

Corporate governance

Mizuho Financial Group aims to contribute to environmental conservation, the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world, and conduct management that contributes to the creation of value for our diverse stakeholders, while simultaneously maintaining the sound corporate management that forms the foundation of trust and responsibility. To this end, we have established a corporate governance system with our Board of Directors at its center. In light of the series of system failures, we are moving forward initiatives that enhance our supervisory functions, and we are working to further enhance our corporate governance.

Corporate governance system

Basic policy

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

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.

As a general rule, the President & CEO of a subsidiary cannot concurrently serve on the Mizuho Financial Group Board of Directors while holding their post as President & CEO.

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.

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

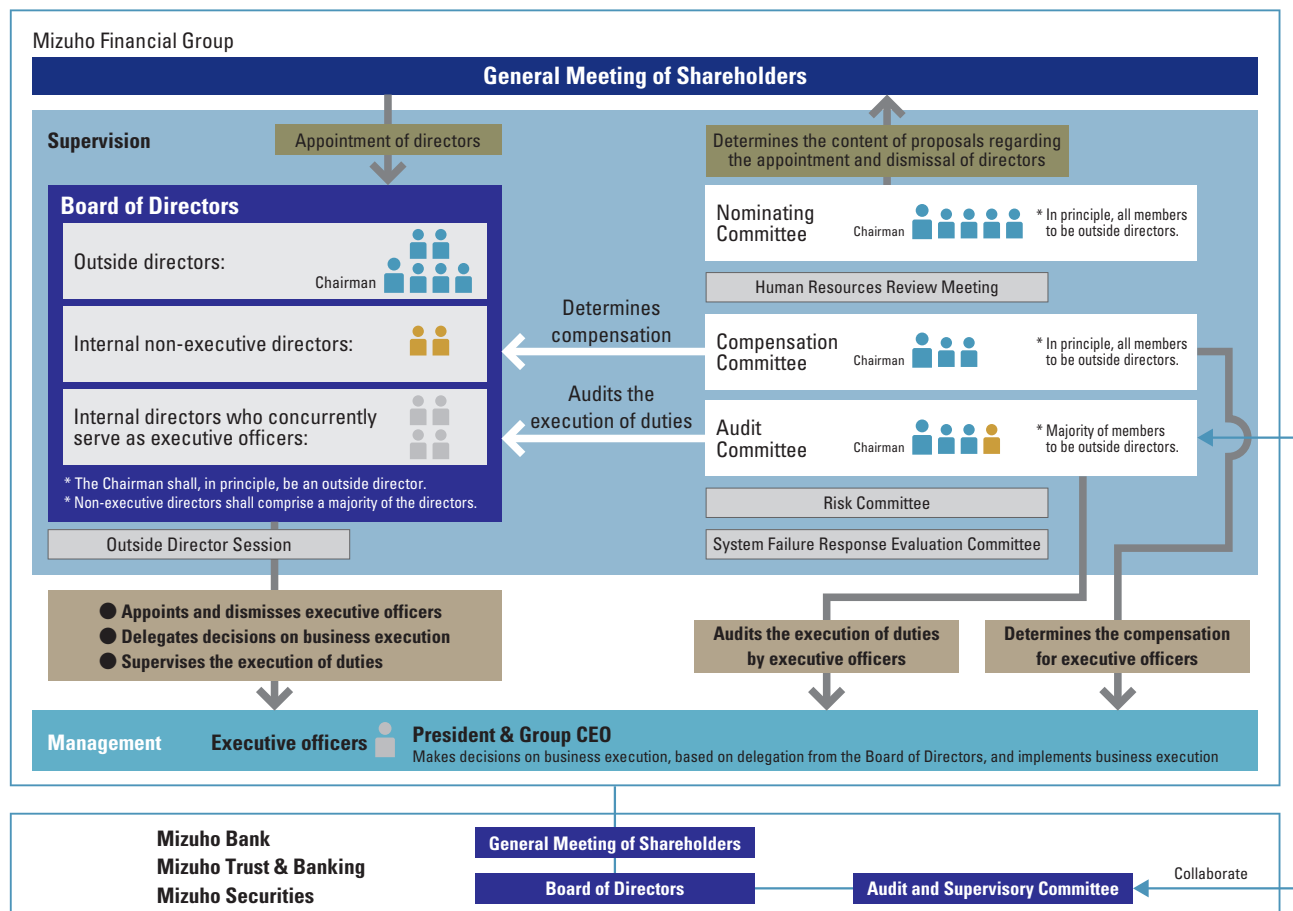
Corporate Governance Guidelines

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/who-we-are/governance/governance/g_report/g_guideline-202104.pdf

Corporate Governance Report

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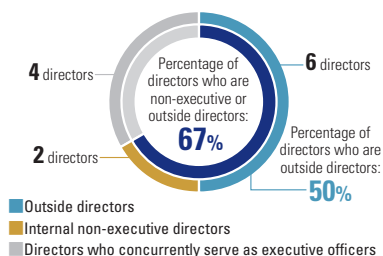
Diagram



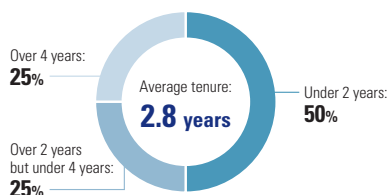
Composition of the Board of Directors

Mizuho Financial Group believes that, in addition to conducting strategic direction within the group, it is important for our Board of Directors to appropriately fulfill the role of supervising the implementation of governance functions across the group and across subsidiaries under group management. As such, our Board of Directors is composed of an appropriate balance of internal directors who have insight into the group’s business model, and outside directors who possess complex and diverse perspectives that we may not have within the group.

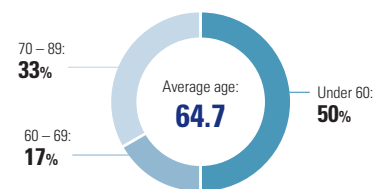
■ Composition of the Board of Directors



■ Tenure of directors



■ Age 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.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/who-we-are/governance/governance/g_report/o_director.pdf

Operation of the Directors, Board of Directors, and each committee

