

# Summary of Financial Results for FY2016

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June 2017

Mizuho Financial Group

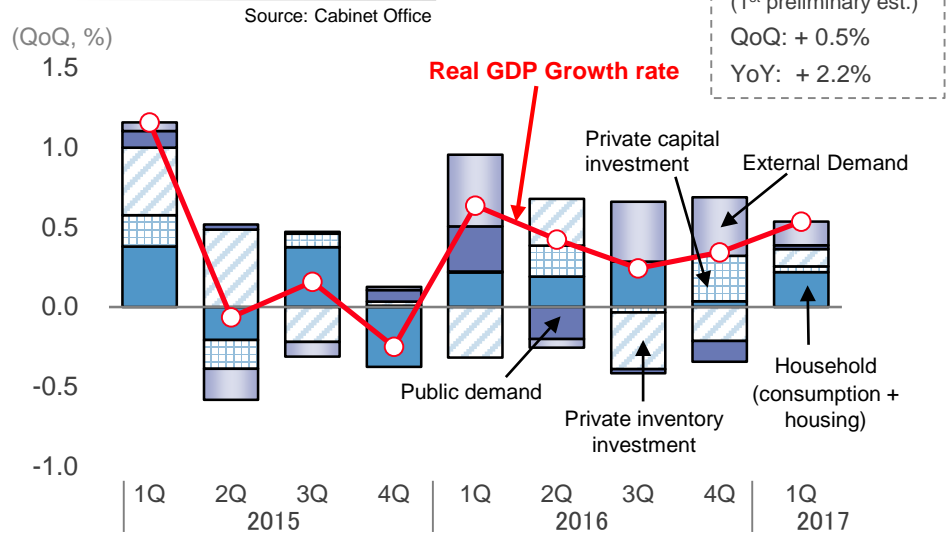
# Discussion Topics

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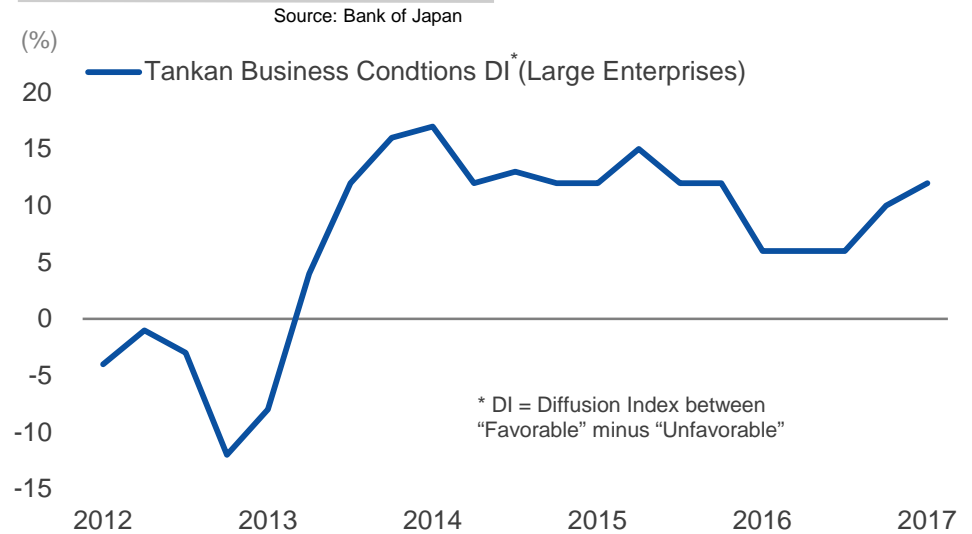
- 1 Operating Environment – Japanese Economy
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- 4 Earnings Plan of FY2017 and Expense Plan
- 5 Medium- and Long-term Direction for Mizuho
- 6 In-house Company Structure and Business Outside Japan

# Japanese Economy

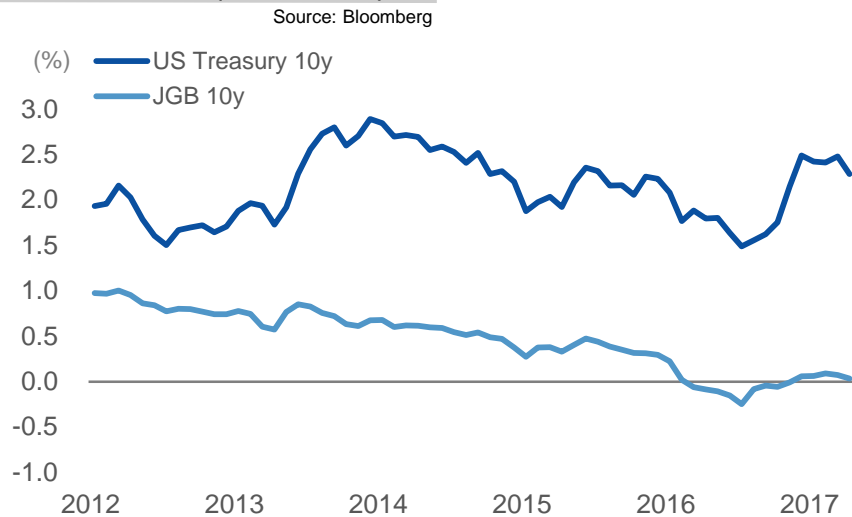
## Real GDP Growth



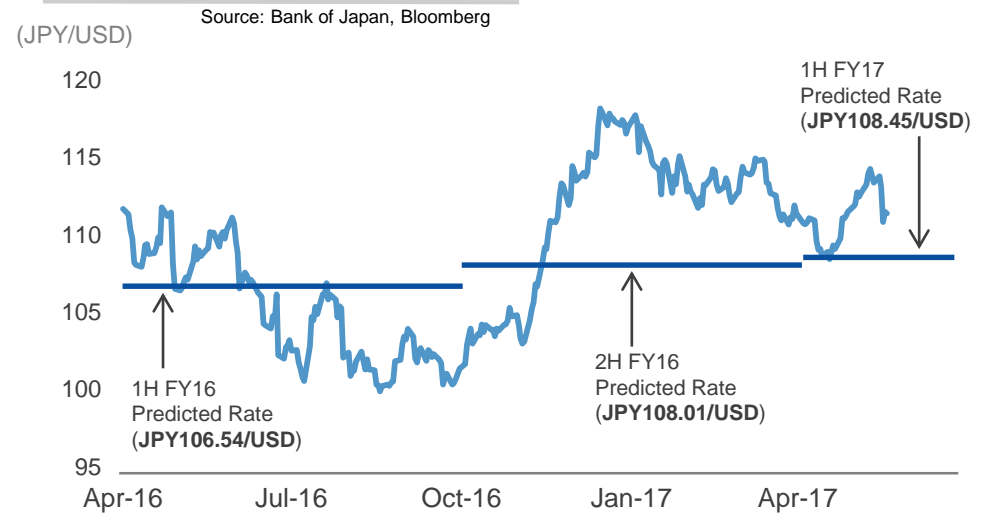
## BOJ Tankan Survey (Actual Result)



## Interest Rate (US vs JP)



## FX vs BOJ Predicted Rate



# Overview of Mizuho Financial Group

## Financial Results

<Consolidated>	(JPY bn)	FY16	YoY	Achievement
Consolidated Gross Profits		2,092.7	-128.8	
Consolidated Net Business Profits		663.4	-189.4	90%
Credit-related Costs		-47.5	-17.0	
Net Gains (Losses) related to Stocks		242.1	+36.4	
Ordinary Profits		737.5	-260.0	
Net Income Attributable to FG		603.5	-67.3	100%
CET1 Capital Ratio		11.37%	+0.52%	
excl. Net Unrealized Gains on Other Securities		9.27%	+0.50%	

## <2 Banks> (JPY bn)

		FY16	YoY	Achievement
Gross Profits		1,441.4	-157.9	
Customer Groups		1,199.7	-45.7	
o/w Net Interest Income <sup>3</sup>		687.9	-52.3	
o/w Non-interest Income <sup>3</sup>		573.8	-32.2	
Trading & Others		241.6	-112.3	
G&A Expenses (excl. Non-Recurring Losses)		-947.1	-36.1	
Net Business Profits		494.3	-194.1	85%
Net Income		388.0	-142.6	102%

