBK has applied “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter, the “Accounting Standard for Retirement Benefits”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ

Guidance No. 25, May 17, 2012; hereinafter, the “Guidance on Accounting Standard for Retirement Benefits”) beginning with the end of the fiscal year (excluding regulations stipulated in the text of the Accounting Standard for Retirement Benefits Paragraph 35 and the Guidance on Accounting Standard for Retirement Benefits Paragraph 67), and the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits have been applied in accordance with the transitional treatment stipulated in the Accounting Standard for Retirement Benefits Paragraph 37.

As a result of this, Net Assets per Share for the fiscal year decreased by ¥608.13.

#### Significant Subsequent Events

MHBK made a Board of Directors’ resolution on May 14, 2014 concerning the redemption of preferred subscription certificates issued by an overseas special-purpose subsidiary it owns. The outline of preferred subscription certificates to be redeemed is as follows:

- (1) Issuing entity MHC Capital Investment (USD) 2 Limited
- (2) Type of issued securities Non-accumulative dividend type permanent preferred subscription certificate
- (3) Total amount of redemption USD 850 million
- (4) Scheduled redemption date June 30, 2014
- (5) Reason for redemption Arrival of optional redemption date

#### 5) Consolidated Supplementary Financial Schedules

##### Schedule of Bonds and Notes

Company	Type of Bond	Date of Issuance	Beginning Balance (Millions of Yen)	Ending Balance (Millions of Yen)	Interest Rate (%)	Collateral	Date of Maturity
MHBK	Straight Corporate Bond (Note) 1, 4, 5	Aug. 2004 – Mar. 2014	3,316,503  (USD 5,494,286 thousand)	3,958,105 [620,900] (USD 5,796,166 thousand) (AUD 180,000 thousand)	0.10 – 7.12	None	Apr. 2014 –
	Short-term Bond (Note) 4	Mar. 2014	40,000	25,000 [25,000]	0.08	None	Apr. 2014
*1	Straight Corporate Bond (Note) 2	Jul. 1995 – May 2012	58,600	57,400	1.30 – 3.90	None	Jun. 2018
*2	Straight Corporate Bond (Note) 2, 4, 5	Apr. 2012	574,518 (USD 101,560 thousand) (AUD 7,370 thousand) (EUR 99,971 thousand) (CNY 997,942 thousand)	17,341 [17,341] (CNY 999,507 thousand)	0.04	None	Apr. 2014
*3	Short-term Bond (Note) 3, 4	Oct. 2013 – Mar. 2014	312,400	87,468 [87,468]	0.13 – 0.31	None	Apr. 2014 – May 2014
Total	–	–	4,302,021	4,145,315	–	–	–

Notes: 1. “Straight Corporate Bonds” include Euro-yen bonds (Ending Balance ¥109,830 million) and others.

2. \*1 and \*2 are summaries of the straight corporate bonds issued by the consolidated subsidiaries as following:

	Name of Consolidated Subsidiaries
*1	Mizuho Finance (Cayman) Limited, Mizuho Finance (Curacao) N. V., Mizuho Finance (Aruba) A.E.C.
*2	Mizuho Bank (China), Ltd. Although Mizuho Securities Co., Ltd. and Mizuho International plc ceased to be subsidiaries during the fiscal year, bonds issued by those companies are included in “Beginning Balance.”

3. \*3 is the aggregate amount of short-term bonds issued by the below-mentioned consolidated subsidiaries.

	Name of Consolidated Subsidiaries
*3	BLUE HEAVEN FUNDING CORPORATION, ASTRO CAPITAL CORPORATION II, Allstar Funding Co., Ltd. Although Mizuho Securities Co., Ltd. ceased to be a subsidiary during the fiscal year, short-term bonds issued by that company are included in “Beginning Balance.”

4. Figures indicated in [ ] represent the amounts to be redeemed within one year.

5. For foreign bonds and notes, original currencies amounts are presented in ( ).

6. Amounts of redemption within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Amount (Millions of Yen)	750,709	540,202	654,331	894,296	337,068

Schedule of Borrowed Money (Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Borrowed Money	3,036,265	7,422,832	0.58	–
Bills Rediscounted	–	–	–	–
Other Borrowings	3,036,265	7,422,832	0.58	Apr. 2014 –
Lease Obligations	3,111	22,455	1.88	Apr. 2014 – Feb. 2020

- Notes: 1. “Average Interest Rate” is calculated by weighted average of “Interest” and “Ending Balance” at the balance sheet date.  
 2. Repayments of Other Borrowings and Lease Obligations within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Other Borrowings (Millions of Yen)	5,260,160	287,981	872,697	52,720	46,481
Lease Obligations (Millions of Yen)	5,100	4,752	4,142	3,726	3,165

Since banking business accepts deposit and funds money from call market and promissory note market for the operating purposes, the details of “Borrowed Money” and “Lease Obligations” in “Other Liabilities” in the “Liabilities” section of the consolidated balance sheet are presented in the Schedule of Borrowed Money.

(Reference) Details of issued commercial paper by the promissory note method, by which MHBK funds money as operating activities.

(Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Commercial Paper	472,718	677,459	0.20	–

Schedule of Asset Retirement Obligations

Information of Schedule of Asset Retirement Obligations is not presented as it is permitted by the provisions of Article 92-2 of the Ordinance on Consolidated Financial Statements, since the amount of Asset Retirement Obligations is one percent or less of the total of Liabilities and Net Assets.

- (2) Others  
 None

## Independent Auditor's Report (Translation)

June 23, 2014

The Board of Directors  
Mizuho Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner  
Certified Public Accountant      Mutsuo Emi

Designated and Engagement Partner  
Certified Public Accountant      Ryuichi Nagano

Designated and Engagement Partner  
Certified Public Accountant      Nobuko Kubo

Designated and Engagement Partner  
Certified Public Accountant      Hiroshi Nishida

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets, the consolidated statement of cash flows, the basis of preparation of consolidated financial statements, other notes to the consolidated financial statements and the related consolidated supplementary financial schedules of Mizuho Bank, Ltd. (former company name: Mizuho Corporate Bank, Ltd.) applicable to the fiscal year from April 1, 2013 through March 31, 2014, stated in the financial information section.

### *Management's Responsibility for the Consolidated Financial Statements and the Related Consolidated Supplementary Financial Schedules*

Management is responsible for the preparation and fair presentation of these consolidated financial statements and the related consolidated supplementary financial schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements and the related consolidated supplementary financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the related consolidated supplementary financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the related consolidated supplementary financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the related consolidated supplementary financial schedules, whether due to fraud or error. The purpose of an audit of the consolidated financial statements and the related consolidated supplementary financial schedules is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the related consolidated supplementary financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements and the related consolidated supplementary financial schedules referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of Mizuho Bank, Ltd. (former company name: Mizuho Corporate Bank, Ltd.) and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2014 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in Mizuho Bank, Ltd. which should be disclosed in compliance with the Certified Public Accountants Act.

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- Notes: 1. The above report is the electronic version of the original "Independent Auditor's Report." The original version is separately retained by Mizuho Bank, Ltd.
2. The associated XBRL data was not included in the scope of the audit.

### **III. Fiscal Year Ended March 31, 2013**

#### Financial Information

1. The consolidated financial statements of Mizuho Corporate Bank, Ltd. (“MHC B”) are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982).
2. The non-consolidated financial statements of MHC B are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Ordinance of the Ministry of Finance No. 59 of 1963). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982).
3. The consolidated financial statements and the non-consolidated financial statements of MHC B for the year ended March 31, 2013 were audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
4. MHC B sincerely endeavors to secure appropriateness of consolidated financial statements or the like. Specifically, in order to comprehend the detail of accounting standards and other regulations and properly respond to the amendments and changes thereof, we have joined relevant organizations such as Financial Accounting Standards Foundation and Japanese Bankers Association, and gather information, dispatch our opinion in a proactive manner, and participate in training seminars held thereby. With regard to amendments and changes to important accounting standards and other regulations, proposals or reports are properly made at the Board of Directors, in particular.

1. Consolidated Financial Statements and Others

(1) Consolidated Financial Statements

1) Consolidated Balance Sheet

(Millions of Yen)

		As of March 31, 2012		As of March 31, 2013
<b>Assets</b>				
Cash and Due from Banks	*8	4,735,595	*8	5,505,074
Call Loans and Bills Purchased		250,139		518,958
Receivables under Resale Agreements		7,119,249		9,008,854
Guarantee Deposits Paid under Securities Borrowing Transactions		5,660,176		5,632,635
Other Debt Purchased		123,863		128,996
Trading Assets	*8	13,240,113	*8	13,830,973
Money Held in Trust		54,884		95,949
Securities	*1, *8, *15	24,002,571	*1, *8, *15	26,253,697
Loans and Bills Discounted	*3, *4, *5, *6, *7, *8, *9	28,725,393	*3, *4, *5, *6, *7, *8, *9	32,136,538
Foreign Exchange Assets	*7	914,543	*7	1,303,815
Derivatives		4,423,460		4,313,012
Other Assets	*8	2,119,196	*8	2,012,546
Tangible Fixed Assets	*8, *11, *12	137,281	*8, *11, *12	142,014
Buildings		38,467		37,748
Land	*10	68,477	*10	68,243
Lease Assets		473		1,444
Construction in Progress		2,784		8,801
Other Tangible Fixed Assets		27,079		25,776
Intangible Fixed Assets		153,340		146,934
Software		76,125		73,543
Goodwill		1,658		1,742
Lease Assets		1		1,153
Other Intangible Fixed Assets		75,555		70,495
Deferred Tax Assets		109,610		13,931
Customers' Liabilities for Acceptances and Guarantees		3,086,892		3,357,843
Allowance for Possible Losses on Loans		(235,140)		(350,084)
Allowance for Possible Losses on Investments		(9)		(22)
<b>Total Assets</b>		<b>94,621,163</b>		<b>104,051,669</b>

(Millions of Yen)

		As of March 31, 2012		As of March 31, 2013
<b>Liabilities</b>				
Deposits	*8	20,305,621	*8	23,320,041
Negotiable Certificates of Deposit		9,869,463		10,981,877
Call Money and Bills Sold	*8	12,224,570	*8	13,349,648
Payables under Repurchase Agreements	*8	12,433,467	*8	17,446,042
Guarantee Deposits Received under Securities Lending Transactions	*8	4,900,998	*8	7,716,017
Commercial Paper		362,694		472,718
Trading Liabilities		7,898,138		7,703,703
Borrowed Money	*8, *13	7,834,513	*8, *13	3,036,265

	As of March 31, 2012		As of March 31, 2013	
Foreign Exchange Liabilities		247,355		207,855
Short-term Bonds		430,700		352,400
Bonds and Notes	*14	3,781,770	*14	3,949,621
Derivatives		4,384,104		4,398,067
Other Liabilities		2,050,869		2,246,637
Reserve for Bonus Payments		21,759		29,854
Reserve for Employee Retirement Benefits		13,769		17,949
Reserve for Retirement Benefits for Directors and Corporate Auditors		558		516
Reserve for Possible Losses on Sales of Loans and Bills Discounted		8		48
Reserve for Contingencies		11,038		3,314
Reserves under Special Laws		1,034		1,203
Deferred Tax Liabilities		12,312		84,303
Deferred Tax Liabilities for Revaluation Reserve for Land	*10	16,861	*10	16,209
Acceptances and Guarantees		3,086,892		3,357,843
<b>Total Liabilities</b>		<b>89,888,503</b>		<b>98,692,140</b>
<b>Net Assets</b>				
Common Stock and Preferred Stock		1,404,065		1,404,065
Capital Surplus		1,039,244		1,039,244
Retained Earnings		1,048,463		1,169,101
<b>Total Shareholder's Equity</b>		<b>3,491,772</b>		<b>3,612,411</b>
Net Unrealized Gains on Other Securities, net of Taxes		393		468,397
Net Deferred Hedge Gains, net of Taxes		81,056		84,315
Revaluation Reserve for Land, net of Taxes	*10	28,554	*10	27,375
Foreign Currency Translation Adjustments		(104,243)		(86,335)
<b>Total Accumulated Other Comprehensive Income</b>		<b>5,760</b>		<b>493,752</b>
Minority Interests		1,235,126		1,253,365
<b>Total Net Assets</b>		<b>4,732,660</b>		<b>5,359,529</b>
<b>Total Liabilities and Net Assets</b>		<b>94,621,163</b>		<b>104,051,669</b>

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Ordinary Income	1,350,920	1,547,693
Interest and Dividend Income	750,376	785,667
Interest on Loans and Bills Discounted	387,043	443,717
Interest and Dividends on Securities	217,169	195,089
Interest on Call Loans and Bills Purchased	6,394	5,373
Interest on Receivables under Resale Agreements	30,850	52,381
Interest on Securities Borrowing Transactions	9,376	10,738
Interest on Due from Banks	19,273	19,011
Other Interest Income	80,267	59,355
Fee and Commission Income	232,377	275,494

	For the year ended March 31, 2012	For the year ended March 31, 2013
Trading Income	103,750	189,238
Other Operating Income	225,809	225,820
Other Ordinary Income	38,607	71,472
Recovery of Written-Off Claims	5,695	11,206
Others	*1 32,912	*1 60,266
Ordinary Expenses	998,251	1,189,300
Interest Expenses	282,086	299,528
Interest on Deposits	69,546	70,207
Interest on Negotiable Certificates of Deposit	25,126	30,055
Interest on Call Money and Bills Sold	35,961	35,657
Interest on Payable under Repurchase Agreements	33,892	53,655
Interest on Securities Lending Transactions	9,022	10,703
Interest on Commercial Paper	874	1,676
Interest on Borrowed Money	29,305	29,449
Interest on Short-term Bonds	606	429
Interest on Bonds and Notes	45,251	41,025
Other Interest Expenses	32,498	26,666
Fee and Commission Expenses	39,235	44,907
Other Operating Expenses	73,333	72,842
General and Administrative Expenses	484,222	491,935
Other Ordinary Expenses	119,373	280,086
Provision for Allowance for Possible Losses on Loans	14,532	125,557
Others	*2 104,841	*2 154,529
Ordinary Profits	352,669	358,393

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Extraordinary Gains	90,699	16,399
Gains on Disposal of Fixed Assets	1,439	687
Gains on Negative Goodwill Incurred	89,100	11,742
Other Extraordinary Gains	*3 160	*3 3,969
Extraordinary Losses	14,801	46,206
Losses on Disposal of Fixed Assets	2,335	1,670
Losses on Impairment of Fixed Assets	1,381	3,338
Other Extraordinary Losses	*4 11,084	*4 41,197
Income before Income Taxes and Minority Interests	428,567	328,586
Current Income Taxes	49,435	35,575
Refund of Income Taxes	(221)	(14,158)
Deferred Income Taxes	58,081	(10,868)
Total Income Taxes	107,295	10,548
Income before Minority Interests	321,272	318,037
Minority Interests in Net Income	40,398	58,139
Net Income	280,873	259,898

## Consolidated Statement of Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Income before Minority Interests	321,272	318,037
Other Comprehensive Income	*1 13,718	*1 491,691
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	(761)	470,006
Net Deferred Hedge Gains, net of Taxes	13,087	3,259
Revaluation Reserve for Land, net of Taxes	2,389	-
Foreign Currency Translation Adjustments	(622)	11,926
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method	(373)	6,498
Comprehensive Income	334,991	809,728
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of the Parent	295,829	749,068
Comprehensive Income Attributable to Minority Interests	39,161	60,660

## 3) Consolidated Statement of Changes in Net Assets

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Shareholder's Equity		
Common Stock and Preferred Stock		
Balance as of the beginning of the year	1,404,065	1,404,065
Changes during the year		
Total Changes during the year	-	-
Balance as of the end of the year	1,404,065	1,404,065
Capital Surplus		
Balance as of the beginning of the year	1,039,244	1,039,244
Changes during the year		
Total Changes during the year	-	-
Balance as of the end of the year	1,039,244	1,039,244
Retained Earnings		
Balance as of the beginning of the year	764,921	1,048,463
Changes during the year		
Cash Dividends	(0)	(140,438)
Net Income	280,873	259,898
Transfer of Revaluation Reserve for Land, net of Taxes	2,668	1,178
Total Changes during the year	283,542	120,638
Balance as of the end of the year	1,048,463	1,169,101
Total Shareholder's Equity		
Balance as of the beginning of the year	3,208,230	3,491,772
Changes during the year		
Cash Dividends	(0)	(140,438)
Net Income	280,873	259,898
Transfer of Revaluation Reserve for Land,	2,668	1,178

	For the year ended March 31, 2012	For the year ended March 31, 2013
net of Taxes		
Total Changes during the year	283,542	120,638
Balance as of the end of the year	3,491,772	3,612,411
Accumulated Other Comprehensive Income		
Net Unrealized Gains on Other Securities, net of Taxes		
Balance as of the beginning of the year	1,366	393
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(973)	468,004
Total Changes during the year	(973)	468,004
Balance as of the end of the year	393	468,397
Net Deferred Hedge Gains, net of Taxes		
Balance as of the beginning of the year	67,968	81,056
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	13,087	3,259
Total Changes during the year	13,087	3,259
Balance as of the end of the year	81,056	84,315

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Revaluation Reserve for Land, net of Taxes		
Balance as of the beginning of the year	28,833	28,554
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(279)	(1,178)
Total Changes during the year	(279)	(1,178)
Balance as of the end of the year	28,554	27,375
Foreign Currency Translation Adjustments		
Balance as of the beginning of the year	(104,695)	(104,243)
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	452	17,907
Total Changes during the year	452	17,907
Balance as of the end of the year	(104,243)	(86,335)
Total Accumulated Other Comprehensive Income		
Balance as of the beginning of the year	(6,527)	5,760
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	12,287	487,992
Total Changes during the year	12,287	487,992
Balance as of the end of the year	5,760	493,752
Stock Acquisition Rights		
Balance as of the beginning of the year	582	–
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(582)	–

	For the year ended March 31, 2012	For the year ended March 31, 2013
Total Changes during the year	(582)	–
Balance as of the end of the year	–	–
<b>Minority Interests</b>		
Balance as of the beginning of the year	1,487,048	1,235,126
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(251,921)	18,238
Total Changes during the year	(251,921)	18,238
Balance as of the end of the year	1,235,126	1,253,365
<b>Total Net Assets</b>		
Balance as of the beginning of the year	4,689,334	4,732,660
Changes during the year		
Cash Dividends	(0)	(140,438)
Net Income	280,873	259,898
Transfer of Revaluation Reserve for Land, net of Taxes	2,668	1,178
Net Changes in Items other than Shareholder's Equity during the year	(240,216)	506,230
Total Changes during the year	43,325	626,869
Balance as of the end of the year	4,732,660	5,359,529

#### 4) Consolidated Statement of Cash Flows

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
<b>Cash Flows from Operating Activities</b>		
Income before Income Taxes and Minority Interests	428,567	328,586
Depreciation	54,236	50,723
Losses on Impairment of Fixed Assets	1,381	3,338
Amortization of Goodwill	184	217
Gains on Negative Goodwill Incurred	(89,100)	(11,742)
Equity in Earnings from Investments in Affiliates	(2,313)	(2,292)
Increase in Allowance for Possible Losses on Loans	12,129	100,425
Increase (Decrease) in Allowance for Possible Losses on Investments	(1)	13
Increase (Decrease) in Reserve for Possible Losses on Sales of Loans and Bills Discounted	(407)	40
Increase (Decrease) in Reserve for Contingencies	9,281	(7,723)
Increase (Decrease) in Reserve for Bonus Payments	(643)	6,300
Decrease in Reserve for Employee Retirement Benefits	(1,509)	(482)
Decrease in Reserve for Retirement Benefits for Directors and Corporate Auditors	(70)	(463)
Interest and Dividend Income	(750,376)	(785,667)
Interest Expenses	282,086	299,528
Gains on Securities	(49,480)	(51,009)
Gains on Money Held in Trust	(2)	(44)
Foreign Exchange Losses (Gains) – Net	84,078	(648,476)
Losses on Disposal of Fixed Assets	896	983
Net Increase in Trading Assets	(601,231)	(159,592)
Net Increase (Decrease) in Trading Liabilities	651,131	(454,343)
Net Decrease in Derivative Assets	688,482	248,843
Net Decrease in Derivative Liabilities	(382,213)	(139,912)
Net Increase in Loans and Bills Discounted	(2,028,841)	(2,112,400)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Net Increase (Decrease) in Deposits	(1,582,278)	2,057,628
Net Increase in Negotiable Certificates of Deposit	1,970,284	659,268
Net Decrease in Borrowed Money excluding Subordinated Borrowed Money	(1,953,093)	(5,037,347)
Net Decrease in Due from Banks excluding Deposits with Central Banks	129,819	245,890
Net Decrease (Increase) in Call Loans and Others	268,785	(1,211,660)
Net Decrease in Guarantee Deposits Paid under Securities Borrowing Transactions	114,450	21,021
Net Increase in Call Money and Others	1,330,251	4,567,783
Net Increase in Commercial Paper	138,909	57,699
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	1,192,441	2,857,738
Net Increase in Foreign Exchange Assets	(67,363)	(319,270)
Net Increase (Decrease) in Foreign Exchange Liabilities	78,449	(42,574)
Net Decrease in Short-term Bonds (Liabilities)	(138,300)	(96,298)
Increase (Decrease) in Bonds and Due to Issuance and Redemption	(50,399)	185,465
Interest and Dividend Received	768,528	807,507
Interest Paid	(279,998)	(297,788)
Other – Net	17,062	820,792
Subtotal	243,810	1,940,702
Income Taxes Paid	(36,956)	(38,685)
Net Cash Provided by Operating Activities	206,854	1,902,017

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
<b>Cash Flows from Investing Activities</b>		
Payments for Purchase of Securities	(51,703,724)	(43,637,111)
Proceeds from Sales of Securities	45,083,641	39,753,383
Proceeds from Redemption of Securities	5,714,392	2,820,984
Payments for Increase in Money Held in Trust	(3,450)	(23,380)
Proceeds from Decrease in Money Held in Trust	51,775	2,759
Payments for Acquisition of Tangible Fixed Assets	(10,211)	(16,057)
Payments for Acquisition of Intangible Fixed Assets	(27,599)	(35,790)
Proceeds from Sales of Tangible Fixed Assets	7,542	5,765
Proceeds from Sales of Intangible Fixed Assets	0	1,259
Proceeds from Sales of Subsidiaries' Stocks (Affecting the Scope of Consolidation)	20	1,479
Payments for Purchase of the Parent's Stock	(109,678)	–
Proceeds from Sales of the Parent's Stock	1,228	–
Payments for Purchase of Subsidiaries' Stocks	(45)	–
Proceeds from Sales of Subsidiaries' Stocks	14,466	–
Net Cash Used in Investing Activities	(981,641)	(1,126,706)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Subordinated Borrowed Money	–	220,985
Repayments of Subordinated Borrowed Money	(21,015)	(42,300)
Proceeds from Issuance of Subordinated Bonds	42,000	11,000
Repayments for Redemption of Subordinated Bonds	(196,330)	(42,979)
Repayments to Minority Shareholders	(54,855)	(113,300)
Dividends Paid	(0)	(140,438)

	For the year ended March 31, 2012		For the year ended March 31, 2013	
Dividends Paid to Minority Shareholders		(57,250)		(54,557)
Net Cash Used in Financing Activities		(287,451)		(161,590)
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(4,902)		36,066
Net Increase (Decrease) in Cash and Cash Equivalents		(1,067,140)		649,787
Cash and Cash Equivalents at the Beginning of the Year		5,119,781		4,052,641
Increase in Cash and Cash Equivalents Resulting from Merger of Consolidated Subsidiaries		–		124
Cash and Cash Equivalents at the End of the Year	*1	4,052,641	*1	4,702,553

## Notes to Consolidated Financial Statements

### Basis of Preparation of Consolidated Financial Statements

#### 1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 71

(Change in scope of consolidation)

During the fiscal year, Mizuho Asia Partners Pte. Ltd. and four other companies were included in the scope of consolidation as a result of their new incorporations and other factors.

During the fiscal year, Shinwa Securities Co., Ltd. and five other companies were excluded from the scope of consolidation since they are no longer categorized as subsidiaries as a result of sales of their shares and other factors.

(2) Non-consolidated subsidiaries

None

#### 2. Application of Equity Method

(1) Non-consolidated subsidiaries accounted for by the equity method

None

(2) Number of affiliates accounted for by the equity method: 20

Names of principal companies:

Mizuho Capital Partners Co., Ltd.

Joint Stock Commercial Bank for Foreign Trade of Vietnam

(Change in scope of equity method)

During the fiscal year, Mizuho Mega Solar Fund Co., Ltd. was included in the scope of the equity method as a result of its new incorporation.

(3) Non-consolidated subsidiaries not accounted for by the equity method

None

(4) Affiliates not accounted for by the equity method

Name of principal company:

Asian-American Merchant Bank Limited

Affiliates not accounted for by the equity method are excluded from the scope of the equity method since the exclusion has no material effect on MHCB's consolidated financial statements in terms of Net Income/Loss (amount corresponding to MHCB's equity position), Retained Earnings (amount corresponding to MHCB's equity position), Accumulated Other Comprehensive Income (amount corresponding to MHCB's equity position) and others.

#### 3. Balance Sheet Dates of Consolidated Subsidiaries

(1) Balance sheet dates of consolidated subsidiaries are as follows:

December 29:	6 companies
December 31:	34 companies
March 31:	31 companies

(2) Consolidated subsidiaries with the balance sheet date of December 29 are consolidated based on their provisional financial statements as of December 31. Other consolidated subsidiaries are consolidated based on their financial statements as of their respective balance sheet dates.

The necessary adjustments have been made to the consolidated financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated balance sheet.

#### 4. Special Purpose Entities Subject to Disclosure

(1) Outline of special purpose entities subject to disclosure and outline of transactions utilizing special purpose entities subject to disclosure

MHCB provides loans, credit lines and liquidity lines concerning financing through borrowing and commercial paper issuance by 12 special purpose entities (incorporated in Cayman Islands, etc.) with a view to supporting securitization of customers' monetary claims.

Total assets (in simple aggregation) of the 12 special purpose entities stood at ¥1,622,719 million and total liabilities (in simple aggregation) stood at ¥1,622,034 million on the latest balance sheet date. MHCB neither holds voting shares, etc. in any of the special purpose entities nor has dispatched any director or employee to any of them.

(2) Amount of transactions, etc. with special purpose entities subject to disclosure

For the year ended March 31, 2012

	Amounts and balances from major transactions as of the end of the year	Major income and expense items	
		Item	Amount
Loans	¥1,188,035 million	Interest on Loans	¥7,981 million
Lines of Credit and Lines of Liquidity	¥451,600 million	Fee and Commission Income	¥1,364 million

For the year ended March 31, 2013

	Amounts and balances from major transactions as of the end of the year	Major income and expense items	
		Item	Amount
Loans	¥1,195,892 million	Interest on Loans	¥7,395 million
Lines of Credit and Lines of Liquidity	¥551,727 million	Fee and Commission Income	¥1,867 million

## 5. Accounting Policies

### (1) Valuation of Loan Receivables in the same way as Trading Securities and recognition of income/expenses

Loan Receivables held for trading purposes are accounted for in the same way as Trading Securities. Specifically, they are recognized on a trade date basis and recorded in “Other Debt Purchased” on the consolidated balance sheet, and such Other Debt Purchased is stated at fair value at the consolidated balance sheet date. Relevant interest received and gains or losses on sales during the fiscal year together with the gains or losses resulting from any change in the value between the beginning and the end of the fiscal year are recorded in “Other Operating Income” or “Other Operating Expenses” on the consolidated statement of income.

### (2) Valuation of Trading Assets/Liabilities and recognition of income/expenses

Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments and related indices are recognized on a trade date basis and recorded in “Trading Assets” or “Trading Liabilities” on the consolidated balance sheet. Related income or expenses are recorded in “Trading Income” or “Trading Expenses” on the consolidated statement of income.

Securities and monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Financial derivatives, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that the transactions were terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and interest paid during the fiscal year, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the fiscal year and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the fiscal year, assuming they were terminated and settled at the end of the fiscal year.

### (3) Valuation of Securities

A. Bonds held to maturity are stated on an amortized cost (straight-line method) while investments in stocks of non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are valued on a cost basis using the moving average method. Regarding Other Securities, in principle, Japanese stocks are valued on a mark-to-market basis primarily using the average market price over the month preceding the consolidated balance sheet date, and others are valued on a mark-to-market basis primarily using the market price at the consolidated balance sheet date, where cost of securities sold is calculated primarily by the moving average method. However, Other Securities, the fair values of which are deemed extremely difficult to determine, are stated at cost as determined by the moving average method.

The net unrealized gains (losses) on Other Securities are booked directly to Net Assets, excluding the amount reflected in profit and loss due to the application of the fair value hedge method and others.

B. Securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are valued on a mark-to-market basis.

### (4) Valuation of Derivatives

Derivative transactions (other than transactions for trading purposes) are valued on a mark-to-market basis.

### (5) Method of depreciation of Fixed Assets

#### 1) Tangible Fixed Assets (excluding lease assets)

Depreciation of Buildings is computed by the straight-line method, and that of others is computed by the declining-balance method.

The useful lives for Buildings and others are as follows:

Buildings: 3 to 50 years

Others: 2 to 20 years

Depreciation of Tangible Fixed Assets of consolidated subsidiaries is computed mainly by the declining-balance method based on estimated useful lives.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

MHCB and its domestic consolidated subsidiaries have applied the depreciation method based on the revised Corporation Tax Act to Tangible Fixed Assets newly acquired on or after April 1, 2012 beginning with the fiscal year, following the revision of the Corporation Tax Act. The effect of this application on the consolidated statement of income is immaterial.

#### 2) Intangible Fixed Assets (excluding lease assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful lives, primarily five to ten years, determined by MHCB and its consolidated subsidiaries.

#### 3) Lease Assets

Lease assets among “Tangible Fixed Assets” and “Intangible Fixed Assets” relating to finance leases not involving the transfer of ownership to the lessee are depreciated or amortized, in principle, using the same methods as those that are applied to fixed assets owned by MHCB.

### (6) Deferred charges

#### 1) Bond Issuance Costs

Bond Issuance Costs are recognized as expenses when incurred.

2) Discounts on Bond Premium

Bonds are stated at amortized cost using the straight-line method on the consolidated balance sheet. Discounts on bonds on the consolidated balance sheet as of March 31, 2006 are amortized under the straight-line method over the term of the bond by applying the previous accounting method, and the unamortized balance is directly deducted from bonds based on the tentative measure stipulated in the ASBJ PITF No. 19, "Tentative Treatment of Accounting for Deferred Assets" issued on August 11, 2006.

(7) Allowance for Possible Losses on Loans

Allowance for Possible Losses on Loans of MHC B and its principal domestic consolidated subsidiaries is determined in accordance with internally developed standards as follows.

The allowance for claims to obligors which are classified as substantially bankrupt ("substantially bankrupt obligors") or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances ("bankrupt obligors"), is provided at 100% of the amount remaining after direct write-offs and deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantees. Also, an allowance is provided for claims to obligors that are not currently bankrupt but are likely to become bankrupt ("intensive control obligors"). In this case, the allowance is provided at the amount deemed necessary based on overall solvency analyses of the amounts of claims, net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.

In the case of intensive control obligors and obligors with Restructured Loans and Bills Discounted, if the exposure exceeds a certain specific amount, allowance is provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, where the allowance is determined as the difference between the book value of the loan and its present value of expected future cash flows discounted by the contractual interest rate before the loan was classified as a restructured loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, an allowance is provided for the individually estimated loss amount.

In the case of all other claims, an allowance is determined based on the estimated credit loss rate, which is calculated using the actual credit loss amount during a specific period in the past. Allowance for Loans to Restructuring Countries is provided based on the prospective loss after consideration of the relevant country's political and economic situation, etc.

All claims are assessed by the relevant business divisions in accordance with the internal rules for self-assessment of assets. The Internal Audit Division, which is independent of the originating divisions, reviews the results of the self-assessment of assets for all claims based on the internal rules.

For claims to bankrupt obligors and substantially bankrupt obligors which are collateralized or guaranteed by a third party, the amounts deemed uncollectible, which are calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims, are charged off against the respective loan balances. The total amounts directly written-off are ¥90,237 million (¥88,198 million at the end of the previous fiscal year).

With respect to the Allowance for Possible Losses on Loans of other consolidated subsidiaries, for normal obligors, the amounts deemed necessary are provided in the allowance based on the actual ratio of credit losses in the past, etc. In the case of intensive control obligors and certain other obligors, the expected uncollectible amounts are provided in the allowance after considering the recoverability of each claim.

(8) Allowance for Possible Losses on Investments

The allowance is provided to cover any future potential losses on investments. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.

(9) Reserve for Bonus Payments

This reserve is provided for future bonus payments to employees. Of the amount deemed necessary for employees' bonuses, the portion attributable to the fiscal year is booked.

(10) Reserve for Employee Retirement Benefits (including Prepaid Pension Cost)

This reserve is provided for future retirement benefits and pension payments to employees. It is recorded as the amount accrued at the end of the fiscal year, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Unrecognized actuarial gains (losses) are recognized as expenses starting from the following fiscal year and amortized over a fixed number of years within the average remaining service period of the current employees using the straight-line method.

(11) Reserve for Retirement Benefits for Directors and Corporate Auditors

This reserve, which is provided for future retirement benefit payments to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the fiscal year, based on the internally established standards.

(12) Reserve for Possible Losses on Sales of Loans and Bills Discounted

This reserve is provided for future possible losses on sales of loans and bills discounted at the amount deemed necessary based on the estimate of possible future losses.

(13) Reserve for Contingencies

This reserve is provided to cover possible losses against contingencies that are not covered by other specific reserves. The balance is an estimation of possible future losses considered necessary to be reserved.

(14) Reserves under Special Laws

Reserves under Special Laws are comprised of reserve for contingent liabilities from financial instruments transactions of domestic subsidiaries. This reserve is provided to cover possible losses against contingencies arising from transactions of securities and derivatives in accordance with provisions of Article 46-5, Paragraph 1 and Article 48-3, Paragraph 1 of the Financial Instruments and Exchange Act.

(15) Assets and Liabilities denominated in foreign currencies

Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of MHC B are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the stocks of non-consolidated subsidiaries and affiliates not accounted for by the equity method, which are translated at historical exchange rates.

Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the respective balance sheet dates.

(16) Hedge accounting

A. Hedge of interest rate risk

MHC B applies the deferred hedge method or the fair value hedge method as hedge accounting for interest rate risk accompanying various financial assets and liabilities.

“Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24) is applied to portfolio hedges against a large number of small-balance monetary claims/liabilities.

The effectiveness of the portfolio hedges against a large number of small-balance monetary claims/liabilities is assessed as follows:

- (1) The effectiveness of a fair value hedge is assessed for each identified (i) groups of hedged deposits, loans and similar instruments and (ii) corresponding groups of hedging instruments such as interest rate swaps in the same maturity bucket.
- (2) The effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

The effectiveness of an individual hedge is also assessed based on the fluctuations in the quotations or cash flows of the hedged item and those of the hedging instrument.

Net Deferred Hedge Gains (Losses), net of Taxes which are recorded on the consolidated balance sheet and resulted from the application of the “macro-hedge method” based on “Tentative Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives, are amortized as interest income or interest expenses over the remaining maturity or the average remaining maturity of the respective hedging instruments.

The unamortized amounts of Gross Deferred Hedge Losses and Gross Deferred Hedge Gains under the “macro-hedge method” at the end of the fiscal year are ¥3,343 million (¥5,390 million at the end of the previous fiscal year) before tax effects deduction and ¥2,545 million (¥3,783 million at the end of the previous fiscal year) before tax effects deduction, respectively.

B. Hedge of Foreign Exchange Risks

MHC B applies the deferred method of hedge accounting to hedge foreign exchange risks associated with various foreign-currency-denominated financial assets and liabilities as stipulated in “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

The effectiveness of the currency-swap transactions, exchange swap transactions and similar transactions hedging the foreign exchange risks of foreign-currency-denominated monetary claims and liabilities is assessed based on comparison of foreign currency position of the hedged monetary claims and liabilities and the hedging instruments.

In addition to the above methods, MHC B applies the deferred hedge method or the fair value hedge method to portfolio hedges of the foreign exchange risks associated with investments in overseas subsidiaries and affiliates, and foreign-currency-denominated securities, other than bonds, identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign-currency-denominated securities.

C. Inter-company trading among consolidated companies, etc.

Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting because these inter-company derivatives are covered with outside third parties and appropriate hedge operations without subjectivities are conducted in accordance with JICPA Industry Audit Committee Reports No. 24 and 25.

The deferred hedge method, the fair value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods to part of assets and liabilities of MHC B and consolidated subsidiaries.

(17) Amortization method and amortization period of Goodwill

Goodwill of Eurekahead Pte, Ltd. is amortized over a period of 10 years under the straight-line method. The amount of other Goodwill is expensed as incurred since the amount has no material impact.

(18) Definition of Cash and Cash Equivalents in the consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consist of cash and deposits with central banks included in “Cash and Due from Banks” on the consolidated balance sheet.

(19) Consumption taxes and local consumption taxes

With respect to MHC B and its domestic consolidated subsidiaries, consumption taxes and local consumption taxes are primarily excluded from the transaction amounts.

Issued But Not Yet Adopted Accounting Standard and Others

1. “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012)

(1) Outline

From the viewpoint of improvements to financial reporting and international convergence, these accounting standards mainly focus on 1) changes in the treatment of unrecognized actuarial differences and unrecognized prior service cost, and enhancement of disclosures, and 2) amendments to the method of determination of projected benefit obligations and current service cost.

(2) Scheduled date of application

MHCB is scheduled to apply above 1) from the consolidated financial statements concerning the end of the fiscal year starting on April 1, 2013 and above 2) from the beginning of the fiscal year starting on April 1, 2014.

(3) Effect of application of these accounting standards

The effect of the application of these accounting standards is currently under consideration.

2. Revised ASBJ Statement No. 22 “Accounting Standard for Consolidated Financial Statements” (March 25, 2011), etc.

(1) Outline

These accounting standards mainly represent a revision to the “Concrete Treatments Related to the Revision of the Definition of the Subsidiaries and Affiliates within the Consolidated Financial Statement System” (Business Accounting Council, October 30, 1998)III. Prior to the revision, special purpose entities that met specific conditions were presumed not to be subsidiaries of investors in and companies transferring assets to the relevant special purpose entities. After the revision, this treatment only applies to companies transferring assets to the special purpose entities.

(2) Scheduled date of application

MHCB is scheduled to apply these accounting standards from the beginning of the fiscal year starting on April 1, 2013.

(3) Effect of application of these accounting standards

On application of these accounting standards, those special purpose entities that had not previously been treated as subsidiaries, where the transferor of the assets to the special purpose entity is not MHCB, will be newly included within the scope of consolidation, and assets, liabilities, income and expenses will be reflected in the consolidated financial statements.

As a result of this, those special purpose entities that will be newly included within the scope of consolidation are provided in “Basis of Preparation of Consolidated Financial Statements 4. Special Purpose Entities Subject to Disclosure.”

