

Progress on the 5-Year Business Plan

5-Year Business Plan

Our group's 5-Year Business Plan for fiscal 2019 through 2023 is focused on transitioning to the next generation of financial services—building new forms of partnerships with our customers so that we can respond to their needs as the times change. This business plan aims to build a stronger and more resilient financial group which our customers can depend on in the coming era.

In addition to the megatrends such as digitalization, the declining birthrate and aging population, and globalization, the global spread of COVID-19 has triggered major, rapid changes in people's lifestyles and the state of the economy and society. In order to be a company that provides new value that goes beyond the conventional boundaries of finance in the coming era, we will steadily implement forward-looking structural reforms in three interconnected areas—business, finance, and corporate foundations—as we transition to the next generation of financial services.

Three areas of structural reform

We are implementing business structure reforms which draw on Mizuho's strengths in order to address structural issues in the economy, industry, and society in addition to implementing finance structure reforms to transition to more flexible business and revenue structures to respond to changes in the business and competitive environments. We are also implementing corporate foundations reforms to support the continued competitive advantage of our business.

■ Business structure reforms

In response to structural changes in customer needs stemming from megatrends including digitalization, the declining birthrate and aging population, and globalization, we will leverage the strengths that we have cultivated thus far to the maximum extent to go beyond the conventional boundaries of finance and provide optimal services and solutions. We are also working to expand our business domains at an early stage in response to the impact of COVID-19 and in anticipation of changes that individuals and business will face in a post-COVID-19 landscape.

In the wake of the COVID-19 pandemic, concerns regarding health and the impact on lifestyles is driving increased retail customer interest in asset formation to prepare for the future, as well as family asset succession services, and through proposals for investment, succession, and other services, we are supporting the secure, worry-free life planning of our customers. We are also expanding the range of services that our customers can complete entirely online and enhancing our remote business arrangements in response to the accelerating digitalization of transactions. Furthermore, we are promoting the use of Mizuho Wallet and J-Coin Pay for cashless transactions.

5-Year Business Plan: Transitioning to the Next Generation of Financial Services

Basic policy

Implement forward-looking structural reforms focused on three interconnected areas: business structure, finance structure, and corporate foundations.

Resolve the mismatch that has arisen in the allocation of corporate resources and respond to new customer needs in order to transition to the next generation of financial services.

Key strategy

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 forms of partnerships with our customers.

Open & Connected

Passionate & Professional

■ Draw on the strengths that Mizuho has cultivated thus far

1

Customer base, network, trustworthiness & dependability

2

Financial functions, market presence, ability to respond to non-financial needs

3

Approach business as a unified group

■ Accelerate our digitalization initiatives and proactive collaboration with external partners

Our objective

Build a stronger and more resilient financial group which our customers can depend on in the coming era

For corporate clients, in addition to supporting smooth financing, we are supporting the revision of business strategies and formulation of growth strategies looking ahead to a post-COVID-19 world, and supporting other corporate needs including business reorganization and investment in growth areas, M&A, and business succession. With a deep understanding of the current circumstances and viability of client businesses, we are accelerating strategic investment in equity and quasi-equity financing which are one part of the strategy outlined in our 5-Year Business Plan. Also, through repeated discussions with clients on the topic of strategy, we are supporting clients in both financial and non-financial aspects. Leveraging the strengths of our Global 300 strategy, which focuses on the top global companies in each sector, we are securing opportunities for multifaceted business at a steady pace.

Reference For details on the specific business structure reforms, refer to the in-house company sections in this report (starting from P33) →

Reference For our digitalization initiatives in response to new customer needs stemming from the COVID-19 pandemic, refer to the section beginning on P47 →

Finance structure reforms

Reference For the finance structure reforms refer to the Message from the Group CFO beginning on P23 →

Corporate foundations reforms

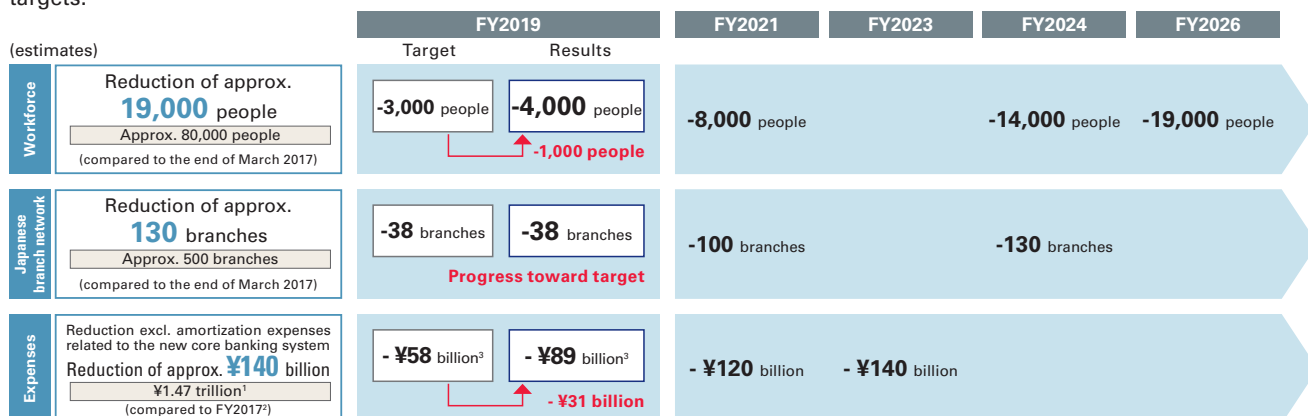
In July 2019, we completed the migration to our new core banking system, MINORI, which we have been addressing as one of our top management priorities. Utilizing this new IT system, we have embarked on initiatives to transform retail locations into next-generation branches, aiming to streamline operations at branches and strengthen face-to-face consulting capabilities among other matters. In addition, we have made steady progress on the transition to a new HR strategy, including introducing internal/external concurrent assignments and part-time work. Furthermore, we worked to accelerate the unification of group company operations, including expanding dual-hat appointments of directors and executive officers between the holding company and the group companies.

This year we have additionally decided to reorganize and merge subsidiary companies representing several of Mizuho's strengths, namely research, consulting, and IT systems. By organically combining and merging the functions of these companies to create a core company outside of the realm of finance business, we are aiming to enhance our ability to provide new value beyond the conventional boundaries of finance. Also, construction of our new Marunouchi office building will be completed this year. The addition of this new office will allow us to consolidate and reorganize the Head Office and business promotion functions for Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities, enabling us to strengthen frameworks for unified group operations. Through arrangements such as free address seating we will promote flexible working styles at the new office and foster an environment that encourages employee communication and raises productivity.

Reference For details on our new HR strategy, which is key for transitioning to the next generation of financial services, refer to the Employee engagement section starting on P49 →

Reference Quantitative overview of our fundamental structural reforms

We are expanding our fundamental structural reforms initiatives announced in November 2017, and are promoting the early implementation of these measures under our 5-Year Business Plan. In fiscal 2019 we achieved steady progress toward our targets.



- Group aggregate. New management accounting rules were applied from FY2019. Amount prior to change: ¥1.45 trillion.
- Compared to estimate for FY2017 at the announcement of the fundamental structural reforms (Nov. 2017).
- Excluding the effect of foreign exchange.