

Corporate governance

As the group's holding company, Mizuho Financial Group is conducting management that contributes to the creation of value for our diverse stakeholders, realizing improved corporate value for the group through continuous and stable corporate growth, and as a result, contributing to economic and industrial development and the prosperity of society inside and outside of Japan. With this goal, we have established our corporate governance system with the Board of Directors at its core, and are working to further enhance our corporate governance.

Basic policy regarding Mizuho Financial Group's corporate governance system

Ensuring the separation of supervision and management

Secure the effectiveness of corporate governance by ensuring the separation of supervision and management and making supervision of the management, such as the execution of duties by executive officers, the primary focus of the Board of Directors

Delegating decisions on business execution to the executive officers

Make it possible for the management to make swift and flexible decisions and realize expeditious corporate management by enabling the Board of Directors to delegate decisions regarding business execution to the executive officers

Securing independence of management supervision

Utilize committees and other forms of oversight, comprised mainly of outside directors who are not members of the management of Mizuho, and secure transparency and fairness in decision-making processes regarding the appointment and dismissal of, and compensation for, the management as well as ensure effective supervision of the management

Adopting global standards

At the holding company level, actively adopting operations and global best practices regarding corporate governance

Principal features of Mizuho Financial Group's corporate governance system

Organizational structure

Adopted a Company with Three Committees model of corporate governance

This structure consists of a Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee, and enables executive officers to perform their duties most effectively.

The chairman of the Board of Directors shall be an outside director.

Fairness and transparency

The members of the Nominating Committee and the Compensation Committee shall all be outside directors.

The Chairmen of the Nominating, Compensation, and Audit Committees shall be outside directors.

Decision-making regarding the appointment and dismissal of, and compensation for, the management is primarily conducted by outside directors.

Appropriate disclosure in line with Japan's Corporate Governance Code

Compliance with Japan's Corporate Governance Code

Our Corporate Governance Guidelines set out the fundamental perspectives regarding corporate governance at Mizuho, and the framework of the corporate governance system, including the roles, composition, and governing policies regarding the Board of Directors, executive officers, Nominating Committee, Compensation Committee, and Audit Committee for Mizuho Financial Group as a Company with Three Committees.

In addition, the Corporate Governance Report, which sets out the status of the corporate governance system of the group, is submitted to the TSE and posted on the websites of the TSE and Mizuho Financial Group.

Corporate Governance Guidelines

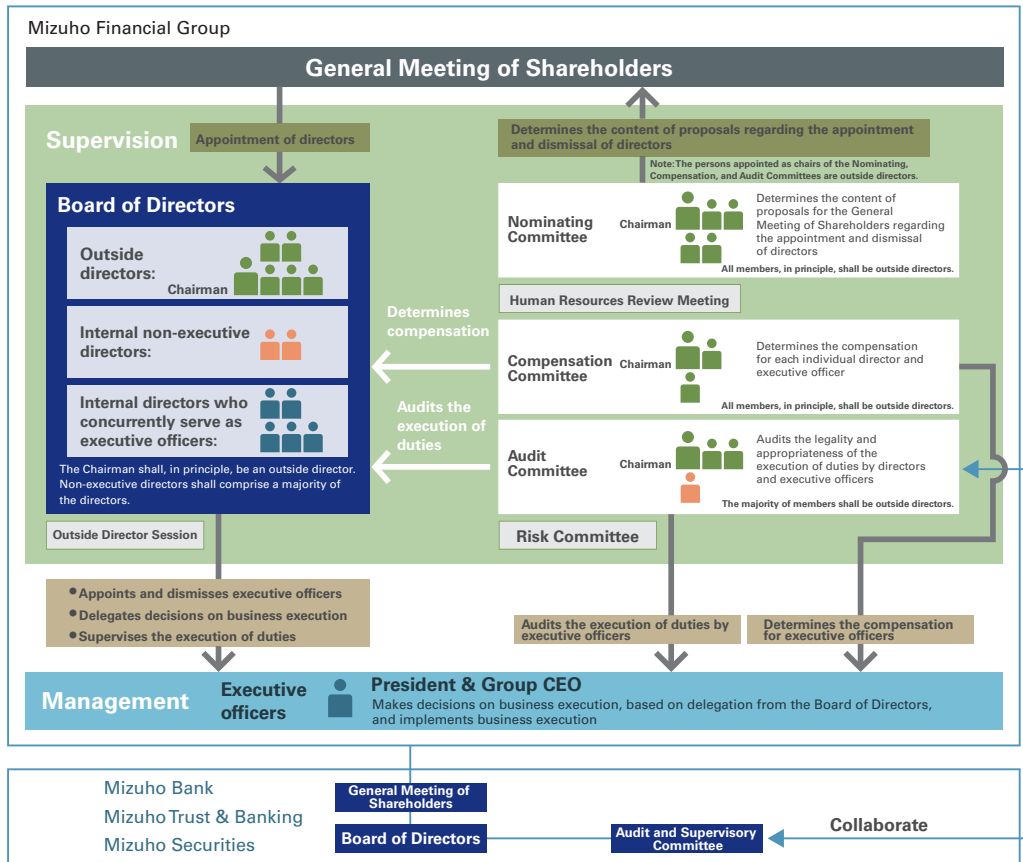
https://www.mizuho-fg.com/company/structure/governance/pdf/g_guideline.pdf