Change in Presentation of Consolidated Financial Statements

Consolidated Statement of Income

“Refund of Income Taxes” formerly included within “Current Income Taxes” is separately presented from the fiscal year due to increased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥49,213 million presented in “Current Income Taxes” in the consolidated statement of income for the previous fiscal year has been reclassified as ¥49,435 million of “Current Income Taxes” and ¥(221) million of “Refund of Income Taxes.”

Notes to Consolidated Balance Sheet

\*1. Stocks of and Other Investments in Non-Consolidated Subsidiaries and Affiliates

	As of March 31, 2012	As of March 31, 2013
Stocks	¥52,621 million	¥60,512 million
Other Investments	¥421 million	¥421 million

\*2. There are no unsecured lending transactions that allow borrowers to re-sell securities.

In certain transactions, MHCB has the right to re-sell or pledge or re-pledge following securities held under uncollateralized securities borrowing agreements, cash-collateralized securities borrowing agreements and securities purchased with resale agreements.

	As of March 31, 2012	As of March 31, 2013
Securities pledged or re-pledged as collateral	¥8,311,999 million	¥11,055,599 million
Securities held without being pledged or re-pledged at the end of the fiscal year	¥2,341,487 million	¥1,793,076 million

\*3. Loans and Bills Discounted include following Loans and Bills Discounted to Bankrupt Obligors and Non-Accrual Delinquent Loans and Bills Discounted.

	As of March 31, 2012	As of March 31, 2013
Loans and Bills Discounted to Bankrupt Obligors	¥24,286 million	¥21,380 million
Non-Accrual Delinquent Loans and Bills Discounted	¥100,070 million	¥164,216 million

Loans and Bills Discounted to Bankrupt Obligors are loans, excluding loans written-off, for which no interest was accrued since delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason, there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965).

Non-Accrual Delinquent Loans and Bills Discounted represent Non-Accrual Loans other than (i) Loans and Bills Discounted to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.

\*4. Balances of Loans and Bills Discounted Past Due for 3 Months or More are as follows:

	As of March 31, 2012	As of March 31, 2013
Balances of Loans and Bills Discounted Past Due for 3 Months or More	¥– million	¥3 million

Loans and Bills Discounted Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for the payments, and which are not included in Loans and Bills Discounted to Bankrupt Obligors, or Non-Accrual Delinquent Loans and Bills Discounted.

\*5. Balances of Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2012	As of March 31, 2013
Balances of Restructured Loans and Bills Discounted	¥162,535 million	¥261,604 million

Restructured Loans and Bills Discounted represent loans on which contracts were amended in favor of borrowers (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the borrowers. Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted and Loans and Bills Discounted Past Due for 3 Months or More are not included.

\*6. Total balances of Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted, Loans and Bills Discounted Past Due for 3 Months or More and Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2012	As of March 31, 2013
Total	¥286,893 million	¥447,205 million

The amounts given in \*3. through \*6. are gross amounts before deduction of amounts for the Allowance for Possible Losses on Loans.

\*7. In accordance with “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24), Bills Discounted are treated as financial transactions. MHC B has rights to sell or pledge or re-pledge these commercial bills and foreign exchange bills. The face values of these bills are as follows:

	As of March 31, 2012	As of March 31, 2013
	¥597,381 million	¥826,358 million

\*8. Breakdown of assets pledged as collateral is as follows:

	As of March 31, 2012	As of March 31, 2013
The following assets have been pledged as collateral:		
Cash and Due from Banks	¥130 million	¥– million
Trading Assets	¥5,740,339 million	¥5,197,950 million
Securities	¥11,415,419 million	¥13,347,246 million
Loans and Bills Discounted	¥3,853,052 million	¥3,568,881 million
Other Assets	¥5,414 million	¥3,675 million
Tangible Fixed Assets	¥94 million	¥– million
<b>Total</b>	<b>¥21,014,450 million</b>	<b>¥22,117,754 million</b>

The following liabilities are collateralized by the above assets:

Deposits	¥251,199 million	¥64,634 million
Call Money and Bills Sold	¥780,000 million	¥760,000 million
Payables under Repurchase Agreements	¥5,392,616 million	¥7,721,232 million

Guarantee Deposits Received under Securities Lending Transactions	¥4,578,839 million	¥7,018,113 million
Borrowed Money	¥6,137,630 million	¥1,177,081 million

In addition to the above, following items are pledged as collateral in connection with foreign and domestic exchange settlement transactions, derivative transactions etc. or as a substitute for margin payments for futures transactions.

	As of March 31, 2012	As of March 31, 2013
Cash and Due from Banks	¥19,397 million	¥13,113 million
Trading Assets	¥203,489 million	¥266,909 million
Securities	¥1,062,098 million	¥1,066,659 million
Loans and Bills Discounted	¥73,206 million	¥123,719 million

None of the assets has been pledged as collateral in connection with borrowings by non-consolidated subsidiaries or affiliates.

“Other Assets” include Margin Payments for Futures Transactions, Guarantee Money, and Collateral Pledged for Financial Instruments and Others, etc., the breakdown of which is as follows. Beginning with the fiscal year, items presented as Collateral Pledged for Derivative Transactions and Other Margin Payments until the previous fiscal year are presented as Collateral Pledged for Financial Instruments and Others, etc.

	As of March 31, 2012	As of March 31, 2013
Margin Payments for Futures Transactions	¥88,706 million	¥74,940 million
Guarantee Money	¥31,654 million	¥33,022 million
Collateral Pledged for Financial Instruments and Others, etc.	¥589,893 million	¥508,912 million

\*9. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which MHCB is obligated to make loans up to the prearranged amount at the request of customers unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounts is as follows:

	As of March 31, 2012	As of March 31, 2013
Unutilized balance	¥33,229,075 million	¥37,592,155 million
Amount relating to contracts for which the original contractual term is one year or less (or unconditionally cancelable at any time)	¥26,111,668 million	¥28,563,215 million

Since many of these contracts expire without the rights being exercised, the unutilized balance itself does not necessarily affect future cash flows of MHCB and its consolidated subsidiaries. Many of these contracts include a provision that entitles MHCB and its consolidated subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHCB obtains, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and subsequently monitors customers’ business condition periodically, based on and in accordance with procedures established, and takes measures to control credit risks such as amendments to contracts, if needed.

\*10. In accordance with the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item “Deferred Tax Liabilities for Revaluation Reserve for Land” indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item “Revaluation Reserve for Land, net of Taxes” under Net Assets.

Date revalued March 31, 1998

Revaluation method as specified in Article 3, Paragraph 3 of the above-mentioned Act

Land used for business activities was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998), with reasonable adjustments to compensate for sites with long depth, etc. and also on the basis of the appraisal valuation stipulated in Article 2, Item 5 of the above-mentioned Order.

The difference at the consolidated balance sheet date between the total fair value of land used for business activities, which has been revalued in accordance with Article 10 of the above-mentioned Act, and the total book value of the land after the revaluation

	As of March 31, 2012	As of March 31, 2013
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	¥3,454 million	¥3,440 million
*11. Accumulated depreciation of Tangible Fixed Assets		
	As of March 31, 2012	As of March 31, 2013
Accumulated depreciation	¥145,039 million	¥159,008 million
*12. Advanced depreciation of Tangible Fixed Assets		
	As of March 31, 2012	As of March 31, 2013
Advanced depreciation	¥961 million	¥900 million
*13. Borrowed Money includes subordinated borrowed money.		
	As of March 31, 2012	As of March 31, 2013
Subordinated borrowed money	¥458,753 million	¥655,420 million
*14. Bonds and Notes include subordinated bonds.		
	As of March 31, 2012	As of March 31, 2013
Subordinated bonds	¥435,198 million	¥403,538 million
*15. Amounts of liabilities for guarantees on corporate bonds included in Securities, which were issued through private placement under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act		
	As of March 31, 2012	As of March 31, 2013
	¥44,509 million	¥30,724 million
Notes to Consolidated Statement of Income		
*1. Others in Other Ordinary Income includes following items.		
	For the year ended March 31, 2012	For the year ended March 31, 2013
Gains on Sales of Stocks and Others	¥24,303 million	¥36,747 million
Gains on Liquidation of Securitization Products	¥– million	¥12,245 million
*2. Others in Other Ordinary Expenses include following items.		
	For the year ended March 31, 2012	For the year ended March 31, 2013
Losses on Impairment of Stocks and Others	¥34,895 million	¥89,522 million
Losses on Sales of Stocks and Others	¥33,286 million	¥31,509 million
Losses Related to <i>Jusen</i> , Housing Loan Companies	¥9,086 million	¥– million
*3. Other Extraordinary Gains include following items.		
	For the year ended March 31, 2012	For the year ended March 31, 2013
Gains on Transfer of Business at a Securities Subsidiary	¥– million	¥3,961 million
*4. Other Extraordinary Losses include following items.		
	For the year ended March 31, 2012	For the year ended March 31, 2013
Losses on Change in Equity Resulting from the Merger of the Securities Subsidiary	¥– million	¥34,710 million
Expenses Related to Merger of Securities Subsidiary	¥1,078 million	¥6,486 million
Special Retirement Benefits at a Securities Subsidiary	¥10,005 million	¥– million

Notes to Consolidated Statement of Comprehensive Income

\*1. Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

	(Millions of Yen)	
	For the year ended March 31, 2012	For the year ended March 31, 2013
Net Unrealized Gains (Losses) on Other Securities, net of Taxes		
Amount arising during the year	113,784	691,360
Reclassification adjustments	(75,402)	(44,783)
Before adjustments to tax effects	38,382	646,577
Amount of tax effects	(39,144)	(176,570)
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	(761)	470,006
Net Deferred Hedge Gains, net of Taxes		
Amount arising during the year	46,351	23,204
Reclassification adjustments	(35,395)	(17,805)
Before adjustments to tax effects	10,955	5,399
Amount of tax effects	2,132	(2,139)
Net Deferred Hedge Gains, net of Taxes	13,087	3,259
Revaluation Reserve for Land, net of Taxes		
Amount arising during the year	-	-
Reclassification adjustments	-	-
Before adjustments to tax effects	-	-
Amount of tax effects	2,389	-
Revaluation Reserve for Land, net of Taxes	2,389	-
Foreign Currency Translation Adjustments		
Amount arising during the year	(2,762)	3,721
Reclassification adjustments	2,139	8,204
Before adjustments to tax effects	(622)	11,926
Amount of tax effects	-	-
Foreign Currency Translation Adjustments	(622)	11,926
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method		
Amount arising during the year	(373)	6,498
Total amount of Other Comprehensive Income	13,718	491,691

Notes to Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2012

1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2011	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2012	Abstract
Outstanding Shares					
Common Stock	16,151	-	-	16,151	
Second series Class IV Preferred Stock	64	-	-	64	
Eighth series Class VIII Preferred Stock	85	-	-	85	
Eleventh series Class XIII Preferred Stock	3,609	-	-	3,609	
Total	19,911	-	-	19,911	
Treasury Stock					

	Number of Shares as of April 1, 2011	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2012	Abstract
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

## 2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

None

## 3. Dividends

### (1) Cash dividends paid during the fiscal year ended March 31, 2012

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 20, 2011	Common Stock	–	–	–	–
	Second series Class IV Preferred Stock	0	42,000	March 31, 2011	June 20, 2011
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2011	June 20, 2011
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2011	June 20, 2011

### (2) Of dividends whose record dates belong to the year ended March 31, 2012, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 25, 2012	Common Stock	140,437	Retained Earnings	8,695	March 31, 2012	June 25, 2012
	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2012	June 25, 2012
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2012	June 25, 2012
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2012	June 25, 2012

For the year ended March 31, 2013

## 1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
Outstanding Shares					
Common Stock	16,151	–	–	16,151	

	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	19,911	–	–	19,911	
Treasury Stock					
Common Stock	–	–	–	–	
Second series Class IV Preferred Stock	64	–	–	64	
Eighth series Class VIII Preferred Stock	85	–	–	85	
Eleventh series Class XIII Preferred Stock	3,609	–	–	3,609	
Total	3,759	–	–	3,759	

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

None

3. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 25, 2012	Common Stock	140,437	8,695	March 31, 2012	June 25, 2012
	Second series Class IV Preferred Stock	0	42,000	March 31, 2012	June 25, 2012
	Eighth series Class VIII Preferred Stock	0	47,600	March 31, 2012	June 25, 2012
	Eleventh series Class XIII Preferred Stock	0	16,000	March 31, 2012	June 25, 2012

(2) Of dividends whose record dates belong to the year ended March 31, 2013, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Type of Dividend Properties	Book Value of Dividend Properties (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on March 29, 2013	Common Stock	Stocks of Subsidiaries	424,473	Capital Surplus and Retained Earnings	26,280	–	April 1, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of	Common Stock	129,955	Retained Earnings	8,046	March 31, 2013	June 24, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Shareholders Held on June 24, 2013	Second series Class IV Preferred Stock	0	Retained Earnings	42,000	March 31, 2013	June 24, 2013
	Eighth series Class VIII Preferred Stock	0	Retained Earnings	47,600	March 31, 2013	June 24, 2013
	Eleventh series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2013	June 24, 2013

Notes to Consolidated Statement of Cash Flows

\*1. Cash and Cash Equivalents at the balance sheet date are reconciled to Cash and Due from Banks on the consolidated balance sheet as follows:

	For the year ended March 31, 2012	For the year ended March 31, 2013
Cash and Due from Banks	¥4,735,595 million	¥5,505,074 million
Due from Banks, excluding Deposits with Central Banks	¥(682,953) million	¥(802,521) million
Cash and Cash Equivalents	¥4,052,641 million	¥4,702,553 million

2. Significant non-fund transaction

(1) Transaction associated with the turning of Mizuho Securities Co., Ltd. into a wholly-owned subsidiary by means of a share exchange

	For the year ended March 31, 2012	For the year ended March 31, 2013
Decrease in Stocks of Parent Company	¥108,434 million	¥– million
Gains on Share Exchange	¥1,902 million	¥– million
Amount Paid to Additionally Acquire Subsidiary Stock	¥110,336 million	¥– million

(2) The amount and main details of increase in assets and liabilities resulting from the merger of Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd.

	For the year ended March 31, 2012	For the year ended March 31, 2013
Total Assets	¥– million	¥210,209 million
Of which Trading Assets	¥– million	¥47,833 million
Of which Guarantee Deposits Paid under Securities Borrowing Transactions	¥– million	¥42,949 million
Total liabilities	¥– million	¥111,700 million
Of which Other Liabilities	¥– million	¥41,153 million
Of which Trading Liabilities	¥– million	¥31,620 million

Lease Transactions

1. Finance Leases

Finance Leases not Involving the Transfer of Ownership (Lessee)

1) Details of lease assets

(A) Tangible Fixed Assets

Primarily equipment

(B) Intangible Fixed Assets

Software

2) Depreciation method of lease assets

As stated in “(5) Method of depreciation of Fixed Assets” of “5. Accounting Policies” under Basis of Preparation of

## Consolidated Financial Statements

### 2. Operating Leases

#### Future Lease Payments Related to Non-cancelable Operating Leases

##### (1) Lessee

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Due within One Year	24,460	28,526
Due after One Year	56,657	60,530
Total	81,118	89,057

##### (2) Lessor

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Due within One Year	915	822
Due after One Year	4,520	4,260
Total	5,435	5,082

### Financial Instruments

#### 1. Matters relating to the Conditions of Financial Instruments

##### (1) Policy on financial instruments

MHCB and its group companies (the “Group”), which primarily engage in banking business, incur financial liabilities such as customer deposits and funding through financial markets on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engage in trading activities for certain financial instruments. Some consolidated subsidiaries conduct securities business and other financial business.

For these businesses, the Group manages appropriately the risks of individual financial instruments and carefully matches difference in transaction terms and various risk factors.

##### (2) Type and risk of financial instruments

The main financial assets of the Group consist of customer loans and securities such as Japanese stocks and government bonds for investment purposes. These financial assets are subject to various types of risk of losses that may be incurred by the Group due to a decline in, or total loss of, the value of assets as a result of deterioration in a counterparty’s and an issuer’s financial position (“credit risk”), or due to a decline in the value of assets as a result of fluctuations in interest rates, stock prices and foreign exchange rates and so on (“market risk”).

The main financing source of the Group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses arising from funding difficulties due to financial market turmoil or deterioration in our financial position that forces us to raise funds at significantly higher interest rates than usual or that makes it difficult for us to raise the necessary funds (“liquidity risk”).

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of financial assets and liabilities of the Group, exposing the Group to various risks, including credit risk, market risk and liquidity risk.

In addition, the Group uses derivative financial instruments to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management (“ALM”). The Group primarily utilizes the “portfolio hedge” by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative instruments like interest rate swaps are used as hedging instruments for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these instruments, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure that changes in interest rate risk or cash flows of the hedged items are highly effectively offset by the hedging instruments. It should be noted that the Group uses derivative financial instruments for trading purposes and so on as well.

##### (3) Risk management for financial instruments

###### 1) Commitment to risk management

The Group recognizes the conducting of operations tailored to the risks and managing such risks as a key issue relating to its management. In order to implement its business strategy while maintaining our financial stability, the Group maintains comprehensive risk management and control measures.

The Group maintains basic policies for risk management established by our Board of Directors that are applicable to the entire Group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, the Group maintains various measures to strengthen and enhance the sophistication of its risk management system.

###### 2) General concept of risk management

The Group classifies its risk exposures according to the various kinds of risk, including “credit risk,” “market risk,” “liquidity risk” and “operational risk,” and manages each type of risk according to its characteristics.

In addition to managing each type of risk individually, the Group has established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

More specifically, the Group allocates risk capital to risk units to control risk within the limits set for each unit. The Group

also controls risk within managerially acceptable limits by working to ensure that the overall risk the Group holds on an entire Group basis does not exceed shareholder's equity and other measures of financial strength. To ensure the ongoing financial health of the Group, MHC B regularly monitors the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees.

### 3) Credit risk management

The Group has adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which the Group manages the process for each individual transaction and individual obligor from execution until collection, based on its assessment of the credit quality of the customer. Through this process, the Group curbs losses in the case of a credit event. The second is "credit portfolio management," in which the Group utilizes statistical methods to assess the potential for losses related to credit risk. Through this process, the Group identifies credit risk and responds appropriately.

Regarding the method of credit portfolio management, MHC B uses statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VaR"). The difference between expected loss and credit VaR is measured as the credit risk amount ("unexpected loss"). MHC B recognizes two types of risk arising from allowing too large a proportion of overall credit risk to be allocated in certain areas. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain corporate groups, industrial sectors and other groupings. MHC B manages these risks appropriately in line with its specific guidelines for each.

The Board of Directors of MHC B determines key matters pertaining to credit risk management policies and the CEO supervises the credit risk management. In addition, the "Portfolio Management Committee" and "Credit Committee" as its management policy committees broadly discuss and coordinate matters relating to the management of the Group's credit portfolio and credit policies towards obligors. The Head of Risk Management Group is responsible for matters relating to planning and implementing credit risk management. Each department of the credit risk management division conducts credit risk measuring and monitoring, and forms and promotes basic plans of credit risk management. The Head of Credit Group is responsible for matters regarding credit examination and manages credit risk mainly from the viewpoint of individual credits. Each credit department approves/disapproves, manages and collects from customers individual credit transactions. In addition, from the standpoint of strengthening internal checks, MHC B has also established the Asset Audit Department as an internal audit division that is independent of the business divisions in order.

### 4) Market risk management

The Board of Directors of MHC B determines key matters pertaining to market risk management policies. In addition, MHC B has established the "ALM & Market Risk Committee" as one of its management policy committees. The committee broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes actions to be taken in emergency situations such as sudden market changes.

The Head of Risk Management Group of MHC B is responsible for matters relating to market risk management planning and operations. The Risk Management Division of MHC B is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the division assesses and manages the overall market risk of MHC B and the Group as a whole and submits reports to the CEO on a daily basis and to our Board of Directors and the Management Council, etc. of MHC B on a regular basis.

To manage market risk, MHC B sets limits that correspond to risk capital allocations. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, MHC B sets limits for VaR and for losses. For banking activities, MHC B sets position limits based on interest rate sensitivity as needed.

The Board of Directors of MHC B decides the "Basic Policies for Market and Liquidity Risk Management," which determine key matters pertaining to market risk management policies, and the CEO supervises the market risk management in compliance with said Basic Policies. In addition, MHC B has established the ALM & Market Risk Committee as a management policy committee that broadly discusses and coordinates matters relating to the market risk management. Moreover, MHC B has established middle offices specializing in risk management that are independent of its front offices, which engage in market transactions, and its back offices, which are responsible for book entries and settlements. This system enables them to achieve mutual checks and control over market operations. When VaR is not adequate to control risk, the middle offices manage risk by managing risk indicators, using 10 BPV (Basis Point Value) or others, by carrying out stress tests, and setting loss limits as needed.

### 5) Situation of market risk

#### i. Outline of banking activities

The following table shows the VaR figures relating to the banking activities of the Group for the fiscal year indicated:

(Billions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
As of the fiscal year end	145.0	135.2
Maximum	173.0	161.9
Minimum	118.7	117.7
Average	147.0	135.0

[Definition of banking activities]

The following transactions are categorized as banking activities, with trading activities and strategically-held equity being categorized separately.

- (1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.
- (2) Equity (excluding strategically-held equity), bonds, investment trusts, etc. and hedges against related market risk.

The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.

[Method of calculating VaR of banking activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one month, 3) Historical observation period of one year

ii. Trading activities

The following table shows the VaR figures relating to the trading activities of the Group for the fiscal year indicated:

(Billions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
As of the fiscal year end	3.5	4.5
Maximum	5.6	6.1
Minimum	2.9	2.7
Average	4.1	3.7

[Definition of trading activities]

- (1) Transactions held for the purpose of short-term resale.
- (2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.
- (3) Deals that have both aspects of (1) and (2) above.
- (4) Deals held for broking business or market making business.

[Method of calculating VaR of trading activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one day, 3) Historical observation period of one year

iii. Strategic equity holding

The Group performs the same market risk management based on VaR and risk indices for the strategic equity holding portfolio as for banking activities and trading activities. The risk index of the strategic equity holding portfolio (sensitivity of the portfolio to a 1% change in TOPIX index) is set as ¥18.3 billion as of March 31, 2013 (¥16.0 billion as of March 31, 2012).

iv. Risk management using VaR

VaR is a commonly used market risk measurement technique based on statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VaR model has the following limitations:

- VaR estimates could differ by assumptions of holding period, confidence interval and approaches for the measurement.
- VaR that is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VaR might underestimate the probability of loss when the market becomes inactive due to market confusion since VaR is based on the assumptions of sales of holding portfolio or hedges in the market during the holding period for the calculation.
- VaR model does not take account of any losses that might occur beyond this confidence interval.

The variance co-variance model used as the measurement technique of VaR assumes that changes in market movements follow a normal distribution. Therefore, the model might underestimate the risk in a circumstance where the market is likely to move extremely beyond the assumption. The model might also underestimate the risk when the normal correlation assumption between interest rate and share price collapses in a circumstance where a rise in the interest rate and a deterioration of share price happen simultaneously.

The Group checks the validity of the market risk measurement made by VaR approach periodically by backtesting, which compares VaR with actual profit and loss. In addition to VaR, the Group performs a wide variety of management processes

and controls such as risk indices monitoring, implementation of stress tests, and loss limit monitoring in order to perform strict risk management by carefully grasping all risks, including those VaR approach is not able to cover.

6) Liquidity risk management

The Group's liquidity risk management structure is generally the same as the market risk management structure described above "4) Market risk management." However, liquidity risk is managed under the system where the Head of Markets Unit is responsible for the planning and implementing cash flow management, the ALM Department is responsible for matters relating to identifying and coordinating cash flow situation, and plans and runs cash flow management operations. Reports on the cash flow situation are submitted to the ALM & Market Risk Committee and the Management Council, etc.

Liquidity risk is measured using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & Market Risk Committee, discussed further by the Management Council, etc. and determined by the CEO. The Group has established classifications for the cash flow conditions affecting the Group, ranging from "normal" to "cause for concern" and "critical," and has established procedures for dealing with cases that are deemed to fall into the "cause for concern" or "critical" categories. In addition, a system has been constructed under which the Group will be able to respond smoothly in the event of an "emergency situation" that affects the Group's funding.

(4) Supplementary explanation of matters relating to fair value of financial instruments and others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.

2. Matters Relating to Fair Value of Financial Instruments and Others

The following are carrying values, fair values and differences between them. Unlisted stocks and others, the fair values of which are deemed extremely difficult to determine, are excluded from the table below (see (Note 2)).

As of March 31, 2012

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	4,734,767	4,734,767	—
(2) Call Loans and Bills Purchased (*1)	249,954	249,954	—
(3) Receivables under Resale Agreements	7,119,249	7,119,249	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	5,660,176	5,660,176	—
(5) Other Debt Purchased (*1)	122,749	122,749	—
(6) Trading Assets			
Trading Securities	8,996,075	8,996,075	—
(7) Money Held in Trust (*1)	54,884	54,884	—
(8) Securities			
Bonds Held to Maturity	1,000	1,000	0
Other Securities	23,405,563	23,405,563	—
(9) Loans and Bills Discounted	28,725,393		
Allowance for Possible Losses on Loans (*1)	(191,109)		
	28,534,284	28,646,467	112,182
<b>Total Assets</b>	<b>78,878,705</b>	<b>78,990,888</b>	<b>112,183</b>
(1) Deposits	20,305,621	20,305,249	(371)
(2) Negotiable Certificates of Deposit	9,869,463	9,869,463	—
(3) Call Money and Bills Sold	12,224,570	12,224,570	—
(4) Payables under Repurchase Agreements	12,433,467	12,433,467	—
(5) Guarantee Deposits Received under Securities Lending Transactions	4,900,998	4,900,998	—
(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	4,062,844	4,062,844	—
(7) Borrowed Money	7,834,513	7,851,090	16,577

(8) Bonds and Notes	3,781,770	3,813,878	32,108
Total Liabilities	75,413,249	75,461,563	48,313
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	355,911		
Derivative Transactions Designated as Hedge	[27,944]		
Allowance for Derivative Transactions (*1)	(8,897)		
Total Derivative Transactions	319,069	319,069	–

(\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on loans on all items except Loans and Bills Discounted and Derivative Transactions are directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

As of March 31, 2013

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	5,504,078	5,504,078	–
(2) Call Loans and Bills Purchased (*1)	518,374	518,374	–
(3) Receivables under Resale Agreements	9,008,854	9,008,854	–
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	5,632,635	5,632,635	–
(5) Other Debt Purchased (*1)	128,945	128,945	–
(6) Trading Assets			
Trading Securities	8,833,503	8,833,503	–
(7) Money Held in Trust (*1)	95,949	95,949	–
(8) Securities			
Bonds Held to Maturity	–	–	–
Other Securities	25,709,483	25,709,483	–
(9) Loans and Bills Discounted	32,136,538		
Allowance for Possible Losses on Loans (*1)	(304,580)		
	31,831,958	32,101,940	269,981
Total Assets	87,263,783	87,533,765	269,981
(1) Deposits	23,320,041	23,320,890	849
(2) Negotiable Certificates of Deposit	10,981,877	10,981,877	–
(3) Call Money and Bills Sold	13,349,648	13,349,648	–
(4) Payables under Repurchase Agreements	17,446,042	17,446,042	–
(5) Guarantee Deposits Received under Securities Lending Transactions	7,716,017	7,716,017	–
(6) Trading Liabilities			
Securities Sold, Not Yet Purchased, etc.	3,349,261	3,349,261	–
(7) Borrowed Money	3,036,265	3,067,810	31,544
(8) Bonds and Notes	3,949,621	3,992,221	42,599
Total Liabilities	83,148,776	83,223,770	74,994
Derivative Transactions (*2)			

Derivative Transactions not Designated as Hedge	717,463		
Derivative Transactions Designated as Hedge	[251,414]		
Allowance for Derivative Transactions (*1)	(13,702)		
Total Derivative Transactions	452,347	452,347	–

- (\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on loans on all items except Loans and Bills Discounted and Derivative Transactions are directly written off against the carrying value of respective items due to immateriality.
- (\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Derivatives are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Measurement method of fair value of financial instruments

Assets

(1) Cash and Due from Banks

For Due from Banks which have no maturity, since fair values approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Purchased, (3) Receivables under Resale Agreements and (4) Guarantee Deposits Paid under Securities Borrowing Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(5) Other Debt Purchased

Fair values of Other Debt Purchased are based on the prices obtained from brokers and quote vendors.

(6) Trading Assets

Fair values of securities held for trading, such as bonds held for trading, are based on the prices on securities exchanges and others.

(7) Money Held in Trust

Fair values of Securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities are determined by the method described in (8) below. For Money Held in Trust other than this, since fair values approximate book values, we deem the book values to be fair values. The notes to Money Held in Trust based on holding purpose are stated in “Money Held in Trust.”

(8) Securities

Fair values of stocks are based on the prices on securities exchanges, and those of bonds and others are based on the market prices, or prices obtained from brokers and quote vendors. Fair values of investment trusts are based on the disclosed net asset value. Fair values of private placement bonds are determined by the total amount of principal and interest discounted at the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the internal ratings and maturities. Fair values of some securitization products are determined by discounting the estimated future cash flows based on the analysis of back assets at the discount rate considered as market rate.

Fair values of Floating-Rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are the prices reasonably calculated as book value. In deriving the reasonably calculated prices, we used the Discounted Cash Flow Method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

With respect to the credit investments in securitization products made as an alternative to loans held by the European and North American offices of MHCBC, we applied reasonably calculated prices based on the reasonable estimates of its management as fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the Discounted Cash Flow Method. The price decision variables include default rates, recovery rates, pre-payment rates and discount rates, and the subject Securities included Residential Mortgage-Backed Securities, Collateralized Loan Obligations, Commercial Mortgage-Backed Securities, and other Asset Backed Securities.

The Discounted Cash Flow Method is used in the valuation of credit investments in securitization products held by the European and North American offices of MHCBC as an alternative to loans. Beginning with the fiscal year, the discount rate, a key variable in the valuation process, was changed to a level reasonably considered to be market rate. This change was made to reflect recently activated primary and secondary markets. This change has immaterial impact on Net Assets, etc.

The notes to Securities based on holding purpose are stated in “Securities.”

(9) Loans and Bills Discounted

Fair values of Loans and Bills Discounted are determined by the total amount of principal and interest discounted at the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted. In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and guarantees, fair values approximate the carrying value of claims minus Allowance for Possible Losses on Loans on the consolidated balance sheet as of the end of the fiscal year, and we thus deem such amount to be fair values.

### Liabilities

#### (1) Deposits and (2) Negotiable Certificates of Deposit

As for demand deposits, we deem the payment amounts if required on the consolidated balance sheet date (i.e., book values) to be fair values. Fair values of Time Deposits are determined by discounting the future cash flows at the market interest rate.

As for Negotiable Certificates of Deposit, since contractual terms are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

#### (3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Guarantee Deposits Received under Securities Lending Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

#### (6) Trading Liabilities

Fair values of Securities Sold, Not Yet Purchased in Trading Liabilities are based on the prices on securities exchanges and others.

#### (7) Borrowed Money

Fair values of Borrowed Money are determined by discounting the total amount of principal and interest at the interest rates considered to be applicable to similar loans. Since fair values of Borrowed Money with a short contractual term (i.e., within six months) approximate book values, we deem the book values to be fair values.

#### (8) Bonds and Notes

Fair values of Bonds and Notes which have market prices are based on the market prices, and those which do not have market prices are determined by discounting the total amount of principal and interest at the interest rates considered to be applicable to similar Bonds and Notes.

### Derivative Transactions

This topic is to be discussed later in the section of “Derivative Transactions.”

(Note 2) Carrying values of financial instruments whose fair values are deemed extremely difficult to determine are indicated below, and are not included in “Assets (8) Securities” in fair value information of financial instruments.

(Millions of Yen)

Category	As of March 31, 2012	As of March 31, 2013
1) Unlisted Stocks (*1) (*2)	310,801	250,673
2) Investments in Partnerships (*2) (*3)	131,992	132,440
3) Other (*4)	100,170	100,165
Total	542,964	483,279

(\*1) We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

(\*2) During the fiscal year ended March 31, 2012, we impaired (“devaluated”) Unlisted Stocks and Investments in Partnerships in the amounts of ¥4,168 million and ¥5,632 million, respectively, on a consolidated basis. During the fiscal year ended March 31, 2013, we impaired (“devaluated”) Unlisted Stocks and Investments in Partnerships in the amounts of ¥1,210 million and ¥5,007 million, respectively, on a consolidated basis.

(\*3) Of the Investments in Partnerships, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

(\*4) We do not treat Preferred Subscription Certificates and others included in Other as being subject to disclosure of fair values as there are no market prices and other factors and they are deemed extremely difficult to determine fair values.

(Note 3) Redemption schedule by term for Monetary Claims and Securities with Maturities after the consolidated balance sheet date

As of March 31, 2012

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	4,727,056	1,837	–	–	–	–
Call Loans and Bills Purchased	250,139	–	–	–	–	–
Other Debt Purchased	68,575	10,240	1,618	327	–	43,102
Securities (*1)	5,667,817	5,809,770	4,672,214	1,087,208	1,759,307	1,965,125

Bonds Held to Maturity	1,000	–	–	–	–	–
Bonds and Notes	1,000	–	–	–	–	–
Other Securities with maturities	5,666,816	5,809,770	4,672,214	1,087,208	1,759,307	1,965,125
Japanese Government Bonds	4,611,830	4,463,700	3,280,000	210,000	1,127,400	106,000
Japanese Local Government Bonds	2,440	3,070	7,838	23,585	38,151	871
Bonds and Notes	59,687	247,179	76,055	62,721	30,600	382,464
Foreign Bonds	966,738	1,067,714	1,244,169	765,941	487,443	1,475,465
Other	26,120	28,105	64,150	24,959	75,713	323
Loans and Bills Discounted (*2)	13,253,075	7,055,284	4,803,388	1,710,964	1,095,381	635,442
Total	23,966,663	12,877,132	9,477,220	2,798,500	2,854,689	2,643,669

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥124,357 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥47,499 million of those whose terms are not determined.

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	5,495,480	1,842	–	–	–	–
Call Loans and Bills Purchased	518,958	–	–	–	–	–
Other Debt Purchased	85,138	10,253	1,812	3,273	–	28,995
Securities (*1)	6,604,605	2,940,439	7,522,110	2,056,916	1,585,762	1,911,898
Bonds Held to Maturity	–	–	–	–	–	–
Bonds and Notes	–	–	–	–	–	–
Other Securities with maturities	6,604,605	2,940,439	7,522,110	2,056,916	1,585,762	1,911,898
Japanese Government Bonds	5,345,450	515,900	6,110,000	800,000	1,027,400	5,000
Japanese Local Government Bonds	2,380	3,631	5,627	3,576	6,786	826
Bonds and Notes	66,547	90,901	110,518	45,681	15,450	430,055
Foreign Bonds	1,172,932	2,300,905	1,232,827	1,188,557	516,784	1,475,165
Other	17,295	29,101	63,136	19,101	19,341	851
Loans and Bills Discounted (*2)	14,008,770	7,627,732	5,967,787	2,032,599	1,476,140	785,752
Total	26,712,954	10,580,268	13,491,710	4,092,790	3,061,903	2,726,645

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥185,596 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥52,157 million of those whose terms are not determined.

(Note 4) Repayment schedule by term for Bonds and Notes, Borrowed Money, and other Interest-bearing Debt after the consolidated balance sheet date

As of March 31, 2012

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	20,142,226	150,502	10,197	1,900	795	–
Negotiable Certificates of Deposit	9,869,213	250	–	–	–	–
Call Money and Bills Sold	12,224,570	–	–	–	–	–
Borrowed Money (*2)	6,574,362	409,954	455,905	92,190	119,600	113,500

Short-term Bonds	430,700	-	-	-	-	-
Bonds and Notes (*2)	696,494	1,263,568	1,104,507	157,678	235,472	313,658
Total	49,937,567	1,824,275	1,570,610	251,769	355,867	427,158

(\*1) Demand deposits among Deposits are included in "1 year or less."

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥69,000 million for Borrowed Money and ¥10,400 million for Bonds and Notes) are not included in the table.

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	23,103,212	205,646	9,083	1,497	600	-
Negotiable Certificates of Deposit	10,974,736	7,285	-	-	-	-
Call Money and Bills Sold	13,349,648	-	-	-	-	-
Borrowed Money (*2)	1,375,942	845,641	137,138	62,703	379,000	166,800
Short-term Bonds	352,400	-	-	-	-	-
Bonds and Notes (*2)	671,671	1,163,344	1,364,586	157,320	242,307	344,996
Total	49,827,612	2,221,917	1,510,808	221,521	621,908	511,796

(\*1) Demand deposits among Deposits are included in "1 year or less."

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥69,039 million for Borrowed Money and ¥5,400 million for Bonds and Notes) are not included in the table.

#### Securities

- \*1. The following tables contain information relating to items which are classified as "Securities," Trading Securities, Securities related to Trading Transactions and Commercial Paper in "Trading Assets," Negotiable Certificates of Deposits in "Cash and Due from Banks;" certain items in "Other Debt Purchased;" and certain items in "Other Assets."

##### 1. Trading Securities

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Unrealized Gains (Losses) Recognized in the Consolidated Statement of Income	(16,640)	36,733

##### 2. Bonds Held to Maturity

As of March 31, 2012

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Values Exceed the Carrying Value	Bonds and Notes	1,000	1,000	0

As of March 31, 2013

None

##### 3. Other Securities

As of March 31, 2012

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	980,773	681,276	299,496
	Bonds	9,452,456	9,415,684	36,771
	Japanese Government Bonds	8,852,961	8,836,338	16,623
	Japanese Local Government Bonds	57,300	56,494	805

	Type	Carrying Value	Acquisition Cost	Difference
	Japanese Corporate Bonds	542,193	522,851	19,342
	Other	3,175,062	3,108,612	66,449
	Foreign Bonds	2,997,012	2,958,636	38,375
	Other Debt Purchased	–	–	–
	Other	178,049	149,975	28,074
	Subtotal	13,608,291	13,205,573	402,718
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	648,805	840,275	(191,470)
	Bonds	5,378,325	5,388,663	(10,338)
	Japanese Government Bonds	5,020,761	5,022,920	(2,158)
	Japanese Local Government Bonds	21,375	21,420	(44)
	Japanese Corporate Bonds	336,187	344,322	(8,135)
	Other	3,878,422	4,059,384	(180,961)
	Foreign Bonds	3,200,349	3,260,859	(60,510)
	Other Debt Purchased	50,722	51,581	(859)
	Other	627,351	746,942	(119,591)
Subtotal	9,905,553	10,288,323	(382,770)	
Total		23,513,844	23,493,896	19,947

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method and others was a loss of ¥7,163 million.

As of March 31, 2013

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	1,549,835	856,274	693,561
	Bonds	13,054,036	12,989,478	64,558
	Japanese Government Bonds	12,291,317	12,242,672	48,644
	Japanese Local Government Bonds	22,081	21,263	817
	Japanese Corporate Bonds	740,638	725,541	15,096
	Other	4,688,499	4,598,256	90,243
	Foreign Bonds	4,197,861	4,152,225	45,635
	Other Debt Purchased	–	–	–
	Other	490,638	446,030	44,607
	Subtotal	19,292,372	18,444,009	848,362
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	461,987	539,362	(77,375)
	Bonds	1,723,864	1,726,638	(2,773)
	Japanese Government Bonds	1,679,821	1,680,023	(202)
	Japanese Local	1,558	1,559	(1)

	Type	Carrying Value	Acquisition Cost	Difference
	Government Bonds			
	Japanese Corporate Bonds	42,485	45,055	(2,569)
	Other	4,347,842	4,436,579	(88,737)
	Foreign Bonds	3,917,757	3,960,845	(43,087)
	Other Debt Purchased	35,572	36,041	(468)
	Other	394,512	439,692	(45,180)
	Subtotal	6,533,694	6,702,580	(168,886)
	Total	25,826,066	25,146,590	679,475

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method and others was a gain of ¥3,311 million.

