
MIZUHO IR Day 2017

June 19th 2017
Mizuho Financial Group

Forward-looking Statements

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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.

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)

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Independent Outside Director

**Chairman of the Board of Directors
Hiroko Ota**

➤ Complete implementation of in-house company system

➤ Reformation of cost structure

A discontinuous approach to cost structure, reformation of business process

➤ Clarification of business portfolio

Clarify areas of streamline, and invest resources in focus areas

➤ Fundamental Reformation of HR management

End the points-off evaluation system and the seniority system,
and eliminate “failure to act” behaviors

Effects of In-house company system

- Clarification of profit responsibility
- Employ strategies between banking, trust and securities
- Speed up decision making

(Points to address: Strengthening company functions together with the reformation of head office)

Has profitability improved?

- Shift from streamline to focus areas
- Reformation of cost structure

Clarification of business portfolio

➤ Progress of methods

1. Product analysis (Qualitative+Quantitative)
2. Customer segment analysis (Qualitative+Quantitative)
3. Mapping 1 and 2 - Verifying correlation

⇒ Reflect in FY17 Business Plan

➤ More clarification required

- Responding to the challenging business environment
- Manage energy to create new business (ex. digital innovation)

Fundamental Reformation of HR and expenses

- **Mid-term Reformation Program aiming the next 10 years**
 - Business process after transition to the Next-Generation IT Systems, personnel structure
 - Business process making use of ICT, personnel structure
 - Reform of branches (organization・personnel, operations, face-to-face channel/digital channel etc.)
 - Long-term IT investment
 - Long-term personnel plan, personnel system, etc.
- **Schedule**
 - Discussion of each topic by BOD from summer onwards and actual basic plan in autumn
 - Start implementation from FY18 business plan, aim for realization in next mid-term business plan

Challenges for FY2017

1. Strengthening profitability

Achievement of mid-term business plan results, effects of in-house company system, growth strategy (investment in growth through strengthening business portfolio)

2. Reformation of Cost Structure

Operational Excellence

Formulate plan for Fundamental Reformation of HR and expenses

3. Continue accelerating HR reformation

4. Revision of performance evaluation

<C> of PDCA (based on improvement of management accounting)

Initiatives towards strengthening governance

- Evaluation of BOD effectiveness (self-evaluation, third party evaluation)
 - Off-site meeting. Increasing visits to front-line
 - Enhance quality of BOD
- Engaging with investors
 - On authority to determine dividends

What is Mizuho's Vision?

The Retail and Business Banking Company

1. FY2016 Review and the FY2017 Management Policy
2. Results of the “One Mizuho” Strategy
3. Revisiting Branch Strategy
4. Mizuho’s Retail Business Model

FY2016 Review and the FY2017 Management Policy

Basic Policy

Mizuho is a financial services consulting group that combines banking (BK), trust banking (TB), and securities (SC) services.
We are committed to providing tailored solutions to meet our customers' needs by maintaining a customer-focused perspective.

We are taking steps to further enhance our retail business as a leader in providing banking, trust banking, and securities services.

Start	FY16	FY17-
Began sharing customer information and products between MB, TB, and SC	Introduced the in-house company system	Further enhanced the retail business model for BK, TB, and SC
<ul style="list-style-type: none"> Released ban of introductions among financial institutions (the former Financial Instruments and Exchange Act) 	<ul style="list-style-type: none"> Exchanged employees between entities Responsible for bottom-line profits 	<ul style="list-style-type: none"> Optimize distribution of employees, costs, and assets among sub segments Regional strategies and digital innovation

FY16 Review and FY17 Business Policy

FY2016 Review

Despite the harsh business climate including factors such as negative interest rates, we made some progress related to increasing profits from non-interest income.

FY2017 Policy

In order to achieve our new medium-term business plan, we are promoting a fundamental structural reform to enhance the unification of BK, TB, and SC, and complete our retail business model.

Important Tasks

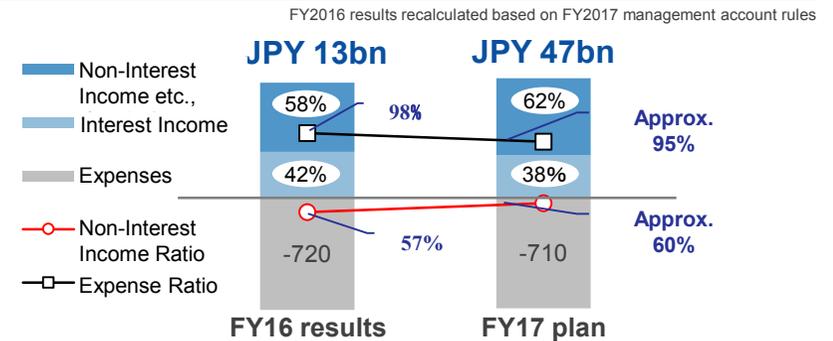
- Enhance strategy to unify BK, TB, SC
- Shift from savings to investing and asset building
- Support growth strategies for small to medium enterprises
- Review sales channels and find new business opportunities
- Improve cost structure

An important year for making progress towards our business model reform

1. Created using each company's financial results
2. Created using CAPITAL EYE based on large financial institutions. Excludes REITs and global offerings.
3. Created using disclosed materials from each company. Excludes REITs, ETF, and global offerings.

Net Business Profits

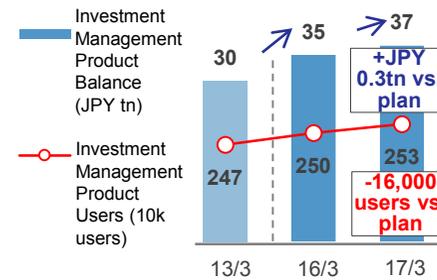
Group aggregate, after HO expenses



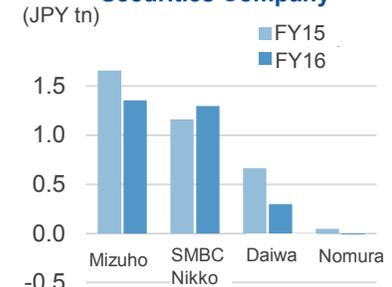
KPI

Rounded numbers, group aggregate, based on internal management

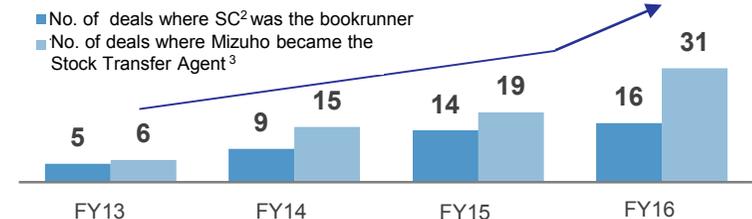
Balance of Managed Investment Products and Number of Users



Inflow of client assets at each Securities Company



IPO-related Business



One Mizuho Strategy (1) Shift from Savings to Investment and Asset Building

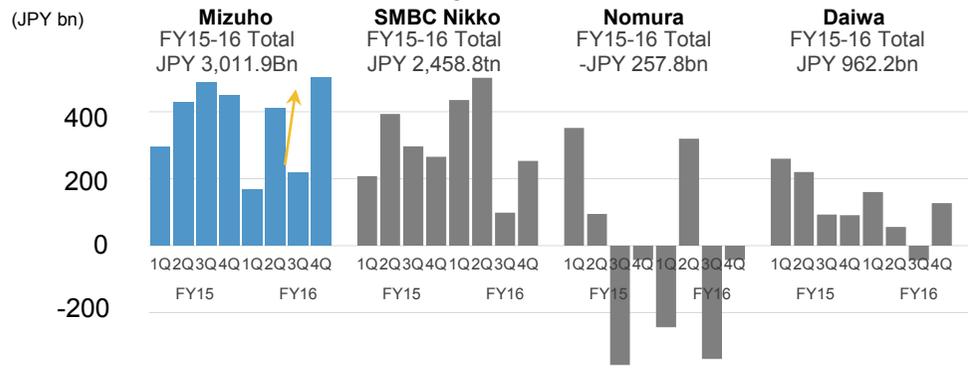
Reviewing FY16

It was a difficult year due to the market environment, but we saw positive effects from our strategy of providing consulting services by unifying BK, TB, and SC.

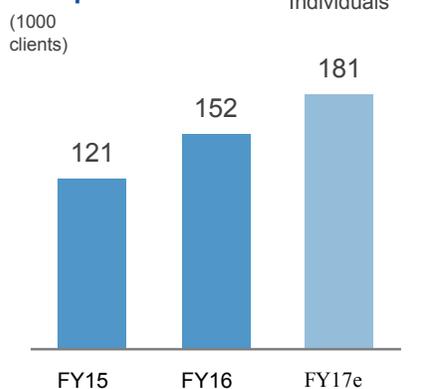
Synergies between Banking and Securities Entities

- We are differentiating ourselves from other large independent securities companies by increasing collaboration between our banking and securities entities.
- Meanwhile, there is a lot of opportunity to encourage clients to make investments with the large amount of accumulated bank deposits.

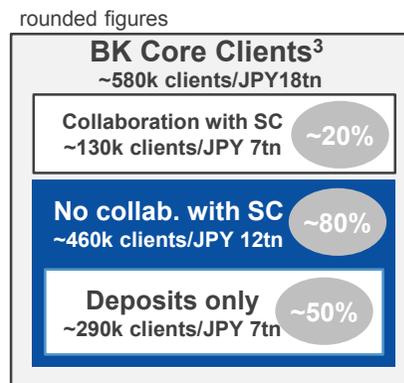
Inflow of Client's Assets¹



Group-wide Clients²



Collaboration between BK and SC

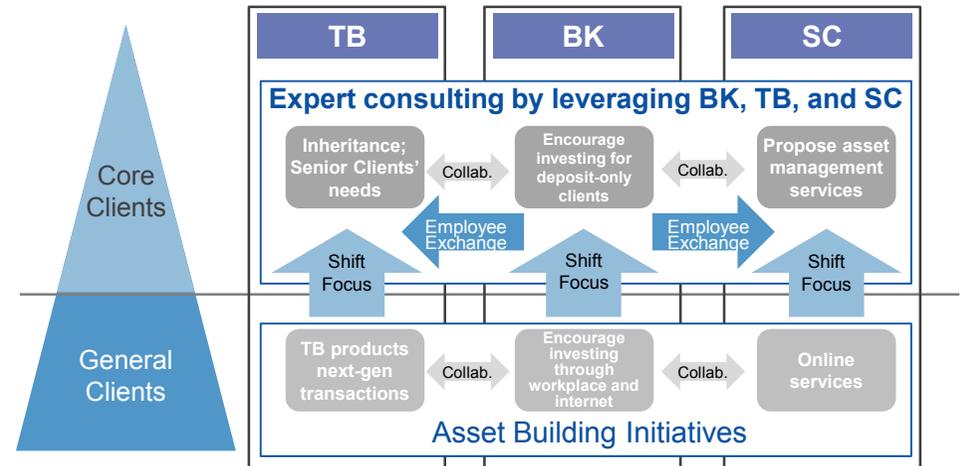


FY17 Business Policy

To improve our consulting services, we will leverage the strengths of BK, TB, and SC entities and improve our initiatives geared towards clients who are new to investing.

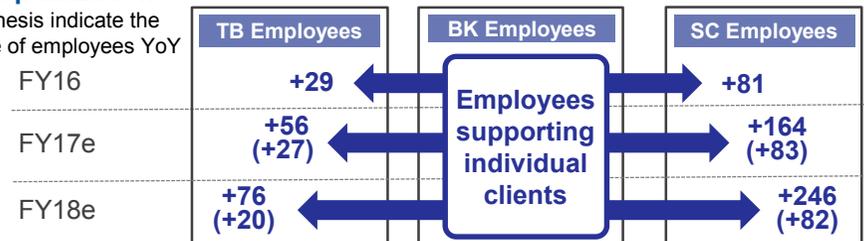
Consulting Services Leveraging BK, TB, and SC Entities

- Improve collaboration between entities by exchanging employees.
- Continue to promote the "client-first" initiative.



Employee Exchange and Optimization

*Parenthesis indicate the increase of employees YoY



Use a one-to-one marketing approach to meet individual client needs and prioritize what is best for the client.

