

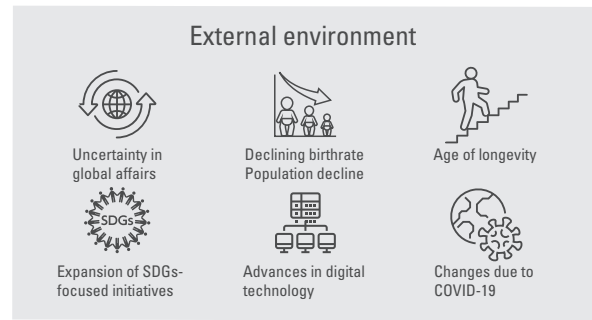
Value creation process

Purpose

Proactively innovate together with our clients for a prosperous and sustainable future.

At Mizuho, following our Purpose, we take an integrated approach to creating social value and enhancing corporate value.

We will take on challenges alongside our customers and society, and we will grow as a company as we create a positive social impact. We will connect that growth with further value creation, aiming for a virtuous cycle of social value creation and enhancement of corporate value.



Input

Mizuho's DNA and strengths as a unified group

Financial capital

- Stable financial base

Human capital

- Talent with specialized expertise and initiative
- Group-wide HR framework

Intellectual capital

- Financial and non-financial services and insights
- Provision of functions as a unified group

Social and relationship capital

- Relationships with our individual and corporate customers
- Office network around the globe and networks in and outside Mizuho
- Brand and market presence

Natural capital

- Use of the environment and natural resources based on Mizuho's Environmental Policy

⇒P. 43 Capital for value creation

Business strategy and activities

Materiality areas

- Declining birthrate and aging population, plus good health and lengthening lifespans
 - Industry development and innovation ● Sound economic growth
 - Environment and society ● Personnel
 - Governance
- ⇒P. 45 Materiality

Priority areas for addressing social issues and achieving sustainable growth

Support for the doubling of asset-based income

Improving customer experience

Enhancing the competitiveness of Japanese companies

Global Corporate & Investment Banking (CIB) business model

Sustainability and innovation

In-house company system

- Demonstrating and advancing expertise
- Functionality as a unified group

Collaboration that transcends existing boundaries

- Connecting initiatives to create new solutions
- Open partnerships and collaboration

Our corporate foundations

Corporate culture transformation

Human capital enhancement

Digital transformation

IT reforms

Maintenance of stable business operations

⇒P. 13 Feature: Growth strategy and medium-term business plan

⇒P. 75 Business strategies by in-house company/unit

Mizuho's vision for the world (our long-term goal for the future)

Personal well-being and a sustainable society and economy

Output

Retail business in Japan

- Increase the number of NISAs / iDeCo accounts
- Increase assets under management (AUM) / balance of investment trust AUM
- Increase customer use of digital services

Corporate business in Japan

- Help clients grow by supporting their business growth and corporate value enhancement
- Facilitate greater activity in / expanded access to capital markets in Japan

Sustainable business

- Implement ¥100 trillion in sustainable finance (total from FY2019 to FY2030)
- Build various transition frameworks

Global business

- Improve our presence in US capital markets
- Act as a bridge to bring Japan together with the rest of the world

People and organization / Governance

- Put the Corporate Identity into practice
- Strengthen personnel capabilities and become an organization where people with diverse backgrounds and experience can actively contribute
- Maintain stable business operations and strengthen governance

Outcome

Create social value

Create positive social impact

- Expansion of household financial assets in Japan
- Progress towards a more inclusive society
- Enhancement of Japan's global competitiveness
- Transition to net-zero carbon emissions worldwide

Improve sustainability

Environmental and climate change-related targets

- Scope 1 and 2: Carbon neutral by FY2030
- Scope 3: Net zero by 2050

Human capital-related targets

- Percentage of management positions filled by women 30% (early 2030s)

Contribute for our shareholders and investors

- Enhancement of corporate value (pathway towards bringing our price-to-book ratio above 1 in the future)
- Progressive dividends (40% dividend payout ratio as a guide) and flexible and intermittent share buybacks