Approach to appointment and dismissal of directors

Mizuho Financial Group’s Nominating Committee selects director candidates. The criteria for appointing a director is established in the Corporate Governance Guidelines. In consideration of the supervisory role Mizuho Financial Group fulfills in its capacity as the holding company, the committee gives particular attention to the points stated below in “Skills of each director (experience, expertise, etc.)” when considering candidates for both outside and internal director positions.

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.

Skills of each director (experience, expertise, etc.)

For outside director candidates, the Nominating Committee primarily considers those in senior management roles who have expertise in areas including finance, financial control, accounting, law, and technology, and who can be expected to successfully carry out supervisory functions from both a global and sustainable perspective.

* Note: Each director’s specific areas of experience and expertise are as in the table.



	Name	Year of appointment	Current title and assignment at Mizuho Financial Group	Experience and expertise				
				Corporate management	Finance	Financial control and accounting	Law	Technology
Outside directors	Tatsuo Kainaka Male	2014	Member of the Board of Directors Chairman of the Nominating Committee Member of the Compensation Committee Member of the Audit Committee				●	
	Yoshimitsu Kobayashi Male	2020	Member of the Board of Directors Member of the Nominating Committee	●				●
	Ryoji Sato Male	2020	Member of the Board of Directors Member of the Audit Committee	●		●		
	Takashi Tsukioka Male	2021	Member of the Board of Directors Member of the Nominating Committee Member of the Compensation Committee Chairman of the Audit Committee	●				
	Masami Yamamoto Male	2019	Member of the Board of Directors Member of the Nominating Committee Chairman of the Compensation Committee	●				●
	Izumi Kobayashi Female	2017	Member of the Board of Directors Chairman of the Board of Directors Member of the Nominating Committee Member of the Risk Committee	●	●			

Candidates for internal director positions must be capable of the appropriate execution of group business management, and must have insight into financial operations, financial regulations, and Mizuho’s business model.

