

**Convocation Notice of the  
22nd Ordinary General Meeting of Shareholders  
(Matters Omitted from the Documents to be Delivered to  
Shareholders Who Have Requested the Delivery of  
Documents in Paper Form)**

**Business Report for the 22nd Fiscal Year**

- 4. Matters regarding Mizuho Financial Group's shares**
- 5. Matters regarding stock acquisition rights of Mizuho Financial Group**
- 6. Matters regarding the Independent Auditor**
- 7. Structure for ensuring appropriate conduct of operations**
- 8. Matters regarding a specified wholly-owned subsidiary**
- 9. Other matters**

**Consolidated financial statements and non-consolidated financial statements**

**Notes to the consolidated financial statements**

**Notes to the non-consolidated financial statements**

(from April 1, 2023 to March 31, 2024)

**MIZUHO**

The logo graphic consists of a thick, dark grey horizontal line that starts under the 'M' and ends under the 'O', with a slight upward curve in the middle.

Mizuho Financial Group

#### 4. Matters regarding Mizuho Financial Group's shares

##### (1) Number of shares

(As of March 31, 2024)

Total number of authorized shares 5,130,000,000

##### (2) Total number of the classes of shares which are authorized to be issued, total number of shares issued and number of shareholders

(As of March 31, 2024)

Classification	Total number of the classes of shares which are authorized to be issued	Total number of shares issued	Number of shareholders
Common stock	4,800,000,000	2,539,249,894	629,354
First Series of Class XIV Preferred Stock	90,000,000		
Second Series of Class XIV Preferred Stock	90,000,000		
Third Series of Class XIV Preferred Stock	90,000,000		
Fourth Series of Class XIV Preferred Stock	90,000,000		
First Series of Class XV Preferred Stock	90,000,000		
Second Series of Class XV Preferred Stock	90,000,000		
Third Series of Class XV Preferred Stock	90,000,000		
Fourth Series of Class XV Preferred Stock	90,000,000		
First Series of Class XVI Preferred Stock	150,000,000		
Second Series of Class XVI Preferred Stock	150,000,000		
Third Series of Class XVI Preferred Stock	150,000,000		
Fourth Series of Class XVI Preferred Stock	150,000,000		

Notes:

1. The total number of the classes of shares which Mizuho Financial Group is authorized to issue in respect of the First to Fourth Series of Class XIV Preferred Stock shall not exceed 90,000,000 in total.
2. The total number of the classes of shares which Mizuho Financial Group is authorized to issue in respect of the First to Fourth Series of Class XV Preferred Stock shall not exceed 90,000,000 in total.
3. The total number of the classes of shares which Mizuho Financial Group is authorized to issue in respect of the First to Fourth Series of Class XVI Preferred Stock shall not exceed 150,000,000 in total.
4. The number of shareholders of common stock listed above does not include the 188,745 shareholders who own only shares constituting less than one (1) unit.

### (3) Major shareholders

Common stock

(As of March 31, 2024)

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (Trustee account)	392,039,100	15.44
Custody Bank of Japan, Ltd. (Trustee account)	131,550,520	5.18
JPMorgan Securities Japan Co., Ltd.	52,063,113	2.05
State Street Bank West Client – Treaty 505234	51,986,845	2.04
JPMorgan Chase Bank 385781	35,228,542	1.38
SMBC Nikko Securities Inc.	32,100,612	1.26
SSBTC Client Omnibus Account	30,016,092	1.18
Goldman Sachs Japan Co., Ltd. BNYM	27,539,848	1.08
Custody Bank of Japan, Ltd. (Taxable trust money account)	25,903,050	1.02
Custody Bank of Japan, Ltd. (Trustee account 4)	24,371,300	0.96

Notes:

1. Figures for the percentages of shares held are rounded down to the nearest second decimal place.
2. The percentages of shares held are calculated by excluding treasury stock (881,823 shares).

### (4) Shares held by officers

(As of March 31, 2024)

	Number of persons who received shares	Class and number of shares
Directors and executive officers	16	Common stock, 62,058 shares
Outside directors	1	Common stock, 4,546 shares

Note:

The number of shares listed above includes the number of shares received by the officers during the fiscal year 2023, based on the estimates of such number made in the fiscal year 2022.

## **5. Matters regarding stock acquisition rights of Mizuho Financial Group**

### **(1) Stock acquisition rights of Mizuho Financial Group held by directors and executive officers as of March 31, 2024**

No stock acquisition rights of Mizuho Financial Group were held by directors and executive officers as of March 31, 2024.

### **(2) Stock acquisition rights of Mizuho Financial Group granted to employees during the fiscal year ended March 31, 2024**

No stock acquisition rights of Mizuho Financial Group were granted to employees during the fiscal year ended March 31, 2024.

## 6. Matters regarding the Independent Auditor

### (1) Independent Auditor

Name	Ernst & Young ShinNihon LLC Designated Partners with Limited Liability Noboru Miura, C.P.A. Kenjiro Tsumura, C.P.A. Mitsuhiro Nagao, C.P.A. Takahiro Fujimoto, C.P.A.
Compensation and other remuneration for the fiscal year ended March 31, 2024	JPY 50 million
Other	<p>1. The Audit Committee reviewed, based on the performance of duties by the Independent Auditor in previous years pursuant to the auditing plan, whether (i) the items and structure of the auditing plan for the fiscal year ended March 31, 2024 were such that they appropriately corresponded to the risk assessments, and (ii) the estimate of the compensation for the audit had been prepared based on the auditing hours required to ensure effective, efficient and proper auditing quality. As a result thereof, the Audit Committee determined that the amount of compensation for the audit was reasonable, and the Audit Committee gave the consent set forth in Article 399, Paragraph 1 of the Companies Act.</p> <p>2. Mizuho Financial Group paid consideration to the Independent Auditor for the advisory and guidance services and other services related to the translation of the quarterly consolidated financial statements, which are not included among the services set forth in Article 2, Paragraph 1 of the Certified Public Accountant Act (non-audit services).</p>

#### Notes:

1. Fractions are rounded down.
2. The audit contract between Mizuho Financial Group and the Independent Auditor does not separate the compensation for the audit under the Companies Act from the compensation for the audit under the Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is the total of such compensation.
3. The total amount of cash and other proprietary benefits to be paid to the Independent Auditor of Mizuho Financial Group by Mizuho Financial Group, its majority-owned consolidated subsidiaries and its other consolidated subsidiaries is JPY 4,374 million. If the amounts to be paid under the audit contract concluded with the Independent Auditor by Mizuho Financial Group, its majority-owned consolidated subsidiaries and its other consolidated subsidiaries have not yet been determined, approximate amounts are used for the calculations.

## **(2) Other matters regarding the Independent Auditor**

### **a. Policy for determination of dismissal or non-reappointment of the Independent Auditor**

#### **Dismissal**

1. The Audit Committee determines the content of proposals regarding the dismissal of an Independent Auditor to be submitted to the general meeting of shareholders in the case where it is expected that the audit of financial statements or other items may be seriously affected by that Independent Auditor's actions; namely, where such Independent Auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and other matters that may affect the audit of financial statements or other items.
2. The Audit Committee dismisses an Independent Auditor upon the unanimous consent of all members of the Audit Committee in the case where such Independent Auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and the Audit Committee decides that the Independent Auditor in question should be promptly dismissed. In such a case, the members of the Audit Committee designated by the Audit Committee will report the dismissal of the Independent Auditor in question and the reason for such dismissal at the first general meeting of shareholders called after such dismissal.

#### **Non-reappointment**

The Audit Committee determines the content of proposals regarding the non-reappointment of an Independent Auditor to be submitted to the general meeting of shareholders in the case where the Audit Committee decides that it is reasonable to change the Independent Auditor to another Independent Auditor who is more capable of being entrusted with the duties of an Independent Auditor of the group, even though the system or other such framework that ensures (i) the appropriate implementation of the method of the audit and the results thereof and (ii) the appropriate accomplishment of duties conducted by the Independent Auditors is maintained at a level generally recognized to be adequate.

### **b. Principal majority-owned subsidiaries and other subsidiaries audited by any certified public accountant or audit corporation other than the Independent Auditor of Mizuho Financial Group**

Mizuho International plc and twelve (12) other companies among Mizuho Financial Group's principal majority-owned subsidiaries and other subsidiaries are subject to audits (limited to the audits under the provisions of the Companies Act or the Financial Instruments and Exchange Act (including any foreign law equivalent to either of these laws)) by audit corporations (including entities with equivalent qualifications in the relevant foreign country) other than the Independent Auditor of Mizuho Financial Group.

## **7. Structure for ensuring appropriate conduct of operations**

The Structure for Ensuring Appropriate Conduct of Operations of Mizuho Financial Group and the operational status of this structure are summarized below.

### **Structure for Ensuring Appropriate Conduct of Operations (Internal Control System)\***

**(\* As of April 1, 2024)**

#### **(1) Execution of the duties of executive officers as defined in the Companies Act**

##### **(i) Systems regarding retention and management of information in relation to the execution of the duties of executive officers as defined in the Companies Act**

- Based on the Regulations of the Executive Management Committee and other such internal regulations, information such as the minutes and related materials, and applications for approval and reports, in respect of the Executive Management Committee and other committees shall be retained and managed by taking necessary measures such as setting a retention period. In addition, based on the Approach for Group Business Management Concerning Information Management, specific action plans shall be developed and a regular follow-up shall be provided to ensure information management.
- Regarding various company-wide issues relating to information management, the Business Policy Committees, including the Compliance Committee, shall conduct comprehensive deliberation and coordination.

##### **(ii) Rules and other systems related to management of the risk of loss faced by Mizuho Financial Group and its subsidiaries**

- The Basic Policy for Comprehensive Risk Management prescribes the group's basic policy for comprehensive risk management. Mizuho Financial Group shall implement comprehensive risk management to control risk to a level acceptable from management perspectives by comprehending and assessing risks as a whole and, as needed, taking appropriate actions, both qualitatively and quantitatively, in advance or subsequently. In addition, Mizuho Financial Group shall define risk, set risk categories and determine the department or office in charge of risk management and risk management systems.
- Mizuho Financial Group shall establish the Risk Committee, which is an advisory body to the Board of Directors, shall make deliberations or receive reports regarding matters relating to risk governance and other relevant matters and shall report or make proposals to the Board of Directors.
- Regarding various company-wide issues relating to management of different forms of risk and other relevant matters, the Business Policy Committees, including the Risk Management Committee, shall conduct comprehensive deliberation and coordination.
- The Basic Policy for Business Continuity Management prescribes the emergency responses of the group, along with the basic policy for business



continuity management. In order to recognize emergency risk and to promptly take risk mitigation measures upon the occurrence of an emergency or other crisis, appropriate and effective measures, a business continuity management framework and an emergency response system shall be developed during ordinary times, and efforts shall be made to disseminate the foregoing within the organizations.

- The Basic Policy for Internal Audit prescribes the group's basic policy for the performance of internal audit operations. Under the supervision of the Board of Directors, the effectiveness and appropriateness of each process relating to governance, risk management and control shall be assessed objectively and comprehensively, with organizational independence ensured, and a system shall be developed in relation to the implementation of a series of activities, extending to proposals for improvement, recommendations for correction, and the like, for the resolution of issues.
- Mizuho Financial Group shall establish a system to centrally comprehend and manage the status of risk and business continuity management, as well as internal audit operations of the core group companies. With respect to subsidiaries and affiliates other than the core group companies, Mizuho Financial Group shall establish a system that manages the aforementioned status of such subsidiaries and affiliates, in principle through the core group companies.

**(iii) Systems to ensure that the duties of Mizuho Financial Group's executive officers as defined in the Companies Act and directors of Mizuho Financial Group's subsidiaries and other persons equivalent thereto are performed efficiently**

- Mizuho Financial Group, as a Company with Three Committees, shall make prompt and flexible decision-making possible by delegating decision-making on the execution of business to executive officers as defined in the Companies Act to the maximum extent and shall realize speedy corporate management. In addition, Mizuho Financial Group shall carry out its management and control responsibilities, including the development of group-wide strategies across group entities, through the in-house company system as a management system based on customer segments.
- The risk appetite shall be set within the scope of the risk capacity of the overall group, and risk appetite frameworks shall be operated by, among other means, applying risk appetite indicators to the in-house companies and units.
- Mizuho Financial Group shall specify the standards for resolutions and reports made at the Board of Directors meetings, the assignment of business operations to each organization, the decision-making authority according to the importance of projects, and other relevant matters and shall establish the Executive Management Committee, the Business Policy Committees, etc., in order to ensure the efficient execution of duties of executive officers as defined in the Companies Act across Mizuho Financial Group.
- Based on the Group Management Administration Regulations, Mizuho Financial Group shall develop basic policies and other such internal policies regarding matters relating to the development of management policies and management strategies and other relevant matters and shall present them to the core group companies.

