

# Interim Results for FY2021

## -Fixed Income Investors Presentation-

December 2021

Mizuho Financial Group

**MIZUHO**

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

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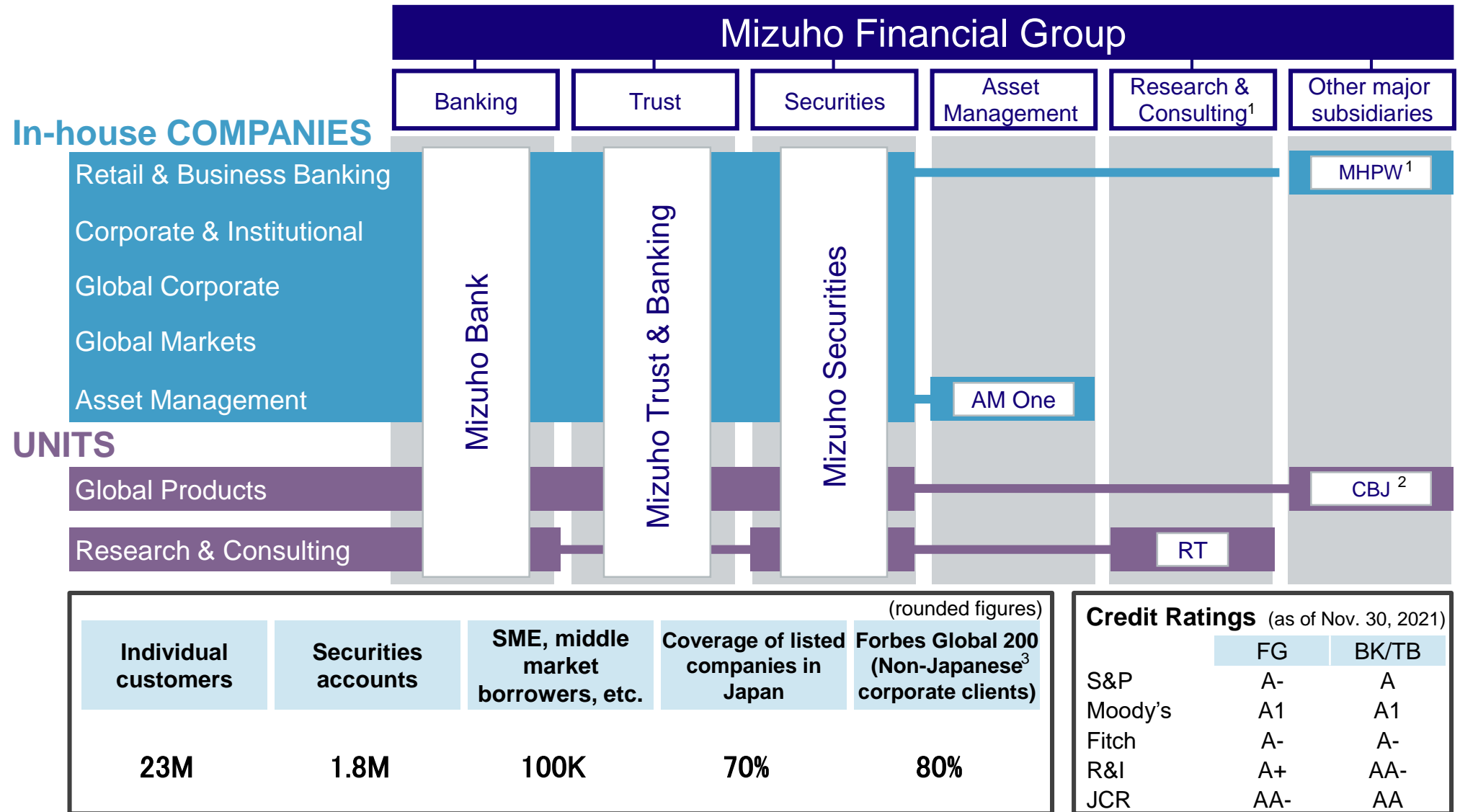
## IT system failures

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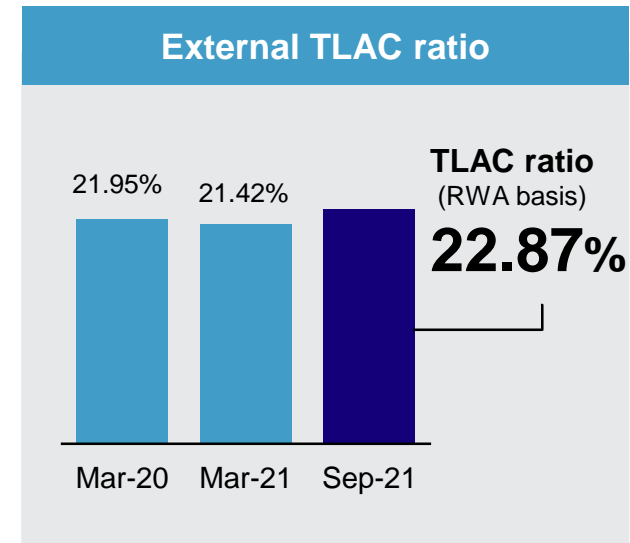
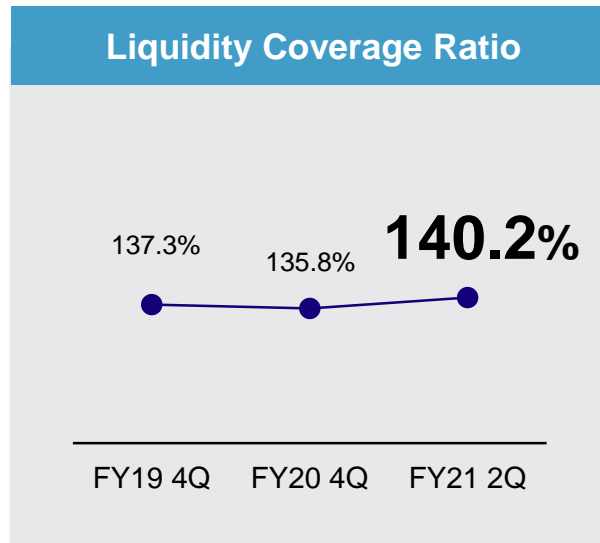
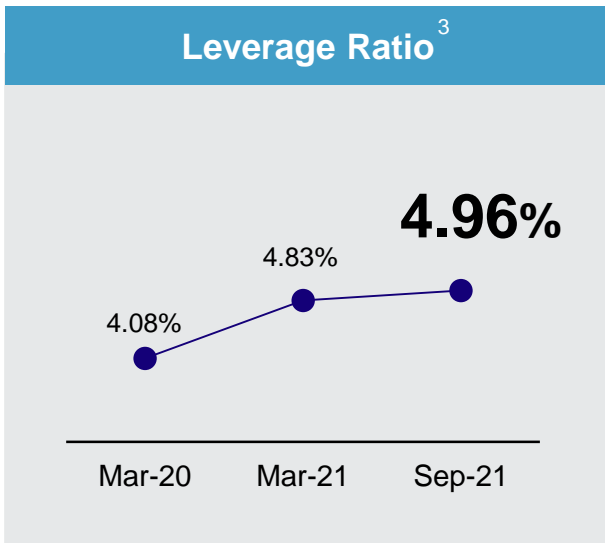
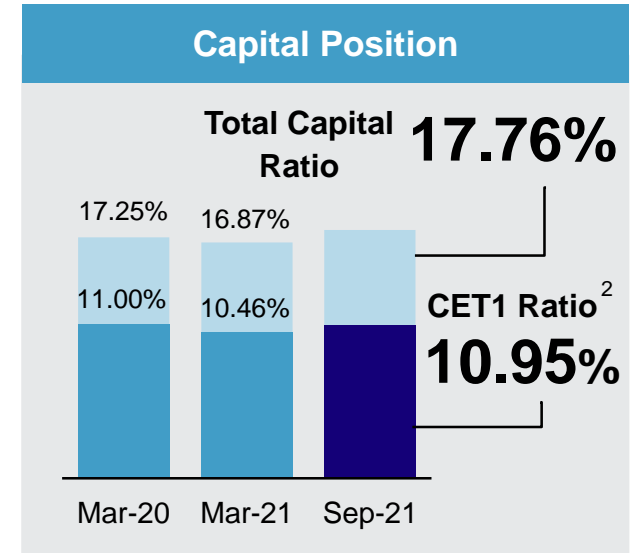
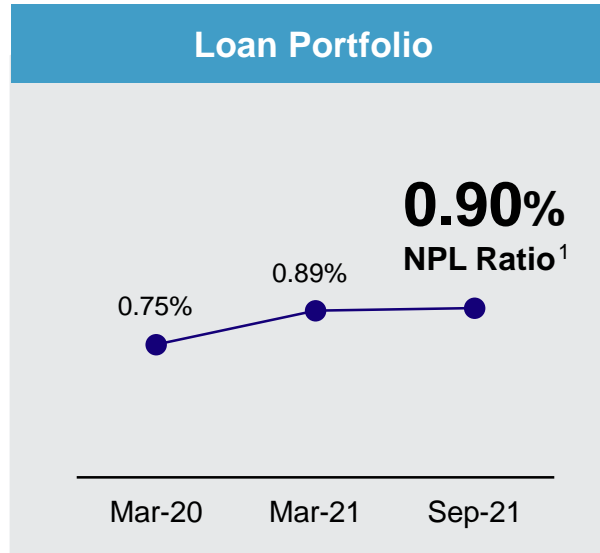
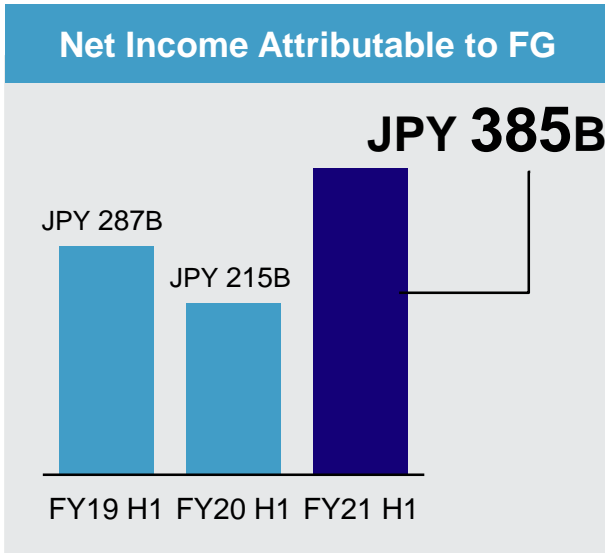
# Group Overview

# Mizuho Group



1. Mizuho Private Wealth Management. 2. Custody Bank of Japan, Ltd. 3. Top 200 corporations from Forbes Global 2000

# Key Figures for FY2021 H1



1. Consolidated, banking account + trust account 2. Excluding Net Unrealized Gains (Losses) on Other Securities

3. Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure since Mar. 2021 (before exclusion: Mar-21: 4.03%, Sep-21: 4.17%)

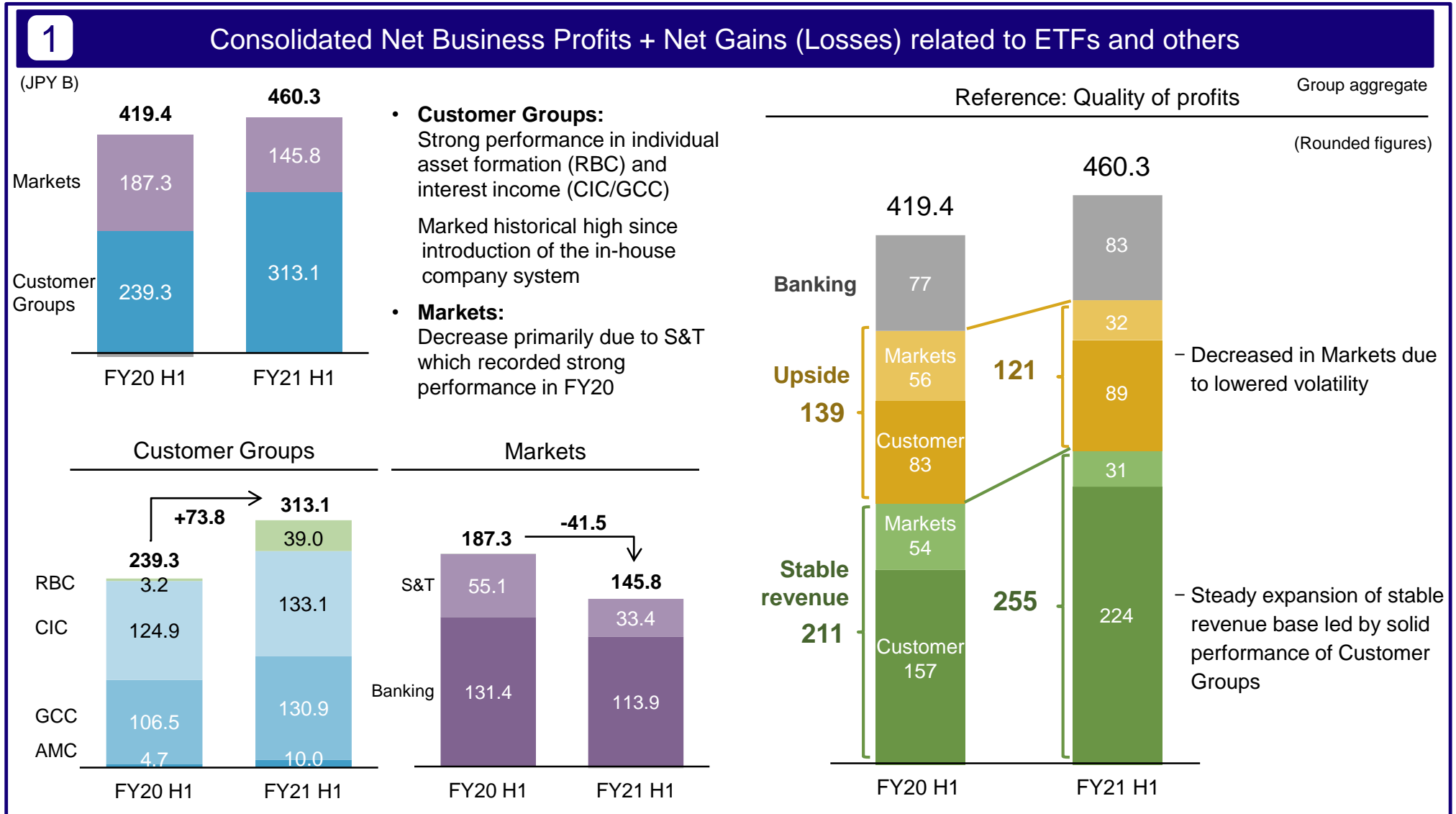
# Financial Results for FY21 H1

# Executive summary of financial results

(JPY B)	FY21 H1	YoY <sup>1</sup>	
<b>Net Business Profits + Net Gains (Losses) related to ETFs and others<sup>2</sup></b> [ Net Business Profits ]	<b>460.3</b> [ 438.5 ]	<b>+40.9</b> [ +0.1 ]	<ul style="list-style-type: none"> <li>Steady performance in Customer Groups contributed to YoY increase.</li> <li>Expenses were at the same level, though there was a decrease on an actual basis excluding FX effects, performance-linked compensation, and other factors.</li> </ul>
<b>Credit-related Costs</b>	<b>-49.6</b>	<b>+31.5</b>	<ul style="list-style-type: none"> <li>Recorded additional reserves from a forward-looking perspective, taking into account the effects of supply constraints and other factors which were not expected at the beginning of the term.</li> </ul>
<b>Net Gains (Losses) related to Stocks – Net Gains (Losses) related to ETFs and others<sup>2</sup></b> [ Net Gains (Losses) related to Stocks ]	<b>-6.8</b> [ -1.9 ]	<b>+43.6</b> [ +60.7 ]	<ul style="list-style-type: none"> <li>In addition to profits from sales of cross-shareholdings, losses from cancellation of bear funds were recorded.</li> </ul>
<b>Net Income Attributable to FG</b>	<b>385.6</b>	<b>+170.1</b>	<ul style="list-style-type: none"> <li>In addition to the above, Net Income Attributable to FG increased YoY due to recording profits from the reversion of stocks from the retirement benefit trust<sup>3</sup> and due to tax effects.<sup>4</sup></li> </ul>
<b>CET1 Capital Ratio</b> [ excl. Net Unrealized Gains (Losses) on Other Securities ]	<b>12.27%</b> [ 10.95% ]	<b>+0.64%</b> [ +0.49% ]	<ul style="list-style-type: none"> <li>Profit accumulated, while risk-weighted assets were nearly at the same level. Further improved the sufficiency of capital.</li> <li>CET1 capital ratio (Basel III finalization basis) was 9.6%<sup>5</sup>, exceeding the targeted level of the lower end of the 9-10% range.</li> </ul>

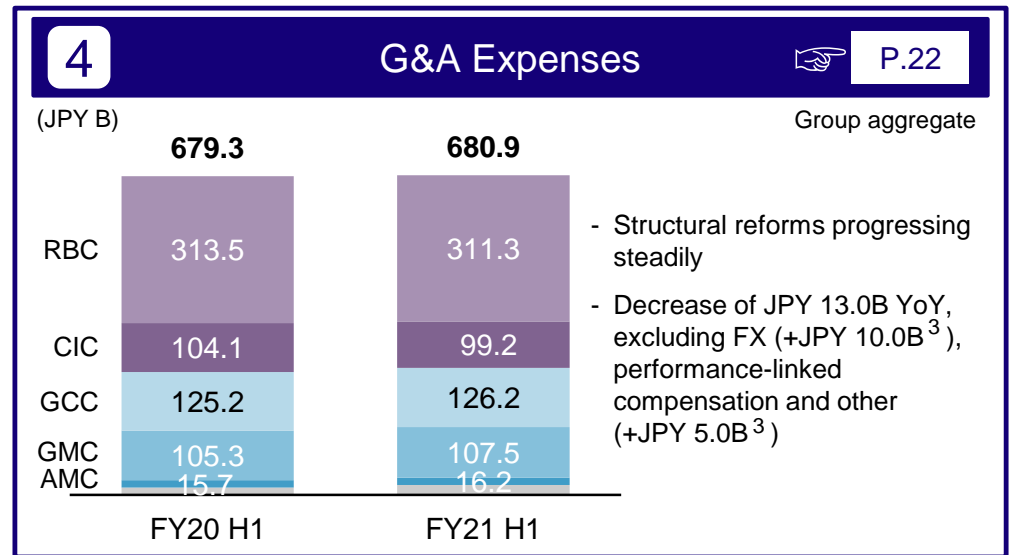
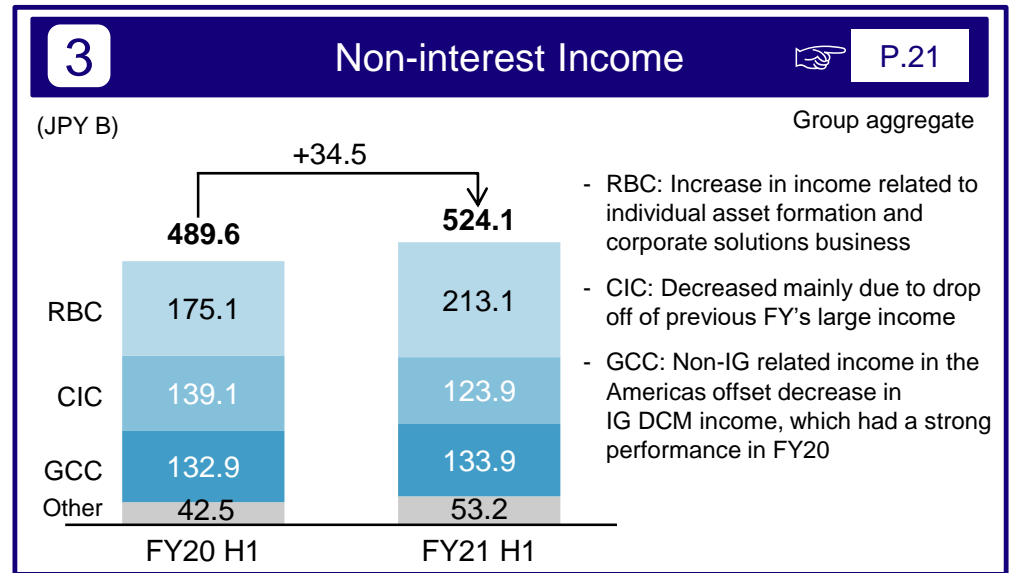
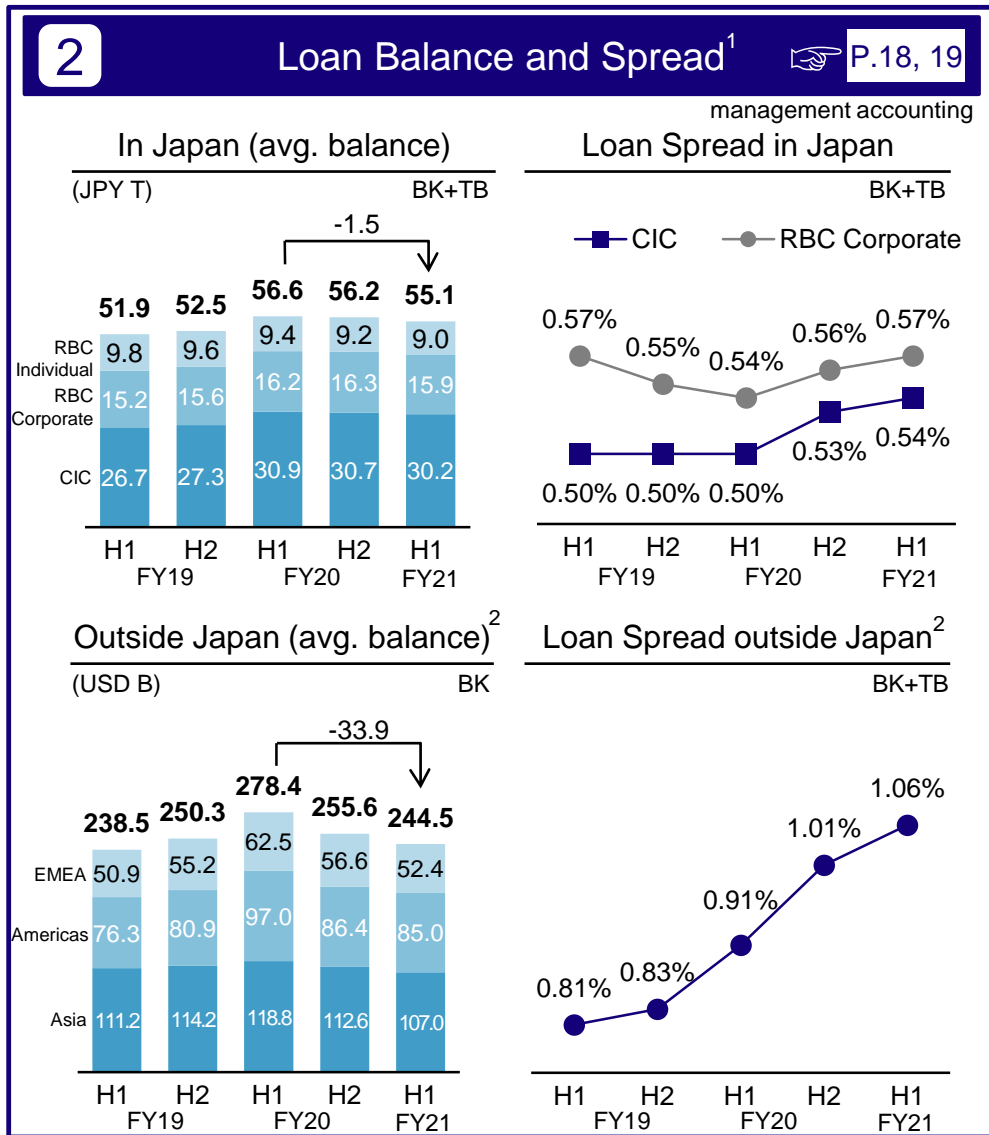
1. CET1 capital ratio is compared to Mar-21. 2. Net Gains (Losses) related to ETFs and others were JPY 21.7B (+JPY 40.8B YoY). 3. JPY 51.0B (+JPY43.1 YoY). 4. Tax effects and other factors related to right-sizing of SC capital implemented as a part of the revision of subsidiaries' capital policy (+JPY 66.0B). The impact on full-year financial result is expected to be smaller. 5. Excluding Net Unrealized Gains (Losses) on Other Securities.

# Financial highlights (1)



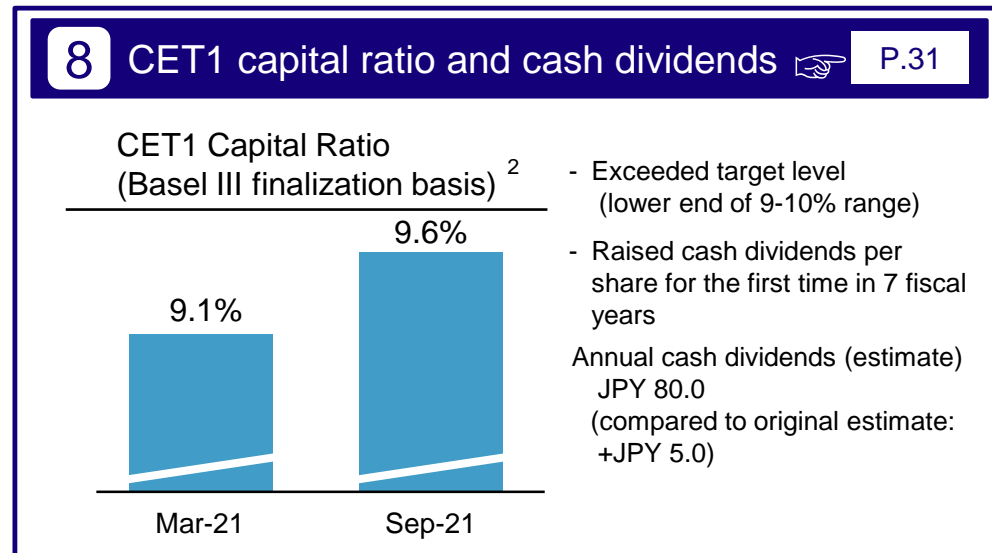
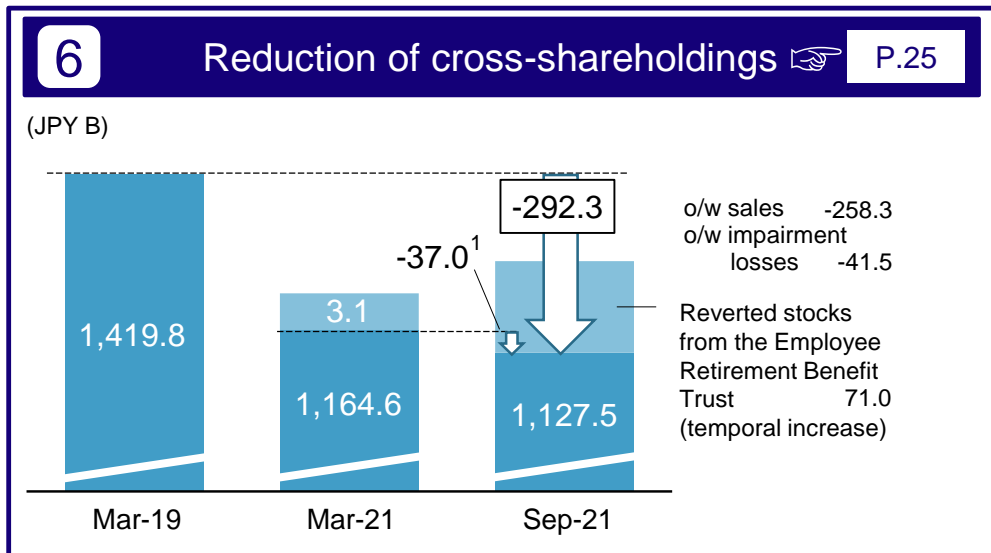
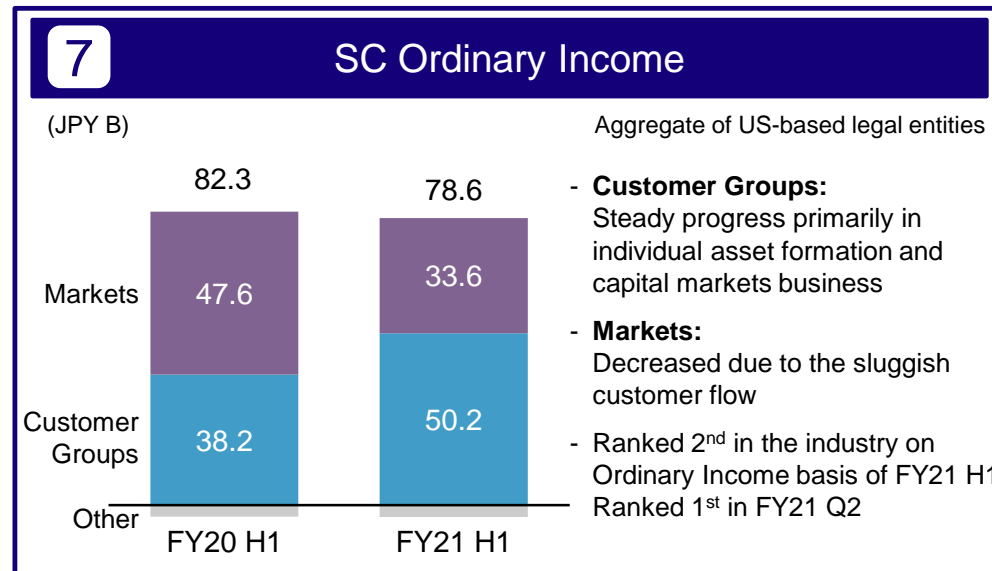
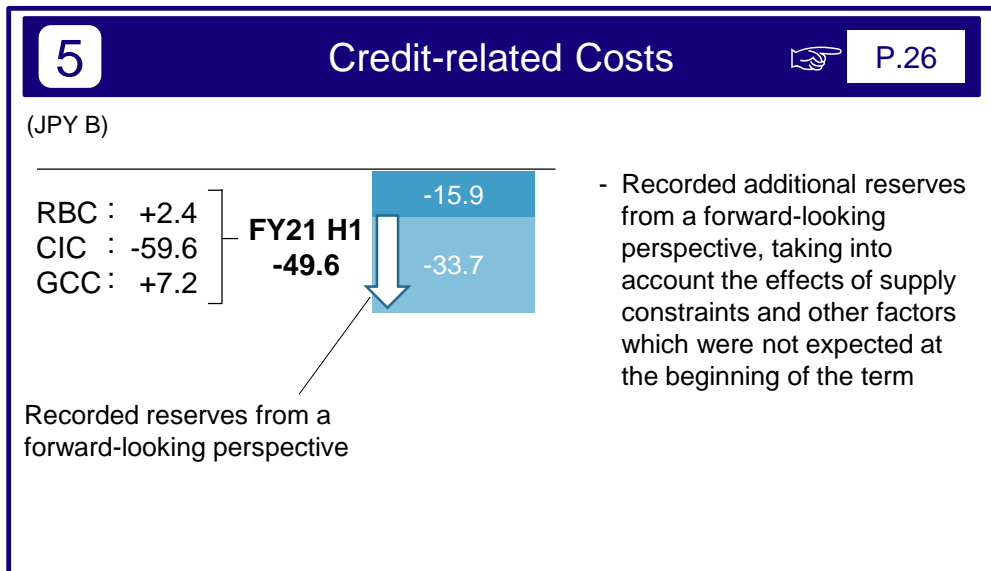


# Financial highlights (2)



1. New management accounting rules were applied in FY21 (Figures from FY19 H1 to FY20 H2 were recalculated based on the new rules). Excluding loans between the consolidated entities. For loans in Japan, excluding loans to the Japanese Government. 2. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico). 3. Rounded figures.

# Financial highlights (3)



1. o/w sales: -JPY 38.9B, impairment losses: -JPY 0.5B. 2. Excluding Net Unrealized Gains (Losses) on Other Securities.

# Financial results by In-house Company

(JPY B)

Group aggregate

	Gross Profits <sup>1</sup>		G&A Expenses (excl. Non-recurring Losses and others)		Net Business Profits <sup>1</sup>		Net Income <sup>1</sup>		ROE
	FY21 H1	YoY <sup>2</sup>	FY21 H1	YoY <sup>2</sup>	FY21 H1	YoY <sup>2</sup>	FY21 H1	YoY <sup>2</sup>	FY21 H1
Retail & Business Banking	<b>345.9</b>	+31.7	<b>-311.3</b>	+2.2	<b>39.0</b>	+35.9	<b>36.6</b>	+43.2	<b>3.6%</b>
Corporate & Institutional	<b>230.2</b>	+3.6	<b>-99.2</b>	+4.8	<b>133.1</b>	+8.2	<b>114.9</b>	+62.8	<b>6.3%</b>
Global Corporate	<b>250.0</b>	+24.0	<b>-126.2</b>	-1.0	<b>130.9</b>	+24.5	<b>93.7</b>	+38.9	<b>7.9%</b>
Global Markets	<b>253.7</b>	-39.3	<b>-107.5</b>	-2.2	<b>145.8</b>	-41.5	<b>96.9</b>	-25.3	<b>11.8%</b>
Asset Management	<b>29.0</b>	+5.2	<b>-16.2</b>	-0.5	<b>10.0</b>	+5.3	<b>4.6</b>	+2.3	<b>8.7%</b>

1. Global Markets includes Net Gains (Losses) related to ETFs (2 Banks). 2. New management accounting rules were applied in FY21. Figures for YoY are recalculated based on the new rules.

