

# MIZUHO IR Select 2023

## Addressing Climate Change

May 29, 2023

Mizuho Financial Group

**MIZUHO**

The Mizuho logo consists of the word "MIZUHO" in a bold, white, sans-serif font, positioned above a white, curved horizontal line that resembles a stylized wave or a bridge.

## 1. Addressing Climate Change P. 3

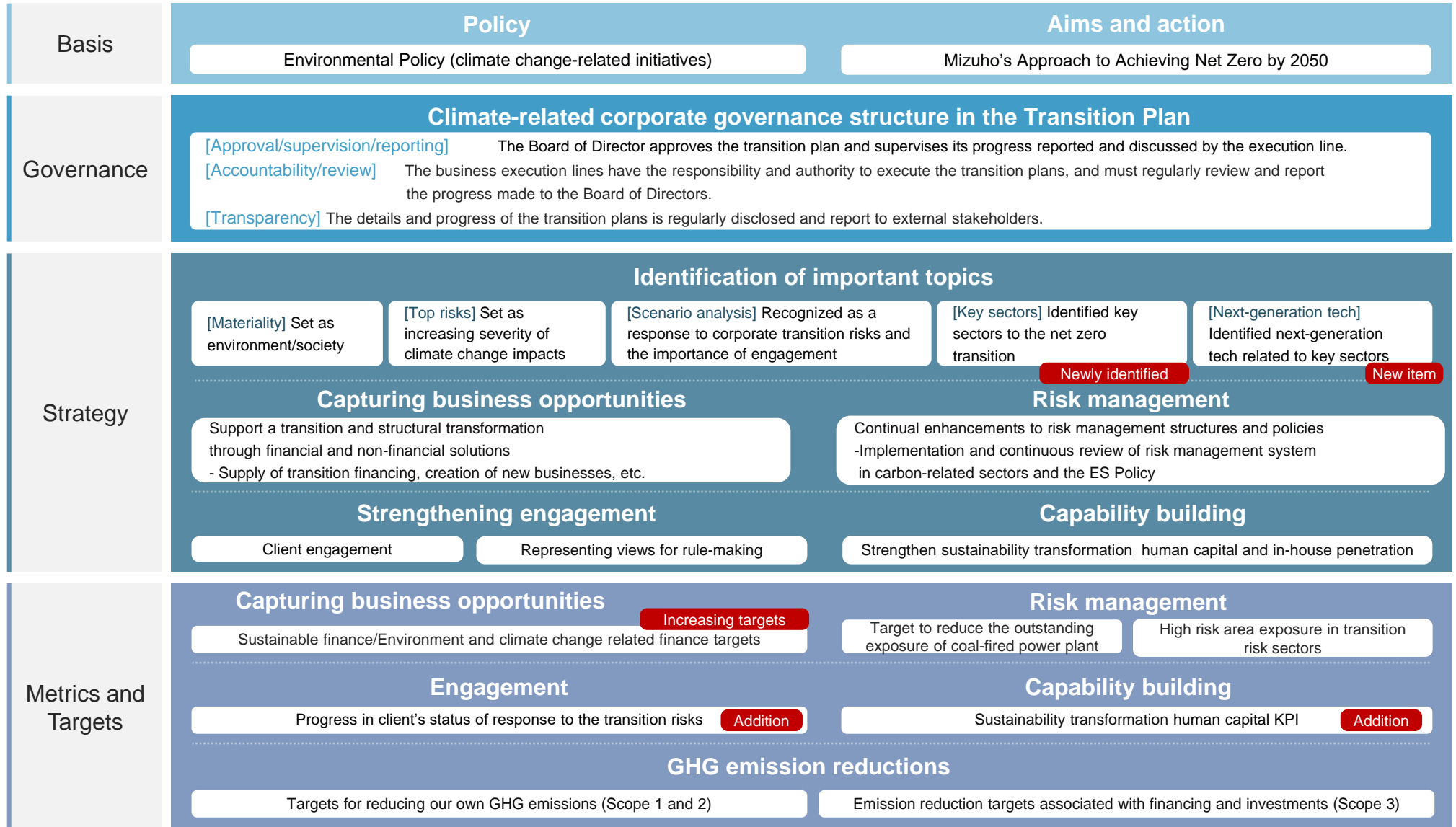
Senior Executive Officer  
Head of Research & Consulting Unit and Group Chief Sustainability  
Officer (Group CSuO) of Mizuho Financial Group  
Yasuhiko Ushikubo

## 2. Outside director session P. 24

Member of the Board of Directors  
Chairman of the Board of Directors  
Izumi Kobayashi

# Addressing Climate Change

# Net Zero Transition Plan – Overview –



# Strengthening of climate change-related corporate governance structure

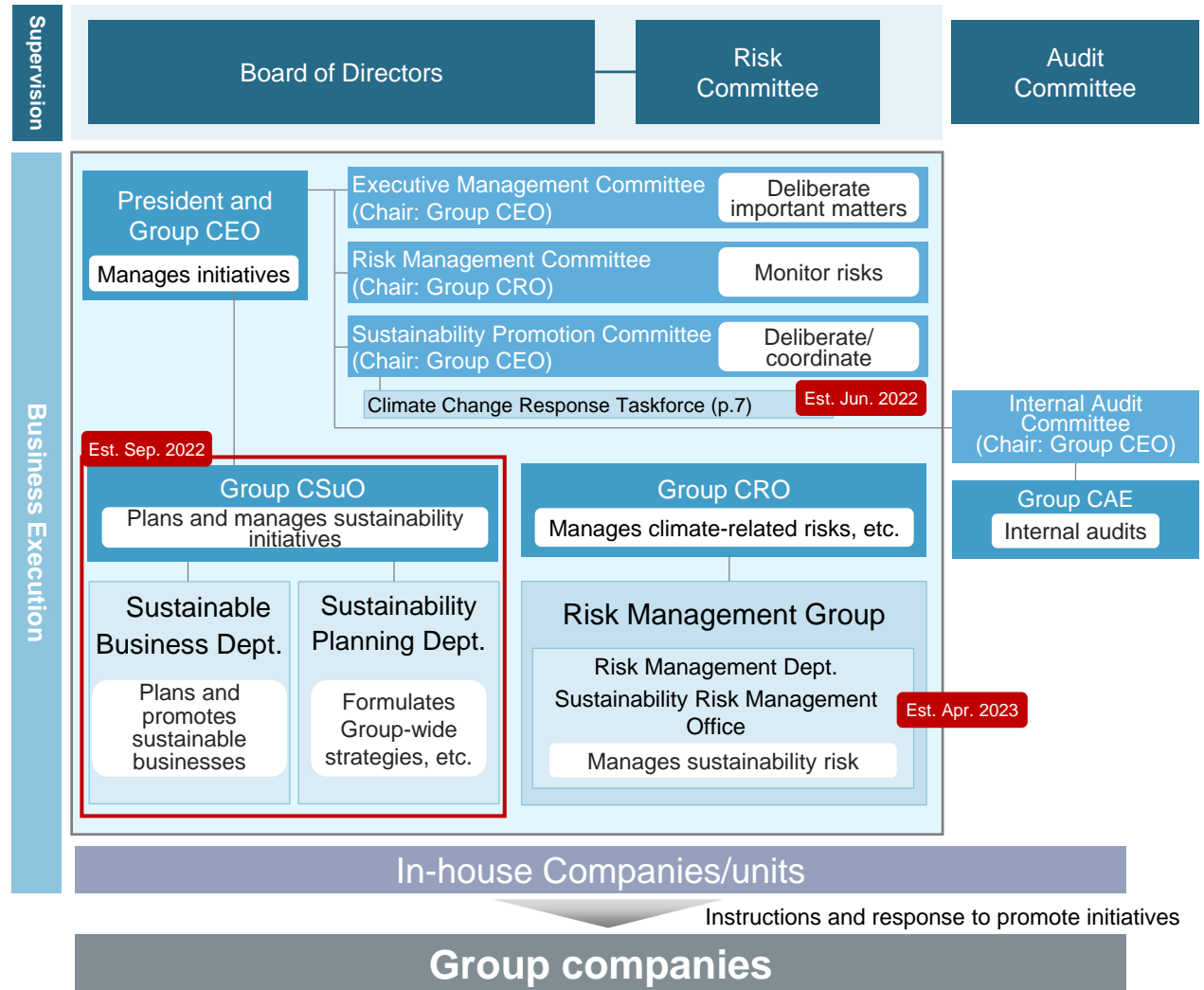
## Points to strengthen our structure

### Appointment of a Group CSuO and strengthening of the Group-wide sustainability promotion structure (Sep. 2022)

- Chief Sustainability Officer (CSuO) appointed as a new position under the CEO to drive forward sustainability initiatives
- Sustainable Business Department and Sustainability Planning Department established under the CSuO as a body to aggregate and strengthen a wide range of expertise and promote forward-looking initiatives