Corporate Governance Report

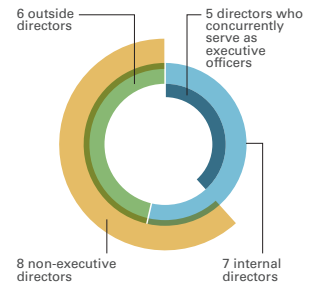
https://www.mizuho-fg.com/company/structure/governance/pdf/g_report.pdf

Corporate governance system

We have adopted a Company with Three Committees model of corporate governance with the belief that, under the current legal system, this model is the most effective as a means of realizing the objectives of our basic policy regarding Mizuho Financial Group's corporate governance system.



Composition of the Board of Directors



Tenure of directors



Overview of Independence Standards

For Mizuho Financial Group's Overview of Independence Standards of Outside Directors, please refer to our website:

https://www.mizuho-fg.com/company/structure/governance/pdf/o_director.pdf

Directors

Appointment or dismissal of directors

Mizuho Financial Group's Nominating Committee selects director candidates. The requirements that these candidates must satisfy in order to be considered for an appointment consist of criteria that include qualities such as high integrity and deep insight, high ethical standards, and commitment to compliance with laws and regulations, in addition to criteria regarding capabilities, utilizing their extensive experience and knowledge which we expect will enable them to contribute to Mizuho's continued and stable growth and improvement in corporate value.

Additionally, outside director candidates must meet criteria regarding the ability to perform supervisory functions in specific areas of expertise, such as corporate management, law, financial accounting, and macroeconomic policy (finance, industry, etc.).

The Nominating Committee also may submit as an agenda item for deliberation at the General Meeting of Shareholders a proposal to dismiss directors if there are objective and reasonable grounds for determining that they have become unqualified in respect of the requirements and it is deemed that they are no longer capable of being entrusted with the performance of director duties.

Outside directors

Outside directors and reason for their appointment

Name	Reason for appointment as an outside director	Three statutory committees			Fields where directors are especially expected to contribute*				
		Nominating	Compensation	Audit	Corporate Management	Law	Financial Accounting	Finance	Technology
Tetsuo Seki	Expected to contribute to (i) strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors and (ii) Mizuho Financial Group's effort to further enhance internal control systems and group governance, leveraging his extensive experience and deep insight as a top executive.	●	●	★	●		●	●	
Tatsuo Kainaka	Expected to contribute to (i) strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors and (ii) the further enhancement of the corporate governance, compliance, and risk management system of Mizuho Financial Group, leveraging his extensive experience, deep insight, and high level of expertise as a prosecutor, judge, and attorney-at-law.	★	●	●		●			
Yoshimitsu Kobayashi	Expected to contribute to strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors, leveraging his extensive experience as the CEO of a global company and his deep insight into corporate governance.	●			●				●
Ryoji Sato	Expected to contribute to strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors, leveraging his extensive experience, deep insight, and high level of expertise as a certified public accountant.			●			●		
Masami Yamamoto	Expected to contribute to strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors, leveraging his extensive experience as the CEO of a global company and his deep insight and expertise in technology fields.	●	★		●				●
Izumi Kobayashi	Expected to contribute to strengthening the effectiveness of both the decision-making and supervisory functions of Mizuho Financial Group's Board of Directors, leveraging her extensive experience and deep insight as a representative director of both a Japan-based global financial institution and an international institution.	●			●			●	

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

Director training

We provide our directors with opportunities to acquire and improve knowledge that is necessary to fulfill their expected roles and duties, at the time of appointment and continuously thereafter.

1 Offering all directors opportunities for acquiring knowledge and self-improvement

- Training is provided for newly appointed directors, mainly regarding the duties and responsibilities of directors, and is conducted by an outside instructor (lawyer).
- Directors gain an overall perspective of the management of the group by discussing various proposals, reports, and other activities in the Board of Directors' meetings.
- Training is also held and conducted by an outside instructor regarding compliance and customer protection and awareness of human rights related issues.
- When necessary for the performance of duties, directors in charge of various areas make individual presentations; advice and instruction is provided by external specialists, and training is provided (at the company's expense).