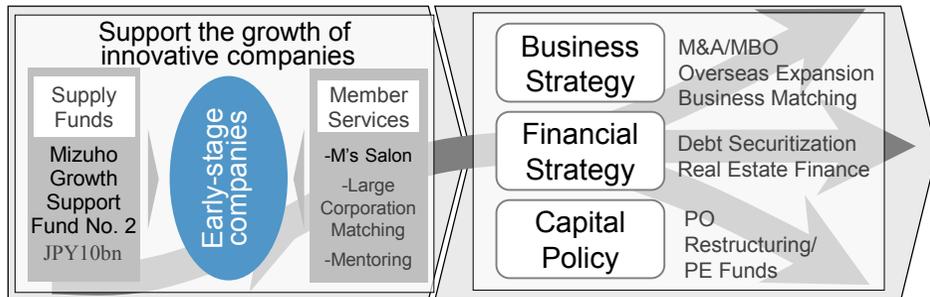
One Mizuho Strategy (2) Supporting Corporate Client's Growth Strategies/Area One Mizuho Project

Providing Solutions in Line with Corporation Growth Phases

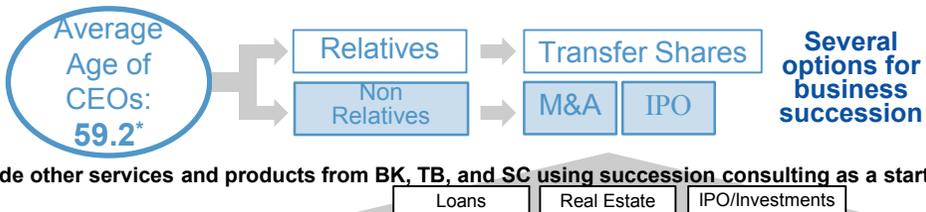
Support growth strategies using BK, TB, and SC expertise

Establishment and Growth Phase

Maturity and Transition Phases

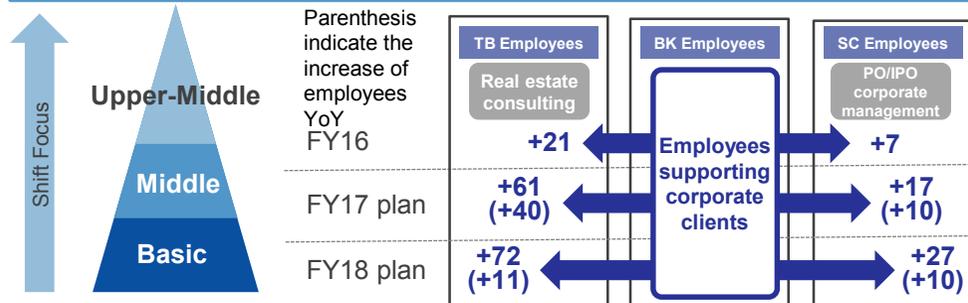


Differentiating ourselves through our Business Succession Consulting Services



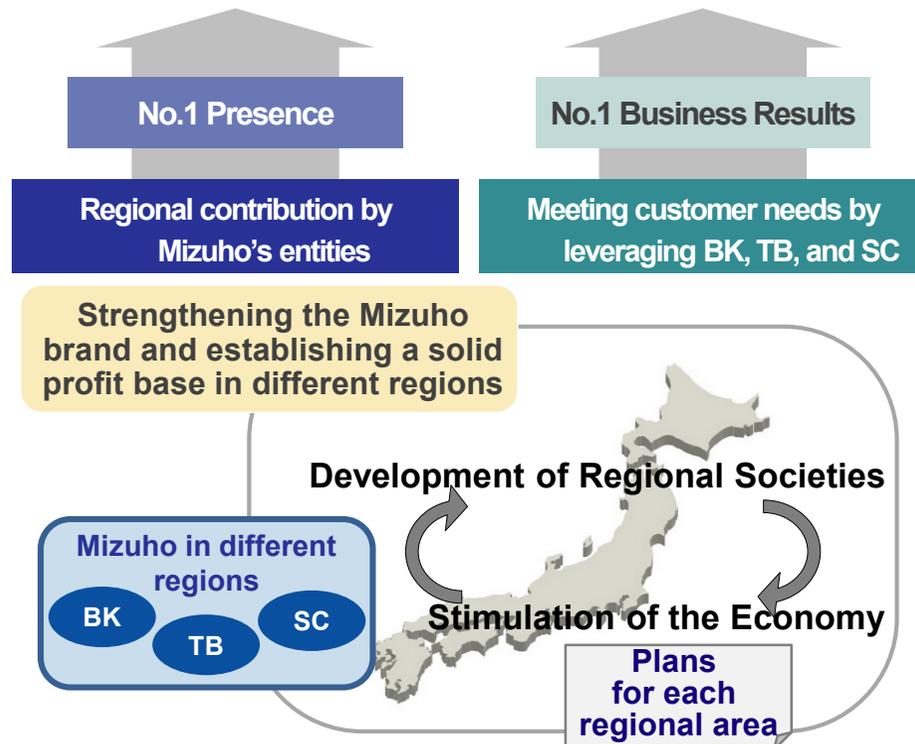
Provide other services and products from BK, TB, and SC using succession consulting as a starting point

Shift Resources to Specific Segments and TB/SC



Area One Mizuho Project

Becoming an invaluable partner to our customers, the economy, and society



Implement a system to manage ROE by area

- Implement benchmarks to monitor regional area strategies for each entity.
- Maximize profits by identifying specific area characteristics.

Revisiting Branch Strategies

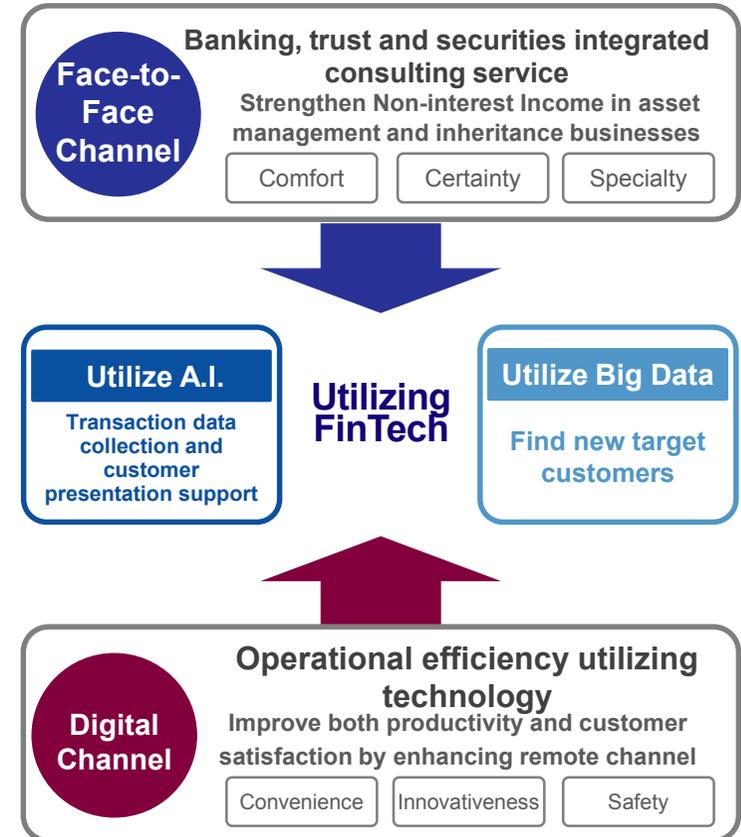
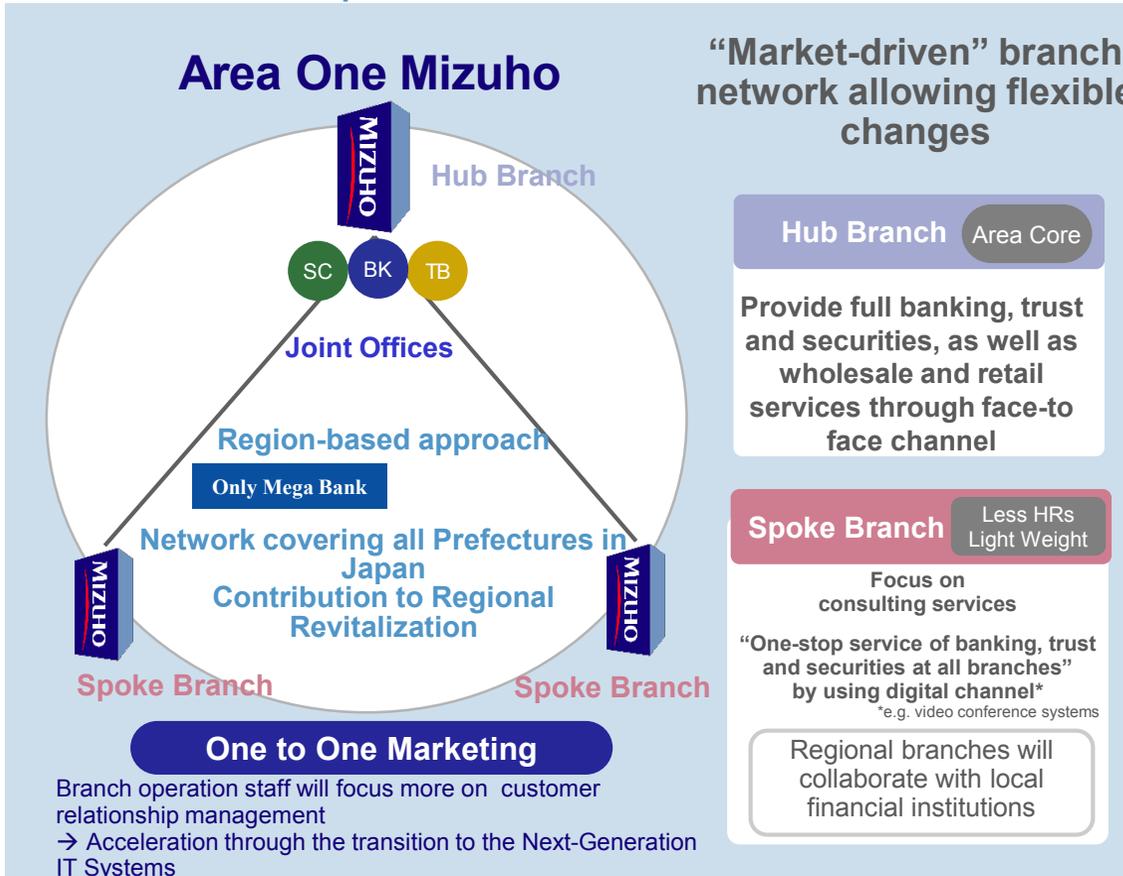
Hub-and-Spoke Model on a Banking, Trust and Securities Integrated Basis



Harmonized Omni-channel

Integrate approx. 800 BK/TB/SC branches* into approx. 120 areas and establish a “hub-and-spoke” model

Promote differentiation strategies utilizing Fin-Tech

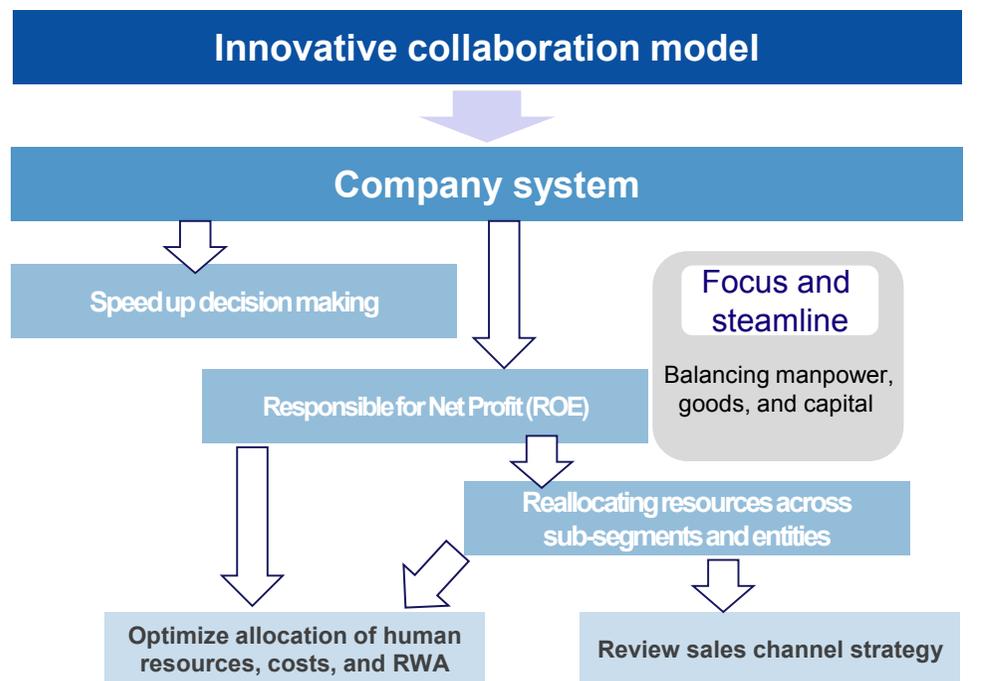


Improve Customer Service and Reduce Costs

Mizuho's Retail Business Model

- We will improve our retail business model for BK, TB, and SC through reorganization based on our company system.
- We will fine-tune our strategy in light of future environmental changes and then implement this strategy within the entities.