### Newly established Sustainability Risk Management Office (Apr. 2023)

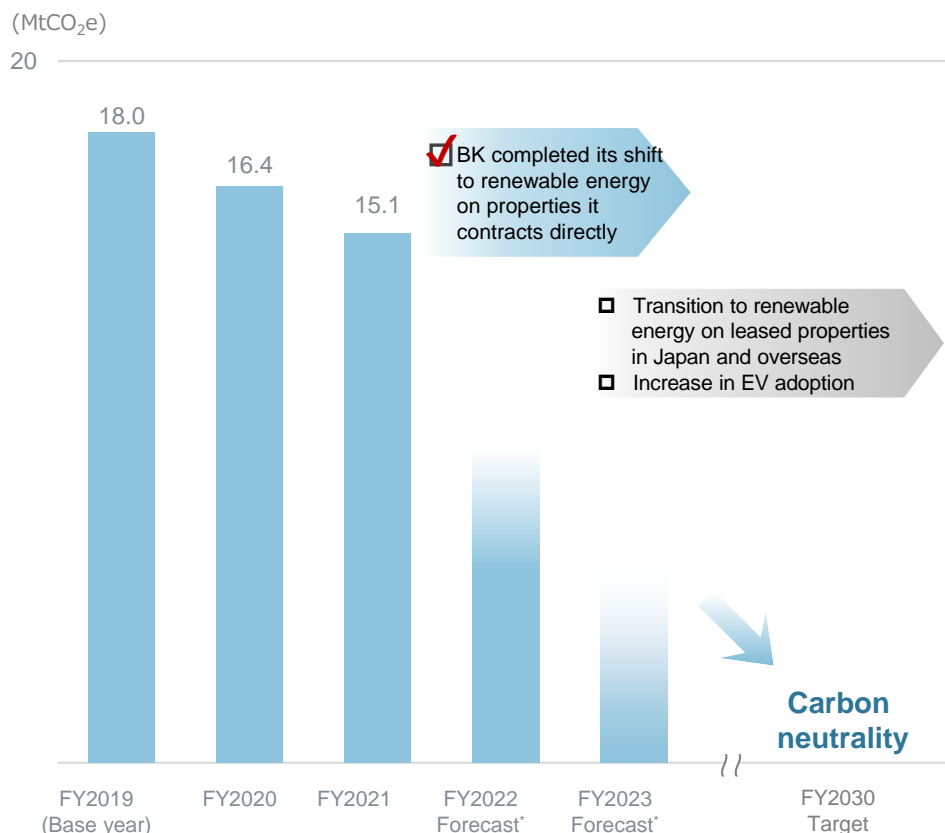
- Sustainability Risk Management Office established under the Group CRO as a body to facilitate the central handling and management of sustainability-related risks
- Formulation of the Basic Policy on Climate-related Risk Management in April 2023 which would help establish a suitable risk management system based on the characteristics of relevant climate-related risks



\* CEO: Chief Executive Officer, CSuO: Chief Sustainability Officer, CRO: Chief Risk Officer, CAE: Chief Audit Executive

# Mizuho's initiatives to reduce GHG emissions (Scope 1 and 2)

## GHG emissions results and targets (Scope 1 and 2)



## Initiatives to realize carbon neutrality

- We are prioritizing the reduction of domestic Scope 2 (emissions from electricity usage), which accounts for approx. 80% of our total emissions
- We will also promote Scope 2 (outside Japan) and Scope 1 (emissions from usage of vehicles and others)

	Percentage of total (FY19)	Initiatives up to FY22	Future initiatives
Scope 2 (Electricity consumption in Japan)	79%	<p><b>Completed shifting approx. 70% of our electricity consumption to renewable energy</b> (Based on electricity usage)</p> <ul style="list-style-type: none"> <li>■ Shift to renewable energy at approx. 200 offices                             <ul style="list-style-type: none"> <li>- Completed shifting to renewable energy of direct BK contracts, including large-scale properties</li> <li>■ Implementing the corporate power purchase agreements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➢ Promote shift to renewable energy at leased properties</li> </ul>
Scope 2 (Electricity consumption outside Japan)	7%	<p><b>Promote shifting to renewable energy at multiple offices</b></p> <ul style="list-style-type: none"> <li>■ Shift to renewable energy at some offices in Europe and Asia</li> </ul>	<ul style="list-style-type: none"> <li>➢ Expand promotion to shift to renewable energies at each office</li> </ul>
Scope 1 (In and outside Japan)	8%	<p><b>Introduction of EV at trial</b></p> <ul style="list-style-type: none"> <li>■ EV was introduced on a trial basis at the BK branch to coincide with the shift to renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>➢ Consider increase in introduction of EVs based on trial results</li> </ul>

Data for seven group companies: FG, BK, TB, SC, RT, AM-One, and Mizuho Americas. \* Estimates reflect only the shift to renewable energy based on electricity consumption in FY2021

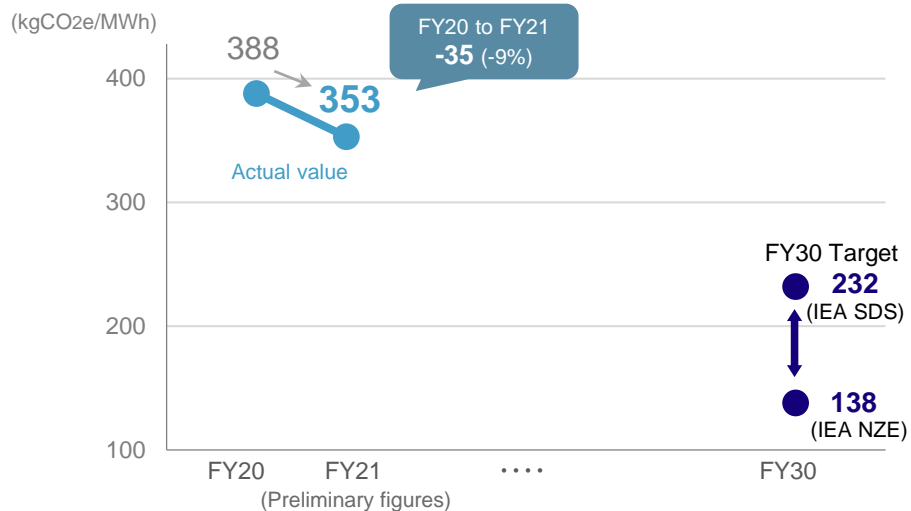
## Initiatives in GHG emission reduction associated with financing and investment (Scope3)