Medium-term business plan targets

Financial targets: Foundation for value creation

- Consolidated ROE Over 8%
- Consolidated Net Business Profits ¥1 trillion – ¥1.1 trillion

Non-financial targets: To grow alongside our employees

- Engagement score 65%
- Inclusion score 65%

Enhance corporate value

⇒P. 47 Financial data / Non-financial data





Capital for value creation

Mizuho's DNA is to solve issues faced by society and pursue the public interest. As part of this, we maintain and cultivate our strengths as a unified group, which we have been assembling since our three predecessor banks merged to establish Mizuho in 2000. Our DNA and strengths form the basis from which we strive to enhance our input—our capital for value creation. As an organization in the service industry centered on finance, we are increasing a number of types of capital: human capital and intellectual capital that exists within Mizuho; social and relationship capital that originates from our connections with customers and society; and financial capital that is the foundation of our financial intermediary functions. Further, we have a strong awareness of how our business activities are supported by the planet and the natural environment, and as such we are striving for the sustainable use of natural resources.

Basic approach: Enhancing our capital for value creation based on Mizuho's DNA and our strengths as a unified group

Mizuho's DNA and strengths as a unified group

- 150-year history of contributing for our customers and society
- Corporate Philosophy: "Responsible and transparent", Purpose: "Proactively innovate together with our clients for a prosperous and sustainable future"
- Collaborative structure, nurtured under the "One Mizuho" concept; ability to respond to customer needs and provide solutions as a unified group, firmly established under the group-wide in-house company system

Capital for value creation (Input)	Current situation / Unique characteristics	Main challenges (Initiatives for further raising each type of capital)
Financial capital  At the core of societal and economic value creation, as it enables the provision of financial intermediary functions	<ul style="list-style-type: none"> ● Stable financial base for providing financial intermediary functions ● CET1 Capital Ratio (Basel III finalization fully effective basis; excluding Net Unrealized Gains (Losses) on Other Securities): 9.5% ● Balance of deposits: ¥150 trillion, NPL ratio: 1.00% ● External ratings (Moody's: A1; S&P: A-; Fitch: A-) 	<ul style="list-style-type: none"> ● Improvements to Consolidated ROE and price-to-book ratio ● Effective utilization of corporate resources through actions such as business portfolio reviews
Human capital  At the core of all value creation, especially as a financial services group	<ul style="list-style-type: none"> ● Talent with the expertise and initiative to support business on a global basis ● No. of group employees¹: 49,068 ● Group-wide transfers and career development frameworks that support the unified strengths of the group 	<ul style="list-style-type: none"> ● Corporate culture transformation centered on employee ownership of the Corporate Identity ● Raising employee engagement, becoming an even more inclusive workplace, and further enabling every employee to feel support and a sense of purpose at work ● HR strategy in alignment with business strategy ● Standardized HR system covering five group companies¹ (Planned for fiscal 2024) <p><small>1. Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, and Mizuho Research & Technologies.</small></p>
Intellectual capital  Together with our human capital, at the core of all value creation	<ul style="list-style-type: none"> ● Wide-ranging financial and non-financial services that we have developed as a financial services group, complemented by our expertise across industries, products, and other specialist areas ● Provision of seamless financial and non-financial functions as a unified group ● Stable IT system and business operations that form part of social infrastructure 	<ul style="list-style-type: none"> ● Further improvements to the expertise we have cultivated under our in-house company system, plus collaboration that transcends existing boundaries ● Further improvements to productivity through digital transformation and other means ● Further strengthening and enhancing of corporate foundations and corporate governance
Social and relationship capital  Our customers and society form the basis for value creation, and together we grow through that value creation	<ul style="list-style-type: none"> ● Relationships with our customers ● Individual customers: Approx. 22 million people ● Corporate clients in Japan: Approx. 80% of listed companies ● Corporate clients outside Japan: Approx. 90% of major global companies² ● Our global network of offices and our internal and external networks ● Branding, trustworthiness, and dependability ● Market presence in areas which align with Mizuho's strengths, such as global capital markets and Japanese real estate <p><small>2. Top 200 companies out of the Forbes Global 2000 (non-Japanese clients).</small></p>	<ul style="list-style-type: none"> ● Restoration of customer trust, previously damaged due to the IT system failures ● Development of a business base that goes beyond the five core group companies ● Expansion and creation of new business, including through leveraging partnerships

