

MIZUHO FINANCIAL GROUP INC

Form 20-F

July 29, 2010

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended March 31, 2010**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**Date of event requiring this shell company report**

**For the transition period from**                      **to**

**Commission file number 001-33098**

**Kabushiki Kaisha Mizuho Financial Group**

(Exact name of Registrant as specified in its charter)

## **Mizuho Financial Group, Inc.**

(Translation of Registrant's name into English)

### **Japan**

(Jurisdiction of incorporation or organization)

**5-1, Marunouchi 2-chome**

**Chiyoda-ku, Tokyo 100-8333**

**Japan**

(Address of principal executive offices)

**Tatsuya Yamada, +81-3-5224-1111, +81-3-5224-1059, address is same as above**

(Name, Telephone, Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
<b>Common Stock, without par value</b>	<b>The New York Stock Exchange*</b>
<b>American depositary shares, each of which represents two shares of</b>	<b>The New York Stock Exchange</b>

**common stock**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

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At March 31, 2010, the following shares of capital stock were issued: (1) 15,494,397,690 shares of common stock (including 9,397,093 shares of common stock held by the registrant as treasury stock), (2) 914,752,000 shares of eleventh series class XI preferred stock(including 415,471,000 shares of eleventh series class XI preferred stock held by the registrant as treasury stock), and (3) 36,690,000 shares of thirteenth series class XIII preferred stock.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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\*Not for trading, but only in connection with the registration and listing of the ADSs.

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**PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

In this annual report, we, us, and our refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Mizuho Financial Group refers to Mizuho Financial Group, Inc. Furthermore, unless the context indicates otherwise, these references are intended to refer to us as if we had been in existence in our current form for all periods referred to herein.

In this annual report, our principal banking subsidiaries refer to Mizuho Corporate Bank, Ltd., Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd. (or with respect to references as of a date, or fiscal year ending, before April 1, 2002, to The Dai-Ichi Kangyo Bank, Limited, The Fuji Bank, Limited, The Industrial Bank of Japan, Limited, Mizuho Trust & Banking and The Yasuda Trust and Banking Co., Ltd.).

In this annual report, references to U.S. dollars, dollars and \$ refer to the lawful currency of the United States and those to yen and ¥ refer to lawful currency of Japan.

In this annual report, all yen figures and percentages have been rounded to the figures shown, except for those yen figures and percentages in Item 3.A. Key Information Selected Financial Data Japanese GAAP Selected Consolidated Financial Information, which have been truncated to the figures shown, and unless otherwise specified. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Our fiscal year end is March 31. References to years not specified as being fiscal years are to calendar years.

Unless otherwise specified, for purposes of this annual report, we have presented our financial information in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. Unless otherwise stated or the context otherwise requires, all amounts in our financial statements are expressed in Japanese yen.

We usually hold the ordinary general meeting of shareholders of Mizuho Financial Group in June of each year in Chiyoda-ku, Tokyo.

**FORWARD-LOOKING STATEMENTS**

We may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in documents filed with the Securities and Exchange Commission, including this annual report, and other reports to shareholders and other communications.

The U.S. Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking information to encourage companies to provide prospective information about themselves. We rely on this safe harbor in making these forward-looking statements.

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

incurrence of significant credit-related costs;

declines in the value of our securities portfolio, including as a result of the declines in stock markets and the impact of the dislocation in the global financial markets;



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changes in interest rates;

foreign exchange rate fluctuations;

decrease in the market liquidity of our assets;

revised assumptions or other changes related to our pension plans;

a decline in our deferred tax assets;

the effect of financial transactions entered into for hedging and other similar purposes;

failure to maintain required capital adequacy ratio levels;

downgrades in our credit ratings;

our ability to avoid reputational harm;

our ability to implement our Medium-term Management Policy and other strategic initiatives and measures effectively;

the effectiveness of our operation, legal and other risk management policies;

the effect of changes in general economic conditions in Japan and elsewhere; and

amendments and other changes to the laws and regulations that are applicable to us.

Our forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. We identify in this annual report in Item 3.D. Key Information Risk Factors, Item 4.B. Information on the Company Business Overview, Item 5. Operating and Financial Review and Prospects and elsewhere, some, but not necessarily all, of the important factors that could cause these differences.

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

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**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**3.A. Selected Financial Data**

The following tables set forth our selected consolidated financial data.

The first table below sets forth selected consolidated financial data of Mizuho Financial Group as of and for the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010 which have been derived from the audited consolidated financial statements of Mizuho Financial Group prepared in accordance with U.S. GAAP included in this annual report.

The second table below sets forth selected consolidated financial data of Mizuho Financial Group as of and for the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010 derived from Mizuho Financial Group's consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan, or Japanese GAAP.

The consolidated financial statements of Mizuho Financial Group as of and for the fiscal years ended March 31, 2008, 2009 and 2010 prepared in accordance with U.S. GAAP have been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) by Ernst & Young ShinNihon LLC, independent registered public accounting firm.