Sector	Scope	Mid-term Target (FY30)	Benchmark Scenarios	Result for Base Year	Prelim. Result for FY21 (vs. Base Year)
Electric Power	Scope1	GHG emission intensity 138 to 232 (kgCO <sub>2</sub> e/MWh)	IEA NZE IEA SDS	388	353 (- 9%)
Oil and Gas	Scope1,2	GHG emission intensity 4.2 (gCO <sub>2</sub> e/MJ)	IEA NZE	6.6	6.5 (- 2%)
	Scope3	Absolute GHG emissions (MtCO <sub>2</sub> e) -12% to -29% (in comparison to base year)	IEA NZE IEA SDS	60.6	43.2 (- 29%)
Thermal Coal Mining	Scope1,2,3	Absolute GHG emissions (MtCO <sub>2</sub> e) Zero balance by FY2030 for OECD economies Zero balance by FY2040 for non-OECD economies	Following the approach of the IEA NZE scenario	5.1	1.7 (- 67%)

# Initiatives in GHG emission reduction (actual value) associated with financing and investment (Scope3)

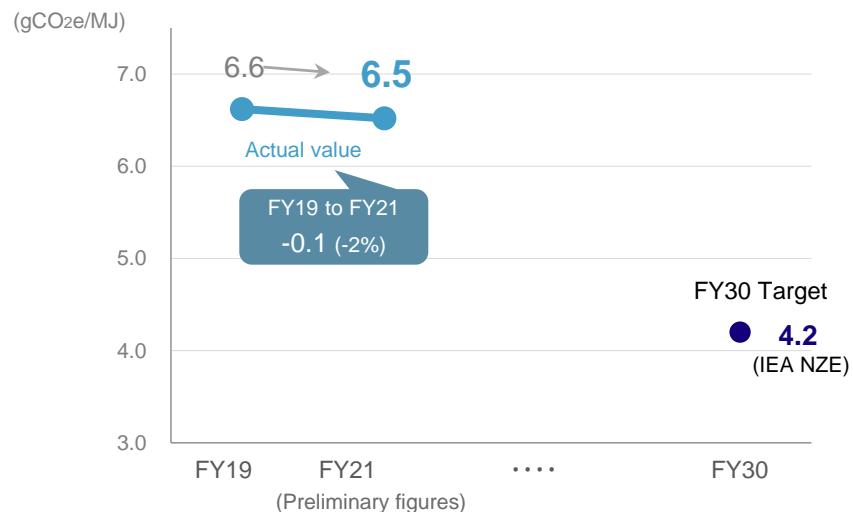
## electric power sector

### GHG emission intensity (GHG emissions per unit of power generated)



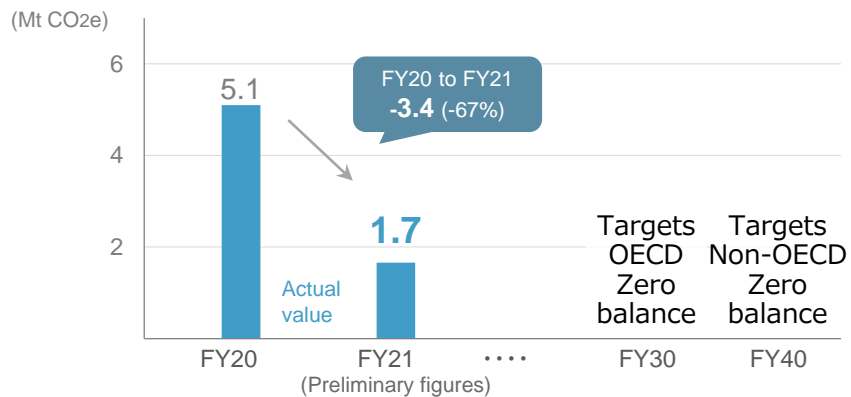
## oil and gas sector

### Scope 1 and 2 GHG emission intensity

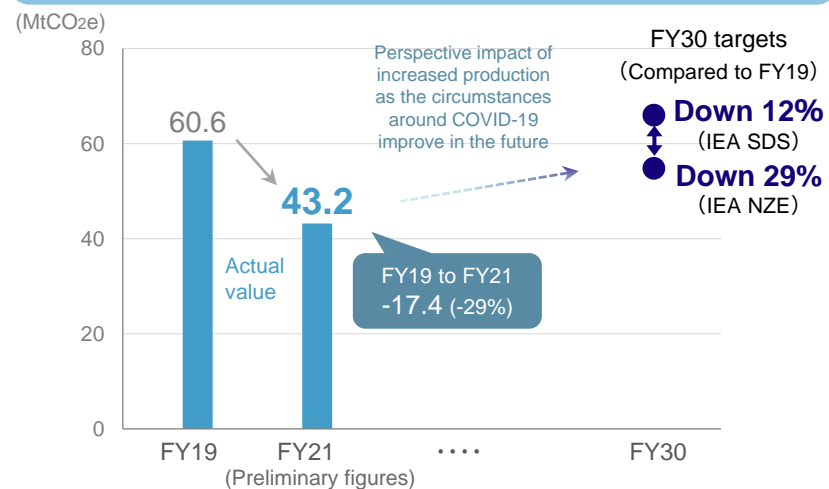


## thermal coal mining sector

### Scope 1, 2, and 3 absolute emissions



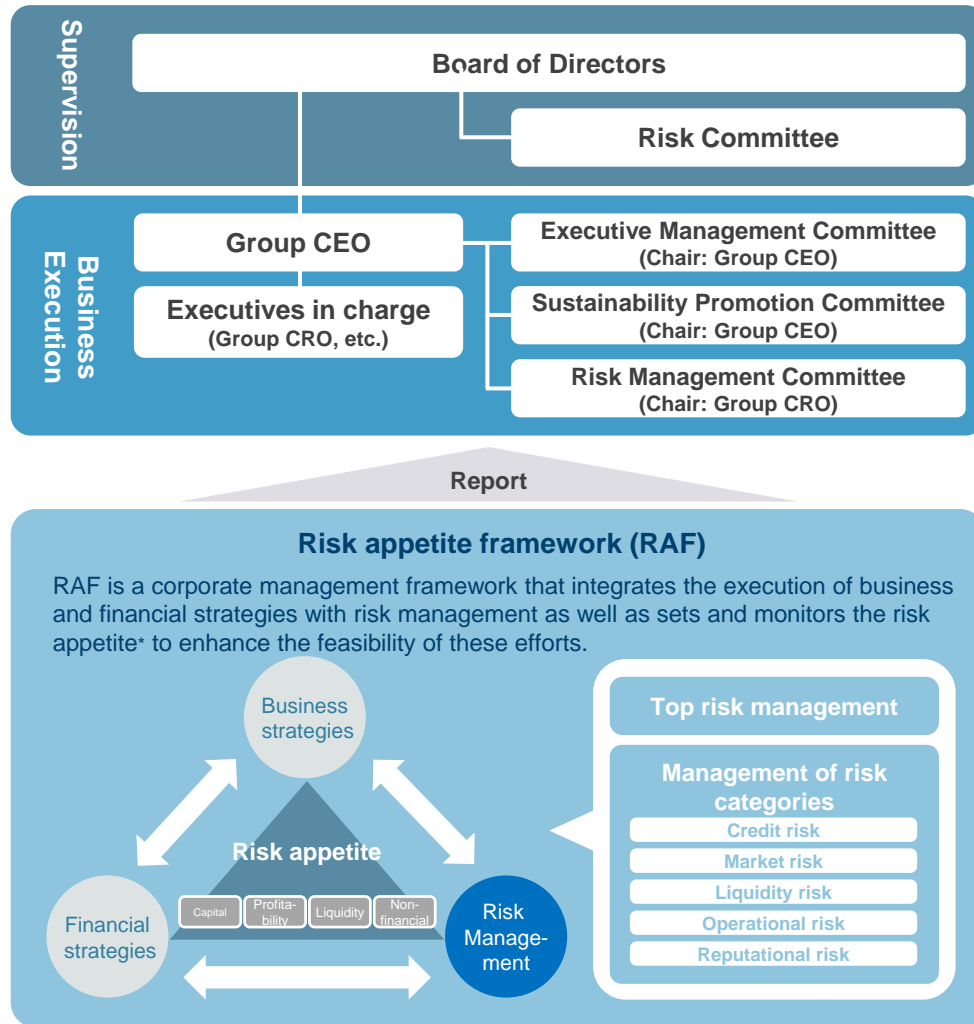
### Scope 3 absolute emissions





# Progress of initiatives for climate-related risk management

## Risk management framework for climate-related risks



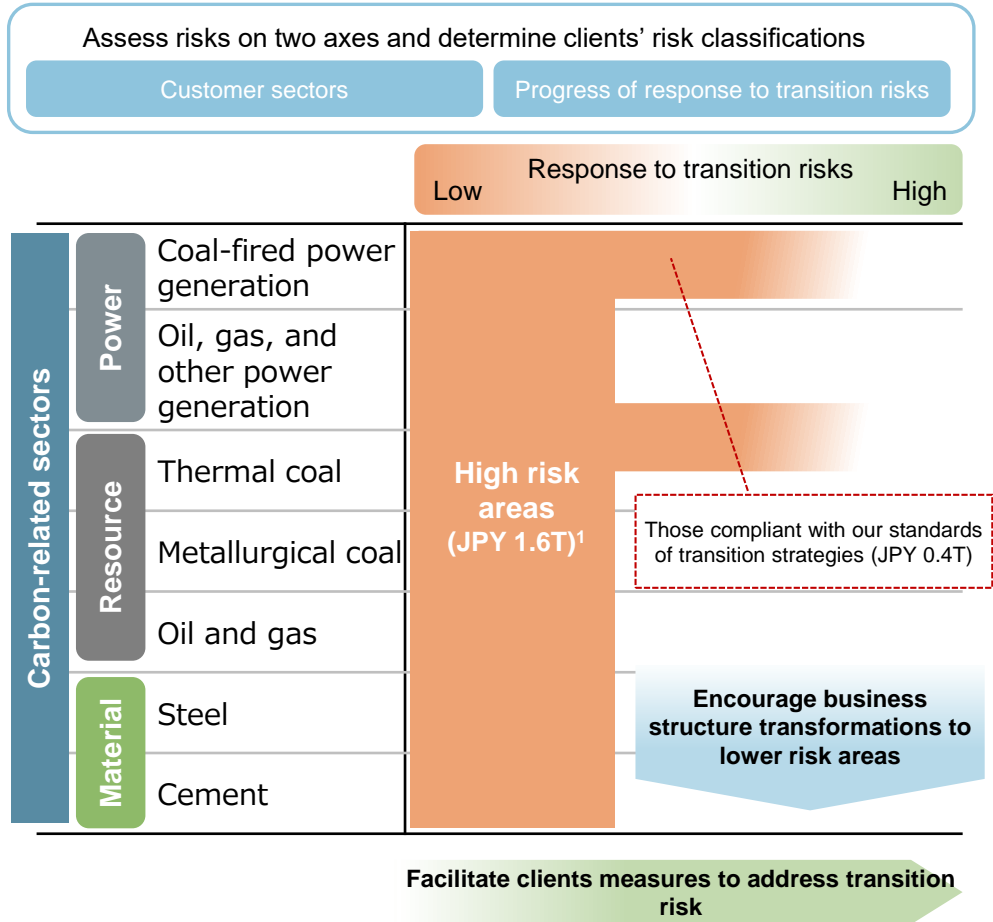
## FY22 climate-related risk management and future action policy



Items rolled out in FY22	Future action policy
<ul style="list-style-type: none"> <li>● Enhancements to risk management system in carbon-related sectors [p. 31]</li> </ul>	<ul style="list-style-type: none"> <li>● We set the risk appetite based on the future risks brought by climate change to take appropriate risks</li> </ul>
<ul style="list-style-type: none"> <li>● Start of risk priority assessments</li> <li>● Enhancements to scenario analyses, including broader targets such as steel sector</li> </ul>	<ul style="list-style-type: none"> <li>● Control risks as management in a range that can be tolerated, consider the risk appetite, minimize loss, and enhance efficiency</li> <li>● Research external trends and consider methods to identify and evaluate climate-related risks on a short, medium, and long-term time axis</li> <li>● Improve existing risk management methods as necessary and consider establishing new methods based on the results of priority assessments</li> <li>● Refine forecasts of the volume of potential credit risks and reflect those risks in credit and portfolio management</li> </ul>