4. Bonds Held to Maturity which were sold during the year ended March 31, 2013

None

5. Other Securities which were sold during the fiscal year

For the year ended March 31, 2012

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	161,494	11,355	3,675
Bonds	30,353,493	28,864	4,756
Japanese Government Bonds	28,648,609	23,403	1,838
Japanese Local Government Bonds	227,900	559	130
Japanese Corporate Bonds	1,476,983	4,901	2,788
Other	14,572,729	127,571	51,125
Total	45,087,717	167,791	59,557

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

For the year ended March 31, 2013

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	116,394	20,784	13,181
Bonds	22,005,220	58,437	976
Japanese Government Bonds	20,576,699	52,088	734
Japanese Local Government Bonds	122,071	541	38
Japanese Corporate Bonds	1,306,449	5,807	203
Other	17,515,946	120,133	50,416
Total	39,637,560	199,354	64,574

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

6. Securities whose classification was changed

None

7. Impairment ("Devaluation") of Securities

Certain Securities excluding Trading Securities (excluding those whose fair values are deemed extremely difficult to determine) are presented on the consolidated balance sheet at their fair value and the difference between the acquisition cost and the fair value is recognized as a loss for the fiscal year ("loss on impairment") if the fair value (primarily the market price

on the last day of the fiscal year) has significantly deteriorated compared with the acquisition cost (including amortized cost) and recoverability of the fair value over the acquisition cost is not expected.

Loss on impairment for the fiscal year ended March 31, 2012 was ¥32,848 million (of which, that of Stocks was ¥26,100 million and that of Securities other than Stocks was ¥6,747 million).

Loss on impairment for the fiscal year ended March 31, 2013 was ¥90,220 million (of which, that of Stocks was ¥85,164 million and that of Securities other than Stocks was ¥5,055 million).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair value is 50% or less of the acquisition cost

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

#### Money Held in Trust

##### 1. Money Held in Trust for investment purposes

As of March 31, 2012

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	54,884	-

As of March 31, 2013

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	95,949	34

##### 2. Money Held in Trust, for the purpose of being held to maturity

None

##### 3. Other Money Held in Trust other than for investment purposes or to be held to maturity

None

#### Net Unrealized Gains (Losses) on Other Securities

Details of Net Unrealized Gains (Losses) on Other Securities on the consolidated balance sheet are as follows:

As of March 31, 2012

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	
Other Securities	26,734
(-) Deferred Tax Liabilities	26,564
Net Unrealized Gains on Other Securities (Before adjusting for amount corresponding to Minority Interests)	169
(-) Amount corresponding to Minority Interests	1,142
(+) Amount corresponding to MHCB's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the equity method	1,366
Net Unrealized Gains on Other Securities, net of Taxes	393

Notes: 1. A loss of ¥7,163 million reflected in profit and loss due to the application of the fair value hedge method and others is deducted from the Unrealized Gains (Losses) on Other Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

As of March 31, 2013

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	

	Amount
Other Securities	676,014
(-) Deferred Tax Liabilities	203,135
Net Unrealized Gains on Other Securities (Before adjusting for amount corresponding to Minority Interests)	472,878
(-) Amount corresponding to Minority Interests	6,176
(+) Amount corresponding to MHC B's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the equity method	1,694
Net Unrealized Gains on Other Securities, net of Taxes	468,397

Notes: 1. A gain of ¥3,311 million reflected in profit and loss due to the application of the fair value hedge method and others is deducted from the Unrealized Gains (Losses) on Other Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

#### Derivative Transactions

##### 1. Derivative Transactions not Designated as Hedge

With regard to derivative transactions not designated as hedge, contract amounts or contractual principal equivalents, fair values and net unrealized gains (losses), and fair value measurement method by type of transaction as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

##### (1) Interest Rate-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	12,970,453	4,795,040	(95,582)	(95,582)
	Bought	12,635,622	3,848,775	96,071	96,071
	Options:				
	Sold	4,518,502	88,257	(1,606)	335
	Bought	6,042,421	–	1,149	(487)
Over-the-Counter	FRAs:				
	Sold	17,006,676	1,065,852	(1,947)	(1,947)
	Bought	18,120,568	1,233,613	(350)	(350)
	Swaps:				
	Receive Fixed / Pay Float	337,307,676	231,012,729	9,313,524	9,313,524
	Receive Float / Pay Fixed	333,857,818	229,680,517	(9,052,639)	(9,052,639)
	Receive Float / Pay Float	52,840,220	31,142,946	14,760	14,760
	Receive Fixed / Pay Fixed	677,028	296,491	(2,864)	(2,864)
	Options:				
Sold	13,953,101	9,544,785	(198,137)	(198,137)	
Bought	13,290,442	9,344,775	200,078	200,078	
Inter-Company and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	2,317,149	1,030,753	27,963	27,963
	Receive Float / Pay	3,107,922	2,609,975	(75,729)	(75,729)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Fixed Receive Float / Pay Float	14,800	–	(4)	(4)
	Total	–	–	224,686	224,990

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.  
Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	10,202,570	5,489,583	(51,344)	(51,344)
	Bought	10,398,159	4,995,114	51,285	51,285
	Options:				
	Sold	2,982,924	687,023	(2,622)	(135)
	Bought	3,528,289	556,531	2,079	(46)
Over-the-Counter	FRAs:				
	Sold	12,538,135	1,282,444	(7,573)	(7,573)
	Bought	16,088,710	1,915,772	8,973	8,973
	Swaps:				
	Receive Fixed / Pay Float	337,886,797	242,059,256	9,907,180	9,907,180
	Receive Float / Pay Fixed	338,907,180	240,995,005	(9,713,354)	(9,713,354)
	Receive Float / Pay Float	55,933,475	33,692,472	12,842	12,842
	Receive Fixed / Pay Fixed	531,928	472,888	8,243	8,243
	Options:				
	Sold	12,033,174	8,256,980	(175,742)	(175,742)
	Bought	11,049,245	7,529,946	180,335	180,335
Inter-Company and Inter-Office Transactions	Swaps:				
	Receive Fixed / Pay Float	2,148,766	1,586,421	30,644	30,644
	Receive Float / Pay Fixed	4,169,633	3,730,982	(70,939)	(70,939)
	Total	–	–	180,007	180,368

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.  
Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(2) Currency-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	550	–	(0)	(0)
	Bought	3,076	–	0	0
Over-the-Counter	Currency Swaps	22,946,502	15,823,135	(189,350)	(315,662)
	Forward Exchange Contracts:				
	Sold	29,280,622	4,212,783	155,814	155,814
	Bought	16,764,354	2,619,733	111,731	111,731
	Options:				
	Sold	4,955,782	2,749,193	(825,637)	(271,828)
	Bought	5,195,772	2,540,460	854,318	285,125
Inter-Company and Inter-Office Transactions	Currency Swaps	2,291,783	2,149,126	17,524	(9,613)
	Forward Exchange Contracts:				
	Sold	1,376	–	3	3
	Bought	91,631	–	6,497	6,497
Total		–	–	130,901	(37,931)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.

Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	14,573	5,252	(11)	(11)
	Bought	23,252	3,060	21	21
Over-the-Counter	Currency Swaps	36,846,677	21,898,050	(34,706)	(361,043)
	Forward Exchange Contracts:				
	Sold	44,098,751	3,440,091	(1,120,033)	(1,120,033)
	Bought	22,853,107	2,914,912	1,272,723	1,272,723
	Options:				
	Sold	4,581,578	2,173,041	(280,084)	(5,773)
	Bought	4,320,850	2,018,771	277,348	(13,898)
Inter-Company and Inter-Office Transactions	Currency Swaps	2,779,435	1,676,816	342,708	273,325
	Forward Exchange Contracts:				
	Sold	1,318	–	(0)	(0)
	Bought	114,192	–	1,859	1,859
Total		–	–	459,824	47,168

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others.

Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(3) Stock-Related Transactions

As of March 31, 2012 (Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	302,029	–	(13,627)	(13,627)
	Bought	162,480	–	(19)	(19)
	Index Futures Options:				
	Sold	723,052	104,673	(31,221)	(10,939)
	Bought	749,330	105,360	26,245	2,395
Over-the-Counter	Equity-Linked Swaps	528,292	511,878	27,732	27,732
	Options:				
	Sold	1,204,767	422,255	(116,962)	(74,291)
	Bought	1,046,030	360,700	80,526	52,560
	Other:				
Bought	39,009	34,900	(546)	(546)	
Total		–	–	(27,872)	(16,735)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.

Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	324,970	–	(6,906)	(6,906)
	Bought	10,312	–	72	72
	Index Futures Options:				
	Sold	693,577	153,930	(42,842)	(22,150)
	Bought	652,404	147,005	45,026	19,084
Over-the-Counter	Equity-Linked Swaps	530,924	316,180	7,745	7,745
	Options:				
	Sold	684,145	354,813	(108,931)	(77,820)
	Bought	564,258	323,248	112,658	91,486
	Other:				
Bought	39,783	24,000	1,322	1,322	
Total		–	–	8,145	12,833

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.

Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

(4) Bond-Related Transactions  
As of March 31, 2012 (Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	2,292,896	–	(4,177)	(4,177)
	Bought	1,744,977	12,035	4,007	4,007
	Bond Futures Options:				
	Sold	249,406	–	(302)	55
	Bought	318,451	–	807	(391)
Over-the-Counter	Options:				
	Sold	234,282	16,461	(1,088)	(737)
	Bought	227,402	14,965	1,126	495
Total		–	–	371	(748)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.  
Fair values of over-the-counter contracts are determined using option pricing models and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	894,898	19,214	(2,569)	(2,569)
	Bought	671,141	11,963	2,425	2,425
	Bond Futures Options:				
	Sold	382,795	–	(745)	(191)
	Bought	378,511	–	817	8
Over-the-Counter	Options:				
	Sold	591,420	16,157	(5,542)	(3,855)
	Bought	568,680	16,157	5,696	4,099
Total		–	–	81	(82)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.  
Fair values of over-the-counter contracts are determined using option pricing models and others.

(5) Commodity-Related Transactions  
As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	87,691	5,050	(2,816)	(2,816)
	Bought	86,564	4,368	2,375	2,375

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Commodity Futures Options:				
	Sold	0	–	(0)	1
	Bought	0	–	0	(0)
Over-the-Counter	Commodity Options:				
	Sold	288,713	127,184	(54,328)	(54,328)
	Bought	291,039	130,510	56,244	56,244
	Total	–	–	1,474	1,475

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.

3. Commodities are oil, copper, aluminum and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	75,293	3,543	(486)	(486)
	Bought	75,588	3,286	208	208
	Commodity Futures Options:				
	Sold	93	–	(0)	0
	Bought	93	–	0	(1)
Over-the-Counter	Commodity Options:				
	Sold	201,313	117,394	(29,748)	(29,748)
	Bought	201,347	117,630	31,284	31,284
	Total	–	–	1,256	1,255

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.

3. Commodities are oil, copper, aluminum and others.

#### (6) Credit Derivative Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	3,364,866	1,952,545	(351)	(351)
	Bought	3,682,847	2,384,722	26,702	26,702
	Total	–	–	26,350	26,350

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of over-the-counter contracts are determined using price of the underlying products, term of contract and other components of contract.
3. "Sold" and "Bought" indicate assumption and cession of credit risk, respectively.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Credit Derivatives:				
	Sold	2,463,306	1,842,469	2,235	2,235
	Bought	2,885,546	2,215,559	13,877	13,877
Total		–	–	16,113	16,113

- Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.
2. Fair values of over-the-counter contracts are determined using price of the underlying products, term of contract and other components of contract.
3. "Sold" and "Bought" indicate assumption and cession of credit risk, respectively.

(7) Weather Derivative Transactions

None

2. Derivative Transactions Designated as Hedge

With regard to derivative transactions designated as hedge, contract amounts or contractual principal equivalents, fair values and fair-value measurement method by type of transaction and method of hedge accounting as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

(1) Interest Rate-Related Transactions

As of March 31, 2012

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, etc.			
	Receive Fixed / Pay Float		13,454,679	11,734,855	271,130
	Receive Float / Pay Fixed		6,539,284	4,378,247	(91,256)
	Receive Float / Pay Float		184,800	170,000	221
Method of Recognizing Profit or Loss on Hedged Items	Swaps:	Other Securities, etc.			
	Receive Float / Pay Fixed		66,959	64,631	(2,461)
Exceptional Accrual Method for Interest Rate Swaps	Swaps:	Loans and Bills Discounted, Borrowed Money, etc.			
	Receive Fixed / Pay Float		30,000	30,000	Note 3
	Receive Float / Pay Fixed		11,465	10,453	
Total		–	–	–	177,633

- Notes: 1. The deferred hedge accounting is applied mainly in accordance with the "Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Audit Committee Report No. 24).
2. Fair values are determined using the discounted value of future cash flows and others.
3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged item such as Loans and Bills Discounted, Borrowed Money and others, fair values thereof are included in the

fair values of the corresponding Loans and Bills Discounted, Borrowed Money and others in the section of “Financial Instruments.”

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, etc.			
	Receive Fixed / Pay Float		14,363,699	13,112,941	301,857
	Receive Float / Pay Fixed		5,752,455	4,696,450	(119,229)
	Receive Float / Pay Float		170,000	80,000	152
Method of Recognizing Profit or Loss on Hedged Items	Swaps:	Other Securities, etc.			
	Receive Fixed / Pay Float		4,329	–	19
	Receive Float / Pay Fixed		78,801	66,482	(2,473)
Exceptional Accrual Method for Interest Rate Swaps	Swaps:	Loans and Bills Discounted, Borrowed Money, etc.			
	Receive Fixed / Pay Float		30,000	30,000	Note 3
	Receive Float / Pay Fixed		20,645	20,645	
Total		–	–	–	180,326

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).

2. Fair values are determined using the discounted value of future cash flows and others.

3. Since items subject to exceptional accrual method for interest rate swaps are accounted for synthetically with the hedged item such as Loans and Bills Discounted, Borrowed Money and others, fair values thereof are included in the fair values of the corresponding Loans and Bills Discounted, Borrowed Money and others in the section of “Financial Instruments.”

(2) Currency-Related Transactions

As of March 31, 2012

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted, Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.	7,974,270	2,729,241	(190,606)
	Forward Exchange Contracts:				
	Sold		230,871	–	(14,683)
	Bought		1,376	–	(3)
Total		–	–	–	(205,293)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows and others.

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
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Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Currency Swaps:	Loans and Bills Discounted,	8,816,368	2,340,415	(421,944)
	Forward Exchange Contracts:	Deposits, Borrowed Money, Equity of Parent Company in Net Assets of Subsidiaries, etc.			
	Sold		230,289	–	(9,795)
	Bought		1,318	–	0
Total		–	–	–	(431,740)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows and others.

### (3) Stock-Related Transactions

As of March 31, 2012

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Method of Recognizing Profit or Loss on Hedged Items	Forward Contracts:	Other Securities	1,163	–	(285)
	Sold				
Total		–	–	–	(285)

Note: Fair values of over-the-counter contracts are determined using the discounted value of future cash flows and others.

As of March 31, 2013

None

### (4) Bond-Related Transactions

None

### (5) Commodity-Related Transactions

None

### (6) Credit Derivative Transactions

None

### (7) Weather Derivative Transactions

None

## Reserve for Employee Retirement Benefits

### 1. Outline of Adopted Employee Retirement Benefit Plans

(1) MHC B and its domestic consolidated subsidiaries adopt the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido) as Defined-Benefit Corporate Pension Plans. MHC B and its certain domestic consolidated subsidiaries adopted Defined-Contribution Pension Plans for part of the Termination Allowance Plans (Taishoku Ichijikin Seido).

(2) MHC B has established employee retirement benefit trusts.

### 2. Reserve for Employee Retirement Benefits are reconciled as follows:

Description		As of March 31, 2012	As of March 31, 2013
		Amount (Millions of Yen)	Amount (Millions of Yen)
Projected Benefit Obligation	(A)	(407,520)	(418,489)
Plan Assets	(B)	400,957	460,847
Unfunded Projected Benefit Obligations	(C) = (A) + (B)	(6,562)	42,358

Description	As of March 31, 2012	As of March 31, 2013
	Amount (Millions of Yen)	Amount (Millions of Yen)
Unrecognized Actuarial Differences (D)	131,235	69,549
Net Amounts on Consolidated Balance Sheet (E) = (C) + (D)	124,672	111,907
Prepaid Pension Cost (F)	138,442	129,856
Reserve for Employee Retirement Benefits (E) - (F)	(13,769)	(17,949)

- Notes: 1. The above Projected Benefit Obligations do not include additional retirement benefits paid to employees.  
2. The above Projected Benefit Obligations include the amount measured by certain consolidated subsidiaries under the non-actuarial method.

3. Breakdown of Retirement Benefit Expenses (Gains) was as follows:

Classification	For the year ended March 31, 2012	For the year ended March 31, 2013
	Amount (Millions of Yen)	Amount (Millions of Yen)
Service Cost	5,831	7,472
Interest Cost	9,508	7,018
Expected Return on Plan Asset	(10,958)	(9,642)
Amortization of Unrecognized Actuarial Differences	19,054	18,039
Others (such as Additional Retirement Benefit)	12,334	2,857
Net Retirement Benefit Expenses	35,771	25,745

- Notes: 1. The amount of employee contribution to Mizuho Pension Funds is deducted from "Service Cost."  
2. Retirement benefit expenses of some consolidated subsidiaries which adopt the non-actuarial method for calculating projected benefit obligations are included in "Service Cost" in full.

4. Assumptions Used in Calculation of Projected Benefit Obligations

(1) Discount Rate

For the year ended March 31, 2012	For the year ended March 31, 2013
Mainly 1.7%	Mainly 1.7%

(2) Expected Rate of Return on Plan Assets

For the year ended March 31, 2012	For the year ended March 31, 2013
Mainly 2.78% – 2.90%	Mainly 1.85% – 2.80%

(3) Method of Attributing the Projected Benefits to Periods of Service

Straight-line basis

(4) Amortization of Unrecognized Actuarial Differences

Primarily 10 to 12 years (The amount allocated by straight-line method over certain years within the average remaining service period of the employees of each fiscal year is expensed from the following fiscal year.)

Deferred Tax Assets and Liabilities

1. Breakdown of Deferred Tax Assets and Liabilities

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Deferred Tax Assets		

Tax Losses Carry-Forward	127,294	129,737
Devaluation of Securities	441,128	327,940
Allowance for Possible Losses on Loans	79,963	124,218
Net Unrealized Gains on Other Securities	69,945	17,166
Others	163,139	146,288
Subtotal Deferred Tax Assets	881,472	745,351
Valuation Allowance	(594,024)	(466,114)
Total Deferred Tax Assets	287,448	279,237
Deferred Tax Liabilities		
Net Unrealized Gains (Losses) on Other Securities	(42,231)	(202,398)
Prepaid Pension Cost	(47,044)	(44,629)
Net Deferred Hedge Gains (Losses), net of Taxes	(44,609)	(46,751)
Others	(56,264)	(55,830)
Total Deferred Tax Liabilities	(190,150)	(349,609)
Net Deferred Tax Assets (Liabilities)	97,297	(70,372)

2. Major Differences Between the Effective Statutory Tax Rate of MHC B and the Effective Income Tax Rate of Consolidated Financial Statements After Tax Effect Accounting Application

	As of March 31, 2012	As of March 31, 2013
Effective Statutory Tax Rate	40.6%	38.0%
(Adjustments)		
Changes in Valuation Allowance	(9.6)	(24.6)
Permanent Nontaxable Differences (e.g. cash dividends received)	(2.5)	(3.4)
Effect of Differences between the Statutory Tax Rate of MHC B and That of Subsidiaries	(4.8)	(6.4)
Adjustment to Reduce the Amount of Deferred Tax Assets at the End of the Year Due to Changes in Tax Rates	3.1	–
Other	(1.7)	(0.2)
Effective Income Tax Rate	25.0%	3.2%

Business Combination and Others

For the year ended March 31, 2013

Transaction under Common Control and Others

Mizuho Securities Co., Ltd., a consolidated subsidiary of Mizuho Corporate Bank, Ltd. (“MHC B”), and Mizuho Investors Securities Co., Ltd., a consolidated subsidiary of MHC B’s parent company, merged as of January 4, 2013 based on the merger agreement signed on May 15, 2012.

(1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, name of the company after the combination, and outline of the transaction including its purpose

1) Names of the companies involved in the combination and purposes of business

Items	Combining company	Combined company
Names of the companies involved in the combination	Mizuho Securities Co., Ltd.	Mizuho Investors Securities Co., Ltd.
Purposes of business	Financial instruments business	Financial instruments business

2) Date of the combination

January 4, 2013

3) Legal form of the combination

The absorption-type merger in which Mizuho Securities Co., Ltd. is the surviving company and Mizuho Investors Securities Co., Ltd. is the dissolving company.

4) Name of the company after the combination

Mizuho Securities Co., Ltd.

5) Outline of the transaction including its purpose

The merger is intended, in the securities business, to enhance the retail business in Japan, rationalize and streamline management infrastructure, and provide securities functions in a unified manner through Mizuho Financial Group's full-line securities company.

(2) Outline of accounting treatment

Based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008), this event has been treated as a transaction under common control.

Segment Information

Segment Information

1. Outline of Reportable Segments

MHCB and its group companies (the "Group") classify its operating segments based on the nature of products and services, attributes of customers and its organizational structure.

The below-mentioned reportable segment information is based on the internal control reports used by the management in assessing performance of each operating segment in the Group. Net business profits (before provision for general allowance for possible losses on loans) is mainly used for the assessment pursuant to the rules and practices of management accounting in the Group.

The Group classifies its operating segments into MHCB (non-consolidated), the Mizuho Securities Group, and others. Moreover, the operating segment of MHCB (non-consolidated) is classified into three reportable segments; namely, "Domestic division," "International division" and "Markets division and others."

Former Mizuho Securities Co., Ltd., which previously belonged to the Group, merged with former Mizuho Investors Securities Co., Ltd. in January 2013 and has started its business as the new Mizuho Securities Co., Ltd.

[(i) MHCB]

MHCB provides banking and other financial services to customers, such as large corporations, financial institutions, public corporations, Japanese and non-Japanese corporations in overseas countries, and foreign governments.

[(ii) Domestic division]

The domestic division provides financial instruments and services, such as commercial banking services, advisory services, syndicated loans, and structured finances, to domestic customers including large corporations, financial institutions and public corporations.

[(iii) International division]

The international division mainly provides commercial banking services and foreign exchange services to customers, such as Japanese and non-Japanese corporations in overseas countries through the Group's overseas network.

[(iv) Markets division and others]

The markets division and others supports operations of the domestic division and the international division by providing derivatives and other risk hedging instruments that respond to customer needs of financial and operational risk control. This reportable segment also performs foreign exchange transactions, bond trading and asset and liability management (ALM). The figures of this reportable segment include expenditures incurred at the control departments of headquarters.

[(v) Mizuho Securities Group]

The Mizuho Securities Group is comprised of Mizuho Securities Co., Ltd., which has launched its business as a result of the merger of the former Mizuho Securities Co., Ltd. and the former Mizuho Investors Securities Co., Ltd. in January 2013, and its subsidiaries. The Mizuho Securities Group plays a core role in the investment banking business of the Group, providing full-line securities services to customers, such as business entities, financial institutions, public corporations and individual customers.

[(vi) Others]

Others is comprised of the subsidiaries of MHCB other than the Mizuho Securities Group companies, and provides financial instruments and services mainly to customers of the Group.

2. Measurement Method of Gross Profits, Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) and Assets by Reportable Segment

The below-mentioned reportable segment information is based on the internal control reports.

Gross profits is the total of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income.

Net business profits (before provision for general allowance for possible losses on loans) is the amount obtained by deducting or adjusting expenses (excluding extraordinary items) and other (consolidation adjustment items including equity in earnings/losses from investments in affiliates) from gross profits.

Asset information by segment has not been prepared because the management does not use the asset information by segment in deciding the allocation of resources and in assessing performance.

Gross profits of inter-segment transactions is based on actual market prices.

3. Information of Amounts of Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i)	(ii) Domestic division	(iii) International division	(iv) Markets division and others	(v) Mizuho Securities Group	(vi) Others	Total
	MHCB						
Gross Profits	681,761	302,700	177,200	201,861	143,625	92,270	917,658
Expenses (excluding Extraordinary Items)	244,869	88,500	60,300	96,069	192,937	27,637	465,444
Other	-	-	-	-	(85)	(51,991)	(52,077)
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	436,892	214,200	116,900	105,792	(49,397)	12,640	400,136

- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.  
2. The figures of "(vi) Others" include those to be eliminated as inter-office transactions among reportable segments.  
3. As a result of the start of "substantive one bank structure" in April 2012, and the accompanying change in the method of allocating profits among segments, the calculation method for Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of "(ii) Domestic division," "(iii) International division" and "(iv) Markets division and others" was changed. To reflect this change, the figures in the above table show those after reclassification.

For the year ended March 31, 2013

(Millions of Yen)

	(i)	(ii) Domestic division	(iii) International division	(iv) Markets division and others	(v) Mizuho Securities Group	(vi) Others	Total
	MHCB						
Gross Profits	735,075	298,100	214,300	222,675	227,193	96,673	1,058,942
Expenses (excluding Extraordinary Items)	241,048	80,000	61,500	99,548	197,133	33,781	471,963
Other	-	-	-	-	13	(50,021)	(50,008)
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	494,026	218,100	152,800	123,126	30,073	12,870	536,971

- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.  
2. The figures of "(vi) Others" include those to be eliminated as inter-office transactions among reportable segments.  
3. As a result of the start of "substantive one bank structure" in April 2012, and the accompanying change in the method of allocating profits among segments, the calculation method for Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of "(ii) Domestic division," "(iii) International division" and "(iv) Markets division and others" was changed.  
4. Following the merger of the former Mizuho Securities Co., Ltd. and the former Mizuho Investors Securities Co., Ltd. in January 2013, the figures of "(v) Mizuho Securities Group" include financial results for the nine months ended December 31, 2012 of the former Mizuho Securities Co., Ltd. and financial results for the fourth quarter ended March 31, 2013 of the new Mizuho Securities Co., Ltd.

4. Reconciliation Between the Total of Reportable Segments and the Amounts on Consolidated Statement of Income

Each of the above-mentioned gross profits and net business profits (before provision for general allowance for possible losses on loans) of reportable segments based on the internal control reports differs from the corresponding amount on the consolidated statement of income. The reconciliations thereof are shown below.

(1) Total of Gross Profits of Reportable Segments and Ordinary Profits on Consolidated Statement of Income

(Millions of Yen)

Gross Profits	For the year ended March 31, 2012	For the year ended March 31, 2013
Total of Reportable Segments	917,658	1,058,942
Other Ordinary Income	38,607	71,472
General and Administrative Expenses	(484,222)	(491,935)
Other Ordinary Expenses	(119,373)	(280,086)
Ordinary Profits on Consolidated Statement of Income	352,669	358,393

(2) Total of Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of Reportable Segments and Income before Income Taxes and Minority Interests on Consolidated Statement of Income

(Millions of Yen)

Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	For the year ended March 31, 2012	For the year ended March 31, 2013
Total of Reportable Segments	400,136	536,971
Expenses (for Extraordinary Items)	(18,777)	(19,972)
Expenses Related to Portfolio Problems (Including Reversal of Provision for General Allowance for Possible Losses on Loans)	(20,299)	(147,746)
Net Gains (Losses) Related to Stocks and Others	(46,138)	(85,816)
Net Extraordinary Gains (Losses)	75,898	(29,807)
Other	37,749	74,957
Income before Income Taxes and Minority Interests on Consolidated Statement of Income	428,567	328,586

#### Related Information

For the year ended March 31, 2012

##### 1. Information by Geographic Area

###### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
891,289	135,349	137,871	186,410	1,350,920

Notes: 1. For MHCBS and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHCBS (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHCBS overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHCBS overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHCBS overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

###### (2) Tangible Fixed Assets

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
120,091	5,986	5,159	6,043	137,281

##### 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

For the year ended March 31, 2013

##### 1. Information by Geographic Area

###### (1) Ordinary Income

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
954,672	208,317	136,735	247,968	1,547,693

Notes: 1. For MHC B and its consolidated subsidiaries, Ordinary Income, which is in lieu of Sales as is the case for non-financial companies, is presented by classification into Japan and some geographic areas in consideration of geographic proximity, similarity of economic activities, interrelation of business activities, etc.

2. The figure of "Japan" indicates Ordinary Income of MHC B (excluding overseas branches) and its consolidated subsidiaries in Japan; that of "Americas" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Americas, such as Canada and the United States of America; that of "Europe" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Europe such as the United Kingdom; and that of "Asia/Oceania excluding Japan" indicates Ordinary Income of MHC B overseas branches and its consolidated subsidiaries located in Asia and Oceania excluding Japan, such as Hong Kong and the Republic of Singapore.

## (2) Tangible Fixed Assets

(Millions of Yen)

Japan	Americas	Europe	Asia/Oceania excluding Japan	Total
124,983	6,484	2,999	7,546	142,014

## 2. Information by Major Client

Information by major client is not presented since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

Information of Losses on Impairment of Fixed Assets by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i) MHC B	(ii)-(iv)			(v) Mizuho Securities Group	(vi) Others	Total
		(ii) Domestic division	(iii) Internation al division	(iv) Markets division and others			
Losses on Impairment of Fixed Assets	243	-	-	243	1,137	-	1,381

For the year ended March 31, 2013

(Millions of Yen)

	(i) MHC B	(ii)-(iv)			(v) Mizuho Securities Group	(vi) Others	Total
		(ii) Domestic division	(iii) Internation al division	(iv) Markets division and others			
Losses on Impairment of Fixed Assets	1,600	-	-	1,600	1,737	0	3,338

Information of Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i) MHC B	(ii)-(iv)			(v) Mizuho Securities Group	(vi) Others	Total
		(ii) Domestic division	(iii) Internation al division	(iv) Markets division and others			
Amount of amortization during the fiscal year	-	-	-	-	-	184	184
Balance at the end of the fiscal year	-	-	-	-	-	1,658	1,658

For the year ended March 31, 2013

(Millions of Yen)

	(i)				(v) Mizuho Securities Group	(vi) Others	Total
	MHCB	(ii) Domestic division	(iii) Internation al division	(iv) Markets division and others			
Amount of amortization during the fiscal year	-	-	-	-	-	217	217
Balance at the end of the fiscal year	-	-	-	-	-	1,742	1,742

#### Information of Gains on Negative Goodwill Incurred by Reportable Segment

For the year ended March 31, 2012

“(vi) Others” includes ¥89,100 million of Gains on Negative Goodwill Incurred, which was recognized in line with the turning of a securities subsidiary into a wholly-owned subsidiary.

For the year ended March 31, 2013

“(vi) Others” includes ¥11,742 million of Gains on Negative Goodwill Incurred, which was recognized in line with the merger of securities companies.

#### Related Party Transactions

##### 1. Related Party Transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

(A) Companies, etc. whose parent company is the same as that of the company submitting the consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting the consolidated financial statements

For the year ended March 31, 2012

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Interlocking Directorate				
Companies whose parent company is the same	Mizuho Bank, Ltd.	Chiyoda-ku, Tokyo	700,000	Banking	-	Debtor-Creditor Relationship • Leasing Relationship of Facilities	2	Financing by call money	8,550,000 (*1)	Call Money and Bills Sold	8,550,000

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

##### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

For the year ended March 31, 2013

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Interlocking Directorate				
Companies whose parent company is the same	Mizuho Bank, Ltd.	Chiyoda-ku, Tokyo	700,000	Banking	-	Debtor-Creditor Relationship • Leasing Relationship of Facilities	3	Financing by call money	9,800,000 (*1)	Call Money and Bills Sold	9,800,000

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

#### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

- (2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

No material items that should be disclosed.

#### 2. Notes Concerning the Parent Company or Important Affiliated Companies

- (1) Parent company information

Mizuho Financial Group, Inc. (listed on the Tokyo Stock Exchange (first section), the Osaka Securities Exchange (first section) and the New York Stock Exchange)

- (2) Summary of financial information of important affiliated companies

None

#### Per Share Information

		For the year ended March 31, 2012	For the year ended March 31, 2013
Net Assets per Share	Yen	216,544.16	254,226.60
Net Income per Share	Yen	17,389.87	16,091.18
Net Income per Share – Diluted	Yen	17,389.84	16,091.16

Notes: 1. The basis used for calculating Net Assets per Share is as follows:

		As of March 31, 2012	As of March 31, 2013
Net Assets per Share			
Total Net Assets	Millions of Yen	4,732,660	5,359,529
Amount to be deducted from the Total Net Assets	Millions of Yen	1,235,131	1,253,369
Of which subscriptions to preferred stock	Millions of Yen	4	4
Of which preferred dividends	Millions of Yen	0	0
Of which minority interests	Millions of Yen	1,235,126	1,253,365
Net Assets that belong to Common Stock at the end of the year	Millions of Yen	3,497,528	4,106,159
Number of shares of common stock at the end of the year, which is used to calculate Net Assets per Share	Thousands of Shares	16,151	16,151

2. The basis used for calculating Net Income per Share and Diluted Net Income per Share is as follows:

		For the year ended March 31, 2012	For the year ended March 31, 2013
Net Income per Share			
Net Income	Millions of Yen	280,873	259,898
Amount not attributable to Common Shareholder	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Net Income that belongs to Common Stock	Millions of Yen	280,873	259,897
Average number of shares of Common Stock during the year	Thousands of Shares	16,151	16,151
Net Income per Share – Diluted			
Adjustment on Net Income	Millions of Yen	0	0

		For the year ended March 31, 2012	For the year ended March 31, 2013
Of which preferred dividends	Millions of Yen	0	0
Increase in Common Stock	Thousands of Shares	0	0
Of which increase due to Preferred Stock	Thousands of Shares	0	0
Outline of potential shares that were not used in calculating Diluted Net Income per Share because they have no dilutive effects		—————	—————

#### Significant Subsequent Events

At the meeting of the Board of Directors and the General Meeting of Shareholders that were held on March 29, 2013, Mizuho Corporate Bank, Ltd. (“MHC B”) adopted a resolution to distribute as dividend-in-kind all shares of Mizuho Securities Co., Ltd. (“MHSC”), a consolidated subsidiary of MHC B, to Mizuho Financial Group, Inc. (“MHFG”), the parent company of MHC B. As a result of such distribution of dividends conducted as of April 1, 2013, MHSC has become a directly-held subsidiary of MHFG.

- (1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, and outline of the transaction including its purpose

1) Names of the companies involved in the combination and purposes of business

Items	Directly-holding parent company	Directly-held subsidiary
Names of the companies involved in the combination	MHFG	MHSC
Purposes of business	Financial holding company	Financial instruments business

2) Date of the combination

April 1, 2013 Date of distribution of dividend-in-kind

3) Legal form of the combination

The combination will be conducted by MHC B and Mizuho Bank, Ltd., each a wholly-owned subsidiary of MHFG, distributing to MHFG all of the shares of MHSC that are held by each of MHC B and Mizuho Bank, Ltd. as a dividend in kind.

4) Outline of the transaction including its purpose

MHFG aims to build the most effective and advanced group management structure. This will include moving to a “single bank” and “single securities” structure that aims to promote timely and unified group strategic planning under the strong governance of the holding company as well as taking advantage of the characteristics and competitiveness of being the only Japanese banking group that holds its own bank, trust bank and securities company. It will also include moving to a new group capital structure and new group operational structure and the strengthening of group governance. Toward this end, MHFG has turned MHSC, a consolidated subsidiary of MHFG, into its directly-held subsidiary and has moved to a new group capital structure, which places banking, trust banking, securities and other major group companies under the direct control of the holding company.

(2) Outline of accounting treatment

This event has been treated based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) and “Guidance on Accounting Standard for Treasury Shares and Appropriation of Legal Reserves” (ASBJ Guidance No. 2, August 11, 2006), and MHSC and its consolidated subsidiaries have been excluded from the scope of consolidation of MHC B.

#### 5) Consolidated Supplementary Financial Schedules

##### Schedule of Bonds and Notes

Company	Type of Bond	Date of Issuance	Beginning Balance (Millions of Yen)	Ending Balance (Millions of Yen)	Interest Rate (%)	Collateral	Date of Maturity
MHC B	Straight Corporate Bond (Note) 1, 4, 5	Feb. 2004 – Mar. 2013	3,111,654 (USD 1,508,595 thousand) (EUR 5,000 thousand)	3,316,503 [589,600] (USD 5,494,286 thousand)	0.00 – 3.88	None	Apr. 2013 – Feb. 2043
	Short-term Bond (Note) 4	Jan. 2013 – Mar. 2013	97,400	40,000 [40,000]	0.07 – 0.11	None	Apr. 2013 – May 2013
*1	Straight Corporate Bond	Jul. 1995 – May 2012	90,342 (USD 20,000)	58,600	1.30 – 3.90	None	Jan. 2019 –

Company	Type of Bond	Date of Issuance	Beginning Balance (Millions of Yen)	Ending Balance (Millions of Yen)	Interest Rate (%)	Collateral	Date of Maturity
	(Note) 2, 5		thousand)				
*2	Straight Corporate Bond (Note) 2, 4, 5	Sep. 2002 – Mar. 2013	579,773 (USD 114,838 thousand) (AUD 1,740 thousand)	574,518 [82,071] (USD 101,560 thousand) (AUD 7,370 thousand) (EUR 99,971 thousand) (CNY 997,942 thousand)	0.00 – 17.68	None	Apr. 2013 – Mar. 2043
*3	Short-term Bond (Note) 3, 4	Oct. 2012 – Mar. 2013	333,300	312,400 [312,400]	0.09 – 0.14	None	Apr. 2013 – Mar. 2014
Total	–	–	4,212,470	4,302,021	–	–	–

- Notes: 1. “Straight Corporate Bonds” include Euro-yen bonds (Ending Balance ¥108,600 million) and others.  
2. \*1 and \*2 are summaries of the straight corporate bonds issued by the consolidated subsidiaries as following:

	Name of Consolidated Subsidiaries
*1	Mizuho Finance (Cayman) Limited, Mizuho Finance (Curacao) N. V.
*2	Mizuho Securities Co., Ltd., Mizuho International plc, Aardvark ABS CDO 2007-1, Mizuho Corporate Bank (China), Ltd.

