

# Progress on the 5-Year Business Plan

## 5-Year Business Plan

The Mizuho 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.

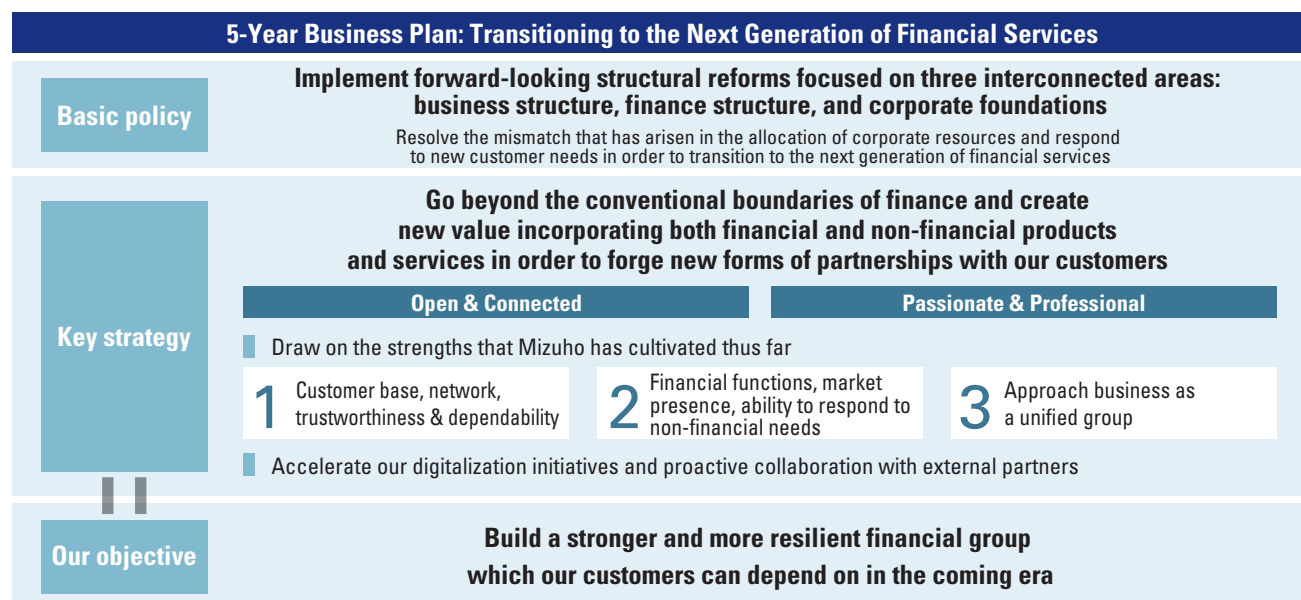
The global spread of COVID-19 has triggered major, rapid changes in people's lifestyles and the state of the economy and society. Beyond this, the surge in resource prices brought about by the Russia-Ukraine situation, the acceleration of global inflation, the rise in market interest rates, and other recent changes are qualitatively different from those in the past and are contributing to ongoing and significant uncertainty in the business environment. 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 as we transition to the next generation of financial services.

## Summary of initiatives over the first three years of the business plan (fiscal 2019 to fiscal 2021)

The 5-Year Business Plan is composed of two phases: a three-year period from fiscal 2019 to fiscal 2021 and a two-year period from fiscal 2022 to fiscal 2023. In the three-year period of the first phase, we focused on the full implementation of the structural reforms, building the foundations for the next generation of financial services. This entailed accelerating and implementing the reforms, investing in future growth, establishing a stable revenue base, and securing reserves for investment.

During this period, we achieved results above our targets, mainly in business and finance structure, and greatly improved our earnings power group-wide. We became able to more adeptly respond to changing customer needs, and our level of capital also surpassed our initial target, allowing us to more proactively implement our strategy. Net Business Profits in customer divisions reached their highest level since the introduction of the in-house company system in fiscal 2016 and have been making remarkable progress, nearly doubling in the span of five years. On the other hand, we also had to reflect on the series of IT system failures that occurred in Japan and recognize the need to redevelop our governance framework, beginning with governance of IT systems.

Fiscal 2022 to fiscal 2023 will be the second phase of the 5-Year Business Plan, in which we will achieve the effects of our structural reforms and accelerate further growth. The highest priority will be to establish a solid foundation for governance of business operations and ensure stable operations overall. With this as a base, we will leverage the solid results of the previous three years and utilize our accumulated capital to expand our new growth investments. In doing so, we will lay the groundwork for continued growth over the next five years and beyond.