**(iv) Systems to ensure that executive officers as defined in the Companies Act and employees of Mizuho Financial Group and directors, persons equivalent thereto and employees of Mizuho Financial Group's subsidiaries execute their duties in compliance with laws, regulations and the Articles of Incorporation**

- The Mizuho Code of Conduct shall be provided as the norm to be followed so as to implement Mizuho's Corporate Identity. The Mizuho Code of Conduct shall be relied on whenever a decision is made regarding management and operations.
- The Basic Policy for Compliance shall position ensuring compliance as the basic management principle and shall prescribe a compliance operation system and other relevant frameworks. Appropriate measures, such as controls and reductions, shall be taken to ensure compliance. Additionally, a compliance hotline and an accounting/auditing hotline (collectively, the "Hotlines") shall be established.
- Cutting off relationships with anti-social forces, eliminating money laundering, combating the financing of terrorism and countering proliferation financing shall be tackled as part of compliance activities. These activities shall be positioned as priority actions shared by the group with a focused effort.
- Regarding conflicts of interest, the necessary management system shall be developed in order to take measures according to the state of conflicts of interest relating to transactions with customers from the perspectives of protecting customers and improving customer convenience.
- The Basic Policy for Management of Customer-Oriented Business Conduct prescribes the group's basic policy regarding the management of customer-oriented business conduct in order to develop a system for various purposes, such as protecting customers, ensuring the appropriateness of business operations and improving customer convenience.
- The Basic Policy on Disclosure Controls and Procedures prescribes the group's basic policy regarding disclosure controls and procedures in order to develop a system relating thereto, including internal controls relating to financial reporting.
- Each Business Policy Committee shall conduct comprehensive deliberation and coordination for various company-wide issues relating to the committee. For example, the Compliance Committee shall deal with compliance controls and the management of customer-oriented business conduct, and the Disclosure Committee shall deal with disclosure controls and procedures.
- Based on the basic policies and other such internal regulations, Mizuho Financial Group shall establish a system to centrally comprehend and manage the compliance status, the status of customer-oriented business conduct, and the status of establishment and operation of disclosure controls and procedures, and other related statuses of the core group companies. With respect to subsidiaries and affiliates other than the core group companies, Mizuho Financial Group shall establish a system that manages the aforementioned statuses of such subsidiaries and affiliates, in principle through the core group companies.

- The internal audit system described in this section shall be the same as that stated in (ii).

**(v) Systems to ensure the appropriate conduct of operations in the corporate group comprised of Mizuho Financial Group and its subsidiaries, as well as systems related to reporting to Mizuho Financial Group regarding the execution of the duties of directors of Mizuho Financial Group's subsidiaries and other persons equivalent thereto**

- The Board of Directors, the Nominating Committee, the Compensation Committee and the Audit Committee may, as needed, invite directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group (including directors, corporate auditors or other persons equivalent thereto and employees of the Three Core Companies and including directors, corporate auditors or other persons equivalent thereto and employees of Mizuho Financial Group's subsidiaries and affiliates for meetings of the Board of Directors and the Audit Committee) to the Board of Directors meetings and committee meetings and request that they provide a report or opinion. Directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group (including directors, corporate auditors or other persons equivalent thereto and employees of the Three Core Companies and including directors, executive officers and employees of Mizuho Financial Group's subsidiaries and affiliates for meetings of the Board of Directors and the Audit Committee) must attend the Board of Directors meetings or committee meetings when they are requested to do so and provide an explanation on matters required by the Board of Directors or the committees.
- Each group company shall adopt the Mizuho Code of Conduct.
- Mizuho Financial Group, a holding company, shall directly manage and administer the core group companies, which are specified in the Group Management Administration Regulations, in order to play an active role in the management of the group and to carry out planning functions for the group's strategies and policies and control functions over the group companies as part of its business management operations. The core group companies shall manage and administer subsidiaries and affiliates, other than the core group companies, in accordance with the Standards for Management of Subsidiaries formulated by Mizuho Financial Group.
- Mizuho Financial Group shall receive, from the core group companies, applications for approval regarding important matters relating to the entire group and reports on similar matters, based on the Group Management Administration Regulations. Regarding risk management, compliance management and internal audits, Mizuho Financial Group shall receive reports on necessary matters regularly or as needed based on the basic policies and other such internal regulations, and the core group companies shall be required to follow procedures, such as application procedures for approval, with respect to matters requiring coordination with the basic policies or other internal regulations or when instructed to do so by Mizuho Financial Group.

## **(2) Execution of the duties of the Audit Committee**

### **(i) Matters related to employees who are required to assist with the duties of the Audit Committee, and matters regarding the independence of such employees from executive officers as defined in the Companies Act and the effectiveness of the instructions given to such employees**

- The Audit Committee Office shall be established to take charge of matters relating to assistance for the duties of the Audit Committee and matters relating to the secretariat of the committee. The head of the Audit Committee Office shall follow the instructions given by the Audit Committee members and shall control the operations of the office.
- The development of the budget of the Audit Committee Office, organizational changes to the office and personnel affairs relating to the employees who belong to the office shall require the prior consent of the Audit Committee or its members designated by the committee in advance.
- The Audit Committee shall pay attention to ensure the sufficiency of the staffing structure of assistant employees and other persons equivalent thereto and the independence of such employees and persons from executive officers as defined in the Companies Act and other persons who execute business, with the aim of ensuring the effectiveness of audits.

### **(ii) Systems for directors (excluding directors who are Audit Committee members), executive officers as defined in the Companies Act and employees of Mizuho Financial Group, as well as directors, corporate auditors or other persons equivalent thereto and employees of Mizuho Financial Group's subsidiaries, or persons who receive reports from such persons, to report to the Audit Committee**

- The Audit Committee may, as needed, invite directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group and directors, executive officers and employees of Mizuho Financial Group's subsidiaries and affiliates to meetings of the Audit Committee and request that they provide a report or opinion. Directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group or directors, executive officers and employees of Mizuho Financial Group's subsidiaries and affiliates must, upon request by the Audit Committee, attend Audit Committee meetings and provide an explanation on matters required by the Audit Committee.
- The Audit Committee shall maintain close cooperation with and receive reports on matters relating to the internal control system from internal organizations such as the Internal Audit Group, the Compliance Group, the Risk Management Group, the Strategic Planning Group and the Financial Control & Accounting Group and shall request investigation into the relevant matters as needed.
- The Audit Committee shall ascertain the process of important decision-making in the company and the status of the execution of the operations by means such as having the members of the Audit Committee attend meetings of the Executive Management Committee, Business Policy Committees and other committees, and may, as needed, express its opinions at such meetings.

- The Audit Committee and its members shall receive reports or explanations on the status of the management of subsidiaries and affiliates from executive officers as defined in the Companies Act and employees and shall inspect related materials. The Audit Committee and its members shall request subsidiaries and affiliates to submit business reports or investigate the status of their operations and assets when needed in order to audit the status of the execution of duties by directors and executive officers as defined in the Companies Act.

**(iii) Systems for ensuring that persons who make a report to the Audit Committee are not treated disadvantageously due to making the report**

- Mizuho Financial Group shall ensure that persons who make a report to the Audit Committee will not be treated disadvantageously due to such report.
- The Hotlines shall be established so that directors, executive officers as defined in the Companies Act, employees and other individuals can make a report when they find compliance-related problems, such as violations of laws and service rules. The Hotlines shall deal with reported cases in accordance with policies in order to, for example, ensure confidentiality for reporting or whistleblowing, not disclose the personal information of whistleblowers to a third party without consent, giving consideration to whistleblowers so that they are not identified in fact-finding investigations, and not treat whistleblowers disadvantageously due to whistleblowing in terms of personnel affairs and in all other aspects. These policies also apply to cases reported to the Audit Committee via the Hotlines.

**(iv) Matters related to policies concerning the procedure for advance payment or reimbursement of expenses that arise with regard to the execution of the duties of Audit Committee members (limited to those related to the execution of the duties of the Audit Committee) or treatment of other expenses or obligations that arise with regard to the execution of such duties**

- The Audit Committee or its members appointed by the committee shall be authorized to retain lawyers, certified public accountants or other experts as needed, and pay expenses for such experts, and shall request Mizuho Financial Group to reimburse such expenses as deemed necessary for the execution of duties. Mizuho Financial Group shall bear such expenses.

**(v) Other systems to ensure that audits by the Audit Committee are performed effectively**

- The Audit Committee shall, in principle, appoint one or two non-executive directors who are internal directors as full-time Audit Committee members.
- The Audit Committee shall make resolutions on the Basic Policy for Internal Audit, the Basic Plan for Internal Audit, the budget of the Internal Audit Group, the appointment and compensation of the Group CAE, consent to personnel changes such as the head of the Internal Audit Group, and important matters related to internal audits.
- The Audit Committee shall perform its duties through means such as effective cooperation with the internal control departments and other relevant departments on the condition of the establishment and operation of the internal control system at Mizuho Financial Group and its subsidiaries.

Further, the Audit Committee shall receive directly from the Group CAE, reports on important matters related to internal audits, and, as needed, request the Group CAE to investigate relevant matters or give specific instructions to the Group CAE.

- The Audit Committee may invite Independent Auditors, outside experts, etc., to its meetings, as needed, and request that they provide for a report or opinion. Independent Auditors must, upon request by the Audit Committee, attend Audit Committee meetings and provide an explanation on matters required by the committee.
- The Audit Committee and its members shall maintain close cooperation with Independent Auditors for efficient audits and, as needed, maintain close cooperation with Audit Committee members, Audit and Supervisory Committee members, and the corporate auditors of subsidiaries and affiliates.

## **Summary of the operational status of our Structure for Ensuring Appropriate Conduct of Operations (Internal Control System)**

### **(1) Risk management structure**

- Mizuho Financial Group ensures the soundness of its management by allocating risk capital to its subsidiaries and affiliates to control risk within the limits set for each company. In addition, Mizuho Financial Group regularly monitors the manner in which risk capital is used and reports to the Board of Directors and other governance bodies.
- The Business Policy Committees, including the Risk Management Committee, conduct comprehensive deliberation and coordination, and report to the Board of Directors and other governance bodies regularly and as needed.
- For the purpose of business continuity management, Mizuho Financial Group established the position of “Chief Crisis Management Officer (CCMO)” and established a Crisis Management Office within the Strategic Planning Group as a section specializing in the supervision of business continuity management. In addition, for the purposes of uniform maintenance and improvement of the group’s business continuity management system, the group’s development policies and plan are formulated each fiscal year taking into account the social environment, changes in risk, and other factors. The Executive Management Committee periodically follows up on the progress of the development plan and reports to the Board of Directors and other governance bodies. In addition, the group continuously implements enhanced practical joint training, drills, etc., in which the management also participates, and, through such training and drills, works to improve the effectiveness of the business continuity management system of the entire group.
- Moreover, in consideration of its vital role within the social infrastructure as a financial institution, Mizuho Financial Group established the position of “Group Chief Information Security Officer” as the officer in charge of cybersecurity risk management, which has been increasingly gaining importance. A specialized section plans and conducts such risk management.
- In conjunction with the introduction of the in-house company system, Mizuho Financial Group has strengthened autonomous control, which is one of the “three lines of defense,” and has established and operates a structure in which risk monitoring and compliance associated with business operations is managed and integrated with its businesses by each in-house company, unit, etc.
- Mizuho Financial Group centrally comprehends and manages the status of risk and business continuity management of the core group companies by receiving reports on said status and other matters from the core group companies and informing the Board of Directors, the Audit Committee and other governance bodies of such reports. The risk and business continuity management of subsidiaries and affiliates other than the core group companies is managed through the core group companies.