## Balance Sheet (Mar-17)

consolidated

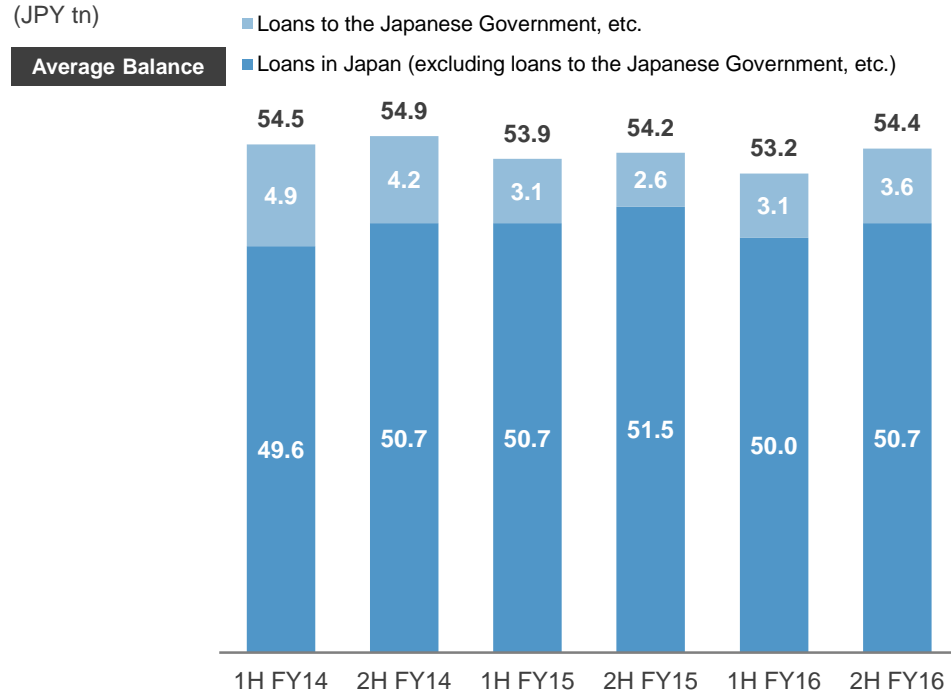
( ) represent changes from Mar-16

<b>Loans: JPY 78tn (+JPY 4tn)</b> JPY <sup>4</sup> JPY 55tn (+JPY 4tn) Non-JPY <sup>4</sup> USD 236.5bn (-USD 1.2bn)	<b>Deposits: JPY 130tn (+JPY 13tn)</b> JPY <sup>4</sup> JPY 111tn (+JPY 12tn) Non-JPY <sup>4</sup> Customer Deposits USD 179.8bn (+USD 11.3bn)
<b>Securities: JPY 32tn (-JPY 7tn)</b> Stock: JPY 4tn (+JPY 0tn) Cross-shareholdings disposal: -JPY 159.5bn JGB: JPY 13tn (-JPY 6tn) Non-JPY bonds: JPY 10tn (-JPY 1tn)	Non-JPY Customer Deposits / Non-JPY Loans = 76% Other Liabilities JPY 60tn (-JPY 6tn)
Other Assets JPY 89tn (+JPY 9tn)	<b>Net Assets: JPY 9tn (-JPY 0tn)</b> Leverage Ratio 3.95%
<b>Total Assets</b> JPY 200tn	<b>RWA</b> JPY 61tn

# Loans in Japan

## Loan Balance in Japan<sup>1</sup>

2 Banks

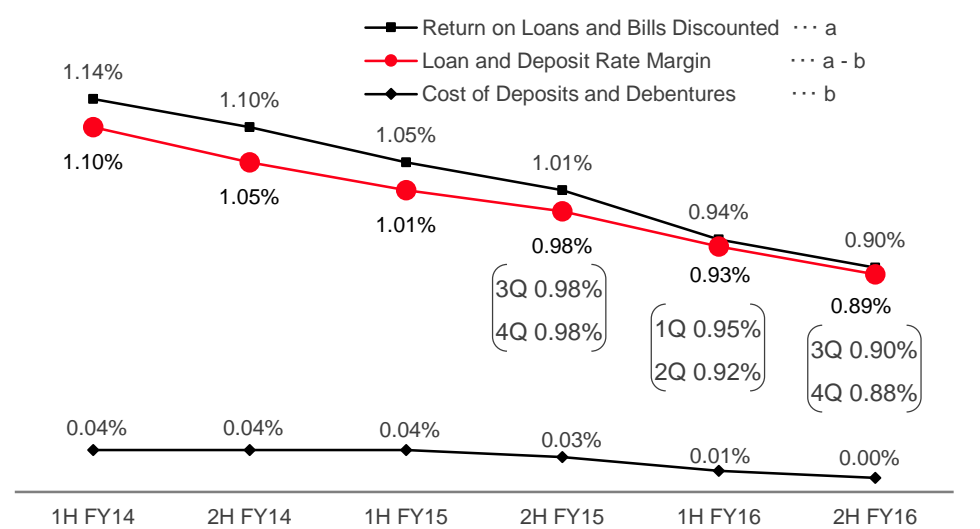


**Period-end Balance**

	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16	Mar-17
In Japan	54.9	54.7	54.7	53.9	54.0	54.8
Large Corp., etc.	22.7	22.2	21.6	21.1	22.1	22.3
(o/w Japanese Gov.)	(4.4)	(3.5)	(3.1)	(2.2)	(3.9)	(3.2)
SMEs <sup>2</sup>	20.3	20.7	21.4	21.4	20.9	21.7
Individuals <sup>3</sup>	11.8	11.8	11.6	11.3	11.0	10.7

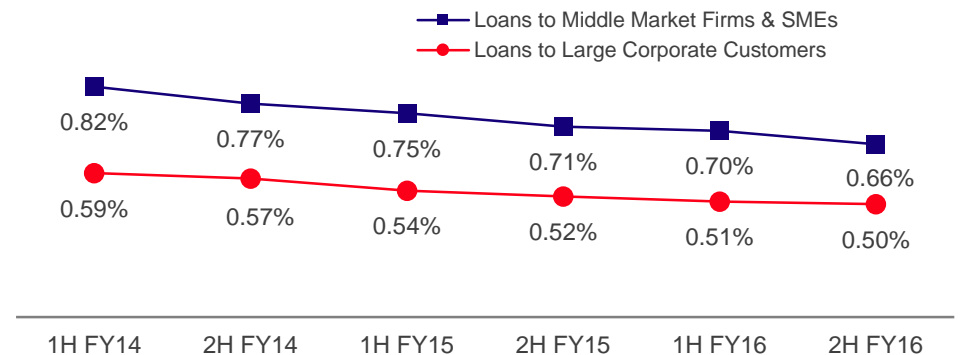
## Loan and Deposit Rate Margin in Japan<sup>4</sup>

2 Banks



## Loan Spread in Japan

BK, management account



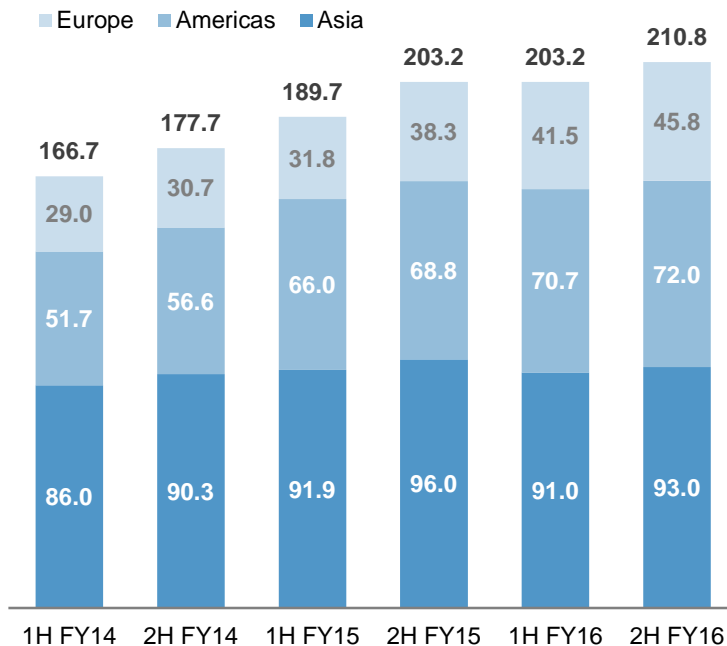
# Loans outside of Japan

## Loan Balance outside Japan<sup>1, 2</sup>

BK, management account

(USD bn)

### Average Balance

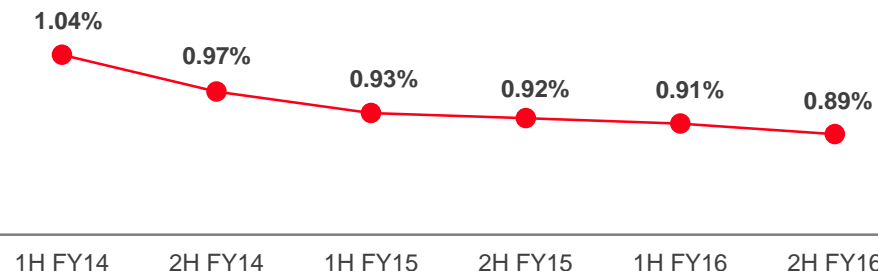


### Period-end Balance

	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16	Mar-17
Outside Japan	166.4	186.6	192.5	203.6	205.1	203.3

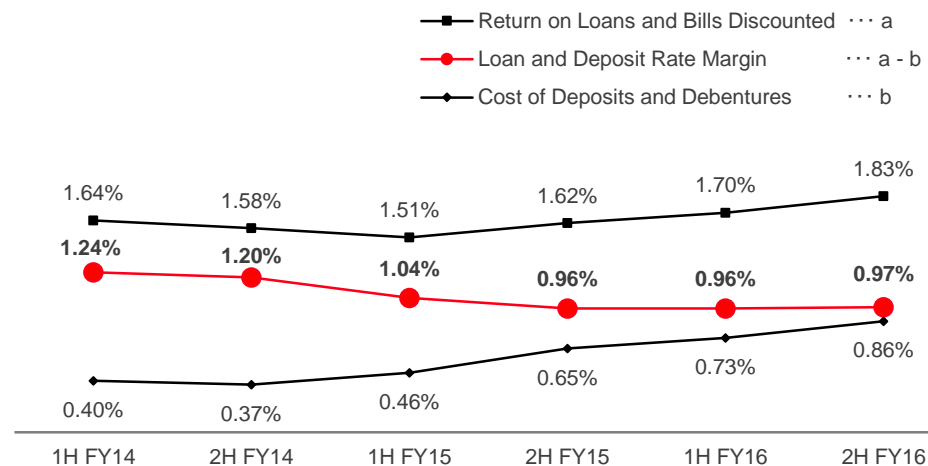
## Loan Spread outside Japan<sup>1, 2</sup>