3. \*3 refers to Short-Term Corporate Bonds issued by Mizuho Securities Co., Ltd.  
4. Figures indicated in [ ] represent the amounts to be redeemed within one year.  
5. For foreign bonds and notes, original currencies amounts are presented in ( ).  
6. Amounts of redemption within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Amount (Millions of Yen)	1,024,071	630,418	532,925	601,857	762,728

#### Schedule of Borrowed Money

(Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Borrowed Money	7,834,513	3,036,265	1.00	–
Other Borrowings	7,834,513	3,036,265	1.00	Apr. 2013 –
Lease Obligations	1,065	3,111	2.25	Apr. 2013 – Dec. 2019

- Notes: 1. “Average Interest Rate” is calculated by weighted average of “Interest” and “Ending Balance” at the balance sheet date.  
2. Repayments of Other Borrowings and Lease Obligations within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Other Borrowings (Millions of Yen)	1,375,942	418,756	426,885	66,297	70,840
Lease Obligations (Millions of Yen)	717	524	462	430	401

Since banking business accepts deposit and funds money from call market and promissory note market for the operating purposes, the details of “Borrowed Money” and “Lease Obligations” in “Other Liabilities” in the “Liabilities” section of the consolidated balance sheet are presented in the Schedule of Borrowed Money.

(Reference) Details of issued commercial paper by the promissory note method, by which MHC B funds money as operating activities.

(Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Commercial Paper	362,694	472,718	0.26	–

#### Schedule of Asset Retirement Obligations

Information of Schedule of Asset Retirement Obligations is not presented as it is permitted by the provisions of Article 92-2 of the Regulations of Consolidated Financial Statements, since the amount of Asset Retirement Obligations is one percent or less of the total of Liabilities and Net Assets.

(2) Others  
None

Independent Auditor's Report  
(Translation)

June 21, 2013

The Board of Directors  
Mizuho Corporate Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner  
Certified Public Accountant Mutsuo Emi

Designated and Engagement Partner  
Certified Public Accountant Ryuichi Nagano

Designated and Engagement Partner  
Certified Public Accountant Nobuko Kubo

Designated and Engagement Partner  
Certified Public Accountant Hiroshi Nishida

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets, the consolidated statement of cash flows, the basis of preparation of consolidated financial statements, other notes to the consolidated financial statements and the related consolidated supplementary financial schedules of Mizuho Corporate Bank, Ltd. (the "Company") applicable to the fiscal year from April 1, 2012 through March 31, 2013, stated in the financial information section.

*Management's Responsibility for the Consolidated Financial Statements and the Related Consolidated Supplementary Financial Schedules*

Management is responsible for the preparation and fair presentation of these consolidated financial statements and the related consolidated supplementary financial schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements and the related consolidated supplementary financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the related consolidated supplementary financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the related consolidated supplementary financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the related consolidated supplementary financial schedules, whether due to fraud or error. The purpose of an audit of the consolidated financial statements and the related consolidated supplementary financial schedules is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the related consolidated supplementary financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements and the related consolidated supplementary financial schedules referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Mizuho Corporate Bank Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

*Emphasis of Matter*

We draw attention to the note to the consolidated financial statements for the significant subsequent events, which describes the adoption by the Company of a resolution to distribute as dividend-in-kind all shares of Mizuho Securities Co., Ltd., a consolidated subsidiary of the Company, to Mizuho Financial Group, Inc., the parent company of the Company, at the meeting of the Board of Directors and the General Meeting of Shareholders that were held on March 29, 2013, and Mizuho Securities Co., Ltd. turning into a directly-held subsidiary of Mizuho Financial Group, Inc. as a result of such distribution of dividends conducted as of April 1, 2013. Our opinion is not qualified in respect of this matter.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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- Notes: 1. The above report is the electronic version of the original “Independent Auditor’s Report.” The original version is separately retained by the Company.
2. The scope of the consolidated financial statements did not include the associated XBRL data.

#### **IV. Fiscal Year Ended March 31, 2013 (Former MHBK)**

##### Financial Information

1. The consolidated financial statements of Mizuho Bank, Ltd. (“MHBK”) are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976). The classification of assets and liabilities and that of income and expenses are in accordance with the “Ordinance for Enforcement of the Banking Act” (Ordinance of the Ministry of Finance No. 10 of 1982).
2. The non-consolidated financial statements of MHBK are prepared in accordance with the “Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.” (Ordinance of the Ministry of Finance No. 59 of 1963). The classification of assets and liabilities and that of income and expenses are in accordance with the Ordinance for Enforcement of the Banking Act (Ordinance of the Ministry of Finance No. 10 of 1982).
3. The consolidated financial statements and the non-consolidated financial statements of MHBK for the year ended March 31, 2013 were audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
4. MHBK sincerely endeavors to secure appropriateness of consolidated financial statements or the like. Specifically, in order to comprehend the detail of accounting standards and other regulations and properly respond to the amendments and changes thereof, we have joined relevant organizations such as Financial Accounting Standards Foundation and Japanese Bankers Association, and gather information, dispatch our opinion in a proactive manner, and participate in training seminars held thereby. With regard to amendments and changes to important accounting standards and other regulations, proposals or reports are properly made at the Board of Directors, in particular.

1. Consolidated Financial Statements and Others

(1) Consolidated Financial Statements

1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2012		As of March 31, 2013	
<b>Assets</b>				
Cash and Due from Banks		3,118,624		4,823,323
Call Loans and Bills Purchased		8,640,000		9,890,000
Receivables under Resale Agreements		4,148		–
Guarantee Deposits Paid under Securities Borrowing Transactions		1,055,840		202,893
Other Debt Purchased		1,327,011		1,080,119
Trading Assets	*2, *8	1,459,739	*2, *8	897,689
Money Held in Trust		16,465		–
Securities	*1, *8, *15	24,924,130	*1, *8, *15	25,476,711
Loans and Bills Discounted	*3, *4, *5, *6, *7, *8, *9	32,497,425	*3, *4, *5, *6, *7, *8, *9	32,223,582
Foreign Exchange Assets	*7	109,477	*7	116,627
Other Assets	*8	2,055,724	*8	1,417,529
Tangible Fixed Assets	*11, *12	744,212	*11, *12	716,508
Buildings		268,891		260,477
Land	*10	386,207	*10	381,388
Lease Assets		12,295		14,953
Construction in Progress		7,519		11,192
Other Tangible Fixed Assets		69,298		48,497
Intangible Fixed Assets		230,654		235,769
Software		102,506		104,392
Goodwill		2,131		2,054
Lease Assets		2,847		3,290
Other Intangible Fixed Assets		123,169		126,032
Deferred Tax Assets		233,571		137,977
Customers' Liabilities for Acceptances and Guarantees		1,222,553		1,274,759
Allowance for Possible Losses on Loans		(441,216)		(375,429)
Allowance for Possible Losses on Investments		(1)		(12)
<b>Total Assets</b>		<b>77,198,363</b>		<b>78,118,048</b>

(Millions of Yen)

	As of March 31, 2012		As of March 31, 2013	
<b>Liabilities</b>				
Deposits	*8	57,707,377	*8	59,891,268
Negotiable Certificates of Deposit		961,290		1,053,520
Call Money and Bills Sold	*8	1,193,800	*8	1,665,700
Payables under Repurchase Agreements	*8	21,684	*8	4,999
Guarantee Deposits Received under Securities Lending Transactions	*8	2,734,258	*8	3,423,408
Trading Liabilities		590,284		212,103
Borrowed Money	*8, *13	6,286,214	*8, *13	4,422,193
Foreign Exchange Liabilities		12,397		14,163
Short-term Bonds		19,498		–
Bonds and Notes	*14	789,700	*14	831,900

	As of March 31, 2012	As of March 31, 2013
Other Liabilities	2,864,593	2,145,735
Reserve for Bonus Payments	11,402	10,307
Reserve for Employee Retirement Benefits	7,298	3,790
Reserve for Retirement Benefits for Directors and Corporate Auditors	862	287
Reserve for Reimbursement of Deposits	14,612	15,366
Reserve for Reimbursement of Debentures	20,193	35,417
Reserves under Special Laws	187	–
Deferred Tax Liabilities	2,662	5,357
Deferred Tax Liabilities for Revaluation Reserve for Land	*10 66,381	*10 65,768
Acceptances and Guarantees	1,222,553	1,274,759
Total Liabilities	<u>74,527,252</u>	<u>75,076,047</u>
Net Assets		
Common Stock and Preferred Stock	700,000	700,000
Capital Surplus	1,057,242	1,057,242
Retained Earnings	366,890	555,784
Total Shareholder's Equity	<u>2,124,133</u>	<u>2,313,027</u>
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	(1,837)	224,876
Net Deferred Hedge Losses, net of Taxes	(11,599)	(498)
Revaluation Reserve for Land, net of Taxes	*10 116,081	*10 114,969
Foreign Currency Translation Adjustments	262	240
Total Accumulated Other Comprehensive Income	<u>102,907</u>	<u>339,588</u>
Minority Interests	444,070	389,386
Total Net Assets	<u>2,671,110</u>	<u>3,042,001</u>
Total Liabilities and Net Assets	<u>77,198,363</u>	<u>78,118,048</u>

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Ordinary Income	1,177,722	1,212,130
Interest and Dividend Income	657,955	621,504
Interest on Loans and Bills Discounted	463,973	439,215
Interest and Dividends on Securities	117,315	113,710
Interest on Call Loans and Bills Purchased	29,270	29,858
Interest on Receivables under Resale Agreements	4	3
Interest on Securities Borrowing Transactions	759	550
Interest on Due from Banks	7,078	7,061
Other Interest Income	39,554	31,105
Fee and Commission Income	236,936	248,898
Trading Income	45,279	25,774
Other Operating Income	109,231	171,599
Other Ordinary Income	128,320	144,354
Reversal of Allowance for Possible Losses on Loans	50,567	46,256

	For the year ended March 31, 2012	For the year ended March 31, 2013
Recovery of Written-Off Claims	31,470	14,939
Others	*1 46,281	*1 83,157
Ordinary Expenses	941,801	883,789
Interest Expenses	74,033	70,910
Interest on Deposits	35,652	30,670
Interest on Negotiable Certificates of Deposit	1,057	957
Interest on Debentures	384	–
Interest on Call Money and Bills Sold	1,173	1,175
Interest on Payable under Repurchase Agreements	20	11
Interest on Securities Lending Transactions	4,914	7,970
Interest on Borrowed Money	11,791	11,990
Interest on Short-term Bonds	33	23
Interest on Bonds and Notes	18,450	17,427
Other Interest Expenses	555	683
Fee and Commission Expenses	60,380	59,457
Trading Expenses	675	1,853
Other Operating Expenses	24,608	24,630
General and Administrative Expenses	656,606	610,522
Other Ordinary Expenses	*2 125,497	*2 116,415
Ordinary Profits	235,920	328,340

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Extraordinary Gains	6,236	30,138
Gains on Disposal of Fixed Assets	101	90
Gains on Negative Goodwill Incurred	6,135	30,040
Reversal of Reserve for Contingent Liabilities from Financial Instruments Transactions	0	7
Extraordinary Losses	9,631	32,037
Losses on Disposal of Fixed Assets	3,980	4,551
Losses on Impairment of Fixed Assets	5,650	8,085
Other Extraordinary Losses	*3 –	*3 19,401
Income before Income Taxes and Minority Interests	232,526	326,441
Current Income Taxes	3,163	11,769
Deferred Income Taxes	32,010	20,302
Total Income Taxes	35,174	32,072
Income before Minority Interests	197,351	294,369
Minority Interests in Net Income	15,746	15,739
Net Income	181,605	278,630

## Consolidated Statement of Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Income before Minority Interests	197,351	294,369
Other Comprehensive Income	*1 45,360	*1 239,465
Net Unrealized Gains on Other Securities, net of Taxes	49,809	223,232
Net Deferred Hedge Gains (Losses), net of Taxes	(15,608)	11,101
Revaluation Reserve for Land, net of Taxes	9,432	(41)
Foreign Currency Translation Adjustments	(83)	(138)
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method	1,811	5,311
Comprehensive Income	242,712	533,834
Comprehensive Income Attributable to		
Comprehensive Income Attributable to Owners of the Parent	226,358	516,381
Comprehensive Income Attributable to Minority Interests	16,353	17,452

## 3) Consolidated Statement of Changes in Net Assets

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Shareholder's Equity		
Common Stock and Preferred Stock		
Balance as of the beginning of the year	700,000	700,000
Changes during the year		
Total Changes during the year	–	–
Balance as of the end of the year	700,000	700,000
Capital Surplus		
Balance as of the beginning of the year	1,057,242	1,057,242
Changes during the year		
Total Changes during the year	–	–
Balance as of the end of the year	1,057,242	1,057,242
Retained Earnings		
Balance as of the beginning of the year	183,060	366,890
Changes during the year		
Cash Dividends	(0)	(90,806)
Net Income	181,605	278,630
Transfer of Revaluation Reserve for Land, net of Taxes	2,224	1,070
Total Changes during the year	183,829	188,894
Balance as of the end of the year	366,890	555,784
Total Shareholder's Equity		
Balance as of the beginning of the year	1,940,303	2,124,133
Changes during the year		
Cash Dividends	(0)	(90,806)
Net Income	181,605	278,630
Transfer of Revaluation Reserve for Land,	2,224	1,070

	For the year ended March 31, 2012	For the year ended March 31, 2013
net of Taxes		
Total Changes during the year	183,829	188,894
Balance as of the end of the year	2,124,133	2,313,027
Accumulated Other Comprehensive Income		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes		
Balance as of the beginning of the year	(52,863)	(1,837)
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	51,026	226,713
Total Changes during the year	51,026	226,713
Balance as of the end of the year	(1,837)	224,876
Net Deferred Hedge Gains (Losses), net of Taxes		
Balance as of the beginning of the year	4,009	(11,599)
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(15,608)	11,101
Total Changes during the year	(15,608)	11,101
Balance as of the end of the year	(11,599)	(498)

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Revaluation Reserve for Land, net of Taxes		
Balance as of the beginning of the year	108,873	116,081
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	7,207	(1,111)
Total Changes during the year	7,207	(1,111)
Balance as of the end of the year	116,081	114,969
Foreign Currency Translation Adjustments		
Balance as of the beginning of the year	358	262
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	(96)	(22)
Total Changes during the year	(96)	(22)
Balance as of the end of the year	262	240
Total Accumulated Other Comprehensive Income		
Balance as of the beginning of the year	60,379	102,907
Changes during the year		
Net Changes in Items other than Shareholder's Equity during the year	42,528	236,680
Total Changes during the year	42,528	236,680
Balance as of the end of the year	102,907	339,588
Minority Interests		
Balance as of the beginning of the year	481,236	444,070
Changes during the year		
Net Changes in Items other than	(37,165)	(54,684)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Shareholder's Equity during the year		
Total Changes during the year	(37,165)	(54,684)
Balance as of the end of the year	444,070	389,386
Total Net Assets		
Balance as of the beginning of the year	2,481,918	2,671,110
Changes during the year		
Cash Dividends	(0)	(90,806)
Net Income	181,605	278,630
Transfer of Revaluation Reserve for Land, net of Taxes	2,224	1,070
Net Changes in Items other than Shareholder's Equity during the year	5,362	181,996
Total Changes during the year	189,192	370,890
Balance as of the end of the year	2,671,110	3,042,001

#### 4) Consolidated Statement of Cash Flows

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Cash Flows from Operating Activities		
Income before Income Taxes and Minority Interests	232,526	326,441
Depreciation	90,891	85,479
Losses on Impairment of Fixed Assets	5,650	8,085
Amortization of Goodwill	60	274
Gains on Negative Goodwill Incurred	(6,135)	(30,040)
Equity in Earnings from Investments in Affiliates	(2,293)	(7,824)
Decrease in Allowance for Possible Losses on Loans	(78,758)	(65,652)
Increase (Decrease) in Allowance for Possible Losses on Investments	(12)	10
Decrease in Reserve for Bonus Payments	(111)	(424)
Increase in Reserve for Employee Retirement Benefits	355	1,077
Increase (Decrease) in Reserve for Retirement Benefits for Directors and Corporate Auditors	61	(153)
Increase in Reserve for Reimbursement of Deposits	532	754
Increase in Reserve for Reimbursement of Debentures	6,849	15,224
Interest and Dividend Income	(657,955)	(621,504)
Interest Expenses	74,033	70,910
Gains on Securities	(47,896)	(60,303)
Gains on Money Held in Trust	(4)	(7)
Foreign Exchange Losses (Gains) – Net	18,493	(277,815)
Losses on Disposal of Fixed Assets	3,879	4,461
Losses on Employee Retirement Benefit Trusts	1,268	–
Net Decrease in Trading Assets	15,984	514,217
Net Decrease in Trading Liabilities	(78,016)	(346,560)
Net Decrease in Loans and Bills Discounted	847,708	259,025
Net Increase in Deposits	1,485,074	2,183,114
Net Increase in Negotiable Certificates of Deposit	200,090	92,230
Net Decrease in Debentures	(740,932)	–
Net Increase (Decrease) in Borrowed Money excluding Subordinated Borrowed Money	797,511	(1,813,905)
Net Decrease in Due from Banks excluding Deposits with Central Banks	24,025	229,129
Net Decrease (Increase) in Call Loans and Others	105,590	(1,003,056)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Net Decrease (Increase) in Guarantee Deposits Paid under Securities Borrowing Transactions	(234,820)	809,997
Net Increase in Call Money and Others	65,580	455,214
Net Increase in Guarantee Deposits Received under Securities Lending Transactions	1,090,893	695,898
Net Decrease (Increase) in Foreign Exchange Assets	21,070	(7,150)
Net Increase (Decrease) in Foreign Exchange Liabilities	(1,643)	1,766
Net Increase (Decrease) in Short-term Bonds (Liabilities)	3,000	(1,499)
Interest and Dividend Received	667,866	646,740
Interest Paid	(74,424)	(86,452)
Other – Net	5,329	197,816
Subtotal	3,841,325	2,275,517
Income Taxes Paid	(2,348)	(3,589)
Net Cash Provided by Operating Activities	3,838,977	2,271,928

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Cash Flows from Investing Activities		
Payments for Purchase of Securities	(47,211,424)	(63,728,247)
Proceeds from Sales of Securities	34,845,344	53,273,697
Proceeds from Redemption of Securities	7,146,701	10,399,408
Payments for Increase in Money Held in Trust	(40,000)	(34,000)
Proceeds from Decrease in Money Held in Trust	42,500	29,004
Payments for Acquisition of Tangible Fixed Assets	(40,187)	(26,113)
Payments for Acquisition of Intangible Fixed Assets	(49,954)	(50,008)
Proceeds from Sales of Tangible Fixed Assets	4,138	625
Payments for Purchase of Subsidiaries' Stocks (Affecting the Scope of Consolidation)	(634)	–
Payments for Purchase of Subsidiaries' Stocks	(36)	–
Payments for Purchase of the Parent's Stock	(36,815)	–
Proceeds from Sales of the Parent's Stock	1	–
Net Cash Used in Investing Activities	(5,340,367)	(135,633)
Cash Flows from Financing Activities		
Proceeds from Subordinated Borrowed Money	8,000	5,000
Repayments of Subordinated Borrowed Money	(19,000)	(47,000)
Proceeds from Issuance of Subordinated Bonds	128,000	127,000
Repayments for Redemption of Subordinated Bonds	(245,200)	(84,800)
Proceeds from Stock Issuance to Minority Shareholders	655	2,455
Repayments to Minority Shareholders	–	(63,600)
Dividends Paid	(0)	(90,806)
Dividends Paid to Minority Shareholders	(17,883)	(17,049)
Net Cash Used in Financing Activities	(145,428)	(168,801)
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(131)	662
Net Increase (Decrease) in Cash and Cash Equivalents	(1,646,950)	1,968,156
Cash and Cash Equivalents at the Beginning of the Year	3,972,610	2,325,660
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiaries	0	–
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiaries from Consolidation	–	(124)
Cash and Cash Equivalents at the End of the Year	*1 2,325,660	*1 4,293,692

## Notes to Consolidated Financial Statements

### Basis of Preparation of Consolidated Financial Statements

#### 1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 33

(Change in scope of consolidation)

During the fiscal year, Mizuho Growth Fund Limited Partnership and one other company were included in the scope of consolidation as a result of their new incorporations and other factors.

During the fiscal year, Mizuho Investors Securities Co., Ltd. and three other companies were excluded from the scope of consolidation since they are no longer categorized as subsidiaries as a result of dissolution upon merger.

- (2) Non-consolidated subsidiaries

None

#### 2. Application of Equity Method

- (1) Non-consolidated subsidiaries accounted for by the equity method

None

- (2) Number of affiliates accounted for by the equity method: 11

Names of principal companies:

Mizuho Securities Co., Ltd.

UC Card Co., Ltd.

Defined Contribution Plan Services Co., Ltd.

(Change in scope of equity method)

During the fiscal year, Mizuho Securities Co., Ltd. and one other company were included in the scope of the equity method as a result of acquisition of shares upon merger and other factors.

During the fiscal year, MHCBC Consulting (Thailand) Co., Ltd. was excluded from the scope of the equity method since it is no longer categorized as an affiliate as a result of sales of its shares.

- (3) Non-consolidated subsidiaries not accounted for by the equity method

None

- (4) Affiliates not accounted for by the equity method

None

#### 3. Balance Sheet Dates of Consolidated Subsidiaries

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

September 30:	1 company
December 29:	5 companies
December 31:	10 companies
March 31:	17 companies

- (2) The consolidated subsidiary with the balance sheet date of September 30 is consolidated based on its provisional financial statements as of the date of the consolidated balance sheet. The consolidated subsidiaries with the balance sheet date of December 29 are consolidated based on their provisional financial statements as of December 31. Other consolidated subsidiaries are consolidated based on their financial statements as of their respective balance sheet dates.

The necessary adjustments have been made to the consolidated financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated balance sheet.

#### 4. Special Purpose Entities Subject to Disclosure

- (1) Outline of special purpose entities subject to disclosure and outline of transactions utilizing special purpose entities subject to disclosure

MHBK provides loans, credit lines and liquidity lines concerning financing through borrowing and commercial paper issuance by seven special purpose entities (incorporated in Cayman Islands, etc.) with a view to supporting securitization of customers' monetary claims.

Total assets (in simple aggregation) of the seven special purpose entities stood at ¥653,729 million and total liabilities (in simple aggregation) stood at ¥653,226 million on the latest balance sheet date. MHBK neither holds voting shares, etc. in any of the special purpose entities nor has dispatched any director or employee to any of them.

- (2) Amount of transactions, etc. with special purpose entities subject to disclosure

For the year ended March 31, 2012

	Amounts and balances from major transactions as of the end of the year	Major income and expense items	
		Item	Amount
Loans	¥507,720 million	Interest on Loans	¥3,503 million
Lines of Credit and Lines of Liquidity	¥19,102 million	Fee and Commission Income	¥440 million

For the year ended March 31, 2013

	Amounts and balances from major transactions as of the end of the year	Major income and expense items	
		Item	Amount
Loans	¥573,453 million	Interest on Loans	¥3,293 million
Lines of Credit and Lines of Liquidity	¥16,326 million	Fee and Commission Income	¥760 million

## 5. Accounting Policies

### (1) Valuation of Trading Assets/Liabilities and recognition of income/expenses

Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of financial instruments and related indices are recognized on a trade date basis and recorded in "Trading Assets" or "Trading Liabilities" on the consolidated balance sheet. Related income or expenses are recorded in "Trading Income" or "Trading Expenses" on the consolidated statement of income.

Securities and monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Financial derivatives, such as swaps, forward contracts and option transactions, are stated at their fair values, assuming that the transactions were terminated and settled at the consolidated balance sheet date.

Trading Income and Trading Expenses include the interest received and interest paid during the fiscal year, the gains or losses resulting from any change in the value of securities and monetary claims between the beginning and the end of the fiscal year and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of the fiscal year, assuming they were terminated and settled at the end of the fiscal year.

### (2) Valuation of Securities

A. Bonds held to maturity are stated on an amortized cost using the moving average method (straight-line method). Regarding Other Securities, in principle, Japanese stocks are valued on a mark-to-market basis primarily using the average market price over the month preceding the consolidated balance sheet date, and others are valued on a mark-to-market basis primarily using the market price at the consolidated balance sheet date, where cost of securities sold is calculated primarily by the moving average method. However, Other Securities, the fair values of which are deemed extremely difficult to determine, are stated at cost as determined by the moving average method.

The net unrealized gains (losses) on Other Securities are booked directly to Net Assets, excluding the amount reflected in profit and loss due to the application of the fair value hedge method and others.

B. The valuation of securities held as trust assets in Money Held in Trust is described in A. above.

### (3) Valuation of Derivatives

Derivative transactions (other than transactions for trading purposes) are valued on a mark-to-market basis.

### (4) Method of depreciation of Fixed Assets

#### 1) Tangible Fixed Assets (excluding lease assets)

Depreciation of Buildings is computed by the straight-line method, and that of others is computed by the declining-balance method.

The useful lives for Buildings and others are as follows:

Buildings:	3 to 50 years
Others:	2 to 20 years

Depreciation of Tangible Fixed Assets of consolidated subsidiaries is computed mainly by the declining-balance method based on estimated useful lives.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

MHBK and its domestic consolidated subsidiaries have applied the depreciation method based on the revised Corporation Tax Act to Tangible Fixed Assets newly acquired on or after April 1, 2012 beginning with the fiscal year, following the revision of the Corporation Tax Act. The effect of this application on the consolidated statement of income is immaterial.

#### 2) Intangible Fixed Assets (excluding lease assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for software internally used are capitalized and amortized using the straight-line method over the estimated useful lives, primarily five to ten years, determined by MHBK and its consolidated subsidiaries.

#### 3) Lease Assets

Lease assets among "Tangible Fixed Assets" and "Intangible Fixed Assets" relating to finance leases not involving the transfer of ownership to the lessee are depreciated or amortized, in principle, using the same methods as those that are applied to fixed assets owned by MHBK.

### (5) Deferred charges

Bond Issuance Costs are recognized as expenses when incurred.

### (6) Allowance for Possible Losses on Loans

Allowance for Possible Losses on Loans is determined in accordance with internally developed standards as follows.

The allowance for claims to obligors which are classified as substantially bankrupt ("substantially bankrupt obligors") or which are legally bankrupt, as evidenced by a declaration of bankruptcy, special liquidation, or other similar circumstances ("bankrupt obligors"), is provided at 100% of the amount remaining after direct write-offs and deduction of the amount expected to be collected from the disposal of collateral and the amount recoverable from guarantors. Also, an allowance is provided for claims to obligors that are not currently bankrupt but are likely to become bankrupt ("intensive control obligors"). In this case, the

allowance is provided at the amount deemed necessary based on overall solvency analyses of the amounts of claims, net of expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees.

In the case of intensive control obligors and obligors with Restructured Loans and Bills Discounted stated in Notes to Consolidated Balance Sheet, 5., if the exposure exceeds a certain specific amount, allowance is provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, where the allowance is determined as the difference between the book value of the loan and its present value of expected future cash flows discounted by the contractual interest rate before the loan was classified as a restructured loan, and (ii) if future cash flows of the principal and interest cannot be reasonably estimated, an allowance is provided for the individually estimated loss amount.

In the case of all other claims, an allowance is determined based on the estimated credit loss rate, which is calculated using the actual credit loss amount during a specific period in the past.

All claims are assessed by the relevant business divisions in accordance with the internal rules for self-assessment of assets. The Internal Audit Division, which is independent of the originating divisions, reviews the results of the self-assessment of assets for all claims based on the internal rules.

For claims to bankrupt obligors and substantially bankrupt obligors which are collateralized or guaranteed by a third party, the amounts deemed uncollectible, which are calculated by deducting the anticipated proceeds from the sale of collateral pledged against the claims and amounts that are expected to be recovered from guarantors of the claims, are charged off against the respective loan balances. The total amounts directly written-off are ¥176,005 million (¥226,186 million at the end of the previous fiscal year).

(7) Allowance for Possible Losses on Investments

The allowance is provided to cover any future potential losses on investments. It is booked as the amount deemed necessary taking into consideration the financial situation and other relevant factors of the investment securities' issuers.

(8) Reserve for Bonus Payments

This reserve is provided for future bonus payments to employees. Of the amount deemed necessary for employees' bonuses, the portion attributable to the fiscal year is booked.

(9) Reserve for Employee Retirement Benefits (including Prepaid Pension Cost)

This reserve is provided for future retirement benefits and pension payments to employees. It is recorded as the amount accrued at the end of the fiscal year, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. Unrecognized actuarial gains (losses) are recognized as expenses starting from the following fiscal year and amortized over a fixed number of years (10 to 12 years) within the average remaining service period of the current employees using the straight-line method.

(10) Reserve for Retirement Benefits for Directors and Corporate Auditors

This reserve, which is provided for future retirement benefit payments to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the fiscal year, based on the internally established standards.

(11) Reserve for Reimbursement of Deposits

This reserve is recognized by the amount appropriate for losses caused by estimated future depositors' withdrawal regarding the deposits derecognized from Liabilities.

(12) Reserve for Reimbursement of Debentures

This reserve is recognized by the amount appropriate for losses caused by estimated future reimbursement claims regarding the debentures derecognized from Liabilities.

(13) Assets and Liabilities denominated in foreign currencies

Assets and Liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at the consolidated balance sheet date.

Assets and Liabilities denominated in foreign currencies of the consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the respective balance sheet dates.

(14) Hedge accounting

A. Hedge of interest rate risk

MHBK applies the deferred hedge method or the fair value hedge method as hedge accounting for interest rate risk accompanying various financial assets and liabilities.

“Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24) is applied to portfolio hedges against a large number of small-balance monetary claims/liabilities.

The effectiveness of the portfolio hedges against a large number of small-balance monetary claims/liabilities is assessed as follows:

- 1) The effectiveness of a fair value hedge is assessed for each identified (i) groups of hedged deposits, loans and similar instruments and (ii) corresponding groups of hedging instruments such as interest rate swaps in the same maturity bucket.
- 2) The effectiveness of a cash flow hedge is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

The effectiveness of an individual hedge is also assessed based on the fluctuations in the quotations of the hedged item and those of the hedging instrument.

Net Deferred Hedge Gains (Losses), net of Taxes which are recorded on the consolidated balance sheet and resulted from the application of the macro-hedge method based on “Tentative Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 15), under which the overall interest rate risks inherent in loans, deposits and other instruments are controlled on a macro-basis using derivatives, are amortized as interest income or interest expenses over the remaining maturity or the average remaining maturity of the respective hedging instruments.

The unamortized amounts of Gross Deferred Hedge Losses and Gross Deferred Hedge Gains under the macro-hedge method at the end of the fiscal year are ¥986 million (¥1,871 million at the end of the previous fiscal year) before tax effects deduction and ¥410 million (¥1,473 million at the end of the previous fiscal year) before tax effects deduction, respectively.

B. Hedge of foreign exchange risks

MHBK applies the deferred hedge method or the fair value hedge method to portfolio hedges of the foreign exchange risks associated with foreign-currency-denominated securities, other than bonds, identified as hedged items in advance, as long as the amount of foreign currency payables of spot and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign-currency-denominated securities.

C. Inter-company trading among consolidated companies, etc.

Inter-company interest rate swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting because these inter-company derivatives are covered with outside third parties and appropriate hedge operations without subjectivities are conducted in accordance with JICPA Industry Audit Committee Report No. 24.

The deferred hedge method based on an individual hedge is applied as hedge accounting methods to part of assets and liabilities.

(15) Amortization method and amortization period of Goodwill

Goodwill of PT. Mizuho Balimor Finance is amortized over a period of nine years under the straight-line method. Goodwill of Mizuho Factors, Ltd. is amortized over a period of five years under the straight-line method. The amount of other Goodwill is expensed as incurred since the amount has no material impact.

(16) Definition of Cash and Cash Equivalents in the consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, Cash and Cash Equivalents consist of cash and deposits with central banks included in “Cash and Due from Banks” on the consolidated balance sheet.

(17) Consumption taxes and local consumption taxes

With respect to MHBK and its domestic consolidated subsidiaries, consumption taxes and local consumption taxes are primarily excluded from the transaction amounts.

Issued But Not Yet Adopted Accounting Standard and Others

1. “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012)

(1) Outline

From the viewpoint of improvements to financial reporting and international convergence, these accounting standards mainly focus on 1) changes in the treatment of unrecognized actuarial differences and unrecognized prior service cost, and enhancement of disclosures, and 2) amendments to the method of determination of projected benefit obligations and current service cost.

(2) Scheduled date of application

MHBK is scheduled to apply above 1) from the consolidated financial statements concerning the end of the fiscal year starting on April 1, 2013 and above 2) from the beginning of the fiscal year starting on April 1, 2014.

(3) Effect of application of these accounting standards

The effect of the application of these accounting standards is currently under consideration.

2. Revised ASBJ Statement No. 22 “Accounting Standard for Consolidated Financial Statements” (March 25, 2011), etc.

(1) Outline

These accounting standards mainly represent a revision to the “Concrete Treatments Related to the Revision of the Definition of the Subsidiaries and Affiliates within the Consolidated Financial Statement System” (Business Accounting Council, October 30, 1998)III. Prior to the revision, special purpose entities that met specific conditions were presumed not to be subsidiaries of investors in and companies transferring assets to the relevant special purpose entities. After the revision, this treatment only applies to companies transferring assets to the special purpose entities.

(2) Scheduled date of application

MHBK is scheduled to apply these accounting standards from the beginning of the fiscal year starting on April 1, 2013.

(3) Effect of application of these accounting standards

On application of these accounting standards, those special purpose entities that had not previously been treated as subsidiaries, where the transferor of the assets to the special purpose entity is not MHBK, will be newly included within the scope of consolidation, and assets, liabilities, income and expenses will be reflected in the consolidated financial statements.

As a result of this, those special purpose entities that will be newly included within the scope of consolidation are provided in “Basis of Preparation of Consolidated Financial Statements 4. Special Purpose Entities Subject to Disclosure.”

Notes to Consolidated Balance Sheet

\*1. Stocks of Affiliates

	As of March 31, 2012	As of March 31, 2013
Stocks	¥14,901 million	¥142,850 million

\*2. Securities loaned under unsecured lending transactions that allow borrowers to re-sell securities are included in Trading Securities under “Trading Assets” and the amount is as follows.

	As of March 31, 2012	As of March 31, 2013
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¥4,149 million

¥– million

In certain transactions, MHBK has the right to re-sell or pledge or re-pledge following securities held under uncollateralized securities borrowing agreements, cash-collateralized securities borrowing agreements and securities purchased with resale agreements.

	As of March 31, 2012	As of March 31, 2013
Securities pledged or re-pledged as collateral	¥118,401 million	¥– million
Securities held without being pledged or re-pledged at the end of the fiscal year	¥758,672 million	¥202,751 million

\*3. Loans and Bills Discounted include following Loans and Bills Discounted to Bankrupt Obligors and Non-Accrual Delinquent Loans and Bills Discounted.

	As of March 31, 2012	As of March 31, 2013
Loans and Bills Discounted to Bankrupt Obligors	¥15,479 million	¥12,195 million
Non-Accrual Delinquent Loans and Bills Discounted	¥463,291 million	¥456,354 million

Loans and Bills Discounted to Bankrupt Obligors are loans, excluding loans written-off, for which no interest was accrued since delinquencies in payment of principal and/or interest have continued for a significant period of time or for some other reason, there is no prospect of collecting principal and/or interest (“Non-Accrual Loans”), as per Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965).

Non-Accrual Delinquent Loans and Bills Discounted represent Non-Accrual Loans other than (i) Loans and Bills Discounted to Bankrupt Obligors and (ii) loans for which interest payments have been deferred in order to assist or facilitate the restructuring of the borrowers.

\*4. Balances of Loans and Bills Discounted Past Due for 3 Months or More are as follows:

	As of March 31, 2012	As of March 31, 2013
Balances of Loans and Bills Discounted Past Due for 3 Months or More	¥19,913 million	¥3,368 million

Loans and Bills Discounted Past Due for 3 Months or More are loans for which payments of principal and/or interest have not been received for a period of three months or more beginning with the next day following the last due date for the payments, and which are not included in Loans and Bills Discounted to Bankrupt Obligors, or Non-Accrual Delinquent Loans and Bills Discounted.

\*5. Balances of Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2012	As of March 31, 2013
Balances of Restructured Loans and Bills Discounted	¥408,833 million	¥422,106 million

Restructured Loans and Bills Discounted represent loans on which contracts were amended in favor of borrowers (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate the restructuring of the borrowers. Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted and Loans and Bills Discounted Past Due for 3 Months or More are not included.

\*6. Total balances of Loans and Bills Discounted to Bankrupt Obligors, Non-Accrual Delinquent Loans and Bills Discounted, Loans and Bills Discounted Past Due for 3 Months or More and Restructured Loans and Bills Discounted are as follows:

	As of March 31, 2012	As of March 31, 2013
Total	¥907,517 million	¥894,025 million

The amounts given in \*3. through \*6. are gross amounts before deduction of amounts for the Allowance for Possible Losses on Loans.

\*7. In accordance with “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24), Bills Discounted are treated as financial transactions. MHBK has rights to sell or pledge or re-pledge these commercial bills and foreign exchange bills. The face values of these bills are as follows:

	As of March 31, 2012	As of March 31, 2013
	¥225,098 million	¥211,627 million

\*8. Breakdown of assets pledged as collateral is as follows:

	As of March 31, 2012	As of March 31, 2013
The following assets have been pledged as collateral:		
Trading Assets	¥374,101 million	¥4,999 million
Securities	¥7,915,428 million	¥6,975,734 million
Loans and Bills Discounted	¥4,668,148 million	¥4,275,098 million
Other Assets	¥1,532 million	¥1,420 million
Total	¥12,959,210 million	¥11,257,253 million

The following liabilities are collateralized by the above assets:

Deposits	¥191,455 million	¥192,716 million
Call Money and Bills Sold	¥686,300 million	¥683,600 million
Payables under Repurchase Agreements	¥590 million	¥4,999 million
Guarantee Deposits Received under Securities Lending Transactions	¥2,638,752 million	¥3,423,408 million
Borrowed Money	¥5,990,839 million	¥4,173,972 million

In addition to the above, following items are pledged as collateral in connection with foreign and domestic exchange settlement transactions, derivative transactions etc. or as a substitute for margin payments for futures transactions.

	As of March 31, 2012	As of March 31, 2013
Trading Assets	¥1,599 million	¥– million
Securities	¥1,081,784 million	¥846,099 million

None of the assets has been pledged as collateral in connection with borrowings by affiliates.

“Other Assets” include Guarantee Money, Margin Payments for Futures Transactions, and Collateral Pledged for Financial Instruments and Others, etc., the breakdown of which is as follows. Beginning with the fiscal year, items presented as Other Margin Payments until the previous fiscal year are presented as Collateral Pledged for Financial Instruments and Others, etc.

	As of March 31, 2012	As of March 31, 2013
Guarantee Money	¥61,522 million	¥56,191 million
Margin Payments for Futures Transactions	¥2,259 million	¥1,722 million
Collateral Pledged for Financial Instruments and Others, etc.	¥9,536 million	¥446 million

\*9. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which MHBK is obligated to make loans up to the prearranged amount at the request of customers unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounts is as follows:

	As of March 31, 2012	As of March 31, 2013
Unutilized balance	¥24,381,875 million	¥28,103,371 million
Amount relating to contracts for which the original contractual term is one year or less (or unconditionally cancelable at any time)	¥23,933,271 million	¥27,652,554 million

Since many of these contracts expire without the rights being exercised, the unutilized balance itself does not necessarily affect future cash flows. Many of these contracts include a provision that entitles MHBK to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim, or other similar reasons. MHBK obtains, moreover, real estate or securities as collateral at the time the contract is entered into, if needed, and subsequently monitors customers’ business condition periodically, based on and in accordance with procedures established, and takes measures to control credit risks such as amendments to contracts, if needed.