### **(2) Compliance structure in relation to laws and regulations**

- Every year, Mizuho Financial Group develops and implements compliance programs, including various arrangements, training and checks, etc., related

to compliance for the implementation of specific plans for complete compliance, and additionally, manages the progress of, and makes necessary amendments to such plans. Mizuho Financial Group monitors the implementation status of initiatives to improve the knowledge and awareness of foreign exchange laws and regulations and relevant internal rules, which directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group possess, and initiatives to secure stable operations through anti-money laundering, the combating of financing of terrorism and similar measures, including in regard to the Foreign Exchange and Foreign Trade Act, and endeavors to further enhance our structure for complying with foreign exchange laws and regulations.

- Mizuho Financial Group's preventative measures concerning anti-social forces and management of conflicts of interest are tackled as part of compliance activities. We are dedicated to addressing such matters as priority actions shared by the group when designing and implementing the specific plans for complete compliance mentioned above.
- The Compliance Committee conducts deliberation and coordination for issues concerning compliance control, including compliance programs, and issues concerning the management of customer-oriented business conduct, the Disclosure Committee conducts deliberation and coordination for issues concerning disclosure controls and procedures, and those committees respectively report to the Board of Directors and other governance bodies regularly and as needed.
- Mizuho Financial Group centrally comprehends and manages its core group companies' compliance status by receiving reports on the status of compliance management, the status of customer-oriented business conduct and the status of establishment and operation of disclosure controls and procedures, as well as on other matters, from the core group companies and by informing the Board of Directors, the Audit Committee and other governance bodies of such reports. The compliance status of subsidiaries and affiliates other than the core group companies is managed through the core group companies.

### **(3) Internal audit structure**

- Under the supervision of the Board of Directors, the Internal Audit Group aims to develop its internal audit structure and, after ensuring organizational independence, conducts internal audits and provides recommendations and corrective guidance to the departments that are subject to audit.\* In addition, the status of management of internal audit operations, including the results of internal audits, is reported to the Board of Directors, the Audit Committee and other governance bodies.
- Mizuho Financial Group carefully examines the appropriateness of the structure, methods, depth and other related matters in respect of internal audits conducted by the core group companies, verifies the effectiveness of the internal management structure and provides advice, guidance and remedial recommendations.



#### **(4) Execution of duties by executive officers as defined in the Companies Act**

- Mizuho Financial Group carries out the safekeeping and management of material documents, such as the minutes of the Executive Management Committee meetings and other various committee meetings and materials related thereto, as well as applications for approval and reports, pursuant to certain rules. Mizuho Financial Group establishes and follows up on specific plans for information management, including training and checks, and reports to the Board of Directors and other governance bodies with respect to the status of information management and other such matters.
- Mizuho Financial Group has adopted a Company with Three Committees structure for the purpose of securing the effectiveness of corporate governance and supervision of the management, and enabling the management to make swift and flexible decisions and to realize expeditious corporate management by the Board of Directors' delegating decisions on business execution.
- Mizuho Financial Group has introduced the in-house company system, which is a management structure based on customer segments that enables it to effectively conduct banking, trust banking, securities, asset management, think tank and other group functions.
- With the aim of balancing the group's risk-return through the integrated group-wide operation of business strategies, financial strategies and risk controls, Mizuho Financial Group introduced a risk appetite framework, under which the group determines business strategies and measures as well as resource allocation and earnings plans based on Mizuho's risk appetite which is defined as the level and type of risk management the group is willing to assume in order to realize its business and financial strategies, and Mizuho Financial Group monitors the operation status of this framework.
- Mizuho Financial Group has determined the matters to be resolved by or reported to the Board of Directors, assignment of business operations to each organization, decision-making authority and other relevant matters. In addition, the Executive Management Committee and the Business Policy Committees were established and thus, Mizuho Financial Group ensures that executive officers as defined in the Companies Act execute their duties efficiently on a company-wide basis.

#### **(5) Group management administration structure**

- The tenets of Mizuho's Corporate Identity are shared throughout the group, and integrated group management is ensured by the direct management and administration of the core group companies by Mizuho Financial Group and of subsidiaries and affiliates other than the core group companies by the core group companies.
- Mizuho Financial Group receives, from the core group companies, applications for approval regarding important matters relating to the entire group and reports on similar matters, based on the Group Management Administration Regulations.
- With respect to risk management, compliance management and internal audits, Mizuho Financial Group receives reports regularly or as needed, and provides such reports to the Board of Directors and other governance bodies. Mizuho

Financial Group also provides appropriate instructions to the core group companies with respect to risk management, compliance management and internal audits.

- Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities and Asset Management One have adopted a Company with Audit and Supervisory Committees structure to establish a strong group governance structure.

#### **(6) Execution of duties by Audit Committee**

- The Audit Committee consists of one internal non-executive director and three outside directors, and the one internal non-executive director is appointed as a full-time member of the Audit Committee. Full-time members of the Audit Committee strive to ensure the effectiveness of the Audit Committee's activities by attendance at important meetings, inspection of relevant documents and collection of reports from directors, executive officers as defined in the Companies Act and employees of Mizuho Financial Group as well as directors, corporate auditors, or other persons equivalent thereto and employees of Mizuho Financial Group's subsidiaries and affiliates.
- The Audit Committee regularly receives reports from executive officers as defined in the Companies Act and other individuals on, among other things, the status of the execution of duties, including administration of group companies, takes the opportunity to exchange opinions and information, mainly from an internal control perspective, and confirms the effectiveness of the internal control system.
- Above all, with respect to internal audits, the Audit Committee invites the Group CAE to its meetings to receive reports regularly on, among other things, the status of internal audits, including those of group companies, and requests investigations and/or gives specific instructions whenever necessary. Further, the consent of the Audit Committee is required with respect to the establishment, revisions and abolition of the Basic Policy for Internal Audit, the Basic Plan for Internal Audit, the budget of the Internal Audit Group, the appointment and compensation of the Group CAE and the personnel changes in respect of the head of the Internal Audit Group, and resolutions of the Audit Committee are required with respect to important matters related to internal audits.\*
- Furthermore, in order to seek close coordination with the members of the Audit and Supervisory Committee and the corporate auditors of subsidiaries and affiliates, the Audit Committee and members of the Audit Committee regularly and as needed take the opportunity to exchange opinions and information.
- The Audit Committee invites Independent Auditors to its meetings regularly to receive reports on auditing plans, the status of audits, audit results, etc., and to discuss risk assessments and other topics.
- Through in-house training and by distributing information on the intranet, Mizuho Financial Group ensures that all members of the organization are well informed that those who identify any problems concerning compliance and contact the compliance hotline or report to the full-time members of the Audit Committee shall not be treated disadvantageously due to any such contact or report.

- Mizuho Financial Group has established the Audit Committee Office as a division responsible for assisting in the duties of the Audit Committee and has assigned thereto employees who are not subject to the chain of command structure of executive officers as defined in the Companies Act. In order to ensure the independence of the employees assigned to the Audit Committee Office from executive officers as defined in the Companies Act, the prior consent of the Audit Committee or a member of the Audit Committee that was designated in advance by the Audit Committee is obtained with respect to personnel changes relating to employees assigned to and the budget of the Audit Committee Office and other roles.

(Statements marked with \* refer to the operational status after the revision of the internal control system on April 1, 2024.)

## **8. Matters regarding a specified wholly-owned subsidiary**

### **(1) Name and address of specified wholly-owned subsidiary**

Mizuho Bank, Ltd.

5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo

### **(2) Total book value of stock of specified wholly-owned subsidiary held by Mizuho Financial Group and its wholly-owned subsidiary, etc. as of March 31, 2024**

JPY 4,993,583 million

### **(3) Total amount of assets recognized in the balance sheet of Mizuho Financial Group for this fiscal year**

JPY 16,290,423 million

## 9. Other matters

### **Policy for exercise of the authority given to the Board of Directors pursuant to the provision of the Articles of Incorporation subject to the provisions of Article 459, Paragraph 1 of the Companies Act (policy for making decisions regarding dividends from surplus)**

In its Articles of Incorporation, Mizuho Financial Group provides that it shall decide distribution of dividends from surplus and other matters provided for in each item of Article 459, Paragraph 1 of the Companies Act by a resolution of the Board of Directors, unless otherwise provided for in laws or regulations.

Based on our capital management policy of pursuing the optimum balance between capital adequacy, growth investment and enhancement of shareholder return, we maintain our shareholder return policy of progressive dividends as our principal approach while executing flexible and intermittent share buybacks. In addition, as for the dividends, we will decide based on the steady growth of our stable earnings base, taking a dividend payout ratio of 40% 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.

## [NOTES TO CONSOLIDATED FINANCIAL STATEMENTS]

Amounts less than one million yen are rounded down.

### **BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION**

1. Definitions of majority-owned subsidiary, other subsidiary and affiliate conform to Article 2, Paragraph 8 of the Banking Law and Article 4-2 of the Banking Law Enforcement Ordinance.

#### 2. Scope of Consolidation

(1) Number of majority-owned consolidated subsidiaries and other consolidated subsidiaries: 219

Names of principal companies:

Mizuho Bank, Ltd.

Mizuho Trust & Banking Co., Ltd.

Mizuho Securities Co., Ltd.

During the period, Greenhill & Co., Inc. and 58 other companies were newly included in the scope of consolidation as a result of a business acquisition and other factors.

During the period, Mizuho Securities Principal Investment Co., Ltd. and 17 other companies were excluded from the scope of consolidation as a result of dissolution and other factors.

(2) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries: 0

#### 3. Application of the Equity Method

(1) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries under the equity method: 0

(2) Number of affiliates under the equity method: 25

Names of principal companies:

Custody Bank of Japan, Ltd.

Orient Corporation

Mizuho Leasing Company, Limited

During the period, Kissetu Saison Finance (India) Private Ltd. and another company were newly included in the scope of the equity method as a result of increasing the shares and another factor.

During the period, LINE Bank Preparatory Company and another company were excluded from the scope of the equity method as a result of dissolution and another factor.

(3) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries not under the equity method: 0

(4) Affiliates not under the equity method:

Pec International Leasing Co., Ltd.

Affiliates not under the equity method are excluded from the scope of the equity method since such exclusion has no material effect on MHFG's consolidated financial statements in terms of Net Income (Loss) (amount corresponding to MHFG's equity position), Retained Earnings (amount corresponding to MHFG's equity position), Accumulated Other Comprehensive Income (amount corresponding to MHFG's equity position) and others.

#### 4. Fiscal Years of Majority-owned Consolidated Subsidiaries and Other Consolidated Subsidiaries

(1) Balance sheet dates of majority-owned consolidated subsidiaries and other consolidated subsidiaries are as follows:

December 31	52 companies
January 31	1 company
March 31	166 companies

From the fiscal year ended March 31, 2024, Mizuho Bank (USA) and eight other companies have changed their balance sheet dates from December 31 to March 31. The accounting periods in the current fiscal year have been 15 months from January 1, 2023 to March 31, 2024.

(2) The majority-owned consolidated subsidiary with the balance sheet date of January 31 and 15 companies of the majority-owned consolidated subsidiaries with the balance sheet date of December 31 were consolidated based on its provisional closing information as of and for the period ended the consolidated fiscal year end. Other majority-owned consolidated subsidiaries and other consolidated subsidiaries were consolidated based on their financial statements as of and for the period ended their respective balance sheet dates. The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

#### 5. Amortization Method of Goodwill

Goodwill is amortized over an appropriate period not to exceed 20 years under the straight-line method. The full amount of Goodwill that has no material impact is expensed as incurred.

#### 6. Standards of Accounting Method

(1) Credited Loans pursuant to Trading Securities and Trading Income & Expenses

Credited loans held for the purpose of trading are, in line with trading securities, recognized on a trade date basis and recorded in Other Debt Purchased on the consolidated balance sheet. Other Debt Purchased related to the relevant credited loans is stated at fair value at the consolidated balance sheet date.

Interest received and the gains or losses on the sale of the relevant credited loans during this fiscal year, including the gains or losses resulting from any change in the value between the beginning and the end of this fiscal year, are recognized in Other Operating Income and Other Operating Expenses on the consolidated statement of income.