# Overview of Income Statement

(JPY B)

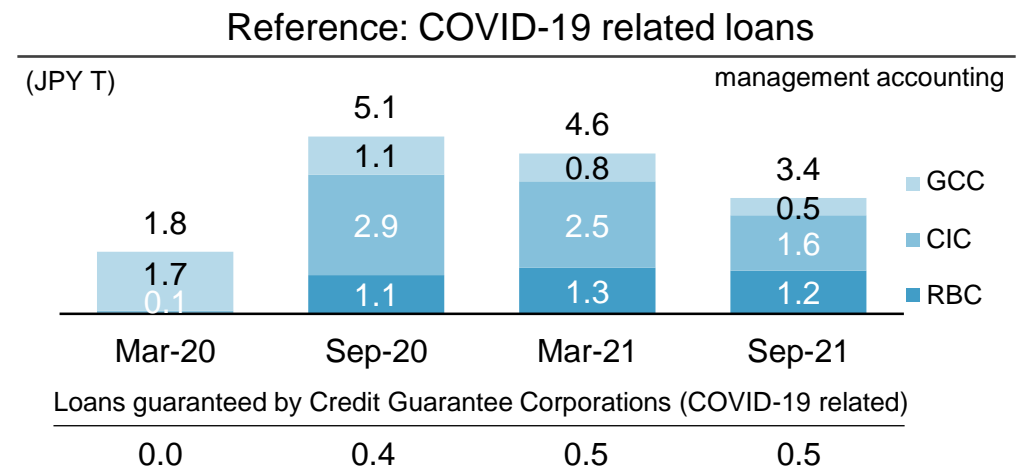
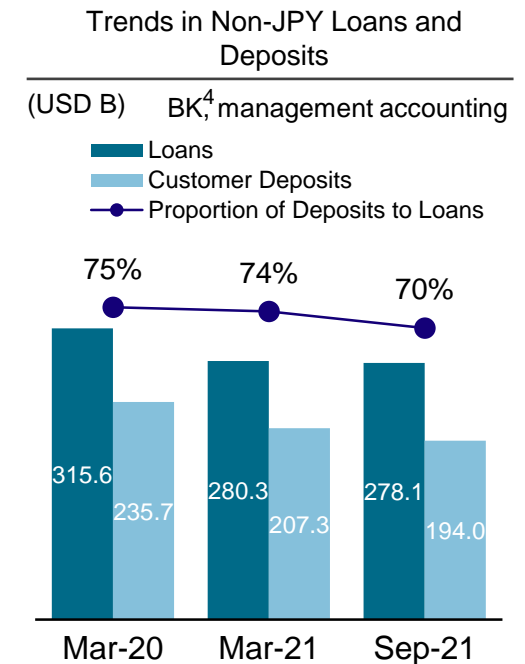
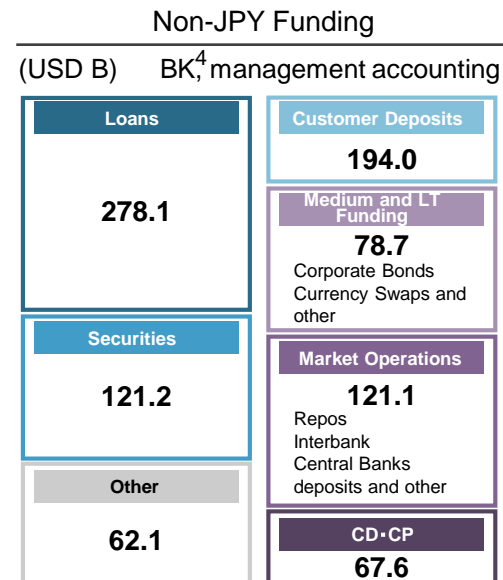
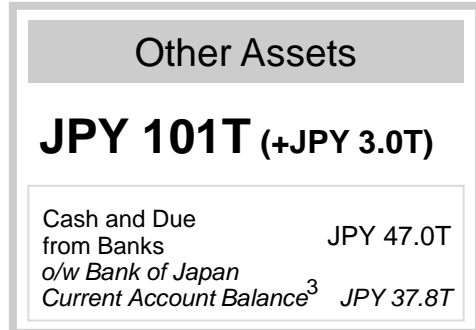
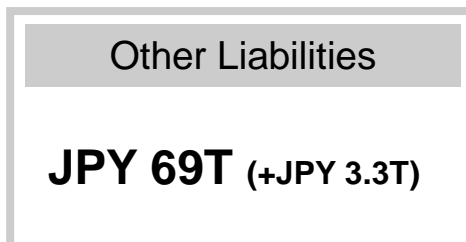
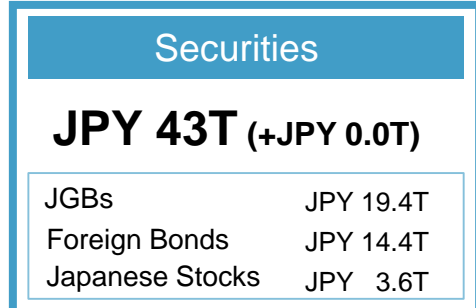
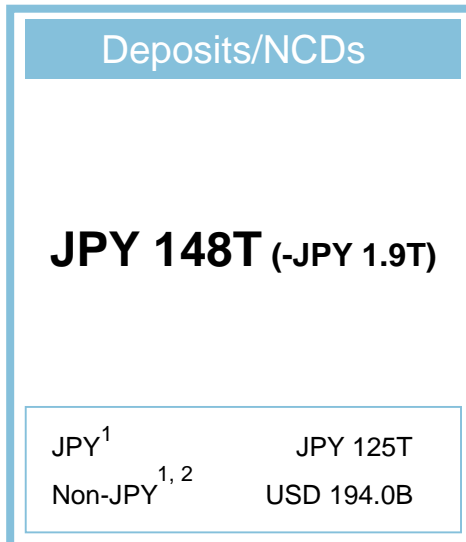
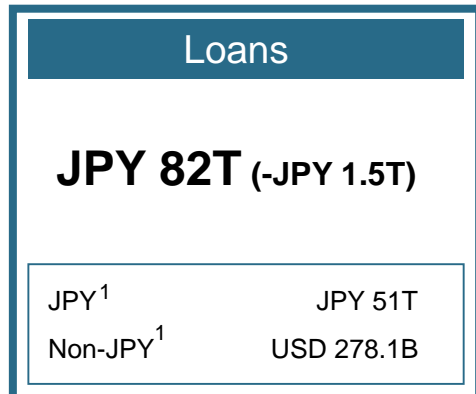
		FY2021 H1			YoY		
		FG	BK + TB	SC Consolidated	FG	BK + TB	SC Consolidated
<b>Consolidated Gross Profits</b>							
<b>+ Net Gains (Losses) related to ETFs and others *</b>	1	1,130.6	908.0	168.3	+37.3	+15.0	+11.0
Consolidated Gross Profits	2	1,108.8	885.1	169.4	- 3.5	- 28.2	+13.4
Net Interest Income	3	474.1	468.3	1.6	+34.0	+32.1	+0.0
Net Fee and Commission Income + Fiduciary Income	4	360.1	277.4	69.5	+13.4	+6.6	+6.4
Net Trading Income + Net Other Operating Income	5	274.4	139.3	98.1	- 50.9	- 67.0	+7.0
Net Gains (Losses) related to Bonds	6	21.1	21.1	-	- 24.1	- 24.1	-
General and Administrative Expenses	7	-667.5	-504.8	-121.2	+13.6	+13.5	- 3.5
<b>Consolidated Net Business Profits</b>							
<b>+ Net Gains (Losses) related to ETFs and others *</b>	8	460.3	399.5	46.7	+40.9	+23.4	+6.2
Consolidated Net Business Profits	9	438.5	376.6	47.8	+0.1	- 19.8	+8.7
Consolidated Net Business Profits from core business operations (9-6)	10	417.3	355.4	47.8	+24.2	+4.2	+8.7
Credit-related Costs	11	-49.6	-49.6	0.0	+31.5	+32.0	-0.0
Net Gains (Losses) related to Stocks	12	-6.8	-6.3	0.4	+43.6	+49.8	+0.4
- Net Gains (Losses) related to ETFs and others *							
Net Gains (Losses) related to Stocks	13	14.9	16.5	-0.6	+84.4	+93.1	- 1.9
Equity in Income from Investments in Affiliates	14	16.5	17.1	-0.9	+4.9	+4.8	- 0.3
Other	15	-23.7	-18.1	-0.0	+0.5	+6.9	-0.0
Ordinary Profits	16	399.3	346.2	46.6	+131.7	+122.2	+7.6
Net Extraordinary Gains (Losses)	17	47.2	47.5	-2.2	- 18.4	- 10.2	- 0.5
Income before Income Taxes	18	446.6	393.8	44.3	+113.2	+111.9	+7.1
Income Taxes	19	-54.6	-143.1	-8.3	+61.3	- 40.9	- 1.5
Profit Attributable to Non-controlling Interests	20	-6.3	-1.2	-0.1	- 4.4	- 2.3	+0.0
<b>Profit Attributable to Owners of Parent</b>	21	385.6	249.4	35.7	+170.1	+68.6	+5.5

\* FY20 H1: -JPY 19.0B, FY21 H1: JPY 21.7B.

# Overview of Balance Sheet (Sep-21)

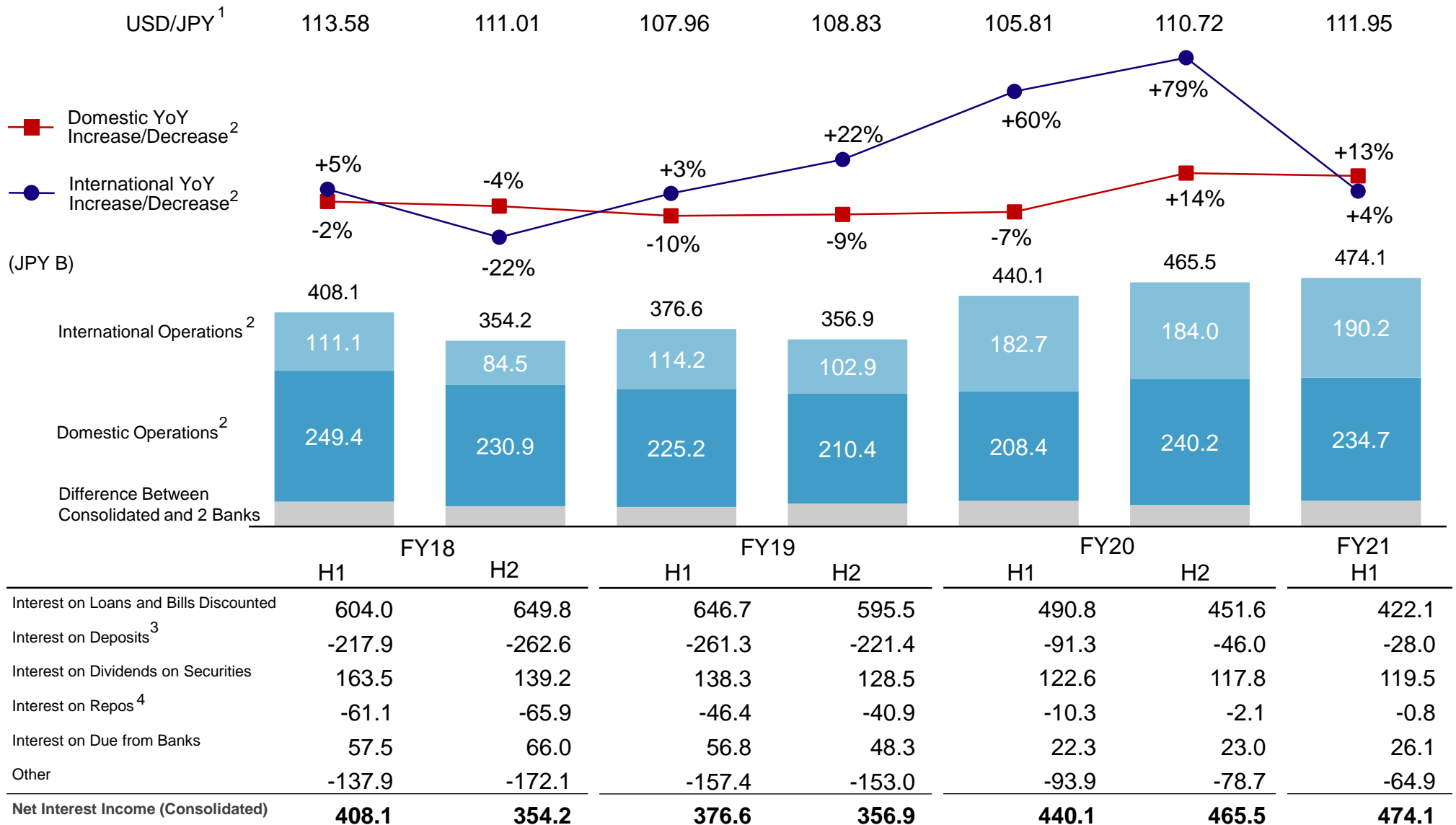
Total Assets: JPY 227T (+1.6T)

Consolidated,  
( ) represent changes from Mar-21



1. Management accounting basis, rounded figures. 2. Customer Deposits. 3. 2 Banks. 4. New management accounting rules were applied in FY21 (Figures from FY19 were recalculated based on the new rules). Including Non-JPY loans/customer deposits in Japan and subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico.

# Consolidated Gross Profits (Net Interest Income)



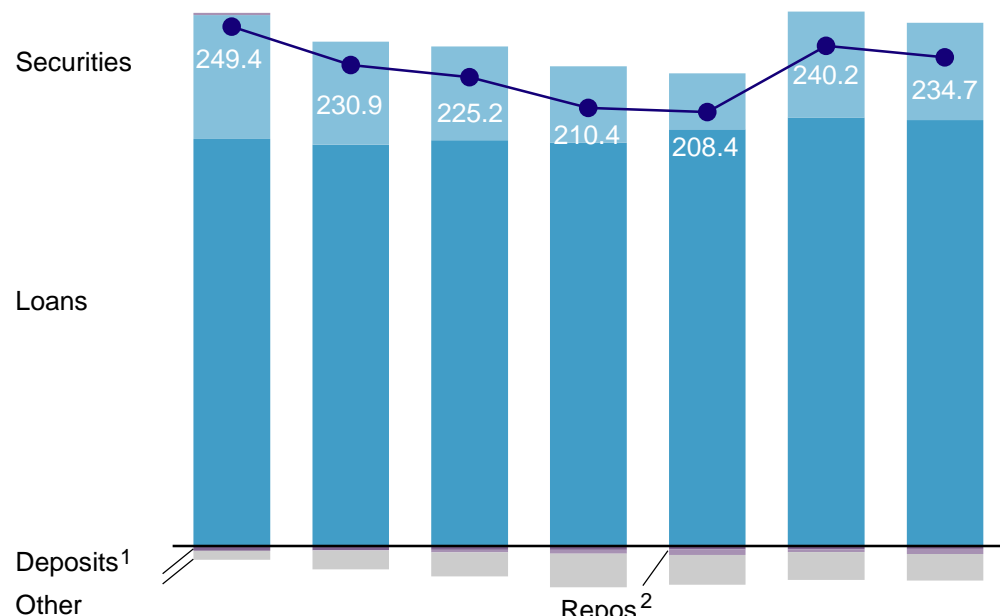
1. Foreign exchange rate (TTM) at the respective period end. 2. 2 Banks. 3. Excluding Interest on Negotiable Certificates of Deposit. 4. Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions.

# Net Interest Income – Domestic Operations

## Domestic Operations

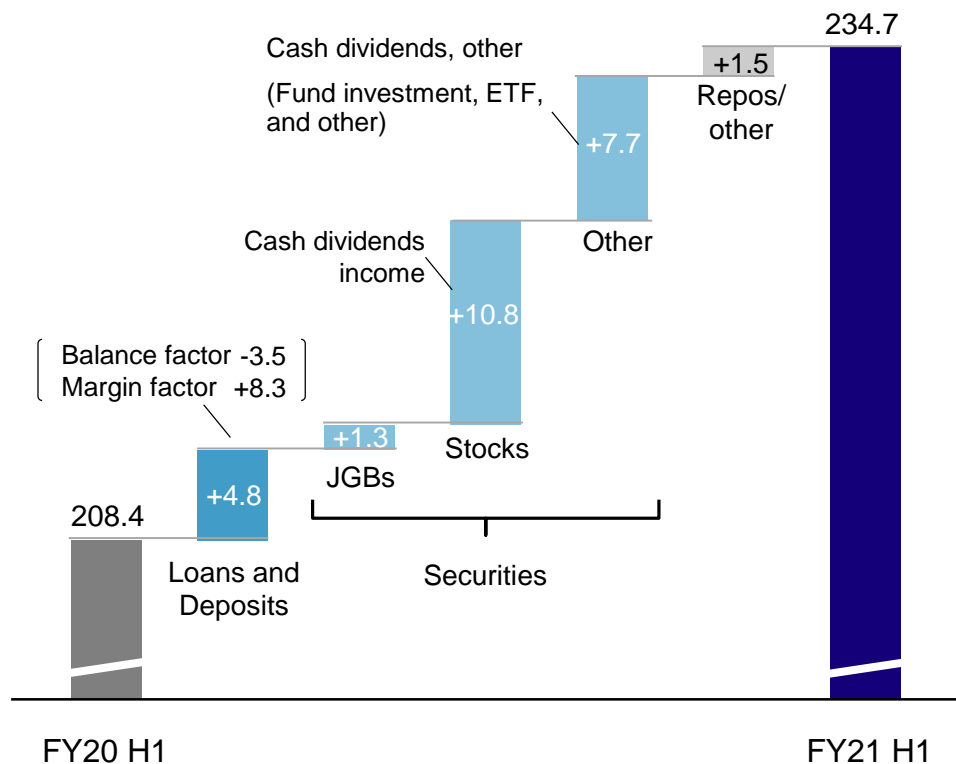
2 Banks

(JPY B) ● Net Interest Income



	FY18		FY19		FY20		FY21
	H1	H2	H1	H2	H1	H2	H1
Loans	195.5	192.7	194.9	193.6	200.1	205.7	204.6
Deposits	-2.3	-1.9	-1.8	-1.8	-1.7	-1.5	-1.3
Securities	59.4	49.5	45.0	36.8	26.9	50.9	46.7
Repos	1.1	-0.2	-1.3	-1.9	-2.6	-1.4	-2.5
Other <sup>3</sup>	-4.3	-9.1	-11.4	-16.1	-14.2	-13.4	-12.7

## Increase/decrease factors (YoY)



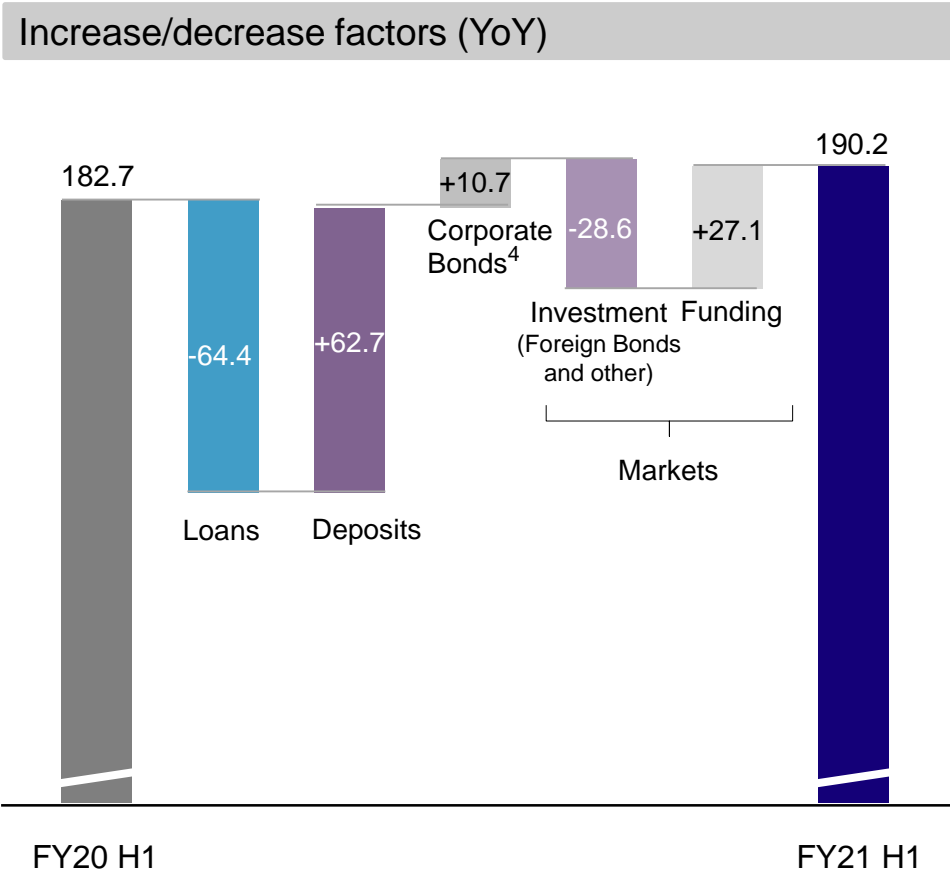
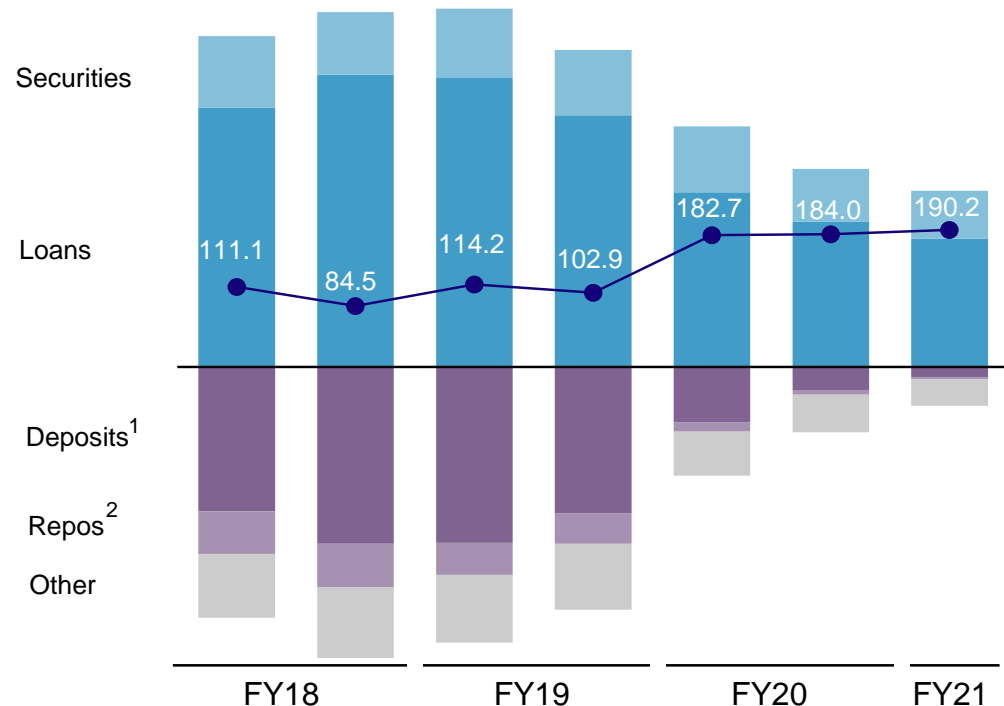
1. Excluding Interest on Negotiable Certificates of Deposit. 2. Interest/ expense of Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions. 3. Including Interest on Due from Banks.

# Net Interest Income – International Operations

## International Operations

2 Banks

(JPY B) ● Net Interest Income



	FY18		FY19		FY20		FY21
	H1	H2	H1	H2	H1	H2	H1
Loans	359.6	405.3	400.6	348.9	242.1	201.6	177.6
Deposits	-200.6	-245.2	-244.2	-203.6	-76.8	-33.1	-14.1
Securities	99.4	87.0	96.2	90.6	91.7	73.1	66.5
Repos	-59.0	-60.7	-44.3	-41.9	-13.1	-5.6	-3.3
Other <sup>3</sup>	-88.2	-101.8	-94.0	-91.2	-61.0	-51.9	-36.4

1. Excluding Interest on Negotiable Certificates of Deposit. 2. Interest/ expense of Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions. 3. Including Interest on Due from Banks. 4. Including loans payable.

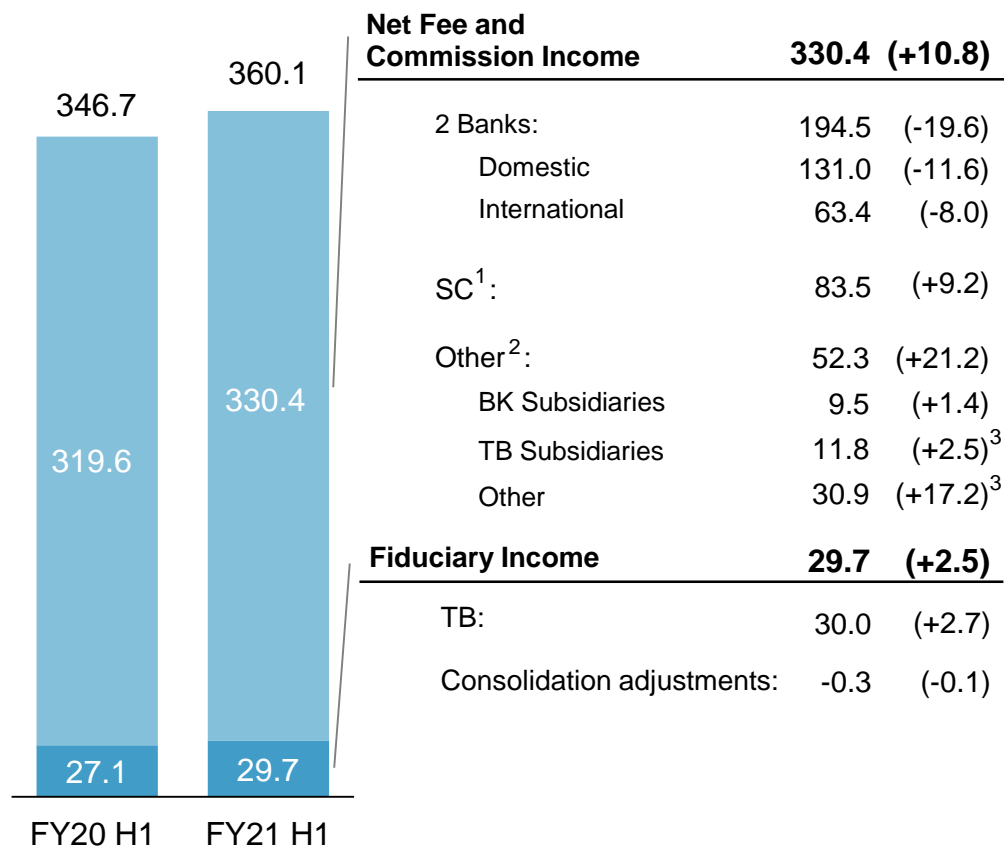


# Consolidated Gross Profits (excluding Net Interest Income)

## Net Fee and Commission Income/Fiduciary Income

(JPY B)

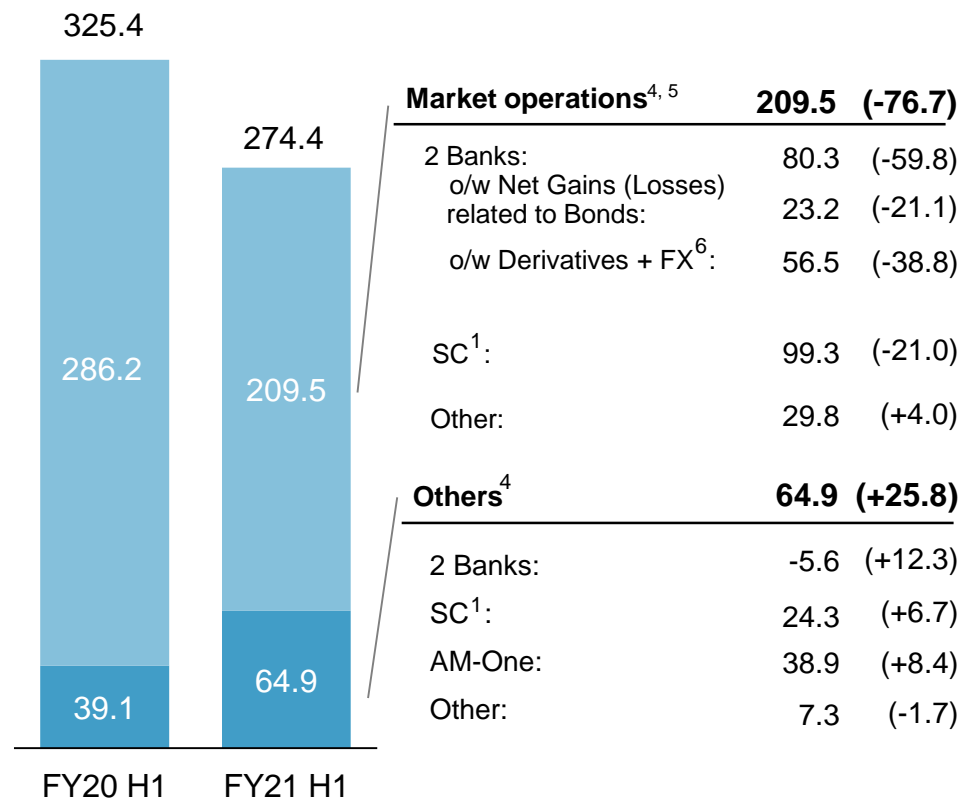
Consolidated, Figures in ( ) represent YoY



## Net Trading Income/Net Other Operating Income

(JPY B)

Consolidated, Figures in ( ) represent YoY

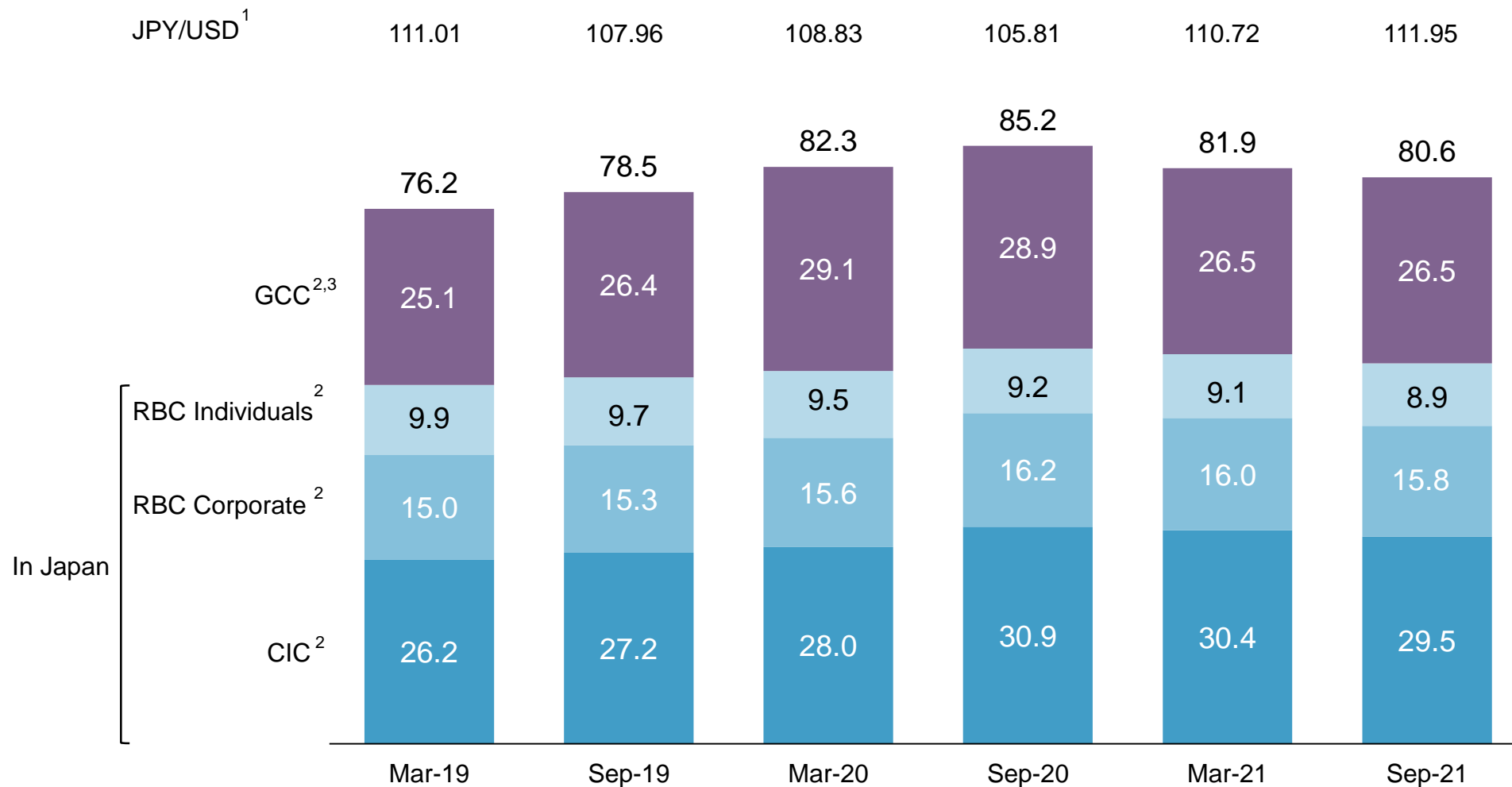


1. Including Mizuho Securities USA LLC. 2. Including consolidation adjustments. 3. Due to the establishment of RT in April 2021, Mizuho Trust Systems Co. Ltd. was reclassified from TB Subsidiaries to Other. (FY20 H1: JPY 7.3B). 4. After consolidation adjustments, including subsidiaries. 5. Net Trading Income - SC Underwriting and Selling Fees + Net Gains (Losses) related to Bonds + Net Gains (Losses) on Foreign Exchange Transactions 6. Net Gains (Losses) on Derivatives Trading Transactions + Net Gains (Losses) on Foreign Exchange Transactions.

# Loans

(JPY T)

BK+TB, management accounting



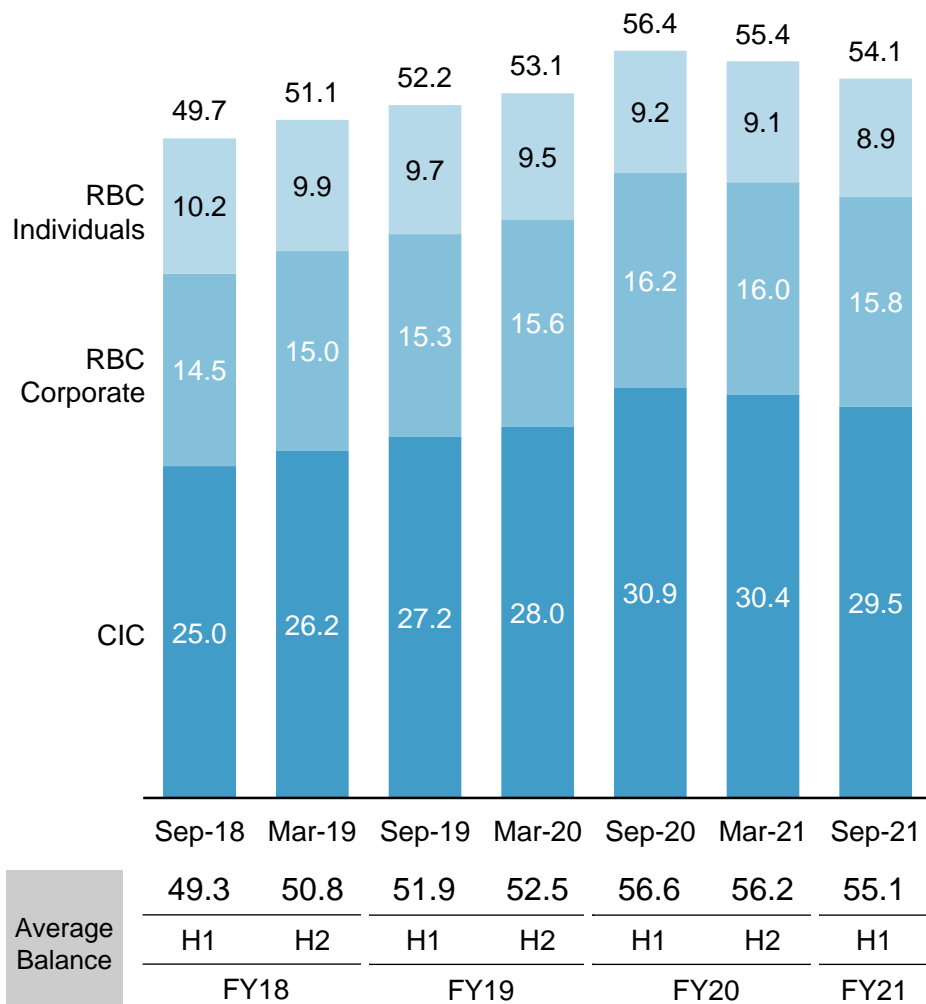
1. Foreign exchange rate (TTM) at the respective period end. 2. New management accounting rules were applied in FY21. Figures from Mar-19 to Mar-21 were recalculated based on the new rules. Excluding loans between the consolidated entities. For loans in Japan, excluding loans to the Japanese Government. 3. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).