<ul style="list-style-type: none"> <li>● Establishment of Sustainability Risk Management Office</li> <li>● Formulation of the Basic Policy on Climate-related Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>● Establish appropriate governance based on the various guidance</li> </ul>

# Risk management system in carbon-related sectors

## Risk management system in carbon-related sectors



## Response to high risk areas

- Strengthen engagement with clients to formulate response strategies to transition risks and transform business structures
- Actively provide the financing necessary when the reliability and transparency of transition strategies has been verified with the aim of facilitating business structure transformation of the customers**
- Carefully consider whether or not to continue our business with a client in the event that the client is not willing to address transition risks and has not formulated a transition strategy even one year after the initial engagement

## Standards of confirming transition strategy

Developed in Oct. 2022

- Developed standards and a verification process to confirm the credibility and transparency of transition strategies with reference to the ICMA<sup>2</sup>'s "Climate Transition Finance Handbook", etc.
- Confirmed that JPY 0.4T out of JPY 1.6T in high risk areas were compliant with our standards

Strategic materiality	Transition strategies, such as business strategies contributing to transitions
Disclosure	Confirmation of the transparency and progress of strategies and targets
Governance structure	Appropriate governance structure for setting strategies and targets
Scientific evidence	Science-based targets aligned with the Paris Agreement
Forecasts on the development and adoption of decarbonization technologies	Forecasts such as the adoption of technologies based on strategies

1. December 31, 2022. 2. International Capital Markets Association.

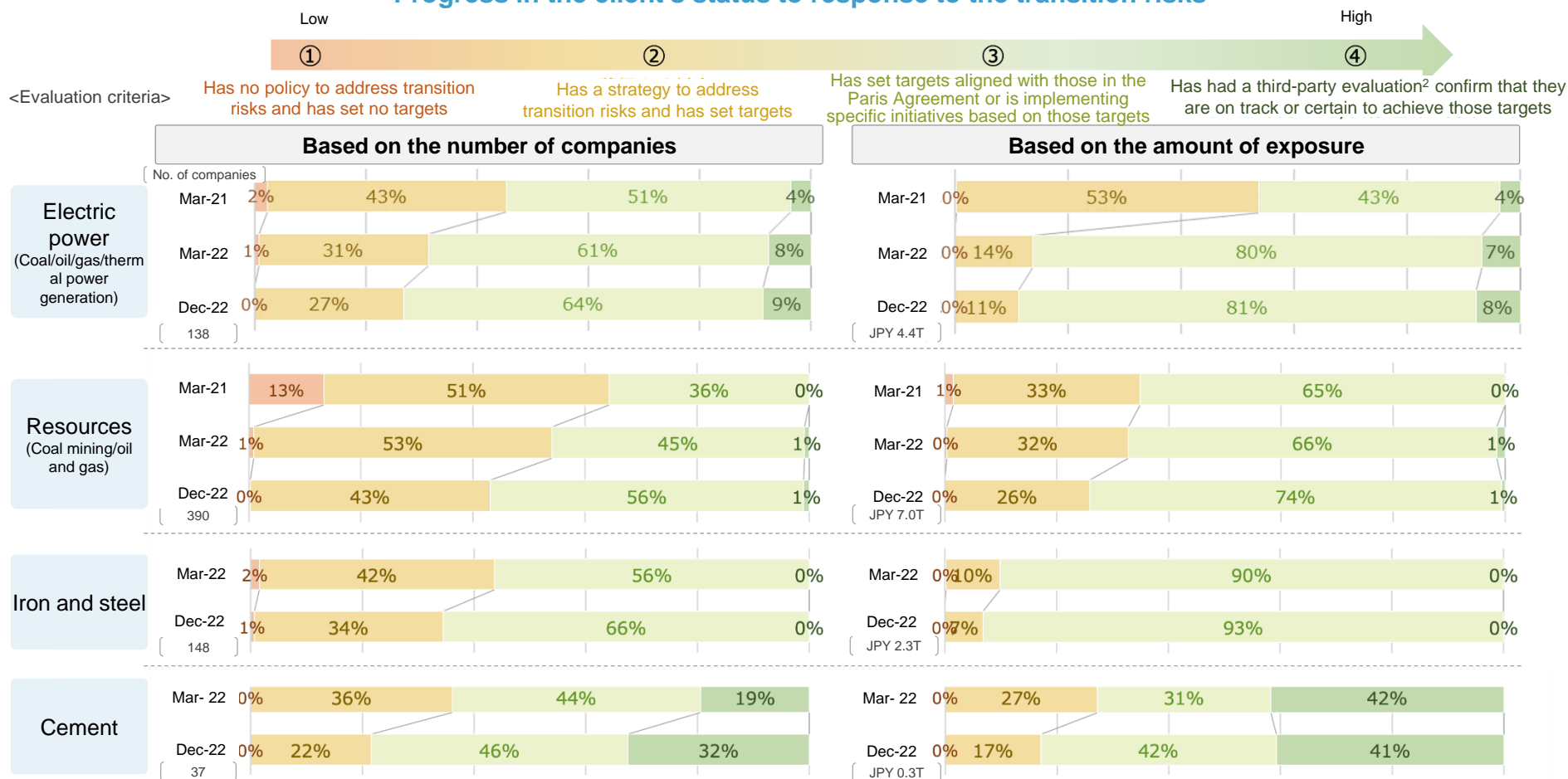
# Environmental and Social Management Policy for Financing and Investment Activity (excerpt)

