



**Mizuho Financial Group**

# 20th interim period report to our shareholders

**April 1, 2021 to September 30, 2021**

(Securities Code 8411)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Forward-looking Statements

This material contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.

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 us or our 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.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: the development and impact of the novel coronavirus; incurrence of significant credit-related costs; declines in the value of our securities portfolio; 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 5-Year Business Plan and other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; problems related to our information technology systems and cyber attacks; changes to applicable laws and regulations; and the effect of climate change.

Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information-Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (SEC), which is available in the Financial Information section of our website at [www.mizuho-fg.com/index.html](http://www.mizuho-fg.com/index.html) and also at the SEC’s web site at [www.sec.gov](http://www.sec.gov).

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.

Mizuho Financial Group, Inc. is a specified business company under Cabinet Office Ordinance on Disclosure of Corporate Information Article 17-15 clause 2 and prepares interim consolidated and interim non-consolidated financial statements in the second quarter.

Unless otherwise specified, the financial figures used in this material are based on Japanese GAAP.  
This material does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities.

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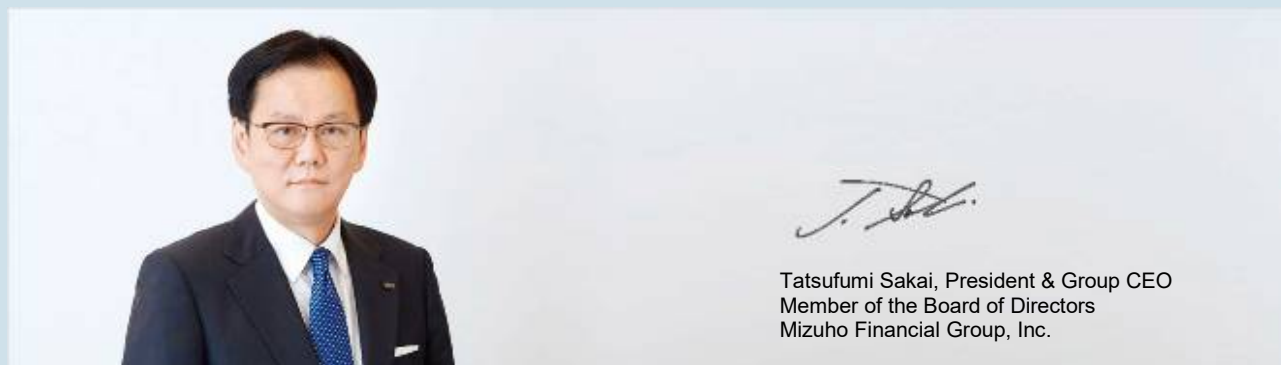
## Definitions

**Mizuho Financial Group:** Mizuho Financial Group, Inc. (the holding company)

**We/us/our, the group, Mizuho:** Mizuho Financial Group, Inc. and its consolidated subsidiaries and affiliates

# Message from the Group CEO

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As President & Group CEO of Mizuho Financial Group, Inc., I would like to express our deep appreciation for your continued interest and support. We are pleased to hereby present Mizuho Financial Group's 20th interim period report to our shareholders.

To begin, on November 26, 2021, the Financial Services Agency and the Ministry of Finance of Japan took administrative actions against Mizuho Financial Group and Mizuho Bank, Ltd. in regard to certain incidents such as the series of IT system failures that have occurred since February 28, 2021.

We once again deeply apologize for the inconvenience and concern we have caused to our customers and shareholders, as well as society at large, by allowing these repeated system failures and other incidents to occur in a short period of time. We are treating this matter with the utmost seriousness and endeavoring to formulate and implement business improvement plans and measures to prevent further incidents and will ensure that such plans and measures are thoroughly followed going forward.

