

# **Going the Extra Mile**

**-Mizuho and Japanese Investments in India**

**March 2009**

**Mizuho Corporate Bank**

**New Delhi Branch**

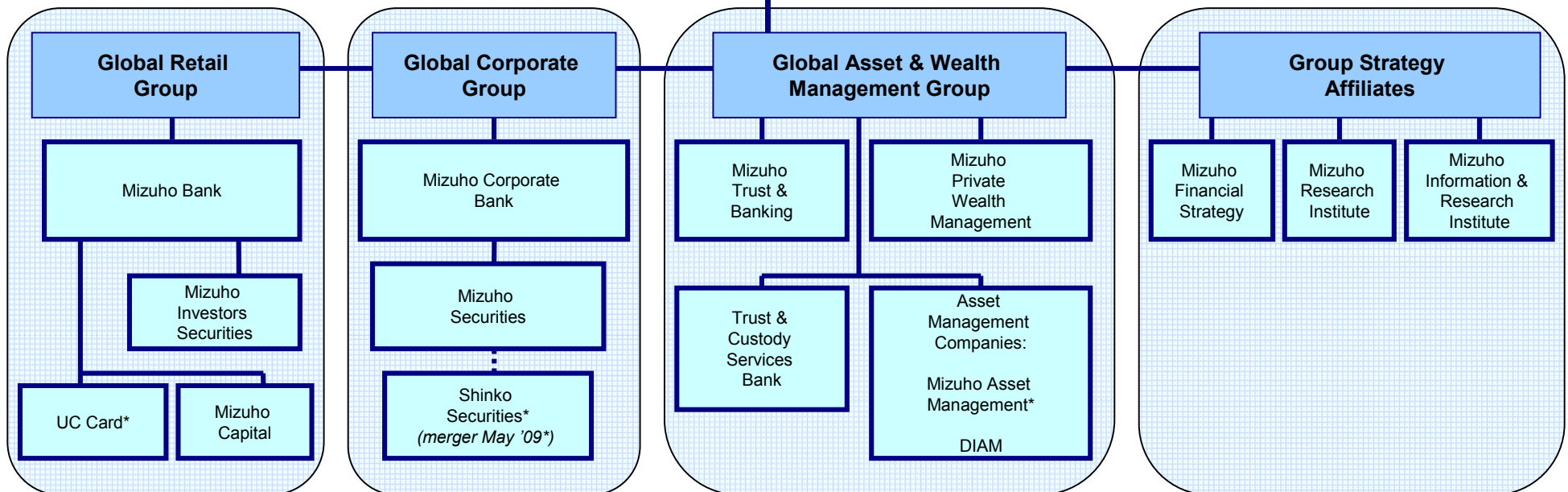
# About Mizuho Financial Group

- Established 2002 through 3 banks merger (Fuji, Dai-Ichi Kangyo and Industrial Bank of Japan)
- Mizuho has banking relations with 70% of listed companies in Japan
- 55 overseas offices in 29 countries worldwide

## Organizational Structure

- Through its vast network of over 200 group companies Mizuho provides a full-line of financial services including:
  - Retail and corporate banking
  - Securities & M&A advisory
  - Trust and asset management
  - Credit card / consumer finance
  - Private banking and wealth management services
  - Venture capital / private equity
  - Research and corporate advisory, etc.

### Mizuho Financial Group, Inc.



(Note) UC Card, Shinko Securities, and DIAM are affiliates under equity method; Merger with Shinko Securities subject to shareholder and regulatory approvals; DKA and FIMCO merged on July 1, 2007 to form Mizuho Asset Management

## The Mizuho Advantage

### Unmatched client base

- Approximately 170,000 corporate clients in Japan alone
- Close ties with some 300 government and public sector companies
- Banking partner to 25% of Fortune 1000 companies and 45 of the non-bank companies in the FTSE Eurotop 100 Index

### Close relationships with Japanese bluechips

- Banking relationships with 70% of listed firms in Japan
- Caters to 30% of listed firms as their primary banking partner
- Unprecedented ability to offer client matching services with top Japanese companies

### Global network

- Active in 29 countries around the world with over 55 overseas offices
- Strategic alliances with leading financial institutions in Thailand, Korea, Kazakhstan, Mexico, India, and China
- Increasingly growing presence in China (local subsidiary + 7 branches)