## Three areas of structural reform

### Business structure reforms

In fiscal 2021, we made significant changes to the operational structure of our frontline offices in Japan in an effort to further our capabilities for making proposals to customers. One aspect of this was to divide frontline offices into those for retail customers and those for corporate clients, a structure which allows for greater specialization and deeper understanding of customer needs. Another was to sort offices serving large corporate clients into broadly drawn groups for different industries and regions. Working in these groups, such offices have been able to more easily share their industry insights among one another and engage in horizontal collaboration. By strengthening this sort of group-wide coordination between Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, Mizuho Research & Technologies, Mizuho Leasing, and other subsidiaries, we will continue to provide sophisticated solutions and expand our revenue.

In the Americas, we have been shifting to a unified banking and securities model, and we have achieved increased revenue as a result of capturing the depth of capital markets. Going forward, we will not only further expand our revenue base in the Americas, but also bring the unified banking and securities model that has been successful in the Americas to Asia in order to strengthen our earnings power.

In terms of new business areas, we have been setting our sights on global retail banking. As part of this, we have invested in Online Mobile Services Joint Stock Company, which operates Vietnam’s leading mobile payments super-app, and Tonik Financial, which operates the Philippines’ first digital bank accounts, and capture growth in Asia.

**Reference** → For details on the specific business structure reforms, refer to the in-house company sections in this report (starting from P51)

### Finance structure reforms

By reallocating corporate resources and strengthening our stable revenue base, we are working to transition to a more effective business portfolio well-suited to capture stable revenue. In fiscal 2021, due to steady progress in our accumulation of capital, we revised our capital management policy and our shareholder return policy and increased our dividends for the first time in seven fiscal years. We also set a new direction for growth investment, based on having transitioned from the capital accumulation phase to the capital utilization phase.

**Reference** → For the finance structure reforms refer to the Message from the Group CFO beginning on P39

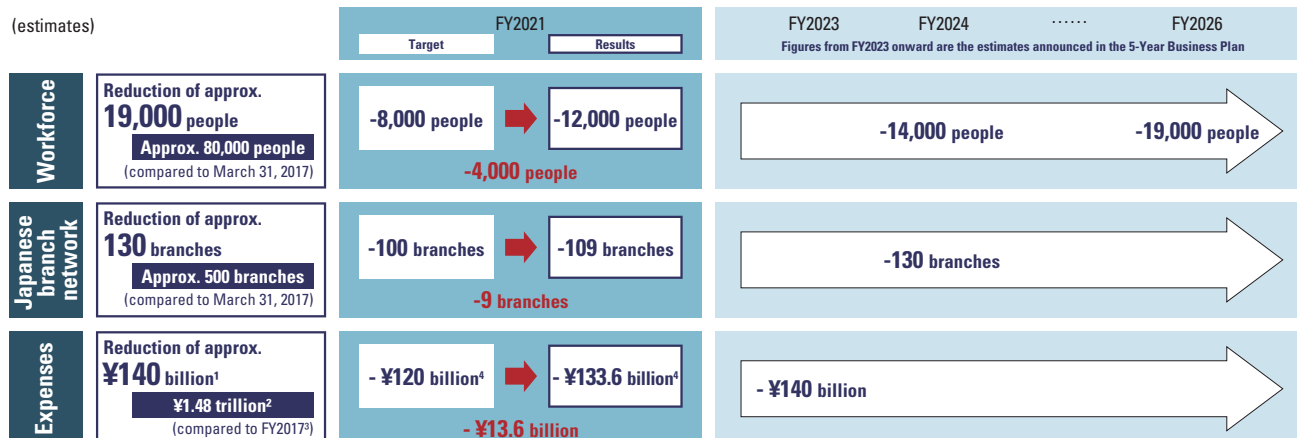
### Corporate foundations reforms

Mizuho Research & Technologies was formed in April 2021 to consolidate research, consulting, and IT functions. As a group of specialists combining knowledge with technical skills, it aims to provide value beyond the boundaries of a thinktank or IT system development company.

For Mizuho, our people are our most critical corporate resource for co-creating value with customers and society and our most valuable asset. In Japan, we are making steady progress on various initiatives for our new HR strategy, which aims to create a virtuous cycle in which Mizuho and our employees continue to grow together. As one of these initiatives, in the second half of fiscal 2021 we eliminated the barrier of job track classifications, providing all employees with wide-ranging opportunities for participation and development.

**Reference** → For details on our HR strategy, refer to the Our people and organization section starting on P79

## Reference: Quantitative overview of our fundamental structural reforms



1. Reduction excl. amortization expenses related to the new core banking system. 2. Group aggregate. New management accounting rules were applied from FY2019. Amount prior to change: ¥1.45 trillion.  
3. Compared to estimate for FY2017 at the announcement of the fundamental structural reforms (Nov. 2017). 4. Excluding the effect of foreign exchange.