# Loans in Japan

## Loan Balance<sup>1</sup> (Period-end Balance)

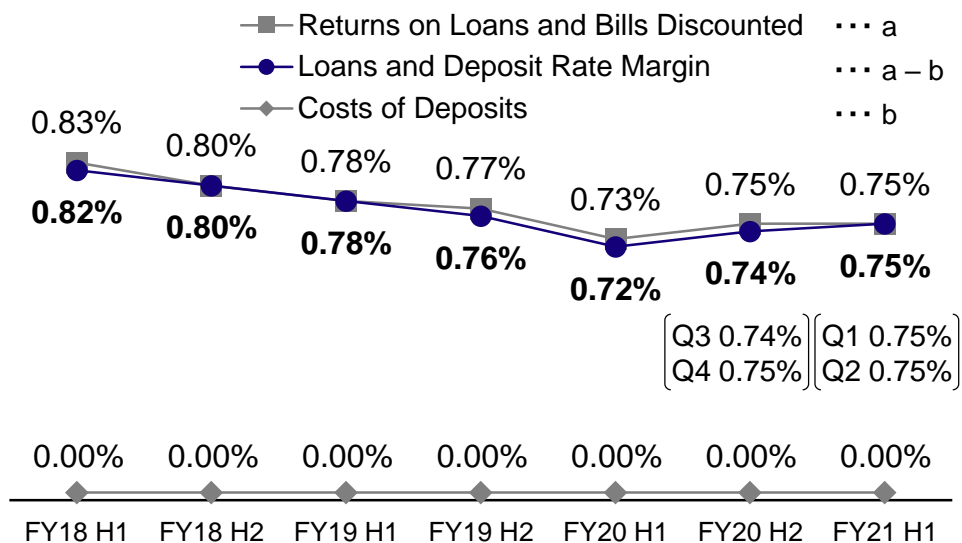
BK+TB  
management accounting

(JPY T)



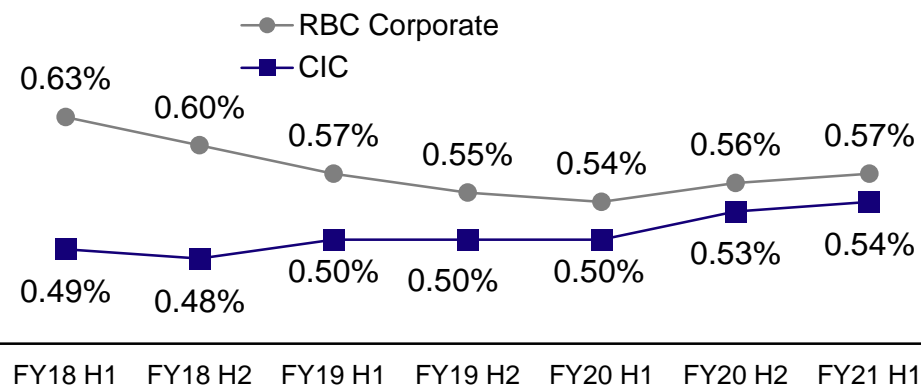
## Loan and Deposit Rate Margin<sup>2</sup>

2 Banks



## Loan Spread<sup>1</sup>

BK+TB, management accounting



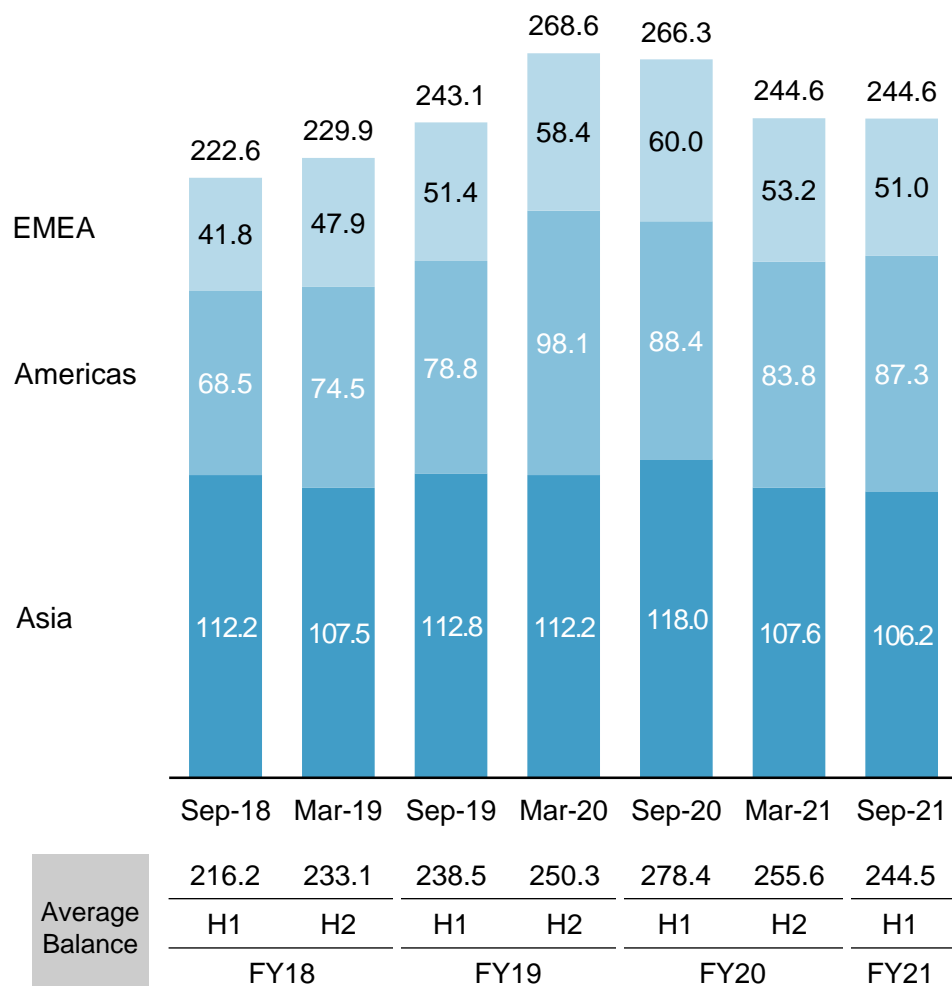
1. New management accounting rules were applied in FY21. Figures from Sep-18 to Mar-21 were recalculated based on the new rules. Excluding loans between the consolidated entities and loans to the Japanese Government. 2. Excluding loans to financial institutions (including FG) and the Japanese Government & other public sector.

# Loans outside Japan

## Loan Balance<sup>1,2</sup> (Period-end Balance)

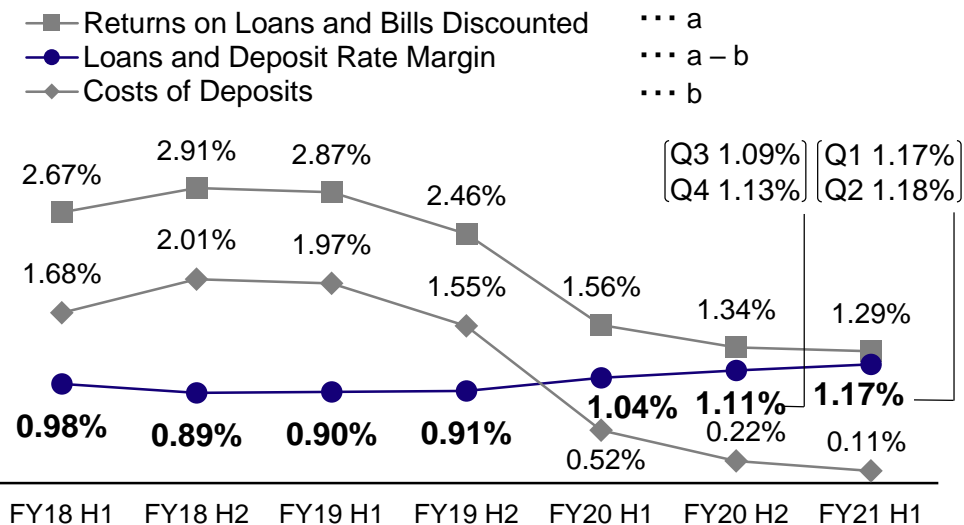
BK, management accounting

(USD B)



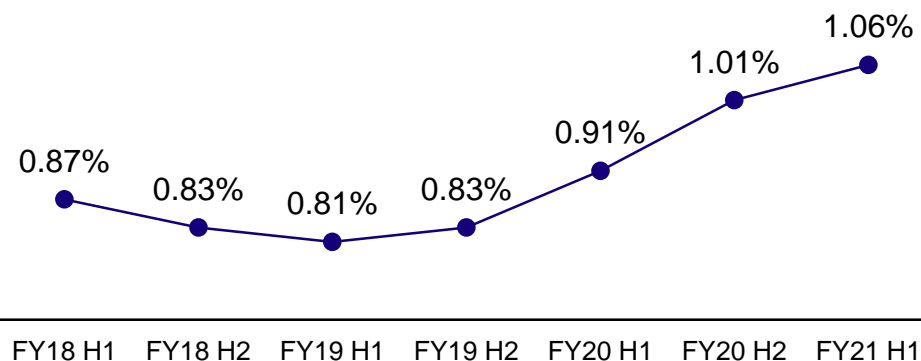
## Loan and Deposit Rate Margin

BK Overseas



## Loan Spread<sup>1,2</sup>

GCC, management accounting



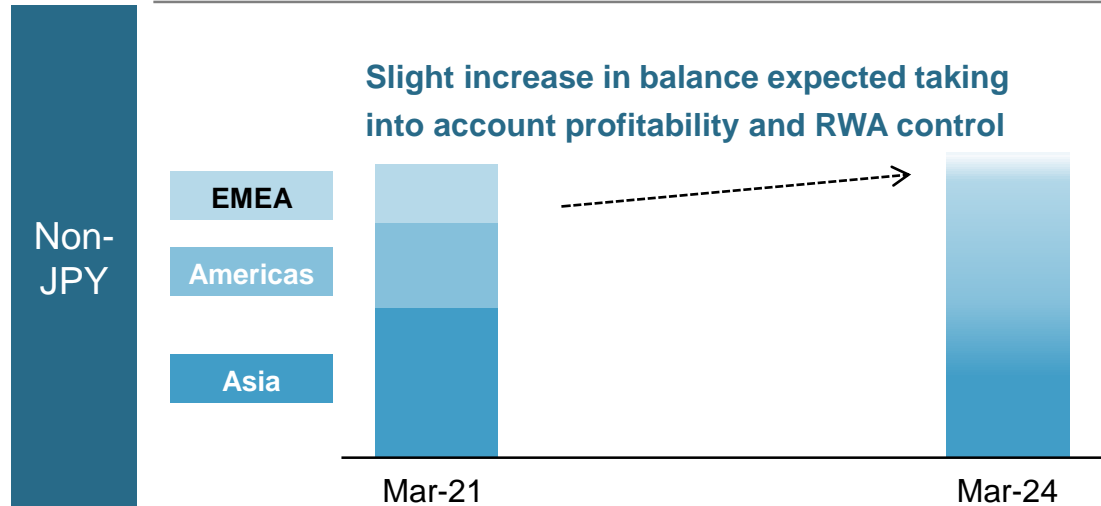
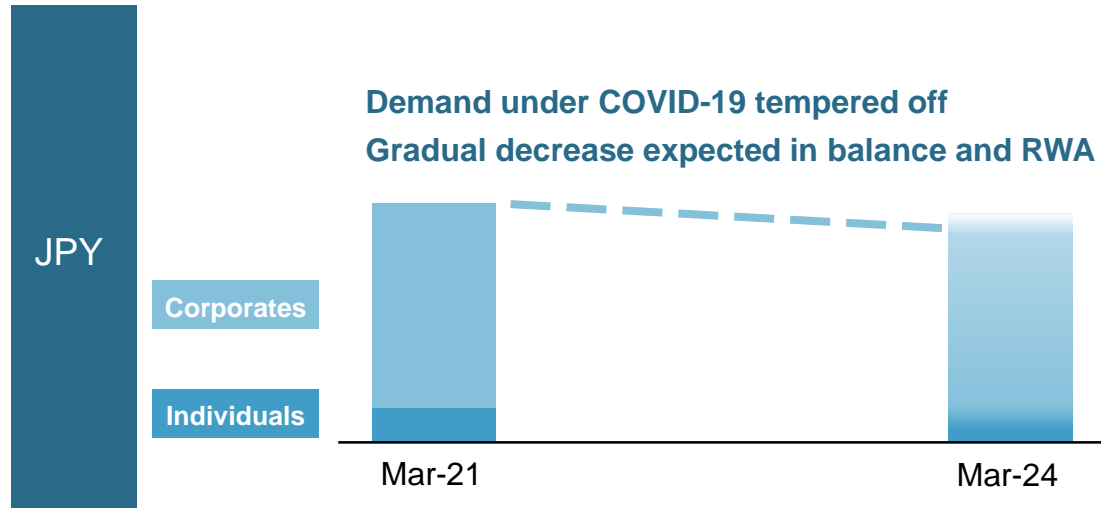
1. BK (including the subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico). Excluding loans between the consolidated entities.

2. Figures including past figures are calculated based on the FY21 planned rate in USD.

# Reference: Outlook of Loans

## Loan Balance

In-house company management accounting basis



Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

## Loan Spread

In-house company management accounting basis

(Estimates)

	FY20 vs FY21	FY21 vs FY23
Large Corporates	➔	➔
SMEs	➔	➔
Individuals	➔	➔

(Estimates)

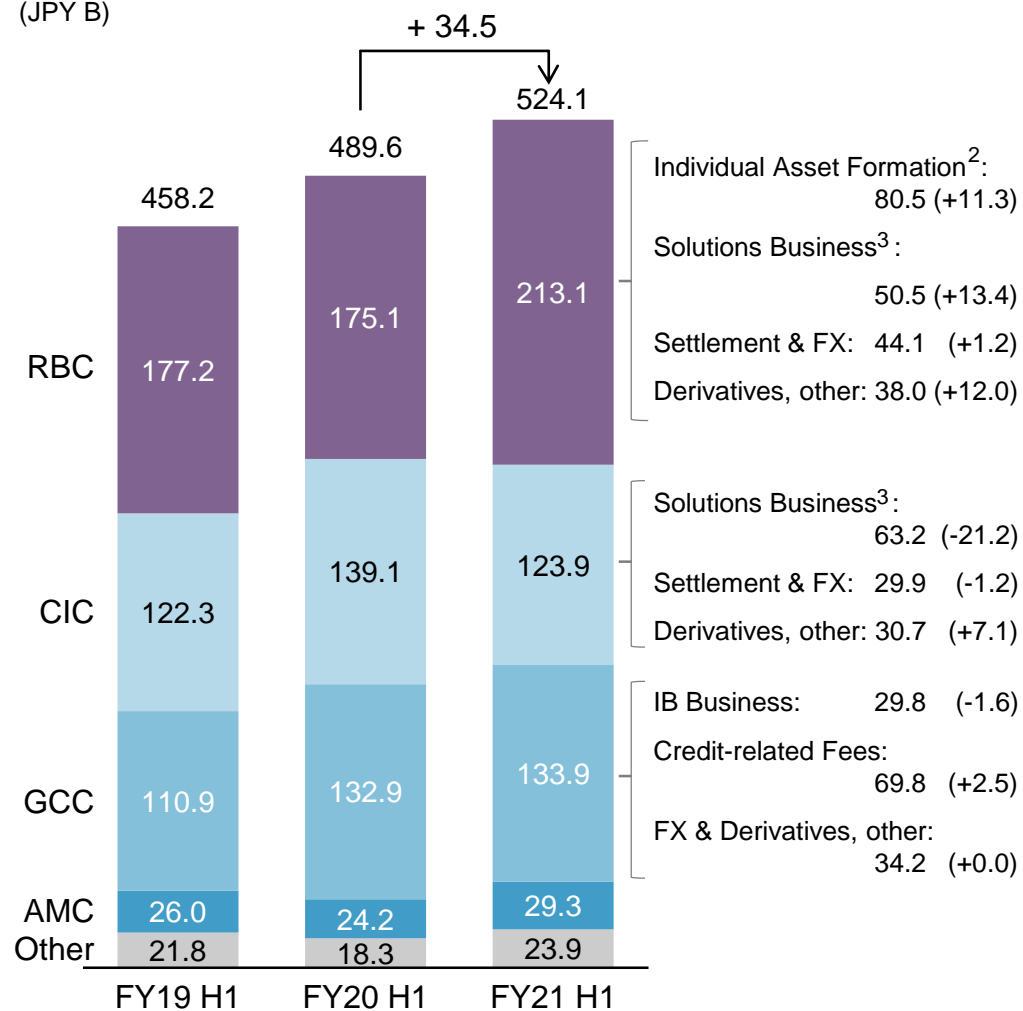
	FY20 vs FY21	FY21 vs FY23
EMEA	➔	➔
Americas	➔	➔
Asia	➔	➔

# Non-interest Income

## Non-interest Income (Customer Groups)<sup>1</sup>

Group aggregate

(JPY B)

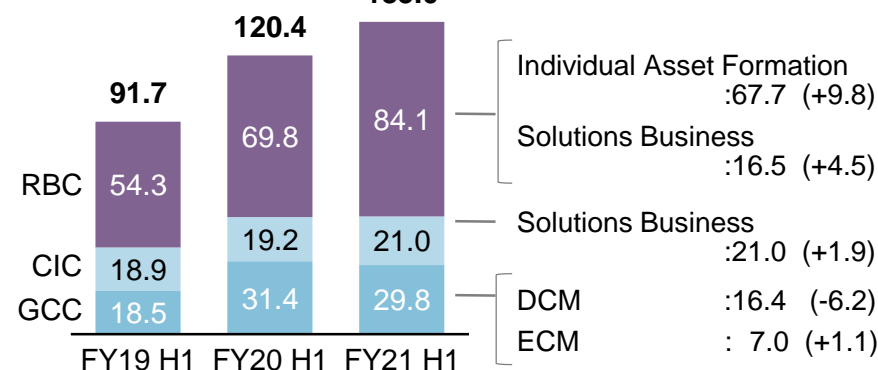


Figures in ( ) represent YoY

## Reference: Breakdown of SC

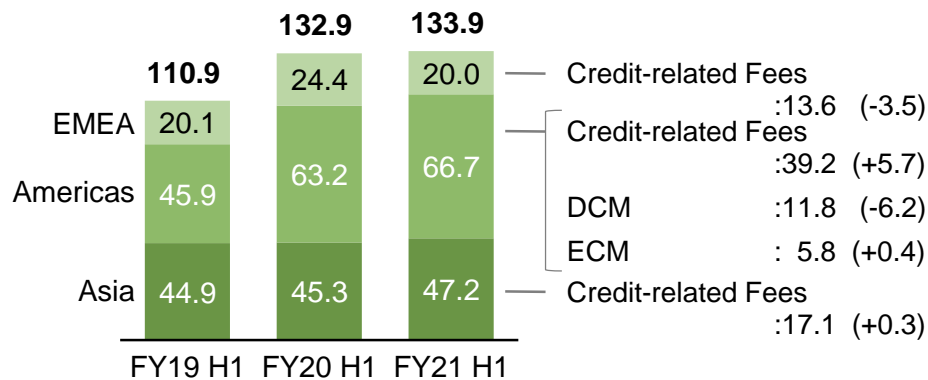
(JPY B)

US-based entities aggregated basis



## Reference: Breakdown of GCC by region

(JPY B)



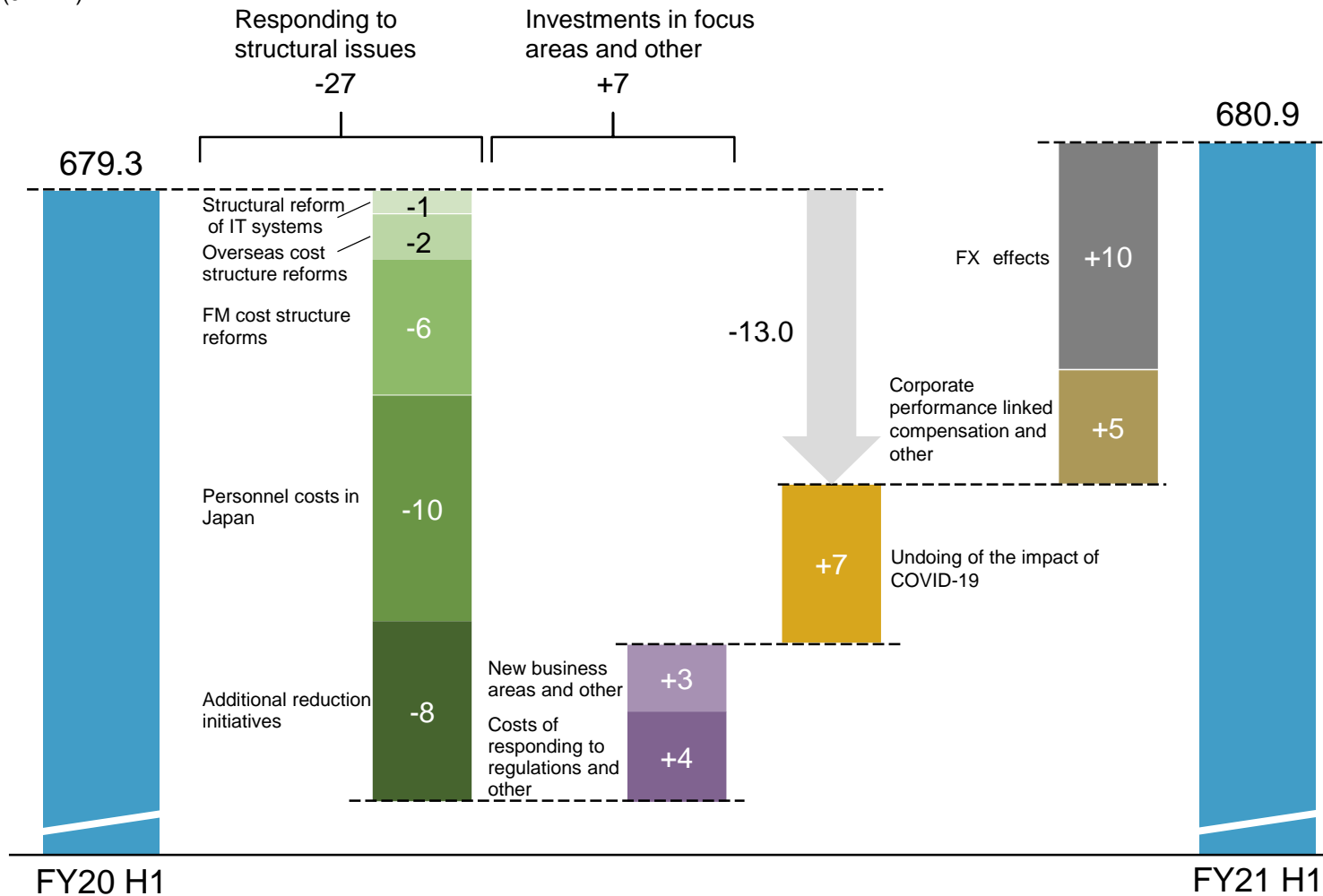
1. Recalculated past figures based on FY21 planned rate and other factors such as expansion and refinement of scope of consolidated subsidiaries. Including impact of the changes to the in-house company in charge due to reorganization of branches. The original figures before recalculation were FY19 H1: JPY 456.0B and FY20 H1: JPY 488.0B. 2. BK investment trusts, annuities + SC individual segment, PB segment. 3. Including fees related to investment banking business and real estate brokerage.

# General and Administrative Expenses

## General and Administrative Expenses (excl. Non-recurring losses and others)\*

Consolidated

(JPY B)



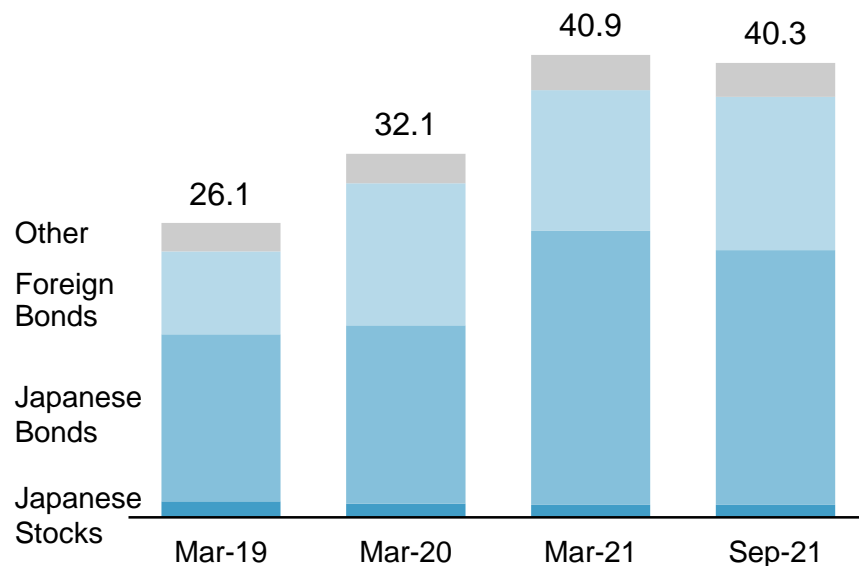
Reference	FY20 H1	FY21 H1
G&A Expenses	681.2	667.5
<i>o/w</i> Non-Recurring Losses	-4.1	-19.1
<i>o/w</i> Amortization of Goodwill and other items	6.0	5.8
G&A Expenses (excl. Non-recurring losses and others)	679.3	680.9

\* Breakdowns are in rounded figures, management accounting basis.

# Securities portfolio

## Balance of Other Securities<sup>1</sup> Consolidated, acquisition cost basis

(JPY T)

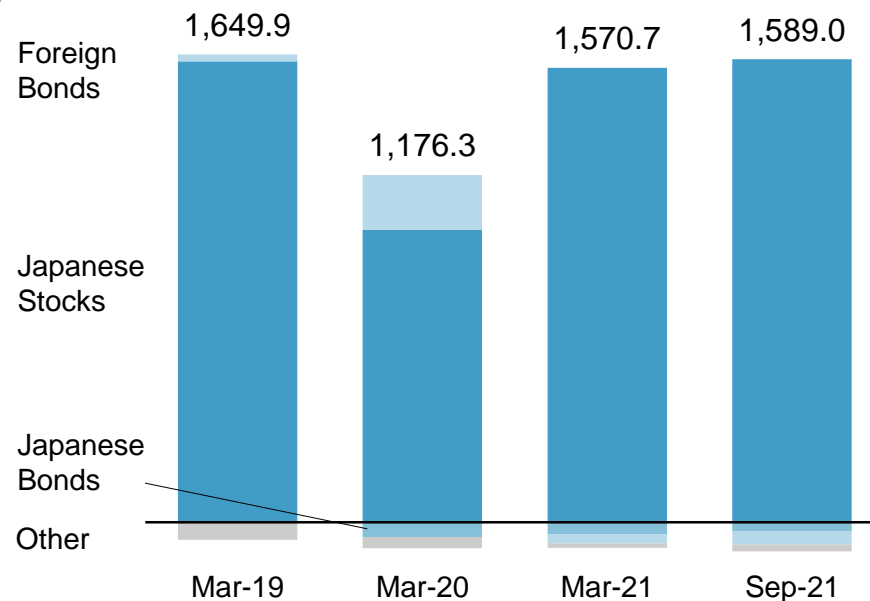


	Mar-19	Mar-20	Mar-21	Sep-21
Japanese Stocks	1.4	1.2	1.1	1.1
Japanese Bonds	14.7	15.7	24.1	22.4
o/w JGB	11.8	12.6	20.9	19.0
Foreign Bonds	7.3	12.5	12.4	13.5
o/w Debt Securities issued in US <sup>2</sup>	2.1	8.0	8.3	9.8
Other	2.5	2.6	3.1	3.0
bear funds <sup>3</sup>	-	0.8	0.6	0.4
Investment Trusts and others	2.5	1.8	2.4	2.6

## Unrealized Gains/Losses on Other Securities<sup>1, 4</sup>

(JPY B)

Consolidated



	Mar-19	Mar-20	Mar-21	Sep-21
Japanese Stocks	1,687.6	1,071.5	1,665.7	1,696.4
Japanese Bonds	5.2	-54.1	-44.9	-35.1
o/w JGB	5.9	-44.0	-31.7	-24.3
Foreign Bonds	21.7	200.9	-33.0	-47.7
o/w Debt Securities issued in US <sup>2</sup>	5.1	234.4	-29.3	-40.0
Other	-64.6	-42.0	-17.0	-24.5
bear funds <sup>3</sup>	-	86.2	-155.4	-128.1
Investment Trusts and others	-64.6	-128.2	138.4	103.5

1. Other Securities which have readily determinable fair values. Excluding Investments in Partnership. 2. UST/GSE Bonds. 2 Banks. 3. Hedging transactions aiming to fix unrealized gains on Japanese stocks. 4. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19, Mar-20: Japanese Stocks were calculated based on the average market price of the month. Others are calculated based on fair values at the end of the month.

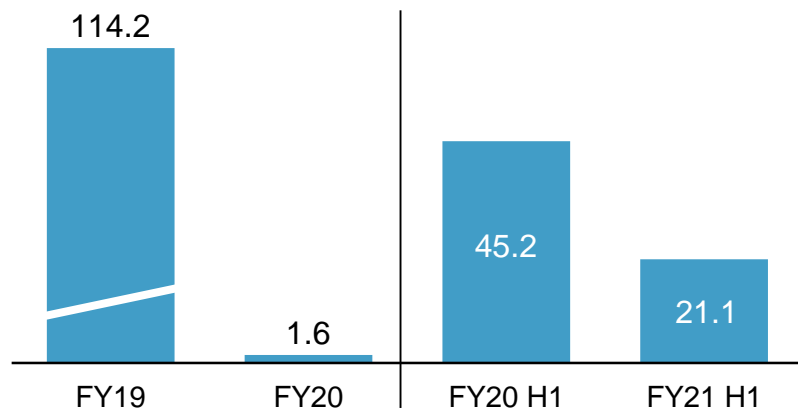


# Securities portfolio (Bonds)

## Net Gains (Losses) related to Bonds

Consolidated

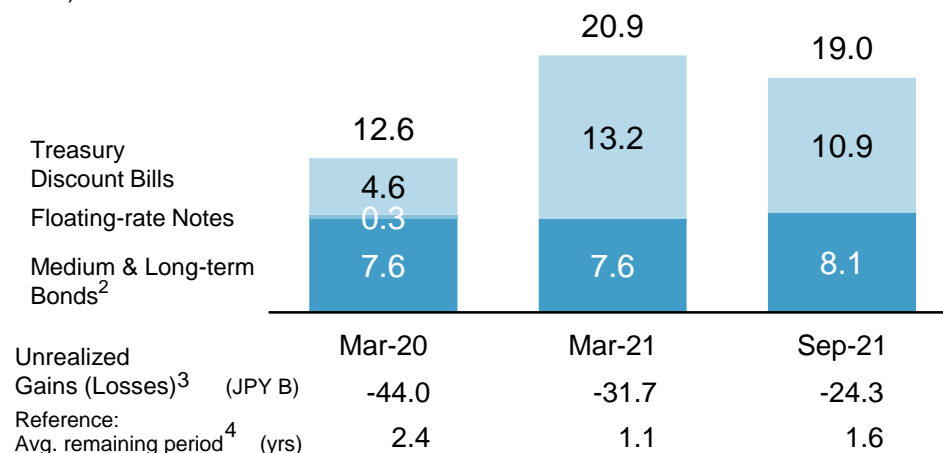
(JPY B)



## JGB portfolio<sup>1</sup>

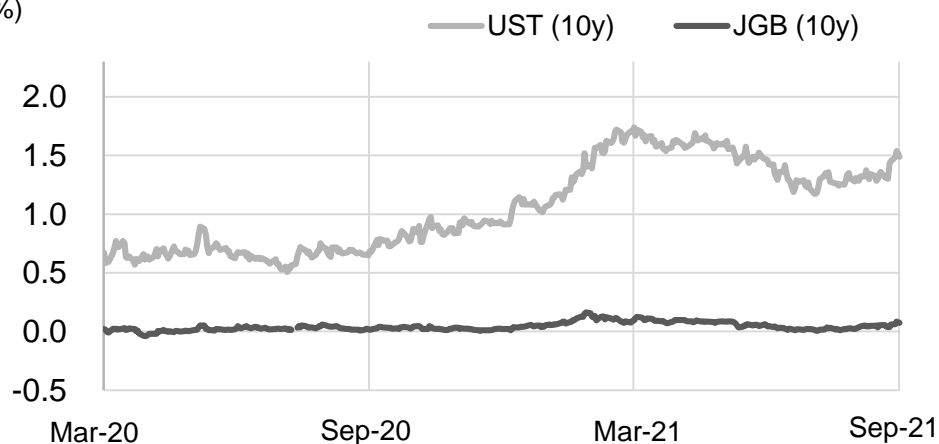
2 Banks, acquisition cost basis

(JPY T)



## Reference: Interest Rate Trends in-and-outside Japan

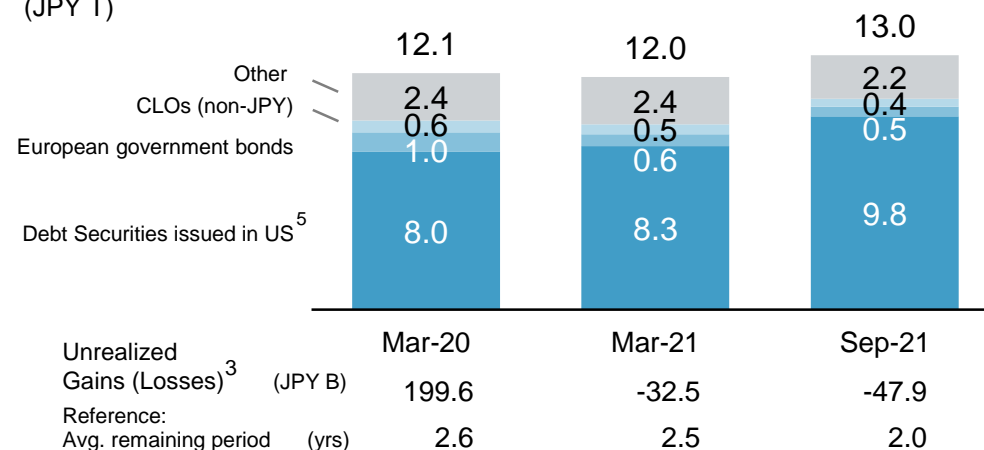
(%)



## Foreign bond portfolio<sup>1</sup>

2 Banks, acquisition cost basis

(JPY T)



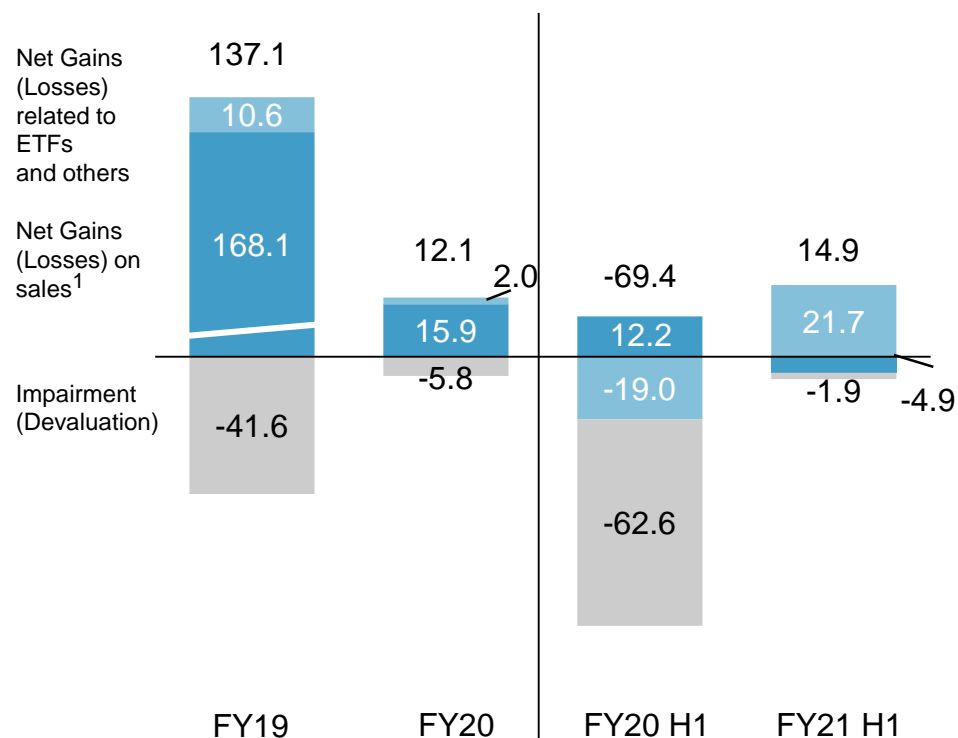
1. Other Securities which have readily determinable fair values. 2. Including bonds with remaining period of one year or less. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable value, at the respective period end. 4. Excluding floating-rate notes. 5. UST/GSE Bonds.

