

# Progress of the First Year of the Medium-term Business Plan

## “One MIZUHO New Frontier Plan—Stepping Up to the Next Challenge—”

### Results for Fiscal 2013

	Fiscal 2015 (Plan)	Fiscal 2013 (Results)	
<p>Target Figures (Fiscal 2015)</p> <p>ROE (Consolidated) Approximately 9%</p> <p>Common Equity Tier 1 Capital Ratio*1 (Fully-effective basis*2) 8% or higher</p> <p>RORA (Consolidated Net Income on Risk-weighted Assets) Approximately 0.9%</p>	ROE (Consolidated)	Approximately 9%	11.1%
	RORA (Consolidated Net Income on Risk-weighted Assets)	Approximately 0.9%	1.1%
	Common Equity Tier 1 Capital Ratio*1 (Fully-effective basis*2)	8% or higher	9.08%
Profitability	Net Income (Consolidated)	¥550.0 billion level	¥688.4 billion
Efficiency	Group Expense Ratio*3	Mid 50% range	61.6%
	Expense Ratio (Banking Subsidiaries)*4	Lower 50% level	57.3%
Soundness	Ratio of Stock Portfolio against Tier 1 Capital*5	Approximately 25%	28%

\*1. Common Equity Tier 1 (CET1) capital ratio was 8.80% as of March 31, 2014. Although preferred stocks are not classified as CET1 capital under Basel III, both our planned and actual figures include the Eleventh Series Class XI Preferred Stock (mandatory conversion date: July 2016) in CET1 capital.

\*2. Estimated figures under fully-effective basis as expected to be in effect at the end of fiscal 2018.

\*3. MHBK+MHTB+MHSC

\*4. MHBK+MHTB

\*5. After taking into consideration the hedging effects. Also, although preferred stocks are not classified as CET1 capital under Basel III, both our planned and actual figures include the Eleventh Series Class XI Preferred Stock (mandatory conversion date: July 2016) in CET1 capital.

In fiscal 2013, which was the first year of Mizuho's medium-term business plan, we implemented business policies based on our 10 basic strategies and worked to strengthen our management administration functions and our management base. As a result, we strengthened our income from our Customer Groups, realized synergies from our unified banking, trust banking and securities functions, and made other progress that kept us on track toward accomplishing the objectives of the medium-term business plan.

In fiscal 2014, which will be the second year of the medium-term business plan, we are working to make continuing steady progress and further evolve toward One MIZUHO by accelerating our strategy to unify banking, trust banking and securities functions and make further progress toward building the base for One MIZUHO. As an integral part of these activities, we are also taking initiatives to strengthen corporate governance and establish a strong corporate culture.

### Strengthen Integrated Financial Services by Unifying Banking, Trust Banking, and Securities Functions to Respond to Finely Detailed Corporate and Personal Banking Segments

Mizuho, as a comprehensive financial group that has its own banking, trust banking and securities capabilities, has distinguishing features and competitive superiorities. Drawing on these, we have substantially strengthened our marketing activities by tapping the group's financial know-how and insight regarding various industries to provide sharp and

effective solutions to meet the needs of individual and corporate customers. Moreover, by creating branches that offer banking, trust banking and securities services jointly and by building on our collaboration system that allows staff members of MHBK and MHSC to hold positions in the other organization concurrently, we have created a customer service system that enables us to mobilize our comprehensive capabilities in all financial service fields to respond promptly to customers' needs. For example, for high-net-worth customers, especially corporate owners, we have created a private banking service framework that can respond to the full range of their needs both as business owners and individuals.

### Perform Consulting Functions Taking Advantage of Our Industry and Business Knowledge and Forward-looking Perspective

MHBK is making major contributions to a wide range of projects around the world, such as the world's largest

Notes: 1. MHFG: Mizuho Financial Group, MHBK: Mizuho Bank, MHTB: Mizuho Trust & Banking, MHSC: Mizuho Securities

2. The above contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. See the disclaimer at the bottom of page 1 of this Annual Review for information regarding factors that could cause actual results to differ from those in the forward-looking statements.

# Progress of the First Year of the Medium-term Business Plan

## “One MIZUHO New Frontier Plan—Stepping Up to the Next Challenge—”

geothermal power generating plant in Indonesia, through offering financial advisory and other services. These services range from support in the early stages of projects through syndicating the necessary financing. Going forward, by drawing on its knowledge and insight into various industries, which are its major strengths, Mizuho is working to offer consulting services and financial intermediary functions with the goal of supporting customers in meeting the full range of their financial needs.

### Support Formation of Personal Financial Assets in Japan and Invigorate their Investment

MHBK and MHSC are working together to respond to the introduction of Nippon Investment Savings Accounts (NISAs), which are tax-exempt up to a specified limit, by expanding their lineup of investment products.

In addition, Mizuho has formed a project team to revitalize the flow and application of Japan's ¥1,600 trillion in monetary assets, by promoting the shift from savings deposits to long-term investment, especially among worker households. The team has also begun consideration of arrangements for facilitating the succession of assets held by senior citizens.