	Name	Year of appointment	Current title and assignment at Mizuho Financial Group	Experience and expertise				
				Business strategy / Business management	Financial control and accounting	Risk management	Human Resources / Organization	Global business
Non-executive directors	Seiji Imai Male	2021	Member of the Board of Directors, Chairman (Kaicho) ¹	●				●
	Hisaaki Hirama Male	2019	Member of the Board of Directors Member of the Audit Committee Chairman of the Risk Committee		●	●		
Directors who concurrently serve as executive officers	Masahiro Kihara Male	2022	Member of the Board of Directors President & Group CEO (Representative Executive Officer)	●	●	●		●
	Makoto Umemiya Male	2017	Member of the Board of Directors Deputy President & Senior Executive Officer (Representative Executive Officer) Group Chief Digital Innovation Officer (Group CDIO) Group Chief Financial Officer (Group CFO)		●			
	Motonori Wakabayashi Male	2019	Member of the Board of Directors Senior Executive Officer Group Chief Risk Officer (Group CRO)	●		●		
	Nobuhiro Kaminoyama Male	2021	Member of the Board of Directors Senior Executive Officer Group Chief Human Resources Officer (Group CHRO)				●	

1. Chairman (Kaicho) Imai engages in our external activities, but does not chair the Board meetings. The Board meetings are chaired by the independent director Chairman Izumi Kobayashi.

Operation of the Board of Directors and each committee

	Board/ Committee Chairmen	Main roles	Number of meetings in FY2021 (average attendance)	Operation in FY2021
Board of Directors	 Izumi Kobayashi Chairman	Making decisions on business execution matters such as the basic management policy, and supervising each director and executive officer (as defined in the Companies Act).	24 (98%)	Discussion topics included monitoring of the responses to the system failures, approval of the business improvement plan, talent guidelines for use in the selection of personnel and development of candidates for the establishment of our executive system, initiatives for cybersecurity, capital management and shareholder returns policy, sustainability initiatives such as addressing climate change, promotion of diversity and inclusion, and future HR strategies.
Nominating Committee	 Tatsuo Kainaka Chairman	Deciding on the content of proposals regarding the appointment and dismissal of directors that are submitted to the General Meeting of Shareholders.	19 (100%)	Discussion topics included the appointment of a new Group CEO, the status of succession plan formulation and implementation, the role of the Board of Directors in light of the differences between the functions of the holding company and the operating entities, and the handling of director nomination and appointment for fiscal 2022 at Mizuho Financial Group and the three core companies.
Compensation Committee	 Masami Yamamoto Chairman	Determining the basic policy for executive compensation and the compensation for each director and executive officer (as defined in the Companies Act).	10 (100%)	From the perspective of providing appropriate incentives to officers, discussion topics included the appropriateness of the levels and composition of compensation, based on factors such as external trends that affect corporate officer compensation and the internal and external business environment; and the further improved transparency of the basis for determining variable compensation, including the specification of components for determining remuneration regarding sustainability.
Audit Committee	 Takashi Tsukioka Chairman	Auditing the execution of duties by directors and executive officers (as defined in the Companies Act) to ensure that their actions are legal and appropriate.	21 (100%)	Audited the execution of duties by directors and executive officers (as defined in the Companies Act), monitored and inspected the establishment and management of the group's internal control systems and the corporate management of the group's subsidiaries, and determined the content of proposals for the appointment, dismissal, or non-reappointment of accounting auditors. Monitored, on a priority basis, progress towards achieving the 5-Year Business Plan and efforts to enhance corporate governance.

Outside directors and reason for their appointment

Name	Reason for appointment as an outside director
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 in the legal industry.
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.
Takashi Tsukioka	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 deep insight that he has cultivated in Japan and overseas as a CEO in the energy field and his extensive knowledge and expertise pertaining to sustainability from his work on aspects such as renewable energy.
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 the head of the Japanese arm of a global financial institution as well as a representative director of an international institution.