(2) Trading Assets & Liabilities and Trading Income & Expenses

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

Securities and other monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, futures and option transactions, are stated at fair value, assuming that such transactions are terminated and settled at the consolidated balance sheet date. Trading Income and Trading Expenses include the interest received and the interest paid during this fiscal year, the gains or losses resulting from any change in the value of securities and other monetary claims between the beginning and the end of this fiscal year, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of this fiscal year, assuming they were settled at the end of this fiscal year.

For financial derivatives, fair value is calculated on the basis of net assets or liabilities after offsetting financial assets and liabilities with respect to specific market risks and specific credit risk.

### (3) Securities

(i) Bonds held to maturity are stated at amortized cost (straight-line method) and determined by the moving average method. Investments in affiliates not under the equity method are stated at acquisition cost and determined by the moving average method. Other Securities are stated at market price (cost of securities sold is calculated primarily by the moving average method). Stocks and others without a quoted market price are stated at acquisition cost and determined by the moving average method.

The net unrealized gains (losses) on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.

(ii) Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as described in (i) above.

### (4) Derivative Transactions

Derivative transactions (other than transactions for trading purposes) are valued at fair value.

Fair value is calculated on the basis of net assets or liabilities after offsetting financial assets and liabilities with respect to specific market risks and specific credit risk.

### (5) Depreciation of Fixed Assets

#### ① Tangible Fixed Assets (Except for Lease Assets)

Depreciation of buildings is computed mainly by the straight-line method, and that of others is computed mainly by the declining-balance method. The range of useful lives is as follows:

Buildings: 3 years to 50 years

Others: 2 years to 20 years

#### ② Intangible Fixed Assets (Except for Lease Assets)

Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally-used software are capitalized and amortized over their estimated useful lives of mainly from five to ten years as determined by MHFG and majority-owned consolidated subsidiaries.

#### ③ Lease Assets

Depreciation of lease assets booked in Tangible Fixed Assets and Intangible Fixed Assets which are concerned with finance lease transactions that do not transfer ownership is mainly computed by the same method as the one applied to fixed assets owned by us.

### (6) Deferred Assets

Bond issuance costs are expensed as incurred.

### (7) Reserves for Possible Losses on Loans

Reserves for Possible Losses on Loans of major domestic majority-owned consolidated subsidiaries and other consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and reserve provisions.



For claims extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws ("Bankrupt Obligor"), and to obligors that are effectively in similar conditions ("Substantially Bankrupt Obligor"), reserves are maintained at the amounts of claims net of direct write-offs described below and the expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees. For claims extended to obligors that are not yet legally or formally bankrupt but are likely to be bankrupt ("Intensive Control Obligor"), reserves are maintained at the amounts 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.

For claims extended to Intensive Control Obligors and Obligors with Restructured Loans and others, if the exposure to an obligor exceeds a certain specific amount, reserves are provided as follows: (i) if future cash flows of the principal and interest can be reasonably estimated, the discounted cash flow method is applied, under which the reserve is determined as the difference between the book value of the loan and its present value of future cash flows discounted using 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, reserves are provided for the losses estimated for each individual loan.

For claims extended to other obligors, reserves for the next one year or three years are maintained at rates derived from historical credit loss experience or historical bankruptcy experience for one or three years and making necessary adjustments such as future prospects and others. Reserve for Possible Losses on Loans to Restructuring Countries is maintained in order to cover possible losses based on analyses of the political and economic climates of the countries.

All claims are assessed by each claim origination department in accordance with the internally established "Self-assessment Standard," and the results of the assessments are verified and examined by the independent examination departments.

In the case of claims to Bankrupt Obligors and Substantially Bankrupt Obligors, which are collateralized or guaranteed by a third party, the amounts deemed uncollectible (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 written off against the respective claims balances. The total directly written-off amount was ¥107,611 million.

Other majority-owned consolidated subsidiaries and other consolidated subsidiaries provide the amount necessary to cover the loan losses based upon past experience and other factors for general claims and the assessment for each individual loan for other claims.

#### (Additional Information)

Expected losses which are assumed may occur in the future due to difficulties in foreign currency cash management influenced by economic sanctions against Russia, in claims for which transfer risk has not been avoided, are recognized as Reserve for Possible Losses on Loans to Restructuring Countries. The expected losses are calculated based on evaluation of Russian country risk and past defaults which are announced by external rating firms and others. The amount of Reserve for Possible Losses on Loans to Restructuring Countries for the fiscal year ended March 31, 2024 is ¥34,174 million, which includes ¥32,497 million against claims related to Russia.

#### (8) Reserve for Possible Losses on Investments

Reserve for Possible Losses on Investments is maintained to provide against possible losses on investments in securities, after taking into consideration the financial condition and other factors concerning the investee company.

- (9) Reserve for Bonus Payments  
Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of this fiscal year, based on the estimated future payments.
- (10) Reserve for Variable Compensation  
Reserve for Variable Compensation, which is prepared for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors, group executive officers and operating officers of Mizuho Financial Group, Inc., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd., and certain consolidated subsidiaries, is maintained to provide estimated payments based on the standard amount regarding variable compensation of this fiscal year.
- (11) Reserve for Director and Corporate Auditor Retirement Benefits  
Reserve for Director and Corporate Auditor Retirement Benefits, which is provided for future retirement benefit payments to directors, corporate auditors, and executive officers, is recognized at the amount accrued by the end of this fiscal year, based on the internally established standards.
- (12) Reserve for Possible Losses on Sales of Loans  
Reserve for Possible Losses on Sales of Loans is provided for possible future losses on sales of loans at the amount deemed necessary based on a reasonable estimate of possible future losses.
- (13) Reserve for Contingencies  
Reserve for Contingencies is maintained to provide against possible losses from contingencies which are not covered by other specific reserves. The balance is an estimate of possible future losses considered to require a reserve.
- (14) Reserve for Reimbursement of Deposits  
Reserve for Reimbursement of Deposits is provided against the losses for the deposits derecognized from liabilities at the estimated amount of future claims for withdrawal by depositors.
- (15) Reserve for Reimbursement of Debentures  
Reserve for Reimbursement of Debentures is provided for the debentures derecognized from liabilities at the estimated amount for future claims.
- (16) Reserve under Special Laws  
Reserve under Special Laws is Reserve for Contingent Liabilities from Financial Instruments and Exchange. This is the reserve pursuant to Article 46-5 of the Financial Instruments and Exchange Law and Article 175 of the Cabinet Office Ordinance regarding Financial Instruments Business, etc. to indemnify the losses incurred from accidents in the purchase and sale of securities, other transactions or derivative transactions.
- (17) Accounting Method for Retirement Benefits  
In calculating retirement benefit obligations, a benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Unrecognized prior service cost and unrecognized actuarial differences are recognized as follows:  
Unrecognized prior service cost: Recognized mainly as income or expenses in the period of occurrence.  
Unrecognized actuarial difference: Recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the employees (mainly 10 years) of the respective fiscal years.

Certain consolidated subsidiaries apply the simplified method that assumes the amount required for voluntary resignation at the end of the term to be retirement benefit obligations in computing net defined benefit liability and retirement benefit expenses.

(18) Assets and Liabilities denominated in foreign currencies

Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic majority-owned consolidated banking subsidiaries and a domestic majority-owned consolidated trust banking subsidiary are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the investments in affiliates not under the equity method, which are translated at historical exchange rates.

Assets and Liabilities denominated in foreign currencies of the majority-owned consolidated subsidiaries and other consolidated subsidiaries, except for the transactions mentioned above, are translated into Japanese yen primarily at the exchange rates in effect at the respective balance sheet dates.

(19) Revenues

Securities-related business fees mainly consist of brokerage fees and commissions, and asset-based revenues. Brokerage fees and commissions include fees earned from the execution of customer transactions and sales commissions of stocks, bonds and investment trusts, which are recognized at the point in time on transaction date with the customer. Asset-based revenues include fees received from investment trust management companies in return for administration services, such as record keeping services of investment trusts, which are recognized over time in the period when the related service is provided.

Deposits and Lending business fees consist of Deposit-related fees and Lending-related fees. Deposit related fees are within the scope of "Accounting Standard for Revenue Recognition", while most of Lending-related fees such as commitment fees and arrangement fees are not. Deposit-related fees include account transfer fees, which are recognized at the point in time on transaction date with the customer or at the point in time when the related service is provided.

Remittance business fees include service charges for domestic and international funds transfers and collections, which are recognized at the point in time when the related service is provided.

Trust-related business fees mainly consist of brokerage commissions of real estate property, consulting fees of real estate property and charged of stock transfer agent services. Brokerage commissions of real estate property are commissions that are received as consideration for services related to real estate brokerage, and are recognized in principle at the time of the conclusion of a sales contract for the subject real estate or trust beneficiary rights. Consulting fees of real estate property are commissions that are received as consideration for services related to real estate consulting, which are recognized at the point in time when the related service is provided or over time in the period when the related service is provided. Stock transfer agent service fees are commissions that are received as consideration for services related to transfer agent business and associated services, which are recognized at the point in time when the related service is provided or over time in the period when the related service is provided.

Agency business fees mainly consist of administration service fees related to MHFG Group's agency business such as Japan's principal public lottery program and revenues from standing proxy services related to stocks and others, which are recognized at the point in time when the related service is provided or over time in the period when the related service is provided.

Fees for other customer services include various revenues such as sales commissions of life insurance, service charges for electronic banking, financial advisory fees, and service charges for software development. Sales commissions of life insurance are received in return for selling insurance products and recognized mainly at the point in time on transaction date with the customer. Service charges for electronic banking are mainly monthly basic usage fees and recognized over time in the period when the related service is provided. Financial advisory fees are received as consideration for services supporting market research and business strategy planning, which are recognized over time in the period when the related service is provided. Service charges for software development are recognized mainly over time in the period when the related service is provided.

Fiduciary income mainly consists of trust fees earned through fiduciary asset management and administrative service, which are recognized at the point on creation of the trust or completion date specified in the contract, or over time in the period when the related service is provided.

Part of other ordinary income include underwriting fees from trading securities, credit card interchange fees and asset management business fees which are within the scope of "Accounting Standard for Revenue Recognition". Underwriting fees are recognized at the point on the date which all the consideration of the transaction are fixed. Credit card interchange fees are recognized at the point on the settlement of the credit card payment transactions. Asset management business fees consist of investment trust management fees and investment advisory fees for investment trusts, which are recognized over time in the period when the related service is provided.

## (20) Hedge Accounting

### (a) Interest Rate Risk

The deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods.

The portfolio hedge transaction for a large volume of small-value monetary claims and liabilities of domestic majority-owned consolidated banking subsidiaries and domestic majority-owned consolidated trust banking subsidiaries is accounted for in accordance with the method stipulated in the "Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks" (JICPA Industry Committee Practical Guideline No.24, March 17, 2022).

The effectiveness of hedging activities for the portfolio hedge transaction for a large volume of small-value monetary claims and liabilities is assessed as follows:

- (i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest-rate swaps, in the same maturity bucket.
- (ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged instrument and that of the hedging instrument.

The effectiveness of the individual hedge is assessed based on the comparison of the fluctuation in the market or of cash flows of the hedged instruments with that of the hedging instruments.

### (b) Foreign Exchange Risk

Domestic majority-owned consolidated banking subsidiaries and domestic majority-owned consolidated trust banking subsidiaries apply the deferred method of hedge accounting to hedge foreign exchange risks associated with various financial assets and liabilities denominated in foreign currencies as stipulated in the "Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks" (JICPA Industry Committee Practical Guideline No.25, October 8, 2020). The effectiveness of the hedge is assessed by confirming that the amount of the foreign currency position of the hedged monetary claims and liabilities is equal to or larger than that of currency-swap transactions, exchange swap transactions, and similar transactions designated as the hedging instruments of the foreign exchange risk.

In addition to the above methods, these majority-owned subsidiaries apply the deferred method or the fair-value hedge method to portfolio hedges of the foreign exchange risks associated with investments in majority-owned subsidiaries, other consolidated subsidiaries and affiliates in foreign currency and Other Securities in foreign currency (except for 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 securities in foreign currency.

(c) Inter-company Transactions

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 statement of income or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Committee Practical Guideline No. 24 and 25.

As for certain assets and liabilities of MHFG and its majority-owned consolidated subsidiaries and other consolidated subsidiaries, the deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied.