Strategy Unifying BK, TB, and SC



Structural reform across BK, TB, and SC based on sub-segment customer needs and the progression of technology

It will be a challenge to quickly implement this strategy

The Future of Mizuho's Retail Business

Use technology to improve customer convenience and create new business

Start of Japan's first AI Credit Score/Lending Business

Plans to begin service in September 2017

Receive loans using smartphone application
 Confirm personalized loan conditions at any time
 Improve credit score by providing additional

Corporate account online reception **Online mortgages**

Corporate Account Online Reception Fast internal reviews and account opening Receive a loan without ever leaving home

Shift employees to handle more complex operations

Improve consulting services through optimizing efficiency

End Result: One to One consulting using the expertise of BK, TB, and SC

Corporate & Institutional Company

- 1. FY2016 Review and the FY2017 Management Policy**
- 2. Response to the Impact of Negative Interest Rates**
- 3. Initiatives for Business Model Transformation**
- 4. Selection & Concentration and Initiatives for Operational Excellence**
- 5. Initiatives to Reduce Cross-Shareholding**
- 6. FY2017 Key Strategies and the Prospects for the FY2018 Plan**

FY2016 Review and the FY2017 Management Policy

FY2016 review and the FY2017 management policy

FY2016 Review

Summary

- Both top- and bottom-line profits achieved the plan.
 - The impact of negative interest rates was offset by non-interest income, primarily large-amount M&A deals, leading to a year-on-year profit increase.
- Cross-shareholding has been steadily decreasing.
 - A reduction plan until the end of FY2016 was achieved ahead of schedule.

Issues

- Further reinforcement of SC and TB businesses that serve as drivers for increasing top-line profits
- Efficient use of asset capital

FY2017 Policy

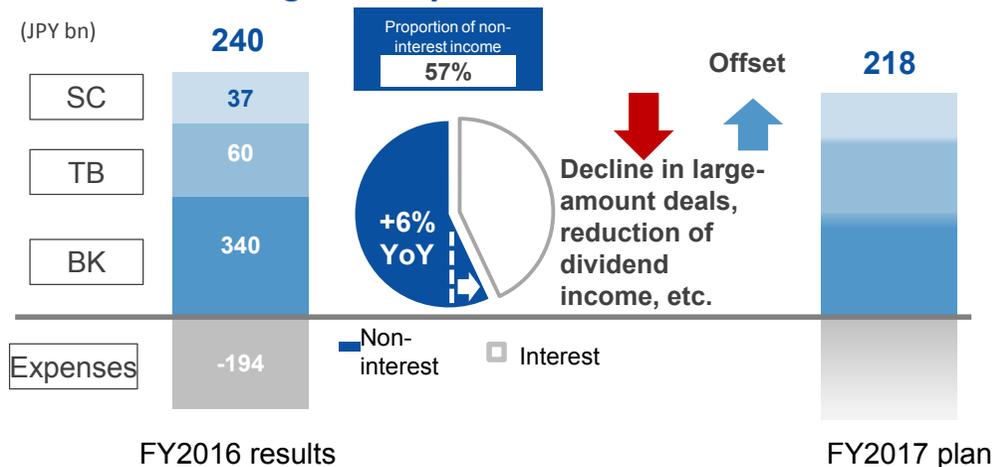
Establish a management base that enables the “establishment of an overwhelming advantage in the corporate and institutional sector”

- Clarify areas for streamlining and efficiency-increasing and flexibly allocate management resources in focus areas based on a business portfolio analysis.
- Strengthen asset control with a focus on large-amount borrowers.

Net Business Profits

Group aggregate, after HO expenses
FY2016 results recalculated based on FY2017 management account rules

Record profits were achieved in FY2016. Non-interest income also increased significantly.



KPI

		FY2016			FY2017
		Plan	Result		Plan
1	DCM ¹ (Domestic straight bonds)	1st	1st	👑 No.1	1st
2	ECM ² (Total equity underwriting worldwide)	3rd	4th	↓	3rd
3	M&A ³ (Domestic and foreign/no. of deals)	1st	1st	👑 No.1	1st
4	M&A ³ (Domestic and foreign/amount)	5th	1st	👑 No.1	5th

1. Underwriting amount basis, condition determination date basis, aggregate of wholesale commercial bills, electric company bonds, and bonds for individual investors (excluding bank bonds and self-offerings) (Source: Prepared by MHSC based on the data of I-N Information Systems)

2. Domestic/foreign equity underwriting amount basis, condition determination date basis (Source: Prepared by MHSC based on the data of Thomson Reuters and I-N Information Systems)

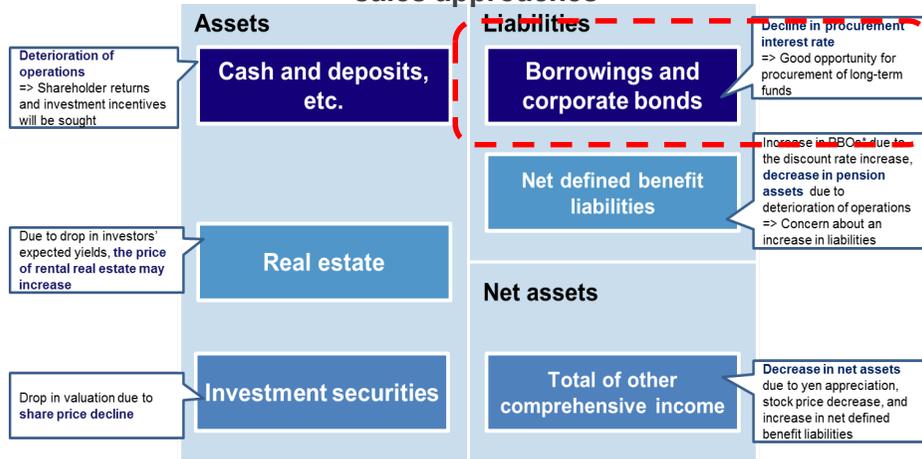
3. Including announced deals related to Japanese companies and deals in which the nationality of the parent company is Japan, excluding real estate deals (Source: Thomson Reuters)

Response to the Impact of Negative Interest Rates

Mizuho successfully offset the impact of negative interest rates through “flexible strategy development” adapting to environmental changes.

Excerpt from 2016 Mizuho IR Day CIC explanatory materials

Impact of negative interest rates on customer B/S and Mizuho’s sales approaches



* Projected Benefit Obligation

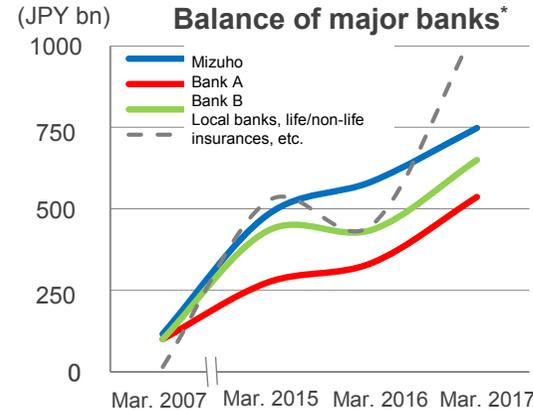
Assumed impact on customers	Sales approach	Major corresponding strategy	Specific initiatives/measures
Decline in procurement interest rates	1 Review of fund procurement methods	Asset rebalancing BK-TB-SC/borderless	• Hybrid finance • Ultra-long-term corporate bonds
Deterioration of operations due to the decline in interest rates	2 Active investment	Asset rebalancing BK-TB-SC/borderless	• M&As, group reorganization • Real estate acquisition, capital/IT investment
Increase in PBOs and the deterioration of operations due to the decline in discount rates	3 Shareholder returns considering the Corporate Governance Code	BK-TB-SC/borderless	• Stock buybacks, recaps • Considering stock-based compensation
Decrease in net assets due to the fluctuation in the stock, currency, and other markets	4 Review of pension strategies	Partnership and collaboration BK-TB-SC/borderless	• Reviewing financial products • Changing the pension scheme (introducing a third corporate pension/DC)
	5 Considering measures to increase net assets	BK-TB-SC/borderless	• Selling assets (real estate, securities) • Selling non-core businesses (carve-outs)
	6	⋮	⋮
	7	⋮	⋮



* Prepared by CIC based on open information, interview, etc.

Hybrid finance of business corporations

Leading market expansion as the top runner since initial days



Recent trends

- Increasing recognition as a **strategic financial product**
- Increasing **demand for underwriting among institutional investors**

In FY2016, the market **rapidly expanded** and the balance **increased by approx. JPY 1.4tn.**
- Mizuho's increase: Approx. JPY 160bn

Subordinated bond financing by leading insurance

MHSC was involved in major bond-issuing in FY2016 as the lead manager.

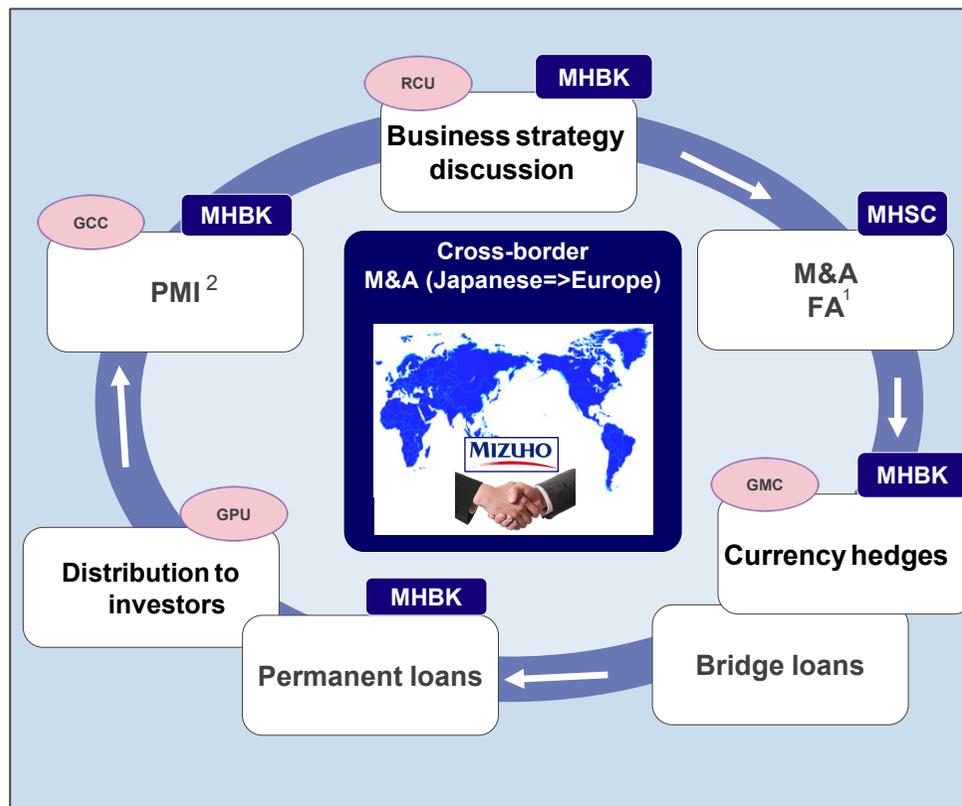
Customer	Form of bond-issuing	Total amount	Status
Company A	Privately placed domestic subordinated bond	JPY 100bn	Lead manager
Company B	Privately placed domestic subordinated bond	JPY 100bn	Lead manager
Company C	USD-based publicly offered subordinated bond	USD 2,500mm	Active book runner
Company D	Privately placed domestic subordinated bond	JPY 200bn	Lead manager
Company E	Life insurance company bond	JPY 100bn	Lead manager

Initiatives for Business Model Transformation

With the introduction of the company structure, initiatives for business model transformation were accelerated.
 - Examples of value chain business deals