BK, management account



## Loan and Deposit Rate Margin outside Japan

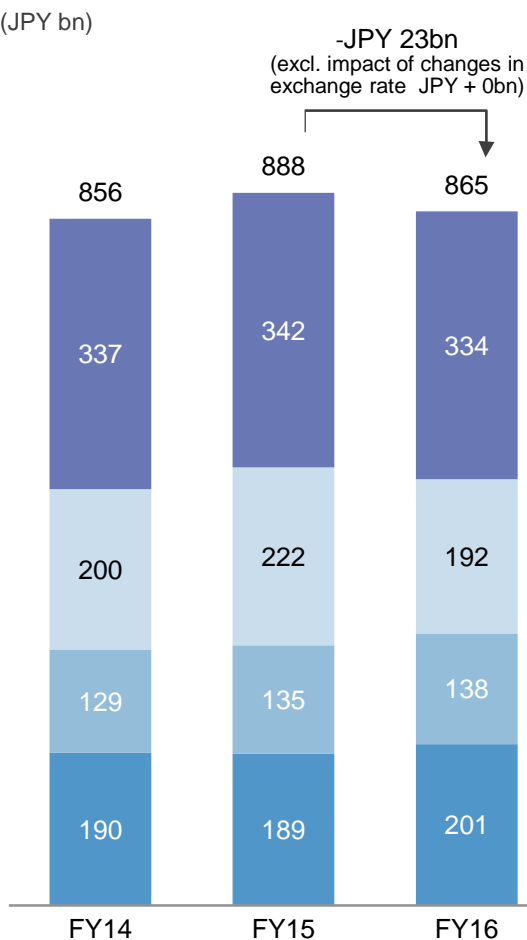
BK Overseas



# Non-interest Income from Customer Groups

## Non-interest Income<sup>1</sup>

(JPY bn)



group aggregate, management account, rounded figures

Figures in ( ) represent YoY

### Banking in Japan

#### Solution Business-related: JPY 125bn (+JPY 25bn)

Syndicated Loans: JPY 38bn (+JPY 6bn)  
 Investment Banking related: JPY 47bn (+JPY 11bn)  
 Securities-related Fees: JPY 19bn (+JPY 3bn)

#### Investment Trust & Annuities: JPY 38bn(-JPY 22bn)

Investment Trusts: JPY 18bn (-JPY 8bn)  
 Individual Annuities: JPY 20bn (-JPY 14bn)

#### Settlement & Foreign Exchange: JPY 143bn (+JPY 5bn)

Settlement: JPY 70bn (+JPY 1bn)  
 Foreign Exchange: JPY 73bn (+JPY 4bn)

#### Others: JPY 28bn (-JPY 15bn)

### Banking outside Japan

Europe: JPY 45bn (-JPY 9bn)  
 Americas: JPY 76bn (-JPY 10bn)  
 Asia: JPY 61bn (-JPY 11bn)

### Trust/Asset Management-related

Real Estate: JPY 47bn (+JPY 3bn)  
 Pension/Asset Management: JPY 61bn (-JPY 2bn)

### Securities

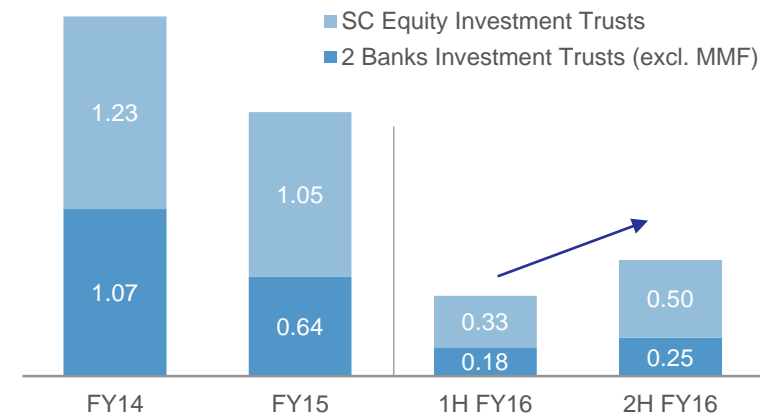
In Japan: JPY 167bn (+JPY 6bn)  
 Outside Japan: JPY 34bn (+JPY 5bn)

## M&A (Japanese Corporations) League Table<sup>2</sup>

Rank	Company Name	Amount (JPY bn)	No. of Deals
1	Mizuho Financial Group	6,970.6	182
2	Sumitomo Mitsui FG	2,825.7	148
3	Nomura Securities	2,852.9	112
4	Daiwa Securities Group	2,188.5	79
5	Plutus Consulting	635.5	58

## Amounts of Investment Trusts sold

(JPY tn)

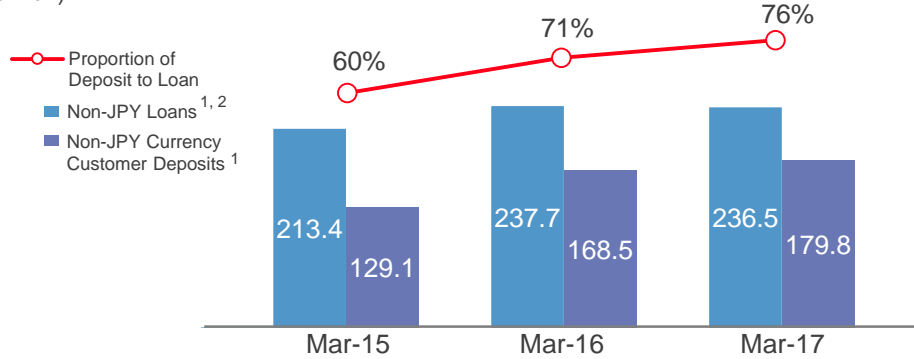


# Non-JPY Funding

## Non-JPY Loans and Deposits

BK (incl. the banking subsidiaries in China, the US, the Netherlands and Indonesia, etc.), management account

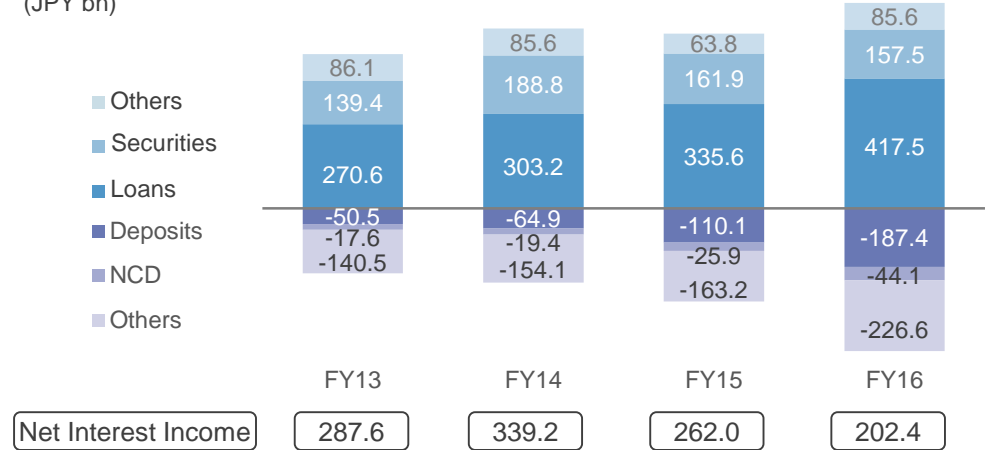
(USD bn)



## Trend of Net Interest Income

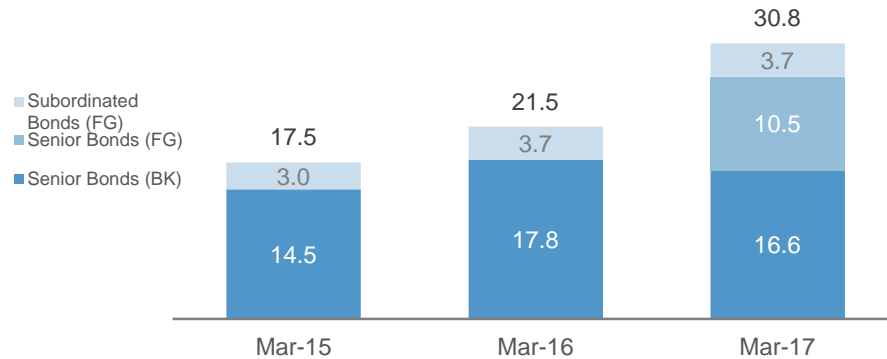
BK non-consolidated, International Operations

(JPY bn)

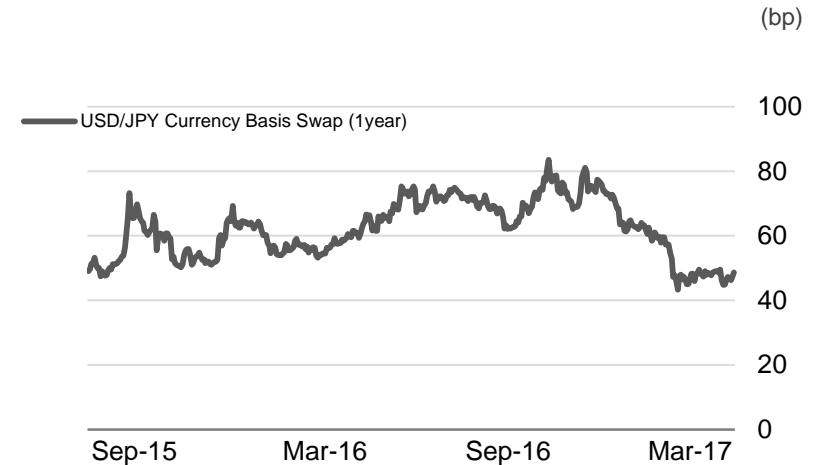


## Outstanding Balance of Foreign Currency Bonds

(USD bn)