(d) Hedging relationships which apply "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR"

Among above (a) to (c), all hedging relationships included in the scope of applying the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Solutions No.40, March 17, 2022) are subject to this exceptional treatment. The detail of the hedging relationships which apply the treatment are as follows;

Hedging method: the deferred method, the fair-value hedge method or the exceptional accrual method

Hedging instruments: interest-rate swaps, currency-swap transactions or exchange swap transactions, etc.

Hedged financial assets and liabilities, financial assets and liabilities denominated in foreign instruments: currencies, etc.

The variety of Hedge transactions: to offset market fluctuation risks, to fix the cash flows

## Changes in Accounting Policies

(Implementation of ASU2016-13, "Measurement of Credit Losses on Financial Instruments")

Some overseas subsidiaries which apply U.S. GAAP and are considered non-public business entities have adopted ASU2016-13, "Measurement of Credit Losses on Financial Instruments" from the beginning of the fiscal year ended March 31, 2024. This update has replaced the incurred loss impairment methodology under previous U.S. GAAP with a methodology that reflects expected credit losses with respect to financial instruments in the amortized cost category, and full lifetime expected credit losses have been estimated upon initial recognition and a reserve has been recognized. In adopting the accounting standard, Retained Earnings was adjusted for the cumulative effect at the beginning of the fiscal year ended March 31, 2024 in accordance with transitional treatment set out in the accounting standard.

As a result, at the beginning of the fiscal year ended March 31, 2024, Reserves for Possible Losses on Loans increased by ¥1,188 million, Reserves for Contingencies increased by ¥1,485 million and Retained Earnings decreased by ¥1,883 million. The impact on Per Share Information is immaterial.

## Critical Accounting Estimates

### 1. Reserves for Possible Losses on Loans

#### (1) Amount on Consolidated Balance Sheet as of March 31, 2024

Reserves for Possible Losses on Loans    ¥787,848 million

#### (2) Information for understanding the contents of critical accounting estimates

##### (a) Calculating method

Calculation method is stated on "6. Standards of Accounting Method (7) Reserves for Possible Losses on Loans."

In addition, we have updated the expected loss amount for portfolios with similar characteristics of credit risk, which are highly likely to incur losses. We judged the possibility to incur losses based on the future prospects of external environments utilizing our credit risk management framework. Specifically, we estimated qualitative adjustments for specific portfolios where the risk of possible losses considering the future prospects of the external environment is not fully reflected in the historical loss rates based on the obligor's internal ratings and bankruptcy records as of the end of the fiscal year. The qualitative adjustments have a significant impact on the consolidated financial statements and can be continuously calculated based on a reasonable estimate. The amount is ¥15,378 million.

##### (b) Major assumptions

Major assumptions are "earnings estimate of obligors used for internal ratings and discounted cash flows" and "future prospects of external environments used for updating the estimate of expected loss amount." "Earnings estimate of obligors used for internal ratings and discounted cash flows" has been determined according to obligor's earnings, debt repayment status, industry characteristics, contents and progress of business plan and obligor's earnings capabilities based on the future outlook of business environments. "Future prospects of external environments used for updating the estimate of expected loss amount" is determined based on macroeconomic scenarios and the probability of the occurrence of various risks. More specifically, we used scenarios based on developments in monetary policy and their ripple effect, the potential prolongation of the situation in Russia and Ukraine, etc. These scenarios include the forecasted GDP growth rate, energy prices, financial variables, including interest rates and exchange rates, the future outlook of the business environment for specific portfolio segments, and increased rate of labor costs, etc. Expected losses effected by these impacts in the future are recognized as Reserves for Possible Losses on Loans.

**(c) Impact on Consolidated Financial Statements for the following consolidated fiscal year**

Due to the business trends in Japan and overseas and changes in the economic environment in certain industries, credit related costs may increase due to new portfolio problems that exceeds expectations, deterioration in the credit condition of obligors in certain industries, declines in the value of collateral and guarantees, etc.

**2. Fair Value of Financial Instruments**

**(1) Amount on Consolidated Balance Sheet as of March 31, 2024**

The amount is stated on "(FINANCIAL INSTRUMENTS) 2. Matters relating to fair value of financial instruments and breakdown of fair value by level (1) Financial instruments recorded at fair value in the consolidated balance sheet."

**(2) Information for understanding the contents of critical accounting estimates**

**(a) Calculating method**

Calculation method is stated on "(FINANCIAL INSTRUMENTS) 2. Matters relating to fair value of financial instruments and breakdown of fair value by level (Note 1) Explanation of valuation techniques and valuation inputs used in fair value measurements."

**(b) Major assumptions**

Major assumptions are the inputs used in the valuation model, and we may use observable inputs such as interest rates, exchange rates and market value of securities, etc., and may also use unobservable inputs, including significant estimates such as prepayment rate, default rate, recovery rate, discount rate, correlation and volatility, etc.

**(c) Impact on Consolidated Financial Statements for the following consolidated fiscal year**

Due to changes in the inputs as major assumptions by the change of market environments, the fair value of financial instruments may increase or decrease.

**3. Net Defined Benefit Asset and Net Defined Benefit Liability**

**(1) Amount on Consolidated Balance Sheet as of March 31, 2024**

Net Defined Benefit Asset	¥847,116 million
Net Defined Benefit Liability	¥67,151 million

**(2) Information for understanding the contents of critical accounting estimates**

**(a) Calculating method**

Mizuho Financial Group, majority-owned consolidated subsidiaries and other consolidated subsidiaries sponsor severance indemnities and pension plan as defined benefit plan. Net Defined Benefit Asset and Net Defined Benefit Liability is calculated based on a number of actuarial assumptions including mortality, withdrawals, discount rates, expected long-term rates of return on plan assets and rates of increase future compensation level.

**(b) Major assumptions**

Major assumptions are actuarial assumptions. Net Defined Benefit Asset and Net Defined Benefit Liability is calculated based on a number of actuarial assumptions including mortality, withdrawals, discount rates, expected long-term rates of return on plan assets and rates of increase future compensation level.

**(c) Impact on Consolidated Financial Statements for the following consolidated fiscal year**

Differences in results and actuarial assumptions and changes major assumptions may affect Net Defined Benefit Asset and Net Defined Benefit Liability for the following consolidated fiscal year.

## ADDITIONAL INFORMATION

### (The Board Benefit Trust ("BBT") Program)

Since MHFG operates its business to contribute to the creation of value for diverse stakeholders and realize improved corporate value through the continuous and stable growth of MHFG group pursuant to MHFG's basic management policy defined under the Mizuho Financial Group's Corporate Identity, MHFG has introduced a stock compensation program using a trust (the "Program") that functions as an incentive for each Director, Group Executive Officer, and Operating officers to exert maximum effort in performing his or her duties, and also as consideration for such exertion of effort.

#### (1) Outline of the Program

The Program has adopted the Board Benefit Trust ("BBT") framework. MHFG's shares on the stock market will be acquired through a trust established based on the underlying funds contributed by MHFG, and MHFG's shares will be distributed to Directors, Executive Officers, and Operating officers of MHFG, Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and Mizuho Securities Co., Ltd. (the "Company Group") and other entities in accordance with the Rules on Distribution of Shares to be prescribed in advance. The framework consists of the stock compensation program based on the Company Group Officer's responsibilities and others in their respective company ("Stock Compensation I"), the stock compensation program based on the performance evaluation of the Company Group ("Stock Compensation II") and the stock compensation program based on Company Group Officer's responsibilities in their respective company and the performance evaluation of the Company Group, which distributes MHFG's shares to Operating officers of MHFG and certain consolidated subsidiaries ("Stock Benefit").

Stock Compensation I will be paid at the time of retirement in the form of shares of MHFG calculated based on their responsibilities and others. A system is adopted which enables a decrease or forfeiture of the amount depending on the performance of the company or the individual.

Stock Compensation II will be paid in the form of shares of MHFG and will be deferred over three years, which is calculated based on the status of achieving financial-related indicators and evaluation of stakeholder-related indicators that the Company Group regard as important in order to improve corporate value over the medium to long term. A system is adopted which enables a decrease or forfeiture of the amount depending on the performance of the company or the individual.

Stock Benefit will be paid in the collective form of MHFG's share which is based on responsibilities in their respective company and the performance evaluation of the Company Group. Reduction and forfeit of the benefit can occur in the program.

Upon the payment of stock compensation under the Program, MHFG may, for a certain portion, pay a monetary amount equivalent to the market value of its stock in lieu of stock compensation in accordance with the Rules on Distribution of Shares.

Voting rights related to MHFG's shares belonging to the trust assets under the trust shall not be exercised.

#### (2) MHFG's Shares Outstanding in the Trust

MHFG's shares outstanding in the trust are recognized as Treasury Stock under Net Assets at the carrying amount (excluding the amount of incidental expenses) in the trust. The carrying amount of such Treasury Stock as of March 31, 2024 was ¥5,359 million for 2,910 thousand shares.

### (Application of Treatment of Accounting and Disclosure for Applying the Japanese Group Relief System)

MHFG and some domestic consolidated subsidiaries of the Group have applied the Japanese Group Relief System. In addition, in accordance with "Treatment of accounting and disclosure for applying the Japanese Group Relief System" (Practical Solutions No. 42, August 12, 2021), MHFG and some domestic consolidated subsidiaries of the Group have recorded and disclosed corporate tax and local corporate tax or the related tax-effect accounting.



## NOTES

### (NOTES TO CONSOLIDATED BALANCE SHEET)

1. The total amount of shares and investments in affiliates (excluding shares and investments in the majority-owned consolidated subsidiaries and other consolidated subsidiaries) is ¥582,241 million.
2. Secured loaned securities which the borrowers have the right to sell or repledge amounted to ¥59,786 million and are included in Japanese Government Bonds under Securities.  
MHFG has the right to sell or repledge some of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral. Among them, the total of securities repledged was ¥26,742,449 million and securities neither repledged nor re-loaned was ¥3,710,470 million.
3. Claims based on Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions are as follows. The claims consist of those included in the accounts of bonds included in "Securities" (its principal's redemption and interest payments are guaranteed, in whole or in part, and the corporate bonds issue is limited to a private placement of the securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act. )), "Loans", "Foreign Exchanges Assets", accrued interest and suspense payment in "Other Assets" and "Customers' Liabilities for Acceptances and Guarantees" in the consolidated balance sheet, and securities in the notes in case they are loans (limited to those under a loan for use or lease agreement.).

Claims against Bankrupt and Substantially Bankrupt Obligors	¥36,497 million
Claims with Collection Risk	¥700,730 million
Claims for Special Attention	¥515,503 million
Loans Past Due for 3 Months or More	¥456 million
Restructured Loans	¥515,046 million
Sub-total	¥1,252,731 million
Normal Claims	¥105,380,865 million
Total	¥106,633,596 million

Claims against Bankrupt and Substantially Bankrupt Obligors are claims against debtors in bankruptcy due to the commencement of bankruptcy procedures, the commencement of reorganization proceedings, the petition for the commencement of rehabilitation proceedings, and claims equivalent to these.

Claims with Collection Risk are claims that the debtor is not yet in a state of bankruptcy, but its financial position and business performance have deteriorated, and it is highly probable that principal's collection and interest on claims in accordance with the terms of the contract will not be received.

These claims do not fall under the category of Claims against Bankrupt and Substantially Bankrupt Obligors.

Loans Past Due for 3 Months or More are loans on which payments of principal and/or interest have not been made for a period of three months or more since the next day following the first due date, and which are not included in Claims against Bankrupt and Substantially Bankrupt Obligors, or Claims with Collection Risk.

Restructured Loans represent loans whose contracts were amended in favor of obligors (e.g. reduction of, or exemption from, stated interest, deferral of interest payments, extension of maturity dates and renunciation of claims) in order to assist or facilitate the restructuring of the obligors. Claims against Bankrupt and Substantially Bankrupt Obligors, Claims with Collection Risk and Loans Past Due for 3 Months or More are not included.

Normal Claims are deemed to have no particular problem with the obligor's financial position and business performance and are classified as other than Claims against Bankrupt and Substantially Bankrupt Obligors, Claims with Collection Risk, Loans Past Due for 3 Months or More and Restructured Loans.

The amounts given in the above table are gross amounts before deduction of amounts for the Reserves for Possible Losses on Loans.