2 Opportunities to acquire and improve knowledge for outside directors

At the time of appointment	Post-appointment (the examples below were conducted for fiscal 2019)
<p>Improving understanding of the group's financial and other businesses</p> <ul style="list-style-type: none"> • Intensive explanation at the time of appointment will be conducted individually for newly appointed outside directors. <ul style="list-style-type: none"> – Explanations from executive officers in charge of different business areas and the General Manager of the Corporate Secretariat regarding Mizuho's Corporate Identity, business domain, business strategy, business plan, finances, corporate governance system, etc. 	<p>Deepening understanding concerning Board of Directors' proposals</p> <ul style="list-style-type: none"> • Providing for thorough explanations of Board of Directors' proposals in advance and follow-up (after each Board meeting) <p>Improving communication at times other than the Board of Directors' meetings</p> <ul style="list-style-type: none"> • Outside Director Session <ul style="list-style-type: none"> – At which outside directors mutually exchange information and share their understanding while exchanging opinions on the progress of our 5-Year Business Plan and current management issues (held twice). • Off-site meetings on management issues (held 14 times between April 2019 and March 2020) • Lunches following the Board of Directors meetings and receptions and dinners for outside directors and executive officers <ul style="list-style-type: none"> – Meetings to acquire necessary knowledge through the exchange of information with the internal directors <p>Other opportunities to acquire/enhance knowledge</p> <ul style="list-style-type: none"> • Watching the Group-wide General Managers' Meeting • On-site observations <ul style="list-style-type: none"> – Interviews with branch managers and exchanges of opinions with employees conducted to deepen outside directors' understanding of on-site circumstances <p>For more details please refer to P74.</p>

Operation of the Board of Directors and each committee

	Board/Committee Chairman	Main roles	Number of meetings in FY2019 (average attendance)	Operation in FY2019
Board of Directors	Izumi Kobayashi Chairman of the Board of Directors 	<p>The main roles of the Board of Directors are making decisions on business execution such as the basic management policy, which are matters to be determined solely by the Board of Directors under laws and regulations, and supervising the execution of duties by directors and executive officers.</p> <p>The Board of Directors shall, in principle, delegate to the President & CEO of Mizuho Financial Group, decisions on business execution, excluding matters to be determined solely by the Board of Directors under laws and regulations, for the purpose of realizing quick and flexible decision-making and expeditious corporate management and strengthening the supervision of executive officers and other personnel by the Board of Directors.</p>	10 meetings (100%)	Recognizing that FY2019 is the first year of the 5-Year Business Plan and an important year, during which the structural reforms focused on three interconnected areas, i.e., business structure, finance structure and corporate foundations, will be promoted, the Board of Directors monitored among other aspects, the progress of the business plan, the next-generation IT system, and the new HR strategy. The Board of Directors also discussed sustainability initiatives.
Nominating Committee	Tatsuo Kainaka Chairman 	The Nominating Committee determines the content of proposals regarding the appointment and dismissal of directors of Mizuho Financial Group to be submitted to the General Meeting of Shareholders. The Committee also approves personnel matters concerning the directors of the Three Core Companies (including the appointment and dismissal of directors and the selection of representative directors and senior directors).	10 meetings (100%)	To establish a more effective governance system and strengthen the business execution framework led by the Group CEO, Mr. Sakai, the Committee selected director candidates for Mizuho Financial Group, approved the selection of directors of the Three Core Companies, and performed other related duties. In addition, the Committee discussed the status of the creation and operation of the succession plan and talent development.
Compensation Committee	Masami Yamamoto Chairman 	The Compensation Committee determines the compensation for each Mizuho Financial Group individual director and executive officer as defined in the Companies Act, exercises the approval rights held by Mizuho Financial Group regarding compensation of each individual director of the Three Core Companies, and determines the basic policy and executive compensation system for Mizuho Financial Group and the Three Core Companies.	3 meetings (100%)	For the purpose of achieving the sustainable and stable growth of the group, the Committee discussed the ideal form of executive compensation in order to maximize the roles that each director and executive officer should fulfill. The Committee also decided on the compensation of Mizuho Financial Group individual directors and executive officers as defined in the Companies Act, approved the compensation of individual directors of the Three Core Companies, and performed other related duties.
Audit Committee	Tetsuo Seki Chairman 	The Audit Committee audits the execution of duties by directors and executive officers; inspects and monitors the establishment and operation status of the internal control systems of Mizuho Financial Group and its subsidiaries; monitors and inspects the execution of duties of executive officers regarding the corporate management of subsidiaries and affiliates; and creates audit reports. In addition the committee determines the content of proposals regarding the appointment, dismissal, or non-reappointment of accounting auditors to be submitted to the General Meeting of Shareholders.	16 meetings (100%)	The Committee confirmed the effectiveness of the structure for ensuring appropriate conduct of operations (internal control system) and monitored the 5-Year Business Plan and structural reforms, focusing on progress in terms of financial issues, risk trends that may hinder the realization of the plan, and other related matters.

Three Core Companies: Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities

Please refer to P73 to 74 for efforts to improve the effectiveness of the Board of Directors and to P75 to 76 for the executive compensation system.