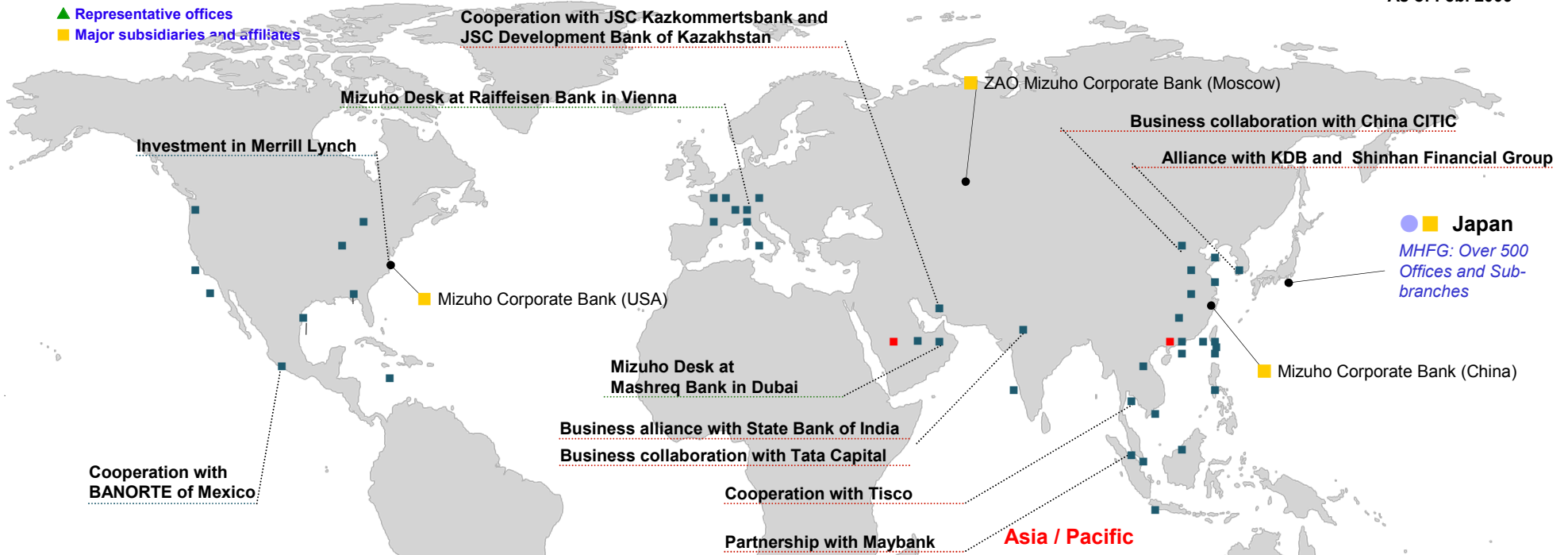
### Global standard

- Listed on the Tokyo Stock Exchange as well as NYSE (ADRs)
- Financial Holding Company status in the United States

## Mizuho's Global Reach

As of Feb. 2009

- Branches and other offices
- ▲ Representative offices
- Major subsidiaries and affiliates



■ Japan  
 MHFG: Over 500  
 Offices and Sub-branches

Cooperation with BANORTE of Mexico

### The Americas

#### Brazil

- Sao Paulo ▲
- Canada
- Toronto ●
- Vancouver ●
- Mexico
- Mexico City ▲
- Cayman Islands
- Cayman Islands ●

#### U.S.A.

- New York ● ■
- Chicago ● ■
- Los Angeles ● ■
- Atlanta ● ■
- Houston ● ■
- San Jose ■

### Europe / Middle East

#### Austria

- Vienna ■
- Belgium
- Brussels ■
- France
- Paris ●
- Italy
- Milan ●

#### Germany

- Düsseldorf ●
- Frankfurt ■
- Netherlands
- Amsterdam ■
- United Kingdom
- London ● ■
- Saudi Arabia
- Riyadh ■ ('09)