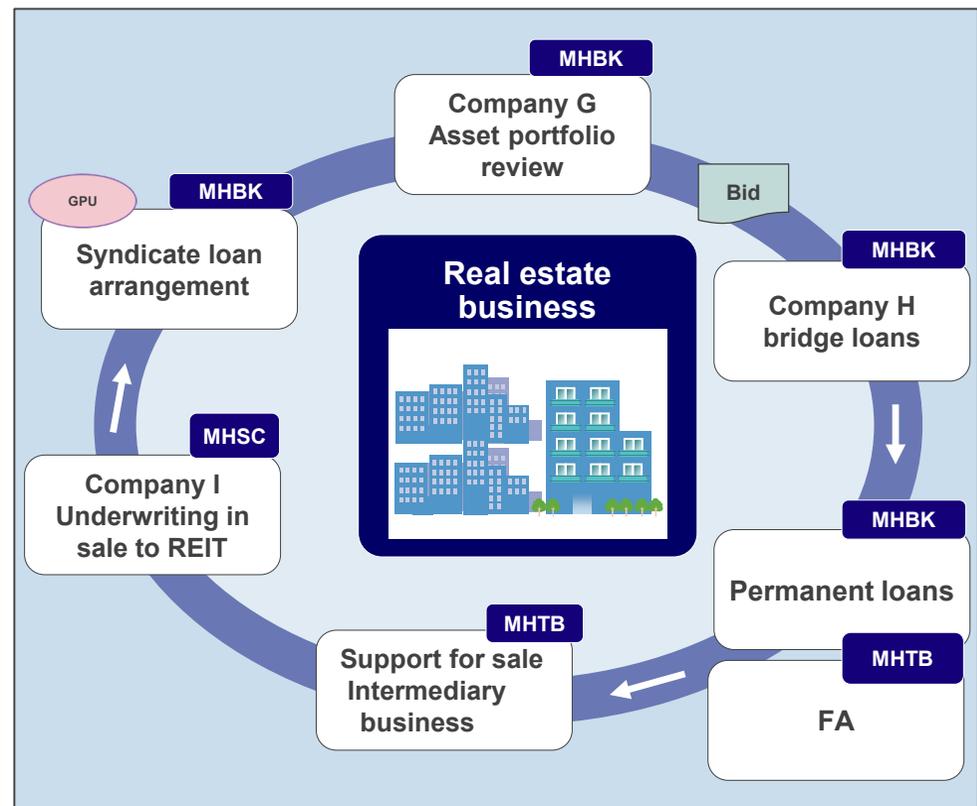
Cross-border M&As

- Company F's acquisition of an overseas company in the same industry (realized five years after starting consideration)
- Collaboration and continuous discussion on growth strategy between Company F's business division and BK's Industry Research Department, resulting in an origination led by Mizuho



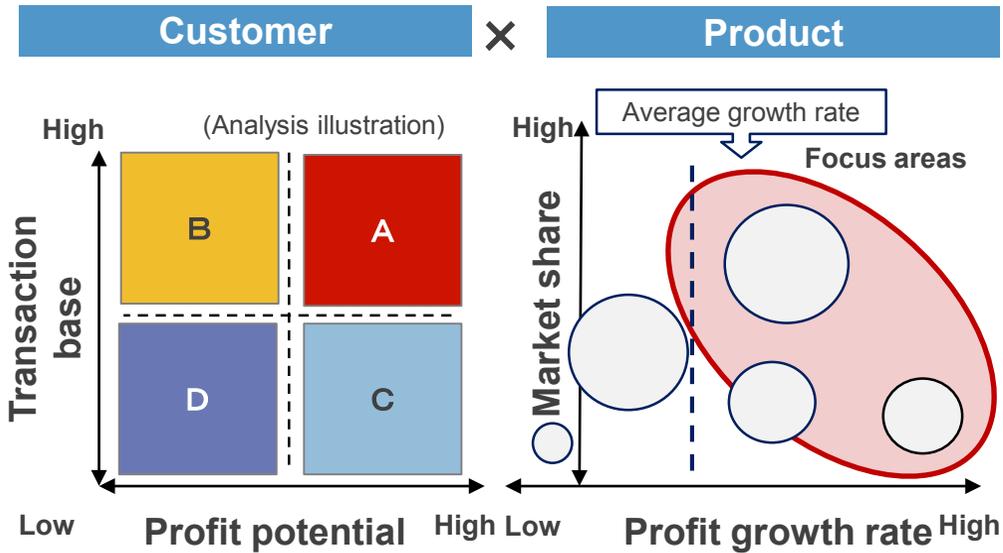
Real estate business

- Company G's asset portfolio review generated various businesses for BK, TB, and SC.
- Mizuho demonstrated group-wide collaborative strength, including Company I's sale to REIT.



Selection & Concentration and Initiatives for Operational Excellence

Selection and concentration through business portfolio analysis

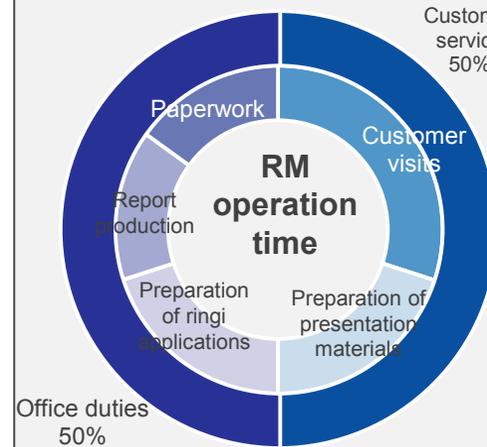


CIC's Operational Excellence

CIC's definition Enhancement of the "ability to execute" to implement strategies

Example Work-style reforms and operational efficiency-raising by BK's RM departments

Results of a work-style questionnaire survey



Typical requests:

- Paperless/electronic documentation
- Sophistication of middle-office operations
- Integration of overlapping operations
- Increase of information vendors
- Support for the preparation of presentation materials
- Sophistication of deal management
- Reduction of meetings

* Respondents: Approx. 500 employees of BK's domestic RM departments (deputy/joint general managers and below)

Customer segment	Resource allocation	Focus and streamlining in business fields	
A	Focus↑	Focus areas	
B	Maintain →	M&A	ECM DCM
C	Select ↑↓	Real estate	PPP/ PFI ¹
D	Increase efficiency↓	Overseas transaction	
		Areas for streamlining and efficiency-increasing	
		Cross-shareholding	
		Low-profitability deals	
		Sales structure	Operational structure

Direction of initiatives

- Increase business efficiency/speed.**
 - Systematize operations and conduct behavior analyses using big data
- Increase the efficiency and productivity of middle-office operations.**
 - Promote outsourcing and utilize RPA² and other technologies
- Comprehend the actual conditions of FG companies.**

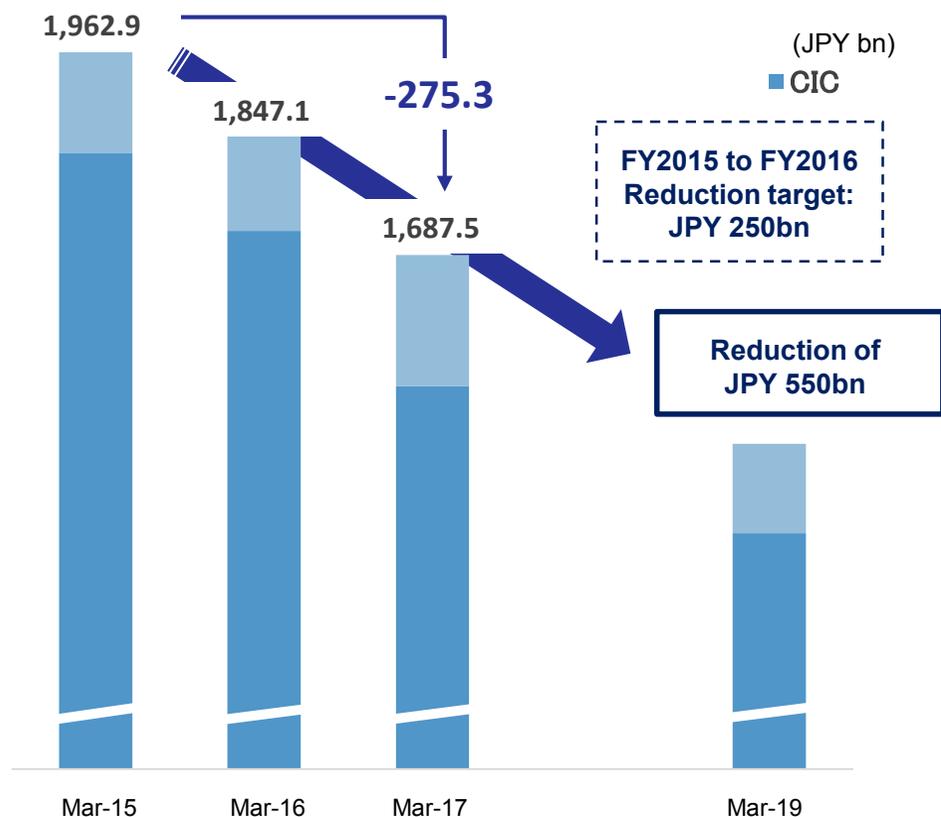
Utilize technology

Initiatives to Reduce Cross-Shareholding

As a result of top management-level negotiations, the externally announced plan was achieved ahead of schedule.

Progress of the book-value reduction plan ^{1,2}

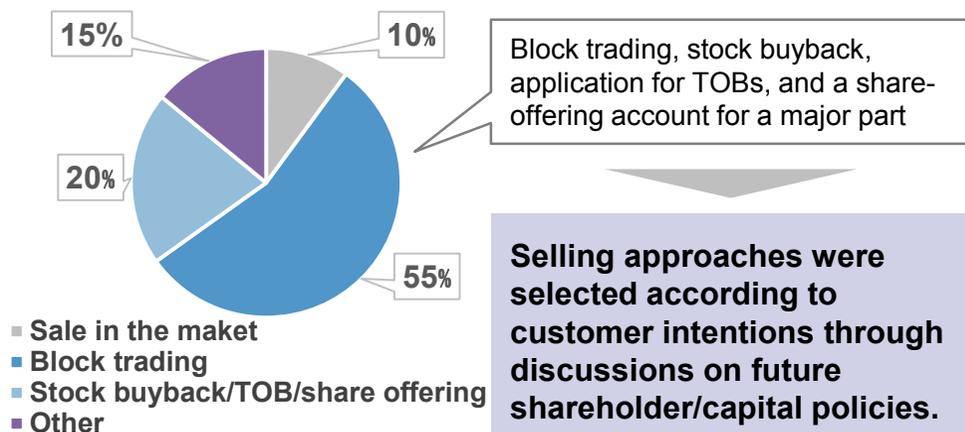
- The CIC is in charge of approx. 90% of FG's total book value.
- The reduction target until FY2016 was achieved ahead of schedule by around JPY 25bn.
- Mizuho steadily reduces the book value as one of its important management issues.



Customer reactions and sale examples ³

- The flow of corporate governance reinforcement is steadily penetrating, and manager sentiment for cross-shareholding is changing.
- Meanwhile, this theme is directly linked to customer capital policies, making it difficult to obtain approval for sale. Careful and patient negotiations at the management level are required.

Percentage of FY2016 cross-shareholding sales by method ³



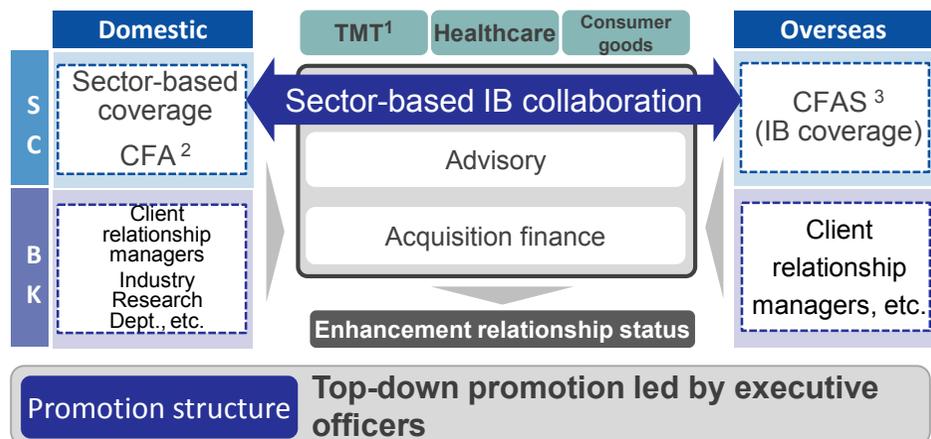
Examples of sales

Company J	Block trading	Increasing individual shareholders
Company K	Share offering	Rebuilding shareholder structure
Company L	Stock buyback	Utilizing surplus funds and increasing ROE

FY2017 Key Strategies and the Prospects for the FY2018 Plan

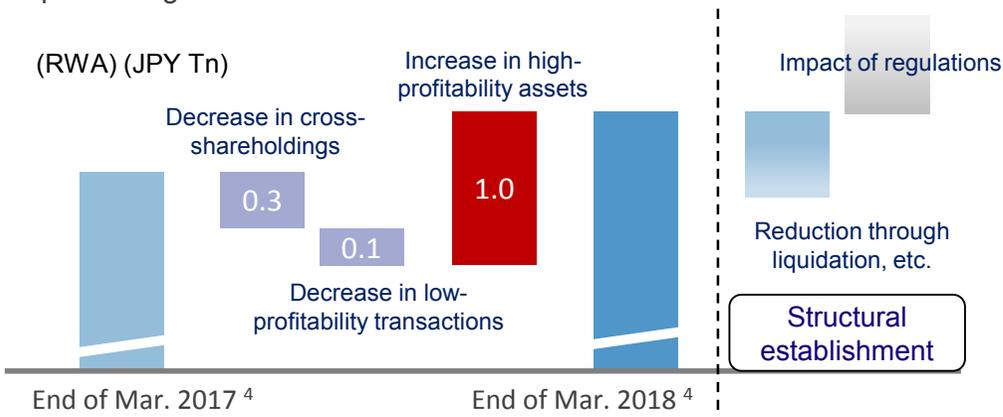
Establishing a sector-based global sales structure

Capture the dynamism of global industry activities on a top-down basis.