Major agenda items for fiscal 2019 Board of Directors' meetings

Board of Directors' meeting agendas	Report/Discussion
5-Year Business Plan	Mizuho's challenges and future efforts to transition to next-generation finance
New HR strategy	HR strategy enhancing employee ambition and motivation and their universally recognizable value
Status of the next-generation IT system project	Completion of migration to the next-generation IT system at Mizuho Bank, preparation for Mizuho Trust & Banking's migration
Business performance review	Earnings performance of each in-house company and implementation of strategic measures
Evaluation of Board of Directors' effectiveness	Conducted members' self-assessments following discussions on Board of Directors' effectiveness and future efforts
Sustainability initiatives	Annual review of management system for responsible investment and financing, status of response to TCFD Recommendations, establishment of environmental policy, etc.

Primary initiatives for enhancing the effectiveness of the Board of Directors

Evaluation of Board of Directors' effectiveness

To confirm the progress and results of the reforms and to identify issues to be addressed going forward, we have conducted annual evaluations of the effectiveness of the Board of Directors as a whole since the fiscal year ended March 31, 2015.

Mizuho Financial Group conducted an evaluation* of its Board of Directors' effectiveness in December 2019.

*Evaluation period was from April 2018 to June 2019.

1. Evaluation framework

The Board of Directors' effectiveness was evaluated based on Mizuho Financial Group's Corporate Governance Guidelines.

In addition, in conducting the evaluation, one questionnaire was divided into five categories: "Structure of the Board of Directors," "Operation of the Board of Directors," "Matters to be discussed," "Status of issues raised last fiscal year," and "Committees" (with regard to all 36 questionnaire items, the evaluation uses an absolute scale, a comparison to the previous fiscal year (degree of improvement), and written description format)

In particular, questions related to "Necessary qualities and skills for outside directors," "Agenda and themes to be discussed in the future," "Contributions of each director to the Board of Directors," and "Whether discussion was productive and contributions of each director with respect to establishment of our 5-Year Business Plan" utilized the written description format.

2. Evaluation procedure

For the evaluation, an external consultant from an independent organization was used to conduct a preliminary questionnaire involving all directors and heads of in-house companies. At the December 2019 Board of Directors' meeting, the effectiveness of the Board of Directors and measures to be taken going forward were discussed, and self-evaluations were conducted.

3. Outline of evaluation results

A summary of the evaluation results is as follows:

	Evaluation	Initiatives toward further improvements	Specific measures
Structure of the Board of Directors	<ul style="list-style-type: none"> ● Board composition was highly appropriate <ul style="list-style-type: none"> – The number of directors, the ratio of outside directors and the balance of expertise among outside directors was appropriate. – The experience, skills, and knowledge of outside directors were sufficient. 	<ul style="list-style-type: none"> ● Improving the quality of discussion in the Board of Directors' meetings focusing on fundamental issues ● Continuous monitoring of the status of important topics/ issues 	<ul style="list-style-type: none"> ● Further simplification of proposal explanations and materials as well as clarification of points for discussion ● Timely monitoring of progress of and response to the status of 5-Year Business Plan ● Continue communication between the supervisory and business execution sides to improve quality of discussions (Utilization of off-site meetings on management issues)
Operation of the Board of Directors	<ul style="list-style-type: none"> ● The overall operation of the Board of Directors was appropriate, but there is room for improvement in the explanatory materials. <ul style="list-style-type: none"> – Progress was made in terms of the number of times that Board of Directors' meetings were held and the effective use of the time allowed. – The provision of information to outside directors, the agenda selection, and proceedings were deemed sufficient. 		
Matters to be discussed	<ul style="list-style-type: none"> ● The contribution of each director and the degree of substantial discussion were sufficient. <ul style="list-style-type: none"> – Deliberations are sufficient based on incorporation of outside directors' expertise and stakeholders' points of view. 		
Status of issues raised last fiscal year	<ul style="list-style-type: none"> ● In general, improvements had been made with regard to the issues raised last fiscal year. <ul style="list-style-type: none"> – Clarification of the roles of supervision and execution as well as the quality of discussion were improved. – Differences in perception between supervision and execution lines were reconciled in regards to the sense of urgency and speed required on certain issues, however there is room for further improvement. 		
Committees	<ul style="list-style-type: none"> ● In general, the composition and management of and discussions at each committee were appropriate. <ul style="list-style-type: none"> – Continuing from last fiscal year, the committees demonstrated sufficient functions. – Each committee will continue to further improve operational measures based on their roles. 		

4. Summary

With regard to the Board of Directors' functions and corporate governance, it was confirmed that sophisticated corporate governance has been maintained. For example, taking rigorous measures to address the issues that had been recognized last fiscal year, the situation of which was confirmed to have improved. And in establishing our 5-Year Business Plan, internal and outside directors shared their concerns and understanding with regard to the structural reforms among other

contributions. Based on this, steady progress was made with the effectiveness of the Board of Directors as a whole and was accordingly evaluated as having been secured. In the meantime, from the viewpoint of further improving the effectiveness of the Board of Directors, we will continue to make further efforts on the following two points:

- (1) Improving the quality of discussion in the Board of Directors' meetings focusing on fundamental issues
- (2) Continuous monitoring of the status of important topics/issues

Based on this evaluation of effectiveness, we will continue to implement and consider the additional measures necessary for the Board of Directors to demonstrate its supervisory functions to the fullest extent.