\*10. In accordance with the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998), land used for business activities has been revalued. The amount of tax payable on the amount of the revaluation differences has been shown in the item “Deferred

Tax Liabilities for Revaluation Reserve for Land” indicated under Liabilities. In addition, the amount of revaluation differences less this tax liability has been shown in the item “Revaluation Reserve for Land, net of Taxes” under Net Assets.

Date revalued March 31, 1998

Revaluation method as specified in Article 3, Paragraph 3 of the above-mentioned Act

Land used for business activities was revalued by reasonably adjusting the value calculated in accordance with the method established and announced by the commissioner of the National Tax Agency to calculate land price that is used as a basis for the calculation of value of assessment of the land price tax stipulated in Article 16 of the Land Price Tax Act, which is specified in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998).

The difference at the consolidated balance sheet date between the total fair value of land used for business activities, which has been revalued in accordance with Article 10 of the above-mentioned Act, and the total book value of the land after the revaluation

As of March 31, 2012	As of March 31, 2013
¥162,025 million	¥160,082 million

\*11. Accumulated depreciation of Tangible Fixed Assets

	As of March 31, 2012	As of March 31, 2013
Accumulated depreciation	¥624,846 million	¥582,313 million

\*12. Advanced depreciation of Tangible Fixed Assets

	As of March 31, 2012	As of March 31, 2013
Advanced depreciation	¥33,852 million	¥33,271 million

\*13. Borrowed Money includes subordinated borrowed money.

	As of March 31, 2012	As of March 31, 2013
Subordinated borrowed money	¥257,000 million	¥215,000 million

\*14. All the Bonds and Notes are subordinated bonds.

\*15. Amounts of liabilities for guarantees on corporate bonds included in “Securities,” which were issued through private placement under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act

As of March 31, 2012	As of March 31, 2013
¥908,937 million	¥926,999 million

Notes to Consolidated Statement of Income

\*1. Others in Other Ordinary Income includes following items.

	For the year ended March 31, 2012	For the year ended March 31, 2013
Income related to unpaid Debentures	¥14,986 million	¥35,754 million

\*2. Other Ordinary Expenses include following items.

	For the year ended March 31, 2012	For the year ended March 31, 2013
Losses on Write-Off of Loans	¥33,200 million	¥36,810 million
Losses on Impairment of Stocks and Others	¥14,034 million	¥30,434 million
Provision of Reserve for Reimbursement of Debentures	¥9,044 million	¥15,224 million

(Change in Presentation of Consolidated Statement of Income)

“Losses on Write-Off of Claims Related to Financial Alternative Dispute Resolution” and “Other Expenses Related to Financial Alternative Dispute Resolution” that were presented as major expenses in the previous fiscal year are not presented in the fiscal year as major expenses due to decreased materiality.

“Losses on Write-Off of Claims Related to Financial Alternative Dispute Resolution” and “Other Expenses Related to Financial Alternative Dispute Resolution” for the previous fiscal year were ¥19,755 million and ¥13,108 million, respectively.

\*3. Other Extraordinary Losses are as follows:

	For the year ended March 31, 2012	For the year ended March 31, 2013
Losses on Change in Equity Resulting from the Merger of the Securities Subsidiary	¥– million	¥11,168 million
Expenses Related to Merger of Securities Subsidiary	¥– million	¥8,232 million

Notes to Consolidated Statement of Comprehensive Income

\*1. Reclassification adjustments and the related tax effects concerning Other Comprehensive Income

(Millions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Net Unrealized Gains on Other Securities, net of Taxes		
Amount arising during the year	99,249	364,843
Reclassification adjustments	(52,782)	(72,179)
Before adjustments to tax effects	46,466	292,664
Amount of tax effects	3,342	(69,431)
Net Unrealized Gains on Other Securities, net of Taxes	49,809	223,232
Net Deferred Hedge Gains (Losses), net of Taxes		
Amount arising during the year	(2,031)	34,838
Reclassification adjustments	(22,712)	(17,616)
Before adjustments to tax effects	(24,743)	17,222
Amount of tax effects	9,134	(6,120)
Net Deferred Hedge Gains (Losses), net of Taxes	(15,608)	11,101
Revaluation Reserve for Land, net of Taxes		
Amount arising during the year	–	–
Reclassification adjustments	–	–
Before adjustments to tax effects	–	–
Amount of tax effects	9,432	(41)
Revaluation Reserve for Land, net of Taxes	9,432	(41)
Foreign Currency Translation Adjustments		
Amount arising during the year	(83)	(138)
Reclassification adjustments	–	–
Before adjustments to tax effects	(83)	(138)
Amount of tax effects	–	–
Foreign Currency Translation Adjustments	(83)	(138)
Share of Other Comprehensive Income of Affiliates Accounted for by the Equity Method		
Amount arising during the year	1,811	5,311
Total amount of Other Comprehensive Income	45,360	239,465

Notes to Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2012

1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2011	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2012	Abstract
Outstanding Shares					
Common Stock	10,006	–	–	10,006	
Fourth series Class IV Preferred Stock	64	–	–	64	

	Number of Shares as of April 1, 2011	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2012	Abstract
Fifth series Class V Preferred Stock	85	–	–	85	
Tenth series Class XIII Preferred Stock	1,800	–	–	1,800	
Total	11,956	–	–	11,956	
Treasury Stock					
Common Stock	–	–	–	–	
Fourth series Class IV Preferred Stock	64	–	–	64	
Fifth series Class V Preferred Stock	85	–	–	85	
Tenth series Class XIII Preferred Stock	1,799	–	–	1,799	
Total	1,949	–	–	1,949	

## 2. Dividends

(1) Cash dividends paid during the fiscal year ended March 31, 2012

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 20, 2011	Common Stock	–	–	–	–
	Fourth series Class IV Preferred Stock	0	47,600	March 31, 2011	June 20, 2011
	Fifth series Class V Preferred Stock	0	42,000	March 31, 2011	June 20, 2011
	Tenth series Class XIII Preferred Stock	0	16,000	March 31, 2011	June 20, 2011

(2) Of dividends whose record dates belong to the year ended March 31, 2012, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 25, 2012	Common Stock	90,806	Retained Earnings	9,075	March 31, 2012	June 25, 2012
	Fourth series Class IV Preferred Stock	0	Retained Earnings	47,600	March 31, 2012	June 25, 2012
	Fifth series Class V Preferred Stock	0	Retained Earnings	42,000	March 31, 2012	June 25, 2012
	Tenth series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2012	June 25, 2012

For the year ended March 31, 2013

1. Types and Total Number of Outstanding Shares and Treasury Stock

(Thousands of Shares)

	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
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	Number of Shares as of April 1, 2012	Increase during the Fiscal Year	Decrease during the Fiscal Year	Number of Shares as of March 31, 2013	Abstract
Outstanding Shares					
Common Stock	10,006	–	–	10,006	
Fourth series Class IV Preferred Stock	64	–	–	64	
Fifth series Class V Preferred Stock	85	–	–	85	
Tenth series Class XIII Preferred Stock	1,800	–	–	1,800	
Total	11,956	–	–	11,956	
Treasury Stock					
Common Stock	–	–	–	–	
Fourth series Class IV Preferred Stock	64	–	–	64	
Fifth series Class V Preferred Stock	85	–	–	85	
Tenth series Class XIII Preferred Stock	1,799	–	–	1,799	
Total	1,949	–	–	1,949	

## 2. Dividends

### (1) Cash dividends paid during the fiscal year ended March 31, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 25, 2012	Common Stock	90,806	9,075	March 31, 2012	June 25, 2012
	Fourth series Class IV Preferred Stock	0	47,600	March 31, 2012	June 25, 2012
	Fifth series Class V Preferred Stock	0	42,000	March 31, 2012	June 25, 2012
	Tenth series Class XIII Preferred Stock	0	16,000	March 31, 2012	June 25, 2012

### (2) Of dividends whose record dates belong to the year ended March 31, 2013, those whose effective dates come after the last day of the fiscal year

(Resolution)	Type of Stock	Type of Dividend Properties	Book Value of Dividend Properties (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Extraordinary General Meeting of Shareholders Held on March 29, 2013	Common Stock	Stocks of Affiliates	125,771	Capital Surplus	12,569	–	April 1, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders Held on June 24, 2013	Common Stock	139,316	Retained Earnings	13,923	March 31, 2013	June 24, 2013
	Fourth series	0	Retained	47,600	March 31, 2013	June 24, 2013

(Resolution)	Type of Stock	Total Amount of Dividends (Millions of Yen)	Resource of Dividends	Cash Dividend per Share (Yen)	Record Date	Effective Date
	Class IV Preferred Stock		Earnings			
	Fifth series Class V Preferred Stock	0	Retained Earnings	42,000	March 31, 2013	June 24, 2013
	Tenth series Class XIII Preferred Stock	0	Retained Earnings	16,000	March 31, 2013	June 24, 2013

#### Notes to Consolidated Statement of Cash Flows

\*1. Cash and Cash Equivalents at the balance sheet date are reconciled to Cash and Due from Banks on the consolidated balance sheet as follows:

	For the year ended March 31, 2012	For the year ended March 31, 2013
Cash and Due from Banks	¥3,118,624 million	¥4,823,323 million
Due from Banks, excluding Deposits with Central Banks	¥(792,964) million	¥(529,631) million
Cash and Cash Equivalents	¥2,325,660 million	¥4,293,692 million

#### 2. Significant non-fund transaction

(1) Transaction associated with the turning of Mizuho Investors Securities Co., Ltd. into a wholly-owned subsidiary by means of a share exchange

	For the year ended March 31, 2012	For the year ended March 31, 2013
Decrease in Stocks of Parent Company	¥36,813 million	¥– million
Gains on Share Exchange	¥646 million	¥– million
Amount Paid to Additionally Acquire Subsidiary Stock	¥37,460 million	¥– million

(2) The amount and main details of decrease in assets and liabilities resulting from the merger of Mizuho Securities Co., Ltd. and Mizuho Investors Securities Co., Ltd.

	For the year ended March 31, 2012	For the year ended March 31, 2013
Total Assets	¥– million	¥210,209 million
Of which Trading Assets	¥– million	¥47,833 million
Of which Guarantee Deposits Paid under Securities Borrowing Transactions	¥– million	¥42,949 million
Total liabilities	¥– million	¥111,700 million
Of which Other Liabilities	¥– million	¥41,153 million
Of which Trading Liabilities	¥– million	¥31,620 million

#### Lease Transactions

##### 1. Finance Leases

Finance Leases not Involving the Transfer of Ownership

##### 1) Details of lease assets

(A) Tangible Fixed Assets

Primarily equipment

(B) Intangible Fixed Assets

Software

##### 2) Depreciation method of lease assets

As stated in “(4) Method of depreciation of Fixed Assets” of “5. Accounting Policies” under Basis of Preparation of Consolidated Financial Statements

## 2. Operating Leases

### Future Lease Payments Related to Non-cancelable Operating Leases

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Due within One Year	12,702	10,012
Due after One Year	16,691	5,900
Total	29,394	15,913

## Financial Instruments

### 1. Matters relating to the Conditions of Financial Instruments

#### (1) Policy on financial instruments

MHBK and its group companies (the “Group”), which primarily engage in banking business, incur financial liabilities such as customer deposits and funding through financial markets on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engage in trading activities for certain financial instruments. Some consolidated subsidiaries conduct securities-related business and other financial business.

For these businesses, the Group manages appropriately the risks of individual financial instruments and carefully matches difference in transaction terms and various risk factors.

#### (2) Type and risk of financial instruments

The main financial assets of the Group consist of customer loans and securities such as Japanese stocks and government bonds for reserves for deposit payments and investment purposes. These financial assets are subject to various types of risk of losses that may be incurred by the Group due to a decline in, or total loss of, the value of assets as a result of deterioration in a counterparty’s and an issuer’s financial position (“credit risk”), or due to a decline in the value of assets as a result of fluctuations in interest rates, stock prices and foreign exchange rates and so on (“market risk”).

The main financing source of the Group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses arising from funding difficulties due to financial market turmoil or deterioration in our financial conditions that makes it difficult for us to raise necessary funds or that forces us to raise funds at significantly higher interest rates than usual (“liquidity risk”).

In addition, the Group uses derivative financial instruments to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management (“ALM”). The Group primarily utilizes the “portfolio hedge” by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative instruments like interest rate swaps are used as hedging instruments for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these instruments, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure that changes in interest rate risk or cash flows of the hedged items are highly effectively offset by the hedging instruments. It should be noted that the Group uses derivative financial instruments for trading purposes and so on as well.

Progress in financial deregulation and internationalization has led to growth in the diversity and complexity of financial assets and liabilities of the Group, exposing the Group to various risks, including credit risk, market risk and liquidity risk.

#### (3) Risk management for financial instruments

##### 1) Commitment to risk management

The Group recognizes the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement its business strategy while maintaining our financial stability, the Group maintains comprehensive risk management and control measures.

The Group maintains basic policies for risk management established by our Board of Directors that are applicable to the entire Group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, the Group maintains various measures to strengthen and enhance the sophistication of its risk management system.

##### 2) General concept of risk management

The Group classifies its risk exposures according to the various kinds of risk, including “credit risk,” “market risk,” “liquidity risk” and “operational risk,” and manages each type of risk according to its characteristics.

In addition to managing each type of risk individually, the Group has established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms.

More specifically, risk capital is allocated from Mizuho Financial Group, Inc. (“MHFG”) and MHBK controls risk within the limits set at the amount of allocated risk capital. The Group also controls risk within managerially acceptable limits by working to ensure that the overall risk the Group holds on an entire Group basis does not exceed shareholder’s equity and other measures of financial strength. To ensure the ongoing financial health of the Group, MHBK regularly monitors the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees.

##### 3) Credit risk management

The Group has adopted two different but mutually complementary approaches in credit risk management. The first approach is “credit management,” in which the Group manages the process for each individual transaction and individual obligor from execution until collection, based on its assessment of the credit quality of the customer. Through this process, the Group curbs losses in the case of a credit event. The second is “credit portfolio management,” in which the Group

utilizes statistical methods to assess the potential for losses related to credit risk. Through this process, the Group identifies credit risk and responds appropriately.

MHBK's Board of Directors determines MHBK's key matters pertaining to credit risk management. In addition, MHBK has established the Portfolio Management Committee and Credit Committee as MHBK's business policy committees handling credit risk management. These committees of MHBK discuss and coordinate basic policy in connection with credit risk management and matters in connection with overall credit portfolio management, credit risk monitoring and credit policies towards obligors for the Group. Under the control of the Head of Risk Management Group of MHBK, the Risk Management Division and the Credit Planning Department form and promote plans in connection with basic matters pertaining to credit risk management.

Regarding the method of credit portfolio management, MHBK uses statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VaR"). The difference between expected loss and credit VaR is measured as the credit risk amount ("unexpected loss"). MHBK recognizes two types of risk arising from allowing too large a proportion of overall credit risk to be allocated in certain areas. One type is "credit concentration risk," which stems from granting excessive credit to certain individual counterparties. The other type is "chain-reaction default risk," which arises from granting excessive credit to certain corporate groups, industrial sectors and other groupings. MHBK manages these risks appropriately in line with its specific guidelines for each.

Each Board of Directors of MHBK and certain Group companies determines key matters pertaining to credit risk management in line with "Basic Policies for Credit Risk Management" set forth by each company. Their respective business policy committees broadly discuss and coordinate management of their individual credit portfolios and transaction policies towards obligors.

#### 4) Market risk management

MHBK has formulated its basic policies on market risk management in line with the "Basic Policies for Market and Liquidity Risk Management" set forth by MHFG. The Board of Directors determines key matters pertaining to market risk management in accordance with the basic policies while the CEO is responsible for controlling market risk management. In addition, MHBK has established the ALM & Market Risk Committee as one of its business policy committees. The committee broadly discusses and coordinates matters relating to basic asset and liability management policies, risk planning and market risk management and proposes responses to emergencies such as sudden market changes.

The Head of Risk Management Group of MHBK is responsible for matters relating to market risk management planning and operations. The Risk Management Division of MHBK is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the division assesses and manages the overall market risk of MHBK and the Group as a whole and submits reports to the CEO on a daily basis and to our Board of Directors and the Management Council, etc. of MHBK on a regular basis.

To manage market risk, MHBK sets limits that correspond to market risk capital allocated by MHFG under the risk capital allocation system common to the Mizuho Group. The amount of risk capital allocated to market risk corresponds to VaR and additional costs that may arise in order to close relevant positions. For trading and banking activities, MHBK sets limits for VaR and for losses. For banking activities, MHBK sets position limits based on interest rate sensitivity as needed. MHBK has established middle offices specializing in risk management that are independent of its front offices, which engage in market transactions, and its back offices, which are responsible for book entries and settlements. This system enables them to achieve mutual checks and control over market operations. When VaR is not adequate to control risk, the middle offices manage risk by managing risk indicators, using 10 BPV (Basis Point Value) or others, by carrying out stress tests, and setting loss limits as needed.

#### 5) Situation of market risk

##### i. Outline of banking activities

The following table shows the VaR figures relating to the banking activities of the Group for the fiscal year indicated:

(Billions of Yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
As of the fiscal year end	70.4	67.8
Maximum	81.5	80.5
Minimum	56.4	53.6
Average	67.2	65.3

##### [Definition of banking activities]

The following transactions are categorized as banking activities, with trading activities and strategically-held equity being categorized separately.

- (1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.
- (2) Equity (excluding strategically-held equity), bonds, investment trusts, etc. and hedges against related market risk.

The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.

##### [Method of calculating VaR of banking activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one month, 3) Historical observation period of one year

#### ii. Trading activities

The following table shows the VaR figures relating to the trading activities of the Group for the fiscal year indicated:

(Billions of Yen)		
	For the year ended March 31, 2012	For the year ended March 31, 2013
As of the fiscal year end	0.5	0.4
Maximum	1.2	1.2
Minimum	0.3	0.3
Average	0.6	0.7

[Definition of trading activities]

- (1) Transactions held for the purpose of short-term resale.
- (2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.
- (3) Deals that have both aspects of (1) and (2) above.
- (4) Deals held for broking business or market making business.

[Method of calculating VaR of trading activities]

Linear risk: Variance co-variance model

Non-linear risk: Monte-Carlo simulation

VaR: The total amount of linear risk and non-linear risk

Quantitative standard: 1) Confidence interval: one-tailed 99%, 2) Holding period of one day, 3) Historical observation period of one year

#### iii. Strategic equity holding

The Group performs the same market risk management based on VaR and risk indices for the strategic equity holding portfolio as for banking activities and trading activities. The risk index of the strategic equity holding portfolio (sensitivity of the portfolio to a 1% change in TOPIX index) is set as ¥8.2 billion as of March 31, 2013 (¥6.3 billion as of March 31, 2012).

#### iv. Risk management using VaR

VaR is a commonly used market risk measurement technique based on statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VaR model has the following limitations:

- VaR estimates could differ by assumptions of holding period, confidence interval and approaches for the measurement.
- VaR that is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VaR might underestimate the probability of loss when the market becomes inactive due to market confusion since VaR is based on the assumptions of sales of holding portfolio or hedges in the market during the holding period for the calculation.
- VaR model does not take account of any losses that might occur beyond this confidence interval.

The variance co-variance model used as the measurement technique of VaR assumes that changes in market movements follow a normal distribution. Therefore, the model might underestimate the risk in a circumstance where the market is likely to move extremely beyond the assumption. The model might also underestimate the risk when the normal correlation assumption between interest rate and share price collapses in a circumstance where a rise in the interest rate and a deterioration of share price happen simultaneously.

The Group checks the validity of the market risk measurement made by VaR approach periodically by backtesting, which compares VaR with actual profit and loss. In addition to VaR, the Group performs a wide variety of management processes and controls such as risk indices monitoring, implementation of stress tests, and loss limit monitoring in order to perform strict risk management by carefully grasping all risks, including those VaR approach is not able to cover.

#### 6) Liquidity risk management

The Group's liquidity risk management structure is generally the same as the market risk management structure described above "4) Market risk management." However, liquidity risk is managed under the system where the Head of Markets Unit is responsible for the planning and implementing cash flow management, the Treasury Division and the International Treasury Division is responsible for matters relating to identifying and coordinating cash flow situation, and plans and runs cash flow management operations. Reports on the cash flow situation are submitted to the ALM & Market Risk Committee, the Management Council and the CEO.

Liquidity risk is measured using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the ALM & Market Risk Committee, discussed further by the Management

Council, etc. and determined by the CEO. The Group has established classifications for the cash flow conditions affecting the Group, ranging from “normal” to “cause for concern” and “critical,” and has established procedures for dealing with cases that are deemed to fall into the “cause for concern” or “critical” categories. In addition, a system has been constructed under which the Group will be able to respond smoothly in the event of an “emergency situation” that affects the Group’s funding.

(4) Supplementary explanation of matters relating to fair value of financial instruments and others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.

2. Matters relating to Fair Value of Financial Instruments and Others

The following are carrying values, fair values and differences between them. Unlisted stocks and others, the fair values of which are deemed extremely difficult to determine, are excluded from the table below (see (Note 2)).

As of March 31, 2012

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	3,118,347	3,118,347	—
(2) Call Loans and Bills Purchased (*1)	8,636,742	8,636,742	—
(3) Receivables under Resale Agreements	4,148	4,148	—
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	1,055,840	1,055,840	—
(5) Other Debt Purchased (*1)	1,326,894	1,326,894	—
(6) Trading Assets			
Trading Securities	1,177,011	1,177,011	—
(7) Money Held in Trust	16,465	16,465	—
(8) Securities			
Bonds Held to Maturity	1,800,614	1,815,139	14,524
Other Securities	23,008,984	23,008,984	—
(9) Loans and Bills Discounted	32,497,425		
Allowance for Possible Losses on Loans (*1)	(388,719)		
	32,108,706	32,219,831	111,125
<b>Total Assets</b>	<b>72,253,755</b>	<b>72,379,406</b>	<b>125,650</b>
(1) Deposits	57,707,377	57,654,600	(52,776)
(2) Negotiable Certificates of Deposit	961,290	960,992	(297)
(3) Call Money and Bills Sold	1,193,800	1,193,800	—
(4) Payables under Repurchase Agreements	21,684	21,684	—
(5) Guarantee Deposits Received under Securities Lending Transactions	2,734,258	2,734,258	—
(6) Borrowed Money	6,286,214	6,294,412	8,197
(7) Bonds and Notes	789,700	821,457	31,757
<b>Total Liabilities</b>	<b>69,694,324</b>	<b>69,681,205</b>	<b>(13,119)</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	151,640		
Derivative Transactions Designated as Hedge	32,275		
Allowance for Derivative Transactions (*1)	(31,032)		
<b>Total Derivative Transactions</b>	<b>152,884</b>	<b>152,884</b>	<b>—</b>

(\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on loans on Cash and Due from Banks,

Call Loans and Bills Purchased and Other Debt Purchased is directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Other Assets and Other Liabilities are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

As of March 31, 2013

(Millions of Yen)

	Carrying Value	Fair Value	Difference
(1) Cash and Due from Banks (*1)	4,823,156	4,823,156	–
(2) Call Loans and Bills Purchased (*1)	9,886,785	9,886,785	–
(3) Receivables under Resale Agreements	–	–	–
(4) Guarantee Deposits Paid under Securities Borrowing Transactions	202,893	202,893	–
(5) Other Debt Purchased (*1)	1,080,024	1,080,024	–
(6) Trading Assets			
Trading Securities	643,697	643,697	–
(7) Money Held in Trust	–	–	–
(8) Securities			
Bonds Held to Maturity	3,000,403	3,020,344	19,940
Other Securities	22,247,347	22,247,347	–
(9) Loans and Bills Discounted	32,223,582		
Allowance for Possible Losses on Loans (*1)	(345,317)		
	31,878,265	32,658,897	780,632
<b>Total Assets</b>	<b>73,762,573</b>	<b>74,563,146</b>	<b>800,573</b>
(1) Deposits	59,891,268	59,855,395	(35,873)
(2) Negotiable Certificates of Deposit	1,053,520	1,053,343	(176)
(3) Call Money and Bills Sold	1,665,700	1,665,700	–
(4) Payables under Repurchase Agreements	4,999	4,999	–
(5) Guarantee Deposits Received under Securities Lending Transactions	3,423,408	3,423,408	–
(6) Borrowed Money	4,422,193	4,433,387	11,194
(7) Bonds and Notes	831,900	887,068	55,168
<b>Total Liabilities</b>	<b>71,292,989</b>	<b>71,323,302</b>	<b>30,312</b>
Derivative Transactions (*2)			
Derivative Transactions not Designated as Hedge	153,264		
Derivative Transactions Designated as Hedge	44,366		
Allowance for Derivative Transactions (*1)	(11,209)		
<b>Total Derivative Transactions</b>	<b>186,421</b>	<b>186,421</b>	<b>–</b>

(\*1) General and individually estimated allowance for possible losses on loans relevant to Loans and Bills Discounted and allowance for Derivative Transactions are excluded. Allowance for possible losses on Cash and Due from Banks, Call Loans and Bills Purchased and Other Debt Purchased is directly written off against the carrying value of respective items due to immateriality.

(\*2) Derivative Transactions recorded in Trading Assets and Trading Liabilities and Other Assets and Other Liabilities are presented in the aggregate. Net positive and negative balances that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Measurement method of fair value of financial instruments

Assets

(1) Cash and Due from Banks

For Due from Banks which have no maturity, since fair values approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms are short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Purchased, (3) Receivables under Resale Agreements and (4) Guarantee Deposits Paid under Securities Borrowing Transactions

Since contractual terms of these items are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(5) Other Debt Purchased

Fair values of Other Debt Purchased are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from brokers and quote vendors.

(6) Trading Assets

Fair values of securities held for trading, such as bonds held for trading, are based on market prices and others.

(7) Money Held in Trust

For fair values of securities held as trust assets in individually operated Money Held in Trust which primarily invest in securities, stocks are based on the prices on stock exchanges, and bonds are based on the market prices and others. For Money Held in Trust other than this, since fair values approximate book values, we deem the book values to be fair values.

The notes to Money Held in Trust based on holding purpose are stated in "Money Held in Trust."

(8) Securities

Fair values of stocks are based on the prices on securities exchanges, and those of bonds and others are based on the market prices, or prices obtained from brokers and quote vendors. Fair values of investment trusts are based on the disclosed net asset value.

Fair values of private placement bonds are determined by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the internal ratings and terms.

Fair values of some securitization products are determined by discounting the estimated future cash flows based on the analysis of back assets at the discount rate considered as market rate.

Fair values of Floating-Rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are the prices reasonably calculated. In deriving the reasonably calculated prices, we used the Discounted Cash Flow Method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

With respect to the credit investments in securitization products made as an alternative to loans, 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 mentioned above, we used the Discounted Cash Flow Method. The price decision variables include default rates, recovery rates, pre-payment rates and discount rates, and the applicable securities consist of collateralized loan obligations denominated in foreign currencies and others. Beginning with the fiscal year, of the price decision variables when deriving reasonably calculated prices based on the reasonable estimates obtained through the Discounted Cash Flow Method, the discount rate was changed to a level reasonably considered to be market rate. This change was made to reflect recently activated primary and secondary markets. This change has immaterial impact on Net Assets, etc.

The notes to Securities based on holding purpose are stated in "Securities."

(9) Loans and Bills Discounted

Fair values of Loans and Bills Discounted are determined by the total amount of principal and interest discounted at the discount rate reflecting expected loss and credit risk and other risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted.

In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and guarantees, fair values approximate the carrying value of claims minus Allowance for Possible Losses on Loans on the consolidated balance sheet as of the end of the fiscal year, and we thus deem such amount to be fair values.

Of the Loans and Bills Discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, we deem book values to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions.

Beginning with the fiscal year, following the refinement of valuation methods, the calculation of floating interests as a part of the total amount of the principal and the interest of Loans and Bills Discounted, which previously used only the determined interest, was changed to a calculation using interest based on a forecast. This change resulted in respective increases of ¥597,493 million in the fair value and difference of Loans and Bills Discounted.

## Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

As for demand deposits, we deem the payment amounts if required on the consolidated balance sheet date (i.e., book values) to be fair values. Fair values of Time Deposits and Negotiable Certificates of Deposit are determined by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are market interest rates.

- (3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Guarantee Deposits Received under Securities Lending Transactions

Since contractual terms of these items are short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

- (6) Borrowed Money

Fair values of Borrowed Money are determined by discounting the total amount of the principal and interests of such Borrowed Money classified by certain period at the interest rates considered to be applicable to similar loans.

- (7) Bonds and Notes

Fair values of Bonds and Notes issued by MHBK and its consolidated subsidiaries are based on the market prices and others.

#### Derivative Transactions

This topic is to be discussed later in the section of “Derivative Transactions.”

- (Note 2) Carrying values of financial instruments whose fair values are deemed extremely difficult to determine are indicated below, and are not included in “Assets (5) Other Debt Purchased” and “Assets (8) Securities” in fair value information of financial instruments.

(Millions of Yen)

Category	As of March 31, 2012	As of March 31, 2013
1) Unlisted Stocks (*1) (*2)	91,165	76,262
2) Investments in Partnerships (*3)	8,462	9,653
3) Other (*2)	11	203
Total	99,639	86,118

(\*1) We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

(\*2) During the fiscal year ended March 31, 2012, we impaired (“devaluated”) Unlisted Stocks and Other in the amounts of ¥4,595 million and ¥23 million, respectively, on a consolidated basis.

During the fiscal year ended March 31, 2013, we impaired (“devaluated”) Unlisted Stocks and Other in the amounts of ¥1,257 million and ¥60 million, respectively, on a consolidated basis.

(\*3) Of the Investments in Partnerships, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

- (Note 3) Redemption schedule by term for Monetary Claims and Securities with Maturities after the consolidated balance sheet date

As of March 31, 2012

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	2,320,200	–	–	–	–	–
Call Loans and Bills Purchased	8,640,000	–	–	–	–	–
Other Debt Purchased	570,488	182,277	74,417	29,389	12,200	467,752
Securities (*1)	8,291,632	6,619,274	6,105,398	324,916	1,026,510	1,528,414
Bonds Held to Maturity	–	700,000	1,100,000	–	–	–
Japanese Government Bonds	–	700,000	1,100,000	–	–	–
Other Securities with maturities	8,291,632	5,919,274	5,005,398	324,916	1,026,510	1,528,414
Japanese Government Bonds	7,560,620	4,829,700	3,737,000	120,000	820,000	82,000
Japanese Local Government Bonds	48,656	63,059	48,833	3,549	23,411	–
Bonds and Notes	625,227	749,138	286,470	59,278	81,071	602,433
Foreign Bonds	56,758	274,186	929,722	139,922	101,707	838,958
Other	370	3,191	3,372	2,166	320	5,021
Loans and Bills Discounted (*2)	13,773,480	4,718,001	2,899,168	1,840,727	2,170,423	6,135,376
Total	33,595,803	11,519,554	9,078,984	2,195,034	3,209,133	8,131,542

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥478,771 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥481,475 million of those whose terms are not determined.

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Due from Banks	4,030,154	–	–	–	–	–
Call Loans and Bills Purchased	9,890,000	–	–	–	–	–
Other Debt Purchased	580,251	42,992	38,464	44,850	7,156	366,837
Securities (*1)	7,118,623	6,761,063	6,027,301	1,040,181	1,554,252	1,563,493
Bonds Held to Maturity	100,000	1,200,000	1,700,000	–	–	–
Japanese Government Bonds	100,000	1,200,000	1,700,000	–	–	–
Other Securities with maturities	7,018,623	5,561,063	4,327,301	1,040,181	1,554,252	1,563,493
Japanese Government Bonds	6,481,000	4,687,300	2,457,000	810,000	1,273,000	–
Japanese Local Government Bonds	32,253	59,033	69,952	5,508	45,467	–
Bonds and Notes	457,862	510,528	282,686	76,809	107,611	562,993
Foreign Bonds	44,783	302,708	1,512,523	147,201	125,589	995,537
Other	2,723	1,493	5,138	662	2,583	4,962
Loans and Bills Discounted (*2)	13,394,434	4,565,476	3,056,907	1,910,346	2,154,826	6,206,154
Total	35,013,464	11,369,531	9,122,673	2,995,379	3,716,235	8,136,485

(\*1) Securities include those whose fair values are deemed extremely difficult to determine.

(\*2) Loans and Bills Discounted do not include ¥468,550 million of those whose redemption schedule is not expected, such as bankrupt obligors, substantially bankrupt obligors and intensive control obligors, and ¥466,885 million of those whose terms are not determined.

(Note 4) Repayment schedule by term for Bonds and Notes, Borrowed Money, and other Interest-bearing Debt after the consolidated balance sheet date

As of March 31, 2012

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	54,111,884	2,797,958	665,157	85,152	47,223	–
Negotiable Certificates of Deposit	961,290	–	–	–	–	–
Call Money and Bills Sold	1,193,800	–	–	–	–	–
Borrowed Money (*2)	6,031,552	75,922	48,885	40,291	5,869	4,692
Short-term Bonds	19,500	–	–	–	–	–
Bonds and Notes (*2)	3,400	60,000	130,000	189,300	216,600	109,000
Total	62,321,427	2,933,880	844,043	314,744	269,693	113,692

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥79,000 million for Borrowed Money and ¥81,400 million for Bonds and Notes) are not included in the table.

As of March 31, 2013

(Millions of Yen)

	1 year or less	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	Over 10 years
Deposits (*1)	56,199,788	2,914,449	643,684	83,778	49,567	–

Negotiable Certificates of Deposit	1,053,520	–	–	–	–	–
Call Money and Bills Sold	1,665,700	–	–	–	–	–
Borrowed Money (*2)	4,218,705	61,370	44,420	2,822	10,735	5,138
Short-term Bonds	–	–	–	–	–	–
Bonds and Notes (*2)	24,500	130,000	180,000	108,600	155,000	189,000
Total	63,162,214	3,105,819	868,104	195,201	215,303	194,138

(\*1) Demand deposits among Deposits are included in “1 year or less.”

(\*2) Borrowed Money and Bonds and Notes whose terms are not determined (¥79,000 million for Borrowed Money and ¥44,800 million for Bonds and Notes) are not included in the table.

#### Securities

\*1. The following tables contain information relating to items which are classified as “Securities,” Trading Securities and Short-term Bonds in “Trading Assets,” Negotiable Certificates of Deposits in “Cash and Due from Banks” and Trust Beneficiary Interests in “Other Debt Purchased.”

##### 1. Trading Securities

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
Unrealized Gains (Losses) Recognized in the Consolidated Statement of Income	1,854	239

##### 2. Bonds Held to Maturity

As of March 31, 2012

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Values Exceed the Carrying Value	Japanese Government Bonds	1,750,602	1,765,189	14,586
Bonds Whose Fair Values Do Not Exceed the Carrying Value	Japanese Government Bonds	50,011	49,950	(61)
Total		1,800,614	1,815,139	14,524

As of March 31, 2013

(Millions of Yen)

	Type	Carrying Value	Fair Value	Difference
Bonds Whose Fair Values Exceed the Carrying Value	Japanese Government Bonds	2,800,591	2,820,614	20,022
Bonds Whose Fair Values Do Not Exceed the Carrying Value	Japanese Government Bonds	199,811	199,730	(81)
Total		3,000,403	3,020,344	19,940

##### 3. Other Securities

As of March 31, 2012

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	329,637	217,555	112,081
	Bonds	13,959,389	13,911,075	48,314
	Japanese Government Bonds	12,371,325	12,338,881	32,444

	Type	Carrying Value	Acquisition Cost	Difference
	Japanese Local Government Bonds	180,625	178,312	2,312
	Japanese Corporate Bonds	1,407,438	1,393,881	13,557
	Other	1,189,294	1,163,968	25,325
	Trust Beneficiary Interests	390,577	375,753	14,824
	Foreign Bonds	759,835	750,432	9,402
	Other	38,881	37,782	1,098
	Subtotal	15,478,321	15,292,599	185,721
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	383,613	489,229	(105,616)
	Bonds	5,861,779	5,886,668	(24,889)
	Japanese Government Bonds	4,854,402	4,855,509	(1,107)
	Japanese Local Government Bonds	9,348	9,393	(44)
	Japanese Corporate Bonds	998,027	1,021,764	(23,736)
	Other	2,049,890	2,094,095	(44,205)
	Trust Beneficiary Interests	344,040	368,294	(24,254)
	Foreign Bonds	1,634,527	1,646,893	(12,366)
	Other	71,322	78,907	(7,584)
	Subtotal	8,295,282	8,469,993	(174,711)
Total		23,773,604	23,762,593	11,010

Note: Of the Unrealized Gains (Losses), the amount reflected in profit and loss due to the application of the fair value hedge method was a gain of ¥324 million.

As of March 31, 2013

(Millions of Yen)

	Type	Carrying Value	Acquisition Cost	Difference
Other Securities Whose Carrying Value Exceeds Acquisition Cost	Stocks	669,047	371,836	297,210
	Bonds	14,075,745	14,011,499	64,245
	Japanese Government Bonds	12,540,696	12,503,935	36,761
	Japanese Local Government Bonds	190,427	187,328	3,099
	Japanese Corporate Bonds	1,344,620	1,320,235	24,385
	Other	2,306,194	2,267,669	38,525
	Trust Beneficiary Interests	275,428	268,155	7,273
	Foreign Bonds	1,955,145	1,928,561	26,583
	Other	75,619	70,951	4,668
	Subtotal	17,050,986	16,651,004	399,982
Other Securities Whose Carrying Value Does Not Exceed Acquisition Cost	Stocks	196,830	253,944	(57,114)
	Bonds	3,991,738	4,009,403	(17,664)
	Japanese Government Bonds	3,293,111	3,294,056	(945)

	Type	Carrying Value	Acquisition Cost	Difference
	Japanese Local Government Bonds	25,684	25,729	(45)
	Japanese Corporate Bonds	672,942	689,616	(16,674)
	Other	1,549,670	1,571,659	(21,989)
	Trust Beneficiary Interests	236,446	244,136	(7,689)
	Foreign Bonds	1,295,739	1,308,361	(12,622)
	Other	17,483	19,160	(1,677)
	Subtotal	5,738,239	5,835,007	(96,768)
	Total	22,789,226	22,486,012	303,213

4. Bonds Held to Maturity which were sold during the year ended March 31, 2013

None

5. Other Securities which were sold during the fiscal year

For the year ended March 31, 2012

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	49,293	9,990	888
Bonds	31,838,998	36,006	9,177
Japanese Government Bonds	31,406,737	27,759	8,971
Japanese Local Government Bonds	13,242	–	50
Japanese Corporate Bonds	419,018	8,246	155
Other	3,008,536	34,979	6,971
Total	34,896,828	80,976	17,037

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

For the year ended March 31, 2013

(Millions of Yen)

Type	Proceeds from Sales	Gains on Sales	Losses on Sales
Stocks	71,024	9,340	4,505
Bonds	45,528,860	43,872	3,738
Japanese Government Bonds	44,932,476	36,552	3,628
Japanese Local Government Bonds	94,073	952	25
Japanese Corporate Bonds	502,310	6,367	84
Other	7,697,461	67,941	11,741
Total	53,297,346	121,154	19,984

Note: Other Securities whose fair values are deemed extremely difficult to determine are included.