Transition Risk Sectors	Target	Companies whose primary businesses are in power generation (coal-fired, oil-fired, gas-fired), coal mining, oil and gas, steel, or cement.			
	Policy	<ul style="list-style-type: none"> <li>✓ Proactively undertake engagement to support transition to a low-carbon society.</li> <li>✓ Check at least once per year on the status of transition risk responses.</li> <li>✓ We carefully consider whether or not to continue our business with a client in the event that the client is not willing to address transition risk and has not formulated a transition strategy even after one year has lapsed since the initial engagement.</li> </ul>			
Specific Industrial Sectors	Target	Weapons	Coal-fired power generation	Thermal coal mining	Oil and gas
		Large-scale hydropower	Large-scale agriculture	Palm oil	Lumber and pulp
	Policy	Set for each sector, excerpt below			

Specific Industrial Sectors	Financing and Investment Policy (* Underlined portions show revisions in Mar. 2023)	
Coal-fired Power Generation	✓	Prohibition on providing financing or investment to companies with which we have no current financing transactions and investment activity if the primary business of these companies is coal-fired power generation.
	✓	Prohibition on providing financing or investment which will be used for new construction of coal-fired power plants or the expansion of existing facilities. (However, we will simultaneously continue to support development of innovative, clean, and also efficient next-generation technology that will contribute to the expansion of sustainable energy, as well as other initiatives for the transition to a low-carbon society)
Oil and Gas	✓	<u>Assessing that sufficient GHG emission reduction measures are being taken in the case of financing and investment which will be used for oil and gas extraction projects.</u>
	✓	When providing financing or investment that will be used for oil or gas extraction in the Arctic, for oil sands, shale oil, and shale gas extraction, and for pipelines, we carry out appropriate environmental and social risk assessments, taking into account specific risks.
Thermal Coal Mining	✓	Prohibition on providing financing or investment to companies with which we have no current financing transactions and investment activity if the primary business of these companies is the mining of thermal coal <u>or infrastructure linked with the mining of thermal coal.</u>
	✓	Prohibition on providing financing or investment which will be used for new thermal coal mining projects <u>or related infrastructure</u> or for expansion of existing projects <u>or related infrastructure.</u>

# Developments in the client's status to response to the transition risks

## Progress in the client's status to response to the transition risks<sup>1</sup>



1. Target: Corporate credit for electric power (coal, oil and gas, and thermal energy generation; excluding renewable energy, nuclear power, and power transmission), resources (coal, oil and gas), iron and steel, and cement. 2. Science-Based Targets, etc.

# Sustainability and Innovation

- To realize the Mizuho's vision for the future, demonstrate Mizuho's strengths and contribute to realizing sustainability with our clients

Focus points for promoting sustainability transformation

Structural changes in the Japanese economy and industry

Practical application of new technologies

Expanding from Japan to Asia

From large corporations to SMEs and mid-sized companies

Establish a structure for financing in diverse ways

The Mid-term business plan period (FY23-25)

Mizuho's vision for the future

- Establish a structure for providing financing for business transition, including sustainable finance

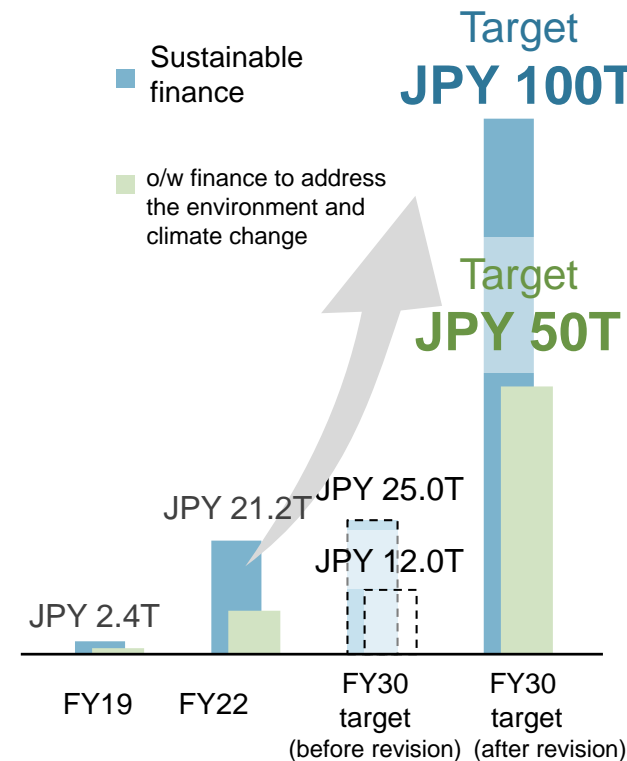
Equity investment for transition Aim for over **JPY 50.0B** in the next 10 years

- In line with the progress of decarbonization and sustainability, tap into new, individual areas to create new businesses

Hydrogen, ammonia, CCUS\*, carbon credits, etc.

- Build networks with government and academia, proactively participate in policy- and rule-making
- Boost our strength by enhancing environmental and industrial knowledge while broadening the talent pool by training