Off-site meetings on management issues

Off-site meetings on management issues serve an important function in a role that complements the Board of Directors.

Designed to enable outside directors to enhance their communications with executives, to fully understand the status of business execution, and to lead to high-quality discussions at Board of Directors' meetings, off-site meetings are attended by outside directors and cover themes such as topics of concern to senior management.

■ Fiscal 2019 initiatives and number of times held

Outline	Number of times held
Overview of 5-Year Business Plan, plan to reduce cross-shareholdings, control of staffing levels, new HR strategy, Retail & Business Banking Company and Research & Consulting Unit initiatives, current status in each overseas region and future initiatives, etc. Number of times held	14

Visits by outside directors to domestic branches of the Three Core Companies

In December 2019, outside directors visited multiple branches to see the situation there following the release of MINORI, our next-generation IT system.

At the branches, in addition to being given tours to observe each area of business operations and conducting interviews with branch managers, the outside directors held open discussions with early career employees on site.



Upon completion of the site visits, outside directors shared their honest feedback as follows:

■ Feedback from outside directors

- I was concerned about the migration to the MINORI system because of the extra burden it placed on the frontlines, but was relieved to hear that operational efficiency improved, for example the closing of accounts for the day is faster than with the old system.
- The boundaries between Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities are disappearing, and I realized that the integrated management of the banking, trust banking, and securities domains is firmly established.
- Staff concerns about the transformation into next-generation branches are being dispelled.
- Continual efforts to increase operational efficiency are essential in order to win out over the competition.

We also heard outside directors voice the opinion that the visits provided a valuable opportunity to listen to feedback from frontlines employees, and we will continue to implement measures designed to improve the effectiveness of the Board of Directors in the years to come.

Executive compensation

Basic policy

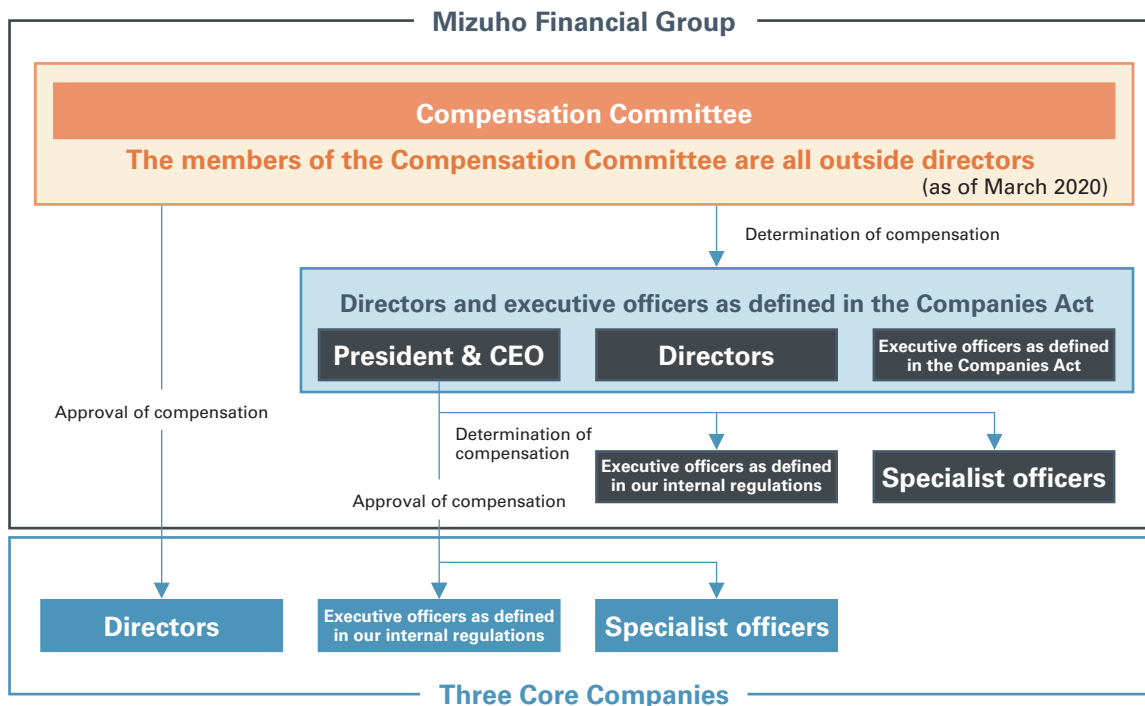
The basic policy with respect to determining individual executives' compensation is as follows:

- 1) The executive compensation shall be determined based on appropriate governance and control, and function as an appropriate incentive in order to realize management that contributes to value creation for various stakeholders and improve corporate value through continuous and stable corporate growth based on our basic management policies under our Corporate Philosophy.
- 2) The executive compensation shall be based on the function and responsibility assigned to and the performance of each Officer and other factors.
- 3) The executive compensation shall contribute to suppressing excessive risk-taking, improving corporate value, and creating value for various stakeholders not only in the short-term, but also over the medium- to long-term.
- 4) The executive compensation shall reflect the management environment and business performance of our group.
- 5) The executive compensation shall enable compensation for securing expert personnel such as professionals with a competitive edge in the market.
- 6) The compensation system and standards shall be timely and appropriately reevaluated and set at a competitive and appropriate standard based on such factors as economic and social conditions and survey data with respect to management compensation provided by external specialized organizations.
- 7) Regulations, guidelines, etc., concerning executive compensation, both in Japan and overseas, shall be complied with.

