

Mizuho IR Day 2016

(1) Board of Directors:

Hrioko Ota, Director (Independent Outside Director)

A) Presentation Summary

Presentation Material P.4

I will start my presentation explaining what I have done to overcome the five challenges which I presented last year.

The first one is management of the Board meetings. We have been continuing our efforts to secure time for fruitful discussions, as a result, lively discussions are held at each meeting. The tension between the executives and the boards is maintained, for example, the board occasionally disagrees with the agenda submitted.

The second one is permeation of governance reform. To do this, it is necessary to let all employees to change the way they HR management is the biggest issue. I will address this issue by fundamentally reforming the HR evaluation system, but I know it is going to be challenging. Once this is done, Mizuho will surely change.

Third is about the Risk Appetite Framework or RAF. The intrinsic value of RAF is to allocate resources (human capital, goods, and money) based on strategic business portfolio management, and therefore, to gain profit. In the new medium term business plan, we have established a framework to allocate capital to each in-house company and to manage profit.

Forth is performance evaluation. The role of the board is to do the Plan and Check in the PDCA (Plan-Do-Check-Act) cycle. The board does the Planning, let the executives Do, and does the performance evaluation (Check). From this year, we have assigned a ROE target for each in-house company, so that each head of in-house company is responsible for Net Income.

The fifth is about the new medium term business plan, which I would like to explain in detail using next page.

Presentation Material P.5

The process of how we formulated the new medium term business plan is shown in this slide; however, during this period there were many issues to be discussed. First, strategic business portfolio management, previously we have never discussed this topic

in the context of capital allocation. This was the first time that we have clearly designed our business portfolio. It is necessary for Mizuho's growth story to clarify where and how to earn profit with appropriate capital allocation. The second issue was the in-house company system. This was a complete transformation. We now need to think how to let the in-house company earn, instead of which entity (banking, trust, or securities) earns. Therefore, without clearly distinguishing between the responsibilities of the head of the in-house companies and the head of the entities, this system will not function properly. This has been clearly defined in the policy & procedure.

The final issue was operational excellence. Operational excellence is not merely a cost cutting measure, but it is an effort to reorganize business structure to improve productivity. This discussion is lead directly under CEO.

Presentation Material P.6

First, complete implementation of the in-house company system. It was inevitable for Mizuho to apply an in-house company system since it started One MIZUHO strategy. The key to success is whether the whole company, from the bottom to the top, can execute the framework that we have decided.

Second, reformation of cost structure. The idea of operational excellence is to reorganize business structure in order to improve productivity. Third, clarification of the business portfolio. The key is to clarify areas to streamline. This is difficult for financial institutions. If there are not enough areas to streamline, it is hard to invest resources in the focus areas. Among these, cost structure reform and clarification of business portfolio are strongly requested to the executives by the independent outside directors. Finally, I am committed to accomplishing fundamental reform of HR management.

Presentation Material P.7

The challenges would be how to make the in-house company system succeed and improve profitability. The Board would check whether the system is properly functioning as we have originally planned. Regarding the permeation of governance, I will fundamentally change the HR evaluation system.

Cost structure reform and clarification of business portfolio cannot be completed without sharing the sense of urgency. I will continue to run the board so that both the Board and the Executives can maintain a sense of tension between them.

B) Major Q&A

Q: Do you have opportunities to meet employees? Do you feel the atmosphere in Mizuho has changed?

A: I try to meet as much as people from various ages. I feel that there are many talented people who are willing to accept changes in the medium class level. Also, the young generation seems to be very positive. I am not sure whether atmosphere has changed since I do not know how it was in the past, but I am sure that it will change going forward.

Q: How do you plan to change the HR evaluation system?

A: Change the way of evaluation. If someone fails once, the current evaluation methodology discounts that person's evaluation no matter how well that person is performing currently. I will change to a methodology that each individual can perform at their best.

Q: What's the role of the heads of entities under the in-house company system?

A: Each in-house company head is responsible to make the strategy and earn profit. On the other hand, each entity head is in-charge of the execution of these strategies. Therefore, the heads of divisions, who are under heads of in-house companies, work for the entities and collaborate with heads of entities.

Q: What are the risks of implementing the in-house company system?

A: I consider silo effect as a risk. However, personally, I want each in-house company to become aggressive so that I need to worry about the silo effect. Each in-house company should seek profit first, and if there are problems, then I will correct them.