You should read the U.S. GAAP selected consolidated financial information presented below together with the information included in Item 5. Operating and Financial Review and Prospects and the audited consolidated financial statements, including the notes thereto, included in this annual report. The information presented below is qualified in its entirety by reference to that information.

**Table of Contents****U.S. GAAP Selected Consolidated Financial Information**

	2006	As of and for the fiscal years ended March 31,			2010
		2007	2008	2009	
		(in millions of yen, except per share data and percentages)			
<b>Statement of income data:</b>					
Interest and dividend income	¥ 1,957,907	¥ 2,639,307	¥ 3,110,260	¥ 2,384,191	¥ 1,632,282
Interest expense	944,895	1,571,389	1,911,522	1,102,015	528,159
Net interest income	1,013,012	1,067,918	1,198,738	1,282,176	1,104,123
Provision (credit) for loan losses	(157,666)	182,115	(57,766)	567,396	222,102
Net interest income after provision (credit) for loan losses	1,170,678	885,803	1,256,504	714,780	882,021
Noninterest income	995,156	1,195,948	1,094,943	452,227	1,330,847
Noninterest expenses	1,385,253	1,266,857	1,504,309	1,525,101	1,526,413
Income (loss) before income tax expense (benefit)	780,581	814,894	847,138	(358,094)	686,455
Income tax expense (benefit)	(374,142)	163,221	672,176	761,908	(360,195)
Net income (loss)	¥ 1,154,723	¥ 651,673	¥ 174,962	¥ (1,120,002)	¥ 1,046,650
Less: Net income (loss) attributable to noncontrolling interests <sup>(1)</sup>	69,051	27,791	(53,656)	(61,555)	46,961
Net income (loss) attributable to MHFG shareholders	1,085,672	623,882	228,618	(1,058,447)	999,689
Net income (loss) attributable to common shareholders	1,047,719	600,408	208,643	(1,077,787)	988,603
<b>Amounts per share<sup>(2)</sup>:</b>					
Basic earnings per common share net income (loss) attributable to common shareholders	¥ 93.78	¥ 51.73	¥ 18.17	¥ (95.96)	¥ 70.55
Diluted earnings per common share net income (loss) attributable to common shareholders	¥ 82.75	¥ 48.71	¥ 16.77	¥ (95.96)	¥ 61.64
Number of shares used to calculate basic earnings per common share (in thousands)	11,172,246	11,607,550	11,479,942	11,231,269	14,013,058
Number of shares used to calculate diluted earnings per common share (in thousands)	12,889,532	12,713,841	13,568,015	11,231,269	16,200,812
Cash dividends per share declared during the fiscal year <sup>(3)</sup> :					
Common stock	¥ 3.50	¥ 4.00	¥ 7.00	¥ 10.00	¥ 10.00
	\$ 0.03	\$ 0.03	\$ 0.07	\$ 0.10	\$ 0.11
Second series class II preferred stock	¥ 8.20				
	\$ 0.07				
Third series class III preferred stock	¥ 14.00				
	\$ 0.12				
Fourth series class IV preferred stock	¥ 47.60	¥ 47.60			
	\$ 0.41	\$ 0.40			
Sixth series class VI preferred stock	¥ 42.00	¥ 42.00			
	\$ 0.36	\$ 0.36			
Seventh series class VII preferred stock	¥ 11.00				
	\$ 0.09				
Eighth series class VIII preferred stock	¥ 8.00				
	\$ 0.07				
Tenth series class X preferred stock	¥ 5.38				
	\$ 0.05				
Eleventh series class XI preferred stock	¥ 20.00	¥ 20.00	¥ 20.00	¥ 20.00	¥ 20.00
	\$ 0.17	\$ 0.17	\$ 0.20	\$ 0.20	\$ 0.21

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Thirteenth series class XIII preferred stock	¥	30.00	¥	30.00	¥	30.00	¥	30.00	¥	30.00
	\$	0.26	\$	0.26	\$	0.30	\$	0.30	\$	0.32

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	2006	As of and for the fiscal years ended March 31,			2010
		2007	2008	2009	
(in millions of yen, except per share data and percentages)					
<b>Balance sheet data:</b>					
Total assets	¥145,522,392	¥ 147,381,279	¥ 151,317,756	¥ 155,083,031	¥ 158,351,456
Loans, net of allowance	67,898,640	68,236,720	67,572,004	71,787,309	62,903,418
Total liabilities	140,880,392	142,376,976	147,749,599	154,045,851	155,019,438
Deposits	82,703,690	83,751,304	86,429,065	87,075,727	86,776,251
Long-term debt	5,384,991	7,073,936	7,618,910	8,017,770	8,482,434
Common stock	3,547,726	3,532,492	3,437,420	3,386,792	4,324,705
Total MHFG shareholders' equity	4,345,714	4,662,700	3,268,800	846,047	2,966,215
<b>Other financial data:</b>					
<b>Return on equity and assets:</b>					
Net income (loss) attributable to common shareholders as a percentage of total average assets	0.74%	0.42%	0.14%	(0.73)%	0.66%
Net income (loss) attributable to common shareholders as a percentage of average MHFG shareholders' equity	27.40%	14.69%	5.20%	(48.50)%	54.09%
Dividends per common share as a percentage of basic earnings per common share	4.27%	13.53%	55.02%	(10.42)%	11.34%
Average MHFG shareholders' equity as a percentage of total average assets	2.71%	2.87%	2.73%	1.51%	1.22%
Net interest income as a percentage of total average interest-earning assets	0.77%	0.79%	0.86%	0.92%	0.78%