# Securities portfolio (Stocks)

## Net Gains (Losses) related to Stocks

Consolidated

(JPY B)



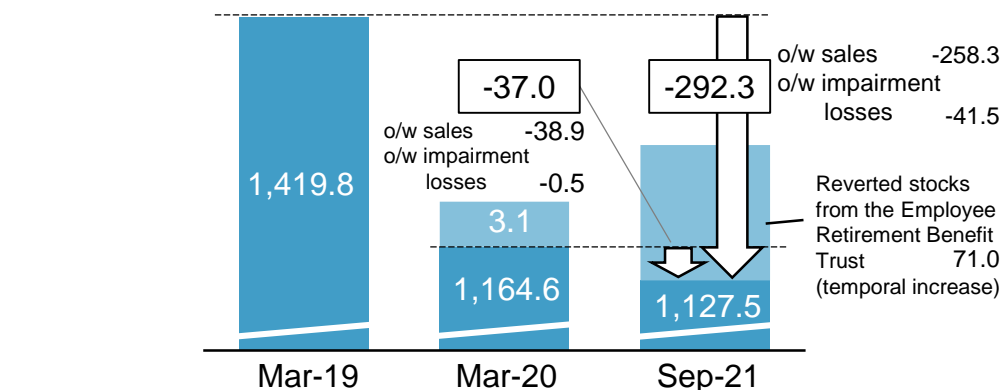
### Net gains (losses) on sales

- Recorded profit from sales due to cross-shareholdings reduction, while recording losses on cancellation to improve unrealized gains (losses) for bear funds<sup>2</sup>

## Japanese stock portfolio<sup>3</sup>

Consolidated, acquisition cost basis

(JPY B)



### Unrealized Gains (Losses)<sup>4</sup>

	Mar-19	Mar-20	Sep-21
Stocks	1,687.6	1,665.7	1,696.4
o/w gains	1,748.9	1,739.9	1,775.0
o/w losses	-61.3	-74.1	-78.6
Bear Funds <sup>2</sup>	-	-155.4	-128.1
Reference: No. of stocks <sup>5</sup>	1,060	970	943

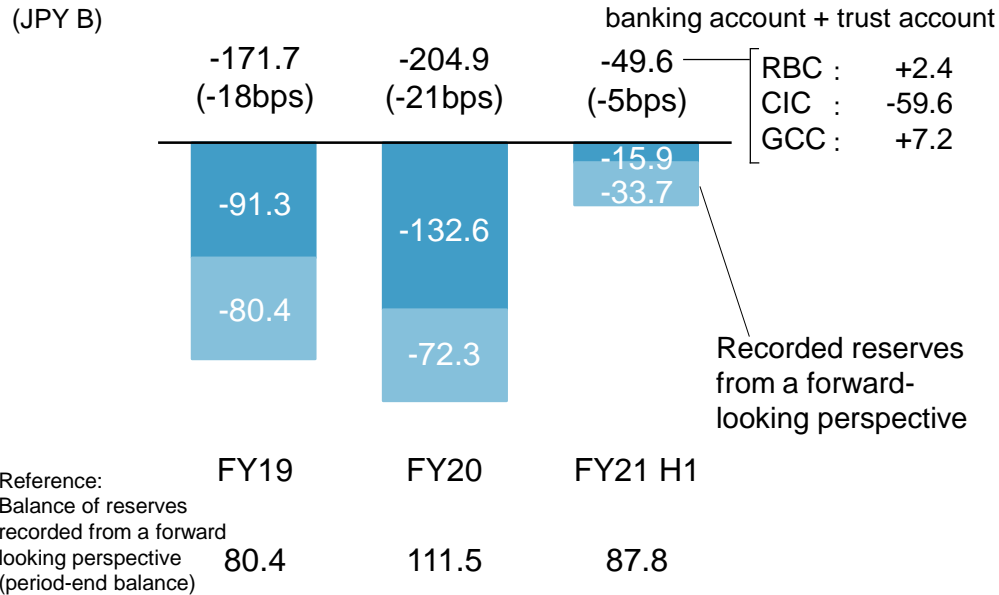
### Reference: Reduction of stocks in the Retirement Benefit Trust<sup>6</sup>

	FY19	FY20	FY21 H1
Reverted amount	-	180.2	159.6

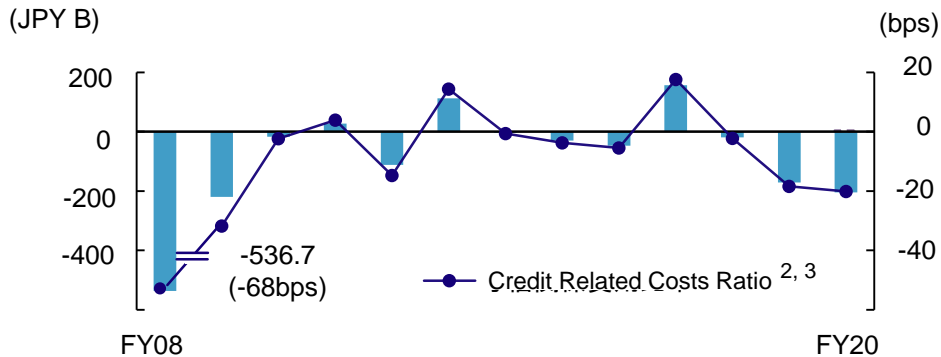
1. Net Gains (Losses) on sales of stocks + Net Gains (Losses) on Derivatives other than for trading. 2. Hedging transactions aiming to fix unrealized gains on Japanese stocks. 3. Other Securities which have readily determinable fair values. 4. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19: Japanese Stocks were calculated based on the average market price of the month. 5. BK, Stocks listed in Japan. 6. Partially includes amount recorded as assets of BK or TB. Management accounting basis.

# Asset quality

## Credit-related Costs

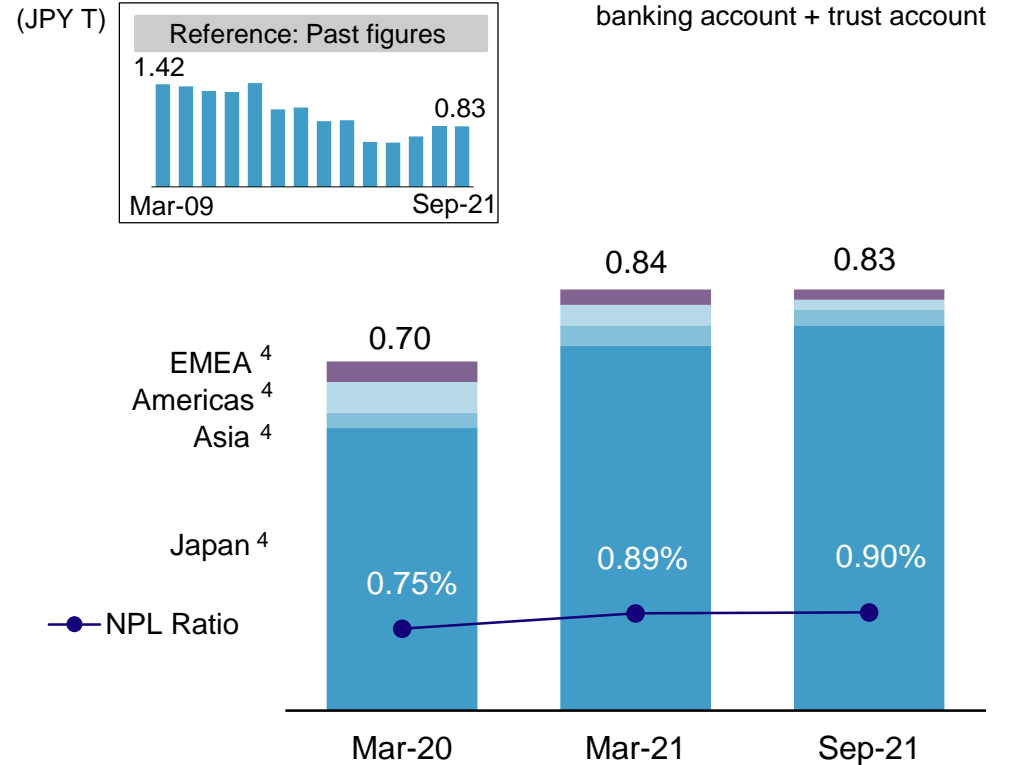


### Reference Past figures



1. Financial Reconstruction Act. 2. Ratio of Credit-related Costs against Total Claims (based on the FRA).  
3. Figures before FY13 were calculated by using Total Claims of aggregate for 2 Banks.

## Non Performing Loans based on the FRA<sup>1</sup> Consolidated



### Reference: Other Watch Obligors

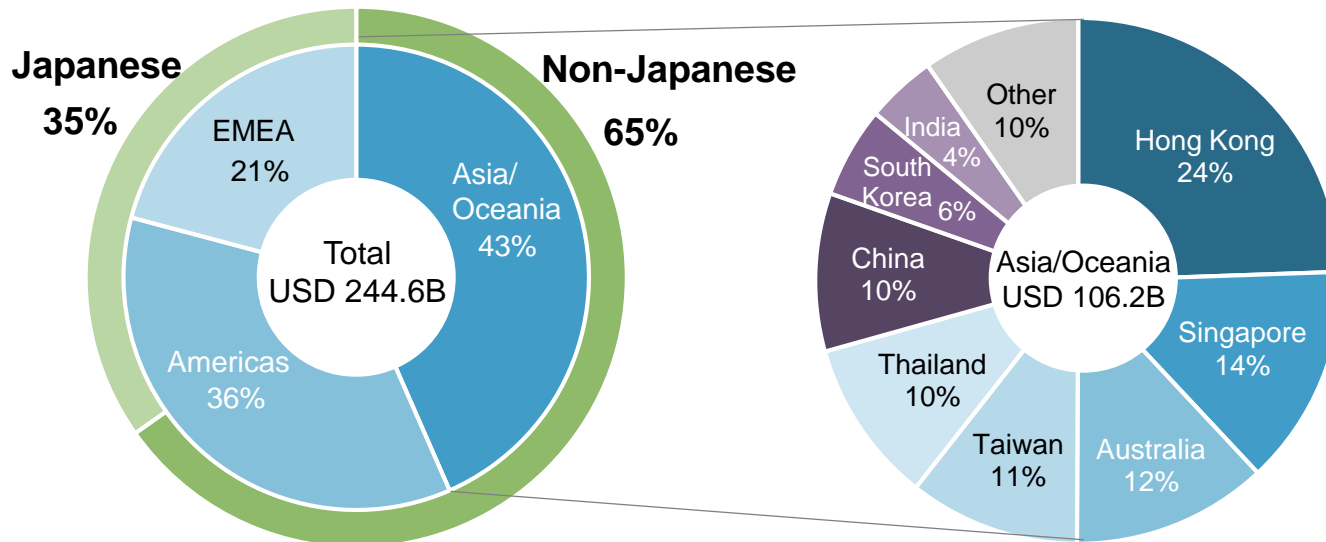
2 Banks, banking account

	Mar-20	Mar-21	Sep-21
Balance (JPY T)	1.6	1.7	1.6
Reserve Ratio	4.91%	4.87%	4.18%

# Loan portfolio outside Japan

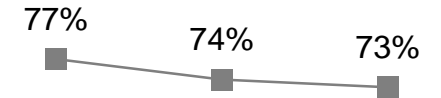
## Loan portfolio outside Japan (Sep-21)

BK,<sup>1</sup> GCC management accounting basis



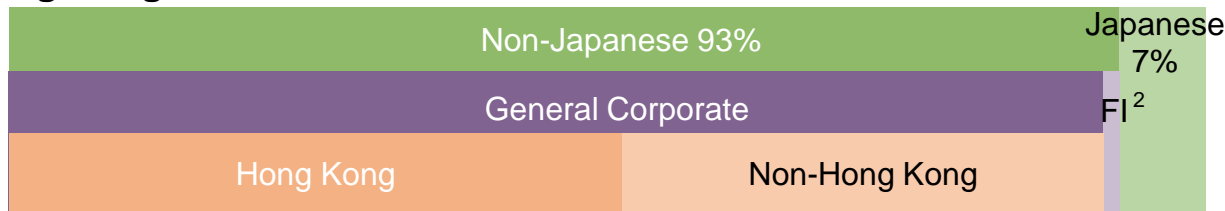
### Quality of Loan portfolio

■ Investment Grade Level Ratio  
● NPL Ratio

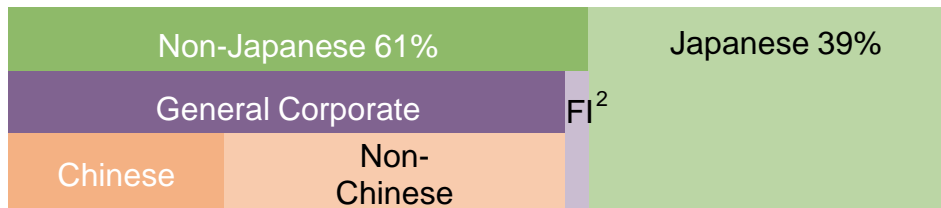


Mar-20    Mar-21    Sep-21

### Hong Kong: USD 26.0B



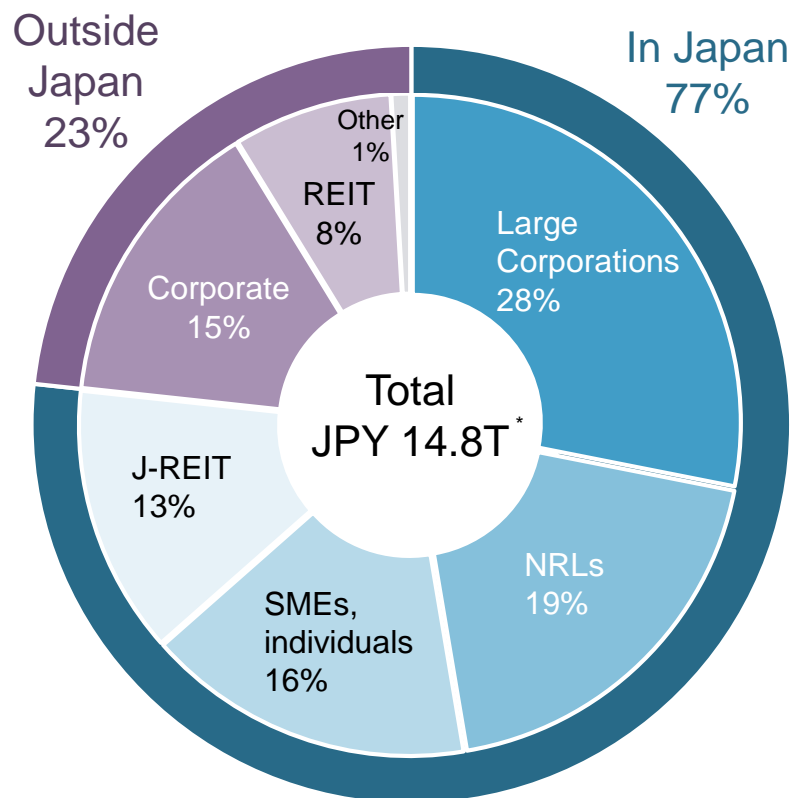
### China: USD 10.3B



1. Including banking subsidiaries outside Japan. 2. Financial Institutions.

# Exposure in real estate sector

Management accounting



- Large corporations, J-REITs
  - Investment grade and equivalent: over 90%
- Non-recourse loans (NRLs)
  - For assets deemed strongly affected by COVID-19
    - Hotels: Selectively originating deals while strengthening monitoring
    - Commercial facilities: Closely monitoring each deal as business condition recovers
- SMEs and individuals
  - Selectively originating deals based on comprehensive evaluation, including analysis of cash flow under stress scenario
- Clients outside Japan
  - Investment grade and equivalent: approx. 90%
  - Chinese clients: Approx. 1% of total exposure, out of which investment grade and equivalent exposure is over 90%

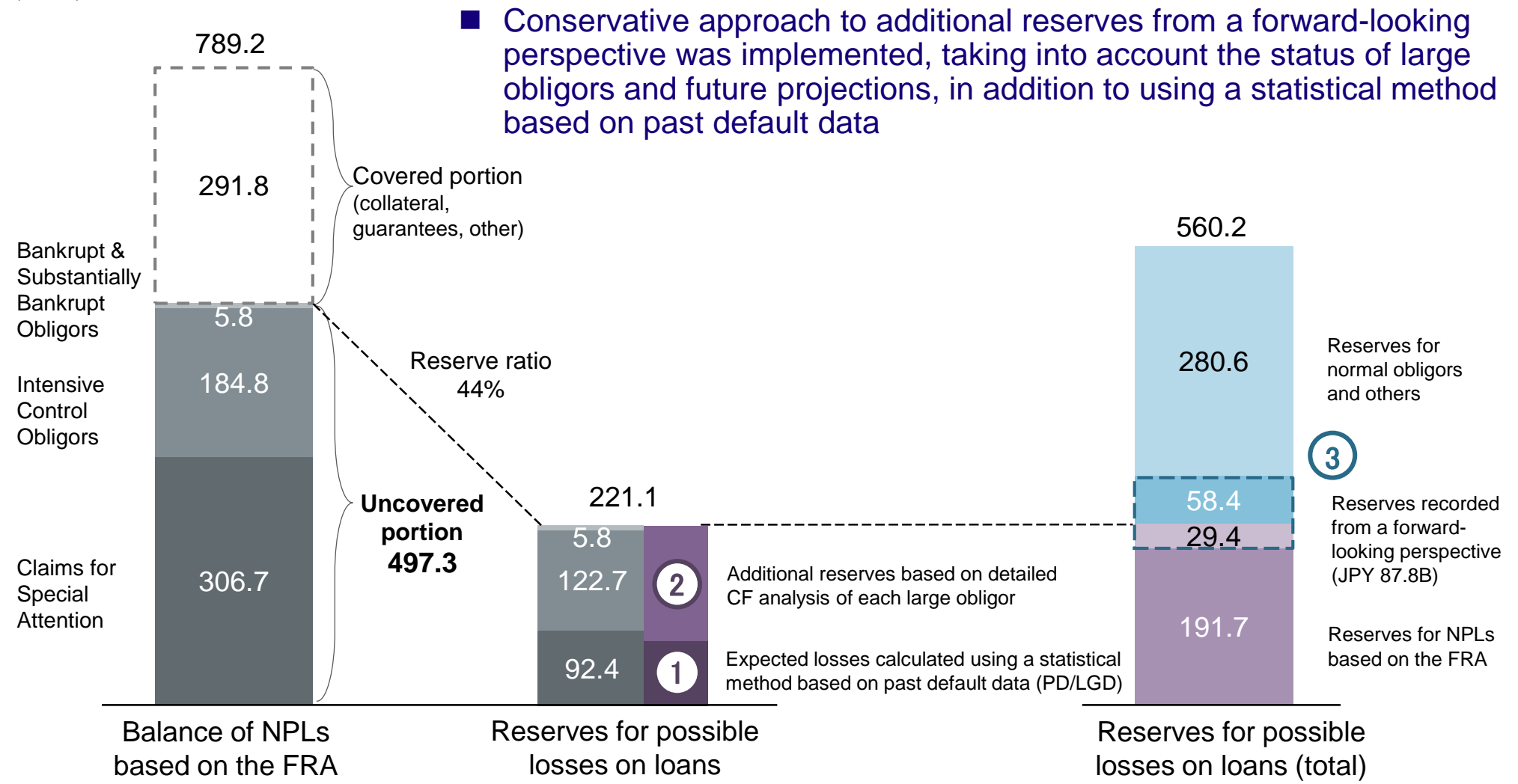
\* BK (consolidated) and TB (non-consolidated). Total exposure amount of loans, foreign exchange, and unused committed lines of credit and other.

# Credit portfolio soundness

## Reserves for possible losses on loans against NPLs<sup>1</sup> based on the FRA<sup>2,3</sup>

2 Banks

(JPY B)



1. Non Performing Loans. 2. Financial Reconstruction Act. 3. Above figures represent net of partial direct write-offs.

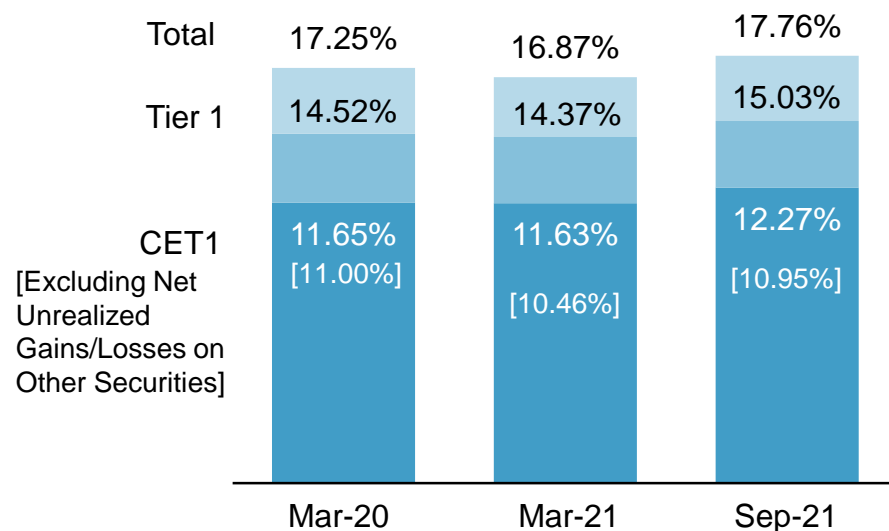
# Capital and Funding

# Basel Regulatory Disclosures (1)

## Capital Ratio

Consolidated

(JPY B)



	Mar-20	Mar-21	Sep-21
CET1 Capital <sup>1</sup>	7,244.7	7,849.9	8,243.5
AT1 Capital <sup>2</sup>	1,779.6	1,851.9	1,854.8
Tier 1 Capital	9,024.4	9,701.9	10,098.4
Tier 2 Capital	1,697.8	1,683.4	1,828.6
Total Capital	10,722.2	11,385.3	11,927.0
Risk Weighted Assets	62,141.2	67,481.9	67,147.7

## Other Regulatory Ratios

Consolidated

(JPY B)

	Mar-20	Mar-21	Sep-21
Leverage Ratio <sup>3</sup>	4.08%	4.83%	4.96%
Tier 1 Capital	9,024.4	9,701.9	10,098.4
Total Exposures	220,977.5	200,546.6	203,591.5

	FY19 Q4	FY20 Q4	FY21 Q2
Liquidity Coverage Ratio (LCR)	137.3%	135.8%	140.2%
Total HQLA	60,112.7	72,792.2	77,427.8
Net Cash Outflows	43,816.7	53,607.0	55,219.2

Reference:	Mar-20	Mar-21	Sep-21
CET1 Capital Ratio (Basel III finalization basis)	9.3%	10.0%	10.6%
(excl. Net Unrealized Gains (Losses) on Other Securities)	8.8%	9.1%	9.6%

1. Common Equity Tier 1 Capital. 2. Additional Tier 1 Capital. 3. Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure since Mar. 2021. (before exclusion: Mar-21: 4.03%, Sep-21: 4.17%)



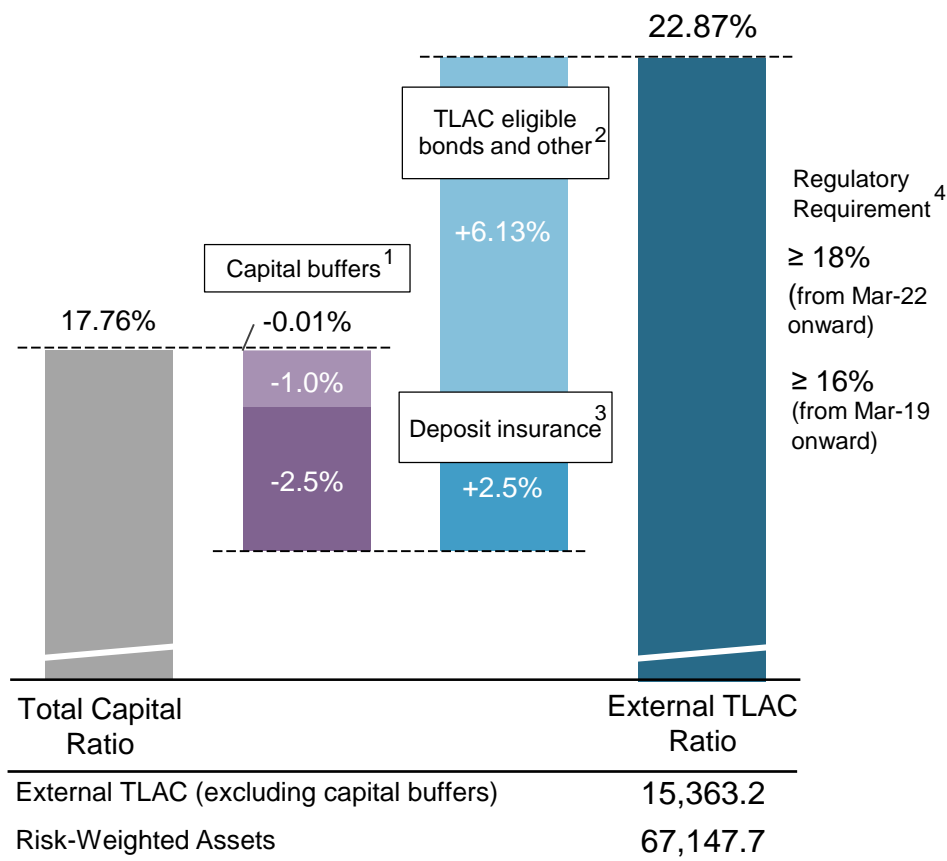
# Basel Regulatory Disclosures (2)

## External TLAC Ratio (Sep-21)

Consolidated

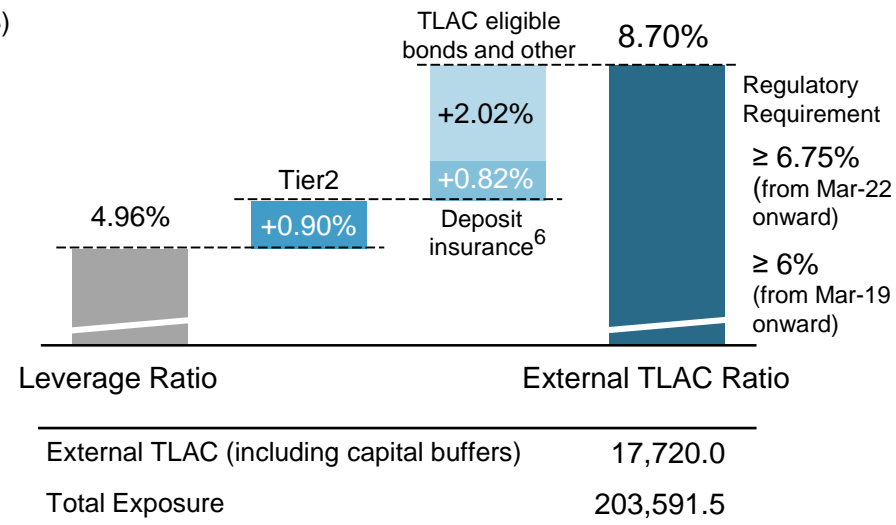
### Risk Weighted Assets Basis

(JPY B)



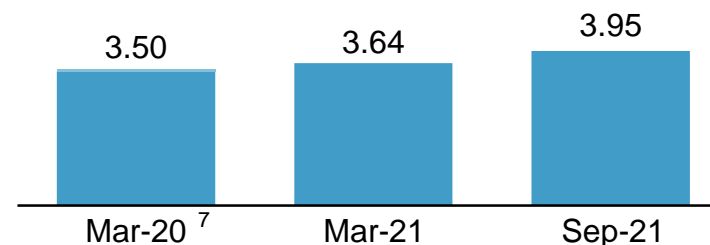
### Total Exposure Basis<sup>5</sup>

(JPY B)



### TLAC Eligible Senior Bonds

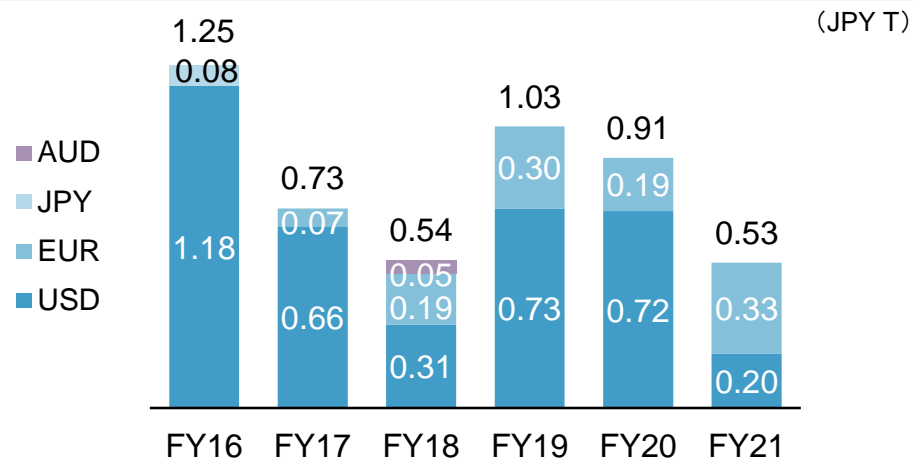
(JPY T)



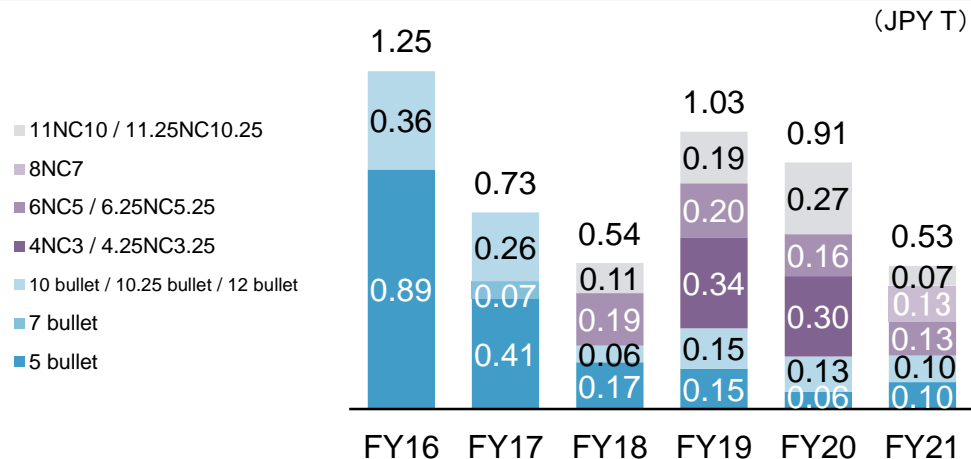
1. Capital Buffer = Capital Conservation Buffer (2.5%) + G-SIBs Capital Buffer (1.0%) + Countercyclical Capital Buffer (0.01%). 2. TLAC Eligible Senior Bonds, including other adjustments. 3. Deposit insurance fund reserve is allowed to count towards Japanese G-SIBs' external TLAC. 3.5% of RWA from Mar-22. 4. Minimum TLAC requirement based on FSB's final TLAC standard as of Nov. 9, 2015. Minimum TLAC requirement applied as of Sep-21 is 16%. 5. Due to the amendment of the notification by Japan FSA, deposits to BoJ have been excluded from Total Exposure. (Before exclusion: Leverage Ratio: 4.17%, External TLAC Ratio: 7.32%.) 6. Deposit insurance fund reserve equivalent amount on total exposure basis calculated based on RWA basis of 2.5%. 7. Includes JPY denominated for Mar-20.