(2) Retail & Business Banking Company (RBC): Toshitsugu Okabe

A) Presentation Summary

Presentation Material P.9

RBC has relationships with 600 thousand companies, of which lending business with 100 thousand companies, and 24 million individual customers. We have approx. 790 banking, trust, and securities branches domestically, and employ 28,000 people that is

about 70-80% of the entire Mizuho group. Mizuho Bank has deposits of JPY 56trillion, loan balance of JPY 24trillion, therefore, the loan to deposit ratio is above 40%.

Presentation Material P.10

In FY15, non-interest income was JPY 340 billion, interest income was JPY 350 billion, and expenses were JPY 660 billion; thus, the expense ratio was 98%.

In the coming three years, we plan to increase non-interest income by approx. 30%, while interest income, due to the negative interest rate policy, is expected to decrease by 15%. As a result, the non-interest income ratio will become 60% from 49%.

Regarding KPI, we plan to increase the balance of investment products by JPY 10 trillion. Also we will increase the number of customers using Mizuho's investment products by 240 thousand or 10% from the current 2.5 million.

Presentation Material P.11

Given the issues that RBC is facing, structural reforms and business transformation are necessary, such as expanding non-interest income and balance sheet control through further developing of the One MIZUHO strategy, which is Mizuho's strength.

Presentation Material P.12

We plan to transform the branches into joint branches (BK+TB+SC) in the coming two years utilizing remote channels, etc. In order to focus on core customers, we will review the contact channels to the customers and will re-allocate human resources. In addition, we will expand our product lineup to promote the "saving to investment" trend.

Presentation Material P.13

We will solve customer's issues by finding underlying issues through consulting services and then providing Mizuho's services across banking, trust, securities functions. Also, we will further strengthen our trust banking function, which is already our competitive advantage, to capture more asset/business inheritance related business.

Presentation Material P.14

We view FinTech and Operational Excellence as a whole, and our target is to improve our services and boost efficiency. For example, Mizuho is the only bank that is capable of handling customer's confirmation of wishes and explanation of products, all by tablet computers. We will continue to shift from face-to-face to non-face-to face services by utilizing FinTech.

Presentation Material P.15

Under the in-house company system, branch management function also belongs to RBC. Branch management function monitors the permeation of the strategy at the branch level employees and receives feedback from them. This function is crucial to promote the collaboration between banking, trust, and securities at the branch level, and to develop an area based strategy based on the local characteristics (Area One MIZUHO strategy). The customers of our group were 80 thousand in 2014, but it has become 110 thousand now and we will raise the number to 150 thousand in 2016 and 240 thousand until 2018.

B) Major Q&A

Q: What is the expenses plan during the medium term business plan period?

A: We will increase it slightly. The reasons for this are the next generation IT systems, the additional allocation of the employees due to the system, and strategic investment. We will deal with this by cutting expenses due to operational excellence.

Q: If the Gross business profit does not increase, can you adjust the expenses to maintain the Net business profits and the ROE?

A: Under the in-house company system in which responsibility for Net income is clear, we have to avoid such situation that there is little growth in Business profits but expenses are kept high. As times go by, we will consider various measures to avoid such situation to happen.

Q: How will you improve the profit structure from now on?

A: Due to the shift to the in-house company system, we consider that the reality of the RBC's profit structure has been revealed. The Net interest income has not increased because of the minus interest rate policy. However, we think that Mizuho's service is the most superior among the other financial institutions due to the financial consulting services using banking, trust and securities. Under the in-house company system, we will fully implement the strategy and pursue the Japanese retail business model.

Q. Which customers will you be focusing to?

A. We will focus to the core customers whose business sizes are large. Mass retail customers will be efficiently managed by making use of call centers and the internet, and revising the places we visit.

(3) Corporate & Institutional Company (CIC): Kosuke Nakamura

A) Presentation Summary

Presentation Material P.17

CIC aims to become our customers' unchallenged global partner, and to raise our corporate value along with our customers' advancement. In order to reach this goal, we need to continue selecting and focusing on business areas, and creating a sustainable profit structure by restructuring our business portfolio. Our aim is to establish the most powerful RM Coverage group in Japan. Our target for Net business profits is to reach approximately JPY 260 billion level by fiscal 2018, although causes such as the Negative Interest Rate Policy (NIRP) will have a certain impact on the results, and the target for Non-Interest Income is 60%.