## Sustainable finance target



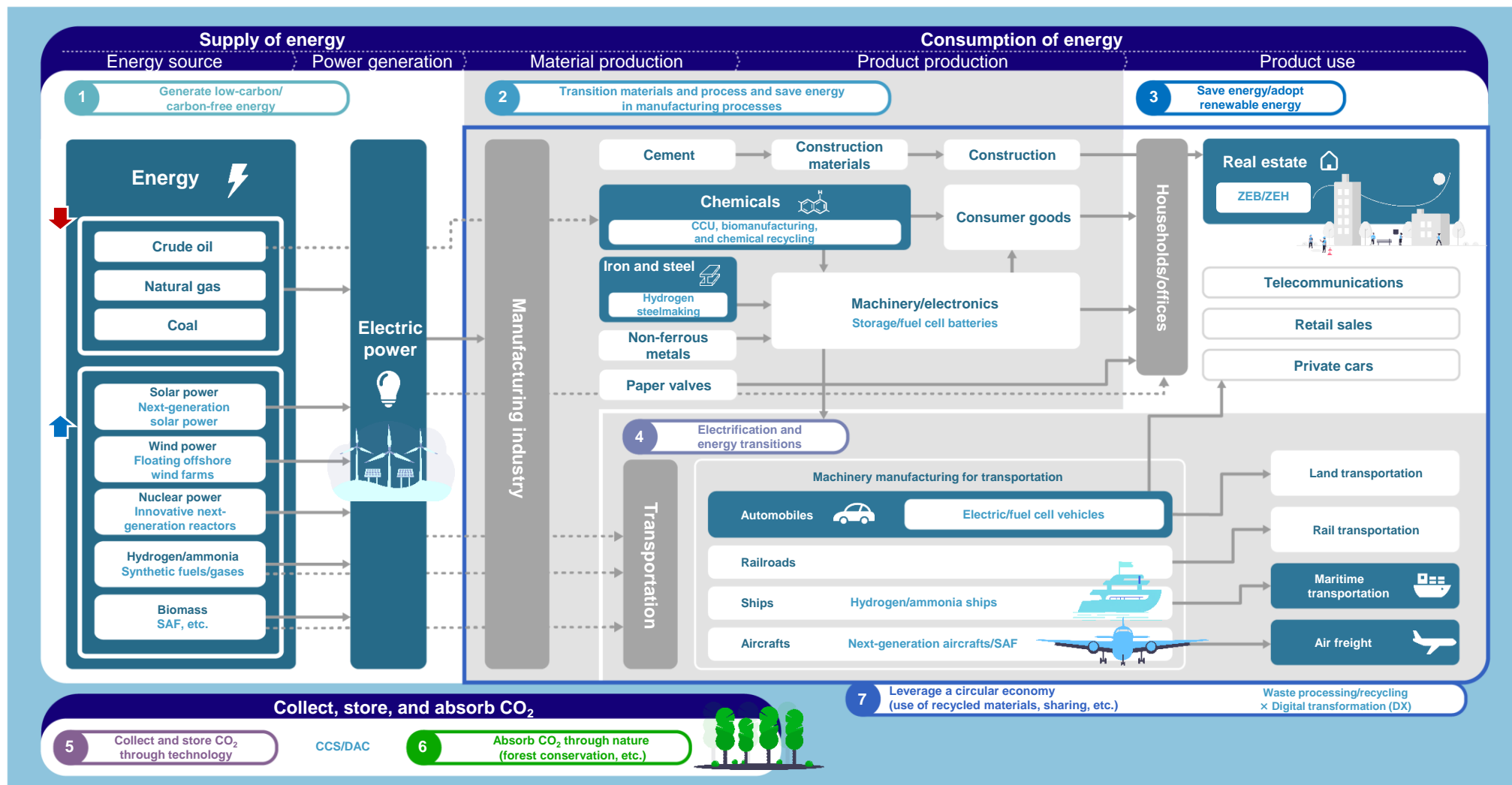
- Realizing a decarbonized, resource-recycling society
- Building compact cities where people can live in safety and security
- Extending people's healthy life expectancy while ensuring the sustainability of the social security system
- Securing an employment system that supports growth industries
- Achieving a virtuous cycle of creating markets in Japan while strengthening global competitiveness

\* CO2 capture, utilization and storage.

# Reference: Initiatives to realize a low-carbon society (structural transformation of economy and industry/practical application of new technologies)

- Mizuho identifies sectors to focus on from the perspective of decarbonization while also promoting relevant next-generation technologies.

Key: ↑ Increase supply toward 2050 according to the IEA's NZE scenario ↓ Supply reduction     Sectors to focus on Blue text: Next-generation technologies



# Reference: Examples of Sustainability Initiatives

- In addition to supporting decarbonization efforts, Mizuho promotes a wide range of initiatives, including support for early-stage businesses and technologies, and supplying risk money

## Electric power, Oil & Gas

### Electronic utility

- Chugoku Electric Power Co.: Arranged transition-linked hybrid loan
- Kyushu Electric Power Co.: Arranged transition-linked loan

### Industrial Companies

- Kao Corporation: Conclusion of virtual PPA<sup>1</sup>
- Arranged of green loan for solar power generation business

### Municipalities

- Abukuma area of Fukushima Prefecture: Arranged project finance for a wind power plant

## Automotive

### Largest ever

- Nissan Motor Co.: Arranged largest-ever green loan for R&D and investment in zero-emissions vehicles

### China: First in auto finance industry

- Genius Auto Finance Co.: Arranged sustainability-linked syndicated loan

### Global

- UK: Investment in an onshore wind farm project
- France: Financing for a floating offshore wind farm project
- Saudi Arabia: Financing one of the world's largest green ammonia facilities

## Aviation

### First in Japan

- Japan Airlines Co: Arranged specific-purpose transition-linked loan

### Public-private partnership

### Early stage

- Public-private partnership and cross-industry efforts geared toward the commercialization of SAF<sup>2</sup>



## Innovation Supply of risk money

Transition finance: Starting in April 2022, **3** deals have been closed

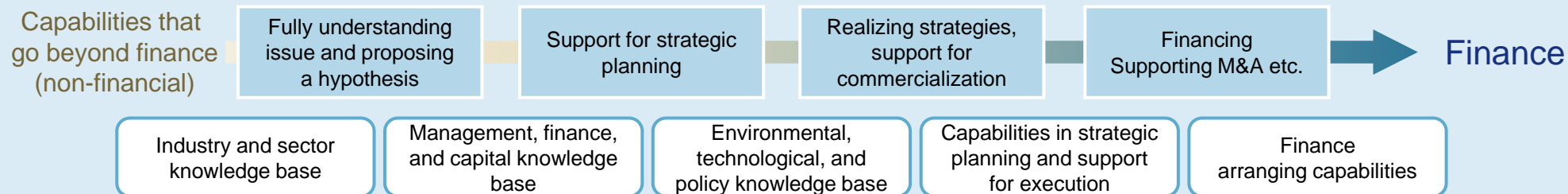
- Synprogen: a startup launched from Kobe University, working on bio-manufacturing
- DUAL MOVE: a startup company working to develop in-vehicle XR<sup>3</sup> technology
- Mci Carbon: Australian startup working to develop CCU<sup>4</sup> technology

1. Power Purchase Agreement. 2. Sustainable aviation fuel. 3. Cross-reality. 4. CO2 capture and utilization.



# Reference: Mizuho's Strength in the Fields of Environment, Technology and Policy-making

Providing one-stop support, assisting our customers in their sustainable transformation, from providing solution to execution



## Examples of relationships with government agencies

- Supports for policy-making through commissioned government researches related to the environment, etc.
- The knowledge Mizuho acquires through providing such supports give us an edge when it comes to supporting private-sector companies

Ministry of the Environment	Support for negotiations on climate change with international organizations and for policy and institution-building
	Support for studying the effectiveness and verification of carbon pricing and carbon tax in and outside of Japan
METI <sup>1</sup>	Served as secretariat for the study group on carbon credits
	■ Support for policy-making through participation in various environmental-related councils
METI, FSA <sup>2</sup> , Ministry of the Environment	Study group on the supply of funds for industrial GX <sup>3</sup>
	Study group on developing the transition finance environment
Financial Services Agency	GX League management promotion WG

1. Ministry of Economy, Trade and Industry. 2. Financial Services Agency. 3. Green transformation. 4. New Energy and Industrial Technology Development Organization. 5. Bio-energy with Carbon Capture and Storage. 6. CO2 capture, utilization and storage. 7. CO2 capture and storage. 8. CO2 capture and utilization.