Reason for appointment as Group CEO (Details about the appointment process are disclosed in our Corporate Governance Report)

Name	Reason for appointment
Masahiro Kihara	Mr. Kihara is a professional who can accurately assess the current situation, coordinate the Mizuho group, elevate the discipline and capacity of our organization, understand the direction of overall group strategies and reforms, and apply these skills to formulating and executing group strategy going forward. He also has a broad outlook, rational judgment, outstanding decisiveness, and excellent management skills. Above all, he is a leader who can motivate his colleagues and guide Mizuho into the future.

Primary initiatives for enhancing the effectiveness of the Board of Directors

Evaluating the effectiveness of the Board of Directors

The Board of Directors conducts annual evaluations regarding the operation of the Board of Directors, the content of deliberations, and other items in order to continuously enhance the effectiveness of the Board of Directors.

The most recent evaluation was conducted for the period of June 2020 to June 2021 (director tenure period) and the results were deliberated on at the September 2021 meeting of the Board of Directors.

1. Evaluation Method

The fiscal 2020 evaluation conformed to the Corporate Governance Guidelines of Mizuho Financial Group and employed a third-party evaluation organization. It consisted of a questionnaire given to directors who were on the Board during the period subject to evaluation, followed by further fact-finding through interviews covering issues identified from the questionnaire responses.

2. Evaluation results

Overall evaluation	<ul style="list-style-type: none"> Both the Board of Directors and legally required committees have secured overall effectiveness with respect to their purpose and expected functions. Three issues were identified that should be addressed in order to enhance the effectiveness of the Board of Directors.
Issues to address in order to enhance Board effectiveness	<p>(1) Further enhancement of supervisory functions in regard to important agenda items (discussions on medium- to long-term strategy and others)</p> <p>(2) Reinforcement of group governance</p> <ul style="list-style-type: none"> Measures for key areas (including designated top risk areas) that could lead to vulnerabilities and inadequate risk response across the overall group's business execution line <p>(3) Operational improvements to further raise the effectiveness of the Board of Directors</p>
Evaluation of initiatives to address issues identified in the FY2019 evaluation	<p>Further expansion of agenda items related to medium- to long-term business challenges</p> <ul style="list-style-type: none"> Deliberation on business plan formulation has led to progress in discussions of essential strategy. Discussions on sustainability have become more specific than in the past. <p>Establishment of foundation for deeper discussions</p> <ul style="list-style-type: none"> Simplification and rationalization of materials is improving. Thorough provision of information in advance has contributed to the establishment of a framework that enables the Board of Directors to fully concentrate on discussing the relevant matters during meetings.

3. Initiatives going forward in light of the fiscal 2020 evaluation results

Identify issues	Initiatives going forward addressing feedback from a third-party evaluation organization
Further strengthen supervision functions in regard to important agenda items	<ul style="list-style-type: none"> Enhance discussion on medium- to long-term strategy, growth strategy, etc.
Reinforcement of group governance	<ul style="list-style-type: none"> To fulfill role as the holding company's Board of Directors, enhance discussion on critical risks. As the holding company, strengthen information-gathering on the status of execution within the group.
Operation improvements to further raise the effectiveness of the Board of Directors	<ul style="list-style-type: none"> Improve operation of aspects such as time allowed for deliberation, including by making refinements to materials. Improve opportunities for communication feasible even under the COVID-19 pandemic. Further improve frameworks for following up on issues.

Note: Some of the initiatives listed above are already underway as measures taken in light of the series of system failures. This is explained on the next page in "Towards further enhancing our supervisory functions".

Off-site meetings on business operations

Off-site meetings on business operations serve an important function that complements the Board of Directors. These meetings are 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. They cover themes such as topics of concern to senior management.

Fiscal 2021 initiatives and number of times held

Details	Number of times held
Topics included (1) revisions to the capital management policy, (2) possibilities for enhancing shareholder returns, and (3) the current status and future initiatives at each entity.	8

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.
- In light of the recent IT system failures, a seminar regarding risk management led by an external instructor was held.
- 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

Improving understanding of the group's financial and other businesses

- Intensive explanation at the time of appointment will be conducted individually for newly appointed outside directors.
 - 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.