Natural capital

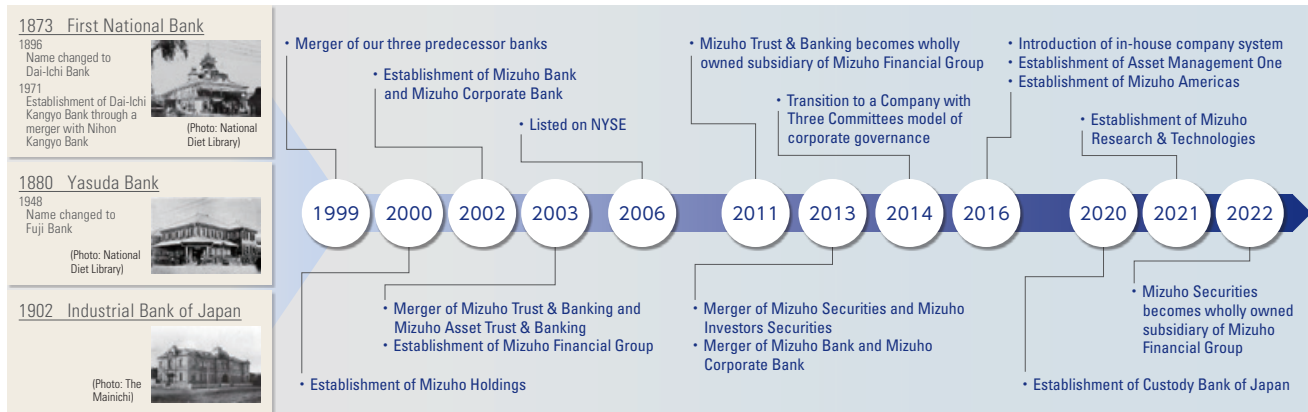


The global environment and natural capital are the basis for the existence of Mizuho

- Use of the environment and natural resources based on Mizuho's Environmental Policy
- Client engagement in our responsible financing and investment and in our support for clients transitioning to low carbon
- Further increase in sustainable finance
- FY2019 – FY2030 target: Total of ¥100 trillion
- Achievement of carbon neutrality
- Scope 1 and 2: Carbon neutral by FY2030
- Scope 3: Net zero by 2050

History: Mizuho's DNA

2023 marks 150 years since the founding of First National Bank, one of the three banks to which Mizuho traces its roots. Over Mizuho's long history, we have continued to transform our organization in response to societal changes. We will leverage the strong foundations we have built to date to continue contributing to the development of our customers, the economy, and society.