6. Securities whose classification was changed

None

7. Impairment (“Devaluation”) of Securities

Certain Securities excluding Trading Securities (excluding those whose fair values are deemed extremely difficult to determine) are presented on the consolidated balance sheet at their fair value and the difference between the acquisition cost and the fair value is recognized as a loss for the fiscal year (“loss on impairment”) if the fair value (primarily the market price

on the last day of the fiscal year) has significantly deteriorated compared with the acquisition cost (including amortized cost) and recoverability of the fair value over the acquisition cost is not expected.

Loss on impairment for the fiscal year ended March 31, 2012 was ¥11,323 million (of which, that of Stocks was ¥9,427 million and that of Japanese Corporate Bonds was ¥1,896 million).

Loss on impairment for the fiscal year ended March 31, 2013 was ¥30,234 million (of which, that of Stocks was ¥29,177 million, that of Japanese Corporate Bonds was ¥712 million, that of Trust Beneficiary Interests was ¥291 million and that of others was ¥52 million).

The criteria for determining whether a security's fair value has "significantly deteriorated" are outlined as follows:

Securities whose fair value is 50% or less of the acquisition cost

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

#### Money Held in Trust

##### 1. Money Held in Trust for investment purposes

As of March 31, 2012

(Millions of Yen)

	Carrying Value	Net Unrealized Gains (Losses) recognized in the Consolidated Statement of Income
Money Held in Trust for Investment Purposes	15,500	–

As of March 31, 2013

None

##### 2. Money Held in Trust, for the purpose of being held to maturity

None

##### 3. Other Money Held in Trust other than for investment purposes or to be held to maturity

As of March 31, 2012

(Millions of Yen)

	Carrying Value	Acquisition Cost	Difference	Of Which Other Money Held in Trust Whose Carrying Value Exceeds Acquisition Cost	Of Which Other Money Held in Trust Whose Carrying Value Does Not Exceed Acquisition Cost
Other Money Held in Trust	965	1,001	(36)	–	(36)

Note: "Of Which Other Money Held in Trust Whose Carrying Value Exceeds Acquisition Cost" and "Of Which Other Money Held in Trust Whose Carrying Value Does Not Exceed Acquisition Cost" are the details of "Difference."

As of March 31, 2013

None

#### Net Unrealized Gains (Losses) on Other Securities

Details of Net Unrealized Gains (Losses) on Other Securities on the consolidated balance sheet are as follows:

As of March 31, 2012

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	10,520
Other Securities	10,556
Other Money Held in Trust	(36)
(–) Deferred Tax Liabilities	14,203
Net Unrealized Gains (Losses) on Other Securities (Before adjusting for amount corresponding to Minority Interests)	(3,683)
(–) Amount corresponding to Minority Interests	3,392
(+) Amount corresponding to MHBK's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the	5,239

	Amount
equity method	
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	(1,837)

Notes: 1. A gain of ¥324 million reflected in profit and loss due to the application of the fair value hedge method is deducted from the Unrealized Gains (Losses) on Other Securities.

2. Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

As of March 31, 2013

(Millions of Yen)

	Amount
Net Unrealized Gains (Losses)	303,184
Other Securities	303,184
Other Money Held in Trust	-
(-) Deferred Tax Liabilities	83,635
Net Unrealized Gains on Other Securities (Before adjusting for amount corresponding to Minority Interests)	219,548
(-) Amount corresponding to Minority Interests	5,016
(+) Amount corresponding to MHBK's interest in the net unrealized gains on Other Securities owned by affiliates accounted for by the equity method	10,343
Net Unrealized Gains on Other Securities, net of Taxes	224,876

Note: Foreign Currency Translation Adjustments of foreign-currency-denominated Other Securities whose fair values are deemed extremely difficult to determine is included in "Other Securities" under "Net Unrealized Gains (Losses)."

#### Derivative Transactions

##### 1. Derivative Transactions not Designated as Hedge

With regard to derivative transactions not designated as hedge, contract amounts or contractual principal equivalents, fair values and net unrealized gains (losses), and fair value measurement method by type of transaction as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

##### (1) Interest Rate-Related Transactions

As of March 31, 2012 (Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures:				
	Sold	170,987	123,837	38	38
	Bought	295,775	87,584	(67)	(67)
	Futures Options:				
Over-the-Counter	Sold	143,565	-	(3)	7
	Bought	143,385	-	3	(35)
	Swaps:				
	Receive Fixed / Pay Float	20,672,350	10,459,613	304,938	304,938
	Receive Float / Pay Fixed	17,942,409	10,292,329	(298,334)	(298,334)
	Receive Float / Pay Float	1,650,569	1,173,269	2,654	2,654
Options:					
Sold	269,093	220,465	(1,426)	(1,426)	
Bought	134,609	120,719	1,741	1,741	

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Inter-Company and Inter-Office Transactions	Swaps: Receive Float / Pay Fixed	150,000	–	(584)	(584)
	Total	–	–	8,960	8,931

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Futures: Sold	100,240	33,807	(46)	(46)
	Bought	74,624	19,774	22	22
	Futures Options: Sold	–	–	–	–
	Bought	–	–	–	–
	Over-the-Counter	Swaps: Receive Fixed / Pay Float	16,760,529	11,767,677	327,852
	Receive Float / Pay Fixed	17,202,111	11,749,651	(304,643)	(304,643)
	Receive Float / Pay Float	2,431,737	2,077,837	2,485	2,485
	Options: Sold	543,042	361,090	(2,683)	(2,683)
	Bought	220,910	204,676	2,838	2,838
Inter-Company and Inter-Office Transactions	Swaps: Receive Float / Pay Fixed	–	–	–	–
Total		–	–	25,824	25,824

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Financial Exchange and others. Fair values of over-the-counter contracts, inter-company and inter-office transactions are determined using the discounted value of future cash flows, option pricing models, and others.

(2) Currency-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Over-the-Counter	Currency Swaps	3,880,874	3,376,654	(25,820)	38,373
	Forward Exchange Contracts: Sold	1,408,953	421,736	67,139	67,139

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Bought	3,224,675	1,712,520	(207,189)	(207,189)
	Options:				
	Sold	3,732,838	2,271,576	(482,635)	(81,014)
	Bought	3,773,572	2,367,828	777,123	382,911
	Total	–	–	128,617	200,220

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Currency Swaps	3,882,496	2,276,472	(19,196)	1,753
	Forward Exchange Contracts:				
	Sold	1,799,754	309,026	(27,920)	(27,920)
	Bought	3,416,589	1,243,409	163,135	163,135
	Options:				
	Sold	2,429,324	1,496,193	(197,411)	3,834
	Bought	2,366,116	1,516,906	201,356	8,930
	Total	–	–	119,963	149,732

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

### (3) Stock-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Index Futures:				
	Sold	269	–	(1)	(1)
	Bought	172	–	(1)	(1)
	Index Futures Options:				
	Sold	258	–	(15)	(5)
	Bought	662	–	17	6
	Equity-Linked Swaps	184,000	184,000	–	–
	Options:				
	Sold	167	–	(3)	0
	Bought	2,063	–	54	39
	Total	–	–	50	38

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.  
Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Index Futures:				
	Sold	18,422	–	(934)	(934)
	Bought	–	–	–	–
	Index Futures Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
Over-the-Counter	Equity-Linked Swaps	184,000	184,000	–	–
	Options:				
	Sold	–	–	–	–
	Bought	–	–	–	–
Total		–	–	(934)	(934)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.  
Fair values of over-the-counter contracts are determined using the discounted value of future cash flows, option pricing models, and others.

#### (4) Bond-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	656,608	–	(861)	(861)
	Bought	687,929	–	1,430	1,430
	Bond Futures Options:				
	Sold	42,064	–	(116)	85
	Bought	112,145	–	139	(172)
Total		–	–	591	481

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Bond Futures:				
	Sold	126,539	–	(156)	(156)
	Bought	41,314	–	121	121

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
	Bond Futures Options:				
	Sold	18,312	–	(16)	1
	Bought	18,395	–	28	(3)
	Total	–	–	(23)	(37)

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the Tokyo Stock Exchange and others.

#### (5) Commodity-Related Transactions

As of March 31, 2012

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	1,028	177	3	3
	Bought	338	–	(5)	(5)
Over-the-Counter	Commodity Options:				
	Sold	94,528	90,262	(14,902)	(14,902)
	Bought	78,876	74,861	28,326	28,326
	Total	–	–	13,421	13,421

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.

3. Commodities are oil, copper, aluminum and others.

As of March 31, 2013

(Millions of Yen)

Classification	Type	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value	Net Unrealized Gains (Losses)
Listed	Commodity Futures:				
	Sold	108	–	5	5
	Bought	507	–	5	5
Over-the-Counter	Commodity Options:				
	Sold	70,933	64,754	(11,868)	(11,868)
	Bought	61,294	55,636	20,291	20,291
	Total	–	–	8,433	8,433

Notes: 1. The above transactions are marked-to-market, and changes in net unrealized gains (losses) are included in the consolidated statement of income.

2. Fair values of listed contracts are determined using the closing prices of the New York Mercantile Exchange and others. Fair values of over-the-counter contracts are determined using the commodity prices, terms of contract and other components of the contracts.

3. Commodities are oil, copper, aluminum and others.

#### (6) Credit Derivative Transactions

None

## (7) Weather Derivative Transactions

None

## 2. Derivative Transactions Designated as Hedge

With regard to derivative transactions designated as hedge, contract amounts or contractual principal equivalents, fair values and fair-value measurement method by type of transaction and method of hedge accounting as of the consolidated balance sheet date are as follows. Notional amounts in themselves should not be considered indicative of the volume of market risk associated with the derivatives.

## (1) Interest Rate-Related Transactions

As of March 31, 2012

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps: Receive Fixed / Pay Float	Loans and Bills Discounted, Interest-Bearing Financial Assets and Liabilities Such as Deposits	15,645,327	6,651,742	42,832
	Receive Float / Pay Fixed		175,114	175,114	(10,523)
Total		–	–	–	32,308

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).

2. Fair values are determined using the discounted value of future cash flows.

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Swaps: Receive Fixed / Pay Float	Loans and Bills Discounted, Interest-Bearing Financial Assets and Liabilities Such as Deposits	9,309,160	6,072,262	45,051
	Receive Float / Pay Fixed		36,197	36,197	(640)
Total		–	–	–	44,410

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No. 24).

2. Fair values are determined using the discounted value of future cash flows.

## (2) Currency-Related Transactions

As of March 31, 2012

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Forward Exchange Contracts: Bought	Equity of Parent Company in Net Assets of Subsidiaries	4,363	–	(33)
Total		–	–	–	(33)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows.

As of March 31, 2013

(Millions of Yen)

Hedge Accounting	Type	Major Hedged Items	Notional Amount/ Total	Notional Amount/ Over One Year	Fair Value
Principle Method	Forward Exchange Contracts: Bought	Equity of Parent Company in Net Assets of Subsidiaries	4,685	–	(44)
Total		–	–	–	(44)

Notes: 1. The deferred hedge accounting is applied mainly in accordance with the “Accounting and Auditing Treatment Relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25).

2. Fair values are determined using the discounted value of future cash flows.

(3) Stock-Related Transactions

None

(4) Bond-Related Transactions

None

Reserve for Employee Retirement Benefits

1. Outline of Adopted Employee Retirement Benefit Plans

(1) MHBK and its domestic consolidated subsidiaries adopt the Corporate Pension Fund Plans (Kigyo Nenkin Kikin Seido) and the Termination Allowance Plans (Taishoku Ichijikin Seido) as Defined-Benefit Corporate Pension Plans. MHBK and its certain domestic consolidated subsidiaries adopted Defined-Contribution Pension Plans for part of the Termination Allowance Plans (Taishoku Ichijikin Seido).

(2) MHBK has established employee retirement benefit trusts.

2. Reserve for Employee Retirement Benefits are reconciled as follows:

Description		As of March 31, 2012	As of March 31, 2013
		Amount (Millions of Yen)	Amount (Millions of Yen)
Projected Benefit Obligation	(A)	(723,411)	(704,900)
Plan Assets	(B)	732,796	843,921
Unfunded Projected Benefit Obligations	(C) = (A) + (B)	9,385	139,020
Unrecognized Actuarial Differences	(D)	223,347	85,394
Net Amounts on Consolidated Balance Sheet	(E) = (C) + (D)	232,733	224,414
Prepaid Pension Cost	(F)	240,031	228,204
Reserve for Employee Retirement Benefits	(G) = (E) - (F)	(7,298)	(3,790)

Notes: 1. The above Projected Benefit Obligations do not include additional retirement benefits paid to employees.

2. The above Projected Benefit Obligations include the amount measured by certain consolidated subsidiaries under the non-actuarial method.

3. Breakdown of Retirement Benefit Expenses (Gains) was as follows:

Classification	For the year ended March 31, 2012	For the year ended March 31, 2013
	Amount (Millions of Yen)	Amount (Millions of Yen)
Service Cost	12,791	15,630
Interest Cost	16,195	12,219
Expected Return on Plan Asset	(12,277)	(17,415)
Amortization of Unrecognized Actuarial Differences	45,469	38,565

Classification	For the year ended March 31, 2012	For the year ended March 31, 2013
	Amount (Millions of Yen)	Amount (Millions of Yen)
Others (such as Additional Retirement Benefit)	4,301	5,145
Net Retirement Benefit Expenses	<u>66,479</u>	<u>54,145</u>

Notes: 1. The amount of employee contribution to Mizuho Pension Funds is deducted from "Service Cost."

2. Retirement benefit expenses of some consolidated subsidiaries which adopt the non-actuarial method for calculating projected benefit obligations are included in "Service Cost" in full.

4. Assumptions Used in Calculation of Projected Benefit Obligations

(1) Discount Rate

For the year ended March 31, 2012	For the year ended March 31, 2013
Mainly 1.7%	Mainly 1.7%

(2) Expected Rate of Return on Plan Assets

For the year ended March 31, 2012	For the year ended March 31, 2013
Mainly 0.0% - 2.9%	Mainly 2.04% - 2.8%

(3) Method of Attributing the Projected Benefits to Periods of Service

Straight-line basis

(4) Amortization of Unrecognized Actuarial Differences

10 to 12 years (The amount allocated by straight-line method over certain years within the average remaining service period of the employees of each fiscal year is expensed from the following fiscal year.)

#### Deferred Tax Assets and Liabilities

1. Breakdown of Deferred Tax Assets and Liabilities

(Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
<b>Deferred Tax Assets</b>		
Allowance for Possible Losses on Loans	197,525	159,105
Tax Losses Carry-Forward	27,710	9,717
Devaluation of Securities	148,189	86,186
Securities and others (contributed to retirement benefit trusts)	115,342	118,351
Others	170,391	140,400
Subtotal Deferred Tax Assets	<u>659,158</u>	<u>513,761</u>
Valuation Allowance	(297,338)	(187,303)
Total Deferred Tax Assets	<u>361,820</u>	<u>326,457</u>
<b>Deferred Tax Liabilities</b>		
Prepaid Pension Cost	(86,563)	(80,560)
Net Unrealized Gains (Losses) on Other Securities	(14,477)	(83,683)
Others	(29,870)	(29,593)
Total Deferred Tax Liabilities	<u>(130,911)</u>	<u>(193,837)</u>
Net Deferred Tax Assets	<u>230,908</u>	<u>132,620</u>

2. Major Differences Between the Effective Statutory Tax Rate and the Effective Income Tax Rate of Consolidated Financial Statements After Tax Effect Accounting Application

As of March 31, 2012

As of March 31, 2013

Effective Statutory Tax Rate	40.6%	37.9%
(Adjustments)		
Decrease in Valuation Allowance	(23.4)	(27.6)
Permanent Nondeductible Differences (e.g. entertainment expenses)	0.3	0.2
Permanent Nontaxable Differences (e.g. cash dividends received)	(2.2)	(1.6)
Adjustment to Reduce the Amount of Deferred Tax Assets at the End of the Year Due to Changes in Tax Rates	8.5	–
Other	(8.6)	1.0
Effective Income Tax Rate	15.1%	9.8%

#### Business Combination and Others

For the year ended March 31, 2013

##### Transaction under Common Control and Others

Mizuho Investors Securities Co., Ltd., which had been a consolidated subsidiary of Mizuho Bank, Ltd. (“MHBK”), and Mizuho Securities Co., Ltd., a consolidated subsidiary of MHBK’s parent company, merged as of January 4, 2013 based on the merger agreement signed on May 15, 2012. As a result of this merger, Mizuho Investors Securities Co., Ltd. was dissolved and excluded from the scope of consolidation of MHBK. Mizuho Securities Co., Ltd. after the merger became MHBK’s affiliate accounted for by the equity method.

- (1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, name of the company after the combination, and outline of the transaction including its purpose

1) Names of the companies involved in the combination and purposes of business

Items	Combining company	Combined company
Names of the companies involved in the combination	Mizuho Securities Co., Ltd.	Mizuho Investors Securities Co., Ltd.
Purposes of business	Financial instruments business	Financial instruments business

2) Date of the combination

January 4, 2013

3) Legal form of the combination

The absorption-type merger in which Mizuho Securities Co., Ltd. is the surviving company and Mizuho Investors Securities Co., Ltd. is the dissolving company.

4) Name of the company after the combination

Mizuho Securities Co., Ltd.

5) Outline of the transaction including its purpose

The merger is intended, in the securities business, to enhance the retail business in Japan, rationalize and streamline management infrastructure, and provide securities functions in a unified manner through Mizuho Financial Group’s full-line securities company.

(2) Outline of accounting treatment

Based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008), this event has been treated as a transaction under common control.

#### Segment Information

##### Segment Information

1. Outline of Reportable Segments

MHBK and its group companies (the “Group”) classify its operating segments based on the nature of products and services, attributes of customers and its organizational structure.

The below-mentioned reportable segment information is based on the internal control reports used by the management in assessing performance of each operating segment in the Group. Net business profits (before provision for general allowance for possible losses on loans) is mainly used for the assessment pursuant to the rules and practices of management accounting in the Group.

The Group classifies its operating segments into MHBK (non-consolidated), the former Mizuho Investors Securities Group, and others. Moreover, the operating segment of MHBK (non-consolidated) is classified into three reportable segments; namely, “Individual customers division,” “Corporate customers division” and “Markets division and others.”

Former Mizuho Investors Securities Co., Ltd., which previously belonged to the Group, merged with former Mizuho Securities Co., Ltd. in January 2013, and has started its business as the new Mizuho Securities Co., Ltd. and become an affiliate of MHBK.

[(i) MHBK]

MHBK provides banking and other financial services mainly to individual customers, and small and medium-sized enterprises and middle market corporations through its branch and ATM network all over Japan.

[(ii) Individual customers division]

The individual customers division provides financial instruments and services, such as housing and other loans for individual customers, credit cards, deposits, asset management products and consulting services, to individual customers through, in addition to its branch and ATM network all over Japan, telephone banking services and internet banking services.

[(iii) Corporate customers division]

The corporate customers division provides financial services, such as lending, syndicated loans, structured finances and advisory services, to and supports funding from the financial market of small and medium-sized enterprises and middle market corporations, local governments and public corporations in Japan.

[(iv) Markets division and others]

The markets division and others supports operations of the individual customers division and the corporate customers division by providing derivatives and other risk hedging instruments that respond to customer needs of financial and operational risk control. This reportable segment also performs foreign exchange transactions, bond trading and asset and liability management (ALM). The figures of this reportable segment include expenditures incurred at the control departments of headquarters.

[(v) Former Mizuho Investors Securities Group]

As a result of the merger of the former Mizuho Investors Securities Co., Ltd. and the former Mizuho Securities Co., Ltd. in January 2013, the new Mizuho Securities Co., Ltd. was launched.

[(vi) Others]

Others is comprised of the subsidiaries of MHBK other than the former Mizuho Investors Securities Group companies, such as Mizuho Capital Co., Ltd. and Mizuho Business Financial Center Co., Ltd., and provides financial instruments and services mainly to customers of the Group.

2. Measurement Method of Gross Profits, Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) and Assets by Reportable Segment

The below-mentioned reportable segment information is based on the internal control reports.

Gross profits is the total of net interest income, net fee and commission income, net trading income and net other operating income.

Net business profits (before provision for general allowance for possible losses on loans) is the amount obtained by deducting or adjusting expenses (excluding extraordinary items) and other (consolidation adjustment items including equity in earnings/losses from investments in affiliates) from gross profits.

Asset information by segment has not been prepared because the management does not use the asset information by segment in deciding the allocation of resources and in assessing performance.

Gross profits of inter-segment transactions is based on actual market prices.

3. Information of Amounts of Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i) MHBK	(ii) Individual customers division	(iii) Corporate customers division	(iv) Markets division and others	(v) Former Mizuho Investors Securities Group	(vi) Others	Total
Gross Profits	798,669	256,400	390,500	151,769	44,584	46,449	889,704
Expenses (excluding Extraordinary Items)	556,444	218,600	227,600	110,244	40,850	11,195	608,489
Other	-	-	-	-	-	(14,049)	(14,049)
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	242,225	37,800	162,900	41,525	3,734	21,205	267,165

Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.

2. The figures of “(vi) Others” include those to be eliminated as inter-office transactions among reportable segments.
3. As a result of the start of “substantive one bank structure” in April 2012, and the accompanying change in the method of allocating profits among segments, the calculation method for Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of “(ii) Individual customers division,” “(iii) Corporate customers division” and “(iv) Markets division and others” was changed. To reflect this change, the figures in the above table show those after reclassification.

For the year ended March 31, 2013

(Millions of Yen)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
	MHBK	Individual customers division	Corporate customers division	Markets division and others	Former Mizuho Investors Securities Group	Others	
Gross Profits	827,475	248,000	396,300	183,175	35,543	47,906	910,924
Expenses (excluding Extraordinary Items)	524,396	209,300	216,700	98,396	30,701	13,161	568,259
Other	–	–	–	–	–	(7,403)	(7,403)
Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	303,078	38,700	179,600	84,778	4,841	27,341	335,261

- Notes: 1. Gross profits is presented in lieu of Sales as is the case for non-financial companies.
2. The figures of “(vi) Others” include those to be eliminated as inter-office transactions among reportable segments.
  3. As a result of the start of “substantive one bank structure” in April 2012, and the accompanying change in the method of allocating profits among segments, the calculation method for Gross Profits and Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of “(ii) Individual customers division,” “(iii) Corporate customers division” and “(iv) Markets division and others” was changed.
  4. Following the merger of the former Mizuho Investors Securities Co., Ltd. and the former Mizuho Securities Co., Ltd. in January 2013, the figures of “(v) Former Mizuho Investors Securities Group” include financial results for the nine months ended December 31, 2012 of the former Mizuho Investors Securities Group.

#### 4. Reconciliation Between the Total of Reportable Segments and the Amounts on Consolidated Statement of Income

Each of the above-mentioned gross profits and net business profits (before provision for general allowance for possible losses on loans) of reportable segments based on the internal control reports differs from the corresponding amount on the consolidated statement of income. The reconciliations thereof are shown below.

##### (1) Total of Gross Profits of Reportable Segments and Ordinary Profits on Consolidated Statement of Income

(Millions of Yen)

Gross Profits	For the year ended March 31, 2012	For the year ended March 31, 2013
Total of Reportable Segments	889,704	910,924
Other Ordinary Income	128,320	144,354
General and Administrative Expenses	(656,606)	(610,522)
Other Ordinary Expenses	(125,497)	(116,415)
Ordinary Profits on Consolidated Statement of Income	235,920	328,340

##### (2) Total of Net Business Profits (before Provision for General Allowance for Possible Losses on Loans) of Reportable Segments and Income before Income Taxes and Minority Interests on Consolidated Statement of Income

(Millions of Yen)

Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	For the year ended March 31, 2012	For the year ended March 31, 2013
Total of Reportable Segments	267,165	335,261
Expenses (for Extraordinary Items)	(48,116)	(42,262)
Expenses Related to Portfolio Problems (Including Reversal of Provision for General Allowance for Possible Losses on Loans)	(34,329)	(35,238)

Net Business Profits (before Provision for General Allowance for Possible Losses on Loans)	For the year ended March 31, 2012	For the year ended March 31, 2013
Net Gains (Losses) Related to Stocks and Others	(7,307)	(25,888)
Net Extraordinary Gains (Losses)	(3,394)	(1,899)
Other	58,508	96,468
Income before Income Taxes and Minority Interests on Consolidated Statement of Income	232,526	326,441

#### Related Information

For the year ended March 31, 2012

##### 1. Information by Geographic Area

###### (1) Ordinary Income

Information of Ordinary Income by geographic area is not presented, since the ratio of the amount classified as Ordinary Income from MHBK and its consolidated subsidiaries in Japan on a consolidated basis to the Ordinary Income on the consolidated statement of income exceeds 90%.

###### (2) Tangible Fixed Assets

Information of Tangible Fixed Assets by geographic area is not presented, since the ratio of the amount of Tangible Fixed Assets located in Japan on a consolidated basis to the Tangible Fixed Assets on the consolidated balance sheet exceeds 90%.

##### 2. Information by Major Client

Information by major client is not presented, since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

For the year ended March 31, 2013

##### 1. Information by Geographic Area

###### (1) Ordinary Income

Information of Ordinary Income by geographic area is not presented, since the ratio of the amount classified as Ordinary Income from MHBK and its consolidated subsidiaries in Japan on a consolidated basis to the Ordinary Income on the consolidated statement of income exceeds 90%.

###### (2) Tangible Fixed Assets

Information of Tangible Fixed Assets by geographic area is not presented, since the ratio of the amount of Tangible Fixed Assets located in Japan on a consolidated basis to the Tangible Fixed Assets on the consolidated balance sheet exceeds 90%.

##### 2. Information by Major Client

Information by major client is not presented, since the ratio of Ordinary Income from any specific client to the Ordinary Income on the consolidated statement of income does not reach 10%.

#### Information of Losses on Impairment of Fixed Assets by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
	MHBK	Individual customers division	Corporate customers division	Markets division and others	Former Mizuho Investors Securities Group	Others	
Losses on Impairment of Fixed Assets	5,083	—	—	5,083	—	566	5,650

For the year ended March 31, 2013

(Millions of Yen)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
	MHBK	Individual customers division	Corporate customers division	Markets division and others	Former Mizuho Investors Securities Group	Others	
Losses on Impairment of Fixed Assets	7,694	–	–	7,694	354	35	8,085

Information of Amortization of Goodwill and the Balance of Unamortized Goodwill by Reportable Segment

For the year ended March 31, 2012

(Millions of Yen)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
	MHBK	Individual customers division	Corporate customers division	Markets division and others	Former Mizuho Investors Securities Group	Others	
Amount of amortization during the fiscal year	–	–	–	–	–	60	60
Balance at the end of the fiscal year	–	–	–	–	–	2,131	2,131

For the year ended March 31, 2013 (Millions of Yen)

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
	MHBK	Individual customers division	Corporate customers division	Markets division and others	Former Mizuho Investors Securities Group	Others	
Amount of amortization during the fiscal year	–	–	–	–	–	274	274
Balance at the end of the fiscal year	–	–	–	–	–	2,054	2,054

Information of Gains on Negative Goodwill Incurred by Reportable Segment

For the year ended March 31, 2012

“(vi) Others” includes ¥6,135 million of Gains on Negative Goodwill Incurred, which was recognized in line with the turning of a securities subsidiary into a wholly-owned subsidiary.

For the year ended March 31, 2013

“(vi) Others” includes ¥30,040 million of Gains on Negative Goodwill Incurred, which was recognized in line with the merger of securities companies.

## Related Party Transactions

### 1. Related Party Transactions

(1) Transactions between the company submitting the consolidated financial statements and related parties

(A) Parent company and major corporate shareholder, etc. of the company filing the consolidated financial statements

For the year ended March 31, 2012

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Parent company	Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	2,254,972	Financial holding company	Owned Directly: 100	Debtor-Creditor Relationship Leasing Relationship of Facilities	2	Lending of funds	700,000 (*)	Loans	700,000

(\*) Ending Balance is disclosed because transactions are in short-term nature.

#### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

For the year ended March 31, 2013

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Parent company	Mizuho Financial Group, Inc.	Chiyoda-ku, Tokyo	2,254,972	Financial holding company	Owned Directly: 100	Debtor-Creditor Relationship Leasing Relationship of Facilities	4	Lending of funds	600,000 (*)	Loans	600,000

(\*) Ending Balance is disclosed because transactions are in short-term nature.

#### Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

(B) Companies, etc. whose parent company is the same as that of the company submitting the consolidated financial statements and subsidiaries, etc. of other affiliated companies of the company submitting the consolidated financial statements

For the year ended March 31, 2012

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)
							Inter-locking Directorate				
Companies whose parent company is the same	Mizuho Corporate Bank, Ltd.	Chiyoda-ku, Tokyo	1,404,065	Banking	-	Debtor-Creditor Relationship Leasing Relationship of Facilities	2	Financing by call money	8,550,000 (*1)	Call Money and Bills Purchased	8,550,000
								Derivative transactions (currency options and forward exchange)	422,386 (*2)	Other Assets	422,386
									650,504 (*2)	Other Liabilities	650,504

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

(\*2) Ending Balance is disclosed because appraisal values are based on the market rates at the end of the fiscal year.

## Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

For the year ended March 31, 2013

Type	Company Name	Location	Capital or Investments (Millions of Yen)	Main Business	Ownership Percentage	Relationship		Nature of Transactions	Transaction Amount (Millions of Yen)	Accounts	Ending Balance (Millions of Yen)	
							Inter-locking Directorate					
Companies whose parent company is the same	Mizuho Corporate Bank, Ltd.	Chiyoda-ku, Tokyo	1,404,065	Banking	-	Debtor-Creditor Relationship	3	Financing by call money	9,800,000 (*1)	Call Money and Bills Purchased	9,800,000	
								Leasing Relationship of Facilities	Derivative transactions (currency options and forward exchange)	282,945 (*2)	Other Assets	282,945
										225,869 (*2)	Other Liabilities	225,869

(\*1) Ending Balance is disclosed because transactions are in short-term nature.

(\*2) Ending Balance is disclosed because appraisal values are based on the market rates at the end of the fiscal year.

## Conditions of Transaction and Transaction Policies

Conditions of transaction are determined in accordance with current rates of markets.

- (2) Transactions between consolidated subsidiaries of the company submitting the consolidated financial statements and related parties

No material items that should be disclosed.

## 2. Notes Concerning the Parent Company or Important Affiliated Companies

### (1) Parent company information

Mizuho Financial Group, Inc. (listed on the Tokyo Stock Exchange (first section), the Osaka Securities Exchange (first section) and the New York Stock Exchange)

### (2) Summary of financial information of important affiliated companies

None

## Per Share Information

		For the year ended March 31, 2012	For the year ended March 31, 2013
Net Assets per Share	Yen	222,565.51	265,096.63
Net Income per Share	Yen	18,149.23	27,845.72
Net Income per Share – Diluted	Yen	18,149.20	27,845.66

Notes: 1. The basis used for calculating Net Assets per Share is as follows:

		As of March 31, 2012	As of March 31, 2013
Net Assets per Share			
Total Net Assets	Millions of Yen	2,671,110	3,042,001
Amount to be deduced from the Total Net Assets	Millions of Yen	444,074	389,390
Of which subscriptions to preferred stock	Millions of Yen	4	4
Of which preferred dividends	Millions of Yen	0	0
Of which minority interests	Millions of Yen	444,070	389,386
Net Assets that belong to Common Stock at the end of the year	Millions of Yen	2,227,036	2,652,611
Number of shares of common stock at the end of the year, which is used to calculate Net Assets per Share	Thousands of Shares	10,006	10,006

2. The basis used for calculating Net Income per Share and Diluted Net Income per Share is as follows:

		For the year ended March 31, 2012	For the year ended March 31, 2013
Net Income per Share			
Net Income	Millions of Yen	181,605	278,630
Amount not attributable to Common Shareholder	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Net Income that belongs to Common Stock	Millions of Yen	181,604	278,630
Average number of shares of Common Stock during the year	Thousands of Shares	10,006	10,006
Net Income per Share – Diluted			
Adjustment on Net Income	Millions of Yen	0	0
Of which preferred dividends	Millions of Yen	0	0
Increase in Common Stock	Thousands of Shares	0	0
Of which increase due to Preferred Stock	Thousands of Shares	0	0
Outline of potential shares that were not used in calculating Diluted Net Income per Share because they have no dilutive effects		—	—

#### Significant Subsequent Events

At the meeting of the Board of Directors and the General Meeting of Shareholders that were held on March 29, 2013, Mizuho Bank, Ltd. (“MHBK”) adopted a resolution to distribute as dividend-in-kind all shares of Mizuho Securities Co., Ltd. (“MHSC”), an affiliate accounted for by the equity method of MHBK, to Mizuho Financial Group, Inc. (“MHFG”), the parent company of MHBK. As a result of such distribution of dividends conducted as of April 1, 2013, MHSC has become a directly-held subsidiary of MHFG.

- (1) Names of the companies involved in the combination and purposes of business, date of the combination, legal form of the combination, and outline of the transaction including its purpose

- 1) Names of the companies involved in the combination and purposes of business

Items	Directly-holding parent company	Directly-held subsidiary
Names of the companies involved in the combination	MHFG	MHSC
Purposes of business	Financial holding company	Financial instruments business

- 2) Date of the combination

April 1, 2013 Date of distribution of dividend-in-kind

- 3) Legal form of the combination

The combination will be conducted by MHBK and Mizuho Corporate Bank, Ltd., each a wholly-owned subsidiary of MHFG, distributing to MHFG all of the shares of MHSC that are held by each of MHBK and Mizuho Corporate Bank, Ltd. as a dividend in kind.

- 4) Outline of the transaction including its purpose

MHFG aims to build the most effective and advanced group management structure. This will include moving to a “single bank” and “single securities” structure that aims to promote timely and unified group strategic planning under the strong governance of the holding company as well as taking advantage of the characteristics and competitiveness of being the only Japanese banking group that holds its own bank, trust bank and securities company. It will also include moving to a new group capital structure and new group operational structure and the strengthening of group governance. Toward this end, MHFG has turned MHSC, a consolidated subsidiary of MHFG, into its directly-held subsidiary and has moved to a new group capital structure, which places banking, trust banking, securities and other major group companies under the direct control of the holding company.

- (2) Outline of accounting treatment

This event has been treated based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) and “Guidance on Accounting Standard for Treasury

Shares and Appropriation of Legal Reserves” (ASBJ Guidance No. 2, August 11, 2006), and MHSC has been excluded from the scope of the equity method of MHBK.

## 5) Consolidated Supplementary Financial Schedules

### Schedule of Bonds and Notes

Company	Type of Bond	Date of Issuance	Beginning Balance (Millions of Yen)	Ending Balance (Millions of Yen)	Interest Rate (%)	Collateral	Date of Maturity	Abstract
MHBK	Straight Corporate Bond	Feb. 2005 – Oct. 2012	738,200	805,400 [2,000]	1.05 – 4.26	None	Jul. 2013 –	(Note 1)
Mizuho Finance (Aruba) A.E.C.	Straight Corporate Bond	May 2008 – Jun. 2008	51,500	26,500 [22,500]	0.90 – 2.75	None	May 2013 –	(Note 1)
Former Mizuho Investors Securities Co., Ltd.	Short-term Bond	–	19,498	–	–	–	–	–
Total		–	809,198	831,900	–	–	–	–

Notes: 1. Figures indicated in [ ] represent the amounts to be redeemed within one year.

2. Amounts of redemption within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Amount (Millions of Yen)	24,500	60,000	70,000	60,000	120,000

### Schedule of Borrowed Money (Millions of Yen)

Classification	Beginning Balance	Ending Balance	Average Interest Rate (%)	Repayment Term
Borrowed Money	6,286,214	4,422,193	0.21	–
Bills Rediscounted	–	–	–	–
Other Borrowings	6,286,214	4,422,193	0.21	Apr. 2013 –
Lease Obligations	17,409	19,254	2.09	Apr. 2013 – Dec. 2019

Notes: 1. “Average Interest Rate” is calculated by weighted average of “Interest” and “Ending Balance” at the balance sheet date.

2. Repayments of Other Borrowings and Lease Obligations within five years after the consolidated balance sheet date are as follows:

	1 year or less	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years
Other Borrowings (Millions of Yen)	4,218,705	33,424	27,946	22,494	21,925
Lease Obligations (Millions of Yen)	4,290	3,694	3,368	2,777	2,377

Since banking business accepts deposit and funds money from call market and promissory note market for the operating purposes, the details of “Borrowed Money” and “Lease Obligations” in “Other Liabilities” in the “Liabilities” section of the consolidated balance sheet are presented in the Schedule of Borrowed Money.

### Schedule of Asset Retirement Obligations

Information of Schedule of Asset Retirement Obligations is not presented as it is permitted by the provisions of Article 92-2 of the Regulations of Consolidated Financial Statements, since the amount of Asset Retirement Obligations is one percent or less of the total of Liabilities and Net Assets.

#### (2) Others

None

## Independent Auditor's Report (Translation)

June 21, 2013

The Board of Directors  
Mizuho Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner  
Certified Public Accountant      Mutsuo Emi

Designated and Engagement Partner  
Certified Public Accountant      Ryuichi Nagano

Designated and Engagement Partner  
Certified Public Accountant      Nobuko Kubo

Designated and Engagement Partner  
Certified Public Accountant      Hiroshi Nishida

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets, the consolidated statement of cash flows, the basis of preparation of consolidated financial statements, other notes to the consolidated financial statements and the related consolidated supplementary financial schedules of Mizuho Bank, Ltd. (the "Company") applicable to the fiscal year from April 1, 2012 through March 31, 2013, stated in the financial information section.

### *Management's Responsibility for the Consolidated Financial Statements and the Related Consolidated Supplementary Financial Schedules*

Management is responsible for the preparation and fair presentation of these consolidated financial statements and the related consolidated supplementary financial schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements and the related consolidated supplementary financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the related consolidated supplementary financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the related consolidated supplementary financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the related consolidated supplementary financial schedules, whether due to fraud or error. The purpose of an audit of the consolidated financial statements and the related consolidated supplementary financial schedules is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements and the related consolidated supplementary financial schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the related consolidated supplementary financial schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements and the related consolidated supplementary financial schedules referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Mizuho Bank Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2013 in conformity with accounting principles generally accepted in Japan.

*Emphasis of Matter*

We draw attention to the note to the consolidated financial statements for the significant subsequent events, which describes the adoption by the Company of a resolution to distribute as dividend-in-kind all shares of Mizuho Securities Co., Ltd., an affiliate accounted for by the equity method of the Company, to Mizuho Financial Group, Inc., the parent company of the Company, at the meeting of the Board of Directors and the General Meeting of Shareholders that were held on March 29, 2013, and Mizuho Securities Co., Ltd. turning into a directly-held subsidiary of Mizuho Financial Group, Inc. as a result of such distribution of dividends conducted as of April 1, 2013.

Our opinion is not qualified in respect of this matter.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

- 
- Notes: 1. The above report is the electronic version of the original "Independent Auditor's Report." The original version is separately retained by the Company.
2. The scope of the consolidated financial statements did not include the associated XBRL data.