## Our expertise on environmental technologies

- Mizuho demonstrates a high level of expertise in advanced technologies, based on a wealth of technology-related knowledge gained from many years of providing support in environment-related fields, such as the commissioning of government surveys

## Cases where we have demonstrated knowledge of advanced technologies

Hydrogen	■ Jointly contracted with two private-sector companies for the NEDO <sup>4</sup> project for studying a BECCS <sup>5</sup> - integrated demonstration model for CO2-negative hydrogen production using domestic biomass
CCUS <sup>6</sup>	<ul style="list-style-type: none"> <li>■ Ministry of the Environment demonstration project for environmentally-friendly CCS<sup>7</sup></li> <li>■ Investment in MCI Carbon Pty Ltd, an Australian company working to develop CCU<sup>8</sup> technology</li> </ul>



# Summary of Shareholder Proposal

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|--|--|
| <p>1. Policies and targets incompatible with NZBA and net zero Commitments</p>             | <ul style="list-style-type: none"><li>• To consider the full range of Scope 3 value chain emissions</li><li>• Lack of portfolio-wide short- and mid-term targets</li><li>• Existing targets out of line with the global 1.5 degree goal, NZBA and IEA Net Zero</li><li>• No absolute reduction target. Intensity targets do not guarantee absolute emissions reductions</li><li>• Targets set for the oil and gas sector limited to upstream businesses may not be functioned as reduction targets for the full range of value chain</li><li>• No policy to rule out financing to new and expansionary oil and gas projects or companies pursuing such projects</li><li>• No policy to rule out financing to companies expanding coal power, thermal coal mining and metallurgical coal mines.</li></ul> |
| <p>2. Lack of transparent and effective engagement on clients' transition plans</p>        | <ul style="list-style-type: none"><li>• Insufficient disclosure of how to manage and support transition of their clients toward decarbonization</li><li>• Engagement policies lack escalation plans</li><li>• Engagement policies lack clear expectations with specific measures for client's transition plans, such as timelines, pathways, metrics, and target</li></ul>   |
| <p>3. Financed emissions trajectories required given reliance on unproven technologies</p> | <ul style="list-style-type: none"><li>• Insufficient disclosure of financed emissions trajectories</li><li>• To rely on transition finance and unproven technologies to continue the energy system dependent on the usage of fossil fuels</li></ul>  |
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# Mizuho's views on Shareholder Proposal (1)

## Regarding the opinion of policies and targets incompatible with NZBA and net zero commitments

Summary of the proposer's claim	Mizuho's views including progress and response policies
<ul style="list-style-type: none"> <li>● <b>To consider the full range of Scope 3 value chain emissions</b></li> <li>● <b>Lack of portfolio-wide short- and mid-term targets</b></li> <li>● <b>Existing targets out of line with the global 1.5 degree goal, NZBA and IEA Net Zero</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Setting reduction targets and promoting initiatives through the establishment of Net Zero Transition Plan</b> <ul style="list-style-type: none"> <li>✓ In pursuit of our efforts to realized net-zero by 2050 and achieve the Paris Agreement goal of limiting the increase in global temperature to 1.5°C, we established a comprehensive Net Zero Transition Plan based on the three perspectives of risk management, capturing of business opportunities, and promoting transition in the real economy.</li> <li>✓ The majority of Scope 3 emissions by financial institutions consist of Category 15 (financed emissions). Mizuho identifies priority sectors to promote decarbonization and set targets for reducing emissions associated with financing and investments.</li> </ul> </li> <li>● <b>Setting mid-term targets by sectors according to the NZBA guidelines<sup>1</sup></b> <ul style="list-style-type: none"> <li>✓ Targets have been set for the electric power, oil and gas and thermal coal mining sectors. Targets for steel, automotive and maritime transportation and real estate sectors are expected to be set during FY2023.</li> <li>✓ The target values were set using the IEA NZE scenario, which is a scientifically based 1.5 °C scenario as a benchmark. However, taking into account the gap between 1.5 °C and governmental policies, the electricity and oil &amp; gas<sup>2</sup> sectors are within the range of the IEA SDS scenario</li> </ul> </li> <li>● <b>No intention of setting short-term targets because of no contributions to promote transition in real economy</b> <ul style="list-style-type: none"> <li>✓ Transition in high-emission sector needs time-consuming initiatives such as business structure transformation. Mizuho does not intend to set short-term targets for financed emissions because the transition of the real economy could not be realized by setting short-term goals and aligning only one's own portfolio toward such goals.</li> <li>✓ Performance and progress toward the mid-term targets will be monitored and disclosed annually.</li> </ul> </li> </ul>

1. The NZBA requires to set targets of all or most of the high-emission sectors such as agriculture, aluminum, cement, coal, commercial and residential real estate, steel, oil and gas, power generation and transportation within 36 months after joining the membership, which means it has to be done by Sep. 2024. Setting targets for wide rage of portfolio and short-term are not required.. 2.Only Scope 3 of oil and gas sector.

## Mizuho's views on Shareholder Proposal (2)

### Regarding the opinion of policies and targets incompatible with NZBA and net zero commitments

Summary of the proposer's claim	Mizuho's views including progress and response policies
<ul style="list-style-type: none"> <li>● <b>No absolute reduction target. Intensity targets do not guarantee absolute emissions reductions</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Targets are set to reduce GHG emission/intensity (GHG emissions per unit of power generated) for the reasons below.</b> <ul style="list-style-type: none"> <li>✓ It is important to reduce the GHG emission/intensity of power generation business through our support of the widespread adoption of renewable energy and the development and practical application of next-generation technology in order to achieve the decarbonization of society and industries as a whole.</li> <li>✓ In the process of transition to a low-carbon society, the growing energy demand in emerging economies and the promotion of electrification has made it necessary to respond to an increase in demand for electric power.</li> </ul> </li> <li>● <b>We also monitor results of absolute emissions and disclose them every year.</b></li> </ul>
<ul style="list-style-type: none"> <li>● <b>Targets set for the oil and gas sector limited to upstream businesses may not be functioned as reduction targets for the full range of value chain</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Establish targets for upstream production businesses and also promote demand-side decarbonization initiatives</b> <ul style="list-style-type: none"> <li>✓ We have focused on upstream production, considering its percentage that consist of the oil and gas sector at Mizuho, and the impact it has on the overall value chain in regard to transition in the real economy.</li> <li>✓ Our targets requires to reduce both absolute emissions (scope3) by reduction of usage of fossil fuels and, emission/intensity (scope1,2) by having oil and gas companies improve their production processes</li> <li>✓ Support oil and gas companies to reduce emissions and also support demand-sides' initiatives for decarbonization, who use oil and gas as a value chain to achieve the target</li> </ul> </li> </ul>

## Mizuho's views on Shareholder Proposal (3)

### Regarding the opinion of policies and targets incompatible with NZBA and net zero commitments

Summary of the proposer's claim	Mizuho's views including progress and response policies
<ul style="list-style-type: none"><li>● <b>No policy to rule out financing to new and expansionary oil and gas projects or companies pursuing such projects</b></li></ul>	<ul style="list-style-type: none"><li>● <b>Decided not to introduce the across the board prohibition clause for new financing and investment to oil and gas extraction businesses due to the importance of stable energy supply.</b><ul style="list-style-type: none"><li>✓ We recognize that initiatives to phase out fossil fuel is essential to reach net zero by 2050. We emphasize orderly transitions because long-term decarbonization initiatives, securing a stable energy supply, and a balance between economics and stability in the price of energy are vital.</li></ul></li><li>● <b>Revised the “<i>Environmental and Social Management Policy for Financing and Investment Activity</i>” to assess whether sufficient measures to reduce GHG emissions are taken or not, when making any new financing and investment used for oil and gas extraction project.</b></li><li>● <b>Strengthened standards for verifying funds to be used for new oil and gas extraction projects to achieve the oil and gas sector's 2030 medium-term GHG reduction targets.</b><ul style="list-style-type: none"><li>✓ We will check the oil and gas extraction businesses' consistency with the policies of each government toward the stable energy supply and decarbonization, and the companies' transition strategies and the progress of transitions.</li></ul></li><li>● <b>Will revise the policy periodically based on the progress of international agreements, the energy supply and demand, and the decarbonization and energy policies in each country.</b></li></ul>