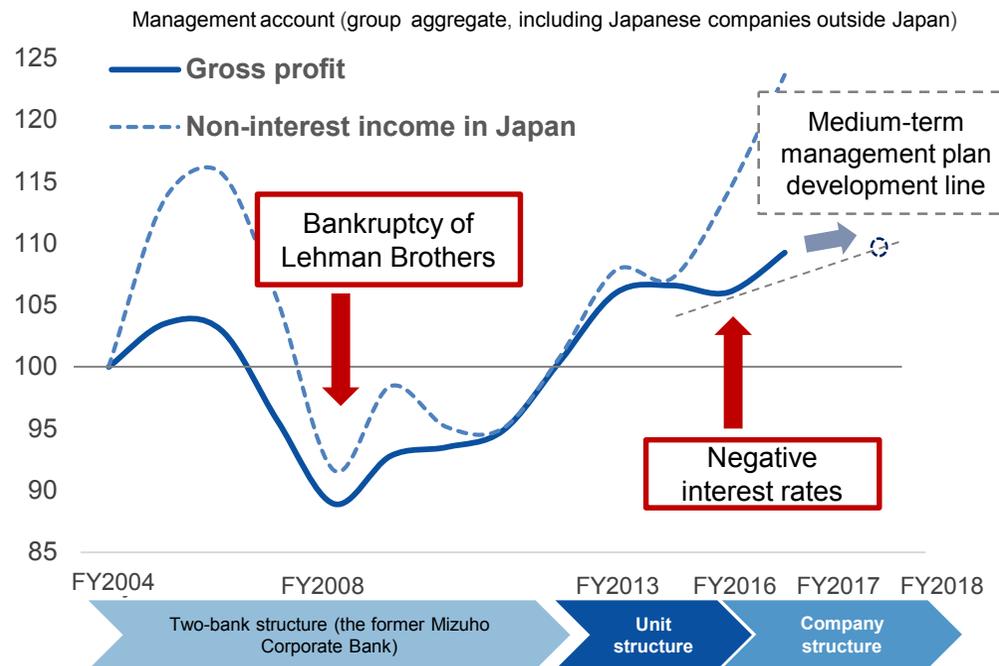
Initiatives for asset control

Implement asset control considering asset efficiency. Establish a reduction framework through liquidation, etc., considering the impact of regulations.



Roadmap to achieve the FY2018 plan⁵

Top-line profit and non-interest income are increasing on a long-term basis. Particularly, FY2016 growth was outstanding, considering environmental factors such as negative interest rates.



- **FY2017 top-line profit is expected to decrease year-on-year due to a decrease in large-amount deals and dividend income. However, the FY2018 plan is achievable.**
- **Bottom-line profit and ROE plans are also achievable by reducing cross-shareholdings, in addition to initiatives for Operational Excellence and asset control.**

Global Corporate Company

1. **FY2016 Review and the FY2017 Management Policy**
2. **Key Strategy 1: Restructuring the Business Portfolio**
3. **Key Strategy 2: Cross-sales (1) Securities Products**
4. **Key Strategy 2: Cross-sales (2) Transaction Banking**
5. **Key Strategy 3: Strengthening the Business and Management Base**

FY2016 Review and the FY2017 Management Policy

FY2016 Review and FY2017 Policy

FY2016 Review

- In the first year of the medium-term business plan, started reshuffling business portfolio and categorizing assets in terms of profitability
- Securities business achieved good performance due to the expansion of the customer base and increased market presence of Mizuho, which resulted from the strong US economy and robust bond markets anticipating interest rate hikes
- Enhanced business infrastructure of transaction banking

FY2017 Policy

- Need to **accelerate shift to high-profitability assets** and maximize asset efficiency through cross-sales with **securities and transaction banking products**, given the tighter restrictions on RWA and non-JPY liquidity
- In order to **sustain growth amid the difficult environment**, we will continue to make efforts to enhance cost control, pursue operational excellence, secure non-JPY liquidity, etc., which are essential for strengthening our business and management base

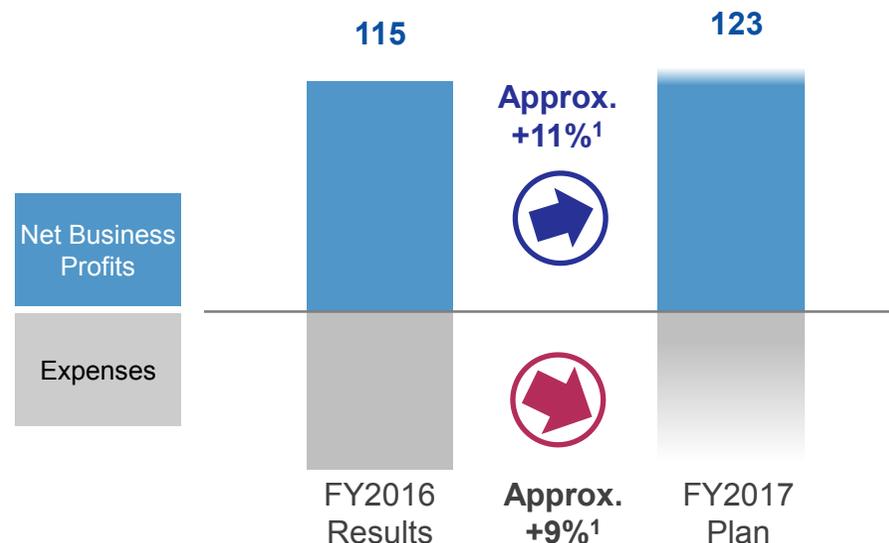
1. Restructuring business portfolio
2. Promoting products cross-sales
3. Strengthening business and management base

Net Business Profits

Group aggregate, after HO expenses

(JPY bn)

FY2016 results recalculated based on FY2017 management account rules



KPI

		Results	Plan
		Change from FY15 to FY16	Change from FY15 to FY18
1	Non-interest Income outside Japan* ²	- 3.8%	+ 30%
2	US DCM League Table* ³	9th	Top 10
3	Non-JPY Deposits* ⁴	+ 18%	+ 10%

Key Strategy 1: Restructuring the Business Portfolio

Shift to High Profitability Assets

- Downsize low-profitability assets and low-liquidity assets, such as super long-term debts
- Shift assets to Global 300 and other high-profitability segments

FY2016 Results

RWA

Rounded figures, GCC management basis

	Low-profitability Assets	High-profitability Assets
Non-Japanese	- JPY 300bn	+ JPY 380bn
Japanese	- JPY 130bn	+ JPY 85bn
Project Finance	- JPY 100bn	+ JPY 50bn

FY2017 Plan

RWA

Rounded figures, GCC management basis

	Low-profitability Assets	High-profitability Assets
Non-Japanese	- JPY 120bn	+ JPY 350bn
Japanese	- JPY 130bn	+ JPY 70bn
Project Finance	- JPY 60bn	-

Focus Strategy for NJP Business

- Achieve high profitability by exploring business opportunities beyond lending, such as DCM, ECM and M&A

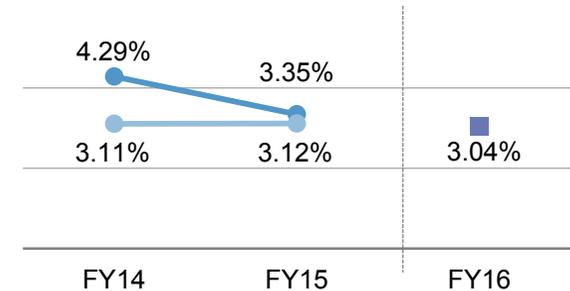
Global 300 Profitability*

RORA

Super 30

Super 50

Global 300



Net Business Profits

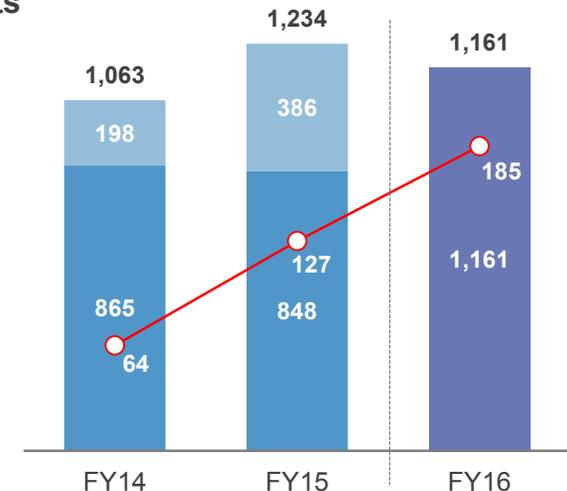
(USD mm)

Super 30

Super 50

Global 300

○ Securities-related



Key Strategy 2: Cross-sell (1) Securities Products

Securities Products

- Enhance sector-based approach leveraging Corporate Finance Advisory and Solutions (CFAS) team in the Americas, EMEA and Asia, addressing customer needs in terms of both business and financial strategies
- Maintain and further improve presence in DCM in the Americas, especially in USD-denominated bonds, leveraging it as we seek to strengthen DCM business in Europe, and accommodate the DCM needs in developing Asian capital markets

Role in Major M&A Deals in 2016

Buyer	Industry	Size*	Mizuho Status
1 AT&T	TMT	85	Bookrunner
2 Bayer	Industrial	57	Bookrunner
3 BAT	Consumer	49	Bookrunner
4 ChemChina	Industrial	44	-
5 Qualcomm	TMT	39	Participant
6 SoftBank	TMT	32	Bookrunner
7 CenturyLink	TMT	25	Participant
8 Abbott Lab.	Healthcare	25	Participant
9 21st Century Fox	TMT	15	-
10 Analog Devices	Industrial	14	-

*USD bn

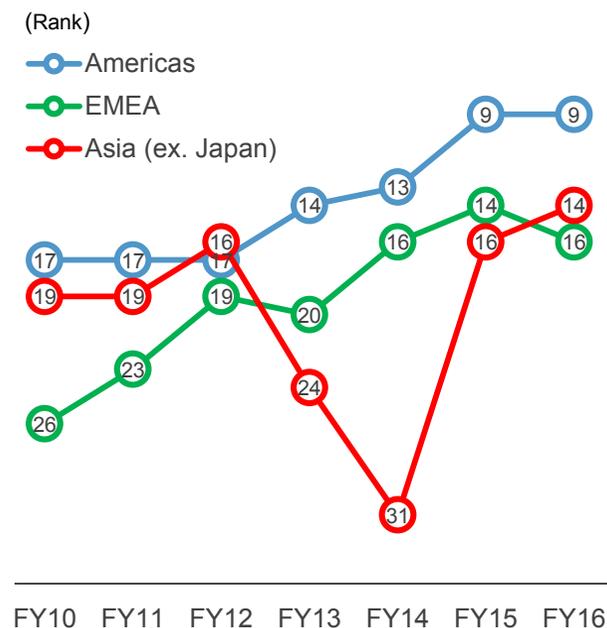
Source: Prepared by GCC based on data from Thomson One (January-December 2016, data as of December 31, 2016). Top-10 deals involving financing.

US Investment-grade Bonds Ranking

Rank	Bookrunner	Share (%)
1	(2) BoA Merrill Lynch	11.6
2	(1) JPMorgan	10.4
3	(4) Citi	8.6
4	(3) Goldman Sachs	7.3
5	(5) Wells Fargo Securities	6.8
6	(6) Morgan Stanley	6.7
7	(8) Barclays	6.3
8	(7) Deutsche Bank	6.2
9	(9) Mizuho	4.8
10	(12) MUFG	3.6

Source: Prepared by GCC based on data from Dealogic (April 2016-March 2017). Bookrunner basis. Bonds worth USD 250mm or more, excluding off-shore issuance.