#### Russia

- Moscow ■
- Bahrain
- Bahrain ▲
- Iran
- Tehran ▲
- UAE
- Dubai ●

### Asia / Pacific

#### China

- Beijing ■
- Dalian ■
- Guangzhou ■ ('08)
- Hong Kong ● ■
- Nanjing ▲
- Qingdao ■
- Shenzhen ■
- Shanghai ■ ▲
- Tianjin ■
- Wuhan ▲
- Wuxi ■
- Xiamen ▲

#### India

- Mumbai ●
- New Delhi ●
- Indonesia
- Jakarta ■
- Korea
- Seoul ●
- Malaysia
- Labuan ●
- Kuala Lumpur ● ▲
- Philippines
- Manila ●

#### Singapore

- Singapore ● ■
- Taiwan
- Taipei ●
- Taichung ●
- Kaohsiung ●
- Thailand
- Bangkok ● ■
- Vietnam
- Hanoi ●
- Ho Chi Minh ●
- Australia
- Sydney ●

# Mizuho in Asia-Pacific

■ 31-office strong ex-Japan network offers clients unprecedented access to the Asia Pacific region.



## Mizuho in India

### New Delhi Branch

Established: May 2006

Address: 4<sup>th</sup> Floor, East Tower,  
Sood Tower, 25 Barakhamba  
Road, New Delhi

Staff Strength: about 40

Full Banking capabilities

Serving Japanese Corporate  
Clients except for the State of  
Maharashtra



空港からのアクセス

タクシー: 約40分

## Mizuho in India

### Mumbai Branch

Established: 1996

Address: Maker Chamber III 1<sup>st</sup> Fl.  
Jamnalal Bajaj Road, Nariman  
Point, Mumbai

Staff Strength: More than 60

Full Banking capabilities

Serving Indian Corporate Clients  
and Japanese Corporate Clients  
in the State of Maharashtra



空港からのアクセス

タクシー:約1時間



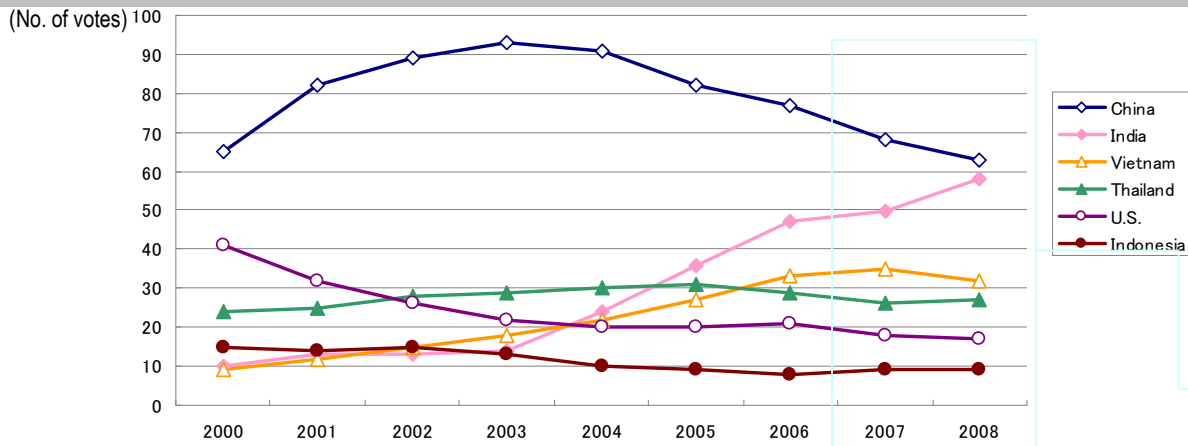
## Mizuho in India

- Alliance Agreement with State Bank of India**
- Business Collaboration with Tata Capital**
- Mizuho Securities set up Mumbai Representative Office in Feb. 2009**
- Resident Representative of Overseas Business Promotion Division**

## Promising Countries/Regions for Overseas Business Expansion for Japanese Firms

- ◆ China ranks first for business expansion but the rate has been falling since 2004.
- ◆ India has become second following the boom in BRICs. Russia and Brazil have also emerged at a higher rank in the FY08 survey.
- ◆ Vietnam is the third choice for firms for promising business expansion but the share of the vote is currently falling somewhat.