Post-appointment (the examples below were conducted for fiscal 2021)

Deepening understanding concerning Board of Directors' proposals

- Providing thorough explanations of Board of Directors' proposals in advance and conducting follow-up (before and after each Board meeting)

Improving communication outside of Board of Directors' meetings

- Outside Director Session
 - Outside directors exchange information and engage in consensus building while sharing opinions on management matters, the shape that corporate governance should take, and other items (held eight times)
- Offsite meetings on business operations
 - Details are provided on the previous page

Other opportunities to acquire/enhance knowledge

- Watching the Group-wide General Managers' Meeting

Each meeting is held on an as-needed basis via the online meeting system.

Towards further enhancing our supervisory functions (Measures in light of the series of IT system failures at Mizuho Bank)

1. The System Failure Response Evaluation Committee's role in verifying business improvement plan progress

The System Failure Response Evaluation Committee was established in light of the series of system failures and other issues, and is composed exclusively of outside directors. The committee verifies the progress of measures to improve operations as specified in the business improvement plan, which was published on January 17, 2022.

2. Enhance multifaceted information-gathering capabilities

Regular reporting from the business execution line to the Board of Directors is continuing. In addition, we have newly implemented regular reporting from the CEOs of Mizuho Bank and our other primary subsidiaries on the status of execution, and established opportunities for discussion between outside directors on a group basis. Further, by visiting branches, IT divisions, and other frontline locations, and by listening to a variety of employees, the outside directors are working hard to gather the information needed to successfully perform supervisory functions.

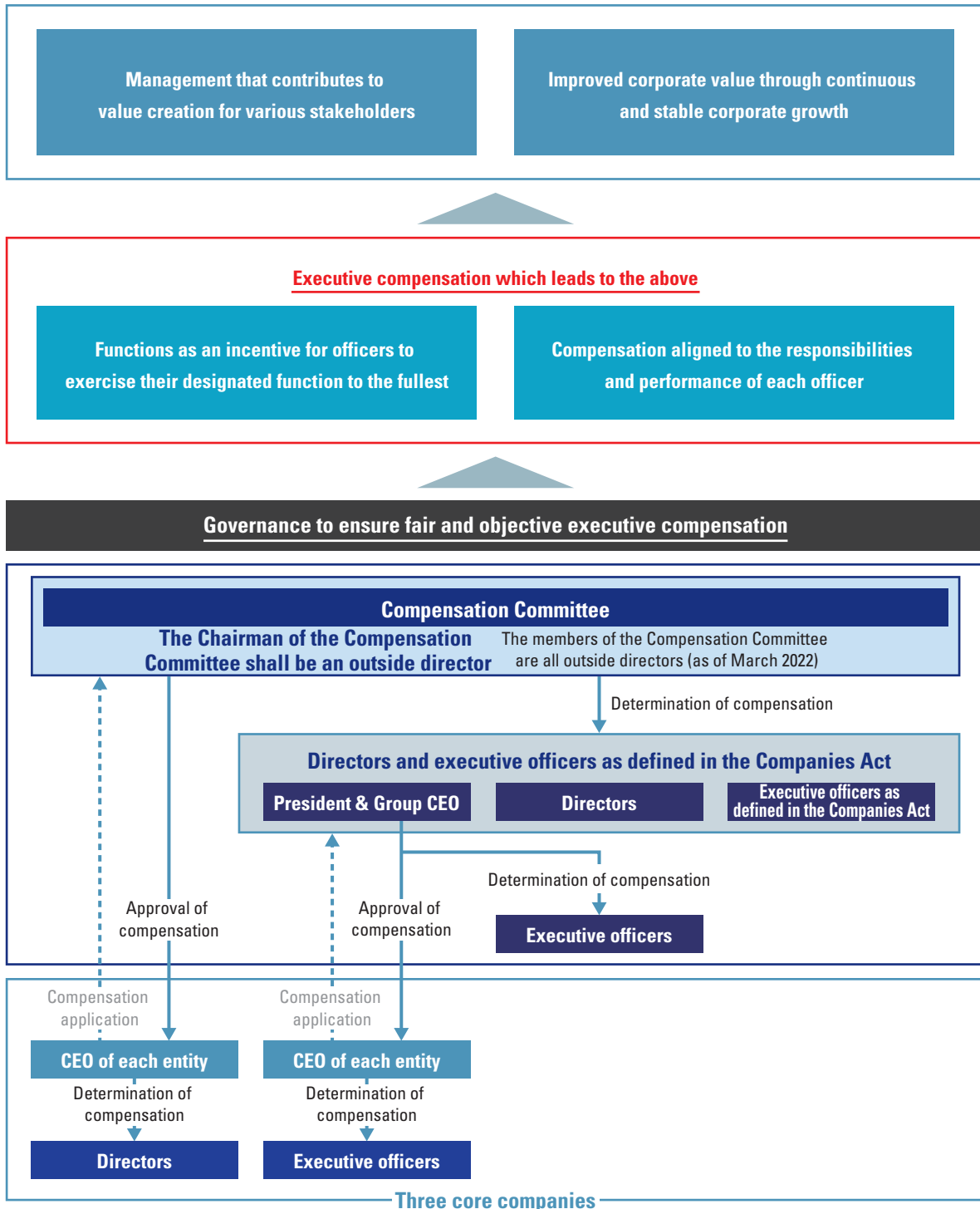
3. Enhance internal expertise based on the role of the relevant entity