Compensation determination process

The Compensation Committee shall determine the executive compensation system including the compensation structure taking into account the basic policy. In addition, in order to ensure fairness and objectivity concerning the compensation for each officer, the Compensation Committee shall determine the compensation for each individual director and executive officer of Mizuho Financial Group as defined in the Companies Act and approve the compensation of each individual director of the Three Core Companies.

■ Compensation determination process diagram

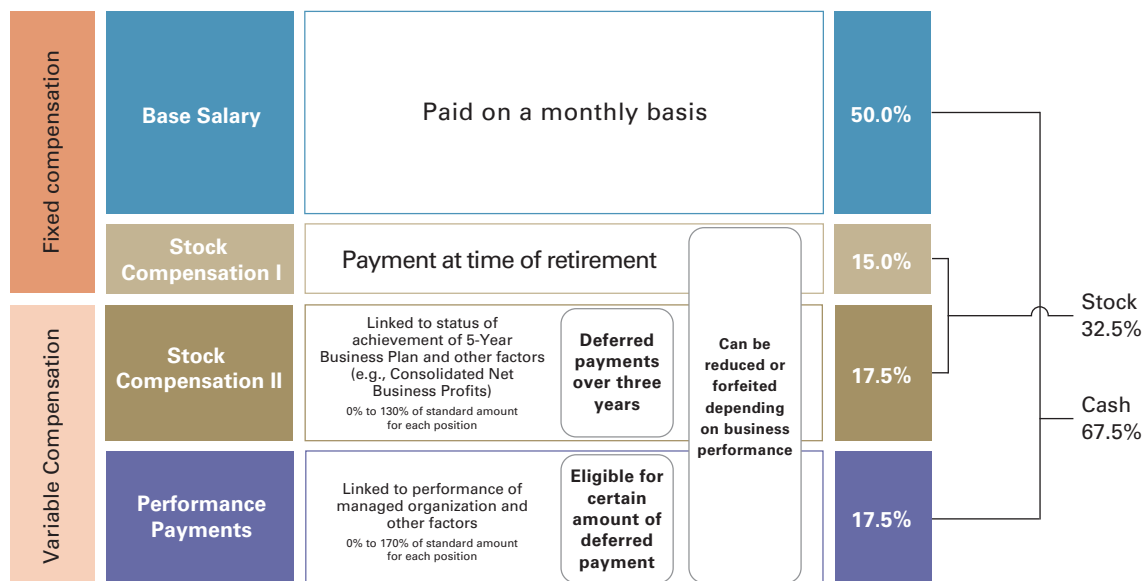


Compensation system

Compensation for officers shall, in principle, consist of Base Salary, Performance Payments and Stock Compensation.

■ Compensation system for officers responsible for business execution¹

In principle, compensation for officers responsible for business execution is composed of fixed compensation, consisting of a Base Salary and Stock Compensation I, and variable compensation, consisting of Performance Payments and Stock Compensation II.



1. Directors, executive officers as defined in the Companies Act, executive officers as defined in our internal regulations, and specialist officers of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities
2. Payment of compensation may be designed individually, taking into consideration local compensation practices and the responsibilities, business characteristics, and market value, etc., of each respective officer.

■ Compensation system for non-executive officers responsible for management supervision

From the perspective of ensuring the effectiveness of the supervisory function, compensation for non-executive officers responsible for management supervision shall, in principle, be in the form of fixed compensation, consisting of Base Salary and Stock Compensation I. Such composition shall, in principle, be 85% and 15% for Base Salary and Stock Compensation I, respectively.

Board of Directors



- Internal director
- Outside director
- Director who concurrently serves as an executive officer
- Non-executive director

For further details on the backgrounds of directors, please refer to our website:

<https://www.mizuho-fg.com/company/info/executives/index.html>

a Tetsuo Seki ■ ■

Outside director
Member of the Nominating Committee /
Member of the Compensation Committee /
Member of the Audit Committee
(Chairman)

Career highlights

- Representative Director and Executive Vice President, Nippon Steel
- President (Representative Director), Shoko Chukin Bank

b Yasuhiro Sato ■ ■

Member of the Board of Directors
Chairman (*Kaicho*)*
*Chairman (*Kaicho*) Sato engages in the company's external activities, but does not chair the Board meetings.
The Board meetings are chaired by the independent director chair, Ms. Kobayashi.