### Promising Countries/Regions for Overseas Business Expansion in the Medium-Term (for the next 3 years)



China ranks 1<sup>st</sup> for business expansion but the rate has been falling since 2004.  
 India has become 2<sup>nd</sup> following the boom in BRICs.  
 Vietnam's share of the vote is currently falling somewhat.

Russia and Brazil have also emerged at a higher rank in the FY08 survey.

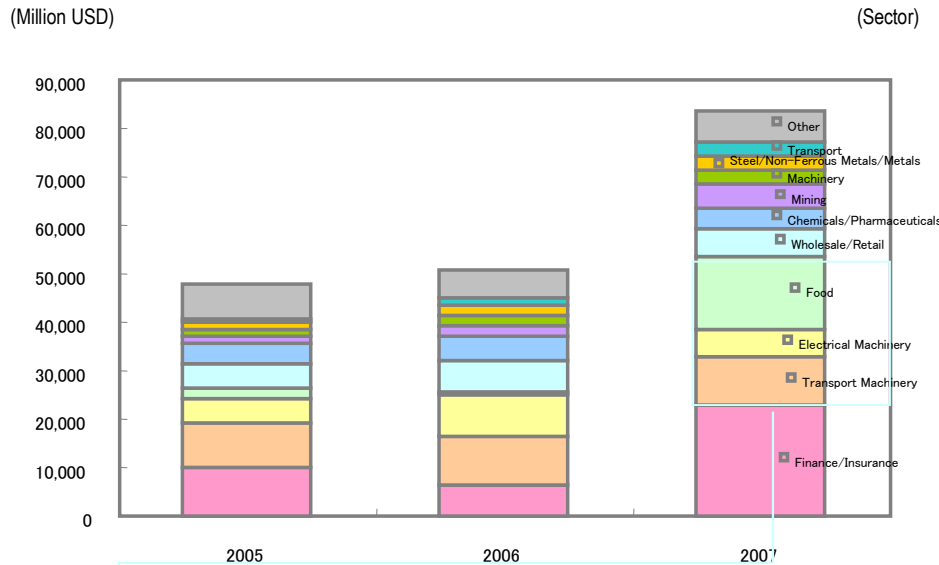
Survey FY00	Survey FY01	Survey FY02	Survey FY03	Survey FY04	Survey FY05	Survey FY06	Survey FY07	Survey FY08
China 65	China 82	China 89	China 93	China 91	China 82	China 77	China 68	China 63
U.S. 41	U.S. 32	Thailand 28	Thailand 29	Thailand 30	India 36	India 47	India 50	India 58
Thailand 24	Thailand 25	U.S. 26	U.S. 22	India 24	Thailand 31	Vietnam 33	Vietnam 35	Vietnam 32
Indonesia 15	Indonesia 14	Indonesia 15	Vietnam 18	Vietnam 22	Vietnam 27	Thailand 29	Thailand 26	Russia 28
Malaysia 12	India 13	Vietnam 15	India 14	U.S. 20	U.S. 20	U.S. 21	Russia 23	Thailand 27
Taiwan 11	Vietnam 12	India 13	Indonesia 13	Russia 10	Russia 13	Russia 20	U.S. 18	Brazil 19
India 10	Taiwan 11	S. Korea 8	S. Korea 9	Indonesia 10	S. Korea 11	Brazil 9	Brazil 9	U.S. 17
Vietnam 9	S. Korea 8	Taiwan 8	Taiwan 7	S. Korea 9	Indonesia 9	S. Korea 9	Indonesia 9	Indonesia 9
S. Korea 9	Malaysia 8	Malaysia 8	Malaysia 6	Taiwan 8	Brazil 7	Indonesia 8	S. Korea 6	S. Korea 6
Philippines 8	Singapore 6	Brazil 5	Russia 5	Malaysia 6	Taiwan 7	Taiwan 6	Taiwan 5	Taiwan 5