Presentation Material P.18

The essential features of our new medium term business plan are the rebalancing of management resources, and establishment of a new business model. Cross-shareholdings and low profitability business are to be disposed of, and assets are to be distributed to the focus areas. We will shift our business focus to the main areas such as the collaboration of securities and trust bank functions, and collaboration within and outside of Japan.

Presentation Material P.19

The biggest issue at the moment is how to offset the negative impact from the NIRP, and this is truly a big problem for non-financial companies as well. Because this has a big impact on our customers' balance sheets, we view it as a business opportunity for banks. We will handle this matter by utilizing all the available resources our group has.

Presentation Material P.20

I would like to explain cooperation and collaboration using the deal flow we have shown here. By establishing large deal flows and value chains such as PPP/PFI, cross-border M&A, we will fully mobilize various resources available in the banking, trust banking and securities functions. There is no time for silo effects.

Presentation Material P.21

As for the rebalancing of organizational factors, we will conduct reallocation of human resources and training/recruiting activities freely within the group, utilizing in-house company system as a driving force. We will gather personnel in our main focus areas and thus establish Mizuho's reputation for being well prepared for large corporations. Speaking of the rebalancing of assets, we have gained high assessments on hybrid finance. Furthermore, we have established the Gulf Investment Corp and sixth industry funds.

Presentation Material P.22

As for eliminating the borders of banking, trust and securities functions, we have gained high assessments on ECM for medium-size corporations, but are still working our way up for larger-size corporations. The DCM is to capture market trends precisely and continue to maintain its status. Global Transactions will bring professionals on board and tackle niche markets.

Presentation Material P.23

Operational excellence raises each company's execution capability of strategies not only through cost reduction but also through the rebalancing of managing resources. Reduction of capital costs through cross-shareholding disposal is one example.

Plans regarding cross-shareholdings must be practiced and accomplished thoroughly. Our customers' and sales representatives' modes of thought are changing, so cross-shareholdings should be disposed of on the occasion, such as reorganization of the group stock repurchase and block trade, in order to reach our targets.

B) Major Q&A

Q: As a result of selecting and focusing on business areas, isn't there a chance of lapsing into contracted equilibrium?

A: There is a need to conduct sustainable transactions for both our customers and ourselves. For example, we will propose blue-chip companies to shift to the capital market rather than continue to borrow from banks in low spread. We will make sure we will not fall into that situation by expanding businesses that could become an alternative to low-profitability lending.

Q: What are the merits of cross-shareholding disposal to the account managers?

A: The account managers fully understand that under the current environment loan business will not produce profits, and they are willing to seek different opportunities using the capital released from cross-shareholding. When it comes to personnel evaluation, it does not mean that they will be evaluated well merely by selling shares. They recognize it is a necessary step to establishing a new business model.

Q: When there is a realized gain on sale of shares, will it raise the ROE as the earning of CIC?

A: Based on the rules, they will be deemed profits so there is a boost-up effect. On the other hand, the reason CIC promotes selling of stocks is for the conversion of business models, therefore profit on sales is regarded as a secondary gain. We will continue to sell stocks even if there is no profit.

(4) Global Corporate Company (GCC): Akira Sugano

A) Presentation Summary

Presentation Material P.25

As a financial institution that represents Asia, the Global Corporate Company aims to become a continuous partner backed up by the qualitative advantage of our deep understanding of business and corporate finance focusing on debt, and our strong financial basis.

As for the risk appetite, we will focus on the blue chip non-Japanese credits same as the last medium term business plan. We believe that the role of the overseas segment is to

lead the profit growth of the Group as a whole. On the other hand, we are in a situation where we cannot increase assets greatly. Therefore, there is a need to increase asset efficiency to largely improve the profits of the overseas segment. In order to do this, we will work on reforming the structure of the business portfolio, fully implementing cross selling, and strengthening the business management basis.

We plan to increase Net business profits by 12 % to around JPY 190billion in 3 years.

Presentation Material P.26

As for the structural reform of the business portfolio, GCC will drastically change the low profit portfolio to a high profit portfolio. This includes the increase of spread and ancillary business, since we will consult and negotiate with the customers during this process.