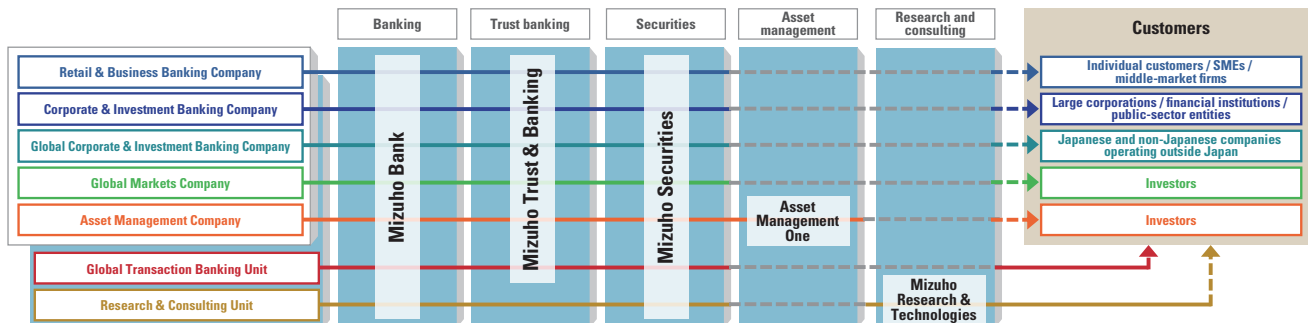


Medium-term business plans

<p>2005 Channel to Discovery Plan</p> <p>Aiming to be a financial partner that helps customers shape their future and achieve their dreams</p>	<p>2010 Mizuho's Transformation Program</p> <p>Aiming to be the most trusted financial institution by our customers in and outside Japan by focusing on the core function of contributing to social and economic development</p>	<p>2013 One Mizuho New Frontier Plan</p> <p>In response to structural and regulatory changes in the economy and society in both Japan and overseas, aiming for the new frontier of finance for the coming era</p>	<p>2016 Progressive Development of One Mizuho</p> <p>Further development of the One Mizuho strategy by creating a new business model as a financial services consulting group based on the foundations of operational excellence and a customer-focused perspective</p>	<p>2019 5-Year Business Plan</p> <p>Transitioning to the next generation of financial services and building a stronger and more resilient financial group which our customers can depend on in the coming era</p>	<p>2023 Medium-term business plan</p> <p>A three-year journey connecting various initiatives and co-creating value-added solutions in order to support our clients and solve social issues</p>
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Group framework: Strengths as a unified group

Mizuho's business domains include banking, trust banking, securities, asset management, research and consulting, and other services. We have established five in-house companies, which determine and promote group-wide strategies across banking, trust banking, securities, and other business areas according to customer segment, as well as two units that support all of the in-house companies. By leveraging these strengths, we will promptly provide clients with services that match their needs.



We carried out organizational reform in April 2023. We integrated the Corporate & Institutional Company with the investment banking functions of the Global Products Unit to establish a new Corporate & Investment Banking Company. Integrating our customer point of contact and products operations in this way will enable us to better assist our clients in enhancing their corporate value and to provide more timely support for business growth. The Global Products Unit's transaction banking functions have become a separate Global Transaction Banking Unit. The new unit develops stable settlement infrastructure for the medium to long term, produces solutions integrated on a global level, and houses our planning functions for next-generation settlement infrastructure strategy. With the establishment of the Corporate & Investment Banking Company, the Global Corporate Company changed its name to become the Global Corporate & Investment Banking Company.

Materiality / Risks and opportunities

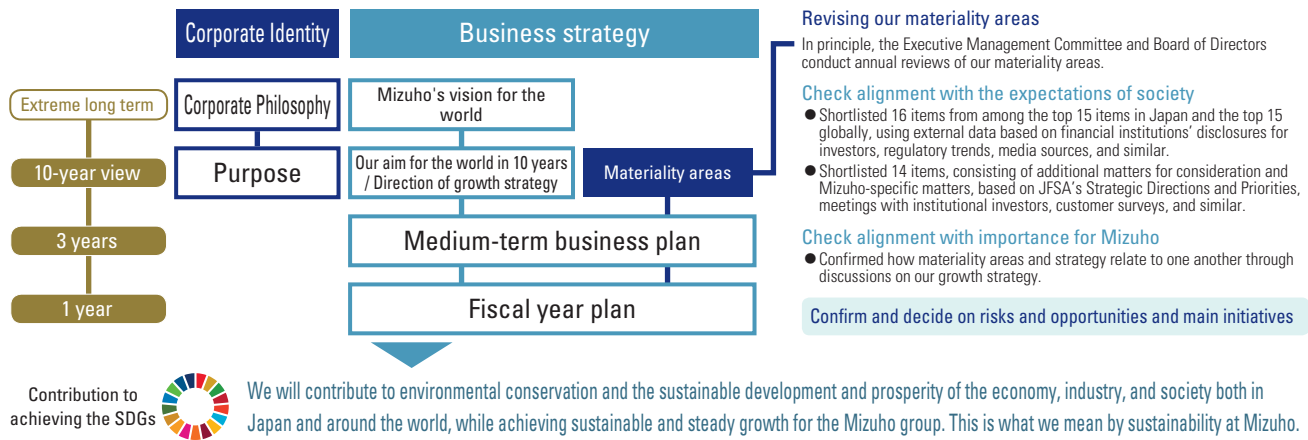
At Mizuho, we take an integrated view on sustainability and business strategy. We have designated materiality areas based on (i) the expectations of society¹ and (ii) their importance for Mizuho.² Through our materiality-related initiatives, we will contribute to environmental conservation and the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world. Also, we will engage in management practices that take into consideration value creation for various stakeholders and will work to enhance our corporate value through the sustainable and steady growth of the Mizuho group.