Investment-grade Bond Ranking



Source: Created by GCC based on data from Dealogic. Bookrunner basis. Bonds worth USD 250 million or more, excluding off-shore issuance (ex-Japan for Asia). USD bonds for the Americas and Asia, USD, EUR and GBP bonds for EMEA.

Key Strategy 2: Cross-sell (2) Transaction Banking

Transaction Banking

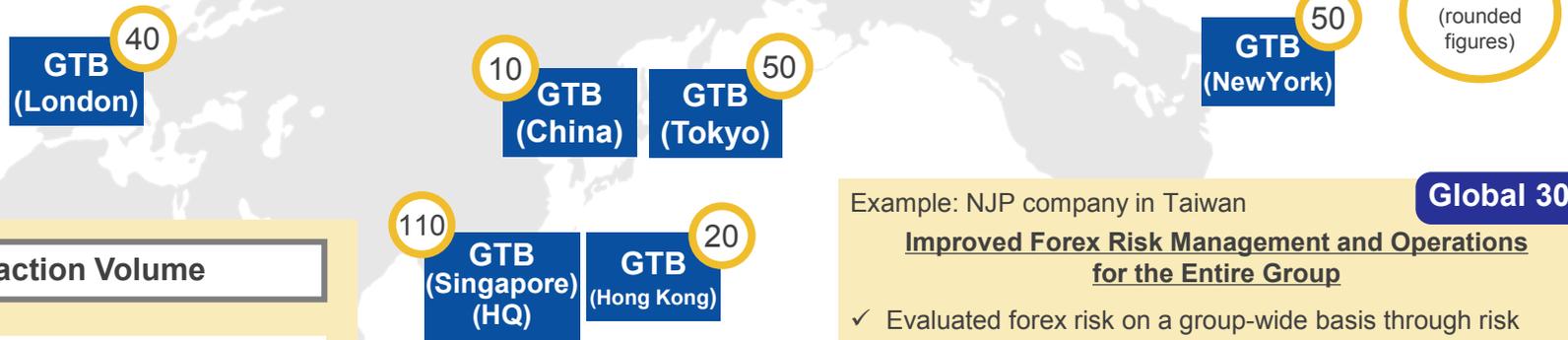
- Strengthen transaction banking by reinforcing products, sales teams and marketing approaches
- Capture Asia-bound trade flows of US or European multinational companies and transaction banking needs of local companies in Asia

Developing Global Transaction Banking (GTB) Network (HQ: Singapore)

Enhance products by developing forex and supply chain finance platforms

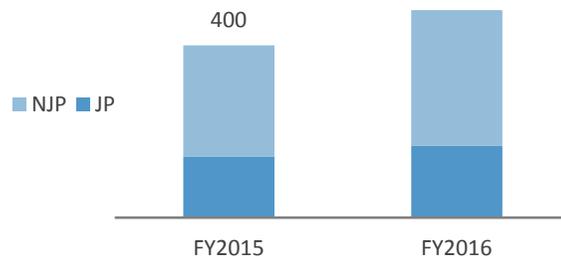
Assign treasury and trade finance experts in each location

Capture trade needs in Asia through collaboration between products specialists and local RMs



Forex Transaction Volume

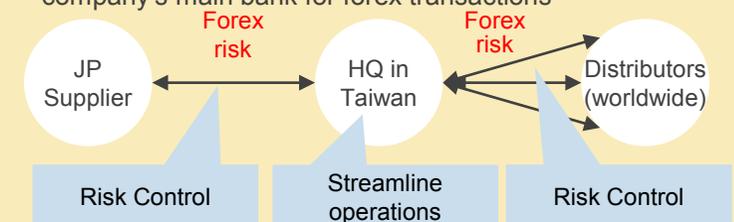
(USD bn, rounded figures)



Example: NJP company in Taiwan

Improved Forex Risk Management and Operations for the Entire Group

- Evaluated forex risk on a group-wide basis through risk consulting
- After providing solutions for improved group-wide forex risk management and operations, Mizuho became the company's main bank for forex transactions



Key Strategy 3: Strengthening the Business and Management Base

Strengthening Cost Control

- Mitigate cost increase due to business expansion seen in past years, through fundamental cost control
- Although costs for responding to tightening regulations are inevitable, rework on the cost structure cutting into ordinary costs is needed

Fundamental Cost Control

(Conceptual illustration)

Enhance cost control

- Minimize headcount increase
- Control non-personnel costs, etc.

Improve cost structure

- Consolidate corporate functions, centralize back-office operations
- Joint purchase ... etc.

FY2017 Growth Rate
+9%*

+3%, excl. regulatory costs

* Excl. the effect of foreign exchange fluctuations

FY12-16 Ave. Growth Rate
+14%

Promoting Operational Excellence

Integrating Administrative Functions across Entities

- Integrating management in US through newly established BHC **Started**
- Planning to integrate management in London and Hong Kong as well

Consolidating/Relocating Back Offices

- Considering consolidating or relocating back-office functions
- Streamlining operations, utilizing new technology

Improve Business Processes through Implementation of the New System

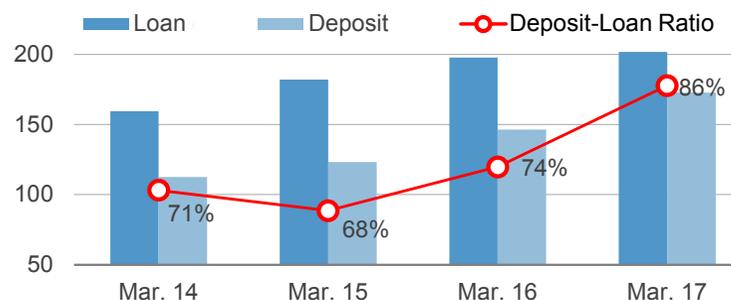
- Cross-regional sharing of information, knowledge and ideas across different regions through intranet system
- Replacing paper-based operations with digitalized workflows **Started**

Securing Non-JPY Liquidity

- Attracting deposits outside Japan as reliable source of non-JPY liquidity amid rising funding costs

Non-JPY Loan and Deposit Balance Outside Japan^{1, 2}

(USD mm)



1. BK including MHBK subsidiaries in China, US, Netherlands and Indonesia. GCC management basis.
2. Including deposits of central banks, etc.

Global Markets Company

- 1. FY2016 Review and the FY2017 Management Policy**
- 2. Governance structure in the GMC**
- 3. FY2017 key strategies (Sales & Trading)**
- 4. FY2017 key strategies (ALM & Investments)**
- 5. Enhancing Mizuho's presence in the global financial market**

FY2016 Review and the FY2017 Management Policy

FY2016 Overview & FY2017 Operation Policies

FY2016 Overview

- Earnings of Sales & Trading business exceeded the target because of high performance of businesses with Japanese customers, and high achievements in Securities business
- ALM & Investments business also earned good return and kept sound portfolio, mainly due to efficient operations based on early warning control and portfolio diversification

FY2017 Operation Policies

Achieve Mizuho's market business model, "Mizuho Way", by pursuing "Customer-Focused" Policy

Key Strategies

- Evolution of Sales & Trading business
- Strengthening business with investors
- Sophisticating portfolio management
- Further utilization of advanced technologies
- Cultivation of market professionals



Operational Excellence

Direction for Global Markets Company

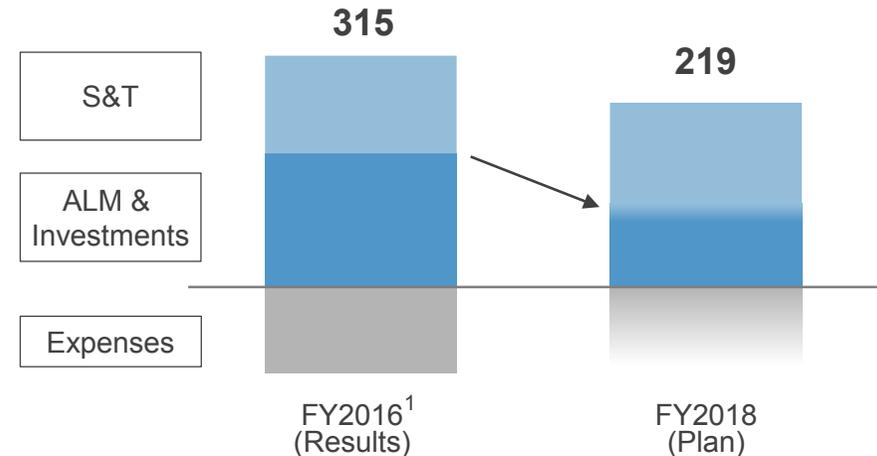
Top-class Global Market Player in Asia

Net Business Profits

Group aggregate, after HO expenses

(JPY bn)

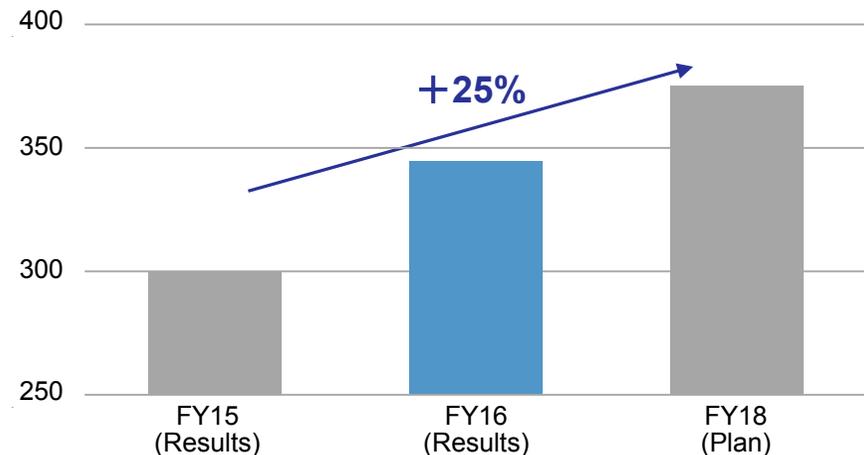
FY2016 results recalculated based on FY2017 management account rules



KPI

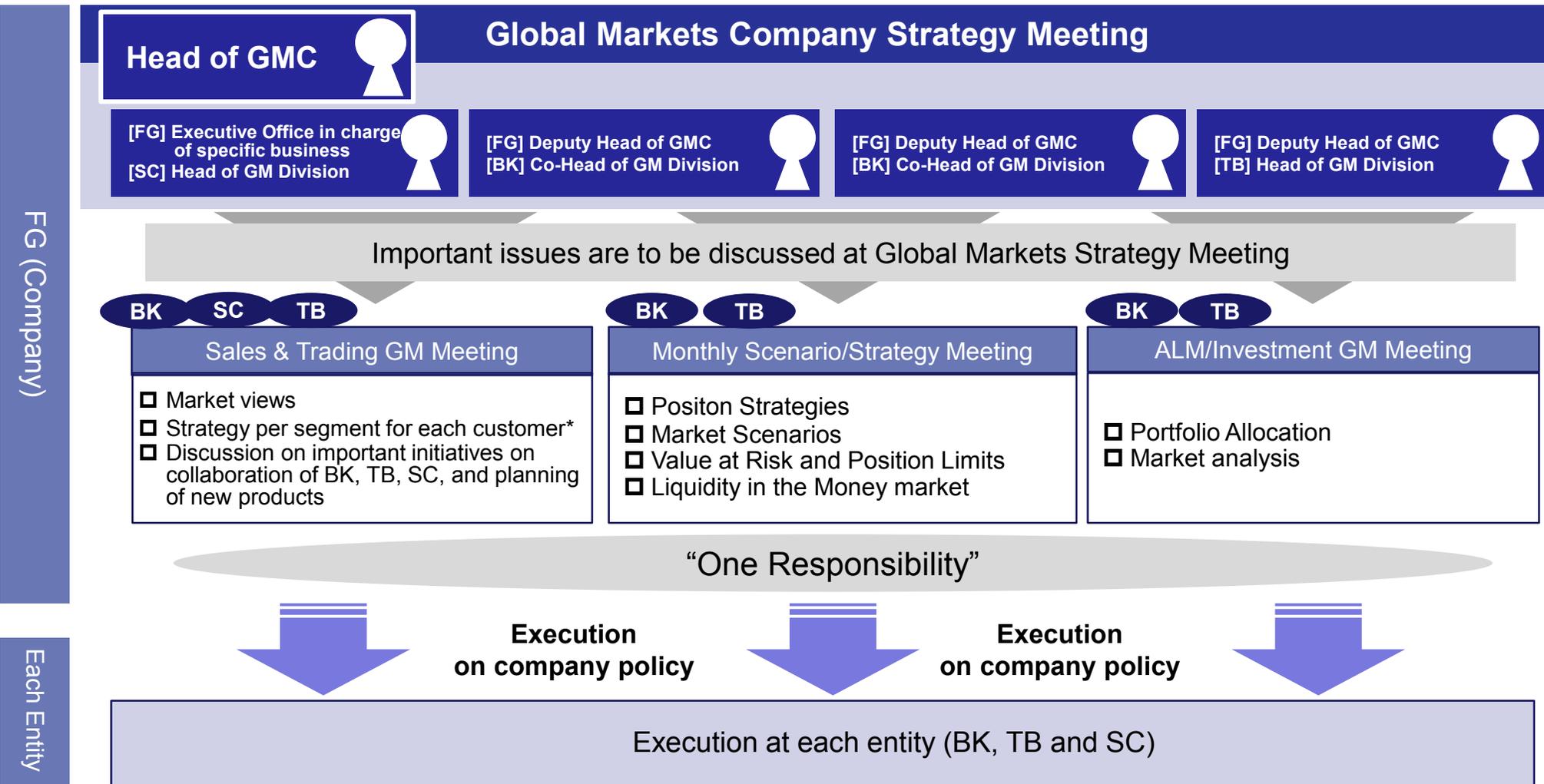
(JPY bn)