(Source) JBIC

# Japanese Direct Investment Trends by Sector and Region

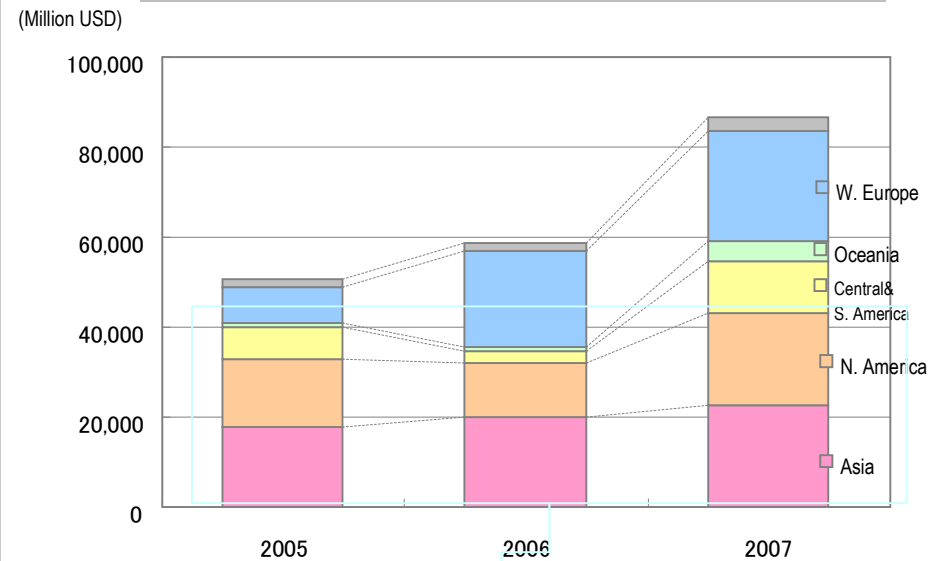
- ◆ Direct investment in electrical machinery and transport machinery is stable and accounts for a large share. There was an increase in food investment in 2007.
- ◆ The growth in direct investment in the U.S. rose by 72.5% in 2007. Direct investment in Asia steadily increased to 26.4% of all investment.

**Direct Investment Amount by Sector**



Investment in electrical machinery and transport machinery is stable and accounts for a large share. Food investment increased in 2007.

**Direct Investment Amount by Region**

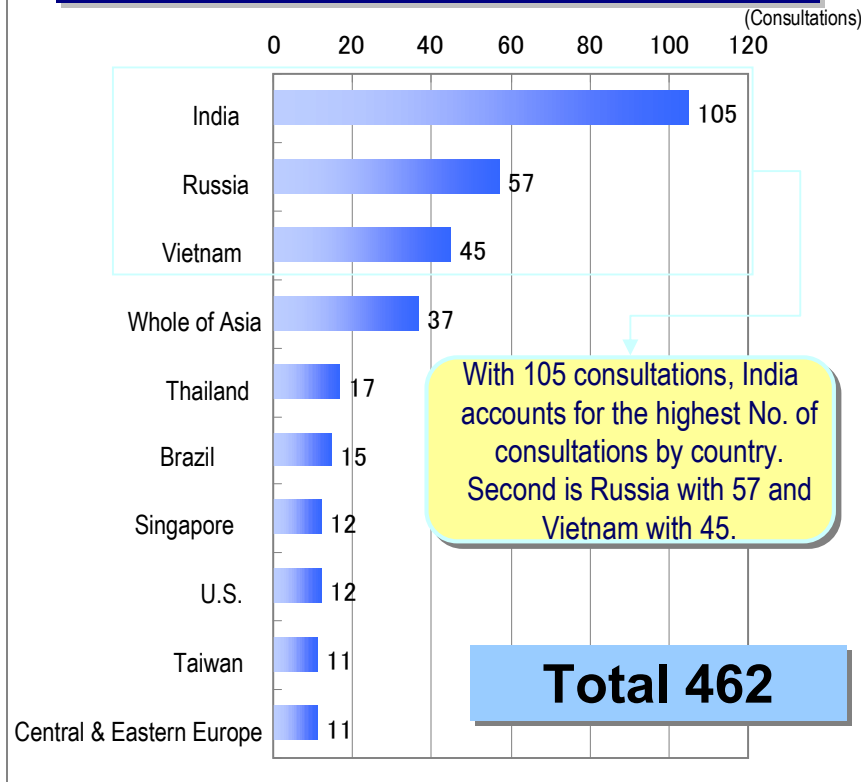


Growth in investment in the U.S. increased 72.5% in 2007. Direct investment in Asia steadily increased to account for 26.4% of all investment.