Now, despite the prolonged uncertainties existing in our business environment due to the COVID-19 pandemic, global supply constraints and other matters, we have been able to post strong results for the FY2021 H1, contributed to by the earnings from our core operations centering around Customer Groups. Based on the steady improvement of our earnings base and the fact that our Common Equity Tier 1 capital ratio exceeded the target level earlier than we initially expected, we will also move on to specify capital utilization in the future, by pursuing optimal balance between capital adequacy, growth investment and enhancement of shareholder returns. First, we have decided to raise the dividend payout for the first time in seven years in accordance with the shareholder return policy that was revised in May 2021.

Pursuing further growth of Mizuho, we will make investments into corporate foundations, specifically, human resources and IT/digital domain, which support the competitive advantage of Mizuho. Thereupon, in addition to further expanding and deepening the existing business domains that have been strengthened through the 5-Year Business Plan, we will take the initiative to address new business areas, specifically, (i) non-financial/nonbank areas, (ii) responding to sustainability transformation and other game changers and (iii) advanced technologies and business models.

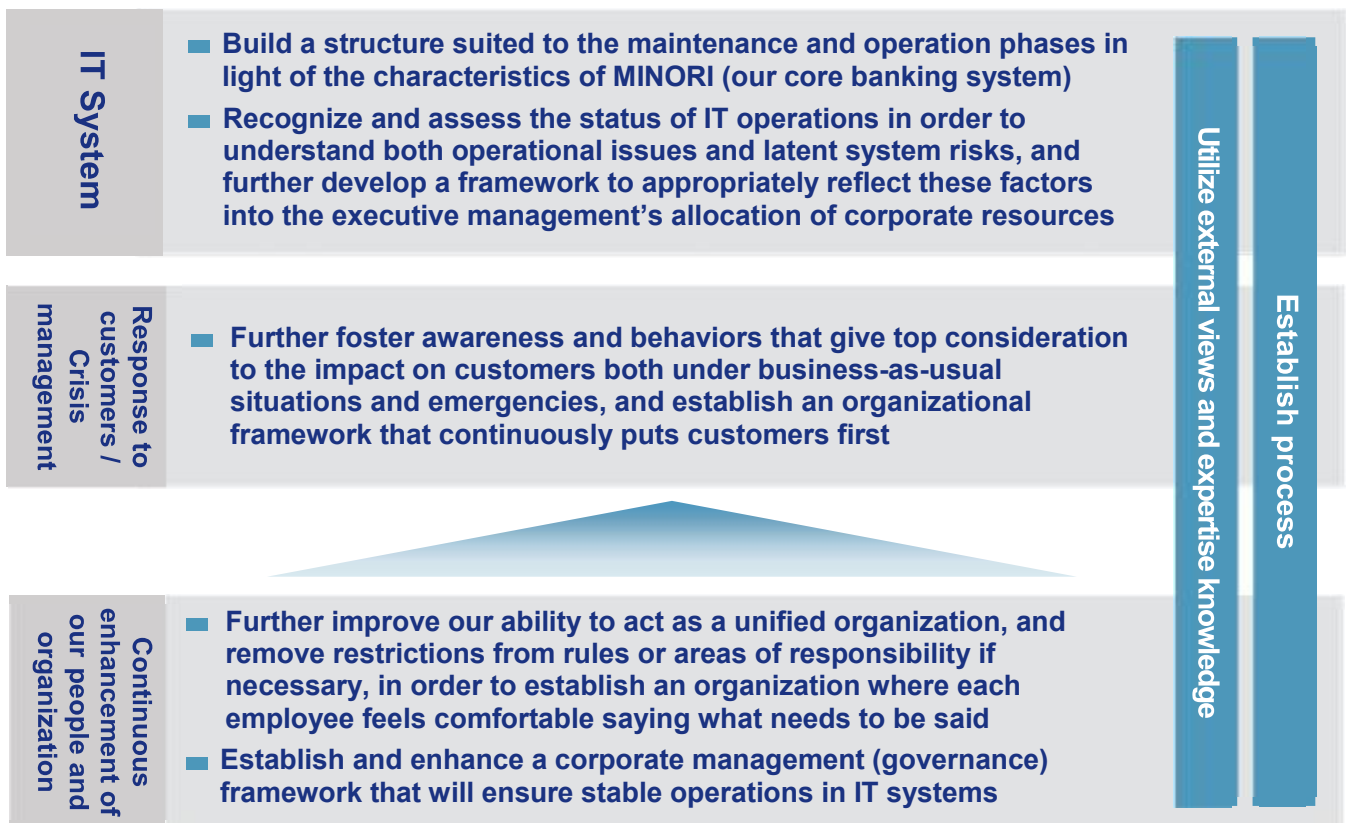
We appreciate your continued support and will do everything in our power to exceed your expectations.