## Reference: Historical Trend of Currency Swap Rates



Source: Bloomberg



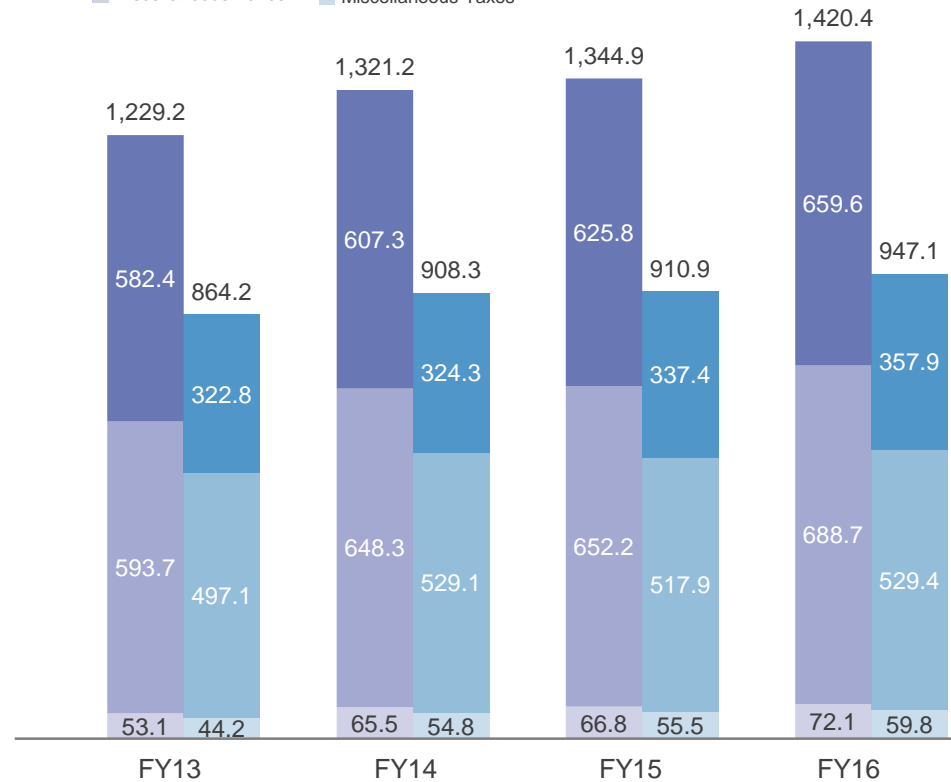
# G&A Expenses

## G&A Expenses \*

Consolidated, 2 Banks

(JPY bn)

(Consolidated) (2 Banks)  
 ■ Personnel ■ Personnel  
 ■ Non-personnel ■ Non-personnel  
 ■ Miscellaneous Taxes ■ Miscellaneous Taxes



## Increase/Decrease Factors in Comparison with FY2015

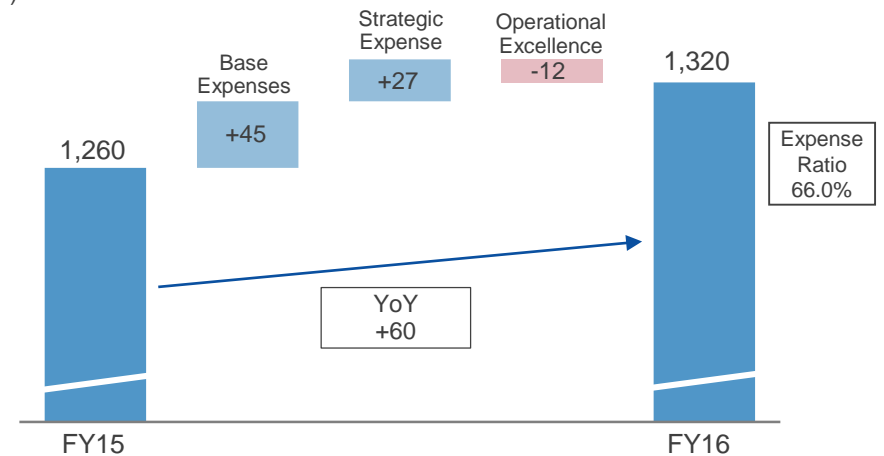
(JPY bn)

	Consolidated	2 Banks	Factors, etc.
Total	+75.5	+36.1	
Personnel	+33.7	+20.4	Increase in staff and expenses related to Employee Retirement Benefits
Non-Personnel	+36.5	+11.4	Increase in Premium for Deposit Insurance inside and outside Japan
Miscellaneous Taxes	+5.2	+4.2	Increase in Size-based business Tax, etc.

## Trend of Group aggregate G&A Expenses

(JPY bn)

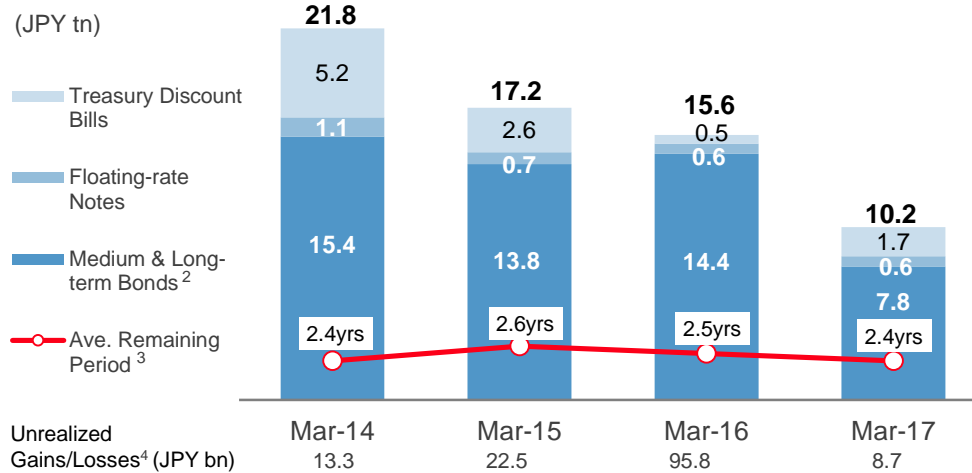
Management account, rounded figures



# Securities Portfolio

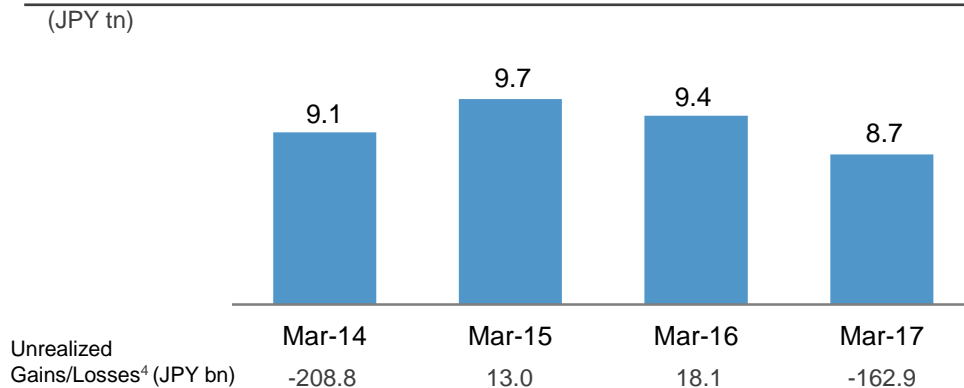
## JGB Portfolio<sup>1</sup>

2 Banks, acquisition cost basis



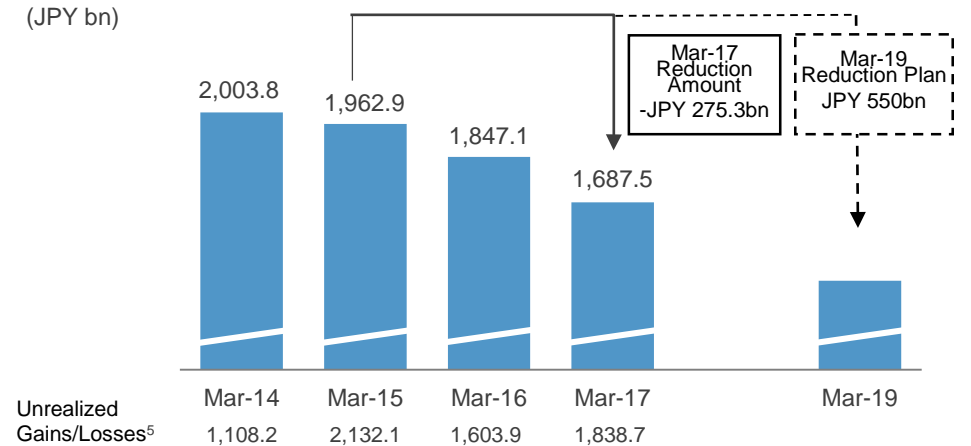
## Foreign Bond Portfolio<sup>1</sup>

2 Banks, acquisition cost basis



## Japanese Stock Portfolio<sup>1</sup>

Consolidated, acquisition cost basis



## Basic policy for reducing cross-shareholdings

**Basic Policy**

Reflecting the potential impact on our financial position associated with the risk of stock price fluctuation, **unless we consider holdings to be meaningful, we will not hold the shares of other companies as cross-shareholdings**