In order to further secure expertise and diversity among our Board of Directors, and in the interest of strengthening the governance functions of operating entities, on April 1, 2022, we invited external talent with outstanding knowledge of customers' viewpoints and IT areas to serve on the Mizuho Bank Board of Directors. Further, from the standpoint of strengthening the expertise of the Risk Committee, Mizuho Financial Group will advance further initiatives such as utilizing external knowledge.

Compensation for executive officers

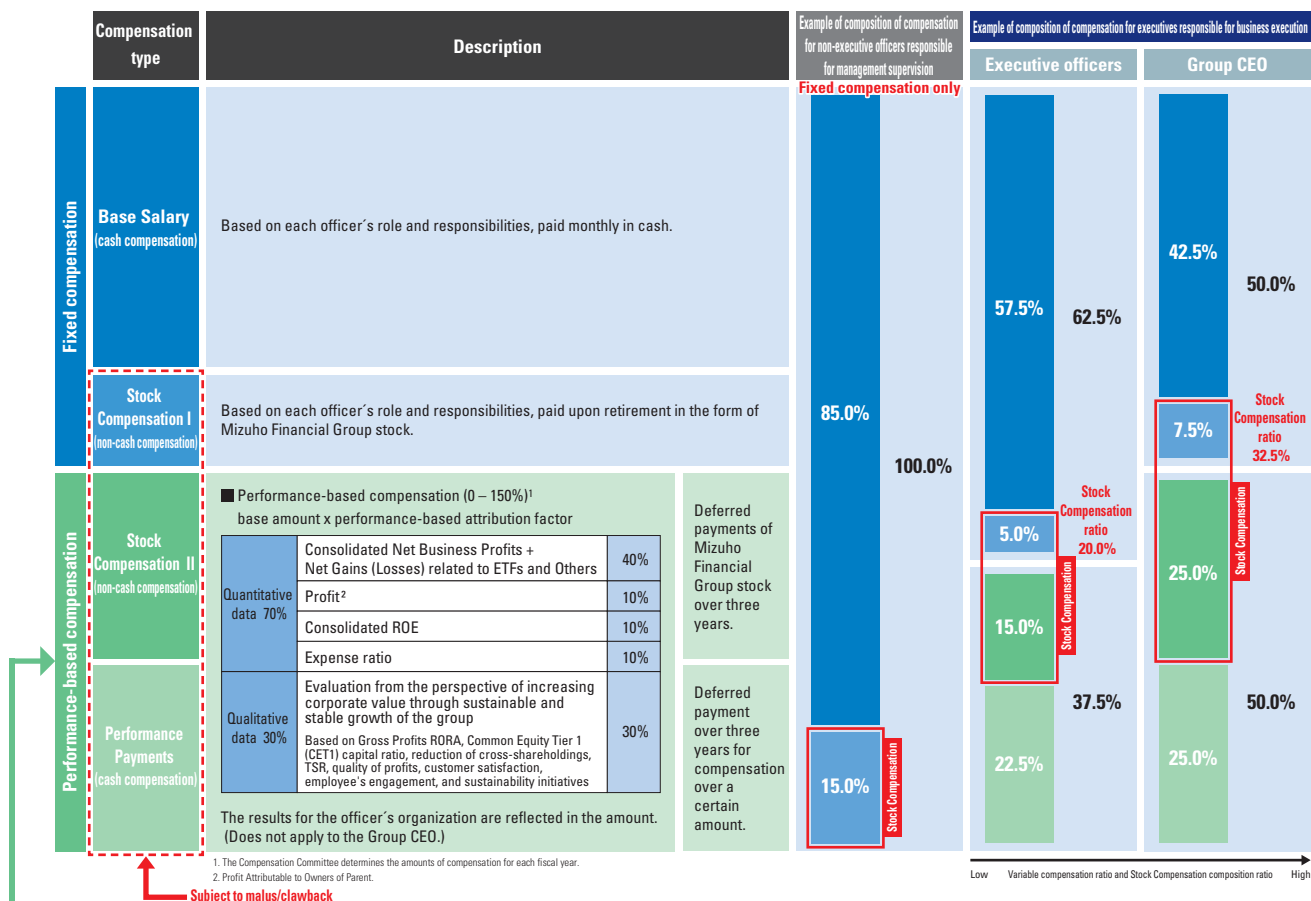
At Mizuho Financial Group, the Compensation Committee resolves on the basic policy for executive compensation which determines matters regarding the components of compensation for each individual director, executive officer as defined in the Companies Act, and executive officer as defined in our internal regulations (collectively, "Officers").

