

## FY2016 Financial Results Presentation: Main Q&A

Q: How do you evaluate the initiatives taken thus far for structural reforms and what are the areas that should be accelerated?

A: As for the initiatives for structural reform and governance, we believe Mizuho has been the frontrunner, but from now on, we need to produce results.

In that sense, as for the cross-shareholdings disposals, we have proceeded at an overwhelmingly high speed compared with our peers with a strong will to keep our promise to investors. We will continue to move forward with firm determination.

Mizuho's largest issue for the financial results this year is expenses. As for the expense structure, we consider it is important to produce results by doing away with our old customs and accelerating our initiatives towards reducing expenses.

As for Operational Excellence which we have practiced since the last fiscal year, it is already possible to reduce expenses to the 70 billion yen level, but in addition, we have formed a structural reform task force which we have explained today, and will proceed with a new fundamental structural reform.

Q: How are you going to achieve the Net Income Attributable to FG of the lower 600 billion yen level during the final year (FY18) of the Medium-term Business Plan?

A: To achieve the plan of the Net Income Attributable to FG, we have already taken into account the profit on sales of cross-shareholdings (we have targeted a reduction of approximately 550 billion yen from FY15 to FY18). In addition, we believe it is possible to achieve the plan as Mizuho Securities has become stronger as a profit base, the group has grown as a whole and structural reform has proceeded.

Moreover, some say the market related profits are high in volatility, but under the In-house Company System, we have made a significant shift to Sales & Trading in the Global Markets Company and have grown profits. As for Sales & Trading, it is a highly prudent profit base, similar to that of profits of the Customer Groups. The lower 600 billion yen level is a challenging number, but by proceeding with these initiatives, we will aim to achieve the target.

Q: What have you discussed regarding the returns to shareholders in FY17?

A: There were various discussions on the estimated cash dividend of 7.5 yen per share of common stock for FY17.

Our dividend policy is 'steady dividend payout policy with a dividend payout ratio on a consolidated basis of approx. 30% as a guide for our consideration'. The dividend payout ratio for FY17 is 34.6%. As the environment is becoming more difficult, we think there is more focus on how we can promise a steady dividend payout, which is maintaining the dividend amount, to our investors compared with a few years ago.

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