4. In accordance with Committee Practical Guideline No. 24, bills discounted are accounted for as financing transactions. The banking subsidiaries have rights to sell or pledge these commercial bills, foreign exchange bills purchased and others. The face value of these bills amounted to ¥1,256,485 million.

5. The following assets were pledged as collateral:

Trading Assets:	¥6,053,914 million
Securities:	¥14,741,743 million
Loans and Bills Discounted:	¥8,368,476 million

The following liabilities were collateralized by the above assets:

Deposits:	¥216,990 million
Payables under Repurchase Agreements:	¥17,553,436 million
Guarantee Deposits Received under Securities Lending Transactions:	¥644,522 million
Borrowed Money:	¥4,027,173 million

In addition to the above, the settlement accounts of foreign and domestic exchange transactions or derivatives transactions and others were collateralized, and margins for futures transactions were substituted by Cash and Due from Banks of ¥92,232 million, Trading Assets of ¥427,431 million, Securities of ¥5,188,391 million, and Loans and Bills Discounted of ¥65,029 million.

In addition, ¥960,000 million of securities were pledged under general collateral repurchase agreements using the subsequent collateral allocation method.

Other Assets includes margins for futures transactions of ¥240,463 million, guarantee deposits of ¥88,907 million, and collateral pledged for financial instruments and others of ¥2,060,097 million.

6. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which majority-owned banking subsidiaries are bound to extend 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 amounted to ¥119,772,942 million. Of this amount, ¥80,473,318 million relates to contracts of which the original contractual maturity is one year or less, or which are unconditionally cancelable at any time.

Since many of these contracts expire without being exercised, the unutilized balance itself does not necessarily affect future cash flows. A provision is included in many of these contracts that entitles the majority-owned banking 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. The majority-owned banking subsidiaries require collateral such as real estate and securities when deemed necessary at the time the contract is entered into. In addition, they periodically monitor customers' business conditions in accordance with internally established standards and take necessary measures to manage credit risks such as amendments to contracts.

7. In accordance with the Land Revaluation Law (Proclamation No.34 dated March 31, 1998), land used for business operations of domestic majority-owned consolidated banking subsidiaries was revalued. The applicable income taxes on the entire excess of revaluation are included in Deferred Tax Liabilities for Revaluation Reserve for Land under Liabilities, and the remainder, net of applicable income taxes, is stated as Revaluation Reserve for Land included in Net Assets.

Revaluation date: March 31, 1998

Revaluation method as stated in Article 3, Paragraph 3 of the above law: Land used for business operations was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Paragraph 4 of the Enforcement Ordinance relating to the Land Revaluation Law (Government Ordinance No.119 promulgated on March 31, 1998) with reasonable adjustments to compensate for sites with long depth and other factors, and also on the basis of the appraisal valuation stipulated in Paragraph 5.

The difference at the consolidated balance sheet date between the total fair value of land for business operation purposes, which has been revalued in accordance with Article 10 of the above-mentioned law, and the total book value of the land after such revaluation was ¥27,662 million.

8. Accumulated Depreciation of Tangible Fixed Assets amounted to ¥808,472 million.
9. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets and others amounted to ¥29,645 million.
10. Borrowed Money includes subordinated borrowed money of ¥204,000 million with a covenant that performance of the obligation is subordinated to that of other obligations.
11. Bonds and Notes includes subordinated bonds of ¥3,258,450 million.
12. The principal amounts of money trusts with contracts indemnifying the principal amounts, which are entrusted to domestic majority-owned consolidated trust banking subsidiaries, are ¥801,632 million.
13. Liabilities for guarantees on corporate bonds included in Securities, which were issued by private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Law) amounted to ¥1,031,181 million.

**(NOTES TO CONSOLIDATED STATEMENT OF INCOME)**

1. Other Ordinary Income includes gains on sales of stocks of ¥350,394 million.
2. Other Ordinary Expenses includes losses on sales of stocks of ¥289,290 million.

**(NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS)**

1. Types and number of issued shares and of treasury stock are as follows:

	<i>Thousands of Shares</i>				
	As of April 1, 2023	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2024	Remarks
Issued shares					
Common stock	2,539,249	—	—	2,539,249	
Total	2,539,249	—	—	2,539,249	
Treasury stock					
Common stock	5,027	1,312	1,599	4,739	*
Total	5,027	1,312	1,599	4,739	

\* Increases are due to acquisition of treasury stock by BBT trust account (975 thousand shares) and repurchase of shares constituting less than one unit and other factors (336 thousand shares). Decreases are due to distribution and sale of treasury stock through BBT trust account (1,296 thousand shares) and repurchase of shares constituting less than one unit and other factors (303 thousand shares). The number of shares as of March 31, 2024 includes the number of treasury stock held by BBT trust account (2,910 thousand shares).

2. Stock acquisition rights and treasury stock acquisition rights are as follows:

Category	Breakdown of stock acquisition rights	Class of shares to be issued or transferred upon exercise of stock acquisition rights	Number of shares to be issued or transferred upon exercise of stock acquisition rights (Shares)				Balance as of March 31, 2024 <i>(Millions of yen)</i>	Remarks
			As of April 1, 2023	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2024		
MHFG	Stock acquisition rights (Treasury stock acquisition rights)	-	(-)	(-)	(-)	(-)		
	Stock acquisition rights as stock option		-			5		
Majority- owned consolidated subsidiaries and other consolidated subsidiaries (Treasury stock acquisition rights)			-			(-)		
Total			-			5 (-)		

3. Cash dividends distributed by MHFG are as follows:

(1) Cash dividends paid during the fiscal year ended March 31, 2024

Resolution	Type	Cash Dividends (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
May 15, 2023 ( The Board of Directors )	Common Stock	107,882	42.50	March 31, 2023	June 6, 2023
November 13, 2023 ( The Board of Directors )	Common Stock	126,919	50.00	September 30, 2023	December 6, 2023
Total		234,802			

Notes 1: Cash Dividends based on the resolution of the Board of Directors held on May 15, 2023 include ¥137 million of cash dividends on treasury stock held by BBT trust account.

2: Cash Dividends based on the resolution of the Board of Directors held on November 13, 2023 include ¥130 million of cash dividends on treasury stock held by BBT trust account.

(2) Cash dividends with record dates falling in the fiscal year ended March 31, 2024 and effective dates coming after the end of the fiscal year

Resolution	Type	Cash Dividends (Millions of yen)	Resource of Dividends	Cash Dividends per Share (Yen)	Record Date	Effective Date
May 15, 2024 ( The Board of Directors )	Common Stock	139,610	Retained Earnings	55.00	March 31, 2024	June 6, 2024

Note: Cash Dividends based on the resolution of the Board of Directors held on May 15, 2024 include ¥160 million of cash dividends on treasury stock held by BBT trust account.

## **(FINANCIAL INSTRUMENTS)**

### 1. Matters relating to the conditions of financial instruments

#### (1) Policy on financial instruments

Mizuho Financial Group (MHFG), which primarily engages in banking business, incurs financial liabilities such as customer deposits and market deposits on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engages in trading business for certain financial products. Some majority-owned consolidated subsidiaries and other subsidiaries conduct securities business and other financial businesses.

For above funding and investment businesses, MHFG appropriately manages risks of each financial instrument and carefully watches term-gaps and other risk factors.

#### (2) Contents and Risk of Financial Products

The main financial assets of the Mizuho group consist of loans to customers, government bonds and stocks. These financial assets are subject to various types of risk that may cause the Group to incur losses due to a decline in, or total loss of, the value of assets, as a result of deterioration in a counterparty's and/or an issuer's financial position ("credit risk"), or due to a decline in the value of assets caused by fluctuations in interest rates, stock prices and foreign exchange rates and so on ("market risk"). The Group may also be exposed to the risk of incurring losses when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual ("market liquidity risk").

Our stable retail deposit base represents Mizuho group's main financing source, but we also raise funds directly from the market. These financing sources are subject to the risk of losses arising from funding difficulties due to market disruption or deterioration of our financial position, which makes us difficult to raise necessary funds or forces us to raise funds at significantly higher rates than usual ("liquidity risk").

In addition, the Mizuho group uses derivative financial products 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 products like interest rate swaps are used as hedging methods for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these products, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure whether the derivative financial products effectively work in order to offset the exposure to changes in fair value and variable cash flows from hedged items. It should be noted that the Mizuho Group uses derivative financial products for trading and other purposes as well.

#### (3) Risk Management for Financial Products

##### ① Commitment to Risk Management

We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures.

We maintain basic policies for risk management established by our Board of Directors that are applicable to the entire Mizuho 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, we maintain various measures to strengthen and enhance the sophistication of our risk management system.

## ② General Concept of Risk Management

We classify our risk exposures according to the various types of risk, including credit risk, market risk, liquidity risk, operational risk, reputational risk and model risk, and manage each type of risk according to its characteristics.

In addition to managing each type of risk individually, we have 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, we allocate risk capital to core group companies, including their respective subsidiaries, to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed the Group's financial strength. To ensure the ongoing financial health of Mizuho Financial Group, we regularly monitor 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 of each company.

## ③ Credit Risk Management

The Board of Directors of Mizuho Financial Group determines basic matters pertaining to credit risk management. In addition, we have established the Risk Management Committee, as one of its Business Policy Committees. This committee broadly discusses and coordinates basic policy in connection with credit risk management, matters in connection with overall credit portfolio management, and credit risk monitoring for the Mizuho group. Under the control of the Group Chief Risk Officer, the Credit Risk Management Department and the Risk Management Department jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

We have adopted two different but mutually complementary approaches in credit risk management. The first approach is "credit management," in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is "credit portfolio management," in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risk and respond appropriately.

We use 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"). Our principal banking subsidiaries have established guidelines to manage "credit concentration risk," which stems from granting excessive credit to certain corporate groups.

The Board of Directors of each of our principal banking subsidiaries and other core group companies determines key matters pertaining to credit risk management by establishing their respective basic policies in line with the basic policies for credit risk management set forth by Mizuho Financial Group. Their respective Business Policy Committees are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors.

The Chief Risk Officer of each principal banking subsidiary and core group company is responsible for matters relating to planning and implementing credit risk management. Departments in charge of credit risk management are responsible for planning and administering credit risk management and conducting credit risk measuring and monitoring. Credit Departments determine policies and approves/disapproves individual transactions regarding review and management of and collection from customers in accordance with the lines of authority set forth by each principal banking subsidiary. In addition, each of our principal banking subsidiaries has also established internal audit groups that are independent of the business departments in order to ensure appropriate credit risk management.

#### ④ Market Risk Management

The Board of Directors of Mizuho Financial Group determines basic matters pertaining to market risk management policies. In addition, we have established the Risk Management Committee, as one of its Business Policy Committees. The committee broadly discusses and coordinates matters concerning basic policy and operations in connection with market risk management and market risk monitoring, and proposes measures to be taken in emergencies such as sudden market changes.

The Group Chief Risk Officer is responsible for matters relating to market risk management planning and operations. The Risk Management Department of Mizuho Financial Group 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 department assesses and manages the overall market risk of the Mizuho group as a whole and keeps track of the market risk situation of our principal banking subsidiaries and other core group companies. The department also submits reports to the President & CEO on a daily basis and to our Board of Directors and the Executive Management Committee of Mizuho Financial Group on a regular basis.

To manage market risk, we set 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, we set limits for VAR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

The Board of Directors of each of our principal banking subsidiaries and other core group companies determine key matters pertaining to market risk by establishing their respective basic policies in line with the basic policies for market risk management set forth by Mizuho Financial Group. Based on a common Mizuho Group risk capital allocation framework, the above-mentioned companies manage market risk by setting limits according to the risk capital allocated to market risk by Mizuho Financial Group. They have the same market risk management structure as the Mizuho Financial Group, such as their Business Policy Committees being responsible for overall discussion and coordination of the market risk management.

In addition, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their 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 using additional risk indices such as 10 BPV (Basis Point Value), carry out stress tests and set stop loss limits as needed.

#### ⑤ Situation of Market Risk

##### i. Banking business

The following table shows the VAR figures relating to our banking activities for the fiscal year indicated:

(Billions of yen)

	Fiscal year ended March 31, 2024
As of fiscal year end	319.0
Maximum	336.5
Minimum	185.9
Average	281.2



**【Definition of Banking business】**

The following transactions are categorized as banking business, with trading business and cross-shareholdings being categorized separately.

