

| Digital transformation



By applying Mizuho's expertise to real world problems faced by society and customers, we will provide solutions that only Mizuho can, and create new value.

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Anticipating the world 10 years from now

Imagine the world a decade from today. Space travel is more routine, and drone deliveries and self-driving taxis are commonplace. A digital version of yourself participates in the economy of the metaverse, which becomes a central part of daily life. People can move around instantly with virtual travel. With the advent of NFTs, the value of "things" and the line between the real and the virtual becomes increasingly unclear...

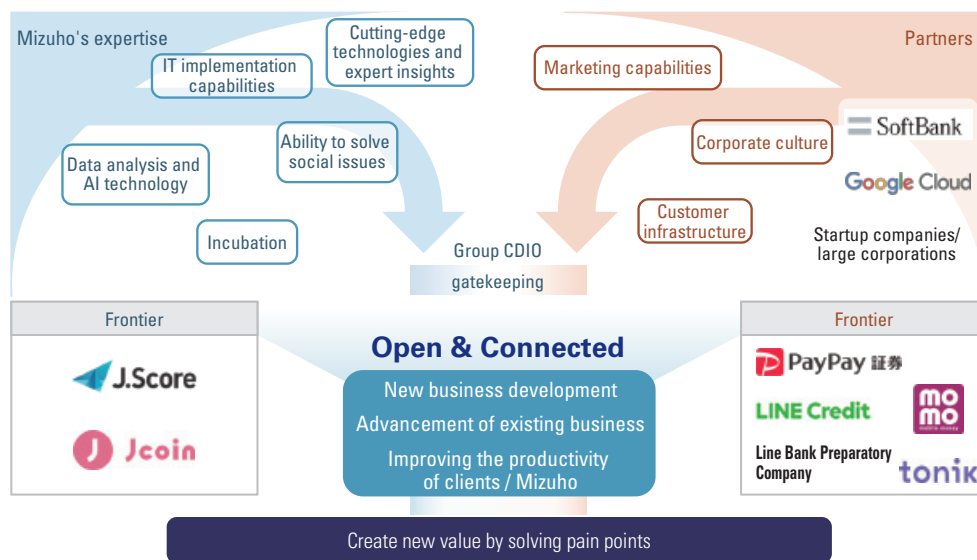
In this way, the concepts of "time" and "space" may have changed dramatically 10 years from now, and we may be living in a dream-like world. At the same time, as we detailed in the section on Mizuho's materiality, in the real world there are a number of challenges to be addressed in order to realize sustainability. What does Mizuho need to do today to solve the various social issues and customer pain points, and to closely align with each person's hopes for the future? I believe that one of the answers is to take full advantage of Mizuho's strengths and promote a form of digital transformation (DX) unique to Mizuho.

What are Mizuho's strengths?

The following three points are Mizuho strengths, which will enable us to establish a competitive advantage in DX going forward.

- (1) The cutting-edge technologies and expert insights—including AI—and IT implementation capabilities of group companies Mizuho Research & Technologies and Mizuho-DL Financial Technology.
- (2) Our robust business base with startup companies that have strong technological capabilities and with major companies that are advancing leading initiatives in various fields.
- (3) Our strategic partnership with Google in the DX field and our other partnerships with tech companies for the development of new business.

Currently, the areas in which we have demonstrated these strengths and are pursuing innovative initiatives, in addition to partnerships, are payments, local government DX, and healthcare. You can find more information about our initiatives on the next page. By applying Mizuho's strengths to issues faced by society and customers, we intend to set off a positive chain reaction that no one could have imagined.



Mizuho's DX initiative fields

This section provides examples of our innovative DX initiatives in the fields of payments, local government DX, and healthcare.

[Payments] [Local government DX] New payments infrastructure which can be incorporated into other services, and local currency

Mizuho has begun initiatives to build a new payment infrastructure that can be directly incorporated into services provided by companies and local governments in Japan, in order to provide comprehensive support for the digital transformation of payments and transfer services.

One of these initiatives, House Coin, is a reloadable coin service that enables payments only in a specific economic zone, such as a company's own stores, or in specific regions under a local government. In the shift to a cashless society, tech companies will provide services that form the foundation of the society, and there will be many "house coins" that can be used only within closed economic zones; in other words, we will move toward a two-layered structure. For companies and local governments, it is becoming increasingly important to conduct analysis of their customers and residents, respectively, in terms of how each of these groups think and what their consumption behaviors are, based on behavioral data. Companies and local governments can then use this analysis to improve satisfaction levels. We believe that "House Coin" has great potential in this area.

[Healthcare] Healstep, a next-generation health business service utilizing AI

Healstep, a joint venture with the Dai-ichi Life Group, is a service that helps Japanese health insurance associations improve the efficiency of their health services and curb medical costs by analyzing future medical expenditure projections using AI. This service leverages Mizuho Research & Technologies' strong expertise in the social security field and its healthcare data analysis and consulting capabilities. The service was awarded the highest prize at the Data Health Grand Prix of the Data Health / Preventive Service Expo 2021 sponsored by Japan's Ministry of Health, Labour and Welfare.



Corporate culture reform through DX

The most important aspect of moving DX forward is to accurately understand pain points such as the issues and needs of all stakeholders, including society, customers, and employees, and to take the first step toward resolving these issues. This is exactly what is required of Mizuho today. The promotion of DX is one and the same with the reform of Mizuho's corporate culture, and we will continue our active endeavors in this area going forward.