### Strengthen Proactive Risk-taking Functions for Growth Industries and Corporations

MHBK has set up a number of assistance funds to support customers in their activities to strengthen their bases for growth. Through these activities, we are providing broad support for the initiatives of our customers in growth fields.

Also, in collaboration with financial institutions and public corporations, we established the Sixth Industry Fund for the Agriculture, Forestry, and Fishing Sector and, through investments in businesses via these various funds, we are taking initiatives in providing risk money for growth sectors.

### Strengthen and Expand Asia-related Business in Japan and on a Global Basis

Mizuho has created a system to enable Mizuho offices throughout the world to collaborate in providing support to customers with the aim of offering our customers a global business development support system. In addition, Mizuho is devoting resources to further develop its global network and concluded cooperative arrangements with leading financial institutions and government organizations overseas. Under these arrangements, Mizuho aims to provide information, support the entry of customers into overseas markets, and offer financial services in local markets overseas. Through these initiatives, Mizuho is creating systems that will enable it to respond to a broad range of customer needs.

### Cultivate Multi-level Transactions by Capturing the Accelerating Global Capital and Trade Flows

Mizuho is offering increasingly sophisticated fund management services in step with the evolving needs of its customers. These include cross-border settlements in a range of currencies, including those of emerging countries; foreign exchange risk hedges; and foreign-exchange related guarantees. Along with these services, Mizuho is providing cutting-edge financial solutions that include liquefying overseas

**Mizuho's Vision** The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia, and Japan.

#### <Five Basic Policies>

1. Further develop integrated strategies across the group for each customer segment to respond to the diverse needs of our customers
2. Contribute to sustainable development of the world and Japan by proactively responding to change
3. Mizuho Means Asia: accelerate globalization
4. Build strong financial and management foundations to support the essence of Mizuho
5. Form strong corporate governance and culture in the spirit of One MIZUHO

#### <Ten Basic Strategies>

##### Business Strategy

##### Business Management, Management Foundations, etc.

- (1) Strengthen integrated financial services by unifying banking, trust banking, and securities functions to respond to finely detailed corporate and personal banking segments
- (2) Perform consulting functions taking advantage of our industry and business knowledge and forward-looking perspective
- (3) Support formation of personal financial assets in Japan and invigorate their investment
- (4) Strengthen proactive risk-taking functions for growth industries and corporations
- (5) Strengthen and expand Asia-related business in Japan and on a global basis
- (6) Cultivate multi-level transactions by capturing the accelerating global capital and trade flows
- (7) Strengthen stable financial foundations based on abundant liquidity and appropriate capital levels
- (8) Establish the optimal management foundations (human resources and business infrastructure) to support business strategy.
- (9) Further strengthen proactive governance and risk management
- (10) Embed the new Mizuho corporate identity toward forming a common culture throughout the group and take actions toward being the best financial services provider

accounts receivable, trade financing, and export credit agency (ECA) financing.

### **Strengthen Stable Financial Foundations Based on Abundant Liquidity and Appropriate Capital Levels**

We have ensured a sufficient level of capital as of March 31, 2014. We have also transformed and enhanced the quality of the profit structure through the gradual realization of increases in income from Customer Groups (Interest and Non-interest Income) both in Japan and overseas.

### **Establish the Optimal Management Foundations (Human Resources and Business Infrastructure) to Support Business Strategy**

Along with optimizing the training and use of human resources as well as business operations from a group-wide perspective, MHFG is working to develop stable and highly reliable management foundations, including next-generations systems.

### **Further Strengthen Proactive Governance and Risk Management**

To fulfill the social responsibilities as members of a financial services group with global operations, Mizuho will further evolve its business model and take initiatives to substantially enhance the sophistication of the group governance systems. In specific terms, beginning in April 2014, Mizuho has appointed directors to be in overall charge of multiple units and conducted a review of the system for concurrent assignments in planning and management. We have also strengthened the functions of our holding company, and, beginning in June, we made the transition to a Company with Committees. In addition, we are continuing our initiatives to increase the sophistication of our risk governance framework in light of trends in global regulations.

### **Embed Mizuho's Corporate Identity Toward Forming a Common Culture Throughout the Group and Take Actions Toward Being the Best Financial Services Provider**

Each and every employee will take a flexible approach to changes in society and proactively step up to the challenges they face. Mizuho will also promote further strengthening the One MIZUHO Promotion Project Team in Japan and overseas by integrating the banking, trust banking, and securities functions from the perspective of driving the self-starting

actions of each and every employee. Specifically, it will further strengthen continued actions related to each initiative that was started in the first year of the medium-term business plan, by having each division and branch create their own visions by holding discussions and supporting the initiatives towards realizing these visions, commencing discussion sessions with senior management at all head office and marketing offices, and off-site meetings for general managers of head office divisions and marketing offices at major group companies.