**Reduction Plan**

(Compared to the balance as of Mar-15)

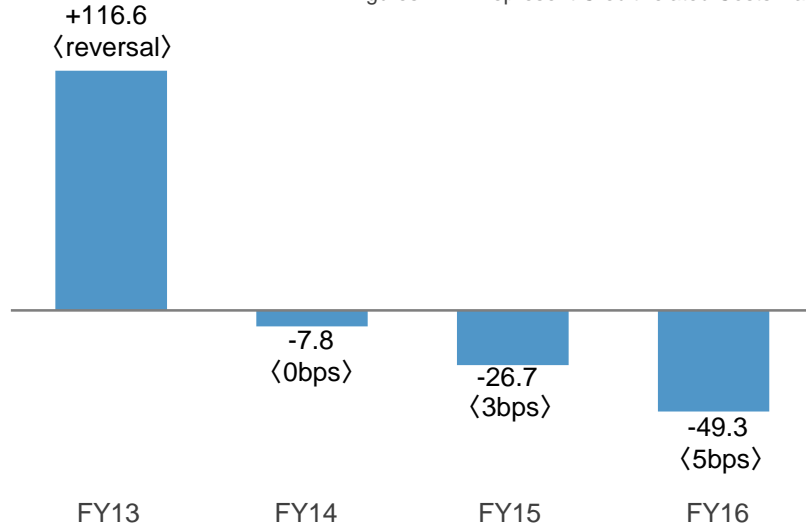
Mid-term Target (by Mar-17):	approx. JPY 250bn
Medium-term Business Plan (by Mar-19):	JPY 550bn

**In Progress as planned**

# Credit Portfolio

## Credit-related Costs

(JPY bn)



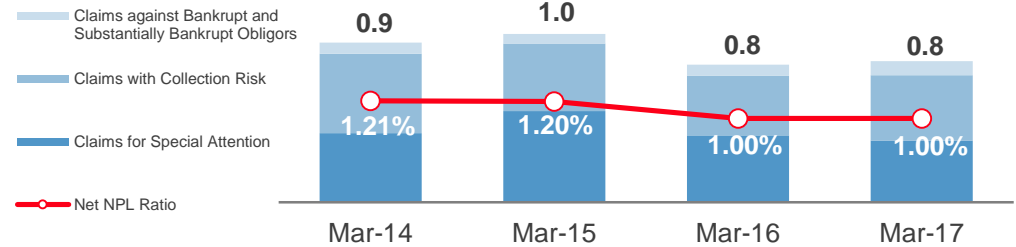
	FY13	FY14	FY15	FY16
Expenses related to Portfolio Problems	-18.1	-82.4	-44.6	-36.0
Reversal of (Provision for) General Reserve for Possible Losses on Loans	-	-	0.8	-45.1
Gains on Reversal of Reserves for Possible Losses on Loans and Others	134.8	74.5	17.0	31.9

2 Banks,  
banking account + trust account

## Disclosed Claims under the Financial Reconstruction Act

(JPY tn)

2 Banks,  
banking account + trust account

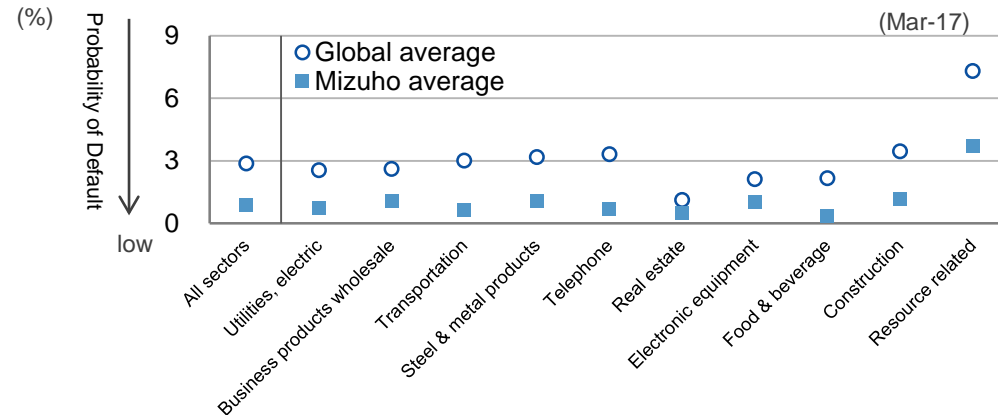


### Other Watch Obligors

2 Banks, banking account

	Mar-14	Mar-15	Mar-16	Mar-17
Balance (JPY tn)	2.6	1.5	1.6	1.6
Reserve ratio	6.34%	3.72%	3.66%	6.69%

## Reference: EDF by Moody's Analytics<sup>2</sup>



Demonstrating the soundness of Mizuho's credit portfolio

# Capital Management

## Strengthening of the Stable Capital Base

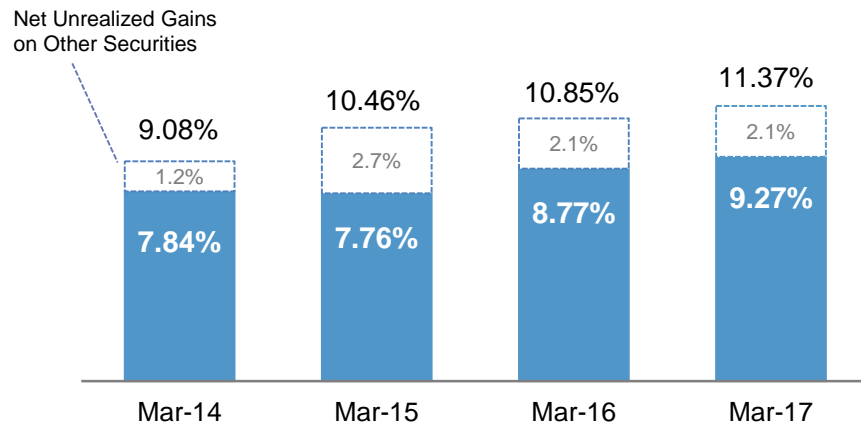
### Medium-term Business Plan

CET1 Capital Ratio<sup>1</sup> Target: approx. 10%

(as of Mar-19, excluding Net Unrealized Gains on Other Securities)

### CET1 Capital Ratio<sup>1</sup>

Improve stress tolerance toward changing external changes through steady accumulation of retained earnings



## Steady Return to Shareholders

### Dividend Policy

Steady dividend payout policy with a dividend payout ratio on a consolidated basis of approx. 30% as a guide for our consideration

### Cash Dividend per Share of Common Stock

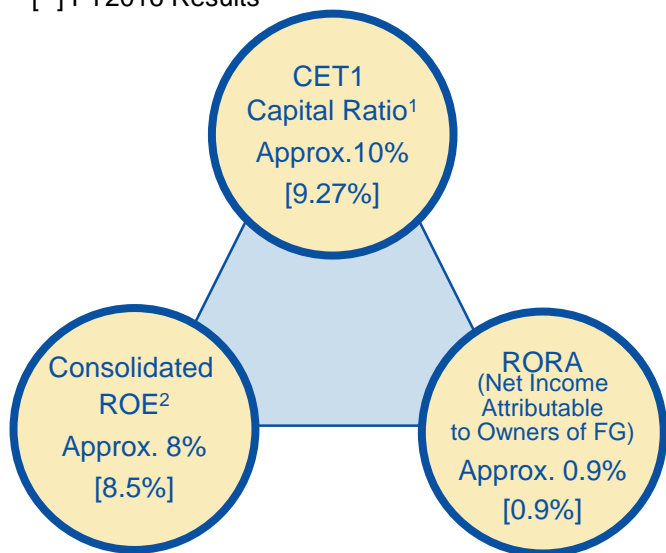
Comprehensively take into account management and regulatory environment, progress against the Medium-term Business Plan (CET1 Capital Ratio of approx. 10%), steady dividend payout ratio of approx. 30% and others factors

FY16: JPY 7.50  
(Dividend payout ratio 31.4%)  
FY17 (estimated): JPY 7.50  
(Dividend payout ratio 34.6%<sup>2</sup>)

# Progress of the Medium-term Business Plan

## Financial Targets for FY2018

[ ] FY2016 Results



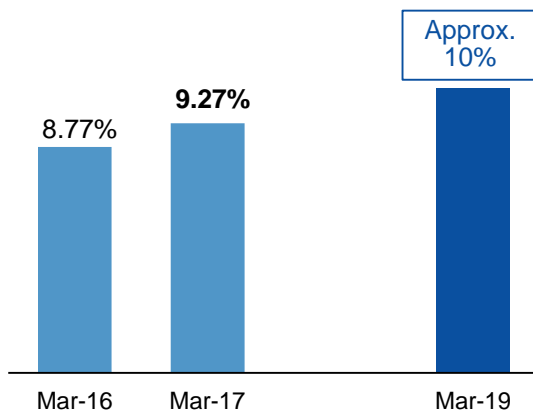
Group Expense Ratio <sup>3</sup>	Approx. 60% Excluding expenses related to the Next-Generation IT Systems, etc.: higher 50% level FY2020: aim for the mid-50% range
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Cross-shareholdings Disposal