# Measures to prevent further incidents based on administrative actions

We are treating the administrative actions with the utmost seriousness. We are fully accounting for our mistakes and endeavoring to formulate and implement business improvement plans and measures to prevent further incidents.

## ■ Measures to prevent further incidents in light of the Business Improvement Order (IT system failures)

Executive management is listening to the views of employees and stakeholders, and will continue to work tirelessly to formulate, implement and verify measures to prevent further incidents in response to the factors that caused the IT system failures.



## ■ Measures to prevent further incidents in light of the Corrective Action Order (the Foreign Exchange and Foreign Trade Act of Japan)

- Improve the awareness and knowledge of all employees regarding foreign exchange laws and regulations
- Build a framework in which appropriate considerations and decisions for compliance with foreign exchange laws and regulations can be made (in times of emergency and during normal times)
- Measures to ensure stable AML (anti-money laundering) operations including the Foreign Exchange and Foreign Trade Act of Japan

# Financial Results

The financial results for the FY2021 H1 significantly increased YoY and progressed steadily against the 5-Year Business Plan.

## ■ Points of Financial Results

### Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others<sup>1</sup>

- Customer Groups marked a historical high since the introduction of the in-house company system and contributed to the good result greatly
- Revised the initial plan upward by JPY 30.0 billion

#### H1 Results

JPY **460.3** billion

YoY:  
+ JPY **40.9** billion

#### FY21 Revised Plan

JPY **820.0** billion

vs. initial plan:  
+ JPY **30.0** billion

### Net Income Attributable to Owners of Parent

- Significantly increased YoY due to the mitigation of Credit-related Costs and special factors related to tax effects<sup>2</sup>
- Revised the initial plan upward by JPY 20.0 billion