Career highlights (entity)

- President & CEO (BK, CB)
- President & Group CEO (FG)

c Yoshimitsu Kobayashi ■ ■

Outside director
Member of the Nominating Committee

Career highlights

- President, Mitsubishi Chemical Holdings
- Chairperson, Mitsubishi Chemical Holdings (current)

g Hisaaki Hirama ■ ■

Member of the Board of Directors
Member of the Audit Committee /
Member of the Risk Committee
(Chairman)

Career highlights (entity)

- General Manager of Accounting Department (FG, BK, CB)
- General Manager of Nagoya Corporate Banking Department (BK)
- Head of Internal Audit Group (BK)

h Izumi Kobayashi ■ ■

Outside director
Chairman of the Board of Directors
Member of the Nominating Committee /
Member of the Risk Committee

Career highlights

- President and Representative Director, Merrill Lynch Japan Securities
- Executive Vice President, the Multilateral Investment Guarantee Agency, the World Bank Group

i Satoshi Ishii ■ ■

Member of the Board of Directors
Senior Managing Executive Officer (Representative Executive Officer) /
Executive Officer in charge of Digital Innovation (CDIO), Head of IT Systems Group (Group CIO), and Head of Operations Group (Group COO)

Career highlights (entity)

- Head of Human Resources Group (FG, BK)
- Head of Business Promotion (BK)



d Masami Yamamoto

Outside director
Member of the Nominating Committee /
Member of the Compensation Committee
(Chairman)

Career highlights

- President, Fujitsu
- Director & Senior Advisor,
Fujitsu (current)

e Ryoji Sato

Outside director
Member of the Audit Committee

Career highlights

- CEO, Tohmatsu & Co.
- Certified Public Accountant (current)

f Tatsuo Kainaka

Outside director
Member of the Nominating Committee
(Chairman) / Member of the Compensation
Committee / Member of the Audit
Committee

Career highlights

- Superintending Prosecutor of the Tokyo
High Public Prosecutors Office
- Justice of the Supreme Court
- Lawyer (current)

Definition of terms

FG: Mizuho Financial Group
BK: Mizuho Bank
TB: Mizuho Trust & Banking
SC: Mizuho Securities
CB: Mizuho Corporate Bank

The former Mizuho Bank and the former Mizuho Corporate Bank conducted a merger on July 1, 2013, whereby the former Mizuho Corporate Bank was the surviving company in an absorption-type merger and changed its trade name to Mizuho Bank.

j Hiroaki Ehara

Member of the Board of Directors
Managing Executive Officer /
Head of Human Resources Group
(Group CHRO)

Career highlights (entity)

- General Manager of Trust Business
Department VI (TB)
- Head of Human Resources Group and
Head of Internal Audit Group (TB)

k Tatsufumi Sakai

Member of the Board of Directors
President & Group CEO
(Representative Executive Officer)

Career highlights (entity)

- Head of Investment Banking Unit
(FG, BK, CB)
- Head of International Banking Unit
(FG, BK)
- President & CEO (SC)

l Makoto Umemiya

Member of the Board of Directors
Senior Managing Executive Officer /
Head of Financial Control & Accounting
Group (Group CFO)

Career highlights (entity)

- General Manager of Osaka Branch (BK)
- General Manager of Financial Planning
Department (FG, BK)

m Motonori Wakabayashi

Member of the Board of Directors
Senior Managing Executive Officer /
Head of Risk Management Group
(Group CRO)

Career highlights (entity)

- General Manager of Industry Research
Department (BK, CB)
- Executive Officer in charge of
Banking (BK)
- Head of Research & Consulting Unit
(FG, BK)

Dialogue between the Group CEO and Chairman of the Board of Directors

Continuing to create lasting value Mizuho's corporate governance

Group CEO Tatsufumi Sakai sat down with Chairman of the Board of Directors Izumi Kobayashi, newly appointed in June 2020, to talk about Mizuho's corporate governance and the Board of Directors' role going forward.



Looking back on fiscal 2019

Kobayashi:

Looking back, I think fiscal 2019 was a year that we were able to have productive discussions at the Board of Directors. It was the first year of the 5-Year Business Plan, which we had been discussing since the previous fiscal year, and because of the importance of getting the plan off the ground we conducted focused monitoring on the progress of relevant initiatives, mainly structural reforms. As I also mentioned at the Board of Directors meeting, due to these efforts, in fiscal 2019 expense control and other finance structure reforms achieved a degree of success, and Consolidated Net Business Profits exceeded targets. Seeing those and other positive outcomes, I think the plan is off to a good start.

In addition, we addressed a significant topic: Mizuho's relationship with its varied stakeholders. In regard to the shareholder proposal raised in 2019 on sustainability and the proposal to change the body determining the cash dividend within the Articles of Incorporation, we continually discussed the importance of Mizuho fulfilling its responsibility and duty to society and being more proactive about engagement. The supervision side also provided a number of views. Those discussions and views contributed to Mizuho being able to deliver a stronger message in its presentations to external stakeholders.