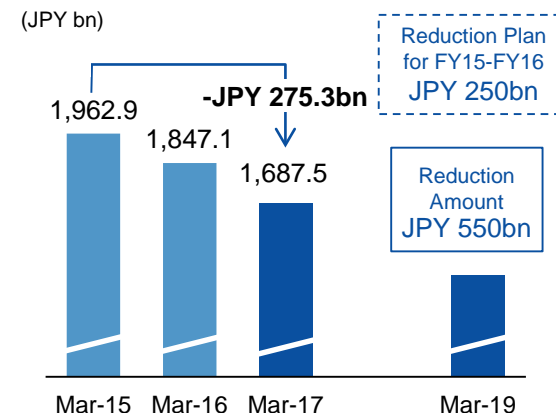
JPY 550bn<sup>4</sup>

## Progress Against the Major Financial Targets

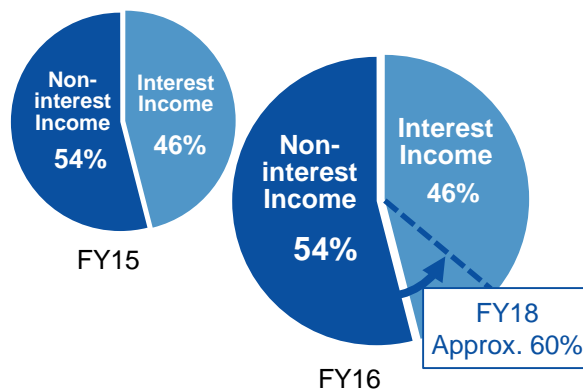
### CET1 Capital Ratio (excluding Net Unrealized Gains on Other Securities)



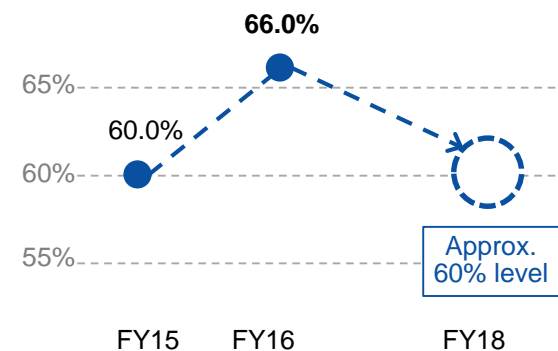
### Cross-shareholding Disposal



### Proportion of Non-interest Income



### Expense Ratio



# Earnings Plan of FY2017

## Earnings Plan of FY2017 (consolidated)

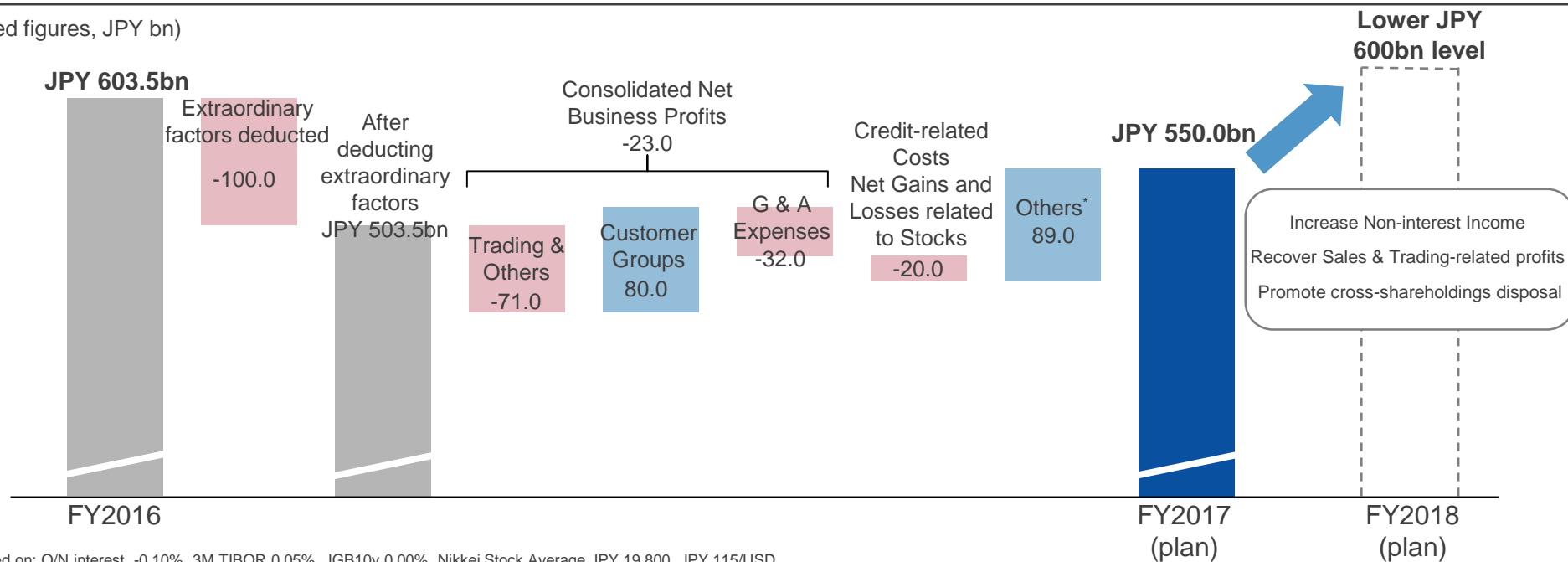
(JPY bn)	FY16 Results	FY17 Plan	YoY
Consolidated Net Business Profits	663.4	640.0	-23.4
Credit-related Costs	-47.5	-40.0	7.5
Net Gains (Losses) related to Stocks	242.1	215.0	-27.1
Ordinary Profits	737.5	790.0	52.4
Net Income Attributable to FG	603.5	550.0	-53.5

## Annual Cash Dividends for FY2017 (Estimates)

**Common Stock: JPY 7.5 per share**  
**(dividend payout ratio: 34.6%)**  
 (Interim cash dividend payments: JPY 3.75)

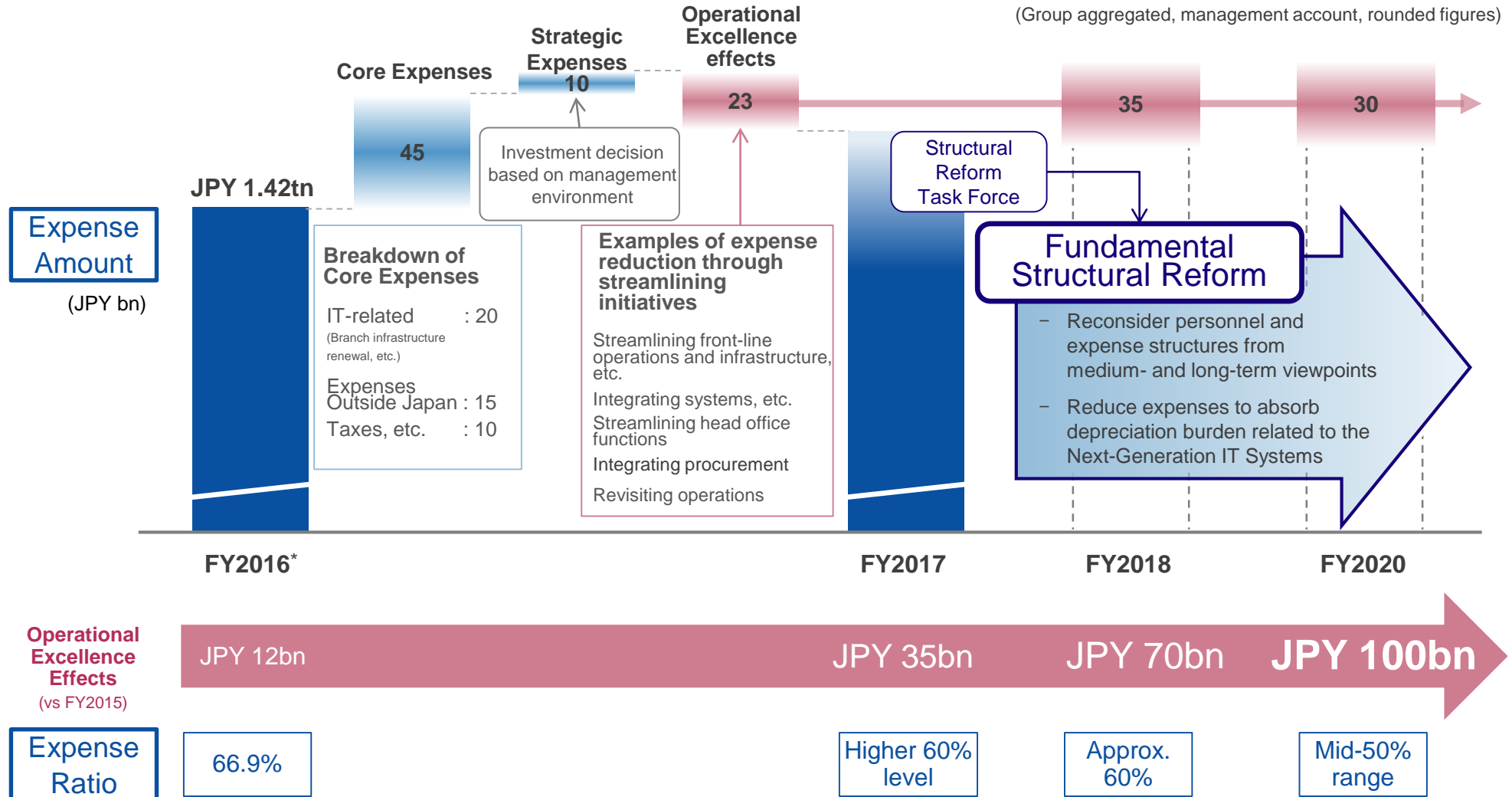
## Breakdown of Net Income Attributable to FG

(rounded figures, JPY bn)



Plan based on: O/N interest -0.10%, 3M TIBOR 0.05%, JGB10y 0.00%, Nikkei Stock Average JPY 19,800, JPY 115/USD