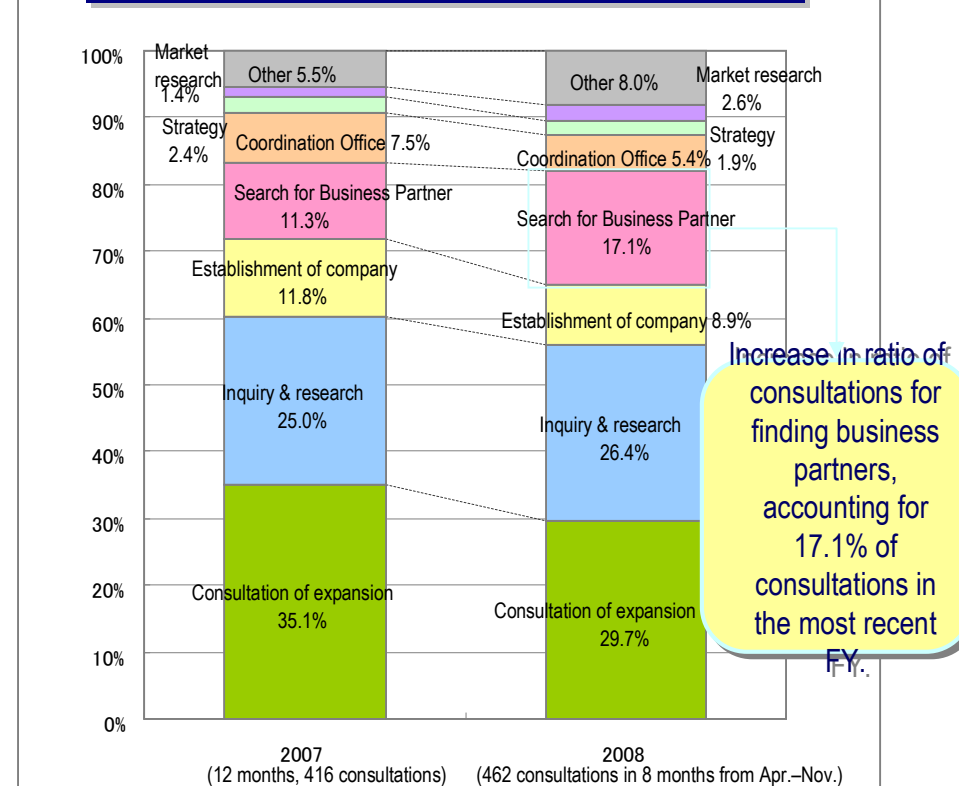
## Number of Consultations from Mizuho's Customers (except for China)

- ◆ India accounts for the highest number of consultation cases by country with 105 consultations. Russia is second with 57 consultations and then Vietnam with 45.
- ◆ There has been an increase in the number of firms consulting about finding a business partner, including through M&As and joint ventures, accounting for 17.1% of all consultations in the most recent year.

Top 10 Consultations by Country (Apr.-Nov. 08)



