

Asset Management Company Investors

Achieving medium- to long-term growth of our asset management business and contributing to the proactive investment of financial assets in Japan by providing solutions and support for customers' medium- to long-term asset formation.



Masamichi Ishikawa

Head of Asset Management Company

Basic policy

By strengthening our investment capabilities and ability to provide solutions in order to enhance the added value provided by our asset management business, Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, and Asset Management One work together to provide products and consulting services which meet customers' ever changing needs. Also, we are transforming our business processes using digital innovation in order to build an effective and advanced business base. In light

of changes in the business environment arising from COVID-19, we are providing retail investors with support for medium- to long-term asset formation and providing institutional investors, such as pension funds, with solutions in order to contribute to the proactive investment of financial assets in Japan and achieve medium- to long-term growth in our asset management business.

Business environment and challenges

The asset management business is greatly influenced by changes in customer needs and the markets. In this age of longevity, retail investors are facing an uncertain environment going forward and require access to a wealth of information and a range of investment products and services to assist with asset formation for the future. Additionally, for pension funds and other clients who play an important role in people's ability to prepare for retirement, high level consulting and investment

capabilities are required to respond to the increasing diversification of pension plans and investment needs. The investment environment continues to be challenging due to negative interest rates, and COVID-19 has caused significant market volatility, making it difficult to secure returns. Under this environment, the expectations for the role of asset management companies are greater than ever.

Trends in performance

The pandemic has had a negative impact on markets, leading to effects such as drops in market values of securities and a decline in the balance of investment portfolios due to the reduced net asset values of publicly traded investment trusts. Although we face a challenging environment in fiscal 2019 and

fiscal 2020, at the Asset Management Company we are aiming to achieve growth over the medium- to long-term by strengthening our investment capabilities, accelerating our solutions business, and pursuing efficiency.

(Group aggregate, management accounting, rounded figures, ¥ billion)

	FY2018	FY2019		FY2020
	Performance	Performance	Year-on-year	Targets
Gross Profits	49.6	48.4	(1.2)	47.0
Net Business Profits	15.6	12.9	(2.7)	7.0

1. Gross Profits and Net Business Profits include Net Gains related to ETFs.

2. Results are based on FY2019 management accounting rules, targets are estimates based on FY2020 management accounting rules.

Key strategies

■ Focusing on asset management services to respond to diverse customer needs

Related SDGs



To respond to the diverse needs of retail investors we are developing and offering a broad range of products, from those that are low-risk and focused on stability to those focused on returns which draw on our advanced investment capabilities. We are also optimizing investment in fund wraps and providing products tailored to defined contribution corporate pensions, individual-type defined contribution pension plans (iDeCo), and

installment-type NISA. Additionally, we are promoting the proactive investment of financial assets in Japan by disseminating educational materials on investing and information on products and markets as well as working together with distributors to provide after-sale services for retail investors.

■ Selection of and focus on solution services with high customer demand

Related SDGs



Institutional investors are seeking to increase returns in a low interest rate environment and to respond to these needs as well as those concerning low liquidity assets, we are focusing our corporate resources on enhancing investment by utilizing our global platform, alternative investments, and ESG investments.

For corporate pension fund clients, Mizuho Trust & Banking is offering comprehensive solutions through our pension operations entrustment service which is tailored to meet clients' needs in the areas of investment, pension plans, and operations.

■ Shifting to a more efficient business structure

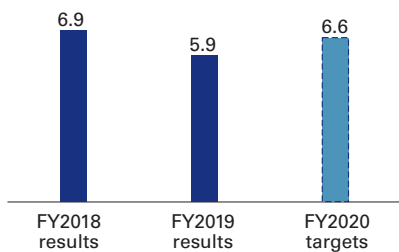
Related SDGs



We are strategically allocating specialist personnel and fundamentally transforming our cost structure to maximize the benefits of Asset Management One's scale, as corporate resources related to the group's asset management functions have been consolidated into this company. In addition, in order to enhance productivity and the added value we provide, we are

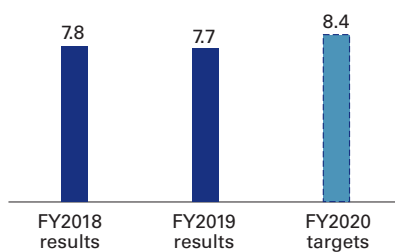
pursuing automation and greater efficiency in our operations as well as implementing remote work and otherwise transforming our work styles to foster a work environment where each employee can reach their maximum potential. These efforts are aimed at strengthening our foundations for business growth over the medium to long term.

■ Publicly traded investment trust assets under management balance (¥ trillion)



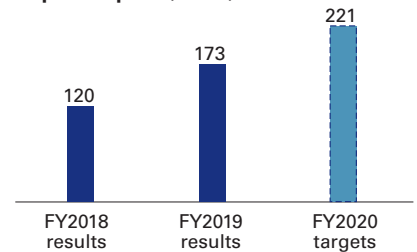
ETF balance excluding publicly traded investment trusts.

■ DB/DC pension assets under management balance (¥ trillion)



Total balance of assets in defined benefit (DB) and defined contribution (DC) pensions (corporate and individual-type DC pensions).

■ Number of individuals enrolled in individual-type defined contribution pension plans (iDeCo) (thousand)



Highlights Expanding our fund line-up aimed at long-term asset formation for retail investors

At Asset Management One, we are expanding our line-up of products that utilize our Global Risk-factor Parity Strategy, which we have honed through our experience in pensions and which aims for stable returns by investing strategically across different asset classes and world regions. We are also focusing on the composition of our global equity products which prioritize returns in areas of growth in the world economy. Going forward, we will develop products which are aligned to the needs of retail investors and products aimed at long-term asset formation.

Highlights ESG investment initiatives

At Mizuho we are committed to responsible investment. Mizuho Trust & Banking has established a Policy on Responsible Investment and Asset Management One has established an Approach to ESG Investment. We are aiming to encourage the companies we invest in to enhance their corporate value sustainably through engagement, develop and offer products that appropriately incorporate ESG and other such factors, and achieve a positive cycle of sustainable development for society as a whole.