#### H1 Results

JPY **385.6** billion

YoY:  
+ JPY **170.1** billion

#### FY21 Revised Plan

JPY **530.0** billion

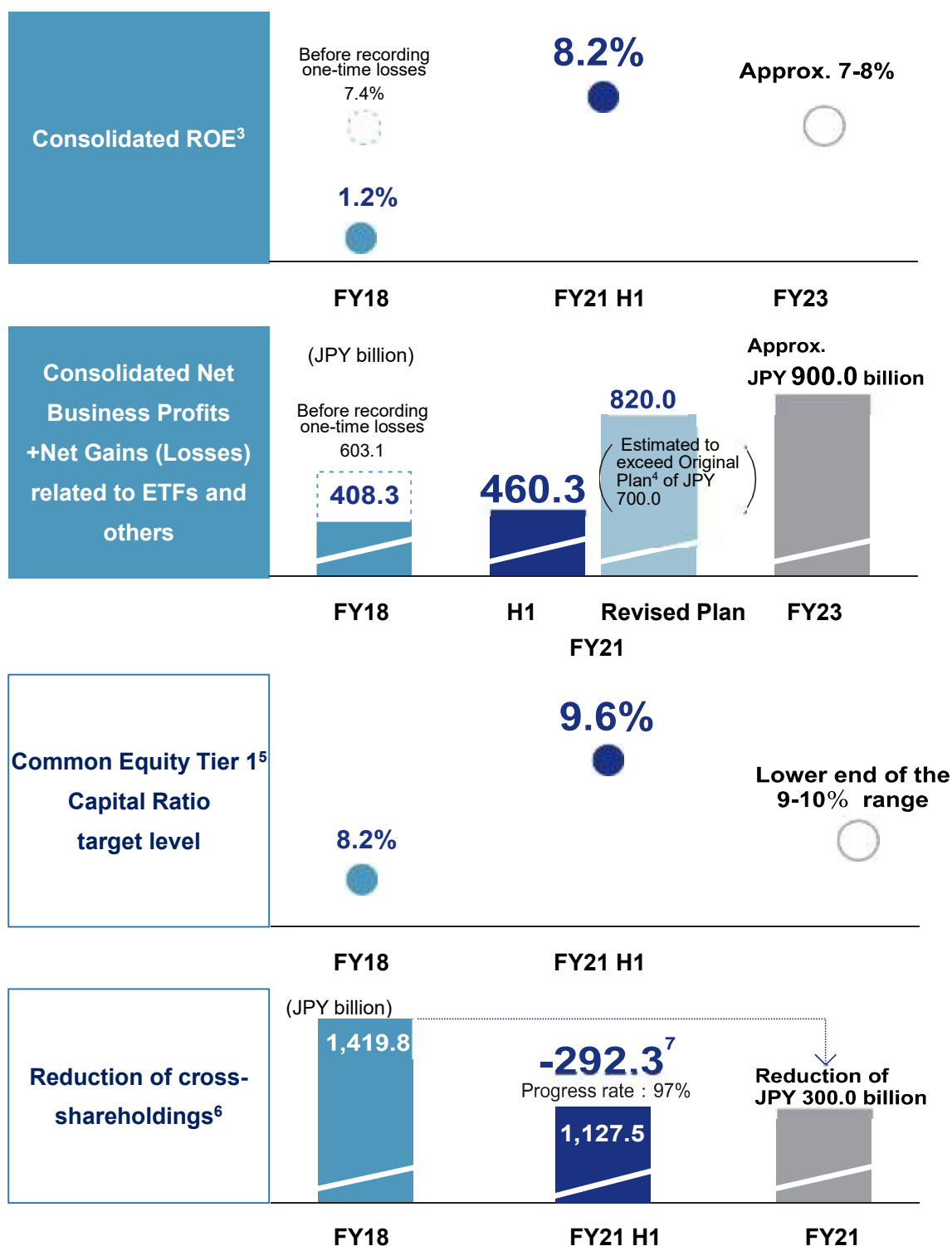
vs. initial plan:  
+ JPY **20.0** billion

Note 1: Net Gains (Losses) related to ETFs and others: Net Gains (Losses) were recorded as part of the portfolio management of Markets. H1 Results were JPY 21.7 billion (+JPY 40.8 billion YoY).

Note 2: Tax effects and other factors related to right-sizing of Mizuho Securities Co., Ltd. capital implemented as a part of the revision of subsidiaries' capital policy in FY21 Q1 (+JPY 66.0 billion). The impact on full-year financial result is expected to be smaller.

## Financial Results

### ■ Progress against the 5-Year Business Plan (FY2019-2023)



Note 3: Calculated by dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excluding Net Unrealized Gains (Losses) on Other Securities)). Calculation of numerator of FY21 H1 is: (Net Income - Special factors due to tax effects) times two + Special factors due to tax effects.

Note 4: FY21 original target in the 5-Year Business Plan.

Note 5: Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities.

Note 6: Acquisition cost basis.

Note 7: Excluding temporal increase due to reverted stocks from the Employee Retirement Benefit Trust.

# Dividend

In light of the status of our capital adequacy and the steady growth in earnings from our core operations, we have decided to raise the dividend payout for the first time in seven years.