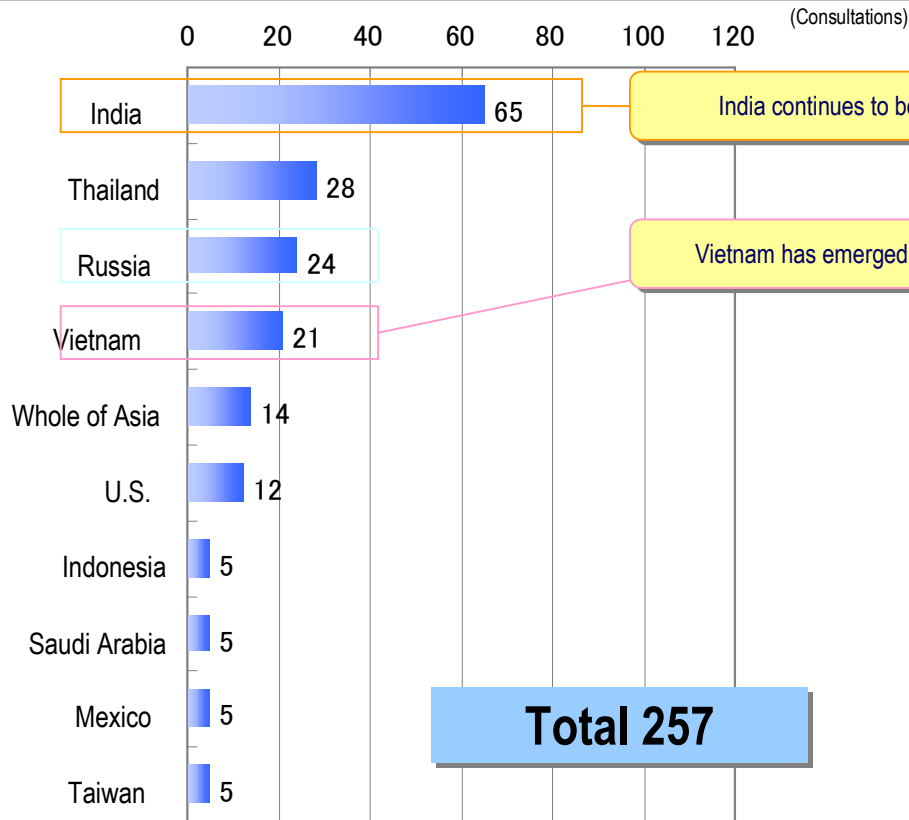
Shift in Breakdown of Consultation Topics



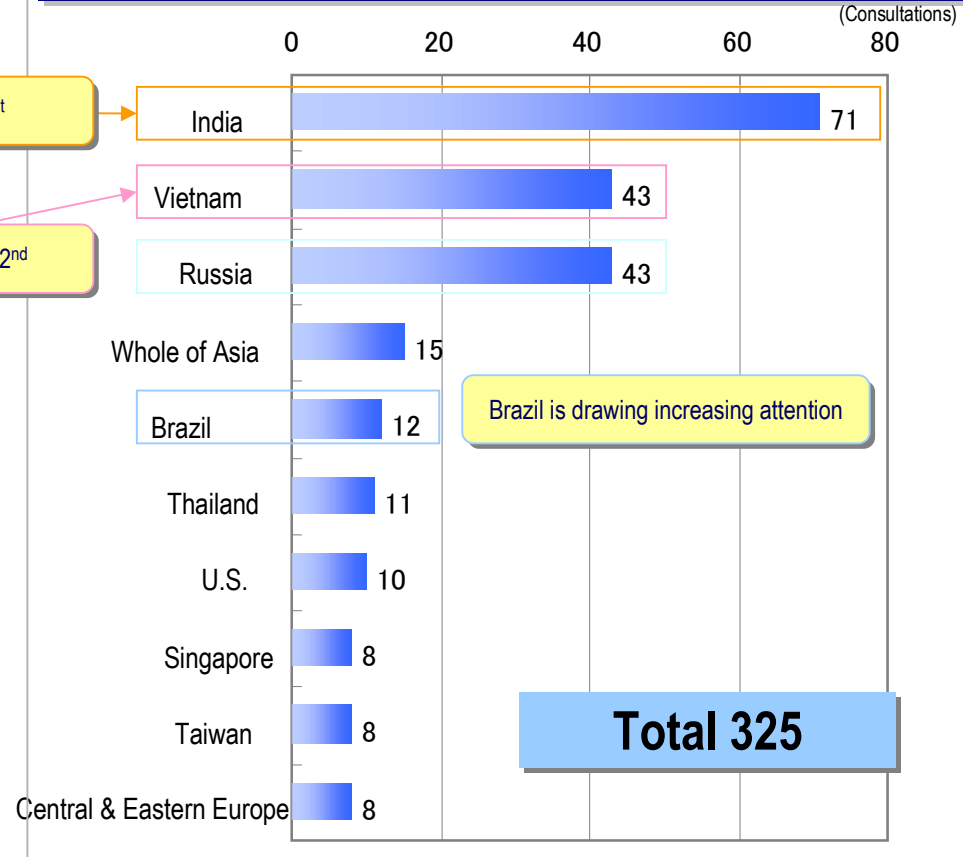
## Trends in Consultation from Customers

- ◆ The top 10 countries most frequently subject to consultation with the Overseas Business Promotion Division are shown below.
- ◆ India remained first from the second-half of 2007 to the first-half of 2008 with Vietnam emerging as second. Brazil became fifth, suggesting that it is drawing increasing attention.