# Summary of Senior Bonds issued by FG (TLAC Eligible)

## By Currency <sup>1</sup>



## By Term <sup>1</sup>



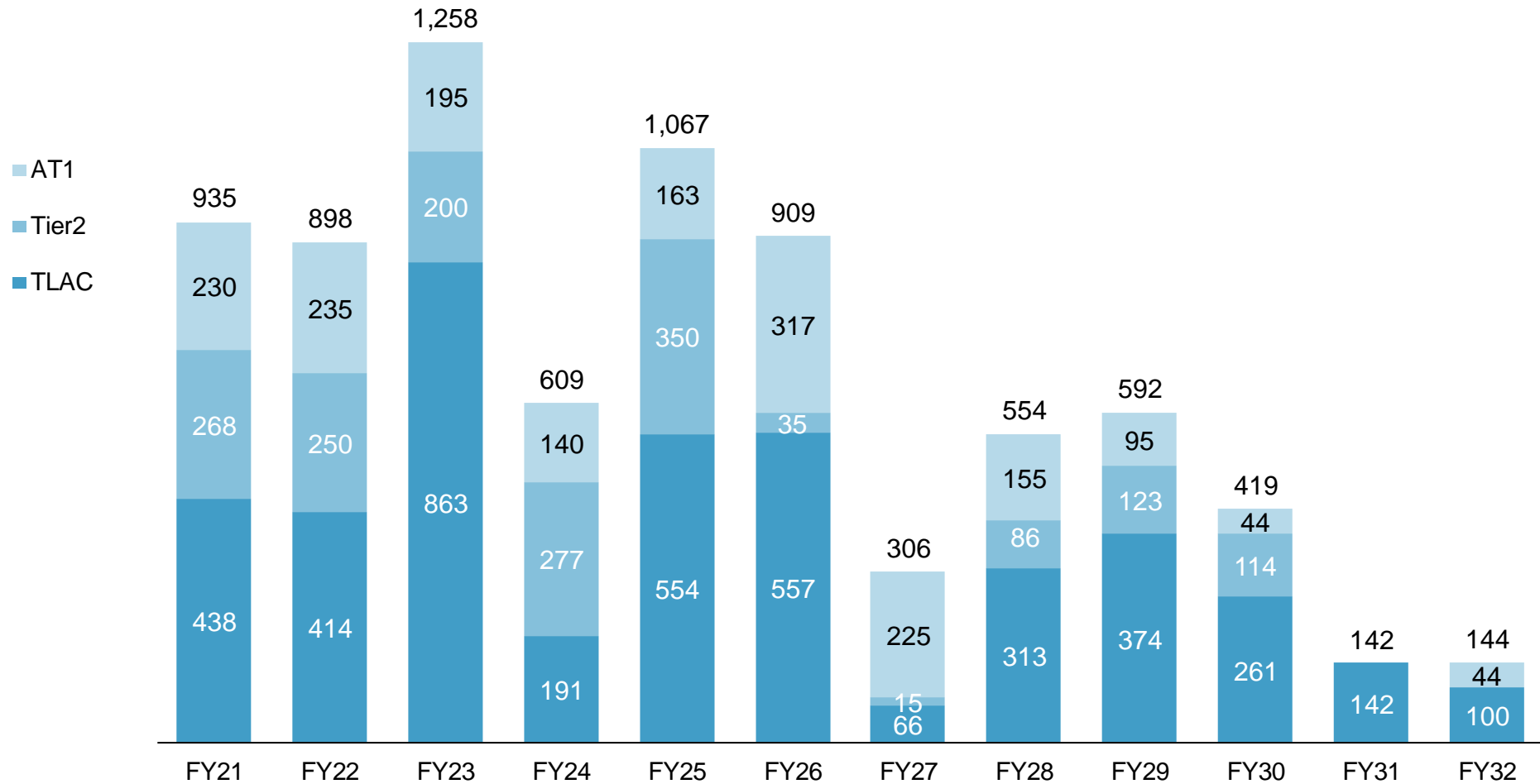
## Past Issuance Calendar of TLAC eligible bonds

	April	May	June	July	August	September	October	November	December	January	February	March	Issuance Volume <sup>1</sup>
<b>FY16</b>	(\$ 2016/04/12 3-part \$4bn)			(¥ 2016/07/22 ¥75bn)		(\$ 2016/09/13 3-part \$3.25bn)						(\$ 2017/02/28 3-part \$3.25bn)	JPY 1.25T
<b>FY17</b>						(\$ 2017/09/11 3-part \$3.25bn)	(€ 2017/10/16 €0.5bn <b>Green</b> )					(\$ 2018/03/05 3-part \$3bn)	JPY 0.73T
<b>FY18</b>	(€ 2018/04/10 2-part €1bn)			(A\$ 2018/07/19 2-part A\$0.625bn)		(\$ 2018/09/11 3-part \$2.75bn)		(€ 2018/10/11 €0.5bn)					JPY 0.54T
<b>FY19</b>		(€ 2019/06/10 €0.75bn)		(\$ 2019/07/16 4-part \$2.75bn)		(€ 2019/09/06 2-part €1bn)	(\$ 2019/09/13 3-part \$1.6bn)			(€ 2020/1/14 €0.75bn)		(\$ 2020/2/25 3-part \$2.35bn)	JPY 1.03T
<b>FY20</b>				(\$ 2020/07/10 3-part \$2.5bn)		(\$ 2020/09/08 3-part \$2bn)	(€ 2020/10/7 2-part €1.5bn <b>o/w 1-part Green</b> )					(\$ 2021/02/22 2-part \$2bn)	JPY 0.91T
<b>FY21</b>	(€ 2021/04/12 2-part €1.5bn)			(\$ 2021/07/09 2-part \$1.75bn)		(€ 2021/09/06 €1.0bn)							JPY 0.53T

1. Foreign exchange rate (TTM) at the end of the respective fiscal year is used for FY20 or before. Foreign exchange rate (TTM) at Oct 29, 2021 is applied for FY21.

# Yearly decrease of TLAC eligible securities <sup>1</sup>

(JPY B)



1. Foreign exchange rate (TTM) at Oct 29, 2021 is applied. Only publicly offered bonds are included. Callable bonds are assumed to be redeemed at their respective first call date, while there is no assurance they will be redeemed at such date.

# Past Issuance Calendar of Additional Tier 1 Capital & Tier 2 Capital Securities<sup>1</sup>

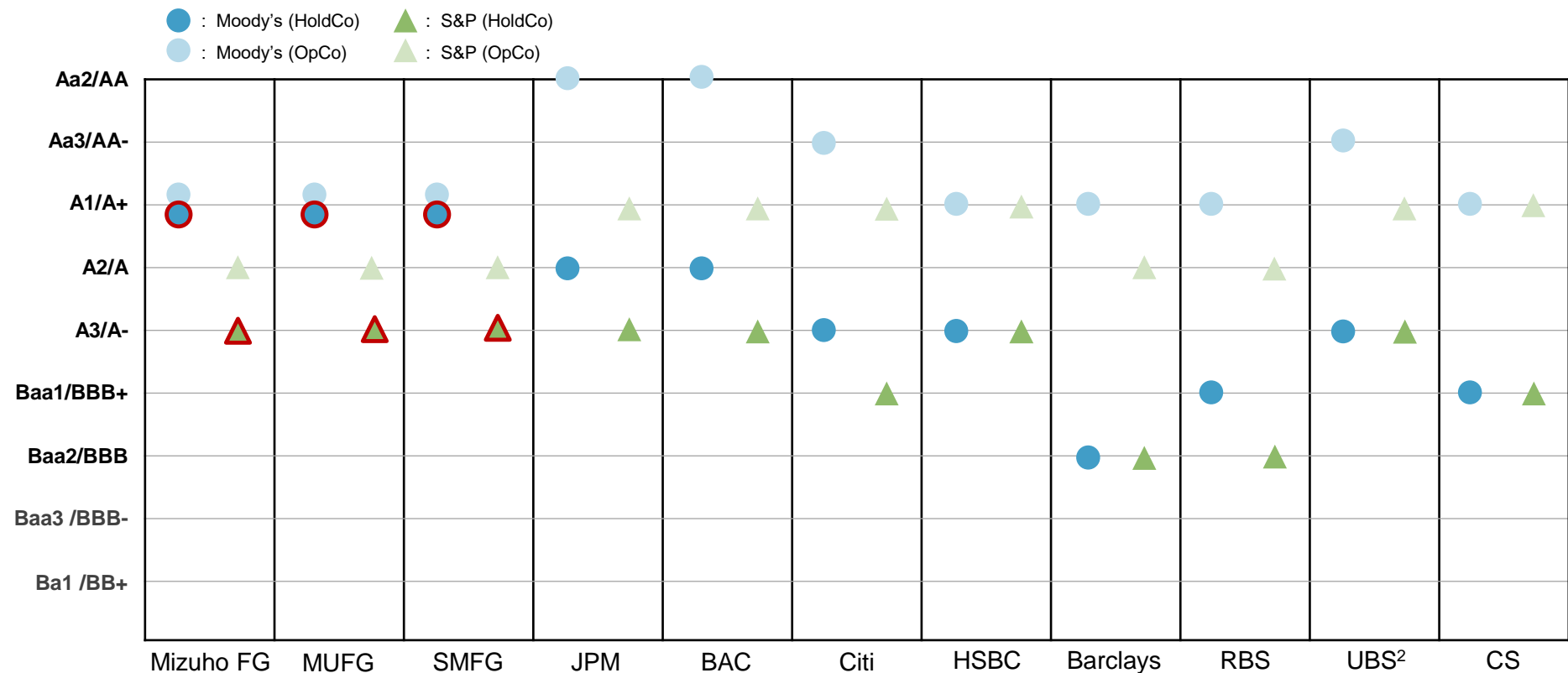
	April	May	June	July	August	September	October	November	December	January	February	March	Outstanding Balance <sup>2</sup>	
													AT1	Tier2
<b>FY15</b>		Tier2 ¥ 2015/06/18 ¥50bn		AT1 ¥ 2015/07/24 ¥300bn			Tier2 \$ 2015/10/20 \$0.75bn						JPY 1.3T	JPY 1.3T
<b>FY16</b>		Tier2 ¥ 2016/06/20 ¥155bn		AT1 ¥ 2016/07/22 ¥460bn						Tier2 ¥ 2017/01/26 ¥180bn			JPY 1.3T	JPY 1.6T
<b>FY17</b>		Tier2 ¥ 2017/06/21 ¥114bn		AT1 ¥ 2017/07/21 ¥460bn									JPY 1.7T	JPY 1.5T
<b>FY18</b>		Tier2 ¥ 2018/06/12,20 ¥110bn		AT1 ¥ 2018/07/20 ¥350bn									JPY 1.8T	JPY 1.6T
<b>FY19</b>		Tier2 ¥ 2019/06/13 ¥90bn		AT1 ¥ 2019/07/19 ¥235bn			Tier2 ¥ 2019/10/30 ¥158bn						JPY 1.8T	JPY 1.6T
<b>FY20</b>		Tier2 ¥ 2020/06/24 ¥80bn		AT1 ¥ 2020/07/21 ¥207bn			Tier2 ¥ 2020/10/30 ¥137bn			AT1 ¥ 2020/12/24 ¥131bn			JPY 1.8T	JPY 1.8T
<b>FY21</b>							Tier2 \$ 2021/09/13 \$1.0bn						JPY 1.8T <sup>3</sup>	JPY 1.9T <sup>3</sup>

1. Public offering only. 2. At the end of the respective fiscal year. Foreign exchange rate (TTM) at the end of the respective fiscal year is applied.

3. Outstanding balance as of end of Oct-21. Foreign exchange rate (TTM) at Oct 29, 2021 is applied.

# HoldCo - OpCo Bank Rating Comparison

## Credit Ratings of Selected G-SIBs<sup>1</sup> (as of November 30th, 2021)



### HoldCo – OpCo Bank Rating Difference

<b>Moody's</b>	0	0	0	3	3	3	2	4	3	3	3
<b>S&amp;P</b>	1	1	1	2	2	3	2	3	3	2	3

1. Senior unsecured note ratings (if not available, long-term Issuer Ratings for Moody's and long-term Issuer Credit Ratings for S&P).

2. A3 for UBS HoldCo is the rating which is voluntarily given by Moody's when UBS Group Funding Switzerland AG issues senior notes with UBS Group AG guarantee. UBS Group AG itself does not have Moody's issuer rating.

# 5-Year Business Plan

# 5-Year Business Plan

Basic policy	<b>Implement forward-looking structural reforms focused on three interconnected areas: business structure, finance structure, and corporate foundations</b>
Key strategy	<b>Go beyond the conventional boundaries of finance and create new value incorporating both financial and non-financial products and services in order to forge new partnerships with our customers</b>

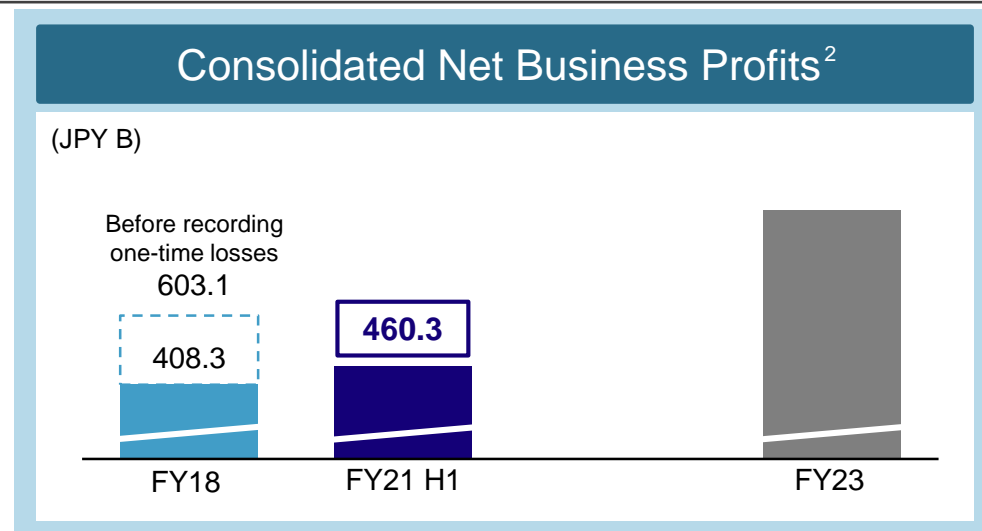
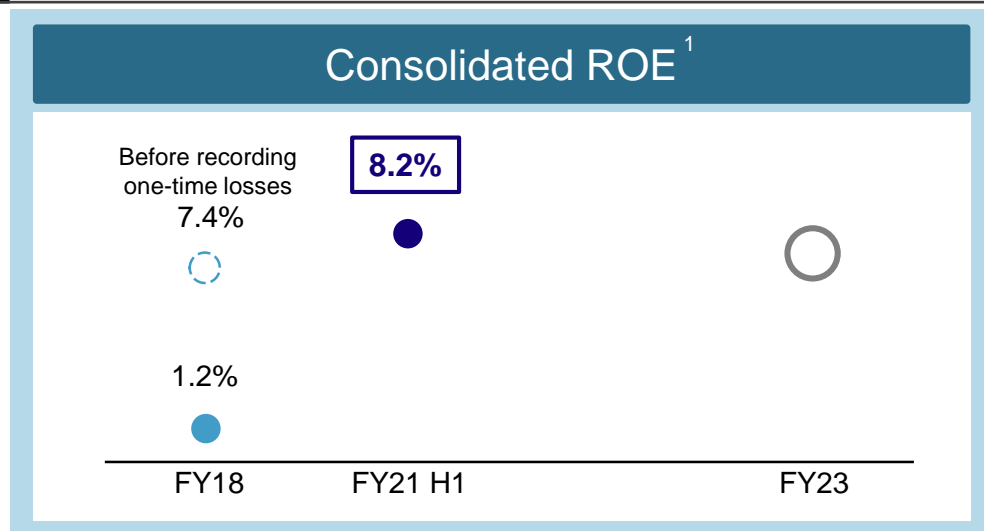


Structural Reform	Finance Structure	Establish a stable revenue base and secure reserves for investment	Invest in further growth and enhance returns to shareholders
	Business Structure	Invest in future growth and seek out new businesses	Newly launched businesses make a marked contribution to earnings
	Corporate foundations	Accelerate and implement structural reforms	Begin to see full effects of structural reforms

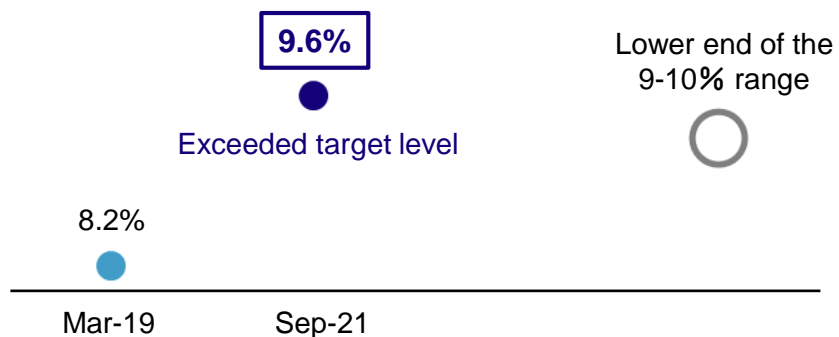
Contains forward-looking statements regarding management's current estimates with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

# Reference: Progress against the 5-Year Business Plan

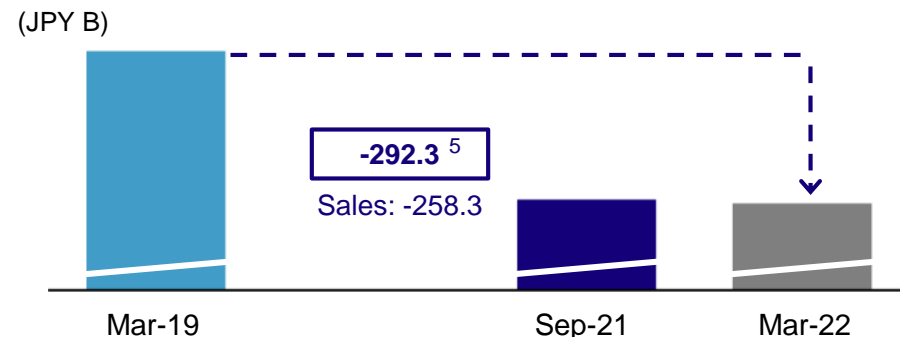
## Financial Targets



### Common Equity Tier 1 (CET1) Capital Ratio target level<sup>3</sup>



### Reduction of cross-shareholdings<sup>4</sup>



[Assumed financial indicators for FY23 targets] JGB (10-yr): 0.15%, Nikkei 225: JPY 22,100, USD/JPY: JPY 101

1. Excluding Net Unrealized Gains (Losses) on Other Securities. Calculation of numerator of FY21 H1: (Net Income - SC tax effects) times two + SC tax effects. 2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others. 3. Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities. 4. Acquisition cost basis. 5. Excluding temporal increase due to reverted stocks from the Employee Retirement Benefit Trust.

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.



# Quantitative Image of Structural Reform

		FY17	...	FY20	FY21	...	FY24	...	FY26
<b>Staff</b>	<b>Decrease Number of Staffs</b>	Approx. 80,000 people		- Approx. 8,000 people	Streamline the number of personnel				
<b>Locations in Japan</b>	<b>Decrease Number of Branch Locations in Japan</b>	Approx. 500 branch locations		- 81 branch locations	Close, merge and co-join branches				
<b>Expenses</b>	<b>Reduce Expenses (Excluding Depreciation related to Next-Generation IT systems)</b>	JPY 1.47tn <sup>1</sup>		- JPY 118bn <sup>2</sup>	Control and Reduce expenses				

1. Group Aggregate. New management accounting rules were applied in FY19. The original figures before the recalculation was JPY 1.45T. 2. Excluding effects of foreign exchange. Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

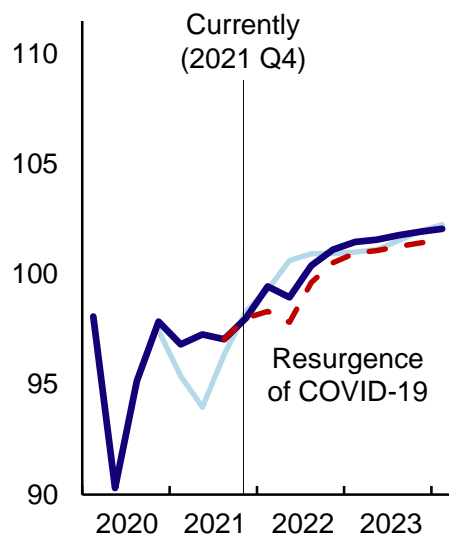
# Management Policy for FY21 H2

# Economic outlook

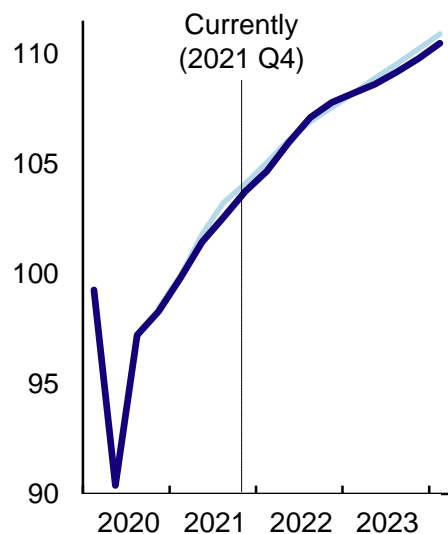
- Japan: Vaccine roll-out and mobility improvement lead to recovery in the economy, however, the resurgence of COVID-19 is anticipated in 2022. The economic outlook factors in certain downward pressure on corporate earnings due to semiconductor shortage, restrictions on procurement from ASEAN, soaring energy prices, and delayed recovery of private consumption. In the sub-scenario, the downward pressure from the resurgence of COVID-19 in 2022 is reflected more severely.
- US: Growth is expected to remain solid. Long-term interest rates are expected to rise moderately at a lower level compared to the initial scenario announced in May, due to unstable movement in the first half of the FY caused by inflation concerns and other factors. The impact of inflation trends on monetary policy warrant attention.

— Main scenario — Sub scenario — Estimates in May. 21

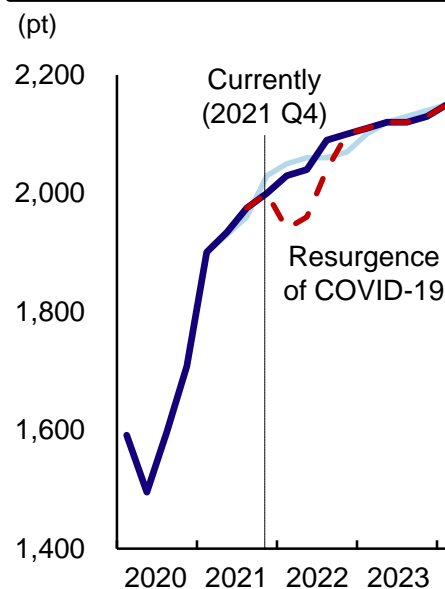
### Real GDP (Japan)<sup>1</sup>



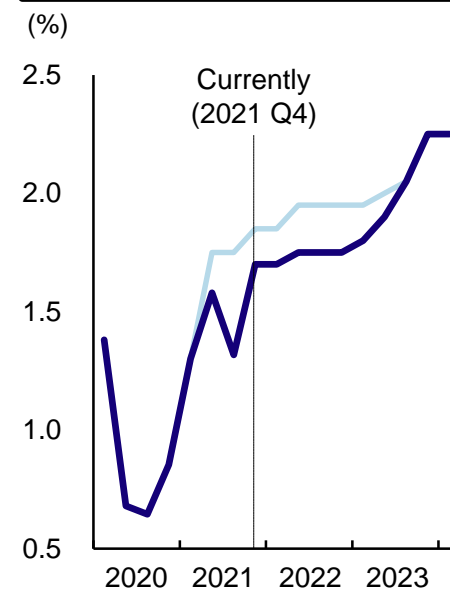
### Real GDP (USA)<sup>1</sup>



### TOPIX<sup>2</sup>



### USA 10Y treasury interest rate<sup>2</sup>



1. Using quarterly average of 2019 as a baseline of 100. 2. Quarterly average.

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance.

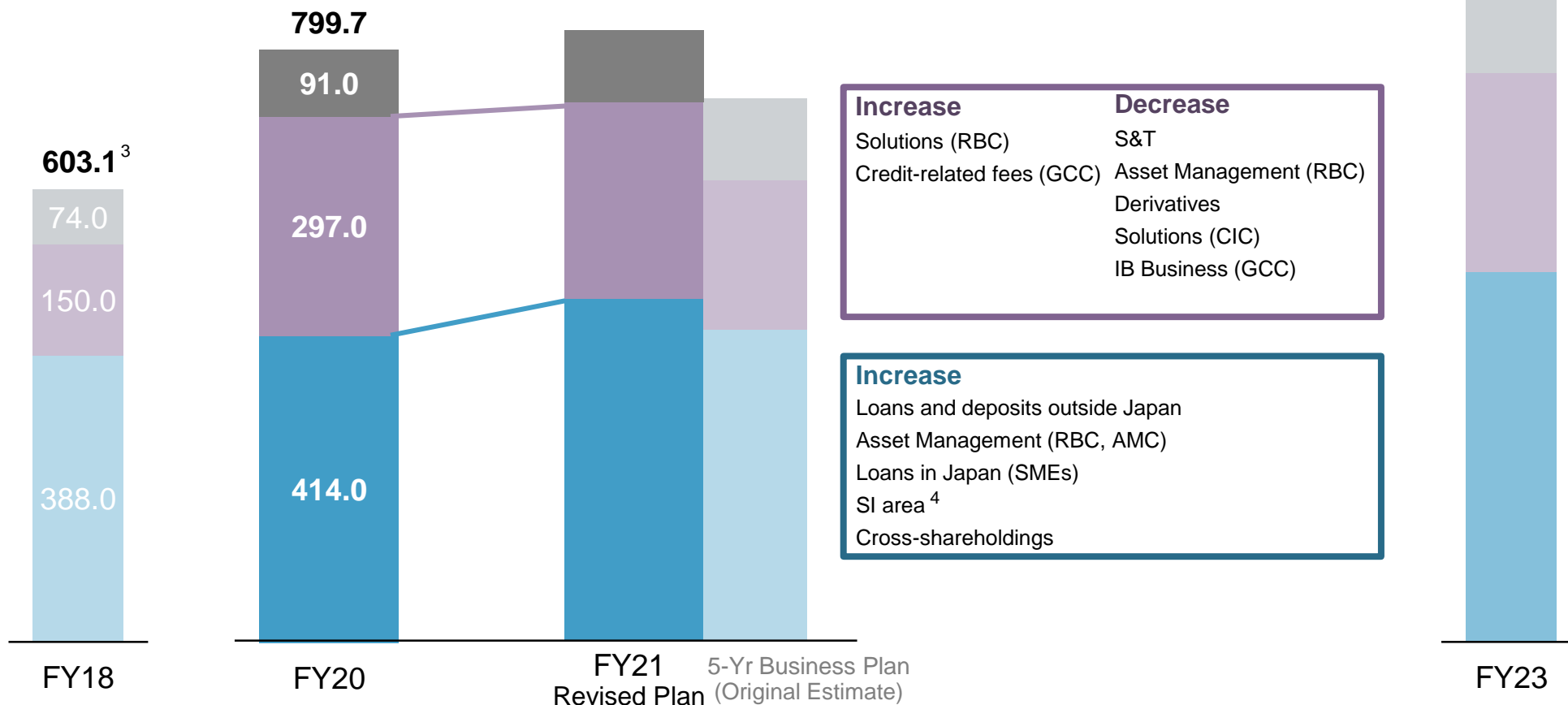
See "Forward-Looking Statements" on the last page of this presentation.

# Consolidated Net Business Profits

(JPY B, rounded figures)

Group aggregate

- Banking: Revenue in the banking account excluding ALM revenue <sup>1</sup>
- Upside: Non-recurring customer-related revenue + trading-related revenue
- Stable revenue <sup>2</sup>: Recurring customer-related revenue + ALM revenue <sup>1</sup>

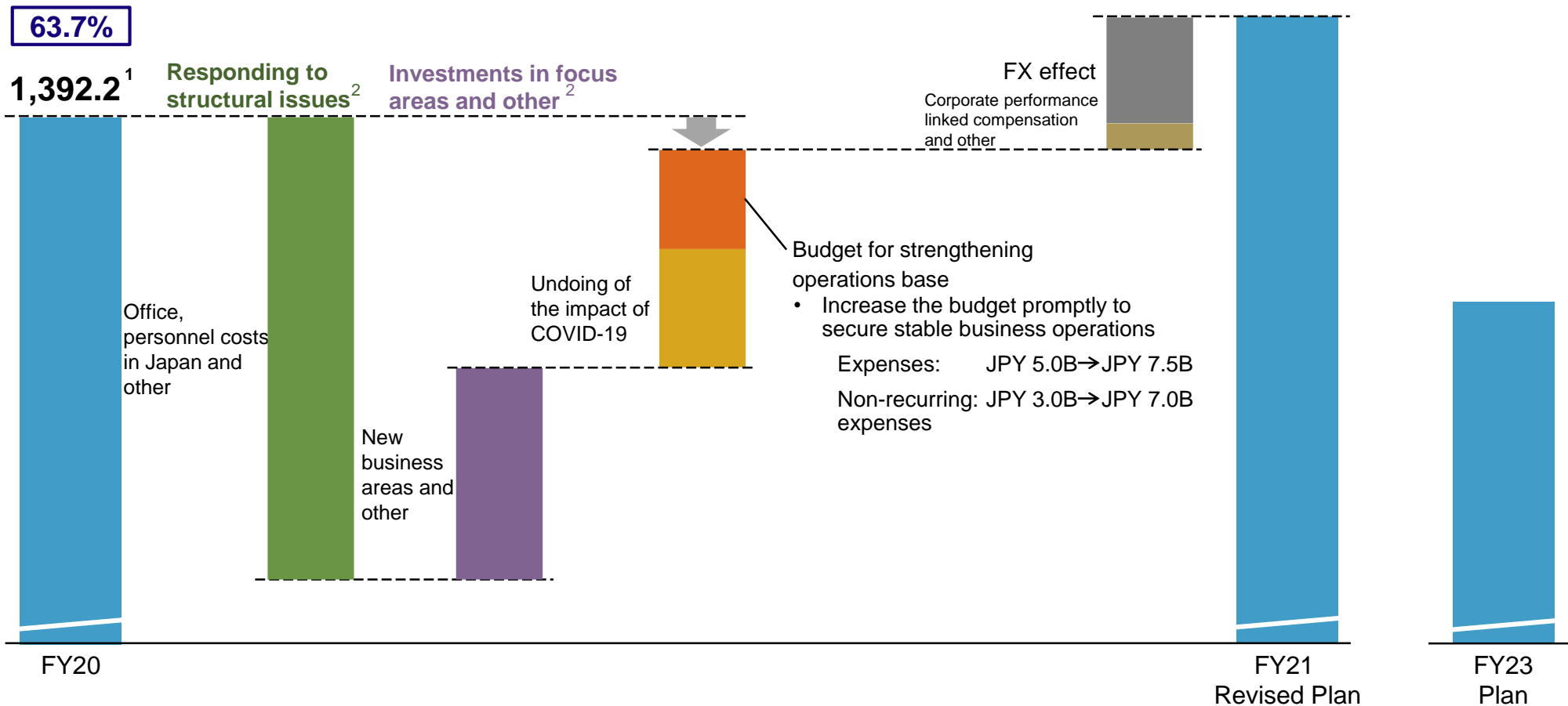


1. Revenue from comprehensive management of assets and liabilities in the banking account. 2. The aggregate figures of stable, upside and banking do not match consolidated net business profits in the same period by the difference between financial and management accounting. 3. Before recording one-time losses. 4. Strategic investment (SI) area, including the equity/mezzanine business. Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

# Expenses

(JPY B, rounded figures)

## Expense ratio



1. Group aggregate. 2. Management accounting.

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

# Credit-related costs

(JPY B)

## Credit-related costs ●

Additional reserves recorded from a forward-looking perspective

33.7

Credit-related costs on actual basis (assumption)

73.3

49.6

Offset by reserves recorded from a forward-looking perspective

-57.4

FY21 H1

FY21 estimate

FY22 (conceptualization)

### Reference:

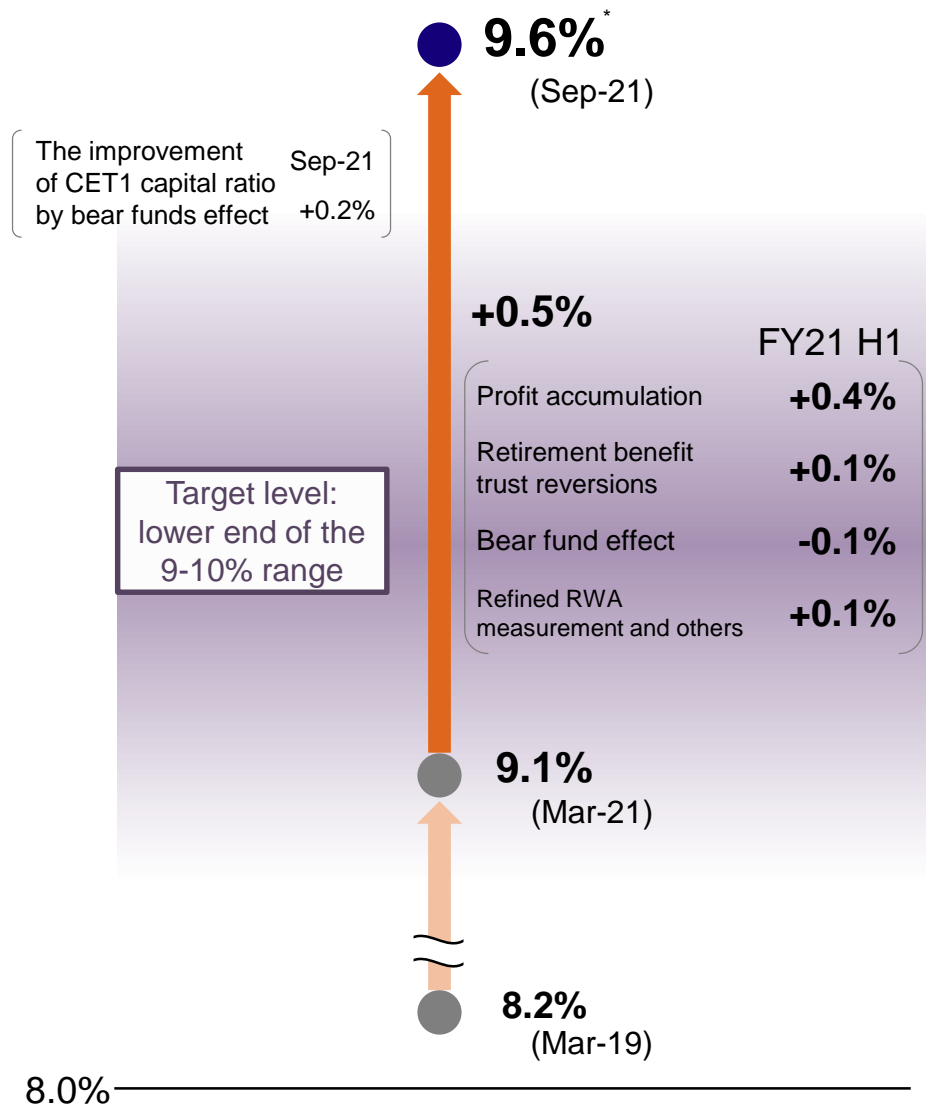
Reserves recorded from a forward-looking perspective (Period-end balance) **87.8**

- Recorded additional reserves from a forward-looking perspective taking into account the effects of supply constraints and other factors, which were not expected at the beginning of FY21.
- Potential materialization of credit risks due to a resurgence of COVID-19 or other factors continues to warrant attention.