# Expense Plan



# Medium- and Long-term Direction for Mizuho

1

**Strengthen  
Cost Competitiveness**  
through  
fundamental  
structural reform

- Revisiting Branch Strategies
- Improvement for Advanced and Efficient Operations Utilizing Technology
- Streamlining and Optimizing the Organization
- System Structural Reform

2

**Strengthen  
Top-line Profit**  
that supports  
sustainable growth

- Allocating Management Resources to Achieve Our Growth Strategy
- Strengthening of Non-interest Businesses by Accelerating Group-wide Collaboration
- Creation of New Business based on Technology

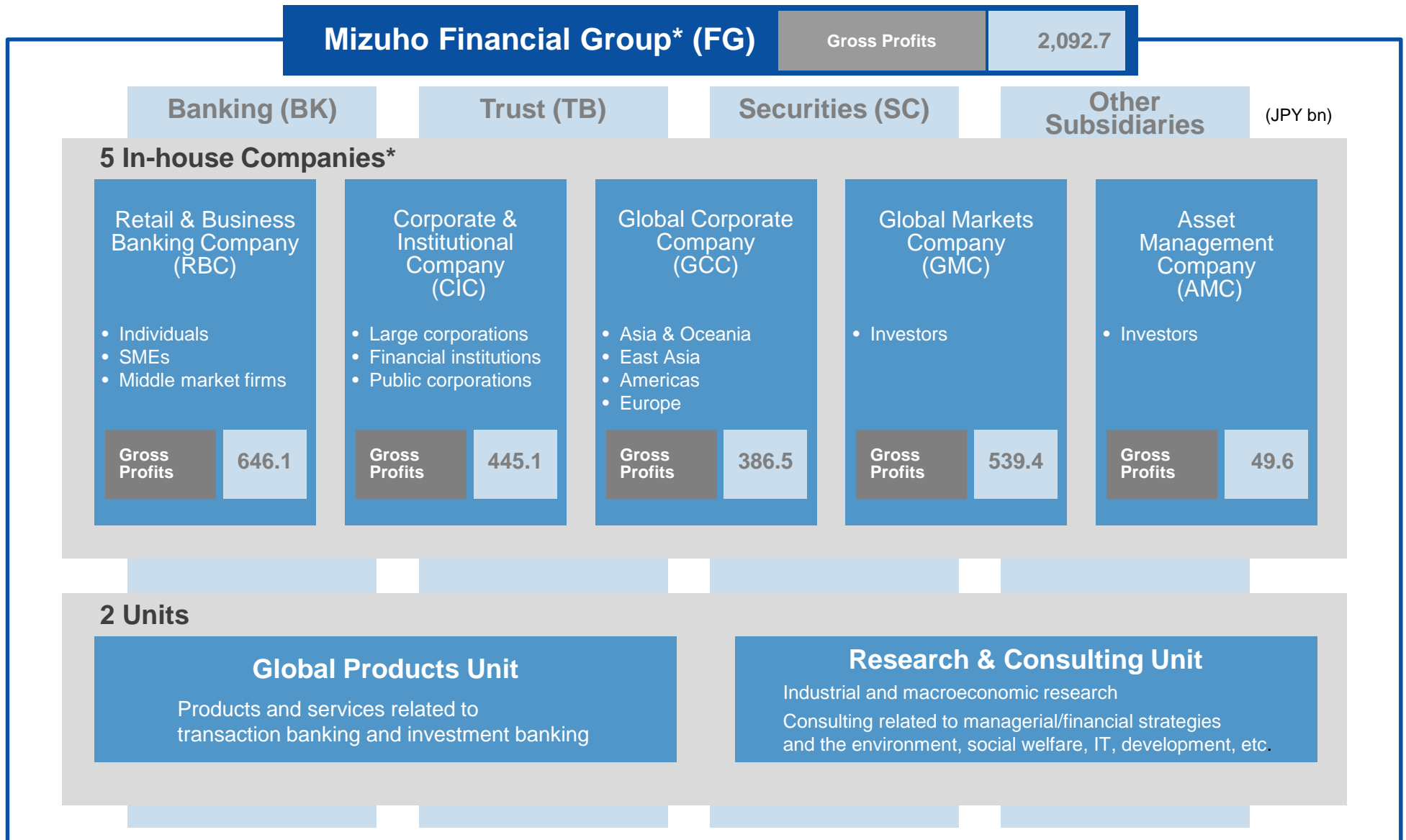
3

**Fundamentally Reform  
HR Management**  
to promote active participation  
of all employees

- Development-focused HR Management and Promotion for Each Employee



# Outline of Mizuho's In-house Company Structure



\* Gross Profits are based on FY16 management account rules

# Business Outside Japan

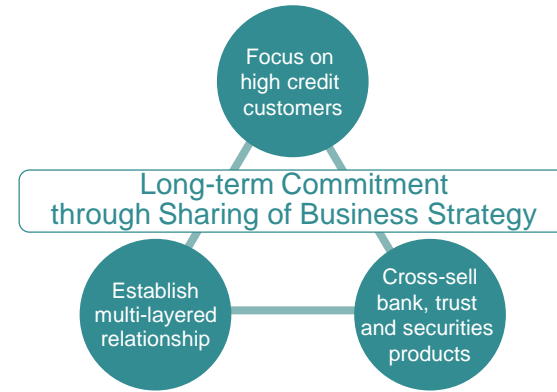
## Main Strategies

Reform Portfolio Structure	<ul style="list-style-type: none"> <li>Shift management resources to profitable transactions</li> <li>Focus on non-Japanese companies</li> </ul>
Cross-sell Products	<ul style="list-style-type: none"> <li>Reinforce the cross-selling of investment banking and transaction banking capabilities</li> </ul>
Strengthen Business and Management Foundations	<ul style="list-style-type: none"> <li>Strengthen cost control</li> <li>Pursue operational excellence</li> <li>Secure foreign currency funding</li> </ul>

## Key Selection Criteria for Global 300 Customers

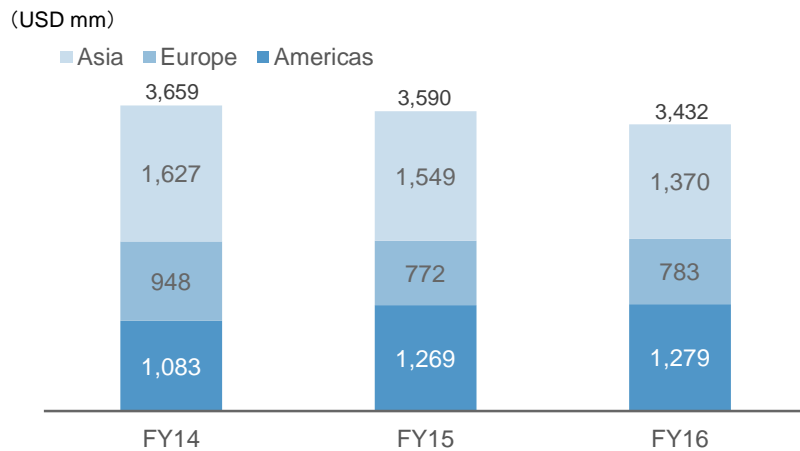
Global 300:

Select approx. 300 non-Japanese customers on a global basis, taking into consideration such factors as regional economic scale, growth perspective and market maturity stage

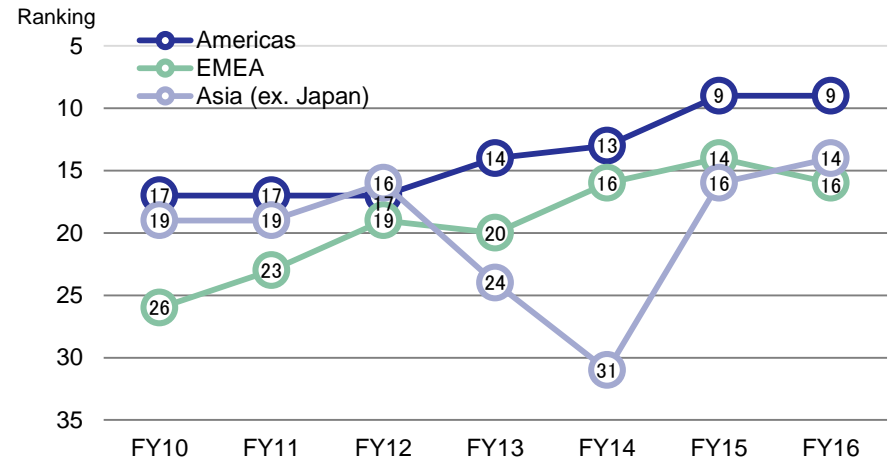


## Gross Profit by Region

(BK, management account, rounded figures)