**FY2021 Interim Cash Dividend:**

**JPY 40.00**

(increase of JPY 2.50 YoY<sup>1</sup>)

|                                 |                      |     |                        |
|---------------------------------|----------------------|-----|------------------------|
| Annual cash dividend for FY2021 | JPY 80.00 (estimate) | YoY | +JPY 5.00 <sup>1</sup> |
| Interim cash dividend           | JPY 40.00            | YoY | +JPY 2.50 <sup>1</sup> |
| Fiscal year-end cash dividend   | JPY 40.00 (estimate) | YoY | +JPY 2.50              |

Date of sending of  
financial statements

**December 6, 2021**

Date of commencement of  
payment of interim cash dividend

**December 7, 2021**

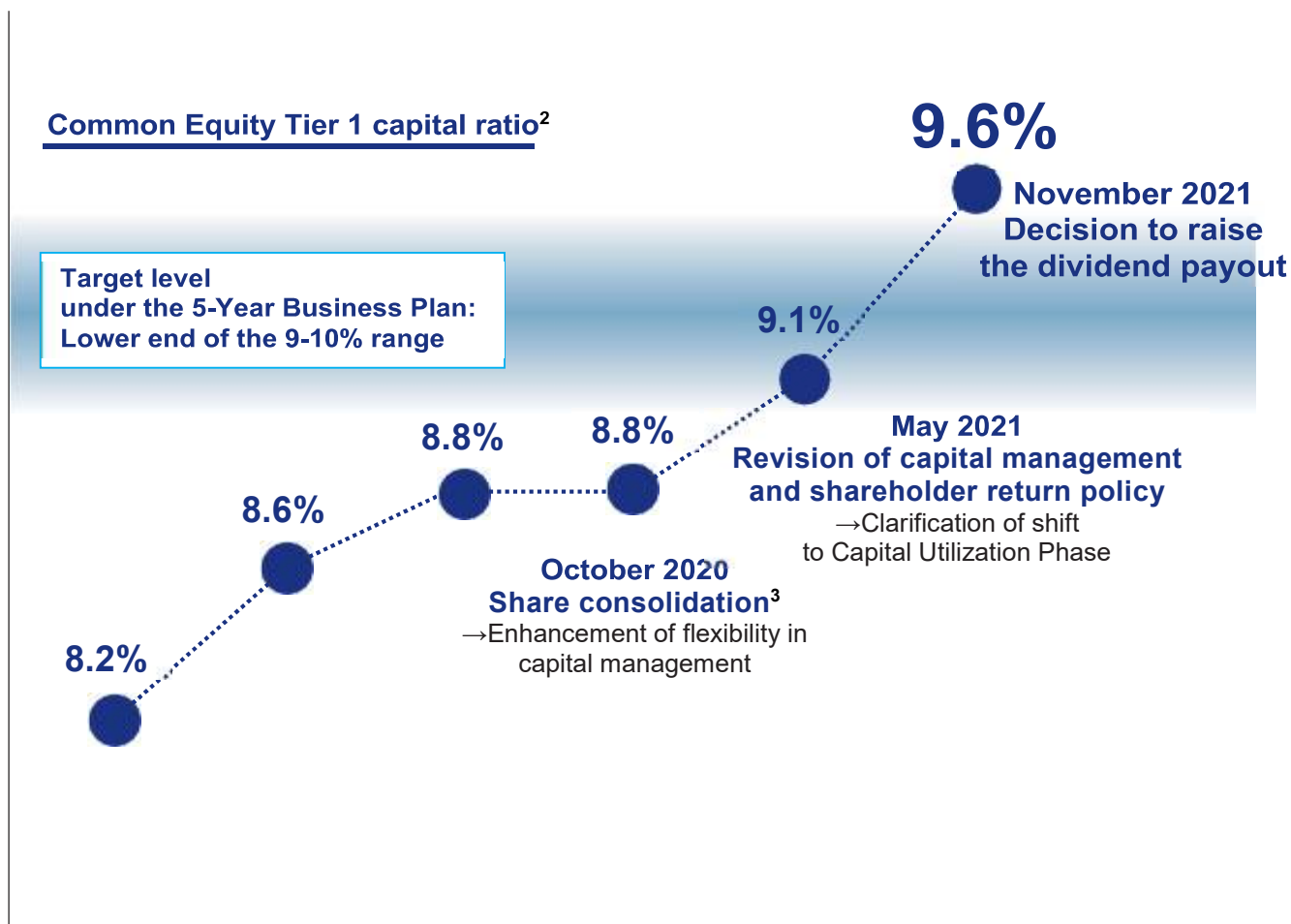
## Shareholder return policy

Progressive dividends being our principal approach while executing flexible and intermittent share buybacks.