Sakai:

Mizuho's Board of Directors performs its governance functions extremely effectively, with both the business execution side and supervision side remaining diligent. On the business execution side, we discuss matters thoroughly in advance of reporting them to the Board of Directors, but there are many times when the Board

Tatsufumi Sakai

Member of the Board of Directors

President & Group CEO

of Directors then gives us valuable comments and suggestions on points that would not have occurred to us otherwise. This helps us see things in a different way.

Kobayashi:

I think the outside directors on the board, with their wide-ranging experience and insights, are quite enthusiastic about offering their views. The internal directors then take those views seriously and apply them to business execution. The outside directors and internal directors have developed that sort of trust in each other, so, even while being diligent, we are still able to have a good relationship, which enables governance improvements.

One of the unique features of Mizuho's corporate governance is that, in addition to the Board of Directors meetings, there are also many off-site meetings on management issues. In these meetings, we outside directors have a chance to hear directly from you about the business situation and your thoughts, to listen to in-house company heads' presentations on in-house company management and perspectives, and to receive additional, separate explanations as needed. The meetings promote meaningful communication and strengthen our relationship of trust with the business execution side.

Sakai:

Mizuho's corporate governance structure strictly separates business execution and supervision, making executive officers responsible for a large share of the performance of duties. Nevertheless, we proactively share information with outside directors on any matters requiring their consideration. Just as you said, I think that through this we have been able to develop a good relationship, one which allows for encouraging comments on business execution from outside directors and for candid, constructive dialogue at the Board of Directors.

Izumi Kobayashi

Chairman of the Board of Directors





The power behind Mizuho's corporate value

Kobayashi:

Last December, in my capacity as outside director, I visited branches in Japan and talked with early career employees. In these and other conversations I had with early career employees and female employees, I could see that they have high expectations for the new HR strategy and are determined to move forward despite the challenges they face. I also met with employees working together as teams across banking, trust banking, and securities and employees striving to develop their individual expertise, all of whom impressed me with their potential as part of the Mizuho group.

Making good use of employees with such potential is critical. The key is the communication between managers and their employees, as well as the HR system. When managers can ease employees' concerns about the future and support them in taking on new challenges, based on an understanding of the new HR strategy framework, employees are better able to develop professionally. Each employee finding satisfaction in their new roles and pursuing their own development furthers Mizuho's growth. That is the core of the 5-Year Business Plan.

Sakai:

I can feel that the transition to our new HR strategy is really changing employees' mindsets. To give an example, in order to create opportunities for employees to take on challenges and exercise their skills outside Mizuho, we began allowing external concurrent assignments, and many employees have been applying for them. Finance is an extremely traditional and orthodox field with a conservative-leaning culture. Allowing employees

to venture outside Mizuho and take in some different scenery will produce flexible new ideas and approaches for use in Mizuho's business. In the 5-Year Business Plan, we put forth "Open & Connected" as one of our action principles and called for creating new value incorporating both financial and non-financial products and services. External concurrent assignments are an initiative well suited to this.

We will endeavor to develop our talent as a unified group and make those efforts a driver of our 5-Year Business Plan.

The Board of Directors' role going forward

Kobayashi:

Under the 5-Year Business Plan, transformation towards a new approach to business operations has been moving forward, and the shift to next-generation branches has also begun. While the plan has been progressing, the global outbreak of COVID-19 has been having unpredictable and sizeable impacts on people's ways of living and working. The situation is very serious worldwide, but the changes taking place in the configuration of the economy and society also bring with them substantial opportunities.

There is no question that we are beginning to get a sense of what Mizuho must consider and do in order to create sustainable value in the post-COVID-19 "new normal".



Changes in the business environment may lead to changes in various stakeholders' perspectives, which will have implications for Mizuho's approach to engagement. This new era is again calling into question the conditions for Mizuho to continue creating lasting value, is it not?

Sakai:

For Mizuho to continue creating lasting value for our stakeholders in these times of change, we must be willing to confront a variety of changes and undertake our structural reforms with a strong commitment.

I hope you will continue giving us your invaluable advice so that we may transition to the next generation of financial services and build a stronger and more resilient financial group that our customers can depend on in the coming era.

Kobayashi:

In June, we welcomed new directors and began a new structure for the Board of Directors. To facilitate

the response to the post-COVID-19 world, we have outside directors with progressive outlooks on business management. I think the membership is very appropriate for the situation. Considering COVID-19 as a starting point, I would like business execution and supervision to be attentive to a wider range of risks, opportunities, and time spans; to discuss Mizuho's unchanging responsibility and duty to society, its steady implementation of the 5-Year Business Plan, and its pursuit of new challenges; and to work in unison towards Mizuho creating even greater value.

Since Mizuho transitioned to a "company with three committees" model of corporate governance in 2014, an outside director has served as the Chairman of the Board of Directors, and Mizuho's corporate governance has steadily evolved. With the robust governance that has been developed to this point as a foundation, I will do my utmost as Chairman to chart a path to the future for Mizuho while advancing further corporate governance improvements.