Notes:

- (1) Net income (loss) attributable to noncontrolling interests was relocated from minority interest in consolidated subsidiaries included within noninterest expenses in the fiscal year ended March 31, 2010 as we adopted ASC 810. For purposes of comparability, the figures of the previous fiscal years are adjusted accordingly.
- (2) Under the central book-entry transfer system in Japan, which became effective in January 2009, fractional shares are not eligible for book-entry transfer. Accordingly, an allotment of shares or fractions of a share without consideration was made to all shareholders and holders of fractional shares at the rate of 999 shares per 1 share and 9.99 shares per every 0.01 of a share, effective on January 4, 2009. The amounts per share for the fiscal years ended March 31, 2006, 2007, 2008 and 2009 have been adjusted to reflect such allotment.
- (3) Yen amounts for cash dividends per share for the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010 are expressed in U.S. dollars at the rate of ¥117.48 = \$1.00, ¥117.56 = \$1.00, ¥99.85 = \$1.00, ¥99.15 = \$1.00 and ¥93.40 = \$1.00, respectively. These rates are the noon buying rates on March 31, 2006, 2007, 2008, 2009 and 2010 in New York City for cable transfers in yen as certified for customs purposes by the Federal Reserve Bank of New York.

**Table of Contents****Japanese GAAP Selected Consolidated Financial Information**

	2006	As of and for the fiscal years ended March 31,			2010
		2007	2008	2009	
	(in millions of yen, except per share data and percentages)				
<b>Statement of income data:</b>					
Interest income	¥ 1,935,048	¥ 2,562,642	¥ 2,864,796	¥ 2,144,436	¥ 1,571,994
Interest expense	872,403	1,472,378	1,801,156	1,075,584	420,287
Net interest income	1,062,645	1,090,264	1,063,639	1,068,851	1,151,707
Fiduciary income	78,843	66,958	64,355	55,891	49,100
Net fee and commission income	555,935	551,124	494,526	416,653	466,040
Net trading income	204,941	261,544	56,149	301,521	312,330
Net other operating income (loss)	100,073	147,507	(17,737)	(35,951)	17,436
General and administrative expenses	1,095,243	1,091,602	1,124,527	1,192,701	1,317,247
Other income	502,212	522,816	579,737	260,568	266,125
Other expenses	429,265	573,714	630,079	1,280,711	567,728
Income (loss) before income taxes and minority interests	980,142	974,898	486,062	(405,877)	377,765
Income taxes:					
Current <sup>(1)</sup>	¥ 64,038	¥ 43,267	¥ 32,212	¥ 48,247	¥ 18,040
Deferred	185,035	223,699	118,546	109,103	25,108
Income (loss) before minority interests <sup>(2)</sup>	731,068	707,931	335,304	(563,227)	334,617
Minority interests in net income	81,164	86,965	24,079	25,586	95,212
Net income (loss)	¥ 649,903	¥ 620,965	¥ 311,224	¥ (588,814)	¥ 239,404
<b>Net income (loss) per share<sup>(3)</sup> :</b>					
Basic	¥ 55,157.14	¥ 51,474.49	¥ 25,370.25	¥ (54.14)	¥ 16.29
Diluted	46,234.51	48,803.07	24,640.00	(4)	15.57
<b>Cash dividends per share declared during the fiscal year<sup>(3)(5)</sup> :</b>					
Common stock <sup>(6)</sup>	¥ 3,500	¥ 4,000	¥ 7,000	¥ 10,000	¥ 10
	\$ 29.79	\$ 34.03	\$ 70.11	\$ 100.86	\$ 0.11
Second series class II preferred stock	¥ 8,200				
	\$ 69.80				
Third series class III preferred stock	¥ 14,000				
	\$ 119.17				
Fourth series class IV preferred stock	¥ 47,600	¥ 47,600			
	\$ 405.18	\$ 404.90			
Sixth series class VI preferred stock	¥ 42,000	¥ 42,000			
	\$ 357.51	\$ 357.26			
Seventh series class VII preferred stock	¥ 11,000				
	\$ 93.63				
Eighth series class VIII preferred stock	¥ 8,000				
	\$ 68.10				
Tenth series class X preferred stock	¥ 5,380				
	\$ 45.80				
Eleventh series class XI preferred stock <sup>(6)</sup>	¥ 20,000	¥ 20,000	¥ 20,000	¥ 20,000	¥ 20
	\$ 170.24	\$ 170.13	\$ 200.30	\$ 201.71	\$ 0.21
Thirteenth series class XIII preferred stock <sup>(6)</sup>	¥ 30,000	¥			