Top 10 Investment Consultations by Country (Second Half FY07)



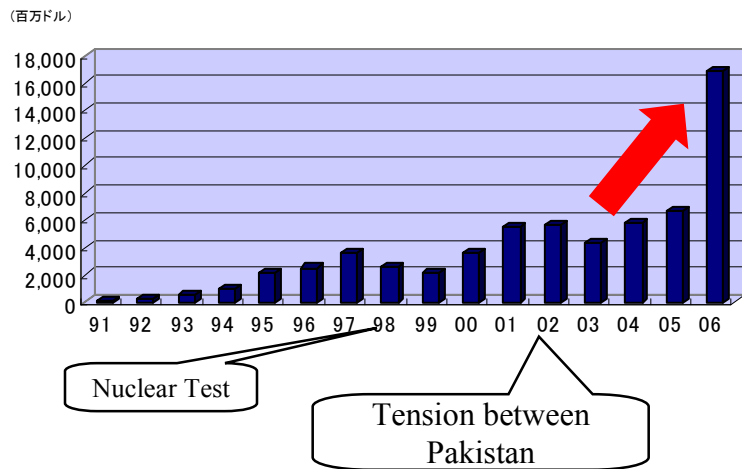
Top 10 Investment Consultations by Country (First Half FY08)



## Foreign Direct Investment in India

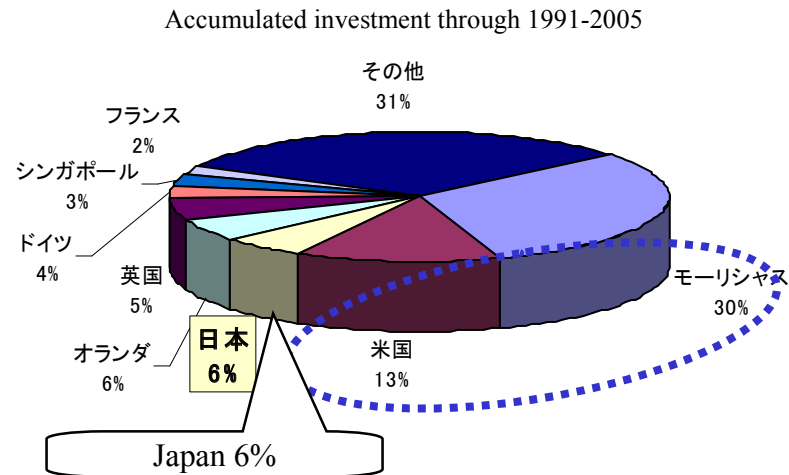
- After liberalization of economy in 1991, Foreign Direct Investment in India has steadily increased
- Japanese investments represents relatively small share of 6%

### Transition of FDI in India



Source: EIU

### Investment by the Country



Source: Ministry of Industry and Commerce「SIA News Letter」

## Pluses and Minuses of Investments in India

- India's huge and growing market attracts Japanese investments.
- Fragile infrastructures, complicated tax structures, lack of transparency and promptness in the administrative process discourages Japanese investments.

### Pluses

- |                                 |                                  |
|---------------------------------|----------------------------------|
| High Rate of Economic Growth    | Huge Domestic Market             |
| Political Stability             | Abundant and Skilled Labor Force |
| Established Legal System        | Deregulation Movements           |
| Diversification of "China Risk" | Geographical Importance          |



### Minuses

- |                         |                           |
|-------------------------|---------------------------|
| Fragile Infrastructure  | Frequent Labor Issues     |
| Lengthy Admin. Process  | Complicated Tax Structure |
| High Operating Cost     | Inefficient Logistics     |
| Land Acquisition Issues | Environmental Concerns    |

Source: Customer's Feedback

## Some thoughts about promotion of Japanese Investments in India

-How to nurture “investor friendly” culture,

Guidance, Promptness and Hospitality

**“Going the Extra Mile” for Business**



**Thank you!**

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