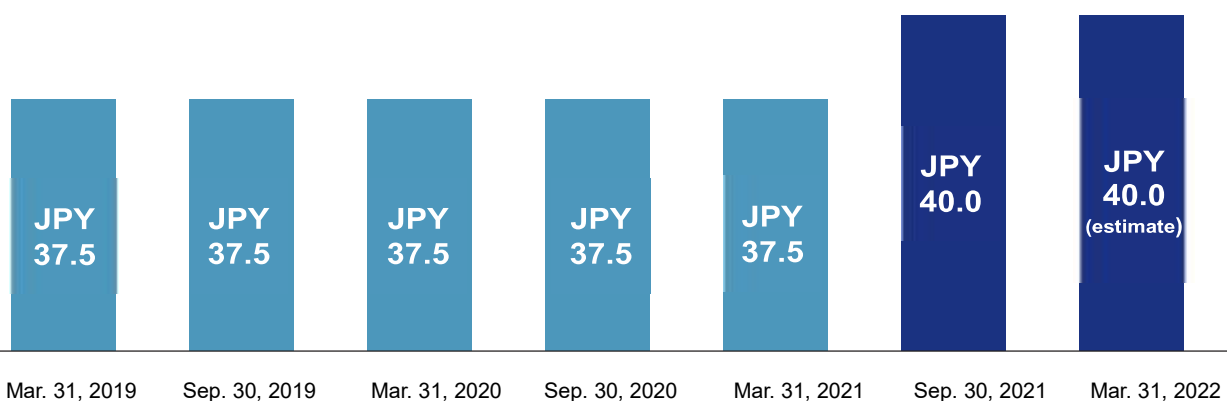
- As for the dividends, we will decide based on the steady growth of our stable earnings base, taking 40% of the dividend payout ratio as a guide into consideration.
- As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution.

Note 1: Both the interim cash dividend and the fiscal year-end cash dividend for FY20 were JPY 37.50. The amount of the interim cash dividend reflects the impact of the share consolidation of common stock that was implemented effective as of October 1, 2020 on the basis of one post-consolidation share per ten pre-consolidation shares.

■ **Our Common Equity Tier 1 capital ratio<sup>2</sup> exceeded the target level.**



**Cash dividend per share of common stock<sup>4</sup>**



Capital Accumulation Phase

Capital Utilization Phase

Note 2: Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities.

Note 3: The shares of common stock were consolidated on the basis of one post-consolidation share per ten pre-consolidation shares.

Note 4: The amount reflects the impact of the share consolidation of common stock that was implemented effective as of October 1, 2020.



# Sustainability



By promoting sustainability initiatives, we aim to operate our business in a way that considers the creation of value for our various stakeholders and improve our corporate value through continued, stable growth for the entire group, thus contributing to the achievement of the Sustainable Development Goals (SDGs).

## ■ Sustainability-centered business promotion

The trend toward sustainability is an irreversible structural change and is a critical business challenge for our clients as well. We engage in proactive, constructive dialogue with our clients to develop a deep understanding of their individual concerns and needs and support their efforts to develop and implement sustainability strategies.