## **FREQUENT CONTACT FINANCIAL INSTITUTION**

The Issuer does not have financial institutions with which it normally has transactions. Generally, the Issuer, as a financial institution, does not solely rely on bank borrowing for its funding, but seeks funding primarily from deposits, and secondarily from capital and money markets.

## CERTIFICATION OF THE ACCURACY

I, as an authorized signatory of the Issuer, has carefully examined the information contained in this Registration Statement and hereby certify that such information is true, accurate and complete in all material respects and contains no false or misleading statements in any material respects or omits to state any material facts that should have been stated therein.

In this regard, as evidence that all documents are the same as the certified documents, I hereby authorize Mr. Osamu Endo to initial every page of the documents. If any document does not contain such initial of Mr. Osamu Endo, I will deem that such document is not the information that I have certified.

Authorized signatory of the Issuer:

Name	Position	Signature
Osamu Endo	Authorized Signatory	<hr style="width: 100%; border: 0.5px solid black;"/>
		<i>Seal (if required)</i>

Assignees:

Name	Position	Signature	Initial
Osamu Endo	Authorized Signatory	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>

**DRAFT BONDHOLDERS' REPRESENTATIVE APPOINTMENT AGREEMENT**

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**(DRAFT) BONDHOLDERS' REPRESENTATIVE  
APPOINTMENT AGREEMENT**

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**DATED • 2015**

**MIZUHO BANK, LTD.  
as Issuer**

**and**

**THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED  
as Bondholders' Representative**

**BAKER & MCKENZIE**

**Baker & McKenzie Ltd.  
Attorneys at Law  
5th Floor and 21st - 25th Floors  
Abdulrahim Place  
990 Rama IV Road  
Silom, Bangrak  
Bangkok 10500  
Thailand  
[www.bakermckenzie.com](http://www.bakermckenzie.com)**

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**THIS AGREEMENT** is made on • 2015:

**BETWEEN:**

- (1) **MIZUHO BANK, LTD.**, whose headquarters is located at 1-5-5, Otemachi, Chiyoda-ku, Tokyo, 100-8176, Japan (the “**Issuer**”); and
- (2) **THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED**, whose office is located at 9 Rutchadapisek Road, Jatujak, Bangkok 10900, Thailand (the “**Bondholders’ Representative**,” which expression shall wherever the context so admits include any new Bondholders’ Representative for the time being).

**WHEREAS:**

- (A) The Issuer is approved by the Ministry of Finance to issue and sell the Bonds (as defined below) pursuant to the Ministry of Finance’s Notification Re: *Permission to Issue Thai Baht Bonds or Debentures in Thailand* dated 11 April 2006 (“**MOF Notification**”) and the Notification of the Capital Market Supervisory Board (“**CMSB**”) No. TorChor. 14/2552 Re: *the offer for sale of foreign bonds or foreign debentures in Thailand* dated 13 March 2009 (as may be amended and supplemented from time to time) (“**Notification No. TorChor. 14/2552**”), as detailed and specified in the Conditions (as defined below), to institutional investors and high-net worth investors, as respectively defined in the Notification of the Securities and Exchange Commission No. KorChor. 5/2552 Re: *Determination of Definitions Used in the Notifications on the Issue and Sale of All Types of Debt Instruments* dated 15 March 2009 (as may be amended and supplemented from time to time).
- (B) The Bondholders’ Representative has all the qualifications required by law to act as Bondholders’ Representative in relation to the Bonds and shall seek to obtain an approval from the SEC (as defined below) in respect thereof.
- (C) The Bondholders’ Representative wishes to set forth its agreement to perform its duties as Bondholders’ Representative for the Bonds in order to protect the interests of all Bondholders (as defined below) as provided in the Securities and Exchange Act B.E. 2535 (as amended), the Conditions and this Agreement.
- (D) The Issuer wishes to appoint The Siam Commercial Bank Public Company Limited to act as the Bondholders’ Representative in relation to the Bonds and The Siam Commercial Bank Public Company Limited wishes to accept the appointment of Bondholders’ Representative in accordance with the Conditions and the terms of this Agreement.

**IT IS AGREED** as follows:

## **1. DEFINITIONS**

Unless otherwise defined in this Agreement, capitalized wording and terms used herein shall have the same meanings as given to them in the Conditions:

“**Bondholders**” means persons who own Bond(s) in accordance with the Conditions, and the “**Bondholder**” means any of them;

“**Bonds**” means “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018)” to be issued by the Issuer;

“**Conditions**” means the terms and conditions governing rights and obligations of the Issuer and the Bondholders in respect of the Bonds as submitted to the SEC substantially in the form

set out in Annex hereto, as the same may from time to time be modified in accordance with the provisions of the Conditions;

“**Event of Default**” means any of the events of default listed in condition 13.1 of the Conditions;

“**Expense**” means any reasonable and proven cost, out-of-pocket expense, disbursement, fees (including legal fees and other professional fees) other than the Bondholders’ Representative Fee (as defined in Clause 5.1) incurred or payable by the Bondholders’ Representative in connection with its performance under the Bonds, this Agreement and/or the Conditions, including transportation expenses, expenses incurred in relation to convening the Bondholders’ meetings, registration and enforcement of this Agreement and the Conditions;

“**Issue Date**” means the date on which the Issuer issues the Bonds under the Conditions; and

“**SEC**” means the Office of the Securities and Exchange Commission of Thailand.

## **2. APPOINTMENT OF BONDHOLDERS’ REPRESENTATIVE, EFFECTIVENESS OF THIS AGREEMENT AND OBLIGATIONS UNDER CONDITIONS**

- 2.1 The Issuer hereby appoints the Bondholders’ Representative to act as the Bondholders’ Representative in respect of the Bonds and the Bondholders’ Representative hereby accepts such appointment subject to the terms and conditions of this Agreement, the Conditions and any applicable law.
- 2.2 The Bondholders’ Representative represents that it has all qualifications as required by all applicable laws and is capable of performing its duties under this Agreement and as required by applicable laws.
- 2.3 This Agreement shall become effective on the Issue Date.
- 2.4 The Issuer and the Bondholders’ Representative agree to be bound by and shall have all powers, duties, obligations and responsibilities as specified in the Conditions and this Agreement and the Bondholders’ Representative shall act at all times in accordance with the Conditions, this Agreement and any applicable laws at a professional level for the benefit of the Bondholders. The Conditions and any written amendment thereto shall form an integral part of this Agreement.

## **3. POWERS AND DUTIES OF THE BONDHOLDERS’ REPRESENTATIVE**

It is agreed that, in addition to the powers and duties of the Bondholders’ Representative as set forth in the Conditions:

### **3.1 Appointment of Advisors**

The Bondholders’ Representative may to the extent necessary for its performance of duties specified herein, consult with counsel, accountants and other skilled persons to be selected by the Bondholders’ Representative with such reasonable care as can be expected from a professional entity acting as a bondholders’ representative. The Bondholders’ Representative may, and promptly advise the Issuer of such appointments, appoint advisors including legal counsel believed by it to be of good reputation, in respect of:

- 3.1.1 The enforcement of any provisions of this Agreement and/or the Conditions;

- 3.1.2 Any actual or proposed amendment, waiver or consent relating to this Agreement and/or the Conditions; or
- 3.1.3 Any Event of Default or any dispute that may arise in connection with the Bonds.

The Bondholders' Representative may act on the opinion or advice of any lawyer, accountant and other experts appointed or selected by the Bondholders' Representative or the Issuer in order to perform its duties and obligations under this Agreement and the Conditions and shall not have any liability when acting (or refraining from acting) upon any advice by such persons (other than for its gross negligence or willful misconduct or bad faith on the part of the Bondholders' Representative, its directors, officers, employees or agents).

Reasonable and proven fees and charges owed to such advisors under this Clause 3.1 shall be for the account of the Issuer, provided that (i) such fees and charges shall be agreed upon by the Issuer, whose agreement shall not be unreasonably withheld or delayed, before the Bondholders' Representative engages such advisor and (ii) such fees and expenses have not been incurred by the Bondholders' Representative by reason of negligence, willful misconduct and/or bad faith of the Bondholders' Representative and/or any breach by the Bondholders' Representative of this Agreement, the Conditions and/or the applicable law.

### **3.2 Performance**

- 3.2.1 If the Issuer fails to comply with its payment obligations or any other term of the Conditions, the Bondholders' Representative may institute a meeting of the Bondholders to acquire the applicable resolutions or a claim for damages incurred therefrom for the benefit of all Bondholders unless the Conditions specify otherwise.
- 3.2.2 At any time after an Event of Default shall have occurred, the Bondholders' Representative may by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Bondholders' Representative and not to the Registrar with effect from the issue of any such notice to the Issuer.
- 3.2.3 The Bondholders' Representative shall arrange a meeting of the Bondholders and shall perform any other duties in accordance with the Conditions.
- 3.2.4 The Bondholders' Representative shall act as liaison for all communications between the Issuer and the Bondholders, which are necessary for the transactions contemplated to be carried out under this Agreement and the Conditions including preparing the proxy form and notice of the meeting of the Bondholders.
- 3.2.5 Subject to Clause 4, the Bondholders' Representative shall distribute to each Bondholder pro rata according to its holding percentage of the Bonds, the proceeds derived from the result of claims made against the Issuer, the enforcement of the provisions of this Agreement and/or the Conditions ("**Proceeds**"). The Bondholders' Representative shall also keep record of steps taken to collect and distribute the Proceeds including related expenses incurred.
- 3.2.6 The Bondholders' Representative shall comply with all laws and regulations applicable to the Bondholders' Representative in such capacity including but not limited to the MOF Notification, the Notification No. TorChor. 14/2552 and the Notification of the CMSB No. TorChor. 37/2552 Re: *Qualifications Required for the Bondholders' Representative and Actions Taken by the Bondholders' Representative According to Its Power and Duties* dated 3 August 2009 (as may be amended and supplemented from time to time).
- 3.2.7 The Bondholders' Representative shall assist the Issuer in notifying the Bondholders on the occurrence of the event which allows the Issuer to effect the redemption of Bonds for tax

reason according to Condition 10.4 of the Conditions once the Bondholders' Representative has been notified by the Issuer of such event.

### **3.3 Reliance**

- 3.3.1 Except as otherwise expressly provided in the Conditions, the Bondholders' Representative shall be and is hereby authorized to reasonably assume, in the absence of knowledge or express notice to the contrary, that the Issuer is duly performing and observing all the covenants and provisions contained in this Agreement and/or the Conditions and that no Event of Default has occurred.
- 3.3.2 The Bondholders' Representative may, having carried out reasonable enquiries and investigation which the Bondholders' Representative would normally make and acting in accordance with its professional judgment, rely upon any written communication or document reasonably believed by it to be genuine.

## **4. PAYMENT FROM THE ENFORCEMENT OF THE BONDS**

Upon the enforcement of the Bonds, all principal, interest and any other amounts received from the Issuer by the Bondholders' Representative under the Bonds shall be applied in the following order of priority:

- (a) firstly, the payment of all costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Bonds, including (but not limited to) the enforcement of the Conditions, in accordance with this Agreement;
- (b) secondly, the remuneration of the Bondholders' Representative pursuant to this Agreement;
- (c) thirdly, the interest of the Bonds accrued and unpaid up to the date of payment;
- (d) fourthly, the outstanding amount of the principal of the Bonds; and
- (e) finally, the balance (if any) to be paid to the Issuer without unreasonable delay.

## **5. REMUNERATION OF THE BONDHOLDERS' REPRESENTATIVE**

- 5.1 The Issuer shall pay to the Bondholders' Representative a fee for acting as the Bondholders' Representative (the "**Bondholders' Representative Fee**") equal to • (•) per cent per annum on the remaining of outstanding principal amount of the Bonds, excluding value added tax. The Bondholders' Representative Fee shall be payable in advance on a yearly basis at the beginning of each relevant year to the Bondholders' Representative. The first payment shall be made within fifteen (15) business days after receipt of a written invoice from the Bondholders' Representative. The following payments shall be invoiced on the date falling on each anniversary of the Issue Date thereafter, and in all cases shall be payable within fifteen (15) business days after receipt of such written invoice from the Bondholders' Representative. For the avoidance of doubt, no payment by the Issuer to the Bondholders' Representative shall be due on the Maturity Date. In the event that this Agreement is terminated before one year period from the Issue Date or any anniversary date thereof, the Bondholders' Representative shall proportionately refund the Bondholders' Representative Fee to the Issuer within fifteen (15) business days after the termination and the Issuer shall pay to the Bondholders' Representative all outstanding reasonable expenses incurred in accordance with and subject to this Agreement.

- 5.2 If the Issuer requests the Bondholders' Representative to perform or do any acts beyond the scope of the ordinary powers, duties and responsibilities of the Bondholders' Representative as set forth in this Agreement and/or the Conditions and/or under the laws of Thailand, the Bondholders' Representative shall not be obliged to perform or do such acts. However, if the Bondholders' Representative shall determine to perform or do any such acts at the request of the Issuer, then the Issuer agrees to pay additional remuneration to the Bondholders' Representative in the actual amount and under terms of payment as mutually agreed in writing.
- 5.3 The Bondholders' Representative may incur Expense in order to perform its duties in accordance with this Agreement, the Conditions or applicable law, and the Issuer agrees to refund to the Bondholders' Representative within fifteen (15) business days upon the receipt of notice thereof and relevant supporting documents (if any) relating to such Expenses. However, the Issuer shall have no obligations to reimburse the Bondholders' Representative for those Expenses incurred by the Bondholders' Representative by reason of negligence, willful misconduct and/or bad faith of the Bondholders' Representative and/or any breach of this Agreement by the Bondholders' Representative, the Conditions and/or the applicable law.
- 5.4 All sums payable by the Issuer under this Agreement shall carry interest at a rate equal to seven point five (7.5) per cent per annum, (i) in respect of the Bondholders' Representative Fee, from the date of the sum being due and payable and the Issuer fails to pay such sum, and (ii) in respect of all other sum including the Expense, from the date on which such sum is due and payable by the Issuer in accordance with Clause 5.3 and the Issuer fails to pay such sum.

The amount of interest payable shall be calculated by multiplying (a) the product of the outstanding sum and the interest rate by (b) the number of days in which that sum remains outstanding after it is due and payable and the Issuer fails to pay and dividing by 365 (three hundred and sixty-five) days, and rounding the result figure to 6 (six) decimal places (in case the seventh decimal place is equivalent to or more than 5 (five), the sixth (6th) decimal place shall be rounded up one decimal).

- 5.5 In the case that the Bondholders' Representative is replaced during the term of the Bonds, the Issuer agrees to pay the remuneration to the replaced Bondholders' Representative for actual period of service of such Bondholders' Representative until the date that such appointment is terminated provided that the Bondholders' Representative has delivered all assets, documents or evidences held by it in relation to its appointment to the new Bondholders' Representative.
- 5.6 Except as provided in Clause 4 above, regardless of any other agreement between the Bondholders' Representative and the Issuer, the Bondholders' Representative shall not transfer or apply, whether by way of set off, counterclaim or otherwise, any funds, received by it in relation to the Bonds towards the satisfaction of any liability the Issuer may have to the Bondholders' Representative under any agreement or otherwise.
- 5.7 Notwithstanding any provision specified to the contrary, all relevant invoices and notices under this Clause 5 shall be sent by the Bondholders' Representative to the Issuer by air courier. The Issuer shall not be deemed to receive any invoice which is not sent to it by such method.

## **6. INDEMNIFICATION OF BONDHOLDERS' REPRESENTATIVE**

- 6.1 The Issuer shall indemnify and hold harmless the Bondholders' Representative and its officers, directors, employees and agents in respect of all liabilities and expenses actually and reasonably incurred by it or by any such person in the execution of any duties, powers or authorities under this Agreement including the Expense and against all actions, proceedings, costs, claims and demands in respect of any matter conducted or omitted in any way relating

to this Agreement except to the extent the liabilities, expenses, actions, proceedings, costs, claims or demands were due to negligence, willful misconduct and/or bad faith of the Bondholders' Representative and/or any breach of this Agreement by the Bondholders' Representative and its officers, directors, employees and agents. Notwithstanding the foregoing, the Issuer shall not be liable to the Bondholders' Representative or any person for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable.

- 6.2 The Bondholders' Representative shall indemnify the Issuer and its officers, directors, employees and agents in respect of all liabilities and expenses actually and reasonably incurred, as a result of the negligence, willful misconduct, or breach of the terms and conditions of this Agreement, the Conditions and the applicable law by the Bondholders' Representative or by any of its officers, directors, employees or agents, and will reimburse the Issuer, its officers, directors, employees and agents for all reasonable costs, charges and expenses which any of them actually and reasonably incurred in connection with investigating, disputing or defending any such action or claim, provided that such loss, claim, damage or liability has not resulted from negligence, willful misconduct, and/or bad faith of the Issuer and/or any breach of this Agreement by the Issuer, its officers, directors, employees or agents. Notwithstanding the foregoing, the Bondholders' Representative shall not be liable to the Issuer or any person for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable.

## **7. AMENDMENT OF THE AGREEMENT**

- 7.1 Should there be any amendment made to the Conditions, laws, rules, notifications, regulations, any documents in relation to the Bonds, order of the SEC or any other related government unit or authority which shall have an effect on any terms and conditions of this Agreement, the parties hereto shall mutually participate in amending such terms and conditions of this Agreement in order to be in compliance with the amended Conditions, laws, rules, notifications, regulations, any documents in relation to the Bonds or orders.
- 7.2 Subject to the Conditions and applicable laws, the parties hereto shall mutually participate in amending the terms and conditions of this Agreement without the approval of the Bondholders to the extent that such amendment does not have any material adverse effect on the rights and benefits of the Bondholders.
- 7.3 Any amendment of this Agreement shall be delivered to the SEC within fifteen (15) days from the date of amendment by the Bondholders' Representative.

## **8. DEFAULT**

Subject to Clause 10, if any party fails to comply with any provision of this Agreement and/or the Conditions or is in breach of this Agreement and/or the Conditions, it shall be deemed that such party is in default of this Agreement if such default is not remedied within thirty (30) days from the date of the notice thereof being given by the non-defaulting party to the defaulting party, and the other party shall be entitled to terminate this Agreement without prejudice to its rights or remedies as specified in Clause 6 or at law (subject to Clause 6) to claim against the party in default for any losses or compensation resulting from its failure to comply with this Agreement and/or the Conditions.

## **9. TERMINATION**

- 9.1 This Agreement shall be terminated upon the Bondholders having received payment for both principal and interest in full and the Bondholders' Representative has fully performed its duties as specified in the Conditions;

- 9.2 Subject to Clause 10.1, both parties agree to terminate this Agreement if and when any of the following events occurs:
- (a) the Bondholders' Representative gives written notice of its resignation as the Bondholders' Representative sixty (60) days in advance to the Issuer;
  - (b) the Issuer gives written notice of termination of this Agreement sixty (60) days in advance to the Bondholders' Representative; or
  - (c) the Bondholders vote in the Bondholders' meeting for a revocation or replacement of the Bondholders' Representative in accordance with the Conditions.
- 9.3 Subject to Clause 10.1, this Agreement shall be terminated upon the exercise of the termination right pursuant to Clause 8.
- 9.4 Subject to further agreement between the parties, this Agreement shall be terminated if the Bonds are not issued on the Issue Date. In such event the Issuer shall not be liable to pay any remuneration and/or any damages to the Bondholders' Representative.
- 9.5 If at any time the Bondholders' Representative:
- (a) becomes incapable of acting or becomes disqualified to serve as the Bondholders' Representative and fails to rectify such incapability or disqualification within sixty (60) days from the date the incapability or disqualification takes place;
  - (b) files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property;
  - (c) admits in writing its inability to pay or meet its debts as they become due or suspends payment thereof; or
  - (d) has a receiver appointed over all or a substantial part of its property or any officer takes charge or control of the Bondholders' Representative or of its property or affairs for the purpose of rehabilitation or liquidation,

then the Issuer may without notice terminate this Agreement, in which event notice thereof shall be given by the Issuer to the Bondholders' Representative as soon as practicable thereafter.

## **10. CONSEQUENCE OF TERMINATION**

- 10.1 Any termination of the appointment of the Bondholders' Representative under this Agreement will not be effective until a successor is appointed. The Bondholders' Representative may assist the Issuer to nominate a successor Bondholders' Representative. Subject to the Conditions, if a successor Bondholders' Representative nominated by the Bondholders' Representative has not been selected within two (2) months from the date of termination notice, it shall be deemed that the last Bondholders' Representative nominated by the Bondholders' Representative is appointed as the successor Bondholders' Representative and this Agreement shall terminate, at the expiry of two (2) months' termination notice.
- 10.2 Upon termination of the Agreement or unless otherwise directed by the Issuer, the Bondholders' Representative will cease using information and documents provided by the Issuer and/or the Bondholders ("**Documents**") and return or destroy at the Issuer's direction all copies of the Documents. The Bondholders' Representative will delete all copies of the

Documents residing in memory on any computer at the Bondholders' Representative's site. The Bondholders' Representative will, within thirty (30) days from the effective date of the termination, certify in writing that all copies of the Documents have been returned, deleted or destroyed as directed by the Issuer. In addition, the Bondholders' Representative shall make all efforts to cooperate with its successor to ensure an orderly assumption by its successor of the obligations of the Bondholders' Representative.

10.3 The obligations of the Issuer under Clauses 5 and 6 shall survive the termination of this Agreement.

## **11. CLAIMS AND LIABILITIES**

11.1 The Bondholders' Representative shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Bondholders in accordance with the Conditions even though it may subsequently be found that there was some defect in the constitution of such meeting or the passing of such resolution or that, for any reason, such resolution was not valid or binding upon the Bondholders (except that such defect or invalidity was due to its gross negligence or willful misconduct).

11.2 The Bondholders' Representative shall only be liable to the Issuer and/or Bondholders in relation to the damages incurred from willful misconduct or negligence or bad faith in the performance of its obligations as provided in and/or any breach by the Bondholders' Representative of the Conditions, applicable laws and this Agreement. Without prejudice to the immediately preceding sentence, the Bondholders' Representative shall not be held responsible for any loss or damage arising out of action it has taken in accordance with a resolution of the Bondholders' meeting.

11.3 The Bondholders' Representative in performing its duties under the Conditions:

(a) shall not have any responsibility or liability in respect of any failure or delay by the Issuer in performing its respective obligations hereunder or under the Conditions, or other agreements relating thereto and hereto; and

(b) shall not have any responsibility or liability in respect of the execution, effectiveness, enforceability, sufficiency, legality, validity or genuineness of the Conditions, the agreements and documents referred to herein and therein, or of any certificate, report, document of title or other document delivered hereunder or thereunder, any statement of the Issuer herein or therein, provided that the Bondholders' Representative has carried out reasonable enquiries and investigation which the Bondholders' Representative would normally make and has acted in accordance with its professional judgment.

11.4 Notwithstanding any provision in this Agreement to the contrary, the Bondholders' Representative shall not be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), except in the case of the Bondholders' Representative's gross negligence or willful misconduct.

## **12. NOTICES**

12.1 All correspondence and notices between the Bondholders' Representative and the Issuer shall be in the English language (except for the information concerning the Bondholders that could be in any other languages as provided by the Bondholders; provided that, the Bondholders' Representative shall be required to provide the Issuer with the English translation of such information) and shall be made in writing and validly given by registered mail or by courier or by facsimile to the other party if sent to the addresses or fax number specified below or

any address (in case of change of address) which is notified in writing to the other party from time to time.

### **THE ISSUER**

#### **Mizuho Bank, Ltd.**

Address: 1-5-5, Otemachi  
Chiyoda-ku, Tokyo  
100-8176, JAPAN

Telephone: +813-5220-8781  
Fax: +813-3215-6775  
Attention: Kotaro Hayashi

### **THE ISSUER'S CONTACT PERSON**

#### **Mizuho Bank, Ltd., Bangkok Branch**

Address: 18th Floor, TISCO Tower  
48 North Sathorn Road, Silom, Bangrak, Bangkok  
10500 Thailand

Telephone: +66-2638-0200-5 Ext 2531, 2543, 2540  
Fax: +66-2638-0215  
Attention: Masaaki Wada, Kitti Manassakorn or Thitika Linitda

### **THE BONDHOLDERS' REPRESENTATIVE**

#### **The Siam Commercial Bank Public Company Limited**

Address: 9 Rutchadapisek Road  
Jatujak, Jatujak  
Bangkok 10900

Telephone: •  
Fax: •  
Attention: •

12.2 Any communication made or delivered by one person to another under this Agreement will only be effective:

- (a) if sent by fax, when a transmission report showing the successful transmission of the facsimile is received by the sender;
- (b) if sent by registered mail, 7 (seven) days after the dispatch; or
- (c) if sent by courier, 48 (forty-eight) hours from the date of delivery to the courier service.

### **13. OTHERS**

13.1 The Issuer shall be responsible for reasonable expense incurred by the Bondholders' Representative in relation to preparation and negotiation of this Agreement.

13.2 The Bondholders' Representative Fees shall be paid to the Bondholders' Representative after deduction of all applicable taxes.

13.3 If there is any inconsistency or conflict between the provisions of this Agreement and the Conditions, the terms of the Conditions shall prevail.

13.4 If any provision of this Agreement, the Conditions and/or documents in relation to the Bonds is void, voidable, illegal or unenforceable for whatever reason, such provision shall not affect the validity and enforceability of any other provisions and the parties agree that the other provisions shall be binding and enforceable between the parties.

#### **14. GOVERNING LAW**

This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of Thailand.

**IN WITNESS** whereof this Agreement has been executed on the date first above written.

**THE ISSUER**

SIGNED for and on behalf of  
**MIZUHO BANK, LTD.**

By: \_\_\_\_\_  
Name: •  
Authorized Signatory

in the presence of

By: \_\_\_\_\_  
Name: •

**THE BONDHOLDERS' REPRESENTATIVE**

SIGNED for and on behalf of  
**THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED**

By: \_\_\_\_\_  
Name: •

By: \_\_\_\_\_  
Name: •

in the presence of

By: \_\_\_\_\_  
Name: •

ANNEX  
TERMS AND CONDITIONS OF THE BONDS

**TERMS AND CONDITIONS  
OF  
“THE BONDS OF MIZUHO BANK, LTD. NO. 1/2558 DUE B.E. 2561 (2018)”**

The following is the text of the terms and conditions of “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018)” (the “**Bonds**”) setting out the rights and obligations of Mizuho Bank, Ltd. (the “**Issuer**”) and the Bondholders (as defined below) with respect to the Bonds, as may be supplemented, amended or modified by any subsequent amendment thereto, with The Siam Commercial Bank Public Company Limited acting as the Bondholders’ Representative. The Issuer has been granted approval by the Ministry of Finance of Thailand to offer for sale the Bonds in Thailand by virtue of the MOF Notification (as defined below).

The Bondholders’ rights in respect of the Bonds shall be as prescribed in these Conditions in relation to which the Bondholders and the Issuer shall be bound in all respects. The Issuer has appointed the Bondholders’ Representative and the Registrar pursuant to the Bondholders’ Representative Appointment Agreement and the Registrar Appointment Agreement, respectively. The Bondholders are deemed to accept the appointment of the Bondholders’ Representative and are entitled to the benefits of, are bound by, and are deemed to have notice of and understand, all provisions of these Conditions and the Bondholders’ Representative Appointment Agreement.

Execution copies of these Conditions, the Bondholders’ Representative Appointment Agreement and the Registrar Appointment Agreement are available for inspection during normal business hours at the principal office of the Bondholders’ Representative.

**1. DEFINITIONS**

In these Conditions:

“**Baht**” means Thai Baht, the lawful currency of the Kingdom of Thailand.

“**Bondholder(s)**” means the person(s) who owns the Bond(s) in accordance with Condition 3.3.

“**Bondholders’ Representative**” means The Siam Commercial Bank Public Company Limited or any successor as the Bondholders’ Representative in respect of the Bonds.

“**Bondholders’ Representative Appointment Agreement**” means the Bondholders’ Representative appointment agreement entered into between the Bondholders’ Representative and the Issuer dated on or around September 28, 2015 or the agreement appointing a new Bondholders’ Representative to replace the existing Bondholders’ Representative (if any).

“**Bond Rights**” means all rights relating to the Bonds including, without limitation, the right to receive principal and interest on the Bonds and the right to attend and vote at meetings of the Bondholders.

“**Bonds**” means “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018).”

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo, Japan and Bangkok, Thailand.

“**Closing Date**” has the meaning given to it in Condition 3.2(b).

“**Conditions**” means these terms and conditions setting out the rights and obligations of the Issuer and the Bondholders in respect of the Bonds.

“**Credit Rating Agency(ies)**” means a credit rating agency(ies) approved by the SEC.

“**Default Interest Rate**” means the default rate of interest for the Bonds, being the Interest Rate plus 2 (two) per cent per annum.

“**Event of Default**” means any of the events specified in Condition 13.1.

“**Interest Payment Date**” means every March 28 and September 28 of each year.

“**Interest Period**” means:

- (a) with respect to the first Interest Period, the period commencing on, and including, the Issue Date and ending on, but excluding, the first Interest Payment Date; and
- (b) with respect to any subsequent Interest Period, the period commencing on, and including, the Interest Payment Date of the preceding Interest Period and ending on, but excluding, the next Interest Payment Date of such Interest Period or the Maturity Date, as the case may be.

“**Interest Rate**” means the rates as set out in Condition 8.1, which shall be the rate at which the Bonds bear interest.

“**Issue Date**” means the issue date of the Bonds which is September 28, 2015.

“**Issuer’s Contact Person**” means Mizuho Bank, Ltd., Bangkok Branch or any successor as the Issuer’s contact person in Thailand for the purposes specified in Condition 19.

“**Maturity Date**” means September 28, 2018.

“**MOF Notification**” means the Ministry of Finance’s Notification Re: Approval for Issue of Bonds or Debentures Denominated in Baht in Thailand, dated April 11, 2006, as may from time to time be amended, modified, supplemented or replaced.

“**Record Date**” has the meaning given to it in Condition 3.2(b).

“**Register Book**” means the register book of the Bonds recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment and other matters related to the Bonds according to the relevant rules and procedures prescribed pursuant to the laws governing securities and notifications of the SEC.

“**Registrar**” means TSD acting in its capacity as registrar and paying agent or any successor as the registrar and paying agent in respect of the Bonds as permitted by relevant laws and regulations.

“**Registrar Appointment Agreement**” means the registrar appointment agreement entered into between the Registrar and the Issuer dated on or around September 28, 2015 or the agreement appointing a new Registrar to replace the existing Registrar (if any).

“**SEC**” means the Office of the Securities and Exchange Commission of Thailand.

“**Subscription Closing Date**” means the day on which the subscription of the Bonds is completed, in this case, September 25, 2015.

“**ThaiBMA**” means the Thai Bond Market Association or such other exchange as may be licensed by and registered with the SEC.

“**Thailand**” means the Kingdom of Thailand.

“**TSD**” means Thailand Securities Depository Company Limited, or any other successor organization legally entitled to operate a securities depository business in Thailand.

“**U.S.\$**” or “**U.S. Dollars**” means United States Dollars, the lawful currency of the United States of America.

“**Yen**” means Japanese yen, the lawful currency of Japan.

## **2. FORM, DENOMINATION, INTEREST AND TERM**

2.1 The Bonds are in registered form carrying interest at the Interest Rate. The Bonds have a tenor of 3 (three) years from the Issue Date and are named “The Bonds of Mizuho Bank, Ltd. No. 1/2558 Due B.E. 2561 (2018).”

2.2 On the Issue Date, there are 3,000,000 (three million) units of the Bonds in total, with an aggregate total principal amount of Baht 3,000,000,000 (three billion baht). The Bonds are denominated in Baht, with a nominal amount of Baht 1,000 (one thousand baht) each.

## **3. REGISTER BOOK AND OWNERSHIP OF THE BONDS**

The Issuer has appointed TSD to act as a registrar and paying agent in respect of the Bonds in accordance with the Registrar Appointment Agreement made between the Issuer and TSD.

### **3.1 *Roles of the Registrar***

The Issuer shall cause the Registrar, by entering into the Registrar Appointment Agreement:

- (a) to deposit with TSD the Bonds of each Bondholder within 7 (seven) Business Days from the Subscription Closing Date; and
- (b) to enter the name of TSD, as the holder of the Bonds on behalf of the Bondholder, in the Register Book.

### **3.2 *Register Book; Closure of the Register Book***

- (a) The Issuer shall cause the Registrar, by entering into the Registrar Appointment Agreement, to prepare and keep the Register Book until the date that all Bonds are fully redeemed in accordance with these Conditions.
- (b) The Register Book will be closed on the 14th (fourteenth) day prior to any Interest Payment Date, the Maturity Date, any date fixed for any meeting of the Bondholders or any other date for any other purpose as specified in these Conditions and as notified by the Issuer to the Registrar and the Bondholders’ Representative (the “**Closing Date**”). If the Closing Date falls on a day that is not a Business Day, the Register Book shall be closed on the next Business Day, and in such case, the period between the Closing Date to each relevant Interest Payment Date, the Maturity Date, any date fixed for any meeting of the Bondholders or any other date for any other purpose as specified above shall be less than 14 (fourteen) days. The Registrar shall not register any transfer of the Bonds on the Closing Date. A Business Day immediately preceding the Closing Date is hereinafter referred to as a “**Record Date**.”

The Issuer and the Registrar hereby reserve the right to change the date and time for the closure of the Register Book without the need to obtain consent from the Bondholders, provided that such change: (i) must be in compliance with the rules and regulations of TSD or any other relevant authorities, and (ii) shall not adversely affect materially the rights and benefits of the Bondholders. In such case, the Record Date shall be changed accordingly.

### 3.3 *Ownership of Bonds*

Title to the Bonds is vested in Institutional Investors or the High Net Worth Investors (as defined in Condition 4.2 below) whose names are listed with TSD as the owners of such Bonds from time to time. For the purpose of determining the Bond Rights, the Bond Rights are vested in the Institutional Investors or the High Net Worth Investors (as defined in Condition 4.2 below) whose names are listed with TSD as the owners of such Bonds at the end of business hours of the Registrar on the Record Date, as notified in writing by TSD to the Registrar.

## 4. TRANSFERS OF BONDS

### 4.1 *Transfers of Bonds*

Bonds must be transferred in accordance with the Bond transfer restrictions, the applicable regulations of the Stock Exchange of Thailand, TSD and any other relevant regulatory authority and agency, including the relevant over-the-counter centers, that have issued regulations applicable to such transfer of the Bonds.

### 4.2 *Bond Transfer Restrictions*

#### (a) Thai transfer restriction

The Issuer has registered a transfer restriction of the Bonds with the SEC that no Bond will be transferred to any person other than those (1) qualified as “**Institutional Investors**” and “**High Net Worth Investors**” as defined in the Notification of the Securities and Exchange Commission regarding determination of definitions used in the notifications on the issue and sale of all types of debt instruments and (2) have their respective securities accounts into which the Bonds are to be deposited opened with custodians (which shall mean custodian banks licensed under Thai law to receive payments with respect to the Bonds on behalf of the Bondholders who opened their securities accounts with such custodian banks) which are participants of TSD (collectively, the “**Qualified Investors**”). As a result, the Issuer and/or the Registrar will not accept or register any transfer of Bonds to any person who is not a Qualified Investor except for the transfer by inheritance.

#### (b) Japanese transfer restriction

Subject to amendment and modification in accordance with Condition 17 below, the Bonds shall not be sold, transferred or otherwise disposed of to any person other than the Professional Investors, Etc. (the “**Professional Investors, Etc.**”) (*Tokutei Toushika tou*), as defined in Article 2, Paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (“FIEA”), except for the transfer of the Bonds to the following:

- (i) the Issuer, or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of all the voting rights

in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the **“Voting Rights Held by All the Shareholders, Etc.”** (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA; the same shall apply hereinafter) of the Issuer under his/her own name or another person's name (the **“Specified Officer”** (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer (the **“Controlled Juridical Person, Etc.”** (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

- (ii) a company that holds shares or equity pertaining to voting rights exceeding 50 (fifty) per cent of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(c) Matters Notified to the Bondholders and Other Offerees

When (i) a solicitation of an offer to acquire the Bonds or (ii) an offer to sell or a solicitation of offer to purchase the Bonds (collectively, “Solicitation of the Bond Trade”) is made, the following matters shall be notified from the person who makes such Solicitation of the Bond Trade to the person to whom such Solicitation of the Bond Trade is made in accordance with the FIEA and regulations thereunder (as amended from time to time):

- (i) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Bond Trade;
- (ii) the Bonds fall, or will fall, under the Securities for Professional Investors (*Tokutei Tousehika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
- (iii) any acquisition or purchase of the Bonds by such person pursuant to any Solicitation of the Bond Trade is conditional upon such person entering into an agreement providing for the restriction on transfer of the Bonds as set forth in (b) above, (x) with each of the Issuer and the person making such Solicitation of the Bond Trade (in the case of a solicitation of an offer to acquire the Bonds to be newly issued), or (y) with the person making such Solicitation of the Bond Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Bonds already issued);
- (iv) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Bonds as provided in Article 4, Paragraph 2 of the FIEA;
- (v) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Bonds and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the

Professional Investors, Etc. by way of such information being posted on the website maintained by the TOKYO PRO-BOND Market of Tokyo Stock Exchange, Inc. (<http://www.jpx.co.jp/equities/products/tpbm/announcement/index.html>), in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange, Inc.; and

(vi) the Issuer Information, Etc. will be provided to the Bondholders or made public pursuant to Article 27-32 of the FIEA.

(d) Transfer of Bonds in violation of the Bond transfer restrictions

If any transfer of the Bonds is made in violation of the transfer restrictions specified in Condition 4.2(a) or Condition 4.2(b) above, a transferee in respect of such transfer (i.e. any person who is not both (i) a Qualified Investor and (ii) a Professional Investors, Etc., collectively, the “**Non-Qualified Person**”) shall not be recorded or registered as a Bondholder nor listed with TSD as the owner of the Bonds and shall not be entitled to any Bond Rights. In this regard, the Bond Rights shall be vested in a Bondholder(s) who has transferred the Bonds to the Non-Qualified Person and who is qualified as a Qualified Investor (the “**Qualified Bondholder**”). If such transferor Bondholder(s) is not a Qualified Bondholder, the Bond Rights shall be vested in the previous transferor Bondholder(s) who is a Qualified Bondholder.

Each Bondholder hereby acknowledges and agrees that: (i) it shall not transfer any Bonds held by it to any Non-Qualified Person; and (ii) the Issuer and the Registrar shall not be obliged to indemnify or liable to any Bondholder or Non-Qualified Person from and against any and all loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges, legal fees and expenses paid or incurred in disputing or defending any of the foregoing and any value added tax thereon) which such Bondholder and/or Non-Qualified Person may incur or which may be made against any of them arising out of or in relation to or in connection with any transfer of the Bonds in violation of the transfer restrictions specified in Condition 4.2(a) above.

## 5. STATUS OF BONDS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 7.4 below) unsecured obligations of the Issuer which rank *pari passu* and without any preference among themselves and will rank at least *pari passu* with all other present and future unsecured (subject to Condition 7.4 below) and unsubordinated obligations of the Issuer, with the exception of obligations in respect of national and local taxes in Japan and certain other statutory exceptions under Japanese law and other applicable law.