\* Assumptions in the case that forward-looking responses were not carried out.

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# Current CET1 capital ratio (Basel III finalization basis)



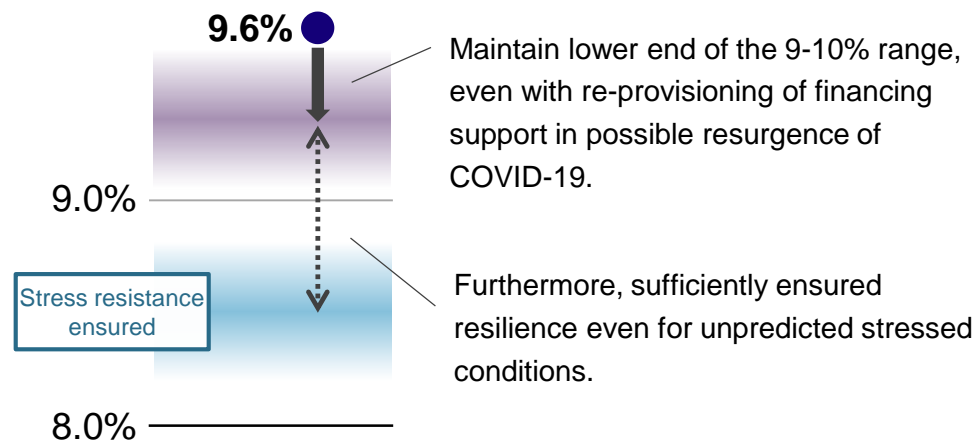
CET1 capital ratio exceeded the target level. Moving on to specify capital utilization.

- CET1 capital ratio exceeded the target level by steady profit accumulation, financial management and other

Reference: Resilience under stress

Consolidated

Ensured sufficient capital buffer against stressed conditions



\* Excluding Net Unrealized Gains (Losses) on Other Securities.

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

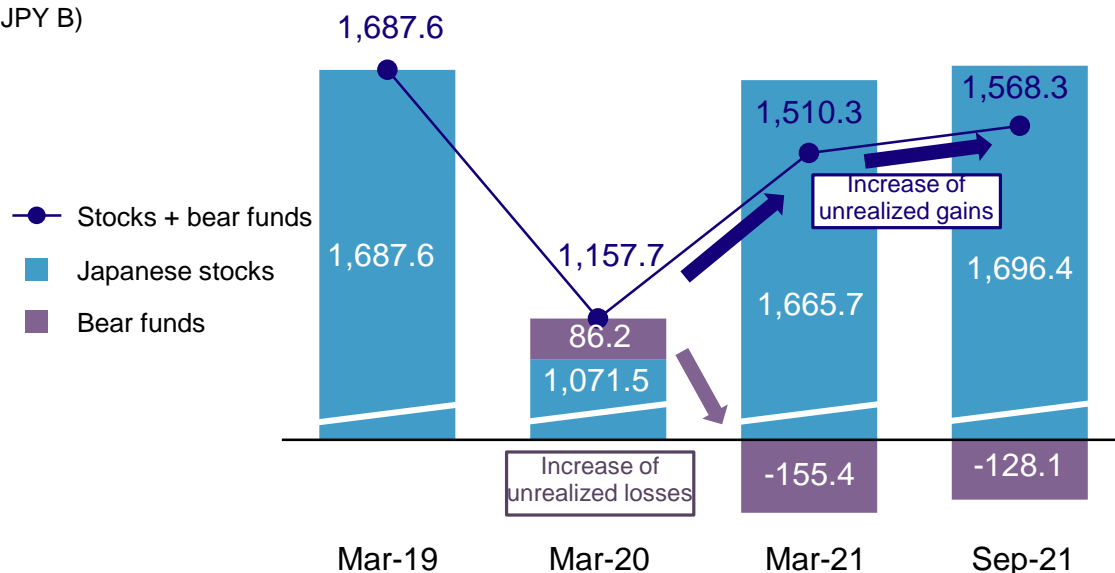
# Management of bear funds

## Approach to management of bear funds

### Status of Japanese stocks and bear funds (unrealized gains/losses on other securities)\*

Consolidated

(JPY B)



- Based on CET1 capital ratio improvement, revised the approach to bear funds management to mitigating stock price fluctuation risk.
- The cancellation of the bear fund, which was originally expected to be implemented from the FY22, was proactively done ahead of schedule, along with the realization of unrealized gains resulting from the reduction of cross-shareholdings.
- **Continuously optimize hedging price and adjust the balance of bear funds, while comprehensively taking into account the impact on regulatory capital and P&L, the trend of Japanese stock market and other.**

#### Bear funds

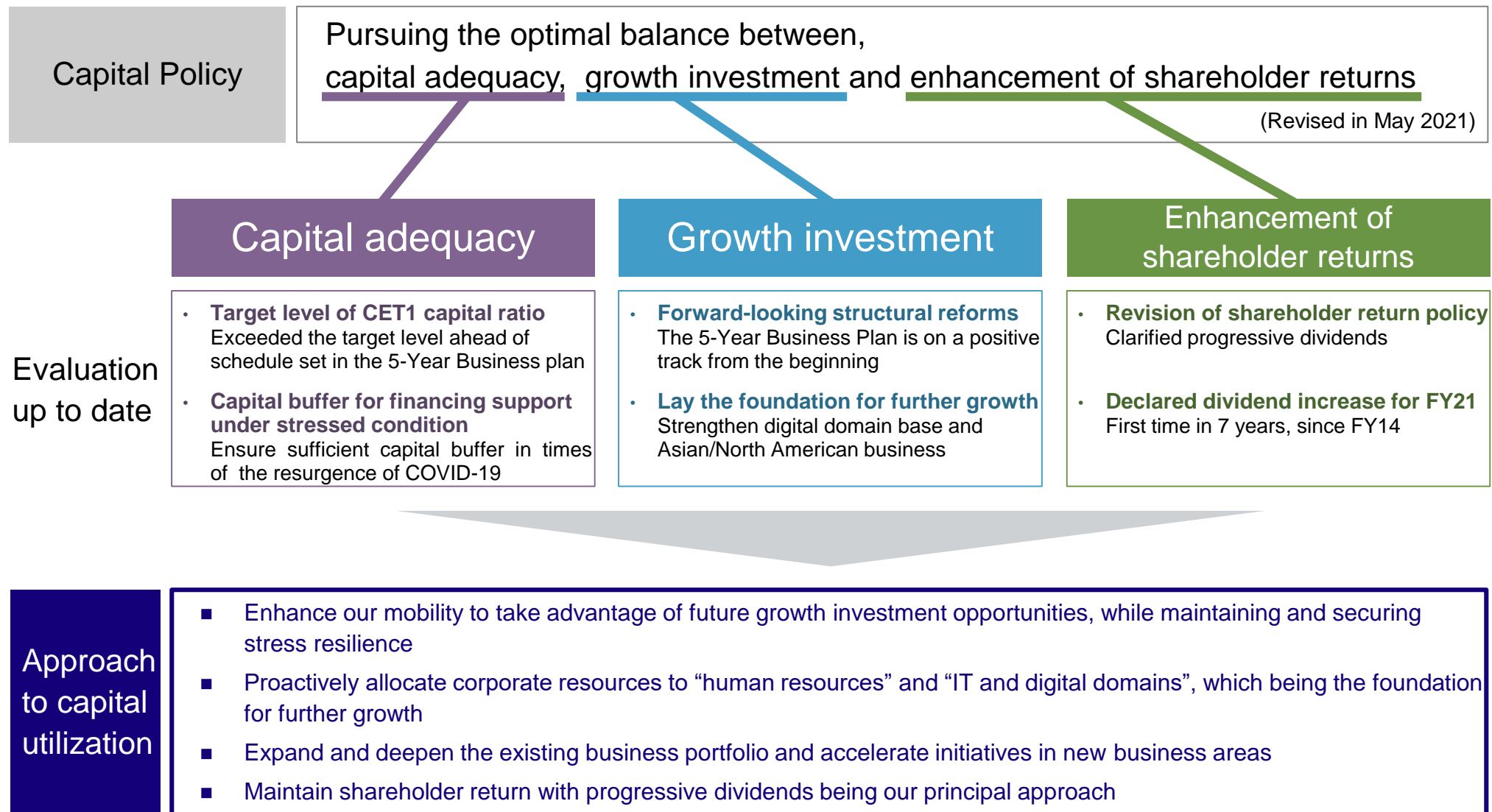
Period-end balance				
(Acquisition cost basis, JPY T)	-	0.8	0.6	0.4
Improvement effect on CET1 capital ratio <sup>2</sup>	-	0.3%	0.3%	0.2%

\* Other Securities which have readily determinable fair values. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments.

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# Approach to capital utilization



\* Estimated cash dividend per share for FY21 is raised to JPY 80.00.

Contains forward-looking statements regarding management’s current expectations with respect to future events and does not represent any guarantee by management of future performance. See “Forward-Looking Statements” on the last page of this presentation.

# Direction of growth investment

## Investment in “human resources”

-Full roll-out of new HR Strategy

Corporate foundations

- Strengthen investment in human resources so that every employee could enhance and demonstrate its expertise, while feeling a sense of pride and confidence.
- Materialize the improvement of organizational vitality and corporate value
  - Strengthen education and training to enhance expertise
  - Accumulate expertise and knowledge through work under the new branch and IG framework
  - Fairly reward employees based on roles and achievements
  - Strengthen recruitment to secure diverse human resources

## Investment in "IT / digital domain"

Corporate foundations

- Allocate necessary corporate resources to prevent further IT system failures
- Make maximum use of MINORI's flexible connectivity as an open platform
  - Establish stable operations in the maintenance and operation phases
  - Promote DX through collaboration with external organizations
  - Strengthen the expertise and skills of IT personnel

**Mizuho progresses to a further growth phase through continuous enhancement of our people and organization**

## Direction of growth investment from the business portfolio perspective

Business

### Expand and deepen existing business domains

- Further enhance comprehensive asset consulting capabilities
- Address clients' needs for business succession/ structure reforms and SX shift
- Shift From cross-shareholdings to SI\* field
- Expand customer base and products in North American capital markets
- Transaction banking in Asia
- Asset management business

### Initiatives to address new business areas

Non-financial/  
Nonbank areas

- Expansion and utilization of leasing functions within the Group
- JV with platformers

Advanced technologies/  
business models

- Responding to SX and other game changers
- Strengthen digital financing in Asia

\* Strategic investment (SI) area, including the equity/mezzanine business

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance.

See “Forward-Looking Statements” on the last page of this presentation.

# Sustainability initiatives

# Executive Summary



## Endorsement of Paris Agreement's objectives

- Clarify our contribution to a low-carbon society by 2050 and our transformation to a portfolio aligned with the targets in the Paris Agreement
- Set medium- to long-term goals for Scope 3 by the end of FY2022
- Joined the PCAF international initiative as the first Japanese financial institution



## Engagement model

- Strengthen constructive dialog with clients on responses to climate change
- By supporting our clients to transform their business structure and deal with transition risks:
  - ▶ Create and capture new business opportunities
    - Proactively develop and provide solutions in both financial and non-financial areas
  - ▶ Strengthen risk control
    - EXP in the high-risk areas of carbon-related sectors **JPY 1.8T**
    - Carefully consider transactions if no progress from engagement are seen



## Human Resources that support sustainable growth

- Aim for sustainable growth in corporate value by supporting engagement of each individual employee
- Focus on new Human Resources strategy to develop universally recognizable skills through expertise-based career development support
- Promote new value creation by incorporating diverse perspectives and ideas through D&I

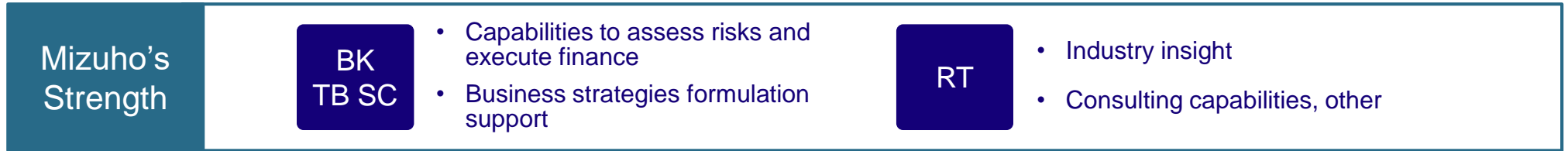


## Governance

- Maintain a highly independent composition of the Board of Directors as a front-runner in corporate governance
- Regularly discuss the status of our sustainability initiatives at meetings by the Board of Directors
- Place weight on medium- to long-term initiatives, including climate change and other sustainability issues, when deliberating and deciding performance-based compensation (variable compensation) amounts

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

# Sustainability-centered business promotion



Key sustainability areas	Non-Financial	Sustainability solutions	Financial
Declining birthrate and aging population, plus good health and lengthening lifespans	<ul style="list-style-type: none"> <li>• Comprehensive finance consulting</li> </ul>	<ul style="list-style-type: none"> <li>• ESG investment products</li> <li>• Trust and other products tailored to an aging society</li> </ul>	
Industry development & innovation	<ul style="list-style-type: none"> <li>• Business succession consulting</li> <li>• Business matching</li> <li>• SDG-related open innovation platform</li> </ul>	<ul style="list-style-type: none"> <li>• Business succession solutions</li> <li>• SDGs initiative support finance</li> <li>• Mizuho Positive Impact Finance</li> </ul>	<ul style="list-style-type: none"> <li>• ESG investment</li> <li>• Finance for innovative startup companies</li> <li>• Social bonds/loans</li> </ul>
Sound economic growth	<ul style="list-style-type: none"> <li>• Cashless payments support</li> <li>• Support for real estate development and brokerage aligned with ESG factors</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability-linked bonds/loans</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability bonds/loans</li> <li>• Impact investment/loans</li> <li>• Green bonds/loans</li> </ul>
Environmental considerations	<ul style="list-style-type: none"> <li>• SDGs/ESG consulting</li> <li>• Support for business structure transformation and response to transition risks</li> </ul>	<ul style="list-style-type: none"> <li>• Transition finance</li> <li>• Mizuho Eco Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Finance for renewable energy</li> </ul>

# Sustainable finance - examples

## Transition loan/ Transition-linked loan



Mar. 2021

- Arranged a transition loan (specified use of funds) to build a next-generation environmentally friendly car carrier ship fueled by LNG as part of efforts to transition to a low-carbon society
- The Climate Transition Finance Handbook (ICMA<sup>1</sup>) and the Green Loan Principles (LMA<sup>2</sup>) compliant loan

First in Japan

Sep. 2021

- Arranged a transition-linked loan (unspecified use of funds)
- Largest scale of ESG loan in Japan
- Set targets\* (SPTs<sup>3</sup>) for achieving a decarbonized society and linked target achievement status to interest rate conditions.

First in Japan

- \* (i) Total GHG emissions target
- (ii) CO2 emission targets per ton-mile
- (iii) CDP evaluation (a third party)

## Sustainability-linked loans (SLL)



- Arranged an SLL focused on reducing green house gases and aquatic resource conservation
- KPIs include strengthening traceability management related to procurement of aquatic resources
- Arranged an SLL aimed at achieving targets under the non-financial KPI\* in the client's medium-term business plan

First in construction industry

\*Reduction rate of CO<sub>2</sub> emissions in the construction business

## Sustainability-linked bonds (SLB)



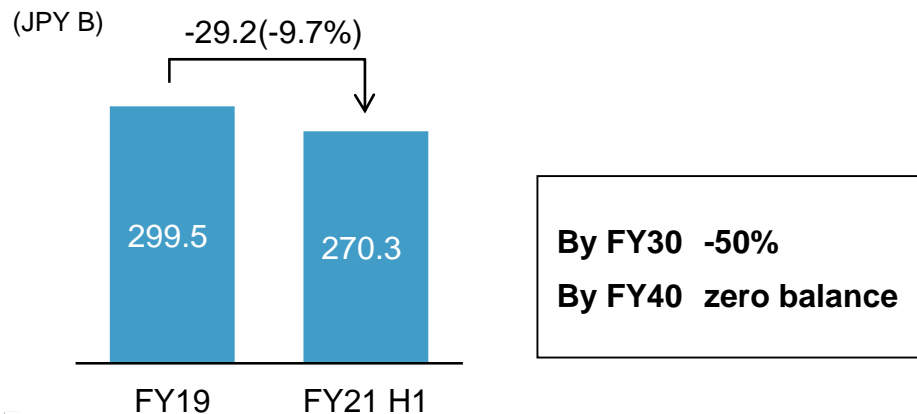
- Arranged an SLB aimed at achieving the client's SPTs<sup>3</sup>
- This bond applies the SLB Principles (ICMA<sup>1</sup>)
- Certified by Japan's Ministry of the Environment as the first model case

First in Japan

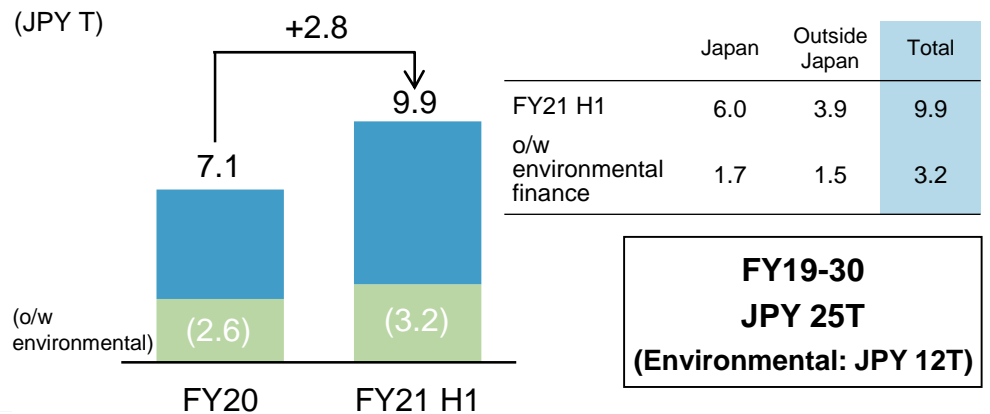
1. International Capital Market Association. 2. Loan Market Association. 3. Sustainability Performance Targets.

# Sustainability KPIs/targets

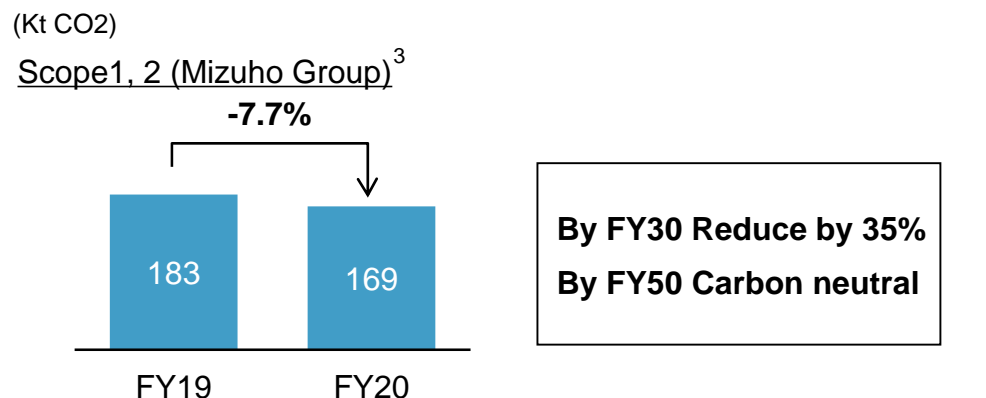
## Reduction of outstanding credit balance for coal-fired power generation<sup>1</sup>



## Sustainable finance performance<sup>4</sup>



## GHG<sup>2</sup> emission reduction



## Diversity & Inclusion

	Target	Most recent <sup>7</sup>
Management positions filled by women <sup>5</sup>		
General Manager equivalent	10%	Jul-24 7%
Total of General Manager and Manager equivalent	20%	Jul-24 18%
	Level to be maintained continuously	Most recent
Management positions filled by employees hired outside Japan <sup>6</sup>	65%	64% <sup>8</sup>
Percentage of new graduates hired for management track jobs who are female <sup>5</sup>	30%	37% <sup>9</sup>
Paid annual leave taken by employees <sup>5</sup>	70%	70% <sup>10</sup>
Eligible male employees who take childcare leave <sup>5</sup>	100%	98% <sup>10</sup>

Scope 3 (Financing and investment clients) Set and disclose medium- to long-term targets by the end of FY22

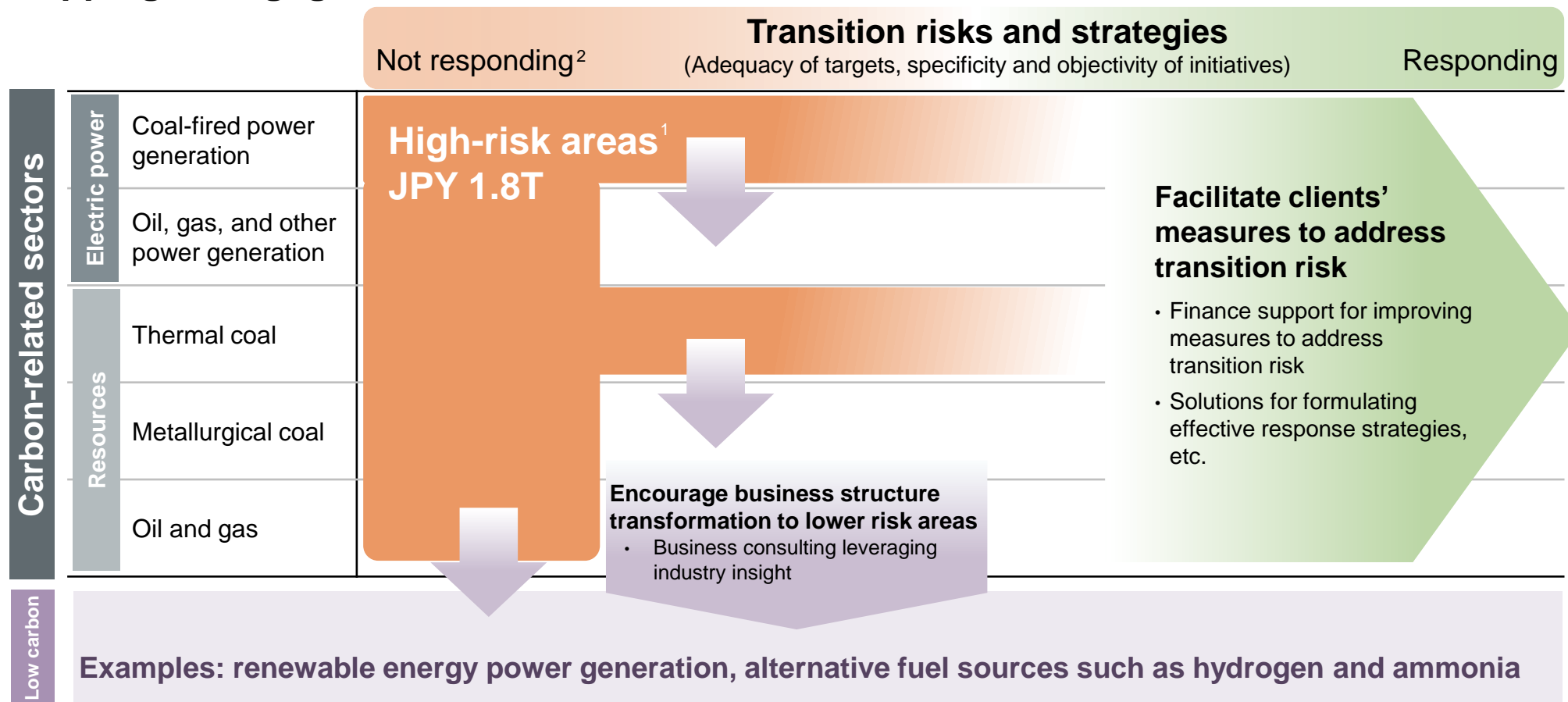
1.Reduction target based on Environmental and Social Management Policy for Financing and Investment Activity. Compared to FY19. 2. Greenhouse Gas 3. FG, BK, TB, SC, RT, AM-One, Mizuho Private Wealth Management, and Mizuho Americas. Compared to FY19. 4. Financing to support and facilitate clients' response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients' response to ESG/SDG-related areas. 5. Total for Japan (FG, BK, TB, SC). 6. Total for outside Japan (BK, TB, SC). 7. As of Jul-21. 8. As of Mar-21. 9. New hires starting April 1, 2021. 10. FY20

Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

# Creating business and strengthening risk management through engagement

- Through engagement with clients to encourage initiatives to address transition risks and to transform their business structure, we are identifying financial and solutions needs that could lead to business opportunities.
- Strengthened our climate change risk management system with an aim to reduce our exposure in high risk areas<sup>1</sup> over the medium to long term.

## Mapping of engagement in carbon-related sectors

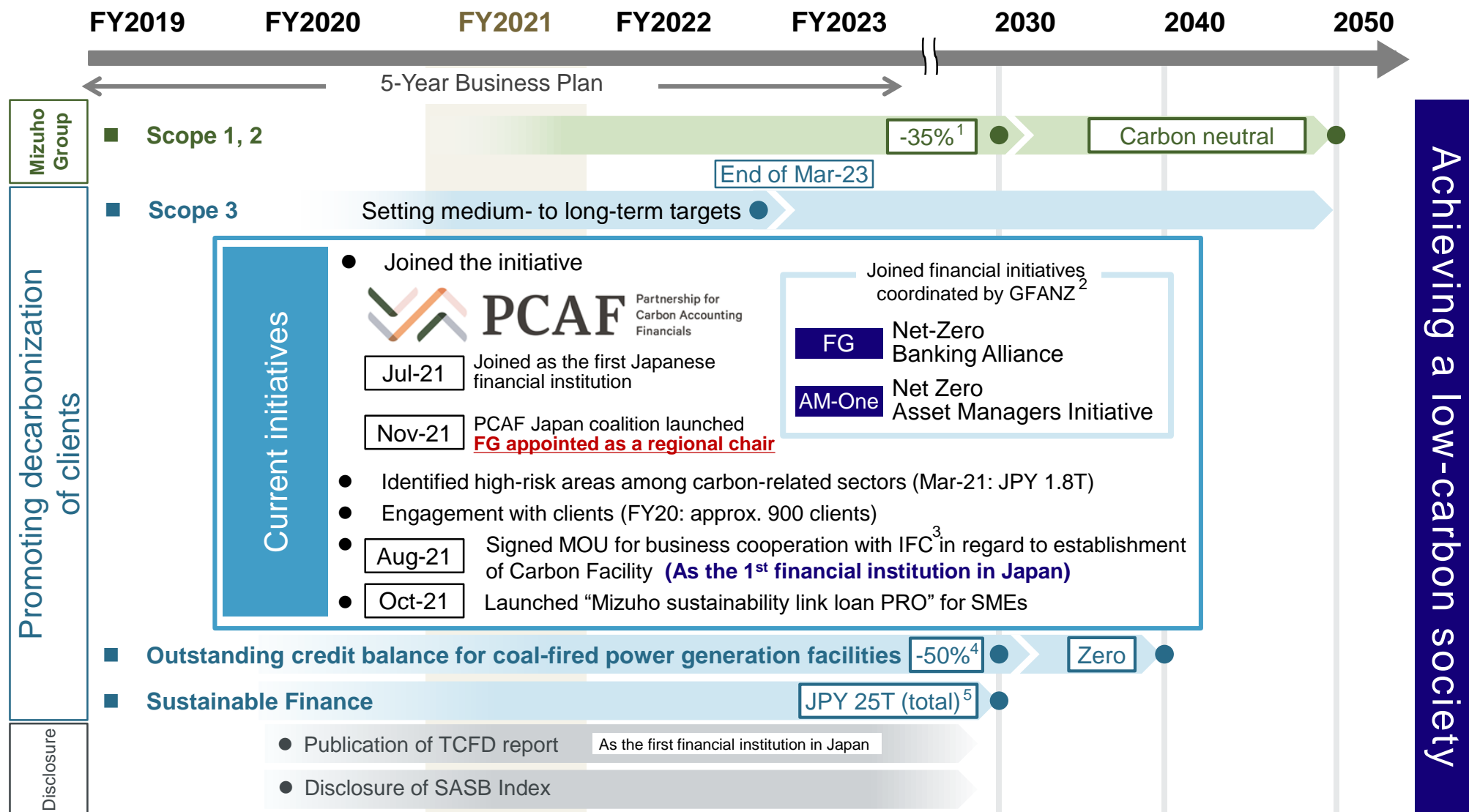


1. Classified high-risk areas by assessing risk along two axes—our clients' sectors and our clients' measures to address transition risk—using Mizuho's own standards (JPY 1.8T figure includes project finance).

2. Clients whose responses to transition risks are at a low level (who have not been confirmed to have effective strategies for addressing transition risks).



# Reference: Road map for carbon neutral by 2050



1. Reduction targets compared to FY19. Represented a decrease of 49% compared to FY13. 2. Glasgow Financial Alliance for Net Zero: Global organization launched for the purpose of accelerating the transition to a zero-emissions economy by 2050. Mizuho is not a member. 3. International Finance Corporation 4. Reduction targets compared to Mar-20. 5. Cumulative total from FY19. Contains forward-looking statements regarding management's current expectations with respect to future events and does not represent any guarantee by management of future performance. See "Forward-Looking Statements" on the last page of this presentation.

IT system failures

# Initiatives towards stable operations

## Improving multilayered IT system failure responses

Recognition of issues related to measures to prevent further incidents (announced on June15)

### ■ Readiness to respond when the core banking system MINORI deviates from normal operations

- Identification of the ripple effects when a serious error occurs and preparation for both IT system and operational recovery

### ■ Preparation for stable operations of the infrastructure built when MINORI was established

- Management of hardware failure indicators, and reconfirmation of preventive maintenance and operation guarantees such as automatic server switching

### ■ Further enhancement of recovery capabilities

- Establishment of recovery procedures and time management in the event of equipment failure

### ■ Strengthening of cooperative framework with vendors

### ■ Revising budget for strengthening operations base

- Expenses\*: JPY 8.0B → JPY 14.5B
- Investments: JPY 10.0B → JPY 13.0B

### ■ Enhancing IT and on-site operational capabilities, including through external hires and vendors

Recognition of issues based on IT system failures since August

Corporate resources allocation

## Continuous enhancement of our people and organization

**A workplace in which all members of Mizuho can think about and support each other through sincere dialogue, and step forward with customers and society**

Efforts in day-to-day operations

### ■ Understand employees' efforts and perspectives, and focus on communication

- Through networking and other activities at all levels, all employees smoothly and proactively communicate with one other

### ■ Share a mutual sense of change among employees

- Through workstyle reform initiatives and others, both Head Office and frontline offices feel and share a mutual sense of change with colleagues

### ■ Towards an organization where each individual can express who they would like to be

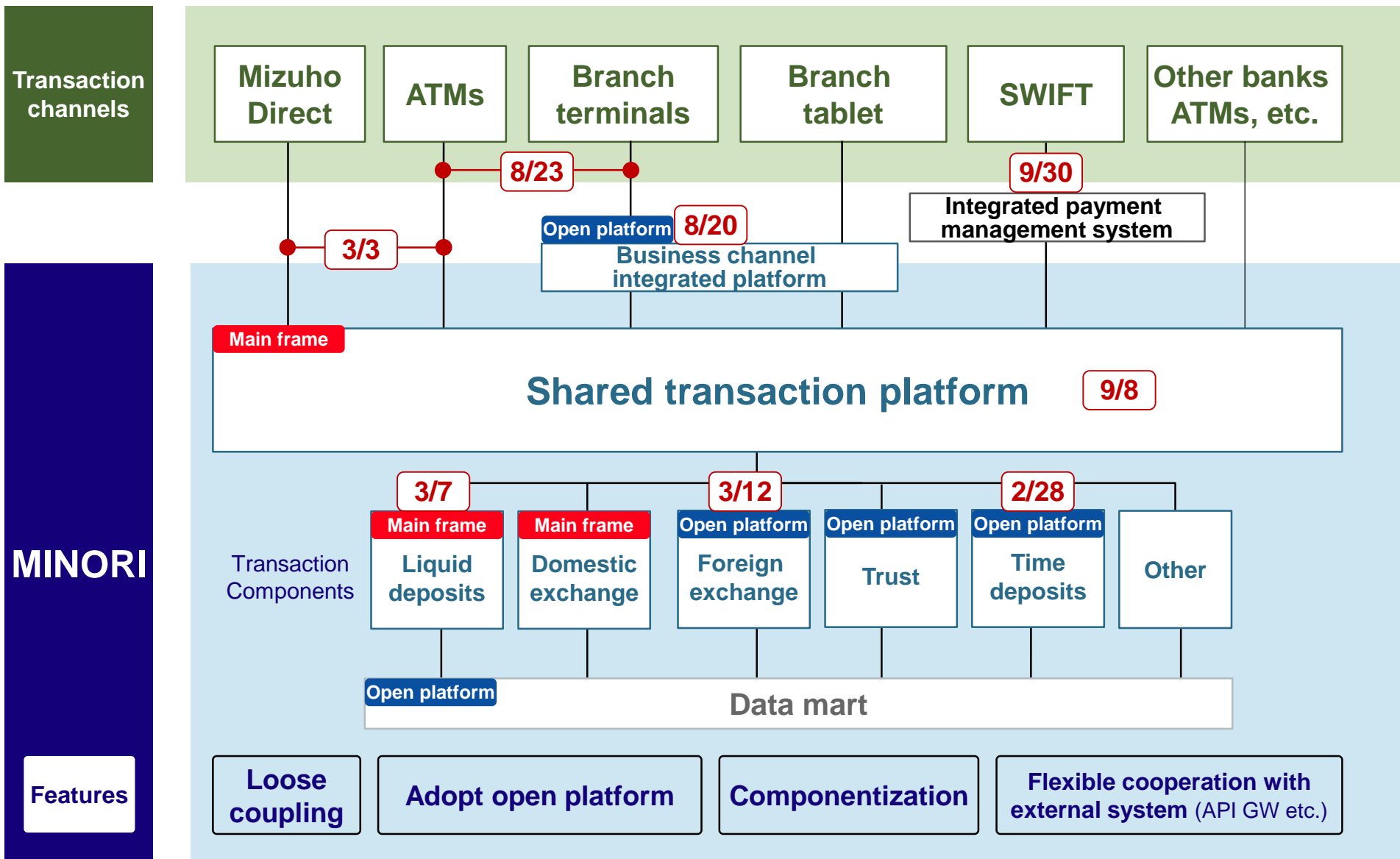
- Work style in accordance with the new HR system and proactive investments in human capital

**Achieve Mizuho's sustainable growth while establishing stable operations, including of IT systems, through further strengthening of measures to prevent further incidents and continuous enhancement of our people and organization**

\* Include non-recurring expenses

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# MINORI related structure overview



# Business Improvement Order (November 26, 2021)

## Banking Act of Japan, Article 52-33, Paragraph 1

1. Promptly implement the measures Mizuho Financial Group has formulated to prevent further incidents in regard to system failures.
2. As the bank holding company, formulate a business improvement plan covering the following items (including reassessment and review as needed of the business improvement plan formulated by Mizuho Bank) and promptly implement the plan. Reassess and review the business improvement plan on an ongoing basis.
  - (1) Measures to prevent further incidents in regard to system failures, to include any measures identified as necessary through the reassessment and review process
  - (2) Specific initiatives to put in place a corporate management (governance) framework that will ensure stable operations in IT systems
  - (3) Specific initiatives to improve operations, addressing the root causes of the system failures
3. Clarify and report on the responsibility of management at Mizuho Financial Group in line with the causes of the system failures and other factors.
4. Submit the business improvement plan based on 2. above and the report based on 3. above by Monday, January 17, 2022, together with the status of implementation, as of December 31, 2021, of the measures to prevent further incidents based on 1. above.
5. Summarize the progress made in implementing the business improvement plan (including the reassessment and review of the plan) every three months, starting with the three months to March 31, 2022, and report the summary by the 15th day of the following month.