Sales & Trading related revenue²



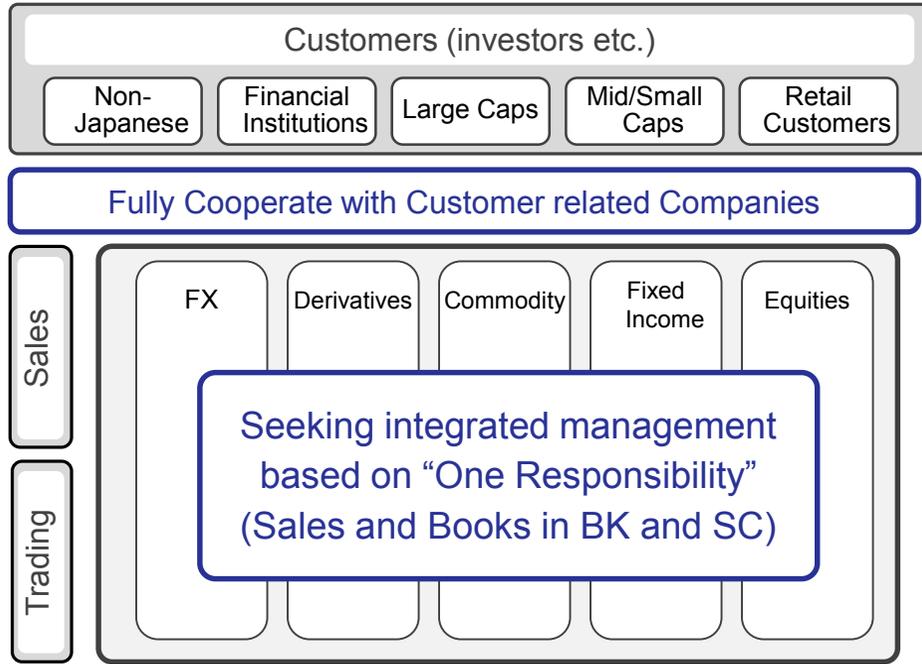
Governance structure in the Global Markets Company

Strength: Fully implement “One Responsibility” Policy among Banking, Securities and Trust Functions under Head of Global Markets



FY2017 Key Strategies (Sales & Trading)

Mizuho's Strength



Optimal Sales & Trading business structures to meet each customer segment / individual customer's needs



Sophisticated ability to provide products & solutions based on experience and expertise

Case1 Global derivatives business structures

Virtually integrated management based on "One Responsibility"

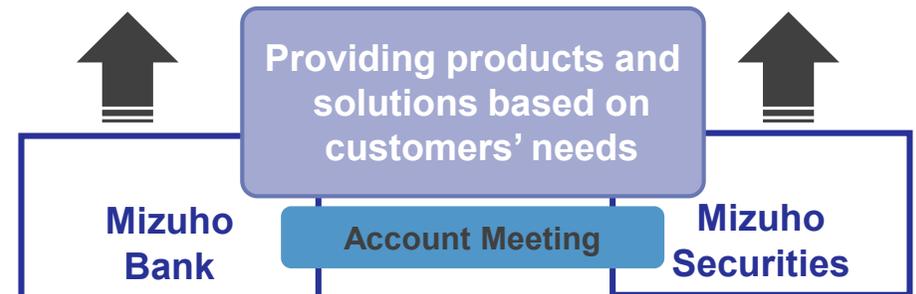
- Adopted optimal Sales & Trading business structures in each region to adjust to financial regulations and respond to supervisory authorities' requirements.



Case 2 Deepening integration between BK and SC

Integrated sales forces in BK and SC for financial institutions

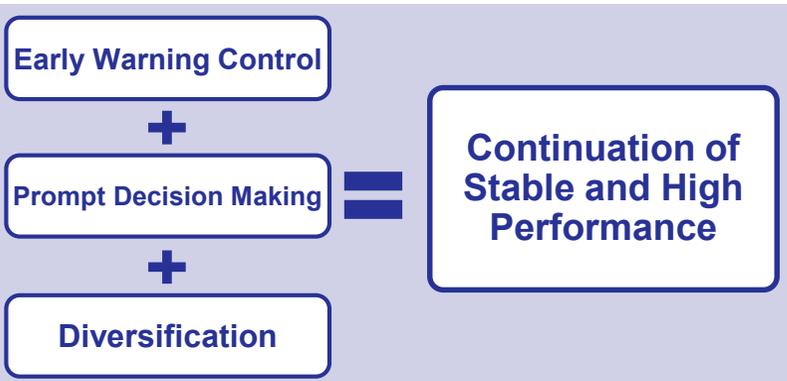
Financial Institutions in Japan (those agreed on their information to be shared between BK & SC)



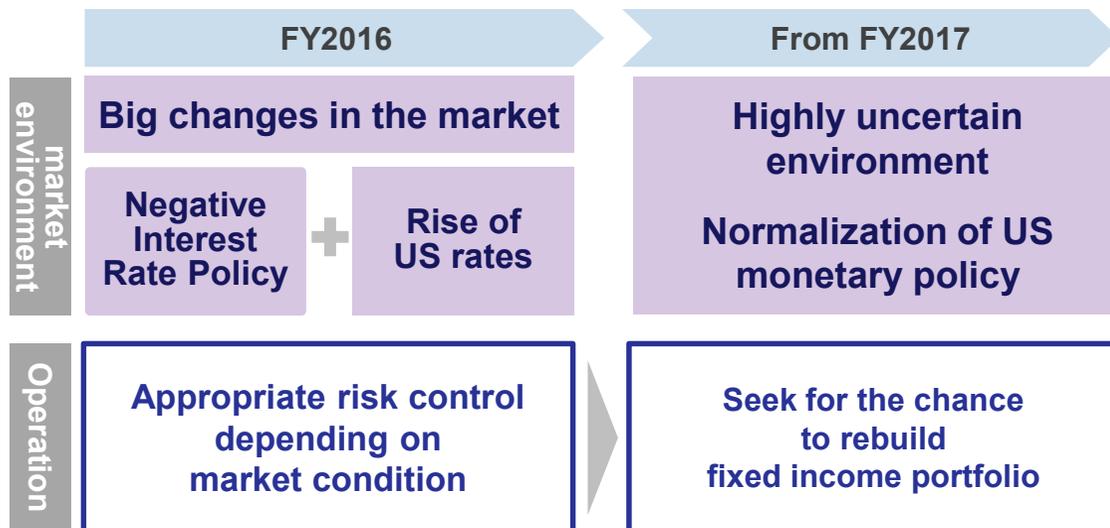
FY2017 Key Strategies (ALM & Investments)

Mizuho's Strength

Optimizing allocation and risk by diversifying portfolio, depending on market environment and view

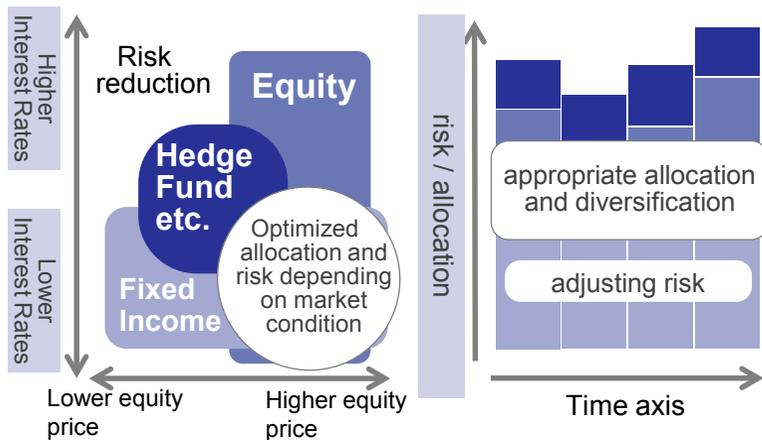


Portfolio Operation Policy



Asset class analysis at each market scenario

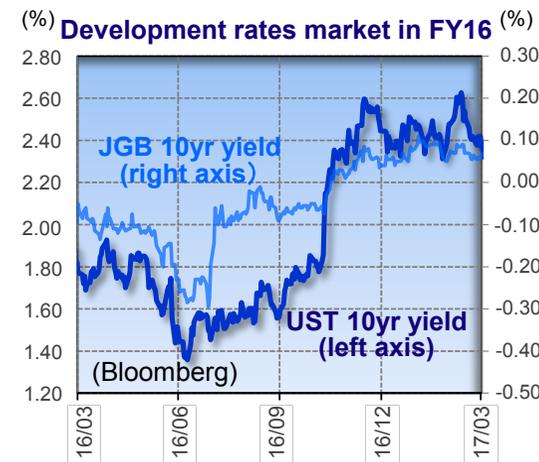
Effective Portfolio



Case: Risk adjustment in FY16

Max/Min position size to FY16 average position

	JGB	Non-Japanese Bonds	Japanese Equity
Max	125%	140%	120%
Min	75%	50%	75%



Enhancing Mizuho's presence in the global financial market

First CVA office in Japan

- CVA (Credit Valuation Adjustment):
Adjustment made to the value derivative transactions to reflect the change in counterparties' credit risk
- Critical for sound development of derivatives market, thus the Basel Committee on Banking Supervision required banks to sophisticate management of CVA
- Mizuho established the CVA office ahead of other Japanese banks. As a frontrunner, we will continue to contribute to sound development of derivatives market



Expansion of share of electronic trades in EUR IG market

- Mizuho International (MHI), MHSC's UK based affiliate, constructed the electronic trade platform for corporate bonds
- MHI gained top-class market share in euro-denominated investment grade corporate bonds in 2016

GMC's Operational Excellence

Case Unification of customer interface systems for IRS

- Amid increasing shares of electronic trades in the interest rate swap (IRS) market, MHSC unified several customer interface systems for IRS
- Brought further convenience to customers and made operations more efficient because of better customer interface and "automated quote feature" to make execution of trade possible within tenths of a second

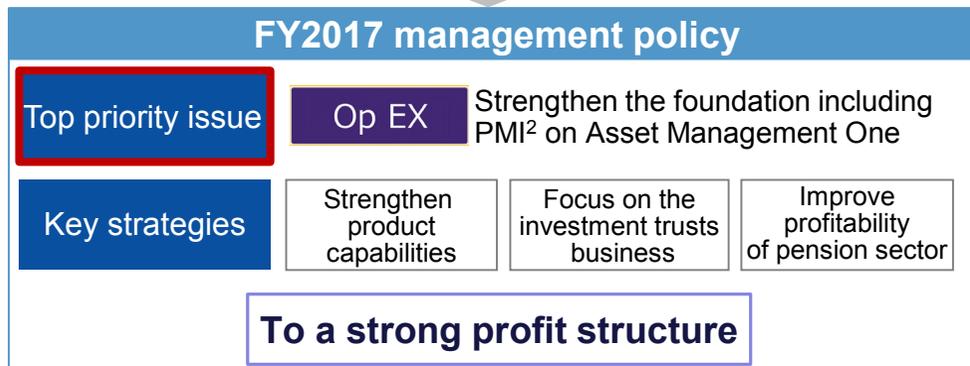
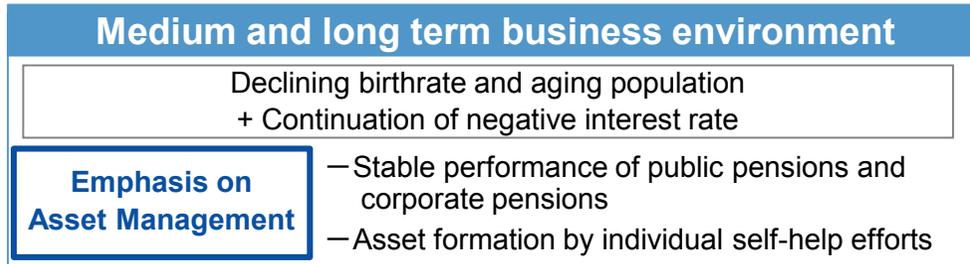
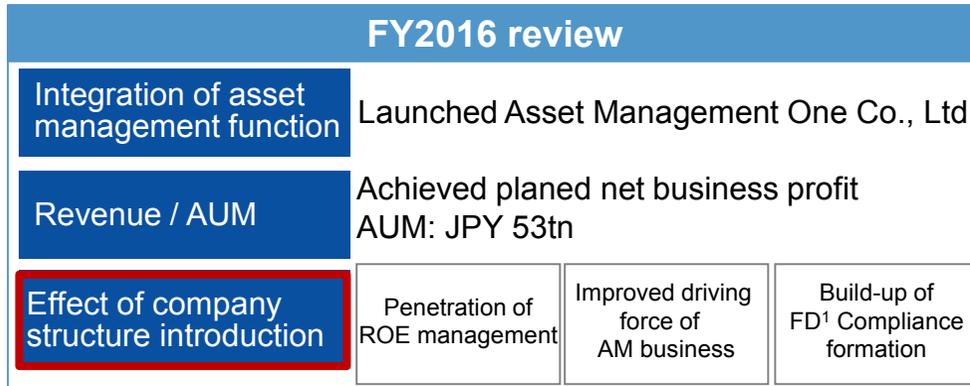
GMC is now accelerating Operational Excellence through eliminating redundant operations, going paperless in back office operations, etc.