## 6. CREDIT RATING

As of the Issue Date, the Issuer has arranged for the assignment of a credit rating to itself and/or the Bonds by the Credit Rating Agency and the Issuer will procure that a credit rating by the Credit Rating Agency is assigned to itself and/or the Bonds throughout the term of the Bonds. For the avoidance of doubt, the credit rating result for the Issuer and/or the Bonds is subject to revision during the term of the Bonds.

## 7. COVENANTS OF THE ISSUER

The Issuer undertakes to comply with all the covenants set out in this Condition 7 for so long as any debt under the Bonds remains outstanding.

### 7.1 ***Appointment of Replacement of Bondholders' Representative and Registrar***

If it becomes necessary to replace the Bondholders' Representative and/or the Registrar, the Issuer shall use its best endeavors to appoint a replacement Bondholders' Representative and/or a replacement Registrar (as the case may be) as soon as practicable, but in any case no later than 90 (ninety) days from the date on which the Issuer is aware of the necessity for such replacement.

### 7.2 ***Registration with ThaiBMA***

Prior to or on the Issue Date, the Issuer shall apply for the registration of the Bonds with ThaiBMA and shall use its best effort to maintain the Bonds as securities registered with ThaiBMA until all the Bonds are fully redeemed.

### 7.3 ***Information***

- (a) The Issuer shall promptly send a written notice to the Bondholders' Representative if it becomes aware of the occurrence of any event which constitutes (or with the giving of notice, lapse of time, determination of materiality or the fulfillment of any other applicable condition or any combination of the foregoing, would constitute) an Event of Default under these Conditions.
- (b) The Issuer shall, in accordance with applicable Thai laws and regulations, deliver to the SEC and the Bondholders' Representative, or make available by way of posting on the website of the SEC or the Issuer, copies of English translations of its unaudited interim consolidated financial statements (if prepared) and audited annual consolidated financial statements, for the relevant financial period, within, if applicable, the same period as that required under applicable laws or regulations, but in any case, shall be no later than 180 (one hundred and eighty) days from the end of the relevant financial period. If, after the Issue Date, such submission period to the SEC or method for the submission is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period, method for the submission or requirements according to such amended applicable laws or regulations, as the case may be.
- (c) The Issuer shall report to the SEC and the Bondholders' Representative as promptly as possible when there is a material adverse change to the Issuer's business or financial status.

### 7.4 ***Negative Pledge***

So long as any Bonds remains outstanding, the Issuer will not create or permit to subsist any mortgage, pledge, security transfer, charge or other security interest for the benefit of holders of any bonds upon the whole or any part of its property, assets or revenues, present or future, to secure (i) payment of any sum due in respect of any bonds issued by it or in respect of any guarantee by it of any bonds issued by any person or (ii) any payment under any indemnity or like obligations relating to any bonds or guarantee unless, in each case at the same time, the Bonds are equally and rateably secured so as to rank *pari passu* with such bonds or guarantee or indemnity or like obligations or provided with such other security as the Bondholders' Representative shall in its absolute discretion deem not materially less beneficial to the interests of the holders of the Bonds or as shall be approved by a resolution passed at a meeting of the relevant Bondholders in accordance with Clause 6.3 of the Annex to these Conditions. Notwithstanding the foregoing, (i) any arrangement relating to the segregation, including but not limited to segregation by way of a self-settled trust (*jiko shintaku*), of any part of the Issuer's property, assets or revenues or the creation of any security interest, in each

case, for the purpose of issuing covered bonds shall be permitted and shall not require the creation of any security in respect of the Bonds, provided that such arrangement is entered into in compliance with, and only to the extent required by or permitted under, any Japanese law and regulation relating to covered bonds (a “**Covered Bond Regulation**”) and such segregated property, assets or revenues qualify as collateral for, or are to be applied in priority in meeting claims of, issues of covered bonds under the Covered Bond Regulation, and (ii) any arrangement relating to the segregation, including but not limited to segregation by way of a self-settled trust (*jiko shintaku*), of any part of the Issuer’s property, assets or revenues for the purpose of issuing securities that are similar in substance to covered bonds as issued by non-Japanese financial institutions shall be permitted and shall not require the creation of security in respect of the Bonds.

For the purpose of this Condition, the term “bonds” shall mean any indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which (i) (A) are by their terms payable, or may be required to be paid, in, or by reference to, any currency other than Japanese Yen and (B) more than 50 (fifty) per cent of the aggregate principal amount whereof is initially distributed outside Japan by or with the authorization of the Issuer and (ii) are not repayable (otherwise than at the option of or due to the default of the Issuer) within three years from the date of their creation and (iii) are quoted, listed or ordinarily traded on any stock exchange or over-the-counter market or other similar securities market outside Japan.

## **8. INTEREST**

### **8.1 *Interest Rate***

Interest on the Bonds shall accrue at 2.33 (two point three three) per cent per annum and payable semi-annually in arrears on each Interest Payment Date. Such interest shall be calculated on the outstanding principal amount of each Bond.

### **8.2 *Interest Calculation***

The amount of interest payable in respect of any Bond for any Interest Period shall be calculated by multiplying (a) the product of the principal amount outstanding on each unit of the Bonds as at the first day of such Interest Period and the relevant Interest Rate applicable thereto by (b) the number of days in respect of that Interest Period and dividing by 365 (three hundred and sixty-five), and rounding the resulting figure to 6 (six) decimal places (in case the seventh decimal place is equivalent to or more than 5 (five), the 6th (sixth) decimal place shall be rounded up one decimal).

If respect of the final Interest Payment Date, the calculation of interest shall be subject to Condition 9.3 below.

### **8.3 *Default Interest***

Upon a default on any payment by the Issuer under these Conditions, the Default Interest Rate shall be charged on any unpaid amount of principal from the due date until the date on which the Issuer makes a full payment, irrespective of whether or not the Bondholders’ Representative has notified the Issuer or declared default as specified in Condition 13.2 below.

In such event, Condition 8.2 above shall apply *mutatis mutandis* and the Interest Rate used in Condition 8.2 above shall be replaced by the Default Interest Rate.

## **9. PAYMENTS OF PRINCIPAL AND INTEREST**

### **9.1 *Principal Payment***

The Issuer shall fully repay the principal amount of the Bonds on the Maturity Date.

### **9.2 *Interest Payments***

Interest on the Bonds shall be payable in arrears to each Bondholder on each Interest Payment Date. The first Interest Payment Date in relation to the Bonds shall be March 28, 2016 and the last Interest Payment Date shall be the Maturity Date.

### **9.3 *Non-Business Days***

If any payment date under these Conditions (including, but not limited to the Maturity Date and the Interest Payment Date) falls on a day that is not a Business Day, the relevant amount due and payable shall be paid on the next Business Day (and no interest shall be calculated with respect to any such postponement except for the final Interest Payment Date), with the same force and effect as if made on the original payment date. In respect of the final Interest Payment Date, interest shall accrue in accordance with these Conditions until, but excluding, the actual date of payment.

### **9.4 *Payment Methods***

- (a) Interest Payment: Interest due on any Interest Payment Date will be payable by the Issuer through the Registrar to the persons whose names appear on the list of the owners of the Bonds maintained by TSD, subject to Condition 3.3 above. Payments of interest on each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address specified by TSD for the relevant Bondholder; or (ii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar.
- (b) Principal Payment: Principal due on the Maturity Date will be payable by the Issuer through the Registrar to the persons whose names appear on the list of owners of the Bonds maintained by TSD, subject to Condition 3.3 above. Payments of principal on each Bond will be made to the Bondholder by means of: (i) a Baht crossed cheque marked "A/C Payee Only" drawn on a bank in Bangkok in the name of the Bondholder mailed to the address specified by TSD for the relevant Bondholder; or (ii) such other method as may be agreed from time to time by the Issuer, the Bondholders' Representative and the Registrar.

### **9.5 *Distribution of payments***

Upon the enforcement of the Bonds, all principal, interest and any other amounts received from the Issuer by the Bondholders' Representative under the Bonds shall be applied in the following order of priority:

- (a) firstly, the payment of all costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Bonds, including (but not limited to) the enforcement of these Conditions, in accordance with the Bondholders' Representative Appointment Agreement;
- (b) secondly, the remuneration of the Bondholders' Representative pursuant to the Bondholders' Representative Appointment Agreement;

- (c) thirdly, the interest of the Bonds accrued and unpaid up to the date of payment;
- (d) fourthly, the outstanding amount of the principal of the Bonds; and
- (e) finally, the balance (if any) to be paid to the Issuer without unreasonable delay.

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 *Redemption***

Unless previously redeemed, purchased or cancelled, the Bonds will be redeemed at their outstanding principal amount on the Maturity Date as specified in Condition 9.4(b) above, together with interest accrued thereon up to (but excluding) the Maturity Date.

### **10.2 *Purchase by the Issuer***

The Issuer may at any time purchase the Bonds in any open market or otherwise and at any price. If the Issuer makes a general tender offer to buy back the Bonds, the Issuer must buy back the Bonds from all the Bondholders who have tendered their intention to sell the Bonds, on a pro rata basis.

### **10.3 *Cancellation***

Bonds that are redeemed or purchased by the Issuer must be cancelled and may not be re-issued or resold. The Issuer must inform the Registrar of the Bonds purchased by it so that the Registrar shall cancel such Bonds. The Issuer will also file a report on the buy-back of the Bonds by it to ThaiBMA and the SEC as required by applicable laws and regulations.

### **10.4 *Redemption for Taxation Reasons***

- (a) Subject to Condition 10.4(b) below, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders in accordance with Condition 18.1 below (which notice shall be irrevocable), if:
  - (i) on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11.2 below as a result of any change in, or amendment to, the laws or regulations of Japan, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date; and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Bondholders' Representative a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to

the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Bonds redeemed pursuant to this Condition 10.4(a) will be redeemed at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption.

- (b) Prior to the lapse of 3 (three) years from the Issue Date, the Issuer will not be entitled to exercise the redemption option as specified in Condition 10.4(a) above in accordance with the MOF Notification unless the MOF Notification is amended to permit such early redemption or a specific waiver or approval to redeem the Bonds early is granted to the Issuer by the Ministry of Finance of Thailand.

## **11. TAXATION**

11.1 Notwithstanding Condition 11.2 below, payment under the Bonds will be subject to withholding tax in Thailand according to the Thai tax laws and the Issuer will not be required to gross-up such Thai withholding tax.

11.2 Subject to Condition 11.1 above, all payments of principal and interest in respect of the Bonds by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Japan or any political subdivision or any authority thereof or therein having power to tax (“**Tax**”), unless such withholding or deduction of such Tax is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bonds, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Bond:

- (a) in respect of which a beneficial owner is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Bond by reason of its (a) having some connection with Japan other than the mere holding of such Bond or (b) being a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Act (as defined below) (a “specially-related person of the Issuer”); or
- (b) in respect of which a beneficial owner would otherwise be exempt from any such withholding or deduction but fails to comply with any applicable requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to the Issuer or the Registrar, as appropriate, or whose Interest Recipient Information is not duly communicated or whose interest is not duly delivered or paid through the Participant (as defined below) and the relevant international clearing organization to the Registrar; or
- (c) in respect of which a beneficial owner is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Designated Financial Institution (as defined below) who complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the Issuer or the Registrar, as appropriate, of its status as not being subject to Taxes to be withheld or deducted by the Issuer by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant Bond through a payment handling agent in Japan appointed by it); or

- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26 – 27, 2000 on the taxation of savings income; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another registrar or paying agent in a Member State of the European Union; or
- (f) presented for payment more than 30 (thirty) days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such 30th day.

Where a Bond is held through a certain participant of an international clearing organization or a certain financial intermediary (each, a “**Participant**”), in order to receive payments free of withholding or deduction by the Issuer for, or on account of Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Act of Japan (Act No. 26 of 1957) (as amended) (the “**Special Taxation Measures Act**”) and the cabinet order (No. 43) of March 31, 1957 thereunder, as amended (together with the ministerial ordinance and other regulations thereunder, the “**Act**”) (each, a “**Designated Financial Institution**”), all in accordance with the Act, such beneficial owner shall, at the time of entrusting a Participant with the custody of the relevant Bond, provide certain information prescribed by the Act to enable the Participant to establish that such beneficial owner is exempted from the requirement for Taxes to be withheld or deducted (the “**Interest Recipient Information**”) and advise the Participant if the beneficial owner ceases to be so exempted (including the case where the beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation became a specially-related person of the Issuer).

Where a Bond is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of, Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Designated Financial Institution, all in accordance with the Law, such beneficial owner shall, prior to each time on which it receives interest, submit to the Issuer or the Registrar, as appropriate, a written application for tax exemption (*Hikazei Tekiyo Shinkokusho*) (a “**Written Application for Tax Exemption**”), stating, *inter alia*, the name and address of the beneficial owner, the title of the Bonds, the relevant Interest Payment Date, the amount of interest and the fact that the beneficial owner is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 18.1 below.

## 12. **PRESCRIPTION**

Claims in respect of the principal and interest of the Bonds shall become unenforceable unless the Bonds are presented for payment within a period of 10 (ten) years from the relevant payment date in the case of principal and 5 (five) years from the relevant payment date in the case of interest.

### 13. EVENTS OF DEFAULT

13.1 If any of the following events occurs and is continuing (each, an “**Event of Default**”), the Bondholders’ Representative shall deliver a default notice to the Issuer in compliance with, and subject to, Condition 13.2 below:

- (a) a default is made for more than 30 (thirty) days in the payment of any amount of principal or any interest due in respect of any of the Bonds when and as the same ought to be paid in accordance with these Conditions; or
- (b) a default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Bonds (other than any obligation for the payment of any amount due in respect of any of the Bonds) and (but only in a case where the Bondholders' Representative considers such default to be capable of being remedied) such default shall not be remedied to the Bondholders' Representative's satisfaction within 30 (thirty) days (or such longer period as the Bondholders' Representative may permit) of first written notification from the Bondholders' Representative to the Issuer requiring the same to be remedied; or
- (c) the maturity of any indebtedness for borrowed money by the Issuer, having an aggregate nominal amount of at least U.S.\$10,000,000 (ten million) (or the equivalent in any other currency or currencies) shall have been accelerated by or on behalf of the holder(s) of such indebtedness in accordance with the terms thereof or any agreement relating thereto or any such indebtedness shall not have been paid when due on maturity and such failure shall have not been cured within the grace period, if any, applicable thereto; or
- (d) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer bankrupt or insolvent or approving as properly filed a petition seeking reorganization of the Issuer under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the property of the Issuer or for the winding-up or liquidation of the affairs of the Issuer shall have been entered under any applicable bankruptcy or reorganization law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 60 (sixty) days; or
- (e) the Issuer shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking reorganization or arrangement under any applicable bankruptcy or reorganization law of Japan, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or
- (f) the Issuer shall cease to carry on the whole or substantially the whole of its business or shall dispose of the whole or a substantial part of its assets, in each case except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms whereof have been approved by the Bondholders' Representative or approved by a resolution passed by a meeting of the relevant

Bondholders in accordance with Clause 6.3 of the Annex to these Conditions or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assumes the entire obligation of the Issuer under the Bonds.

For the purpose of sub-paragraph (c) above, “indebtedness for borrowed money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition, consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash and any indebtedness which is in a currency other than U.S. Dollars may be translated into U.S. Dollars at the spot rate for the sale of U.S. Dollars against the purchase of the relevant currency quoted by any leading bank on any day when a quotation is required for such purpose .

13.2 If any Event of Default occurs and is continuing, and if

- (a) the Bondholders’ Representative deems appropriate; or
- (b) the Bondholders’ Representative has received a written demand from any one or more of the Bondholders together holding at least 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds; or
- (c) the Bondholders’ Representative has received a resolution of the Bondholders’ meeting in accordance with Condition 14 below; or

the Bondholders’ Representative shall (provided that, except in the case of the occurrence of the event under Condition 13.1(a) above, the Bondholders’ Representative shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Bondholders) deliver a default notice to the Issuer informing the Issuer of the occurrence of such Event of Default, declaring the Bonds to be immediately due and payable and demanding payment of all outstanding principal amounts under the Bonds together with interest accrued thereon until (but excluding) the date of repayment. If the Issuer defaults in making a payment under any Bond to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Bonds.

13.3 After the Bondholders’ Representative has delivered the default notice pursuant to Condition 13.2 above,

- (a) the Bondholders’ Representative shall take any actions to cause the Issuer to repay all the debts under the Bonds without further notice. Such actions include filing a lawsuit against the Issuer in so far as legally possible; and
- (b) no Bondholder shall be entitled to take any legal action directly against the Issuer in order to enforce the debt owed to it pursuant to the Bonds unless such Bondholder is able to demonstrate that the Issuer has not made the payment to such Bondholder and the Bondholders’ Representative has not taken any actions pursuant to Condition 13.3(a) above against the Issuer within 60 (sixty) days from the date of the default notice to the Issuer in accordance with Condition 13.2 above.

## **14. MEETINGS OF BONDHOLDERS**

14.1 The Issuer or the Bondholders' Representative shall be entitled to call a Bondholders' meeting at any time. The Bondholders' Representative shall promptly convene a Bondholders' meeting:

- (a) within 30 (thirty) days from its receipt of a written request from one or more Bondholder(s) together holding not less than 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds; or
- (b) as soon as possible after the Bondholders' Representative has become aware of an occurrence of any of the following events:
  - (i) an Event of Default has occurred and no default notice has been sent to the Issuer as specified in Condition 13.2 above;
  - (ii) a proposal to amend material terms of these Conditions has been made pursuant to Condition 17.1 below; or
  - (iii) an appointment of a new Bondholders' Representative is required except in the case where the Issuer has sent a notice to the Bondholders requesting their approval for the appointment of the new Bondholders' Representative pursuant to Condition 16.3(b) below.

14.2 A resolution duly passed at a duly convened meeting of the Bondholders shall be binding upon all Bondholders, whether or not present at the meeting. The rules and procedures for convening and conducting a meeting of the Bondholders are as set out in the Annex to these Conditions.

14.3 The Bondholders' Representative may adopt a resolution without holding a Bondholders' meeting if Bondholders approve the action by placing their signatures on a copy of the text of the resolution. Any such resolution shall be effective and duly bind all the Bondholders (regardless of whether or not a Bondholder has executed or accepted such resolution) when it has been signed by the Bondholders holding the aggregate number of votes required to pass such resolution in accordance with Clause 6 of the Annex to these Conditions, provided that the counting of the number of votes is based on the total outstanding amount of the Bonds. The duly signed copy or copies of the resolution shall be delivered to the Bondholders' Representative within a reasonable period of time as determined by the Bondholders' Representative and placed in the minutes of the Bondholders' meeting with a copy to the Registrar and the Issuer.

14.4 If there is only one Bondholder, a written resolution, duly signed by such Bondholder, shall be treated as a resolution of a Bondholders' meeting without having to hold a Bondholders' meeting.

14.5 The Issuer shall be responsible for all reasonable costs and expenses incurred in connection with the convening and holding of any meeting of the Bondholders.

## **15. POWERS, DUTIES AND RESPONSIBILITIES OF THE BONDHOLDERS' REPRESENTATIVE**

15.1 The Bondholders' Representative shall act in good faith and shall be bound to exercise the degree of care usually required from a person performing the business of the Bondholders' Representative. The Bondholders' Representative shall not be responsible to the Bondholders for any damages arising from the performance or non-performance of its obligations, except

those arising from willful misconduct, gross negligence and/or bad faith in the performance of its obligations as provided in these Conditions, in the Bondholders' Representative Appointment Agreement or in any applicable law.

15.2 The Bondholders' Representative shall duly perform and comply with its powers and duties which are prescribed by the relevant laws and the SEC regulations as powers and duties of a representative of Bondholders appointed by virtue of the SEC's notification and as specified in the Bondholders' Representative Appointment Agreement, including those powers and duties under these Conditions. The Bondholders' Representative's powers, duties and responsibilities include (but are not limited to) the following:

- (a) to act in accordance with these Conditions and the Bondholders' Representative Appointment Agreement and in the case where the Bondholders' Representative has the right to exercise its discretion to act under these Conditions, the Bondholders' Representative may at liberty use its discretion by upholding the interest of the Bondholders as the main objective;
- (b) to enter into an agreement with the Issuer in respect of the following matters without having to first obtain consent from a meeting of the Bondholders:
  - (i) amending or modifying these Conditions and/or any agreement relating to the Bonds in any respect that the Bondholders' Representative deems to be beneficial to the Bondholders or in a manner that would not materially prejudice the Bondholder's rights;
  - (ii) amending or modifying these Conditions and/or any agreement relating to the Bonds in order to correct any manifest errors or to ensure they are in line with the relevant law and regulations; and
  - (iii) providing a waiver or exemption in respect of any event specified in Condition 13.1 above at any time, the occurrence of which would otherwise require the Bondholders' Representative to proceed in accordance with Condition 13.2 above, if the Bondholders' Representative considers that such waiver or exemption is appropriate, taking into account the interest of the Bondholders as its main concern;
- (c) to monitor the Issuer's and compliance with, and performance of, its obligations under these Conditions;
- (d) to receive and keep in custody the original documents and assets including security (if any) which the Bondholders' Representative must receive or hold for the benefit of all Bondholders in connection with the performance of its duties under these Conditions and the Bonds;
- (e) to convene meetings of Bondholders as required under these Conditions and to attend all meetings of the Bondholders and to give its opinions to the meetings on suitable courses of action in cases where the Issuer fails to comply with these Conditions or in other cases which are or might be prejudicial to the interests of the Bondholders;
- (f) to promptly make a report to the Bondholders on important matters which have been carried out pursuant to the powers and duties of the Bondholders' Representative;
- (g) to facilitate the inspection by the Bondholders, at the principal office of the Bondholders' Representative during its normal office hours, of copies of the financial statements, these Conditions, the Bondholders' Representative Appointment

Agreement and the Registrar Appointment Agreement and other reports provided by the Issuer to the Bondholders' Representative; and

- (h) in the event that the Bondholders' Representative is for any reason disqualified from acting in its capacity as Bondholders' Representative, to immediately inform the Issuer in writing of such disqualification.

15.3 The Bondholders' Representative shall perform its duties and obligations in good faith for the interest and benefit of the Bondholders in accordance with these Conditions, the Bondholders' Representative Appointment Agreement and all applicable laws. The Bondholders' Representative shall not be liable to any person for damages arising from its acts in reliance upon affidavits issued by authorized directors of the Issuer, or opinions, recommendations or information supplied by experts given specifically to the Bondholders' Representative, if the Bondholders' Representative acts in good faith with such level of duty and care as can be expected from a professional entity acting as a bondholders' representative.

15.4 Any material amendment or modification of the Bondholders' Representative Appointment Agreement which may adversely affect any interest and benefit of the Bondholders must be approved in advance by a meeting of the Bondholders.

## **16. APPOINTMENT AND REMOVAL OF THE BONDHOLDERS' REPRESENTATIVE**

16.1 The Issuer has appointed the Bondholders' Representative to act as a representative of the Bondholders, in full compliance with all applicable laws as well as the Notification of the Capital Market Supervisory Board No. TorChor. 37/2552 Re: Qualifications Required for the Bondholders' Representative and Performance of the Bondholders' Representative according to its Powers and Duties dated August 3, 2009 (as amended) and any other relevant laws and regulations concerning qualifications of a bondholders' representative. The Bondholders' Representative has been approved by the SEC and other relevant authorities to perform its duties and functions as a representative of the Bondholders, as required by applicable laws and regulations. The Bondholders are deemed to have accepted and consented to the Issuer's appointment of the Bondholders' Representative as the Bondholders' Representative pursuant to the terms of the Bondholders' Representative Appointment Agreement and to ratify any action the Bondholders' Representative may have done for or on behalf of the Bondholders prior to and after the subscription or accepting the transfer of the Bonds.

16.2 Removal of the Bondholders' Representative is required under the following circumstances:

- (a) the Bondholders' Representative becomes disqualified to act as a representative of Bondholders and fails to rectify the event of such disqualification within 60 (sixty) days from the date of the disqualification;
- (b) a Bondholders' meeting passes a resolution to terminate the appointment of the Bondholders' Representative due to its negligent performance or failure to perform its duties;
- (c) the Bondholders' Representative is in breach of any provision of the Bondholders' Representative Appointment Agreement or these Conditions and such breach has not been remedied within 30 (thirty) days from the date the Issuer or any one or more of the Bondholders holding together at least 25 (twenty-five) per cent of the total outstanding principal amount of the Bonds sends a written notice to the Bondholders' Representative demanding such remedy; and
- (d) the appointment of the Bondholders' Representative is terminated in accordance with the Bondholders' Representative Appointment Agreement.

- 16.3 In case of a removal of the Bondholders' Representative, the Bondholders' Representative or the Issuer shall proceed in accordance with either of the following:
- (a) call a meeting of the Bondholders to approve the appointment of a new Bondholders' Representative; or
  - (b) issue a notice to all Bondholders requesting approval for the appointment of the new Bondholders' Representative, and if such request is not rejected in writing by Bondholders holding more than 10 (ten) per cent of the total outstanding principal amount of the Bonds within 30 (thirty) days from the date of such notice, it shall be deemed that all Bondholders approve the appointment of the new Bondholders' Representative.
- 16.4 The existing Bondholders' Representative shall in any event continue to perform its duties and functions in order to protect the Bondholders' interests under these Conditions until the new Bondholders' Representative is legally appointed in accordance with these Conditions, applicable laws and regulations.
- 16.5 If the Bondholders' Representative is replaced, the Issuer and/or the new Bondholders' Representative, as the case may be, shall, if required by applicable laws and regulations, apply for approval from the SEC. After the Issuer has appointed the new Bondholders' Representative, the Issuer shall notify each Bondholder in writing of such appointment within 30 (thirty) days from the date thereof and the Bondholders' Representative who has been terminated shall promptly hand over all assets, information and documents currently held by it to the new Bondholders' Representative and shall fully co-operate with the new Bondholders' Representative so as to ensure an orderly transition and the proper performance and assumption of duties by the new Bondholders' Representative.

## **17. AMENDMENT TO THESE CONDITIONS**

- 17.1 Except as specified in Conditions 15.2 (b) (i) and (ii), any amendment to these Conditions requires the approval of the Issuer and the Bondholders' meeting in accordance with the Annex to these Conditions.
- 17.2 The Bondholders' Representative may amend any Conditions as specified in Conditions 15.2 (b) (i) and (ii). The Bondholders' Representative shall promptly inform the Issuer in writing of the amendment to these Conditions made by the Bondholders' Representative pursuant to Condition 18.3 below.
- 17.3 The Issuer shall deliver the amended Conditions to the Registrar and the Bondholders' Representative and shall cause the Registrar or the Bondholders' Representative to deliver copies of such amended Conditions and other relating document(s) (if any) to the SEC and ThaiBMA within 15 (fifteen) days from the effective date of such amendment and to the Bondholders upon written request.

## **18. NOTICES**

- 18.1 Notices to Bondholders
- (a) Notices to Bondholders will be deemed to be validly given if sent by registered mail (or the equivalent) or (if posted to an overseas address) by courier to the address specified by TSD for such Bondholder; and
  - (b) Any notice made or delivered to the Bondholders or the Bondholders' Representative under this Condition 18.1 will only be effective:

- (i) if sent by registered mail, 7 (seven) days after the dispatch; or
- (ii) if sent by courier, 48 (forty-eight) hours from the date of delivery to the courier service.

18.2 Neither the failure to give notice nor any defect in any notice given to any particular Bondholder shall affect the sufficiency of any notice with respect to other Bondholders.

18.3 Notices to the Issuer, the Registrar or the Bondholders' Representative

- (a) Notices to the Registrar shall be validly given if sent to the address or fax number of the Registrar specified in the Registrar Appointment Agreement;
- (b) Notices to the Bondholders' Representative shall be validly given if sent to the address or fax number of the Bondholders' Representative specified in the Bondholders' Representative Appointment Agreement.
- (c) Notices to the Issuer shall be validly given if sent to the address or fax number of the Issuer as specified below (or as otherwise notified from time to time to the Bondholders' Representative and the Registrar):

**THE ISSUER**

**Mizuho Bank, Ltd.**

Address: 1-5-5, Otemachi  
Chiyoda-ku, Tokyo  
100-8176, JAPAN

Telephone: +813-5220-8781  
Facsimile: +813-3215-6775  
Attention: Kotaro Hayashi

**THE ISSUER'S CONTACT PERSON**

Mizuho Bank, Ltd., Bangkok Branch

Address: 18th Floor, TISCO Tower  
48 North Sathorn Road, Silom, Bangrak, Bangkok  
10500 Thailand

Telephone: +66-2638-0200-5 Ext 2531, 2543, 2540  
Facsimile: +66-2638-0215  
Attention: Masaaki Wada, Kitti Manassakorn or Thitika Linitda

- (d) Any notice made or delivered by any of the Registrar, the Bondholders' Representative or the Issuer to each of them under this Condition 18.3 will only be effective:
  - (i) if sent by fax, when a transmission report showing the successful transmission of the facsimile is received by the sender;
  - (ii) if sent by registered mail, 7 (seven) days after the dispatch; or
  - (iii) if sent by courier, 48 (forty-eight) hours from the date of delivery to the courier service.

- 18.4 All notices and communications to be made to the Issuer in relation to the Bonds and these Conditions shall be made in English language, unless as otherwise required under the applicable laws or any other agreement, in which case an English translation thereof shall be provided to the Issuer.

## **19. THE ISSUER'S CONTACT PERSON IN THAILAND**

The Issuer has appointed Mizuho Bank, Ltd., Bangkok Branch, whose address is specified in Condition 18.3(c) above as its contact person in Thailand for the purposes of (i) receiving writs, summons, letters, orders or any other documents relating to the Bonds in Thailand on behalf of the Issuer; and (ii) contacting relevant government authorities relating the issue and offer of the Bonds in Thailand on behalf of the Issuer. If, for any reason, the existing Issuer's Contact Person ceases to act as the Issuer's contact person in Thailand or ceases to be registered in Thailand, the Issuer must forthwith appoint a new Issuer's Contact Person and inform the Bondholders' Representative and the Registrar of the appointment of such new Issuer's Contact Person together with its contact details as soon as practicable. In such case, the Issuer agrees to procure that the existing Issuer's Contact Person shall continue to perform its duties as specified above until a new Issuer's Contact Person is appointed. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## **20. CURRENCY INDEMNITY**

- 20.1 The Issuer shall make payment in respect of any sum payable under these Conditions in Baht. If any sum is due from the Issuer under these Conditions (a "Sum"), or any order, judgment or award given or made in any jurisdiction in relation to a Sum, has to be converted from Baht (the "First Currency") in which that Sum is payable into another currency for the purpose of:

- (a) making or filing a claim or proof against the Issuer, including the winding-up of the Issuer;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Issuer shall as an independent obligation, within 7 (seven) Business Days of demand, indemnify the Bondholder(s) to whom that Sum is payable against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (i) the rate of exchange used to convert that Sum from the First Currency into such another currency and (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- 20.2 The indemnity specified under this Condition 20 shall constitute separate and independent obligations from the other obligations contained herein, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by any Bondholder from time to time, and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due hereunder or under any such judgment or order, to the fullest extent permitted by applicable laws.

## **21. GOVERNING LAW AND JURISDICTION**

- 21.1 These Conditions and the Bonds shall be governed by and construed in accordance with the laws of Thailand. To the extent of discrepancy or inconsistency between any provision of these Conditions and any laws or notifications applicable to the Bonds, the provisions of such laws or notifications applicable to the Bonds shall supersede only the parts of these Conditions which give rise to such discrepancy or inconsistency.

- 21.2 The Issuer agrees that any legal action arising out of or relating to these Conditions may be brought in the courts of Thailand and submits to the non-exclusive jurisdiction of such courts.
- 21.3 Nothing in these Conditions shall limit the right of the Bondholders' Representative and/or the Bondholders to commence any legal action against the Issuer and/or its assets in any other jurisdiction or to serve process in any manner permitted by law, and the taking of proceedings in any jurisdiction shall, to the full extent permitted by applicable laws of the relevant jurisdictions, not preclude the Bondholders' Representative and/or the Bondholders from taking proceedings in any other jurisdiction whether concurrently or not.
- 21.4 In the case where the Issuer has acquired or will subsequently acquire immunity from the proceedings in respect of itself or its property, the Issuer shall have waived such immunity, except immunity in respect of its property used for diplomatic or consular missions, property of a military nature, and property located in its territory and dedicated to a public or governmental use as distinguished from the property dedicated to commercial use.

These Conditions are made on September 24, 2015, and shall be effective from the Issue Date.

**MIZUHO BANK, LTD.**

**as Issuer**

By: \_\_\_\_\_

Authorized Signatory

**THE ANNEX**  
**REQUIREMENTS FOR THE MEETING OF BONDHOLDERS**

**1. Calling Meetings**

The Issuer or the Bondholders' Representative may call a meeting of the Bondholders by requesting the Registrar to send notice of the meeting by registered mail to the Bondholders and the Issuer or the Bondholders' Representative (who is not the person calling for the meeting) at least 7 (seven) days (excluding the date of delivery of such notice of the meeting and the meeting date) prior to the proposed meeting date. Such notice shall be in the English and Thai languages and shall specify the date, time and place for the meeting, the agenda of the meeting and the identity of the party calling the meeting. The Registrar shall deliver notice of the meeting to all Bondholders whose names and addresses appear in the record of TSD on the Record Date.

**2. Eligibility to Attend Meetings**

The following persons are eligible to attend each meeting of the Bondholders:

- (a) the Bondholders, the Issuer and the Bondholders' Representative;
- (b) the Bondholders may appoint another Bondholder(s) or any person ("Proxy") to attend the meeting and vote on their behalf, by executing a written proxy appointment in the form as set out by the Registrar, available at the principal office of the Registrar, provided that the original proxy form and supporting documents required by the Registrar must be submitted to the Registrar prior to the time scheduled for the meeting;
- (c) on the request of the Issuer and/or the Bondholders' Representative, financial advisors, legal advisors or other persons involved with the matters to be discussed at the meeting; and
- (d) any person permitted by the chairman of the meeting to attend the meeting for observation.

**3. Quorum Requirements**

- 3.1 Except with respect to meetings of Bondholders convened to approve the matters set out in Clause 6.3 and Clause 6.4, a quorum of a meeting of Bondholders shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent of the outstanding Bonds.
- 3.2 If a meeting is adjourned due to the lack of a quorum as required by Clause 3.1, the quorum for a subsequent meeting shall be constituted by the presence of two or more Bondholders, regardless of the aggregate number of Bonds held by them.
- 3.3 A quorum of a meeting of the Bondholders convened to consider the matters set out in Clause 6.3 shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 50 (fifty) per cent of the outstanding Bonds. If a meeting is adjourned due to the lack of a quorum as required by this Clause 3.3, the quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 25 (twenty-five) per cent of the outstanding Bonds.
- 3.4 A quorum of a meeting of the Bondholders convened to consider the matters set out in Clause 6.4 shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 66 (sixty-six) per cent of the outstanding Bonds. If a meeting is adjourned due to the

lack of a quorum as required by this Clause 3.4, the quorum for a subsequent meeting shall be constituted by the presence of at least two Bondholders holding in aggregate not less than 33 (thirty-three) per cent of the outstanding Bonds.

#### **4. Chairman of the Meeting**

The Bondholders' Representative or such person authorized by the Bondholders' Representative shall preside as chairman of the meeting. Should the chairman of the meeting be absent upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, the meeting shall elect any Bondholder to preside over such meeting.

#### **5. Adjournment of the Meeting**

5.1 At any meeting of the Bondholders, upon a lapse of 45 (forty-five) minutes from the time scheduled for the meeting, should the number of the Bondholders attending the meeting remain insufficient to constitute a quorum, the chairman of the meeting shall adjourn the meeting as follows:

- (a) If the meeting was called by the Issuer or the Bondholders' Representative, the chairman of the meeting shall adjourn the meeting to the date, time and place as specified by the chairman. The date for the adjourned meeting shall not be less than 7 (seven) days but not more than 14 (fourteen) days from the previous meeting date, unless the Issuer and the Bondholders' Representative agree not to call another meeting. In addition, the matters to be considered and resolved at the adjourned meeting must be only those pending from the previous meeting;
- (b) If the meeting was called by the Bondholders, no adjourned meeting shall be called as provided by paragraph (a) above; and
- (c) If the meeting was called due to the absence of a quorum at the previous meeting, no adjourned meeting shall be called as provided by paragraph (a) above.

5.2 The Registrar shall deliver the notice of any adjourned meeting to the Issuer, the Bondholders' Representative and the Bondholders who were sent notices of the previous meeting, not less than 3 (three) days prior to the adjourned meeting (excluding the date of the notice of the meeting and the meeting date). Such notice of the meeting shall specify the date, time and place for the meeting, the agenda of the meeting and quorum required for the adjourned meeting.

#### **6. Resolutions of the Meeting**

6.1 Resolutions on any matters by the meeting of the Bondholders shall be decided by a show of hands or casting of votes as selected by the chairman of the meeting. The votes held by each of the Bondholders will be equal to the number of Bonds held by them and one unit of Bonds shall be entitled to one vote. In the case of an equal vote, the chairman of the meeting shall have a decisive (casting) vote (for both a show of hands and secret ballot) in addition to the votes that the chairman of the meeting may be entitled to cast in his or her capacity as a Bondholder or a Proxy.

6.2 Resolutions of the meeting of the Bondholders on any matters other than those specified in Clauses 6.3 and 6.4 shall be decided by a majority of votes of the Bondholders attending the meeting and casting their votes.

- 6.3 Resolutions of the meeting of the Bondholders on any of the following matters shall be decided by a majority of votes representing not less than 66 (sixty-six) per cent of all votes of the Bondholders attending the meeting and casting their votes.
- (a) any amendment or waiver to the Conditions other than those matters specified in Clause 6.4;
  - (b) any matters in relation to Condition 7.4 or Condition 13.1(f);
  - (c) any declaration or waiver of an Event of Default; and
  - (d) any replacement of the Bondholders' Representative and the appointment of new Bondholders' Representative.
- 6.4 Resolutions of the meeting of the Bondholders on any of the following matters shall be decided by a majority of votes representing not less than 75 (seventy-five) per cent of all votes of the Bondholders attending the meeting and casting their votes.
- (a) the repayment of Bonds by way of conversion of the Bonds into shares, other Bonds or other property of the Issuer or any person;
  - (b) any amendment to the Maturity Date or the due date for any payment in respect of the Bonds;
  - (c) any amendment to, reduction, cancellation, or change of the security, the amount of principal, interest and/or any other sum due or payable in respect of the Bonds;
  - (d) a change of the currency of any payment to be made in respect of the Bonds;
  - (e) any amendment to the requirements for the meeting of the Bondholders in relation to quorum (Clause 3) and resolutions of the meeting (Clause 6); and
  - (f) any amendment to the Conditions to enable any actions relating to (a) to (e) above.
- 6.5 Any Bondholder that has any conflict of interest with respect to any matter to be decided at a meeting of Bondholders shall not be entitled to vote on such matter.

## **7. Minutes of the Meeting**

Within 14 (fourteen) days after the date of the meeting of the Bondholders, the Bondholders' Representative shall prepare the minutes of the meeting. The chairman of the meeting shall certify such minutes as accurate and the Bondholders' Representative shall keep the original minutes and make copies available for inspection by the Bondholders at its principal office during normal business hours.