## Mizuho's views on Shareholder Proposal (4)

### Regarding the opinion of policies and targets incompatible with NZBA and net zero commitments

Summary of the proposer's claim	Mizuho's views including progress and response policies
<ul style="list-style-type: none"><li>● <b>No policy to rule out financing to companies expanding coal power, thermal coal mining and metallurgical coal mines.</b></li></ul>	<ul style="list-style-type: none"><li>● <b>Risk control in carbon-related sectors</b><ul style="list-style-type: none"><li>✓ We confirm clients' measures to address transition risk whose primary business is coal-fired power generation, coal mining(both of thermal coal and metallurgical coal), and others, at least once a year through client engagement.</li><li>✓ We are more thoroughly engaging with clients in high-risk areas to support them in embarking on business structure transformation, and we establish exposure control policies and control risk in high-risk areas.</li></ul></li><li>● <b>Set medium-term GHG reduction targets* for 2030 to companies whose primary business is thermal coal mining regardless of expansion plans.</b><ul style="list-style-type: none"><li>* OECD countries: Zero balance by FY2030</li><li>Non-OECD countries: Zero balance by FY2040</li></ul></li><li>● <b>Set a target to have no outstanding credit balance with coal-fired power generation facilities by FY2040.</b></li><li>● <b>Prohibit the following financing and investment in the revised “<i>Environmental and Social Management Policy for Financing and Investment Activity</i>”.</b><ul style="list-style-type: none"><li>✓ Prohibit financing and investment used for new construction and the expansion of coal-fired power generation plants, and any new development or expansion of thermal coal mining and infrastructure linked with thermal coal mining.</li><li>✓ Prohibit financing or investment to companies with no existing financing and investment transactions with us and whose primary business is coal-fired power generation, thermal coal mining, and infrastructure linked with thermal coal mining.</li></ul></li></ul>

## Mizuho's views on Shareholder Proposal (5)

### Regarding the opinion on “Lack of transparent and effective engagement on clients’ transition plans”

Summary of the proposer’s claim	Mizuho’s views including progress and response policies
<ul style="list-style-type: none"> <li>● <b>Insufficient disclosure of how to manage and support transition of their clients toward decarbonization</b></li> <li>● <b>Engagement policies lack escalation plans</b></li> <li>● <b>Engagement policies lack clear expectations with specific measures for client’s transition plans, such as timelines, pathways, metrics, and target</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Risk control in carbon-related sectors</b> <ul style="list-style-type: none"> <li>✓ We have set policies for companies whose primary businesses are power generation (coal-fired, oil-fired, gas-fired), coal mining, oil and gas, steel, or cement as Transition risk sectors. And we confirm clients’ measures to address transition risk at least once a year through client engagement.</li> <li>✓ We assess risk on two axes 1) clients’ sectors, and 2) progress of response to transition risk- and determine clients’ risk classifications. We establish exposure control policies and control risk in high-risk areas.</li> <li>✓ We will carefully consider whether or not to continue our business with a client in the event that the client is not willing to address transition risks and has not formulated a transition strategy even one year after the initial engagement.</li> <li>✓ The progress of response to the transition risks of clients has been advanced compared to previous fiscal years.</li> </ul> </li> <li>● <b>With the aim of facilitating the business structure transformation of our clients, we have developed and disclosed a framework to examine the credibility and transparency of clients’ transition strategies.</b> <ul style="list-style-type: none"> <li>✓ When we can confirm that the client’s transition strategy meets the standards of our internal verification process, we provide financing for their business proactively.</li> </ul> </li> <li>● <b>Engaged with around 700 clients in Transition risk sectors in FY2022.</b> <ul style="list-style-type: none"> <li>✓ We engage so as to strengthen by stages the following initiatives with clients (Formulate transition strategies, Develop quantitative targets and KPI, Implement its initiatives and disclose the progress, etc.)</li> </ul> </li> </ul>

## Mizuho's views on Shareholder Proposal (6)

### Regarding the opinion that "Disclosure on financed emissions trajectories required given reliance on unproven technologies"

Summary of the proposer's claim	Mizuho's views including progress and response policies
<ul style="list-style-type: none"><li>● <b>Insufficient disclosure of financed emissions trajectories</b></li><li>● <b>To rely on transition finance and unproven technologies to continue the energy system dependent on the usage of fossil fuels</b></li></ul>	<ul style="list-style-type: none"><li>● <b>Focus on “sustainability and innovation” to realize a decarbonized society. Structural transformation of economy and industry and working to make new technologies practical</b><ul style="list-style-type: none"><li>✓ To move away from fossil fuel dependence and achieve an orderly transition, not only on the energy supply side, it is necessary to promote a steady reduction in fossil fuel demand through a cross-sectoral approach that includes the energy-consuming side.</li><li>✓ Based on the actual situation and challenges in Japan and other regions, it is necessary to work on the practical application of various next-generation technologies such as hydrogen and CCS.</li><li>✓ Mizuho identifies sectors to focus on from the perspective of decarbonization while also promoting relevant next-generation technologies</li></ul></li><li>● <b>Managing stranded asset risks for financing and investment in next-generation technology</b><ul style="list-style-type: none"><li>✓ We decide whether or not finance or invest in next-generation technology based on examination of validity by leveraging our industrial and technological knowledge within the group.</li></ul></li></ul>

Outside director session



# Opinions of Board of Directors on Shareholder Proposal

## The Shareholder Proposal

Partial amendment to the Articles of Incorporation  
(Issuing and disclosing a transition plan to align lending and investment portfolios with the Paris Agreement's 1.5 degree goal requiring net zero emissions by 2050)

## Opinion of the Board of Directors

### **The Board of Directors opposes this proposal**

We established a transition plan that aims at achieving net-zero GHG emissions in our financing and investment portfolio (Scope 3) by 2050 and are promoting an integrated approach.

(The transition plan includes mid-term targets for Scope 3 reduction in the electric power, oil & gas and thermal coal mining sectors, supporting client transition through engagement, implementation and review of financing and investment policies for sectors recognized as facing transition risk at particularly high levels, and risk controls in carbon-related sectors. Reduction targets were set by using scenarios aligned with net-zero by 2050)

The progress status of the transition plan and the targets are disclosed in our integrated report and other materials. We will continue to actively promote our initiatives and disclosures.

In addition, in respect of the Articles of Incorporation, which should contain stipulations on corporate organization and other basic items, it would be inappropriate to insert stipulations pertaining to individual business execution therein and doing so may hinder our ability to respond flexibly and promptly.

Accordingly, the Board of Directors is of the opinion that it is unnecessary to add what this proposal requires to the Articles of Incorporation.

## Abbreviations

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<b>FG</b>	: Mizuho Financial Group, Inc.	<b>RBC</b>	: Retail & Business Banking Company
<b>BK</b>	: Mizuho Bank, Ltd.	<b>CIBC</b>	: Corporate & Investment Banking Company
<b>TB</b>	: Mizuho Trust & Banking Co., Ltd.	<b>GCIBC</b>	: Global Corporate & Investment Banking Company
<b>SC</b>	: Mizuho Securities Co., Ltd.	<b>GMC</b>	: Global Markets Company
<b>MSUSA</b>	: Mizuho Securities USA LLC.	<b>AMC</b>	: Asset Management Company
<b>AM-One</b>	: Asset Management One Co., Ltd	<b>GTU</b>	: Global Transaction Banking Unit
<b>RT</b>	: Mizuho Research & Technologies, Ltd.	<b>RCU</b>	: Research & Consulting Unit
<b>FT</b>	: Mizuho-DL Financial Technology Co., Ltd.	<b>CIC</b>	: Corporate & Institutional Company
<b>LS</b>	: Mizuho Leasing Company, Limited	<b>GCC</b>	: Global Corporate Company
		<b>GPU</b>	: Global Products Unit

### Forward-looking Statements

Financial information in this presentation uses figures under Japanese GAAP unless otherwise stated (including management accounting basis).

This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans.

These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

Such forward-looking statements do not represent any guarantee of future performance by management.

Further information regarding factors that could affect our financial condition and results of operations is included in our most recent Form 20-F and our report on Form 6-K.

We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.

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