1. Expectations of society: The expectations stakeholders have about Mizuho's impact on society.
2. Importance for Mizuho: Medium- to long-term impact on our corporate value and compatibility with Mizuho's strategies and business areas.

How we define materiality areas

Areas that include medium- to long-term priority issues for the sustainable growth and development of Mizuho, our clients, our employees, the economy, society, and other stakeholders

Significance of materiality areas



Contribution to achieving the SDGs We will contribute to environmental conservation and the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world, while achieving sustainable and steady growth for the Mizuho group. This is what we mean by sustainability at Mizuho.

Reference How materiality areas relate to the growth strategy and medium-term business plan

At the time of discussions and deliberations regarding our growth strategy and medium-term business plan, we reconfirmed the suitability of our materiality areas and how they relate to our growth strategy and medium-term business plan.

Stakeholders	Expectations of society / Importance (Mizuho's vision for the world)	Mizuho's role / Importance	Materiality areas	Medium-term business plan priority areas	
Customers	Retail Personal well-being	Relieving worries about the future even in an age of longer lifespans Providing safety, stability, and convenience	Comprehensive asset management consulting Improving customer experience	Declining birthrate and aging population, plus good health and lengthening lifespans	Support for the doubling of asset-based income Improving customer experience
	Corporate	Accelerating initiatives and innovation (such as sustainability and digital transformation initiatives)	Business succession support Support for next-generation companies and technology	Industry development and innovation	Enhancing the competitiveness of Japanese companies Sustainability and innovation
Economy and society	Markets Sustainable economy and society	Putting the Japanese economy on a growth trajectory Sound capital markets functions	Financial and non-financial functions Contribution to market development	Sound economic growth	Enhancing the competitiveness of Japanese companies Global Corporate & Investment Banking (CIB) business model
	Environment	Acceleration of global initiatives for a low-carbon society	Transition support Contribution to sustainable growth	Environment and society	Enhancing the competitiveness of Japanese companies Sustainability and innovation
Employees	Corporate foundations Diversity and well-being	Creating a work environment that gives employees a sense of purpose Corporate culture that allows employees to play an active role and reach their full potential	Personnel	Corporate culture transformation Human capital enhancement	
Foundations for contribution	Sound corporate management	Stable business operations Establishment of governance frameworks	Governance	IT reforms Digital transformation Maintenance of stable business operations	