FG

# Business Improvement Order (November 26, 2021)

BK

## Banking Act of Japan, Article 26, Paragraph 1

1. Promptly implement the measures Mizuho Bank has formulated to prevent further incidents in regard to system failures.
2. Formulate a business improvement plan covering the following items and promptly implement the plan. Reassess and review the business improvement plan on an ongoing basis.
  - (1) Measures to prevent further incidents in regard to system failures, to include any measures identified as necessary through the reassessment and review process
  - (2) Specific initiatives to put in place a corporate management (governance) framework that will ensure stable operations in IT systems
  - (3) Specific initiatives to improve operations, addressing the root causes of the system failures
3. Clarify and report on the responsibility of management in line with the causes of the system failures and other factors.
4. Submit the business improvement plan based on 2. above and the report based on 3. above by Monday, January 17, 2022, together with the status of implementation, as of December 31, 2021, of the measures to prevent further incidents based on 1. above.
5. Summarize the progress made in implementing the business improvement plan (including the reassessment and review of the plan) every three months, starting with the three months to March 31, 2022, and report the summary by the 15th day of the following month.

# Corrective Action Order (November 26, 2021)

## Foreign Exchange and Foreign Trade Act of Japan, Article 17-2, Paragraph 1

1. Formulate effective measures to improve operations and prevent further incidents in order to fully comply with the provisions of the Foreign Exchange and Foreign Trade Act in regard to economic sanctions such as asset freezes, as well as to fully comply with the provisions of the business improvement order based on said act.
  - (1) Reassess the causes of the failure to appropriately perform the bank's confirmation obligations under the provisions of Article 17 of the Foreign Exchange and Foreign Trade Act and the decision-making and events that led to said failure. Based on this, formulate effective measures to improve operations and prevent further incidents in order to redevelop the internal control structure appropriately for all economic sanctions, such as asset freezes, required by the Foreign Exchange and Foreign Trade Act.
  - (2) Establish an audit framework to verify the efficacy of the analysis of the causes reassessed in (1) above; the appropriateness of the measures to improve operations and prevent further incidents, in light of the causes and decision-making processes above; and the proper implementation of said measures to improve operations and prevent further incidents.
2. Submit a report on the measures to improve operations and prevent further incidents based on 1. (1) above (including measures already taken) and on the establishment of the audit framework based on 1. (2) above by Friday, December 17, 2021. Promptly implement the measures. Promptly submit additional reports should there be any changes or additions to the measures to improve operations and prevent further incidents or the establishment of the audit framework. For the immediate future, report on the implementation status of the measures to improve operations and prevent further incidents and the establishment of the audit framework (including any changes or additions) at the end of each quarter, beginning from January 2022.

BK

# Business Improvement Order (September 22, 2021)

FG

## Banking Act of Japan, Article 52-33, Paragraph 1

1. Verify the results of Mizuho Bank's reassessment and review of its plan for scheduled upgrades and updates to its IT system. Also, verify Mizuho Bank's plan to ensure an effective management framework.
2. Submit the findings from the verification in 1 above by Friday, October 29, 2021.

BK

## Banking Act of Japan, Article 26, Paragraph 1

1. Reassessment and review of the plan for scheduled upgrades and updates to the IT system
  - (1) Reassess and review the plan for scheduled upgrades and updates to the IT system (including any hardware upgrades, hardware updates, or maintenance operations which may have an impact on customers). Give consideration to past system failures, the necessity and urgency of such upgrades and updates, and the risks to banking operations.
  - (2) If, following the reassessment and review in (1) above, there is a need to perform any system upgrades or updates, ensure an appropriate management framework for said system upgrades and updates (including a framework for responding to customers in the event of a failure).
2. In regard to the plan for scheduled upgrades and updates to the IT system, submit the results of the reassessment and review based on 1-(1) above and the plan to ensure an appropriate management framework based on 1-(2) above by Friday, October 29, 2021 (the plan for the period until the end of October by Wednesday, October 6, 2021). Promptly implement the plan. Further, promptly report any changes or additions to the plan should they occur.



# Measures to prevent further incidents in light of the Business Improvement Order (IT system failures) (1)

FG·BK

## Findings from the business improvement order

### Direct causes of the recent series of IT system failures

- Insufficient verifications to ensure quality for development and system failure responses
- Failure to establish a maintenance management framework for stable operations of BK's new core IT system (MINORI), including inadequate management of external contractors, resulting in the failure to correct issues in maintenance and operations
- Insufficient verifications through drills and training in relation to the crisis response frameworks

### Factors behind the direct causes

- Insufficient awareness and understanding of on-site conditions at IT locations by FG and BK executives resulted in the mistaken impression of stable MINORI operations. MINORI was advanced from the development phase to the maintenance and operations phase without adequately examining the requirements for stable system operations (including necessary measures to minimize the impact of possible emergencies) due to an overestimation of MINORI's ability to limit the impact of system failures to localized areas. Restructuring was also carried out, including reallocating personnel required for MINORI maintenance and operations, as well as expense reductions for system maintenance.
- With the mistaken impression of stable MINORI operations and insufficient awareness of the IT system risk management framework, BK executive management proceeded to reallocate personnel and entrust vendors with operations.
- The above factors resulted in greatly weakened MINORI and other IT system operations.

### Issues in governance concerning IT systems

- **An underestimation of the risks of and required technical specialization related to IT systems**
- **Insufficient attention given to on-site conditions at IT locations**
- **Lack of awareness toward impacts on customers and insufficient attention given to on-site conditions at front-line offices**
- **A basic approach in which employees do not say what should be said, and only do as told**

## Our measures to prevent further incidents thus far

### Summary of causes identified by the Special Investigative Committee\*

1. Deficient organizational capability to respond to crisis situations
2. Deficient IT system management
3. Deficient focus on the customer's perspective
4. Issues with the corporate culture

\* From the Special Investigative Committee's report

### Preventing further incidents (June 15, 2021)

~ Measures in response to IT system failures in February, March and the past ~

#### Improving multilayered IT system failure responses

##### ■ IT System – Set up structure suited to the characteristics of MINORI

- Readiness to respond when “MINORI” the core banking system deviates from normal operations (Comprehensive MINORI-related inspection, and run drills for errors on actual ATMs)
- Visualize staff portfolios and enhance organizational control

##### ■ Response to customers / Crisis management

- Ensure we always consider the customer's perspective, in normal times and contingencies
- Organizational response that accounts for customer opinion
- Establish a framework centered on the impact on customers and settlements

**Continuous enhancement of our people and organization, in step with our customers and society**

Review the measures to prevent further incidents in response to IT system failures in August and September

# Measures to prevent further incidents in light of the Business Improvement Order (IT system failures) (2)

Executive management is listening to the views of employees and stakeholders, and will continue to work tirelessly as a unified organization to formulate, implement, and verify further incidents in response to the factors that caused the system failures

1. Formulate and implement measures that will allow both for preventing system failures with a significant impact on customers and for minimizing impacts on customers in the event a system failure occurs
2. Assess the on-site conditions at IT locations and develop IT governance that allows for appropriate decision-making and evaluation in regard to measures to prevent further incidents
3. In terms of measures to prevent further incidents already formulated, ensure their dissemination and adoption, respond to changes in the business environment as appropriate, and develop a sustainable framework

Recognition of issues and direction of initiatives based on root causes

■ Enhancing risk management in line with the systems' unique features and improving expertise

■ Assessing on-site conditions at IT locations and reflecting these in executive management's allocation of resources

■ Continually putting customers first

■ Understanding the actual conditions at frontline offices, and integrating these approaches into our services and measures

■ Establishing an organization where people can say what needs to be said

■ Improving our capacity for all members to think, act, and deliver as a unified organization

## Main recognition towards reviewing measures to prevent further incidents

IT System

- Build a structure suited to the maintenance and operation phases in light of the characteristics of MINORI
- Assess the status of operations at IT locations in order to understand both operational issues and latent system risk. Further develop a framework to appropriately reflect these factors into executive management's allocation of corporate resources
  - Undertake necessary inspections to ensure MINORI does not deviate from normal operations and ensure the foundational infrastructure developed with MINORI's adoption operates stably
  - Clarify necessary maintenance and operations and allocate appropriate resources in line with actual conditions on-site (Employ experts with system infrastructure skills and establish a framework for cooperating with vendors)
  - Enhance our ability to respond to failures in line with MINORI's unique features and enhance our system recovery management

Response to customers / Crisis management

- Further foster awareness and behavior that gives top consideration to impact on customers both under business-as-usual and during incidents and establish an organizational framework that continually puts customers first
  - Maintain close ties with frontline offices in line with specific operations and develop a framework to reflect customers' and frontline offices' views into operations and services on an ongoing basis
  - Through coordination between IT system divisions, user divisions, and crisis management divisions, will reinforce our early warning indicator management and enhance our ability to respond to failures

Continuous enhancement of our people and organization

- Establish an organization where people can say what needs to be said and improve our capacity for all members of the organization to think, act, and deliver. Will further improve our ability to act as a unified organization without being negatively restricted by rules or areas of responsibility
  - Develop and employ experts with wide-ranging perspectives
  - Review our methods of internal communication and establish multifaceted flat communication
- Establishing and enhancing a corporate management (governance) framework that will ensure stable operations in IT systems
  - Effectively communicate the purpose of structural reforms and improve processes for allocating corporate resources
  - The supervisory line will undertake in-depth assessments of the actual status of the business execution line's initiatives and further demonstrate its supervisory functions

Utilizing external views and expertise knowledge

Establish process

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

BK

## Findings from the corrective action order

- **Insufficient knowledge of all employees regarding foreign exchange laws and regulations**
- **Insufficient communication between relevant departments during crisis responses**
- **Problems with confirmation obligation practices during normal times in addition to insufficient communication and collaboration between relevant departments**
- **Vulnerabilities in the IT system management framework targeting foreign exchange legal compliance**

## Measures to prevent further incidents

- **Improve the awareness and knowledge of all employees regarding foreign exchange laws and regulations**
  - Regularly conduct appropriate training for all employees based on their specific roles and responsibilities
  - Establish a new specialist team on foreign exchange laws and regulations Group to collect information on, analyze, and thoroughly implement laws and regulations

- **Build a framework in which appropriate considerations and decisions for legal compliance can be made (in the event of emergency and during normal times)**

Event of  
Emergency:

- Enhance our meeting formats in view of legal compliance.
- Establish appropriate information gathering framework by cooperation among relevant departments in an event of emergency; through division of responsibilities and understanding of matters in compliance divisions, and clarification of departments that requires cooperation with.

Normal Times

- Clarifying roles and responsibilities between relevant departments regarding performance of the confirmation obligation required of banks
- Collaboration between front offices and head office regarding treatment of customer transaction information, monitoring confirmation obligation practices from head office
- Improving communication between relevant departments through regular meetings

- **Measures to ensure stable AML operations including Foreign Exchange Act**

- Review and develop ALM-related systems based on reassessment done by departments including users
- Expand and improve our business contingency plan

- **In view of reassessing the causes of incidents and appropriately restructuring internal management systems in relation to foreign exchange laws and regulations in regard to economic sanctions such as asset freeze, we are considering additional measures to prevent further incidents**

- Establish new committee focusing on AML, further clarify roles and responsibilities between relevant departments, strengthen internal controls and monitoring, establish an audit framework for assessment

# Additional / Specified measures to prevent further incidents

Announced on  
Nov.26, 2021

Our executive management will continue to work tirelessly as a unified organization to formulate, implement, and verify measures to prevent further incidents in response to the factors that caused the IT system failures as well as listening to the views of colleagues and stakeholders.

		Improving multilayered IT system failure responses: In addition to enhancing IT systems and response to customers / crisis management, ensure integrated management of these elements to build a multilayer defense mechanism		Continuous enhancement of our people and organization, in step with our customers and society	
		IT systems	Response to customers / Crisis management		
Main measures to prevent further incidents	Set up structure suited to the characteristics of MINORI		Ensure we always focus on the customer's perspective, in normal times and contingencies	Further enhance ability to take organizational action, transcending rules and scopes of responsibility	
	<ul style="list-style-type: none"> <li>• <b>Inspection of hardware</b> <ul style="list-style-type: none"> <li>- Early detection of hardware failure, inspection if the <u>infrastructure operates as required</u> <b>Added</b></li> </ul> </li> <li>• <b>In addition to drills on the system development and operation side, run drills with participation by customer divisions and drills for errors on actual ATMs</b> <ul style="list-style-type: none"> <li>- Add scenarios based on a system structure and other</li> <li>- Early understanding of impacts on business operation <b>Specified</b></li> </ul> </li> <li>• <b>Visualize staff portfolios and enhance organizational control</b> <ul style="list-style-type: none"> <li>- Form a framework to assess the on-site conditions of IT locations and allocate appropriate resources in line with MINORI's maintenance and operations phase (Including recruitment of infrastructure personnel and strengthening vendors' cooperative framework)</li> <li>- Clarification of cooperative framework upon recovery and linkage between "cross-sectional control" and "on-site control" <b>Added</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Establish a framework centered on the impact on customers and settlements</b> <ul style="list-style-type: none"> <li>- Visualize impacts on customers and business originating from IT systems, deepening of SCP/BCP through walk through (including legal compliance framework) <b>Added</b></li> </ul> </li> <li>• <b>Strengthening structure of crisis management</b> <ul style="list-style-type: none"> <li>- Overlook the whole recovery process to minimize impacts on customers and manage appropriately the response to both system and customer groups <b>Specified</b></li> </ul> </li> </ul>	<p><b>Enhance our people and organization</b></p> <ul style="list-style-type: none"> <li>• In addition to the points on the left, we will enhance our people and organization by methods including utilizing specialists with broad perspectives</li> <li>• <b>Steadily promote structural reforms</b> <ul style="list-style-type: none"> <li>- Communicate the purpose of structural reforms and improve processes for allocating corporate resources <b>Specified</b></li> </ul> </li> </ul> <p><b>Transform behavior</b></p> <ul style="list-style-type: none"> <li>• Introduce mechanisms for more active communication, aimed at strengthening our ability to enhance organizational action (also enhance effectiveness of the in-house company system and dual-hat system at each company)                     <ul style="list-style-type: none"> <li>- Understand employees' voice via double-linear and interactive communication over various pools, and implement on-site request based approach as a starting point <b>Specified</b></li> </ul> </li> </ul>		

## Execution

Thorough implementation of measures, reflecting outside viewpoints, awareness of employees' voices and on-site conditions **Specified**

## Supervision

Further demonstration of supervisory functions through undertaking in-depth assessments of the actual status of the business execution line's initiatives **Added**

# Measures to Prevent further incidents of IT system failures

Announced on  
Jun.15, 2021

## Measures taken after past IT system failures

- Implemented the following measures in response to IT system failures in 2002 and 2011
- Developed and migrated to MINORI, the new core banking system
- Set up rules, frameworks, and contingency plans for system development & operation, risk management, responses in the event of system failure, etc.

## Summary of causes identified by the Special Investigative Committee\*

1. **Deficient organizational capability to respond to crisis situations**
2. **Deficient IT system management** [ (1) Issues with the reassignment of IT personnel, (2) Insufficient preparations for stable IT system operation, (3) Points in common with the causes of past IT system failures ]
3. **Deficient focus on the customer's perspective** [ (1) Issues related to ATM capturing mechanisms for bankbooks and cards, (2) Lack of consideration of the customer when responding to the system failure, (3) Lack of acknowledgement of customers using ATMs ]
4. **Issues with the corporate culture**

\*From the Special Investigative Committee's report

## Improving multilayered IT system failure responses:

In addition to enhancing IT systems and response to customers / crisis management, ensure integrated management of these elements to build a multilayer defense mechanism

### IT systems

#### Set up structure suited to the characteristics of MINORI

- **Change ATM specifications and improve monitoring system**
- **Comprehensive MINORI-related inspection**
  - Re-examine services that have never been used (6%)
  - Conduct mock tests to force an error leading to a serious failure and check the ripple effects and countermeasures
- **In addition to drills on the system development and operation side, run drills with participation by customer divisions and drills for errors on actual ATMs**
- **Visualize staff portfolios and enhance organizational control**
  - List up staff skills and experience in detail, and assign the appropriate person for each role (including external hires)
  - Enhance the control structure, including setting up a technology and quality management organization and managing vendors

### Response to customers / Crisis management

#### Ensure we always focus on the customer's perspective, in normal times and contingencies

- **Organizational response that accounts for customer opinion**
  - Assign a service quality improvement officer (at all retail branches)
  - Launch an organization at Head Office for analyzing social media and other data
- **Establish a framework centered on the impact on customers and settlements**
  - Divide individual BCP formats into larger groups (approx. 30 groups) and integrate with SCP based on a configuration diagram for each IT system
  - Shift from the conventional "check the manual" approach to hands-on drills and training which encourages independent thinking about potential impact on customers
  - Develop service-specific, cross-organizational networks at Head Office. Hold response meetings within an hour of a failure being detected
- **Create an executive position in charge of crisis management**

## Continuous enhancement of our people and organization, in step with our customers and society

### Further enhance ability to take organizational action, transcending rules and scopes of responsibility

#### Enhance our people and organization

- **In addition to the points on the left, we will enhance our people and organization by methods including utilizing specialists with broad perspectives**
  - Develop careers across multiple relevant departments and utilize external hires
  - Personnel performance reviews that prioritize constructive feedback
  - Simplify executive positions (abolish Senior Managing Executive Officer and Managing Executive Officer roles, etc.)
- **Steadily promote structural reforms while continuing to pay due attention to the necessary allocation of corporate resources (in FY21, expanded personnel/expenses budget in advance)**

#### Transform behavior

- **Introduce mechanisms for more active communication, aimed at strengthening our ability to enhance organizational action (also enhance effectiveness of the in-house company system and dual-hat system at each company)**
  - Shift from communication centered on documentation to "discussion first" communication
  - Stop negative evaluations for administrative errors and give positive evaluations for proposing measures for improvement
  - Create the positions of "branch communicator" and "Head Office instructor" and develop networks between them

Main measures to prevent further incidents

- Senior management will clarify the aims of these measures to prevent further incidents so as to ensure their effectiveness and continuity, and all members of the organization will implement the measures with a sense of purpose
- We will **set up an IT system failure response committee** within both the supervision and execution lines, and implement regular follow-ups

# Press release in light of the Business improvement order (October 6, 2021) (1)

## **Reassessment and review of the plan for scheduled upgrades and updates to the IT system**

In regard to the business improvement order's direction to reassess and review with consideration to past system failures, the necessity and urgency of upgrades and updates to the IT system, and the risks to banking operations, we have clarified our confirmation and decision-making criteria for scheduled releases as below.

We will integrate releases fulfilling these confirmation and decision-making criteria into our implementation plans. However, we will delay any releases that require additional measures and time to fulfill the confirmation criteria as well as any releases that do not fulfill the decision-making criteria.

### **(1) Measures in light of past system failures**

In light of past system failures, we have clarified the following conditions for releases in which the greatest consequence in the event of a system failure would be a critical impact on a large number of customers and/or on settlement operations:

- In principle, avoid releases at times when there is a high system load due to online processing, batch processing, or similar and to avoid releases at the beginning and end of the month.
- In advance of migration processing of large volumes of data, conduct performance assessments accounting for processing volume on the date of the migration, including the load on other systems with potential to have an impact.

In addition, we have added review of system quality, release plans, and appropriate scheduling to our project screening process.

### **(2) Measures in light of the necessity and urgency of upgrades and updates to the IT system**

We have further clarified our decision-making criteria for necessity and urgency. The specific criteria are as follows.

- 1) Upgrades/updates necessary to prevent further system failures and to ensure stable system operation
- 2) Upgrades/updates to enhance security and ensure protection of users
- 3) Upgrades/updates that respond to requests or complaints from customers and that would cause inconvenience to customers if delayed
- 4) Upgrades/updates necessary in connection with changes to various frameworks or with changes to in-use or linked external systems, platforms, operating systems, or similar
- 5) Upgrades/updates related to preserving and maintaining hardware and addressing obsolescence and similar issues

In considering delays to releases of upgrades/updates other than those above, we will also account in our decision-making for the possibility of such delays causing releases to overlap and thus affecting our ability to secure an adequate release framework.

## Press release in light of the Business improvement order (October 6, 2021) (2)

### **(3) Measures in light of risks to banking operations**

Releases that could have a significant impact on banking operations critical for a large number of customers or for settlement systems require even stronger risk control. As such, we will analyze the greatest potential risks and engage in more cautious development and preparation of release frameworks. In addition, we will further enhance our inspection and checking in this area not only by reconfirming the comprehensiveness of our system contingency plan and the procedures and required time for restoration but also by establishing and enhancing business contingency plans and managing risks.

### **Securing an effective management framework for upgrades and updates to the IT system**

We have been endeavoring to secure an effective management framework for upgrades and updates to the IT system, in doing so confirming the results of system quality evaluations and preparations for system operation. In light of the recent series of system failures, we have reviewed our confirmation and evaluation process as follows and added more multifaceted checks.

#### **(1) Additional approval process accounting for impact on customers**

When the department with jurisdiction over the system determines that there is a potential risk of a release leading to a system failure with an impact on customers, either in regard to settlements or in regard to a broader range of services, the department with jurisdiction over the relevant operations, products, or services will take part in the approval process. Through the process, based on the nature and extent of the potential impact, we will assess and confirm the adequacy of measures to respond to customers and decide on the implementation of the release.

#### **(2) Additional approval process accounting for upgrades/updates requiring multifaceted checks**

In regard to upgrades/updates that require multilayered confirmation of large-volume data processing and technical features as well as of impact on customers, the IT Infrastructure & Project Management Department newly established in July 2021 will take part in the approval process. Through the process, we will assess the adequacy of the contingency plan and the management framework and decide on the implementation of the release.

### ***Reporting by October 29 deadline set in the business improvement order***

*In response to the business improvement order, Mizuho Bank will report the plan for scheduled upgrades and updates to the IT system based on the approach outlined above.*

*In addition, Mizuho Financial Group will verify the results of Mizuho Bank's reassessment and review of the plan and also verify the plan to ensure an effective management framework.*

# Appendix



# Consolidated Financial Highlights (FY20) – U.S. GAAP

## Earnings

(JPY B)

<b>Net Interest Income<sup>1</sup></b>	875.8
<b>Non-interest Income</b>	2,041.3
<b>Subtotal</b>	2,917.1
<b>Non-interest Expenses</b>	1,888.3
<b>Income before Income Tax Expense (Benefit)</b>	1,028.7
<b>Net Income<sup>2</sup></b>	581.7

## Financial Position

(JPY B)

<b>Total Assets</b>	221,651.4
<b>Loans, Net of Allowance</b>	87,930.0
<b>Deposits</b>	151,010.6
<b>Total Mizuho FG Shareholders' Equity</b>	9,105.2

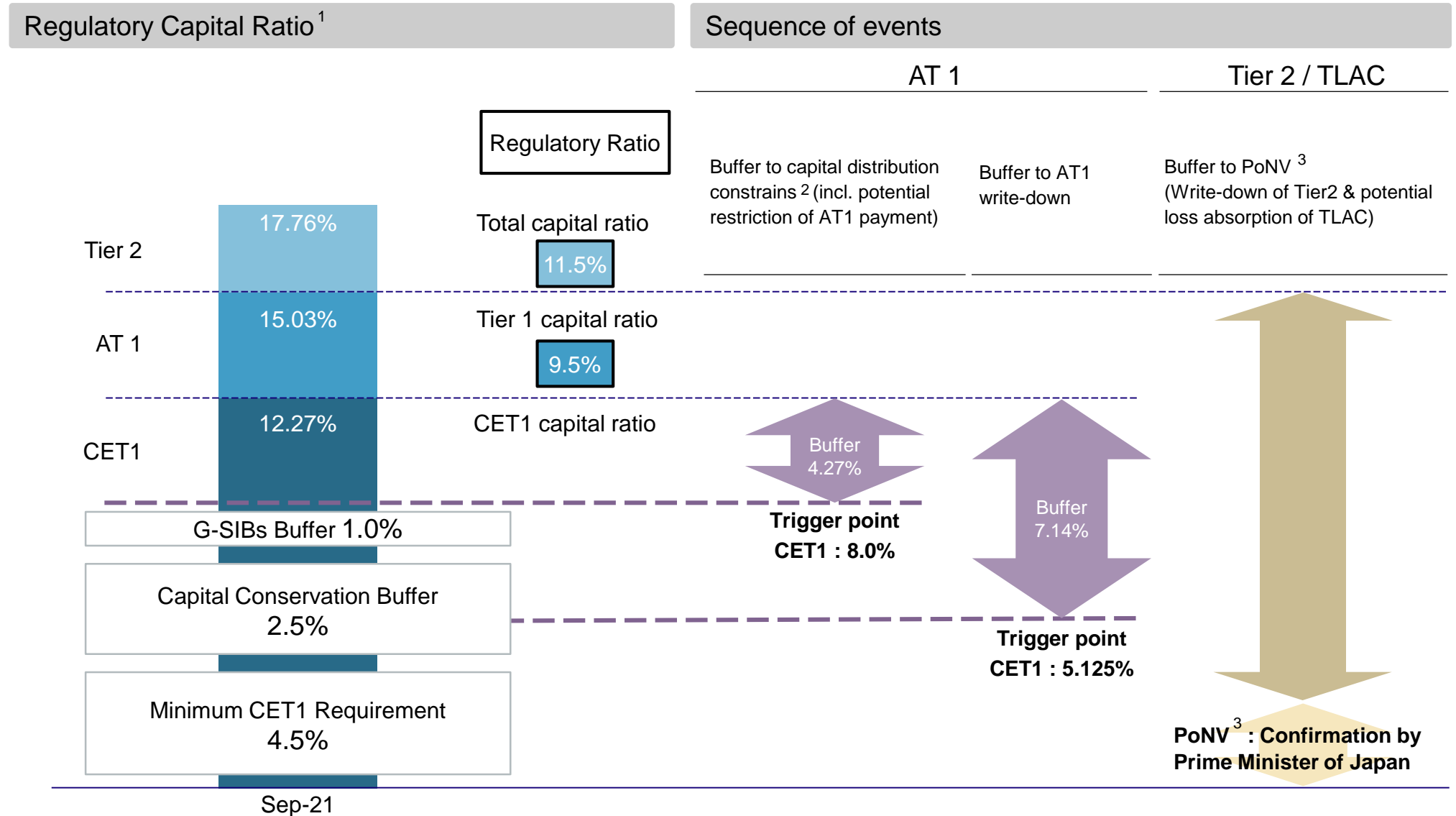
1. After provision (credit) for loan losses. 2. Net Income Attributable to Mizuho FG shareholders.

## Reconciliation with Japanese GAAP

(JPY B)

	Total Mizuho Shareholders' Equity	Net Income <sup>2</sup>
<b>U.S. GAAP</b>	9,105.2	581.7
<b>Differences arising from differing accounting for:</b>	151.2	-110.7
1. Derivative financial instruments and hedging activities	53.8	84.9
2. Investments	-108.4	-526.1
3. Loans	193.6	16.9
4. Allowances for loan losses and off-balance-sheet instruments	183.5	-83.3
5. Premises and equipment	-270.2	56.8
6. Land revaluation	163.9	-5.6
7. Business combinations	-79.6	0.7
8. Pension liabilities	90.6	153.2
9. Consolidation of variable interest entities	69.8	126.3
10. Deferred taxes	-158.6	42.1
11. Foreign currency translation	-	27.6
12. Other	12.8	-4.2
<b>Japanese GAAP</b>	9,256.4	471.0

# Summary of Global Financial Regulation (1)



1. Exclude countercyclical buffer. Current Basel III basis. 2. Assuming that RWA-based external TLAC ratio is above the minimum requirements. 3. Point of Non-Viability.

# Summary of Global Financial Regulation (2)

## Other Regulatory Ratios

	Mar-21	Mar-22	Mar-23
Leverage Ratio	3%	3%	3.5%
Liquidity Coverage Ratio (LCR)	100%	100%	100%
External TLAC (Total Loss-Absorbing Capacity) Ratio	16% 6%	18% 6.75%	18% 6.75%
Net Stable Funding Ratio (NSFR)		100%	100%

■ Full Implementation  
■ Finalization of the Basel III Framework  
 (1) Implementation of G-SIBs buffer requirement (+0.5%)\*  
 (2) Refinements to the leverage ratio exposure measure

Upper: RWA Basis  
 Lower: Total Exposure Basis

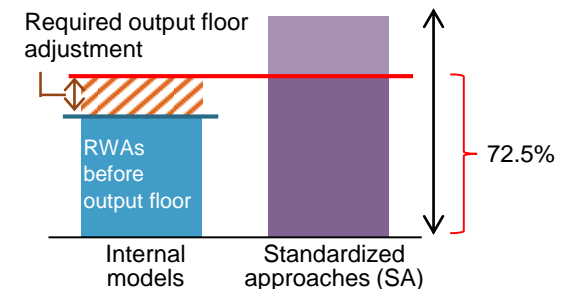
\* 50% of G-SIBs buffer (1.0% in case of FG) is required.

## Finalization of the Basel III Framework (Implementation expected from 2023)

### Revisions to the approaches for credit risk

- The standardized approach  
 Developing a more granular approach by asset class with rating and collateral  
 Revising RW (risk weight) and CCFs (credit conversion factors)
- The IRB (Internal ratings-based) approaches
  - i) Removing the use of the IRB approaches for certain asset classes
  - ii) Specification of input floors for bank-estimated IRB parameters such as PD/LGD

### Introduction of output floor based on the revised SA



The output floor places a limit on the regulatory capital benefits that a bank using internal models can derive relative to the standardized approaches (SA).

### Transitional arrangement of finalization of the Basel III framework

	2023	2024	2025	2026	2027	2028
RW for listed equity holdings (%)	100	130	160	190	220	250
Output floor (%)	50	55	60	65	70	72.5

### Revisions to the approaches for operational risk

Replacing AMA (advanced measurement approaches) and the existing standardized approaches with a single risk-sensitive standardized approach

- Summary of the new standardized approach

$$\text{Operational risk capital} = \text{BIC} \times \text{ILM}$$

BIC: Business Indicator Component  
ILM: the Internal Loss Multiplier

# Framework of preemptive public funds injection in Japan

(as of Nov. 30, 2021)







- Japan has a unique legal framework of “safeguards” to prevent systemic disruption by a preemptive capital injection prior to PoNV.
- All debt obligations could be paid back after going concern situation as financial institutions can strengthen their viability by the preemptive capital injection.
- As a result, Ashikaga bank, a mid size regional bank, and Incubator Bank of Japan, are the precedents of payout and payoff in Japan since 2000.

	Act on Special Measures for Strengthening Financial Function	Deposit Insurance Act, Article 102			Deposit Insurance Act, Article 126-2	
		Item 1 Measures	Item 2 Measures	Item 3 Measures	Specified Item 1 Measures	Specified Item 2 Measures
<b>Measures</b>	Capital injection	Capital injection	Financial supports exceeding payoff by Deposit Insurance	Temporary nationalization	Capital injection or loans, etc.	Financial supports for specified merger of financial institutions, etc.
<b>Applicable requirements</b>	<b>Preemptive measures</b> NOT negative net worth <sup>1</sup> and NOT bankruptcy <sup>2</sup>	<b>Preemptive measures</b> NOT negative net worth <sup>1</sup> and NOT bankruptcy <sup>2</sup>	Negative net worth <sup>1</sup> or bankruptcy <sup>2</sup>	Negative net worth <sup>1</sup> and bankruptcy <sup>2</sup>	<b>Preemptive measures</b> NOT negative net worth <sup>1</sup>	Negative net worth <sup>1</sup> or bankruptcy <sup>2</sup>
<b>PoNV</b>	Pre-PoNV	Pre-PoNV	Post-PoNV	Post-PoNV	Pre-PoNV	Post-PoNV
<b># of precedents</b>	37	1	Nil	1	Nil	Nil
<b>Description of precedents</b>	Public funds injection in the form of preferred shares or subordinated loans, etc.	Preemptive capital injection into Resona bank in 2003	-	Temporary nationalization of Ashikaga bank in 2003	<b>The only example of temporary nationalization since 2000</b> -	-

1. Negative net worth includes a potential negative net worth. 2. Bankruptcy includes a (possible) suspension of refund of deposit and payment of obligations.