- (1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.
- (2) Equity (excluding cross-shareholdings), 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.

Banking business VAR used to calculate Market Risk Equivalent is based on the following:

- VAR: historical simulation method;
- confidence interval: one-tailed 99%;
- holding period of one month; and
- historical observation period of three years.

ii. Trading business

The following table shows VAR figures of our trading activities for the fiscal year indicated:

(Billions of yen)

	Fiscal year ended March 31, 2024
As of fiscal year end	3.4
Maximum	9.2
Minimum	3.3
Average	5.6

**【Definition of Trading business】**

- (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) Transactions that have both aspects of (1) and (2) above.
- (4) Transactions held for broking business or market-making business.

Trading business VAR used to calculate Market Risk Equivalent is based on the following:

- VAR: historical simulation method;
- confidence interval: one-tailed 99%;
- holding period of one trading day; and
- historical observation period of three years.

iii. Cross-shareholdings

For cross-shareholdings, we take the same market risk management approach as that for Banking and Trading businesses with the use of VAR and risk indices.

The risk index for the cross-shareholdings (sensitivity of the portfolio to a 1% change in the equity index of TOPIX) for the fiscal year ended March 31, 2024 is ¥25.9 billion.

#### iv. Risk management using VAR

VAR is a commonly used market risk management technique with 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 shortcomings:

- VAR estimates could differ by assumptions of holding period, confidence interval level and approaches for the measurement.
- VAR which is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
- VAR might underestimate the probability of extreme market movements when the market gets inactive as VAR assumes sales of holding portfolio and hedges in the market during the holding period for the calculation.
- The use of a 99% confidence level neither takes account of, nor makes any statement about, any losses that might occur beyond this confidence level.

The historical simulation method used as the measurement technique of VAR assumes that change in a market movement follows an empirical distribution. Therefore, the model might underestimate the risk under the circumstance that the market is likely to move extremely beyond the assumption. We check the validity of the market risk measurement made by VAR approach periodically by the back-test which compares VAR with actual profit and loss. In addition to VAR, we make a wide variety of management and controls such as risk indices monitoring, implementation of stress tests, loss limit monitoring in order to make strict risk management by capturing carefully all risks, including what VAR approach is not able to cover.

#### ⑥ Liquidity Risk Management

Our liquidity risk management structure is generally the same as the market risk management structure described above ("Item ④ Market Risk Management"). Moreover, the Group Chief Financial Officer is also responsible for matters related to planning and operation of funds management, while the Financial Planning Department is responsible for its monitoring and adjusting, and also for planning and implementing measures on funds management. Reports on the status of and other factors relating to, cash funding management are submitted to the Board of Directors, the Risk Committee, the Executive Management Committee, the President & Group CEO, and the Business Policy Committees respectively on a regular basis.

We measure liquidity risk using indices pertaining to funds management, such as limits on funds raised from the market, liquidity stress test surplus. Limits on liquidity risk are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and determined by the President & CEO. We have established classifications according to the status of cash funding management, ranging from "normal" to "anxious" and "crisis," and have established procedures for dealing with cases which are deemed to fall into the "anxious" or "crisis" categories. Additionally, we have established a structure under which we will be able to respond smoothly in the event of emergency situations that affect our funds management.

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

Since certain assumptions and others are adopted for calculating fair values of financial instruments, they may differ when adopting different assumptions and others.

## 2. Matters relating to fair value of financial instruments and breakdown of fair value by level

The following are the consolidated balance sheet amounts, fair values, differences between them and breakdown of fair values by level as of March 31, 2024. Stocks and others without a quoted market price and Investments in Partnerships and others are excluded from the table below (see (Note 2)). In addition, notes concerning Cash and Due from Banks, Call Loans and Bills Purchased, Receivables under Resale Agreements, Guarantee Deposits Paid under Securities Borrowing Transactions, Foreign Exchange (assets / liabilities), Call Money and Bills Sold, Payables under Repurchase Agreements, Guarantee Deposits Received under Securities Lending Transactions, and Due to Trust Accounts are omitted since these instruments are mainly settled in the short term and the fair values approximate the book values.

Fair values of financial instruments are categorized into three levels as below on the basis of the observability and the materiality of the valuation inputs used in fair value measurements.

Fair values of Level 1: Fair values measured by quoted prices of the assets or liabilities being measured which are given in active markets among observable valuation inputs

Fair values of Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair values of Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

## (1) Financial instruments recorded at fair value in the consolidated balance sheet

As of March 31, 2024

(Millions of yen)

Category	Consolidated Balance Sheet Amount			
	Level 1	Level 2	Level 3	Total
Other Debt Purchased	—	78,091	7,638	85,729
Trading Assets				
Trading Securities				
Japanese Government Bonds	1,231,186	5,334	—	1,236,521
Japanese Local Government Bonds	—	133,783	—	133,783
Japanese Corporate Bonds	—	664,841	5,000	669,841
Stocks	800,806	—	48	800,855
Other	2,281,560	5,121,839	121,147	7,524,547
Money Held in Trust	—	552,843	5	552,849
Securities				
Other Securities				
Stocks	3,092,558	—	10,102	3,102,660
Japanese Government Bonds	10,562,257	412,135	—	10,974,393
Japanese Local Government Bonds	—	583,738	—	583,738
Japanese Corporate Bonds	—	2,652,135	156,107	2,808,242
Foreign Bonds	4,214,340	7,983,161	95,914	12,293,417
Other(*1)	1,209,546	1,510,105	17,864	2,737,516
Total Assets	23,392,258	19,698,009	413,828	43,504,096
Trading Liabilities				
Securities Sold, Not yet Purchased	3,445,024	557,815	36	4,002,876
Bonds and Notes	—	534,787	818	535,606
Other Liabilities				
Short Positions In Bonds	—	1,700,345	—	1,700,345
Total Liabilities	3,445,024	2,792,949	855	6,238,828
Derivative Transactions(*2,3)				
Interest Rate and Bond-Related Transactions	28,586	23,206	30,375	82,168
Currency-Related Transactions	—	34,750	(6,357)	28,393
Stocks-Related Transactions	(17,698)	10,412	(6,373)	(13,659)
Commodity-Related Transactions	7,728	(8,086)	(339)	(697)
Credit Derivative Transactions	—	38,757	(4,655)	34,101
Total Derivative Transactions	18,616	99,041	12,648	130,306

(\*1) The investment trusts accounted for under Article 24-3 and 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021) are regarded to have fair value equal to their net asset value, and therefore are not included in the above table. The relevant investment trusts in Article 24-3 and 24-9 are ¥13,468 million and ¥50,329 million in the consolidated balance sheet.

(\*2) Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum.  
Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(\*3) Derivative Transactions applying for hedge accounting are ¥(1,029,922) million in the consolidated balance sheet.  
The deferred method is mainly applied. "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Solutions No.40, March 17, 2022) is applied to these hedge transactions.

(2) Financial instruments other than financial instruments recorded at fair value in the consolidated balance sheet  
As of March 31, 2024

(Millions of yen)

Category	Fair Value				Consolidated Balance Sheet Amount	Difference
	Level 1	Level 2	Level 3	Total		
Other Debt Purchased	—	—	4,089,162	4,089,162	4,089,162	—
Money Held in Trust	—	—	25,960	25,960	25,960	—
Securities						
Bonds Held to Maturity						
Japanese Government Bonds	512,020	—	—	512,020	519,397	(7,377)
Foreign Bonds	—	3,350,903	—	3,350,903	3,525,737	(174,833)
Loans and Bills Discounted					92,778,781	
Reserves for Possible Losses on Loans (*)					(708,720)	
	—	5,088	93,437,406	93,442,494	92,070,060	1,372,433
<b>Total Assets</b>	<b>512,020</b>	<b>3,355,991</b>	<b>97,552,528</b>	<b>101,420,540</b>	<b>100,230,317</b>	<b>1,190,223</b>
Deposits	—	159,805,074	—	159,805,074	159,854,668	(49,594)
Negotiable Certificates of Deposit	—	11,589,336	—	11,589,336	11,590,532	(1,196)
Borrowed Money	—	5,326,076	110,572	5,436,648	5,449,852	(13,203)
Bonds and Notes	—	10,280,735	812,202	11,092,937	11,464,105	(371,167)
<b>Total Liabilities</b>	<b>—</b>	<b>187,001,221</b>	<b>922,775</b>	<b>187,923,996</b>	<b>188,359,159</b>	<b>(435,162)</b>

(\*) General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted are excluded.  
Items other than Loans and Bills Discounted are recorded at the consolidated balance sheet amounts due to immateriality of their reserves.

(Note 1) Explanation of valuation techniques and valuation inputs used in fair value measurements

Assets

Other Debt Purchased

Fair values of securitized products of other debt purchased are based on the values deemed as market prices obtained by the model such as those obtained from brokers and financial information vendors and are categorized as Level 3 when significant unobservable valuation inputs are used for the obtained price and as Level 2 when other inputs are used.

With respect to other debt purchased other than those described above, when the present values of the expected future cash flows are considered to be fair values, those other debt purchased are mainly categorized as Level 3 since the discount rate and other significant valuation inputs are unobservable. When those are short term in nature and the book values are considered to be fair values, those other debt purchased are categorized as Level 3.

Trading Assets

Fair values of trading assets for which unadjusted quoted market prices in active markets are available are categorized as Level 1, which includes mainly government bonds.

In the case the market is inactive even if the quoted market price is available, those trading assets are categorized as Level 2, which includes mainly local government bonds and corporate bonds.

When fair values are measured at the discounted cash flow method and others using significant unobservable inputs, those trading assets are categorized as Level 3.

Money Held in Trust

With respect to securities managed as trust assets in a directed money trust for separate investment with the management of securities as its primary purpose, fair values of stocks are measured at the price in stock exchanges and bonds are measured at market price or valuation price obtained from brokers or financial information vendors and are categorized as Level 2 or Level 3 based on the level of components.

Securities

Fair values of securities for which unadjusted quoted market prices in active markets are available are categorized as Level 1 which includes mainly stocks and government bonds. In the case the market is inactive even if the quoted market price is available, those securities are categorized as Level 2, which includes mainly local government bonds and corporate bonds.

Fair values of investment trusts are measured at the market price or the disclosed net asset value and others. Those for which unadjusted quoted market prices in active markets are available are categorized as Level 1 and that are not available as Level 2. Additionally the investment trusts for which there are no transaction prices in markets with no significant limitations from market participants to demand compensation for the risk are valued using net asset value and are categorized as Level 2.

Fair values of private placement bonds are measured by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors to market yield by categories based on the internal ratings and terms and are categorized as Level 3 when the impact from unobservable valuation inputs is significant and as Level 2 when it is not significant. Fair values of securitized products are based on valuations obtained from brokers and others, and on model-based prices based on the reasonable estimates of our management. These are categorized as Level 3 when significant unobservable valuation inputs are used and as Level 2 when other inputs are used. In deriving model-based 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, prepayment rates, and discount rates.

### Loans and Bills Discounted

Fair values of loans and bills discounted are mainly measured by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the types, internal ratings and terms of the loans and bills discounted and are categorized as Level 3 since the discount rate is unobservable.

In addition, fair values of claims against bankrupt obligors, substantially bankrupt obligors, and intensive control obligors whose bad debts are mainly measured at the present value of the expected future cash flows or the estimated amounts calculated based on the recoverability from collateral and guarantees approximate the amount of claims and others minus the amount of reserves for possible losses on loans in the consolidated balance sheet as of the consolidated balance sheet date and those amount are considered to be fair values which are categorized as Level 3.

Among 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, book values are considered to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions. Fair values of those loans and bills discounted are categorized as Level 3.

### Liabilities

#### Deposits and Negotiable Certificates of Deposit

For demand deposits, the payment amounts required on the consolidated balance sheet date (i.e., book values) are considered 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. Since fair values of those whose deposit terms are short (i.e., within six months) approximate book values, the book values are considered to be fair values and those fair values are categorized as Level 2.

#### Trading Liabilities and Other Liabilities

Fair values of trading liabilities and short positions in bonds included in other liabilities for which unadjusted quoted market prices in active markets are available are categorized as Level 1, which includes mainly listed stocks and government bonds.