### Facilitating sustainable business tailored to the particular characteristics and needs of our client segments

#### Retail

Responding to customers' varied needs as a partner helping them design their lives

#### Middle-market firms and SMEs

Advising our clients on sustainability initiatives as a strategic partner for their business structure transformation and growth strategy

#### Large corporations

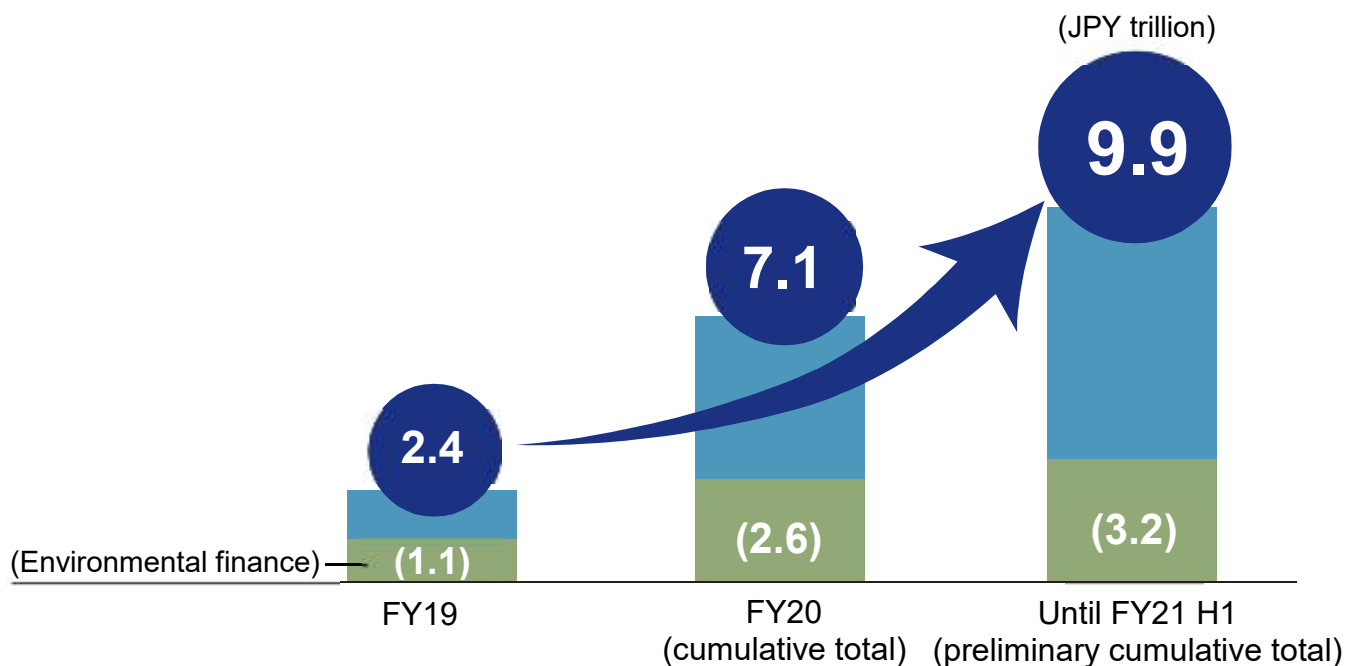
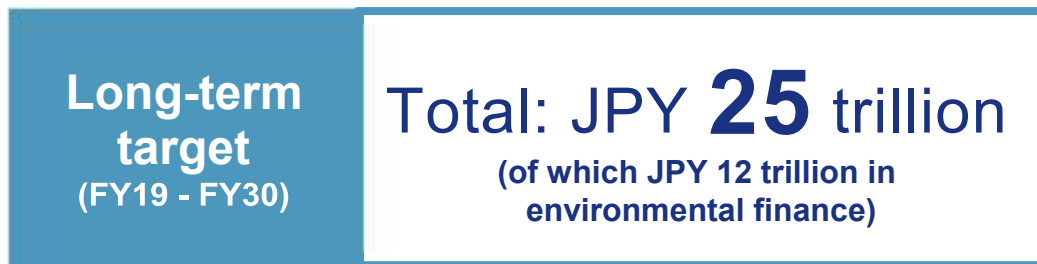
Working with our clients to change the industrial structure, beginning with decarbonization, as a strategic partner supporting their global business development

### Developing and providing sustainability solutions group-wide to meet clients' needs

Financial

Non-financial

## ■ Results and long-term targets of sustainable finance



## ■ Rankings in sustainable finance league tables



\* April to September 2021 Source: Refinitiv