

# Compliance

## Compliance

As a leading Japanese financial services group with a global presence and a broad customer base, we remain conscious at all times of the importance of our social responsibilities and duty to the public. We define compliance as the strict observance of all laws and regulations and the pursuit of fair and honest business operations that conform to socially-accepted norms, and we view ongoing compliance as one of the basic principles of sound business management. Each of our group companies maintains their own compliance structure in line with the basic policies established by Mizuho Financial Group.

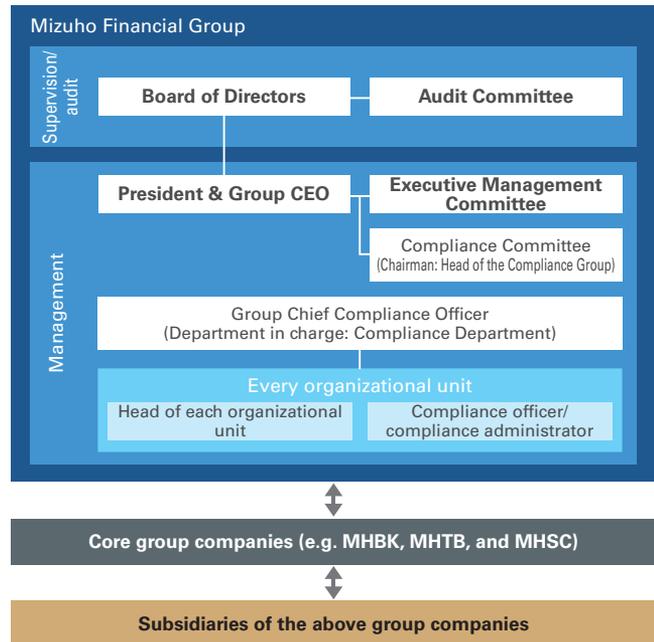
### Compliance structure

The President & CEO of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities each generally oversee compliance matters for their respective company, and important matters concerning compliance are discussed at the Compliance Committees chaired by the head of the relevant Compliance Group.

The four core group companies also have individual compliance departments overseen by the Head of the Compliance Group. These departments are responsible for compliance planning and implementation and control overall compliance management at each company. At each organizational unit (such as branches and departments) within the four core group companies, the head of the organizational unit is responsible for guidance and implementation related to compliance matters, and the compliance officer or compliance administrator at each organizational unit reviews the status of compliance.

Mizuho Financial Group monitors the status of compliance of the group through reports submitted by our core group companies and adopts appropriate responses as necessary. Compliance at subsidiaries of our core group companies is monitored and managed by their respective parent company.

#### Compliance structure



### Compliance practices

We have established the Mizuho Code of Conduct which sets forth clear and concrete standards of ethical behavior. Furthermore, each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that we must observe in our business operations and the compliance practices we are required to follow. Mizuho ensures that all executive officers and employees are fully acquainted with both the Code of Conduct and the compliance manual's content through, for example, training upon joining the company.

We monitor the status of compliance levels through self-assessments by each department and monitoring conducted by the compliance department of each company. In addition, every fiscal year, each of our group companies establishes a compliance program which contains concrete measures for compliance enforcement such as compliance framework management, training, and assessments. Progress on the compliance program is monitored every six months.

## Financial crime risk management

Financial crimes are becoming more diverse and sophisticated, and acts of terrorism continue to occur around the world. In light of these trends, anti-money laundering (AML) and combating the financing of terrorism (CFT) are extremely important. Against this backdrop, the key challenge for financial institutions is the strengthening of their AML measures and CFT initiatives. As a financial services provider operating

globally, Mizuho Financial Group is subject to the laws and regulations of both Japan and the other jurisdictions where it operates, as well as to supervision from financial regulators based on those laws and regulations. Accordingly, we have devised AML and CFT policies and procedures that conform to the laws and regulations in each jurisdiction and we are also continually enhancing our AML and CFT measures.

## Our stance towards organized crime

In order to prevent organized crime from influencing the management of our clients and to avoid any association with the harm caused by organized crime, the Mizuho Code of Conduct includes a policy covering our zero-tolerance stance on business relationships with individuals or organizations that are in any way associated with organized crime and therefore threaten the rule of law, public order, and safety.

We have also formed an Anti-Organized Crime Committee which includes external experts in industry-specific, in-depth discussions on this subject, in addition to other initiatives we are implementing on a group-wide basis to ensure that we have no direct or indirect

associations with organized crime. Moreover, drawing on the discussions in this committee, these matters are also discussed and reported on at meetings of the compliance committees of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities.

Furthermore, core group companies maintain centralized departments or appoint an officer to manage anti-organized crime efforts and to maintain effective frameworks, for example, by establishing a manual on how to manage such issues and conducting training sessions. If required, we consult with third-party experts and authorities on the handling of specific cases.

### Measures for ensuring compliance

At Mizuho, compliance-related education and training are key measures for ensuring appropriate compliance.

During fiscal 2020, Mizuho provided effective training tailored to a broad range of roles within the organization, from employees to senior management. We conducted 14 training sessions in total, including mandatory compliance training sessions for all employees; role-specific training for executive officers, general managers, compliance officers, and other senior management members; and e-learning training sessions on specific compliance topics.

In addition to training sessions and other programs designed to promote compliance, we are also dedicated to detecting potential compliance issues

at the earliest stage possible and taking appropriate action. When we become aware of potential compliance issues, such matters must be reported immediately to department and branch managers in accordance with our compliance manual. Furthermore, each group company has established a hotline which employees can call in order to speak with someone within the Compliance Division or an external law office or compliance professional.