In the case the market is inactive even if the quoted market price is available, those trading liabilities are categorized as Level 2, which includes mainly corporate bonds.

When significant unobservable inputs are used, those trading liabilities are categorized as Level 3.

#### Borrowed Money

Fair values of borrowed money are measured mainly by discounting the total amount of the principal and interest of such borrowed money classified by period lengths at the interest rates considered to be applicable to similar loans and are categorized as Level 3 when the impact from unobservable valuation inputs is significant and as Level 2 when it is not significant.

### Bonds and Notes

With respect to bonds and notes issued by MHFG and its majority-owned consolidated subsidiaries and other consolidated subsidiaries, fair values of bonds and notes with market prices are measured at the market prices and fair values of those without market prices are calculated by discounting the total amount of the principal and interest at the interest rates considered to be applicable to similar bonds and notes. Bonds and notes with market prices are categorized as Level 2. Those without market prices are categorized as Level 3 when the impact from unobservable valuation inputs is significant and as Level 2 when it is not significant.

Certain foreign subsidiaries have adopted the fair value option to bonds and notes issued by themselves, and the fair value is calculated based on the valuation model. When unobservable inputs are not used or the impact of unobservable inputs is not material, those bonds and notes are categorized as Level 2. When significant unobservable inputs are used, those bonds and notes are categorized as Level 3.

### Derivative Transactions

Derivative transactions that can be measured at unadjusted quoted prices in active markets are categorized as Level 1, which includes such transactions as bonds futures and interest rate futures.

However, since most derivative transactions are over-the-counter transactions and there are no quoted market prices, market values are measured using valuation techniques such as the discounted cash flow method and the Black-Scholes model, depending on the type of transaction and the maturity period. The main inputs which are used in those valuation techniques are interest rate, currency rate, volatility and others. In addition, price adjustments based on credit risk of counterparty and credit risk of majority-owned consolidated subsidiaries and other consolidated subsidiaries themselves and price adjustments for unsecured funding are made. When unobservable inputs are not used or impact of unobservable inputs are not material, those derivative transactions are categorized as Level 2, which includes such transactions as plain vanilla interest rate swaps and foreign exchange forwards. When significant unobservable inputs are used, those derivative transactions are categorized as Level 3, which includes transactions such as commodity related transactions.



(Note 2) The following are the consolidated balance sheet amounts of Stocks and others without a quoted market price, and Investments in Partnerships and others. These amounts are not included in Money Held in Trust and Other Securities in the tables disclosed in the Matters relating to fair value of financial instruments and breakdown of fair value by level.

(Millions of yen)

Category	Consolidated Balance Sheet Amount
Stocks and others without a quoted market price (*1)	525,813
Investments in Partnerships and others (*2)	533,303

\*1 Stocks and others without a quoted market price include unlisted stocks and others and in accordance with Article 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 31, 2020), these items are not subject to disclosure of the fair value.

\*2 Investments in Partnerships and others are mainly silent partnership, investment partnership, and money held in trust with the investment in a silent partnership as the component of the trust property. In accordance with Article 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021), these items are not subject to disclosure of the fair value.

3 During the fiscal year ended March 31, 2024, the amount of impairment (devaluation) was ¥2,522 million on a consolidated basis.

## (Revenue recognition)

### 1. Revenue breakdown information

(Millions of yen)

	Fiscal year ended March 31, 2024
Ordinary Income	8,744,458
Fee and Commission Income	1,060,235
Deposits and Lending business (1)	358,100
Securities-related business	251,246
Remittance business	107,133
Trust-related business	79,372
Guarantee-related business (2)	43,850
Agency business	38,328
Fees for other customer services	182,203
Fiduciary Income	61,487
Other Ordinary Income (1)	7,622,735

Notes:

- (1) A portion of these amounts are considered to be revenues from contracts that are within the scope of "Accounting Standard for Revenue Recognition."
- (2) These amounts are revenues from contracts that do not meet the scope of "Accounting Standard for Revenue Recognition."
- (3) In the above table, revenues that are within the scope of "Accounting Standard for Revenue Recognition" are mainly generated from "Retail & Business Banking Company," "Corporate & Investment Banking Company" and "Global Corporate & Investment Banking Company."

### 2. Contract assets, contract liabilities and receivables from contracts with customers

The balances of contract assets, contract liabilities and receivables from contracts with customers are included in other assets and other liabilities in the consolidated balance sheet. The balance of contract assets, contract liabilities and receivables from contracts with customers at the consolidated balance sheet date are immaterial.

### 3. Price allocated to remaining performance obligations

The amount of revenue expected to be recognized in subsequent fiscal years is not material in terms of amount for the fiscal year ended March 31, 2024. Contracts with a term of up to one year and contracts for which revenue can be recognized at the amount our group has the right to claim are not included in the subject of this report.

**(PER SHARE INFORMATION)**

Net Assets per Share of Common Stock	¥4,037.28
Profit Attributable to Owners of Parent per Share of Common Stock	¥267.88
Diluted Profit Attributable to Owners of Parent per Share of Common Stock	¥267.88

In the calculation of Net Assets per Share of Common Stock, MHFG shares outstanding in BBT trust account that were recognized as Treasury Stock in Shareholders' Equity are included in Treasury Stock shares deducted from the number of issued shares as of March 31, 2024. The number of such Treasury Stock shares deducted during the period is 2,910 thousand.

In the calculation of Profit Attributable to Owners of Parent per Share of Common Stock and Diluted Profit Attributable to Owners of Parent per Share of Common Stock, such Treasury Stock shares are included in Treasury Stock shares deducted in the calculation of the Average Outstanding Shares of Common Stock during the period. The average number of such Treasury Stock shares deducted during the period is 2,759 thousand.

## [NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS]

### BASIS FOR PRESENTATION AND PRINCIPLES OF PREPARATION OF NON-CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Valuation of Securities

Investments in subsidiaries and affiliates are stated at acquisition cost and determined by the moving average method. Other Securities are stated at market price. Stocks and others without a quoted market price are stated at acquisition cost and determined by the moving average method.

Unrealized Gains and Losses on Other Securities are recorded directly to Net Assets.

#### 2. Depreciation and Amortization of Fixed Assets

##### (1) Tangible Fixed Assets

Depreciation of Buildings is computed by the straight-line method, and that of Others is computed by the declining-balance method with the following range of useful lives.

Buildings: 6 years to 50 years

Others : 2 years to 15 years

##### (2) Intangible Fixed Assets

Trademarks are amortized under the straight-line method over ten years.

Development costs for internally-used software are capitalized and amortized under the straight-line method over their estimated useful lives of five years.

#### 3. Deferred Assets

Bond issuance costs are expensed as incurred.

#### 4. Reserves

##### (1) Reserve for Bonus Payments

Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the fiscal year, based on the estimated future payments.

##### (2) Reserve for Variable Compensation

To prepare for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors, group executive officers and operating officers of Mizuho Financial Group, Inc., the estimated payment based on the standard amount regarding variable compensation of this fiscal year is provided.

##### (3) Reserve for Employee Retirement Benefits

Reserve for Employee Retirement Benefits (Including Prepaid Pension Cost), which is provided for future benefit payments to employees, is the amount recognized as incurred 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. In calculating retirement benefit obligations, a benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Unrecognized prior service cost and unrecognized actuarial differences are recognized as follows:

Unrecognized prior service cost : Recognized as income or expenses in the period of occurrence.

Unrecognized actuarial differences: Recognized as income or expenses from the following fiscal year under the straight-line method over a certain term (ten years) within the average remaining service period of the employees of the respective fiscal years.

## 5. Fundamental and Important Matters for the Preparation of Non-Consolidated Financial Statements

### (1) Accounting Method for Retirement Benefits

The accounting method for unrecognized actuarial differences of Retirement Benefits differs from that applied in the consolidated financial statements.

## NOTES TO NON-CONSOLIDATED BALANCE SHEET

1. Amounts less than one million yen are rounded down.
2. Assets pledged as collateral accounted for ¥21,975 million of Investments.
3. Accumulated depreciation of Tangible Fixed Assets amounted to ¥8,112 million.  
Accumulated amortization of Intangible Fixed Assets amounted to ¥3,229 million.
4. Current portion of Bonds and Notes Payable and Bonds and Notes includes ¥3,110,450 million of subordinated bonds.
5. Long-term Borrowings consists of subordinated borrowings with a covenant that performance of the obligation is subordinated to that of other obligations.
6. Contingent liability
  - (1) MHFG has guaranteed the senior bond denominated in U.S. dollars issued by Mizuho Bank, Ltd., a subsidiary of MHFG. The amount of the guarantee is ¥228,480 million.
  - (2) Based upon the regulations of the German Deposit Protection Fund, MHFG has submitted to the Association of German Banks a letter of indemnity to recompense the Association regarding deposits of the German branches of Mizuho Bank, Ltd. that is MHFG's subsidiary if necessary.  
Mizuho Bank, Ltd. ¥84,178million
  - (3) Regarding Joint Euro Medium Term Notes Programme with Mizuho Securities Co., Ltd., and Mizuho International plc that are MHFG's subsidiaries, MHFG has concluded a keepwell agreement with each company jointly with Mizuho Bank, Ltd. that is MHFG's subsidiary. The Bonds based on keepwell agreements on this programme amounted to ¥432,620 million.
  - (4) MHFG has guaranteed the bond trading transaction conducted by Mizuho Securities, Co., Ltd. that is MHFG's subsidiary. The amount of the guarantee is ¥4,000 million.
7. Short-term monetary claims against subsidiaries and affiliates amounted to ¥504,797 million.  
Short-term monetary liabilities against subsidiaries and affiliates amounted to ¥633,308 million.  
Long-term monetary claims against subsidiaries and affiliates amounted to ¥9,621,128 million.  
Long-term monetary liabilities against subsidiaries and affiliates amounted to ¥11,396 million.

## NOTES TO NON-CONSOLIDATED STATEMENT OF INCOME

1. Amounts less than one million yen are rounded down.

2. Transactions with subsidiaries and affiliates

Operating transactions

Operating Income

¥611,442 million

Operating Expenses

¥4,521 million

Other than operating transactions

¥239,924 million

## NOTES TO NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. Amounts less than one million yen are rounded down.

2. Types and number of treasury stock are as follows:

	As of April 1, 2023	Increase during the fiscal year	Decrease during the fiscal year	As of March 31, 2024	Remarks
Treasury stock					
Common stock	4,057	1,033	1,298	3,792	Note
Total	4,057	1,033	1,298	3,792	

Note: Increases are due to acquisition of treasury stock by BBT trust account (975 thousand shares) and repurchase of shares constituting less than one unit (57 thousand shares). Decreases are due to distribution and sale of treasury stock through BBT trust account (1,296 thousand shares) and repurchase of shares constituting less than one unit (2 thousand shares). The number of shares as of March 31, 2024 includes the number of treasury stock held by BBT trust account (2,910 thousand shares).

## NOTES TO DEFERRED TAXES

### Breakdown of Deferred Tax Assets/Liabilities

*Millions of yen*

Deferred Tax Assets	
Investments in Subsidiaries and Affiliates	¥133,615
Loss Carried Forward	25,128
Other	13,529
Sub-total of Deferred Tax Assets	172,273
Valuation Allowance for Tax Loss Carried Forward	(25,128)
Valuation Allowance for Deductible Temporary Difference	(135,549)
Sub-total of Valuation Allowance	(160,677)
Total Deferred Tax Assets	11,595
Deferred Tax Liabilities	
Prepaid Pension Cost	(10,458)
Gains on Sales of Fixed Assets	(3,459)
Other	(180)
Total Deferred Tax Liabilities	(14,097)
Net Deferred Tax Assets (Liabilities)	¥(2,502)

#### Application of Treatment of Accounting and Disclosure for Applying the Japanese Group Relief System

MHFG has applied the Japanese Group Relief System. In addition, in accordance with “Treatment of accounting and disclosure for applying the Japanese Group Relief System” (Practical Solutions No. 42, August 12, 2021 (“Practical Solutions No.42”)), MHFG has recorded and disclosed corporate tax and local corporate tax or the related tax-effect accounting.

## NOTES TO PER SHARE INFORMATION

1. Net Assets per Share of Common Stock	¥2,358.14
2. Net Income per Share of Common Stock	¥218.08