# Comparison of loss absorption mechanism of capital instrument in selected countries

- Public supports including capital injection prior to PoNV are applicable to Japanese financial institutions.

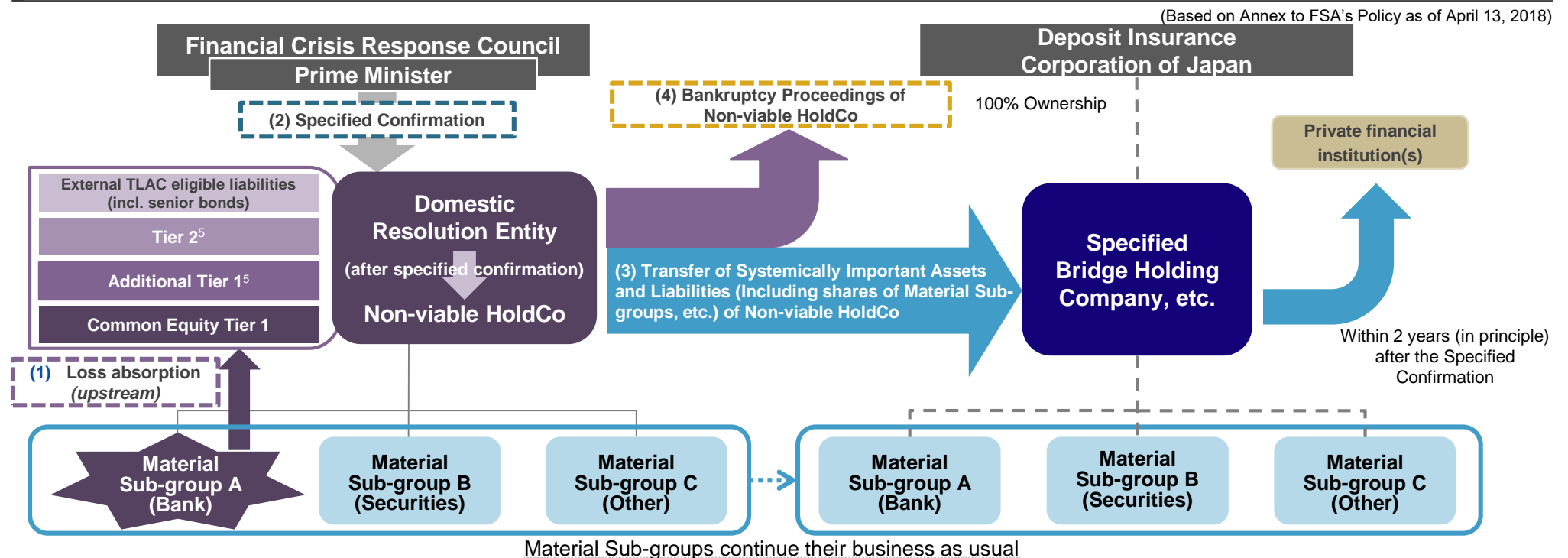
Region/Country	Issuing entity	Capital injection prior to PoNV	Loss absorption mechanism		
			AT1		Tier2
			Trigger of going concern		
 Japan	HoldCo	Yes	5.125%	Contractual Write-down or Conversion	Contractual Write-down or Conversion
 USA	HoldCo	No	None	Statutory Write-down or Conversion	Statutory Write-down or Conversion
 UK	HoldCo	No (injection available only after AT1 / Tier2 bail-in)	7% <sup>1</sup>	Statutory Write-down or Conversion	Statutory Write-down or Conversion
 EU	OpCo	No (injection available only after AT1 / Tier2 bail-in)	at least 5.125% <sup>2</sup>	Statutory Write-down or Conversion	Statutory Write-down or Conversion
 Canada	OpCo	No (injection available only after AT1 / Tier2 bail-in)	None	Contractual Conversion	Contractual Conversion
 Australia	OpCo	No (injection available only after AT1 / Tier2 bail-in)	5.125%	Contractual Conversion (with fallback to write-down)	Contractual Conversion (with fallback to write-down)

1. Some issuers have stipulated 7% trigger as contractual base so that they could add their AT1 capital into the numerator of their leverage ratios. 2. 7% or 8% in some countries.

# Illustration of Resolution Framework under the Deposit Insurance Act of Japan

- An orderly resolution<sup>1</sup> is expected to commence subsequent to the occurrence of Point of Non-Viability (PoNV) after the ultimate holding company in Japan (Domestic Resolution Entity) absorbs losses incurred at its Material Sub-groups<sup>2</sup>
  - Systemically important assets and liabilities, which are expected to include Material Sub-groups' shares, will be transferred to a newly created Specified Bridge Holding Company, while TLAC senior bonds of Domestic Resolution Entity (Non-viable Holding Company (Non-viable HoldCo)<sup>3</sup>) are expected to remain at the existing Non-viable HoldCo in Japan to be liquidated in bankruptcy proceedings
- Non-viable HoldCo's TLAC senior bondholders may incur losses depending on the final recovery value in bankruptcy proceedings of the Non-viable HoldCo
  - At PoNV, Basel III-eligible AT1 and Tier 2 instruments will be permanently written off, which would affect the final recovery value

## A Model of Procedures of Orderly Resolution under the Single Point of Entry (SPE)<sup>4</sup> Strategy in Japan



1. Based on a possible model of the resolution under the SPE resolution strategy in Japan as stated in Japanese TLAC Standard 2. Domestic Resolution Entity's Sub-group or subsidiary that are designated separately as systemically important by the FSA or that are subject to TLAC requirement or similar requirement by the relevant foreign authority 3. With respect to the Domestic Resolution Entity after absorbing losses of the Material Sub-group, the Prime Minister confirms the necessity to take "specified item 2 measures" as set forth in Article 126-2, paragraph 1, item 2 of the DIA, and issues an Injunction Ordering Specified Management as set forth in Article 126-5 of DIA. Such Domestic Resolution Entity is referred to as the Non-viable HoldCo 4. FSA's basically preferred resolution strategy in which resolution tools are applied to the ultimate holding company in Japan by a single national resolution authority. However, it is uncertain which resolution strategy or specific measures will be taken in a given case, including whether or not the SPE resolution strategy is to be chosen and implemented in a given case 5. Basel III eligible

# Summary of PoNV

## The Deposit Insurance Act

### Article 126-2, Paragraph 1, Item 1

- Bank holding companies not having negative net worth
- Special supervision (tokubetsu kanshi) and loans or guarantees (shikin no kashitsuke tou) or subscription of shares, etc. (tokutei kabushiki tou no hikiuke tou)

- where (i) supervision by the Deposit Insurance Corporation of Japan of operation of business and management and disposal of assets of the relevant bank holding company (tokubetsu kanshi) (as set forth in Article 126-3 of the Deposit Insurance Act) and (ii) (x) provision of loans or guarantees to the relevant bank holding company as necessary to avoid the risk of significant disruption in the financial systems in Japan (shikin no kashitsuke tou) (as set forth in Article 126-19 of the Deposit Insurance Act), or (y) subscription of shares or subordinated bonds of, or provision of subordinated loans to, the relevant bank holding company (tokutei kabushiki tou no hikiuke tou) (as set forth in Article 126-22 of the Deposit Insurance Act) is recognized by the Japanese Prime Minister as being necessary in order to prevent the failure of a financial institution (which does not fall into a financial institution which is unable to fully perform its obligations with its assets) from causing significant disruption to the financial markets or other financial systems in Japan

### Article 126-2, Paragraph 1, Item 2

- Bank holding companies which have or are likely to have negative net worth, or have suspended, or are likely to suspend repayment of their obligations
- Special Supervision (tokubetsu kanshi) and specified financial assistance (tokutei shikin enjo)

- where (i) supervision by the Deposit Insurance Corporation of Japan of operation of business and management and disposal of assets of the relevant bank holding company (tokubetsu kanshi) (as set forth in Article 126-3 of the Deposit Insurance Act) and (ii) provision of certain categories of financial aid by the Deposit Insurance Corporation of Japan to assist certain categories of business reorganization in respect to the relevant bank holding company (tokutei shikin enjo) (as set forth in Article 126-28 of the Deposit Insurance Act) is recognized by the Japanese Prime Minister as being necessary in order to prevent the failure of the relevant bank holding company (which is or is likely to be unable to fully perform its obligations with its assets or has suspended or is likely to suspend repayment of its obligations) from causing significant disruption to the financial markets or other financial systems in Japan

# TCFD Report 2021 improvements and expansions

## Expanded scope of scenario analysis

### Transition risk

- Added automobiles<sup>1</sup> to already targeted sectors of electric utilities, oil and gas, and coal.
- Expanded scope of analysis from Japan to worldwide.

### Physical risk

- Last fiscal year analyzed acute risks. This fiscal year newly analyzed chronic risks as well.

## Disclosed status of engagement with clients, number of clients with whom we engaged, and examples of engagement

- Strengthened engagement concerning clients' efforts to address climate change, in light of past scenario analysis results.
- Disclosed number of clients with whom we undertook engagement as well as topics and examples of engagement to improve transparency.

## Disclosed carbon-related sector risk assessment and high-risk areas

- Assessed risk along two axes—our clients' sectors and our clients' measures to address transition risk—and identified high-risk areas. Set as monitoring indicators.
- Further subdivided carbon-related sectors and disclosed our overall exposure amount as well as the exposure amount and overall exposure percentage for each sub-sector.

## Measured and managed Scope 3 emissions (greenhouse gas emissions from financing and investment)

- Estimated greenhouse gas emission intensity (basic units) of project finance for power generation projects<sup>2</sup> using the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard for the Financial Industry.<sup>3</sup>
- Will set and disclose medium- and long-term targets for Scope 3 emissions by the end of FY2022. Plan to gradually expand scope of measurement.

1. Original equipment manufacturers. 2. Despite our best efforts, we are not able to disclose our estimates of greenhouse gas emission intensity associated with power generation-linked corporate finance at this time due to issues in the usability and accuracy of our financing and investment clients' emission intensity data. 3. A framework for financial institutions to consistently assess the greenhouse gas emissions of financing and investments.



# Environmental and Social Management Policy for Financing and Investment Activity –Summary

## Transactions which are prohibited or require additional due diligence regardless of sector

### Prohibition

- Business with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention or on UNESCO World Heritage sites<sup>1</sup>
- Business violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)<sup>2</sup>
- Business involving child labor or forced labor

### Additional due diligence

- Business with adverse impacts on indigenous people's local communities
- Business involving land expropriation that causes forced relocation of residents

## New transition risk sectors (excerption)

### Coal-fired, oil-fired, and gas-fired power generation; coal mining; and oil and gas

Undertake engagement for responding to transition risks. If the client does not make progress on addressing transition risks even after a certain period of time, carefully consider our financing and investment transactions with the client

## Policies on Specific Industrial Sectors (excerption)

<b>Weapons</b>	Avoid providing financing or investment for antipersonnel landmines and biochemical weapons, in addition to cluster munitions
<b>Coal-fired power generation</b>	Do not provide financing or investment which will be used for new construction of coal-fired power plants* * Including expansion of existing facilities
<b>Thermal coal mining</b>	Do not provide financing or investment which will be used for new thermal coal mining projects.
<b>Oil and gas</b>	Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.
<b>Large-scale hydropower</b>	Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.
<b>Large-scale agriculture (soybeans and similar)</b>	Our decisions involve a thorough examination of the client's measures to address environmental and social issues.
<b>Palm oil and lumber</b>	Our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous peoples or local communities, and we take into consideration whether the client/project has certified by the RSPO <sup>3</sup> such as those for the production of sustainable palm oil.

1. Excluding projects that have received prior consent from the relevant national government and UNESCO. 2. Excluding cases permitted under any country's reservation(s) to the convention.

3. Roundtable on Sustainable Palm Oil.

# Procurement Policy

Enhancing ESG risk management throughout the supply chain, by applying our new Procurement Policy to our own procurement and also encouraging our suppliers to pursue ESG initiatives in their business operations




















## Basic approach to procurement operations

Fair and impartial decisions on suppliers	<ul style="list-style-type: none"> <li>• Make fair and impartial decisions on suppliers, taking into account factors such as quality, ease of use of services, price, reliability, compliance with laws and regulations, information management frameworks, respect for human rights, and environmentally friendly initiatives.</li> </ul>
Compliance with laws and regulations and social norms	<ul style="list-style-type: none"> <li>• Fully comply with all laws, rules, and regulations; always adhere to social norms; and exercise strong self-discipline in our procurement operations.</li> <li>• Maintain healthy and transparent relationships with our suppliers. To ensure this, we will not accept gifts or entertainment from suppliers when these are against social norms.</li> </ul>
Respect for human rights and consideration for the environment	<ul style="list-style-type: none"> <li>• Endeavor to respect human rights and reduce our environmental footprint in our procurement operations.</li> <li>• Encourage our suppliers to respect human rights and give consideration to the environment in their business operations.</li> </ul>

## Expectations for suppliers

Compliance with laws and regulations and social norms	<ul style="list-style-type: none"> <li>• Fully comply with all laws, rules, and regulations, adhere to social norms, and conduct corporate activities fairly and in good faith.</li> </ul>
Information management	<ul style="list-style-type: none"> <li>• Manage information gathered through business operations with due care, in compliance with laws on the protection of personal information and any related laws.</li> </ul>
Respect for human rights	<ul style="list-style-type: none"> <li>• Be aware of the ways in which business operations have the potential to impact human rights and endeavor to respect human rights while carrying out corporate activities.</li> </ul>
Consideration for the environment	<ul style="list-style-type: none"> <li>• Work to reduce the environmental impact of business operations through use of sustainable energy and resources, pollution prevention, green procurement, and other measures.</li> </ul>

# Reference: Key sustainability areas

Business	<b>Declining birthrate and aging population, plus good health and lengthening lifespans</b> <ul style="list-style-type: none"> <li>Asset formation in preparation for the future</li> <li>Expand services that respond to a society with a declining birthrate and aging population</li> <li>Convenient services in line with diversifying lifestyles</li> </ul>	  
	<b>Industry development &amp; innovation</b> <ul style="list-style-type: none"> <li>Smooth business succession</li> <li>Industry structure transformation</li> <li>Acceleration of innovation</li> <li>Growth in Asian economic zones</li> <li>Creating resilient social infrastructure</li> </ul>	   
	<b>Sound economic growth</b> <ul style="list-style-type: none"> <li>Strengthening capital markets functions</li> <li>Transition to a cashless society</li> <li>Environmentally conscious social programs</li> </ul>	
	<b>Environmental considerations</b> <ul style="list-style-type: none"> <li>Promoting action to address climate change and supporting the transition to a low carbon society</li> </ul>	 
Corporate foundations	<b>Governance</b> <ul style="list-style-type: none"> <li>Enhancing corporate governance</li> <li>Risk management/strengthening of IT infrastructure, and compliance</li> <li>Disclosure of information in a fair, timely, and appropriate manner, and holding dialogue with stakeholders</li> </ul>	 
	<b>Personnel</b> <ul style="list-style-type: none"> <li>Personnel development and creating workplaces that give employees a sense of purpose</li> </ul>	 
	<b>Environment &amp; society</b> <ul style="list-style-type: none"> <li>Environmental and human rights considerations for investment and lending</li> <li>Addressing climate change</li> <li>Improving financial and economic literacy and promoting activities that contribute to addressing the needs of society and local communities</li> </ul>	   
	<b>Open partnerships and collaboration with a diverse range of stakeholders</b>	

# ESG-related recognition and awards

## Third-party evaluation

### ESG Finance Awards Japan

FG **GOLD** SC **BRONZE**



### Health & Productivity Stock Selection 2021



### PRIDE indicators 2021



### Markets Choice 2021

Mizuho Americas LLC received the “Positive Change Award for Diversity, Inclusion & Belonging”

### ESG score

	Mizuho	MUFG	SMFG
<b>S&amp;P SAM</b> <sup>1</sup>	81	-	-
<b>FTSE</b> <sup>2</sup>	3.7	3.3	3.4
<b>SUSTAINALYTICS</b> ESG Risk Rating <sup>3</sup>	21.4	19.2	25.7
<b>MSCI</b> <sup>4</sup>	A	BBB	A

## Incorporation in social responsibility indices<sup>5</sup>



MSCI ESG Leaders Indexes<sup>6</sup>



FTSE4Good

FTSE4Good Index Series



Member 2020/2021 ESG Leaders Indices

STOXX Global ESG Leaders Index



EURONEXT Vigeo World 120



Bloomberg Gender-Equality Index

### GPIF selected ESG indices

#### General Index



FTSE Blossom Japan Index

#### Themed Index

2021 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

MSCI Japan Empowering Women Index (WIN)

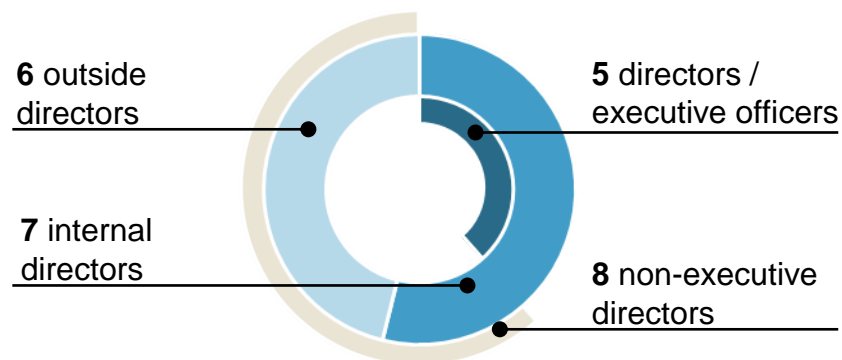


S&P/JPX Carbon Efficient Index

1. S&P SAM: Percentile ranking. Those near 100 are evaluated highly. Source: Bloomberg (as of Nov.12, 2021). 2. FTSE Overall ESG Score (as of Jun. 2021): Maximum score of 5. 3. Sustainalytics ESG Ranking compares ESG risk with peers in the same industry. The lower the score, the higher the evaluation (as of Nov. 12, 2021). 4. CCC-AAA 7-grade rating (as of Nov. 12, 2021). 5. As of Nov. 2021. 6. <https://www.mizuhogroup.com/sustainability/mizuhocsr/rating>.

# Corporate governance - Highlights

## Composition of the Board of Directors<sup>1</sup>



## Main initiatives for improving the effectiveness of the Board of Directors (FY20)

- 9 times** **Offsite meetings on management issues**  
 Outside directors and the business execution line share information and exchange opinions thereby deepening mutual understanding
- Once** **Outside Director Sessions**  
 Meetings attended only by outside directors, at which discussions on future initiatives are held after reflecting on past activities and sharing issues

## Director training

### Continually provide and facilitate opportunities to acquire and improve knowledge

#### All directors

- Individual sessions, training, etc. by executives or guest speakers

#### Outside directors

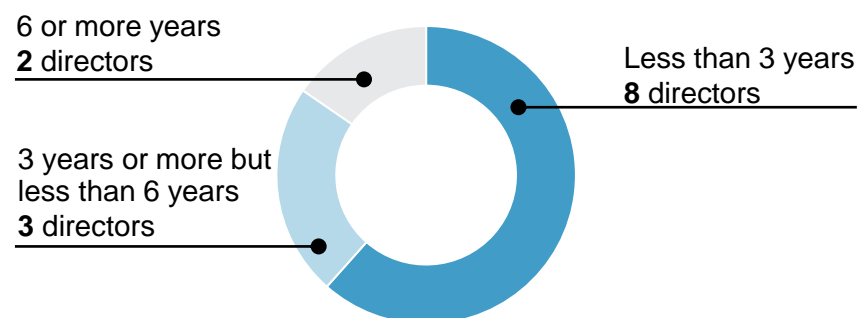
- Ensuring the prior explanation and follow-up of proposals to the Board of Directors

## Evaluating the effectiveness of the Board of Directors

Perform an analysis and evaluation of the effectiveness of the Board of Directors each year and disclose a summary of the results

**FY20 assessment<sup>2</sup>** Both the Board of Directors and legally required committees under the Companies Act of Japan have achieved overall effectiveness with respect to their purpose and expected functions

## Tenure of directors<sup>1</sup>



1. After the 19<sup>th</sup> Ordinary General Meeting of Shareholders. 2. June 2020 – June 2021.

# Board of Directors' skills

 Chairperson

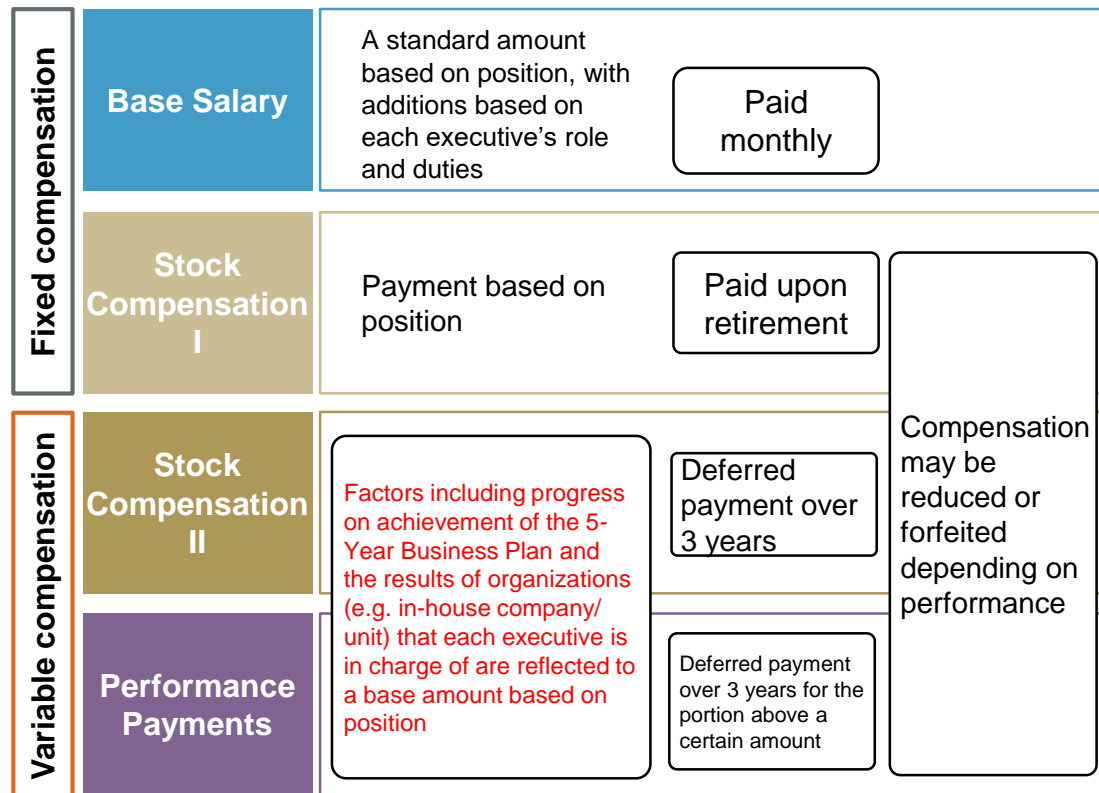
	Name	Position/ Responsibility/ Committee Nom=Nominating Com=Compensation	Experience and expertise*					
			Management	Legal affairs and Risk management	Finance and Accounting	Sustainability	International business	Technology and Cybersecurity
Internal directors	Tatsufumi Sakai	President & Group CEO	●		●	●	●	
	Seiji Imai	Deputy President & Senior Executive Officer			●	●	●	
	Makoto Umemiya	Senior Executive Officer Group CFO		●	●		●	
	Motonori Wakabayashi	Senior Executive Officer Group CRO		●	●	●		●
	Nobuhiro Kaminoyama	Senior Executive Officer Group CHRO			●	●		
	Yasuhiro Sato	Chairman (Kaicho) Non-executive		●	●	●	●	
	Hisaaki Hirama	Non-executive			●	●		
Outside directors	Tatsuo Kainaka	Nom Com Audit		●		●		
	Yoshimitsu Kobayashi	Nom	●			●	●	●
	Ryoji Sato	Audit		●	●		●	
	Takashi Tsukioka	Nom Com Audit	●			●	●	
	Masami Yamamoto	Nom Com	●			●	●	●
	Izumi Kobayashi	Chair Nom		●	●	●	●	●

\* The fields in the chart above are not representative of all of the areas of expertise the directors possess.

# Compensation framework for executives

## Executives responsible for business execution\*

### Composition of compensation



- Determined based on a comprehensive evaluation of the factors below, with weight given to Net Business Profits + Net Gains (Losses) related to ETFs and others
- Financial indicators (Consolidated ROE, expense ratio, Consolidated Gross Profits RORA, CET1 capital ratio)
  - Results taking into consideration the amount of reduction in cross-shareholdings and other factors
  - Results for the organization (in-house company, unit, group) they are in charge of compared to targets, compared to past fiscal years, and compared to other companies
  - Medium- to long-term initiatives, including sustainability-related initiatives, and other factors

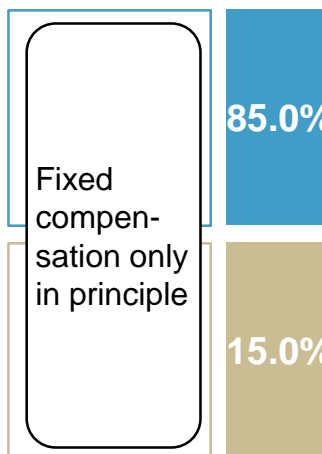
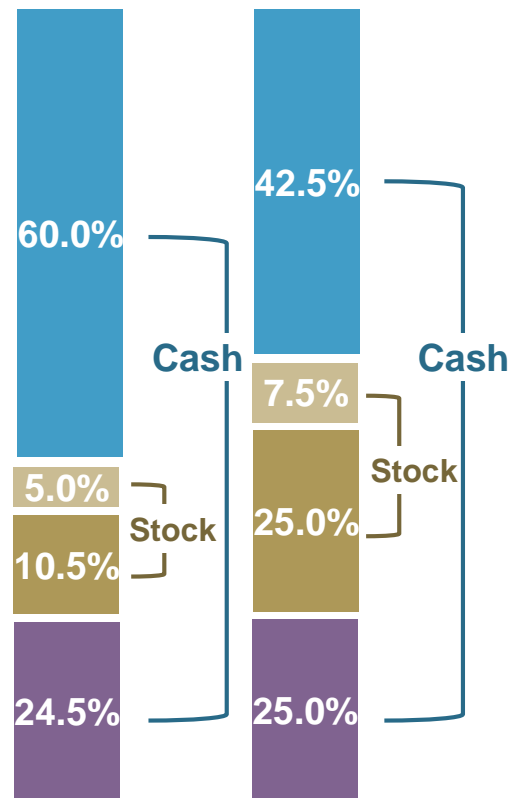
\* In principle, compensation for executives responsible for business execution (directors, executive officers as defined in the Companies Act, and executive officers as defined in our internal regulations of FG, BK, TB and SC) consists of Base Salary, Stock Compensation, and Performance Payments. The ratio and composition of fixed compensation and variable compensation is determined based on the role and responsibility of each executives. For the Group CEO, the ratio of fixed compensation is set at the minimum.

## Non-executive management

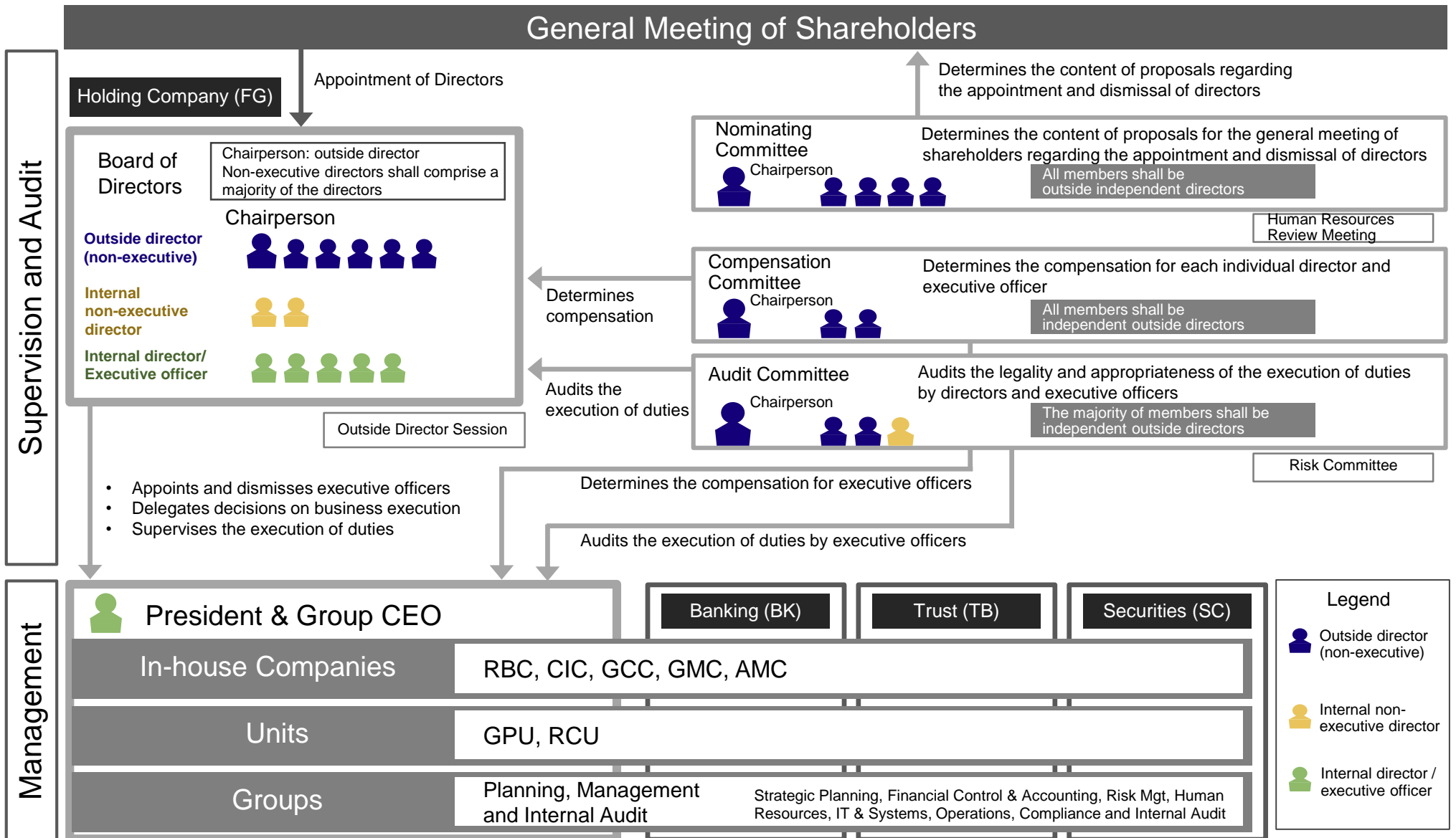
Example of composition of compensation for non-executives responsible for management supervision

Example of composition of compensation for executives responsible for business execution

Executive officers      Group CEO



# Corporate governance structure





## Abbreviations

<b>FG</b>	: Mizuho Financial Group, Inc.	<b>RBC</b>	: Retail & Business Banking Company
<b>BK</b>	: Mizuho Bank, Ltd.	<b>CIC</b>	: Corporate & Institutional Company
<b>TB</b>	: Mizuho Trust & Banking Co., Ltd.	<b>GCC</b>	: Global Corporate Company
<b>SC</b>	: Mizuho Securities Co., Ltd.	<b>GMC</b>	: Global Markets Company
<b>AM-One</b>	: Asset Management One Co., Ltd	<b>AMC</b>	: Asset Management Company
<b>RT</b>	: Mizuho Research & Technologies, Ltd.	<b>GPU</b>	: Global Products Unit
		<b>RCU</b>	: Research & Consulting Unit

## Foreign exchange rate

TTM at the respective period end	Mar-20	Mar-21	Sep-21
USD/JPY	108.83	110.72	111.95
EUR/JPY	119.65	129.76	129.90

## Definitions

### Financial accounting

- 2 Banks : BK + TB on a non-consolidated basis (financial accounting)
- Consolidated Net Business Profits : Consolidated Gross Profits – G&A Expenses (excl. Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments
- Net Gains (Losses) related to ETFs and others : Net Gains (Losses) related to ETFs (2 Banks) + Net Gains on Operating Investment Securities (SC Consolidated)
- G&A Expenses (excl. Non-Recurring Losses and others) : G&A Expenses (excl. Non-Recurring Losses) - Amortization of Goodwill and other items
- Net Income Attributable to FG : Profit Attributable to Owners of Parent
- Consolidated ROE : Calculated dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excluding Net Unrealized Gains (Losses) on Other Securities))
- CET1 Capital Ratio (excl. Net Unrealized Gains (Losses) on Other Securities) : Includes the effect of partially fixing unrealized gains on Japanese stocks through hedging transactions  
[Numerator] Calculated by excluding Net Unrealized Gains (Losses) on Other Securities and its associated Deferred Gains or Losses on Hedges  
[Denominator] Calculated by excluding RWA associated with Net Unrealized Gains (Losses) on Other Securities (stocks)
- CET1 Capital Ratio (Basel III finalization basis) : Estimated figures reflecting the effect of Basel III finalization. The capital floor is calculated after deducting the associated reserves from RWA using the standardized approach

## Definitions

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### Management accounting

- Customer Groups : RBC + CIC + GCC + AMC
- Markets : GMC
- Consolidated Net Business Profits, Net Business Profits by In-house Company
  - Stable revenue : Recurring customer-related revenue + ALM revenue (comprehensive management of assets and liabilities in the banking account)
  - Upside : Non-recurring customer-related revenue + trading-related revenue
  - Banking : Revenue in the banking account excluding ALM revenue

As for Net Business Profits, expenses are calculated based on the expenses allocation based on initial plan.

- Group aggregate : BK + TB + SC + AM-One + other major subsidiaries on a non-consolidated basis
- In-house company management basis : Figure of the respective in-house company
- Net Business Profits by In-house Company : Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates - Amortization of Goodwill and other items
- Internal risk capital : Risk capital calculated taking account of factors such as regulatory risk-weighted assets (RWA) and interest rate risk in the banking account. Internal risk capital of RBC, CIC, GCC are calculated from Basel III finalization fully-effective basis
- ROE by In-house Company : Calculated dividing Net Income by each company's internal risk capital

## Forward-looking Statements

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

This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Such forward-looking statements do not represent any guarantee of future performance by management.

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

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

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