Presentation Material P.27

Next, I will explain the Global 300 Strategy which has developed from the Super 30 Strategy. The Super 30 Strategy initially started from 120 blue chip non-Japanese companies in which 30 companies were selected from each four areas, the Americas, Europe, Asia-Oceania and East Asia. It succeeded enormously and expanded to Super 50. Moreover, the number of companies has increased to 250 because of the purchase of the North American lending asset from RBS last year. Now in the new strategy, Global 300, the rule is revised and the target companies are selected regardless of the region. As a result of this focus strategy, more than 70% of the overseas assets are in the investment grade level and the ratio of non-performing loans has remained low.

Presentation Material P.28

As for the full implementation of cross selling, we will work on securities products and transactions. We correspond to the strategy of the Group to become a <Financial Services Consulting Group>. Our proposal style of offering both business and financial strategies is succeeding greatly in the US, and we will expand this to Europe and Asia. As we have been successfully involved with the early stage of customers' business strategies, we have participated in many large M&A transactions in 2015. As for the DCM, we are rising in the rankings not only in the Americas, but also in Asia and Europe and we would like to raise more.

As for transaction banking, it is important to invest continuously to this business for further expansion, and thereby have a sustainable non-interest income source as well as more deposits from customers.

Presentation Material P.29

We have secured foreign currency liquidity by increasing customers' deposit. The loan-deposit gap has become smaller. We will continue increasing foreign currency denominated deposits.

We will work on operational excellence on a global basis, and optimize operations such as information sharing and office locations. Authorities have been delegated to the in-house company heads after the in-house company structure was implemented, but we will further delegate the authorities to the head of the regional main offices, and heighten the speed of decision making.

B) Major Q&A

Q: How will you proceed with recruiting national staff management?

A: We will cooperate with HR and increase the national staff ratio of the managements in the overseas offices. We have started training them including the development of individuals' career paths.

Q: Which risk are you most concerned about, credit risk, liquidity risk or litigation risk?

A: Now the credit risk is the largest concern due to the slowdown of the economy in the emerging countries, and drop of the price of resources, and the geopolitical risks. The liquidity risk is not a big matter because the system of regulators in each country has been well-organized after the Lehman Shock, and also because we are trying to increase customers' deposits. I am not concerned about the litigation risk.

Q. How are you going to deal with the blue chip non-Japanese companies?

A: We cannot be their core bank if we withdraw our exposure from them every time when the economy is bad. If we cannot become their core bank we can only do business which consumes loan assets and cannot increase the asset efficiency by raising the non-interest income. The most important thing in the Global 300 Strategy is to form a continuous relationship with the carefully selected blue chip non-Japanese corporations and to become the core bank.

**(5) Global Markets Company (GMC):
Junichi Kato**

A) Presentation Summary

Presentation Material P.31

We will aim to be the leading financial market player in Asia in 3 years, and further aim to be recognized as one of the global top 10 or top 5 players in the future.

Since we believe that a difficult environment will continue during our new medium-term business plan, we are estimating less than 100 billion yen level decrease in profit from our portfolio.

On the other hand, since we believe that there are room to expand our sales & trading related profits, we will strengthen that area. In order to do so, we will strengthen our solution providing capabilities for each customer segment through strategic investments into infrastructure and human resources.

Presentation Material P.32

Five of our in-house company executives, including the head of the in-house company, are responsible for building our strategy. As division heads of banking, trust and securities entities concurrently hold roles at the holding company, we are now able to deliver a more consistent discussion and design of strategies compared to the past.

Presentation Material P.34

With respect to portfolio management, we are flexibly adjusting the allocation of our portfolio to external environment while maintaining diversification.

Presentation Material P.35

Sales & Trading will respond to various demands in line with our customer segments. We do not intend to make profit through trading by taking significant risks, but rather intend to make profit through market making activities based on increased customer trade flows.

Presentation Material P.36

Our market divisions need to have credibility with the financial market in order to join the top 10 global players. In order to do so, not limited to proactive engagement with ISDA, we will be engaged in activities to support the market, such as our commitment to the sound growth of the financial market.

B) Major Q&A

Q: How does Mizuho intend to make profit while the liquidity of JGBs is decreasing?

A: As the GCC is strengthening its DCM as well as ECM businesses, increased primary transactions will lead to increase secondary trade flows. With respect to JGBs, we intend to match trade flows through appropriately capturing both domestic and overseas investors' demands.