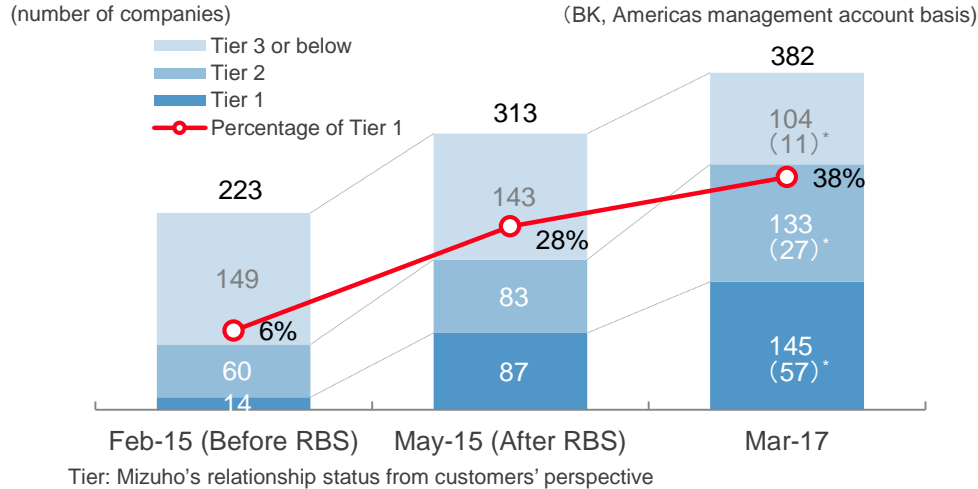


## Investment Grade Bond League Table\*

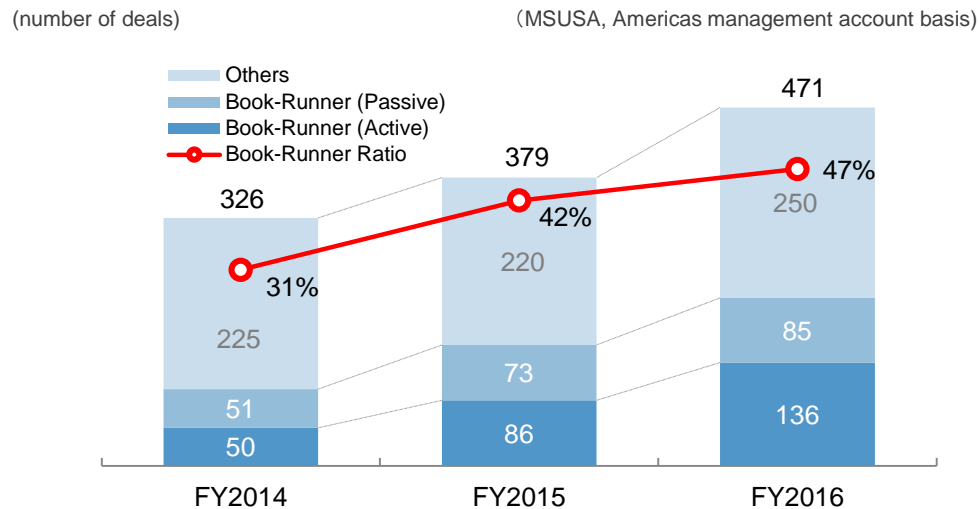


# Americas Business

## North American Lending Non-Japanese Customers



## DCM Deals / Book-Runner Ratio



## Notable Transaction of Up-lifting Relationship Base

<b>USD 10,000,000,000</b> Senior Unsecured Term Loan Facilities
Joint Lead Arranger & Joint Bookrunner
November 2016

<b>USD 30,000,000,000</b> 364-Day Senior Unsecured Bridge Facility
Joint Lead Arranger & Syndication Agent
November 2016

- Succeeded in obtaining transaction by up-lifting relationship base with customer in focus sector
  - FY2015: Up-tiered to Tier 1 on bank facility
  - FY2016: One of five Joint Lead Arrangers (JPM, BAML, Barclays, MS/MUFG, Mizuho) on acquisition of Time Warner Inc.

## Americas Growth Strategy

- ❑ Pursue Global 300 Strategy
  - Continue to expand strategic provision of solutions in DCM, ECM and M&A through integrated banking and securities functions initiated by loan financing business
- ❑ Unity Operation Across the Americas
  - Accelerate the integrated operation among banking, trust and securities functions centered on the U.S. Bank Holding Company
  - Improve efficiency by utilizing shared services, etc.
- ❑ Sector Based Approach
  - Promote financial and capital strategy advisory services based on industry sector characteristics though CFAS (Corporate Finance Advisory and Solutions)
  - Expand ECM functions for selected sectors, etc.

# Notes (1)

## Notes on page 3 - Overview of Mizuho Financial Group

1. Profit Attributable to Owners of Parent
2. Basel III fully-effective basis. Including the Eleventh Series Class XI Preferred Stock for Mar-16 of JPY 98.9bn
3. FY2015 figures are recalculated based on the FY2016 management accounting basis
4. Breakdown of JPY and Non-JPY on management account basis, rounded figures

## Notes on page 4 - Loans in Japan

1. Excluding loans to FG. Banking account
2. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers"
3. Housing and Consumer Loans
4. Domestic Operations, excluding loans to financial institutions (including FG) and the Japanese Government

## Notes on page 5 – Loans outside of Japan

1. BK (including the banking subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia and Brazil)
2. New managerial accounting rules have been applied since the beginning of FY2016. Figures from FY2014 to FY2015 were recalculated based on the new rules

## Notes on page 6 - Non-interest Income from Customer Groups

1. Due to the changes in management account, the figures are recalculated. The original figures before the recalculation that changed were FY2014: total JPY 870bn, Trust/Asset Management Related: JPY 120bn, Securities Related JPY 210bn. FY2015: total JPY 910bn, Securities Related JPY 210bn. Other figures are unchanged.
2. April 2016-March 2017, number of deals basis, any Japanese involvement, excl. real estate deals  
Source: Prepared by SC based on data from Thomas Reuters

## Notes on page 7 - Non-JPY Funding

1. Including loans and deposits in Japan
2. New management accounting rules have been applied in FY2016. Figures for Mar-15 and Mar-16 were recalculated based on the new rules.

## Notes on page 8 – G&A Expenses

\* Excluding non-recurring losses

## Notes on page 9 - Securities Portfolio

1. Other Securities which have readily determinable fair values
2. Including bonds with remaining period of one year or less
3. Excluding floating-rate notes
4. The base amount to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable value, at the respective period end
5. The base amounts to be recorded directly to Net Assets after tax and other necessary adjustments. Based on the average market price of the respective month

## Notes (2)

### Notes on page 10 - Credit Portfolio

1. Ratio of Credit-related Costs (annualized) against Total Claims (period-end balance, based on the Financial Reconstruction Act)
2. EDF: Expected Default Frequency (measure of the probability that a firm will default calculated by Moody's Analytics based on stock price and financial data)  
Average (no. of firms basis) of whole global listed companies and Mizuho's Japanese and non-Japanese listed customers based on data provided by Moody's Analytics. Resource related is an aggregate of mining, oil refining and oil, gas & coal exploration/production

### Notes on page 11 - Capital Management

1. Basel III fully-effective basis (based on current regulations). Including the Eleventh Series Class XI Preferred Stocks (the balance as of Mar-16: JPY 98.9bn, mandatory conversion on Jul. 1, 2016) up to Mar-16
2. Assuming Net Income Attributable to FG for FY2017 of JPY 550.0bn

### Notes on page 12 – Progress of the Medium-term Business Plan

1. Basel III fully-effective basis (based on current regulations), excluding Net Unrealized Gains on Other Securities
2. Excluding Net Unrealized Gains on Other Securities
3. Group aggregated
4. Shares listed on the Japanese stock markets, acquisition cost basis, cumulative amount from FY2015 to FY2018

### Notes on page 13 - Earnings Plan of FY2017

\* Includes increase / decrease of corporate tax, etc.

### Notes on page 14 - Expense Plan

\* Figures for FY2016 are recalculated based on FY2017 management account rules

### Notes on page 17 – Business Outside Japan

\* Investment Grade Corporate Bonds, bookrunner basis, aggregate of bonds of issued amount of USD2.5bn or above  
Excluding bonds issued by non-residents  
Americas: USD denominated bonds, EMEA: USD, EUR, GBP denominated bonds, Asia: USD denominated bonds–  
Source: Prepared by GCC based on data from Dealogic

### Notes on page 18 - Americas Business

\* Figures in ( ) represent number of Global 300 customers within each Tier group

## Forward-looking Statements

This presentation contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.

In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; decrease in the market liquidity of our assets; revised assumptions or other changes related to our pension plans; a decline in our deferred tax assets; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our Medium-term Business Plan, realize the synergy effects of “One MIZUHO,” and implement other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; and changes to applicable laws and regulations. Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information—Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”) and our report on Form 6-K furnished to the SEC on January 13, 2017, both of which are available in the Financial Information section of our web page at [www.mizuho-fg.com/index.html](http://www.mizuho-fg.com/index.html) and also at the SEC’s web site at [www.sec.gov](http://www.sec.gov).

We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.

Unless otherwise specified, the financial figures used in this presentation are based on Japanese GAAP  
This presentation does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities

## Definitions

FG: Mizuho Financial Group, Inc.  
TB: Mizuho Trust & Banking Co., Ltd.

MSUSA: Mizuho Securities USA LLC

RBC: Retail & Business Banking Company

GCC: Global Corporate Company

AMC: Asset Management Company

BK: Mizuho Bank, Ltd.

SC: Mizuho Securities Co., Ltd.

CIC: Corporate & Institutional Company

GMC: Global Markets Company

Consolidated Net Business Profits = Consolidated Gross Profits - G&A Expenses (excl. Non-Recurring Losses) + Equity in income from investments in Affiliates and certain other consolidation adjustments

Net Income Attributable to FG: Profit Attributable to Owners of Parent

2 Banks: Aggregate figures for BK and TB on a non-consolidated basis

(Figures of BK up to 1Q FY2013 are simple aggregate figures of Mizuho Bank and Mizuho Corporate Bank before the merger in Jul. 2013)

Group aggregated: Aggregate figures for BK, TB, SC, Asset Management One and other major subsidiaries on a non-consolidated basis

Company managerial basis: Managerial figure of the respective in-house company (managerial figures based on results of former business units up to FY2015)