For matters related to inappropriate accounting, internal control on financial reporting, and auditing, an internal control and auditing hotline, which connects to an external law office, is available to receive reports from both in and outside the company.

### Internal reporting systems (Compliance hotline)

We have a robust internal reporting system in place, and are working to further increase its effectiveness by establishing group-wide reporting channels outside the workplace that are available in the evenings, on Saturdays and Sundays, and also by making such services available in foreign languages. To ensure that employees at each group company are fully acquainted with these systems, hotline numbers and other relevant information is included on posters within each workplace and distributed to all employees on wallet-sized cards. In fiscal 2020, Mizuho Financial Group and our core group companies received a total of 176 reports through our hotlines from both inside and outside the group, with the response status reported to members of our Audit Committee. Following inspection by an authorized registration institute under the Consumer Affairs Agency, our internal reporting system was recognized as operating properly and in accordance with the guidelines set by the Agency, and registered to the Whistleblowing Compliance Management System (a Self-declaration System).



### Internal control and audit hotline

Our audit hotline, which connects to an external law office, is available to receive reports from both in and outside the company in connection with concerns regarding accounting and financial reports.

## Customer protection management

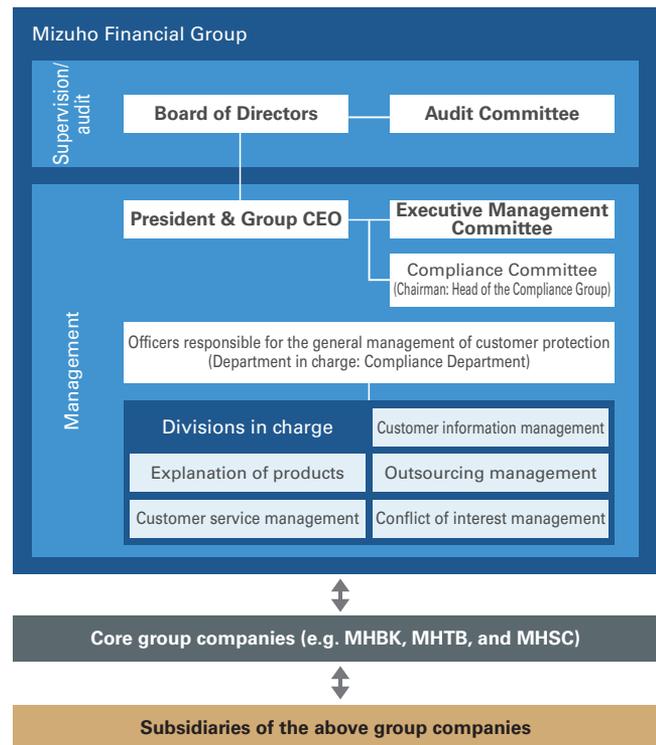
We give first priority to our customers, and we believe that earning their trust is the basis for ensuring sound management and therefore earning the trust of other stakeholders as well. With this in mind, a core part of our compliance is to continuously seek to monitor and improve the operations of the group from the perspective of what is in the best interests of our customers in order to ensure that our operations are appropriate and to improve customer convenience. We manage customer protection uniformly throughout the group in order to achieve this objective.

### Customer protection management structure

At Mizuho, customer protection management refers to the efforts we make to improve the protection of our customers and improve customer convenience from the following perspectives:

1. Ensuring the appropriateness and sufficiency of explanations provided to customers prior to conducting transactions, purchasing products, etc. as well as the provision of information (e.g. product explanations) to customers.
2. Ensuring the appropriateness and sufficiency of the handling of customer inquiries, complaints, and other communications (customer service).
3. Ensuring the appropriateness of the management of customer information (customer information management).
4. Ensuring the appropriateness of customer interaction and the handling of customer information in cases where group operations are outsourced (outsourcing management).
5. Ensuring the appropriateness of the management of measures to be taken in order to address conflicts of interest arising from transactions with customers (conflict of interest management).

Our President & Group CEO generally oversees the management of customer protection, and important matters are discussed at Compliance Committee meetings (chaired by the Head of the Compliance Group). Further, the Mizuho Financial Group divisions responsible for each area of management described above also provide centralized monitoring and implementation of our core group companies' customer protection management. Core group companies oversee customer protection management at their own subsidiaries.



### Information management

Advances in information technology have enabled greater utilization of data. At the same time, many countries have tightened legislation protecting personal information. There has also been closer public scrutiny of the methods companies use to protect personal information. Mizuho is aware of the vital importance of managing information in a way that ensures appropriate protection and use of information assets. We are constantly working to strengthen our information management practices. For example, we aim to ensure that our security management measures and information administration methods for information assets are clear and straightforward. Also, we implement training and awareness-building exercises to ensure that all members of our organization have a firm understanding regarding the proper protection of information assets.

### Customer service management

At Mizuho, we engage in business with a wide range of customers, and we put a strong emphasis on responding appropriately to feedback, complaints, or other communication from customers in addition to our efforts to offer customers stronger protections and higher convenience.

In the case of receiving a complaint or other critical feedback, we not only emphasize the importance of responding quickly and politely, but also require reports to be drawn up in order to monitor these situations.

Furthermore, we regard all customer feedback as an important asset and work continuously to improve our operations and prevent the recurrence of issues with the aim of increasing customer satisfaction.

**For more information on Mizuho's customer protection measures, please see our website:**

<https://www.mizuhogroup.com/who-we-are/internal/customer>