Risks and opportunities and main initiatives

	Materiality	Risks for Mizuho	Opportunities for Mizuho	Main initiatives
Personal well-being	<p>Declining birthrate and aging population, plus good health and lengthening lifespans</p> <p>In an age of longer lifespans, provide safe, stable, and convenient services tailored to each individual's needs</p>	<ul style="list-style-type: none"> Customer attrition and lost business opportunities due to insufficient consideration of aspects such as diversity, insufficient channels and services, and other deficiencies resulting from not fully adapting to changes in society, including the declining birthrate and aging population 	<ul style="list-style-type: none"> Retail asset formation, management, and succession business needs Customer base expansion leveraging digital channels and in-person engagement 	<ul style="list-style-type: none"> Provide comprehensive consulting on retail asset formation, management, and succession Improve the quality and convenience of customer touchpoints in both digital channels and in-person engagement 
	<p>Industry development and innovation</p> <p>Support industry and business development, and create new value on a global basis</p>	<ul style="list-style-type: none"> Increase in credit costs caused by the deteriorated business performance of companies resulting from a delayed response to such factors as industry structure transformation Lost opportunities resulting from an insufficient ability to respond to changes in client needs Changes in the competitive environment accompanying advances in digital and sustainability transformation 	<ul style="list-style-type: none"> Business needs such as sustainability, industry/business structure transformation, and business succession Business opportunities with startups/innovative companies and opportunities for Mizuho to co-create value with them 	<ul style="list-style-type: none"> Create and capture business opportunities by approaching industry as a whole, such as through support for industry/business structure transformation in response to climate change and similar challenges Create positive social impacts by supporting the growth of, and working with, startups/innovative companies Support business succession among Japanese companies with competitive technologies 
Sustainable economy and society	<p>Sound economic growth</p> <p>Contribute to economic development by utilizing financial infrastructure functions to respond to changes in the Japanese and global business environment</p>	<ul style="list-style-type: none"> Lost opportunities resulting from a lack of solutions that adapt to changes in regulations and financial market conditions, as well as business restrictions and increased compliance costs arising from regulatory changes 	<ul style="list-style-type: none"> Corporate value enhancement and business expansion of our corporate clients, leading to the expansion of a variety of business opportunities in financial and non-financial areas in and outside Japan. Expansion of global business share through strengthening and fulfilling our financial intermediary functions 	<ul style="list-style-type: none"> Contribute to enhancing the corporate value of publicly listed middle-market firms and revitalizing the Japanese economy Respond to asset management needs and extend our origination and distribution (O&D) model by strengthening our investment capabilities Expand our CIB business model in global capital markets 
	<p>Environment and society</p> <p>Cooperate with customers to realize sustainable social development, including environmental conservation</p>	<ul style="list-style-type: none"> Increased credit costs resulting from a lack of progress in clients' business structure transformations for transitioning to a low-carbon world Public criticism of issues such as insufficient consideration to climate change and human rights in financing, investment, and procurement 	<ul style="list-style-type: none"> Increased business opportunities in line with climate change response and transition support needs Relationships with stakeholders built and strengthened through the formulation and implementation of appropriate financing, investment, and procurement policies, as well as through social contribution activities 	<ul style="list-style-type: none"> Take sustainability as an opportunity to provide solutions and support business structure transformation, and communicate these opportunities across corporate client segments Address climate change and other environmental problems, and pursue initiatives for society and human rights 
Corporate foundations	<p>Personnel</p> <p>Based on a corporate culture where employees can act independently, develop a diverse workforce that grows together with customers and society</p>	<ul style="list-style-type: none"> Issues such as overwork resulting in required payment of government fines or compensation, as well as public criticism and weakened employee morale Stagnation of strategy execution due to high turnover and personnel acquisition constraints Insufficient response to changes in the business environment due to lack of diversity 	<ul style="list-style-type: none"> Stronger overall business through fostering a corporate culture that encourages employees to act on their own initiative Positive cycle of human capital investment and higher employee motivation from fully engaging a diverse workforce in Mizuho's development 	<ul style="list-style-type: none"> Promote group-wide corporate culture transformation initiatives Implement an HR strategy that is in alignment with business strategy Realize an organization that supports taking on challenges, rewards contributions, and provides a supportive working environment 
	<p>Governance</p> <p>Implement strong corporate governance and stable operational management to contribute to our customers and society</p>	<ul style="list-style-type: none"> Administrative action, increased costs related to government fines or penalties, damage to social credibility, business activity suspensions, and stagnation of strategy execution, due to issues such as inadequate corporate governance, violations of laws and regulations, IT system failures, and insufficient responses to cyberattacks 	<ul style="list-style-type: none"> Stronger capacity to execute strategies, as well as stronger management and business base overall, through expanded and enhanced corporate governance and management frameworks that reflect our customers' best interests and focus on the situation at the frontlines 	<ul style="list-style-type: none"> Enhance operational resilience, which is our ability to respond to crises during times of regular business operations Continually upgrade our cybersecurity measures and AML/CFT measures Strengthen global governance 