Outline of the basic policy for executive compensation



■ Compensation system

- Compensation for officers responsible for business execution shall, in principle, consist of Base Salary, Stock Compensation, and Performance Payments. Additionally, the composition ratio of fixed compensation and performance-based compensation (variable compensation) shall be determined based on factors including the role and responsibilities of each officer. The ratio of fixed compensation for the Group CEO is set at a minimum.
- 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.



1. Depending on factors including the performance of the company and the individual, a portion of the deferred payment may be reduced or forfeited (via malus/clawback) upon the resolution of the Compensation Committee.
2. For officers hired outside Japan, the base amount and the composition and content of executive compensation may be determined individually based on the local compensation regulations and practices as well as industry compensation benchmarks.

Performance-based compensation is determined by multiplying the base amount (decided based on the role and responsibilities of each corporate officer) by the performance-based attribution factor (calculated from both quantitative and qualitative data).

Quantitative evaluation

The quantitative items are evaluated based on the target achievement rates for the Consolidated Net Business Profits + Net Gains (Losses) Related to ETFs and Others (which indicates the profitability of the core operations), the Profit Attributable to Owners of Parent (which is the final result of management's performance), the Consolidated ROE, and the Expense Ratio (which indicate the management's efficiency). The target achievement rate for each indicator will be capped at 150% and set at 0% if it falls below the target by a certain degree.

Qualitative evaluation

The qualitative items are evaluated comprehensively, ranging from 0 to 150%, from the perspective of increasing corporate value through the group's sustainable and stable growth based on items that, for example, cannot be recognized only by the target achievement rates, such as the quality of profits (which takes into account comparisons with previous years and other companies) and sustainability initiatives (which utilize the comparisons with previous years and other companies that are evaluated by the four major ESG evaluation agencies (S&P Dow Jones, Sustainalytics, MSCI, and FTSE)).

■ Compensation determination process

The Compensation Committee shall determine the executive compensation system including the compensation system taking into account the Basic Policy for Executive Compensation. 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.