Q: What is Mizuho's portfolio management policy after the introduction of NIRP in Japan?

A: Since we have already diversified our portfolio, I don't feel any necessity to aggressively reallocate it even after the NIRP introduction.

Q: You have mentioned 'One Responsibility', but what has changed due to the shift from the previous unit system to the in-house company system?

A: Under the previous unit system, the department in charge of the secondary market in Mizuho Securities did not belong to the market segment. However, after the shift to the In-house company system, the head of the company has become in charge of the market segment as a whole. Because of this, there have been concrete effects such as integration of the information sharing system related to the market and cooperation in businesses among market segments.

Q: How does Mizuho share the commission among each in-house company? How Mizuho prevent silo effects?

A: Profits from our customers, i.e., margins, will be counted at each customer segment in-house company. GMC would be regarded as a function provider. Since it is necessary for us to cooperate with other in-house companies in order to raise profits through widely aggregating customer transaction flows, silos could be prevented.

(6) Asset Management Company (AMC): Katsunobu Motohash

A) Presentation Summary

Presentation Material P.38

AMC aims to contribute to activate the domestic financial assets through delivering fiduciary duties at the highest level.

Our aging population and declining birthrates are further increasing the importance of individuals' independent efforts to build their own assets. Under these circumstances, we would like to help accelerate the “shift from savings to investment” through integrating the knowledge currently dispersed in various group companies into Asset Management One.

Presentation Material P.39

Mizuho would provide a full range of financial products and pension related solutions to various customers mainly through AMC. We will allocate management resources to widen our external distribution paths and adopt open architecture strategy with various channels.

AMC will try to grow its Net business profits to JPY 30 billion level in FY2018. The main driver to achieve it will be publicly offered investment trusts.

Presentation Material P.40

We will strengthen product capabilities, which is the “engine” of asset management business and make it to lead the business as a whole. Furthermore, in addition to putting further efforts into investment trust businesses, i.e., the key driver of our growth, we will improve the profitability of pension related business, i.e., our stable profit base, to make our asset management business more robust.

We will seek operational excellence in order to promote these strategies smoothly.

Presentation Material P.41

As a global asset management firm, Asset Management One will provide solutions to respond to various needs and challenges of our customers through utilizing our asset management capabilities mainly in both Japan and Asia. Furthermore, we will aim to join the global top 20 firms in assets under management in the future.

Presentation Material P.42

Mizuho will utilize the advantages of Asset Management One and focus on four key strategies to strengthen our business, such as strengthening of our efforts in the market for individual customers mainly in publicly offered investment trusts. We will call the coming three years as an integration stage, and aim to increase our asset under management from JPY 52 trillion to JPY 59 trillion in three years.

B) Major Q&A

Q: Is the downward pressure on fees inevitable from the whole industry perspective, because of the “shift from savings to investment” progressing from now on?

A: Fees on plain vanilla type products such as index types, passive types and ETF will decline. On the other hand, fees on highly value added products such as active types and absolute return targeted investments will maintained at a certain level.

Q: How's Mizuho going to make efforts with respect to the “shift from savings to investment”?

A: Mizuho would like to contribute to the formation of Japanese individuals' financial assets through efforts such as developing the signature fund at Asset Management One, credible enough for our customers to entrust stable medium term asset management to us.

Q: Is M&A an option to strengthen Mizuho's global asset management capabilities?

A: For example, we have acquired an approximately 16% stake in Matthews Asia in February this year. Since the priority for Mizuho as a whole is to achieve the 10% CET1 target stated in our medium-term business plan, M&A is not an easy option for us. However, it is always in the pipeline.

Q: How do you intend to maintain the strength and characteristics each legal entity currently has after integrating those into Asset Management One?

A: It has been a significant challenge from the time we started considering the integration. The asset management policies and philosophies each legal entity has are regarded highly by our customers. Thus, we do not intend to unify those forcefully.

Q: After the estimated decline in AMC's Net business profits in FY2016, how do you intend to grow it to JPY 30 billion level by FY2018?

A: We will likely to experience a slight decline in Net business profit in FY2016. The main reason for that will be the cost associated with the integration. After that, we would like to achieve the plan through the buildup of assets mainly in publicly offered investment trusts and improved profitability of our pension related business and so forth.