Asset Management Company

1. **FY2016 Review and the FY2017 Management Policy**
2. **Growth strategy of Asset Management One**
3. **Achievement after launching Asset Management One**
4. **Revitalizing the flows of financial assets through DC plan**
5. **Key Strategy**

FY2016 Review and the FY2017 Management Policy

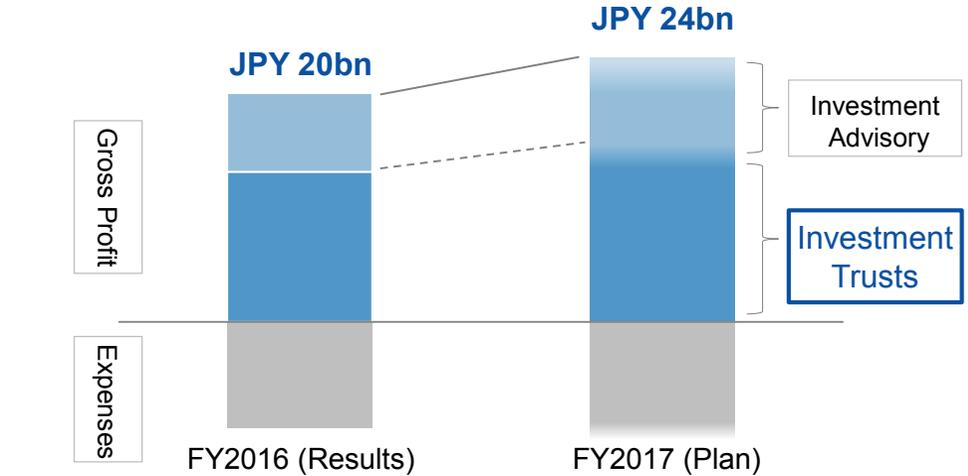
FY2016 review and FY2017 management policy



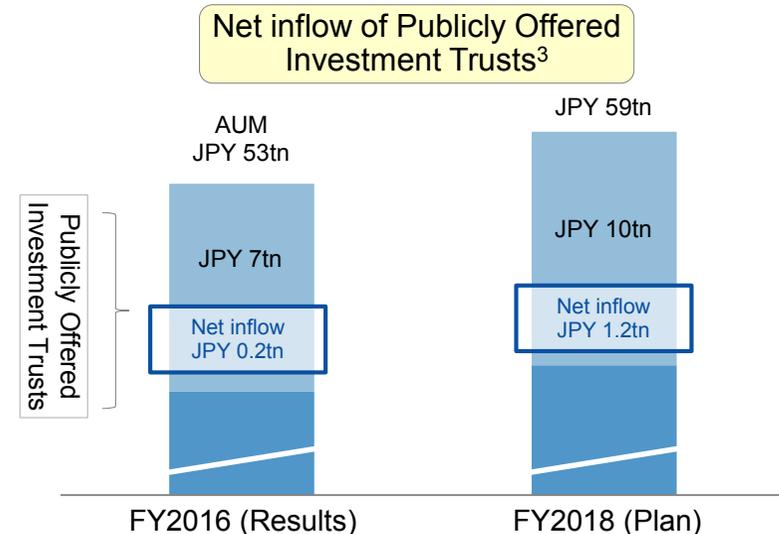
Net business profit

Group aggregate, after HO expenses

FY2016 results recalculated based on FY2017 management account rules

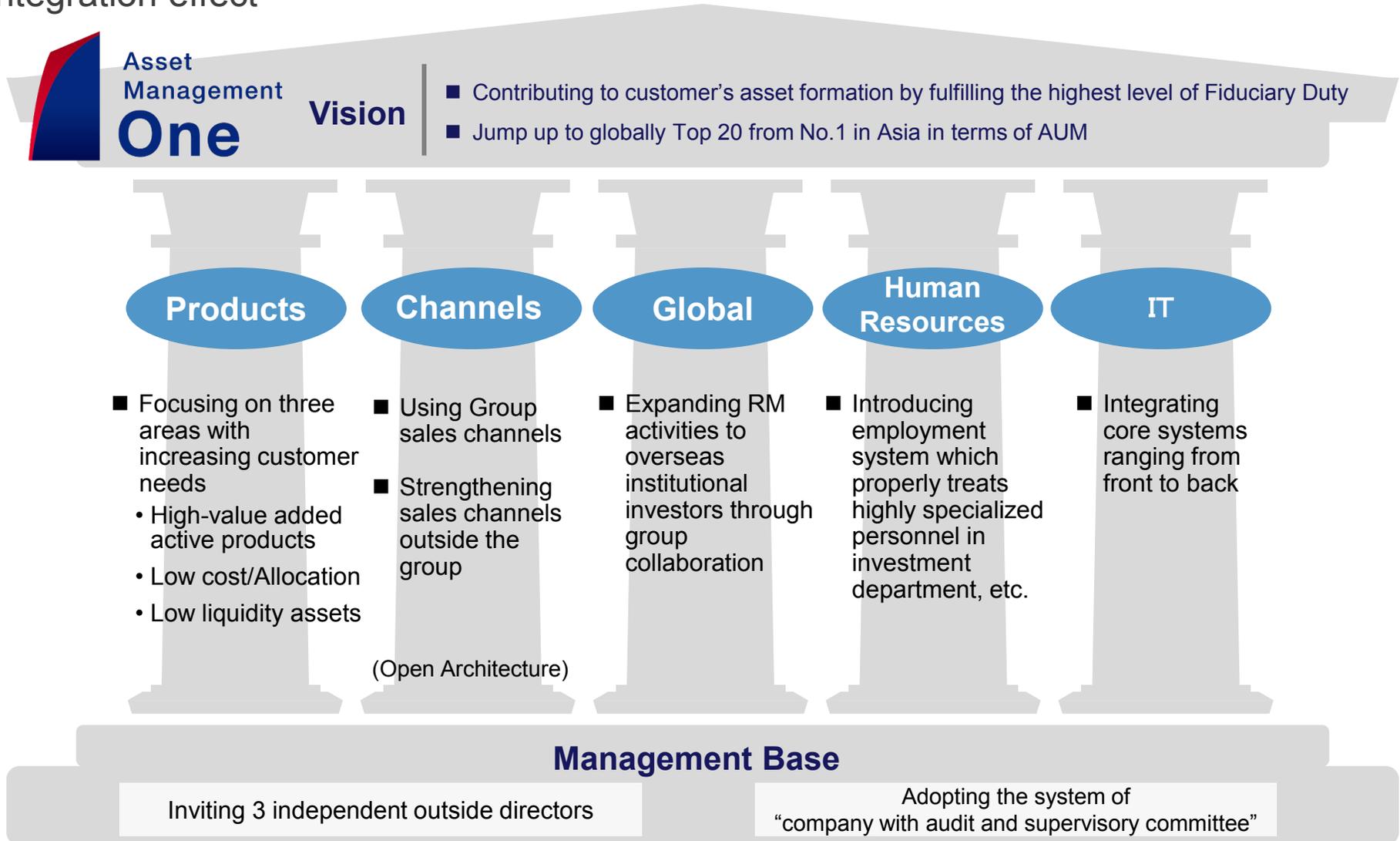


KPI

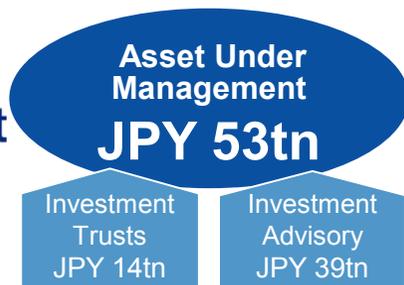


Growth strategy of Asset Management One

Enhance initiatives, primarily "products" and "channels", in order to realize the integration effect



Achievement after launching of Asset Management One



(As of Mar. 2017)

Providing asset management capabilities

Providing products making full use of pension management knowhow



Providing products that contribute to medium and long term asset formation



Know-how of investment advisory business



Know-how of investment trusts business

Providing ETF with reduced trust fee



OneETF

Providing new investment method by machine learning

Machine learning method utilization type fund (private placement investment trust)

Actual returns and market data

Simulate numerous virtual market conditions



■ AUM ranking from GPIF (JPY tn)

1	Asset Management One	22
2	Sumitomo Mitsui Trust Bank	17
3	BlackRock Japan Co., Ltd.	12

(As of Mar. 2016)

Source: Prepared by AMC based on website of Government Pension Investment Fund (GPIF), Japan

■ Awards from external institution



Achieved highest number of R&I Fund Grand Award 2017

- Total of 14 funds including 2 Best Fund Awards

Achieved several other awards from other organizations as well

Focusing on investment trusts business

■ Largest number of distributors and sales staff

Distributors (bank/securities, etc.)
250 companies

Investment Trust Marketing Division
190 people

	(no. of people)
Distributor Sales	55
Supporting distributors/ providing sales materials	110
Marketing planning	25

■ Training program "Seminar One"

Lineup of 96 seminars including human resources development

Knowledge	Economics, Finance, Sales knowledge
Skill	Logical thinking, Leadership
Products	Features of individual products, etc.



■ Rolling out funds contributing to "Savings to asset formation" (products for DC)

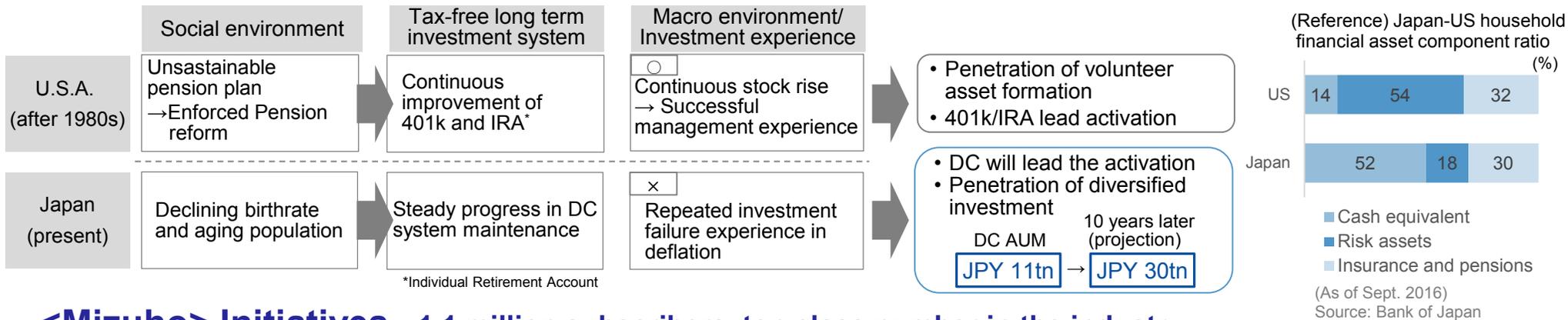
- "Tawara" Series: Low cost fund

- "Investment Sommelier":

Fund pursuing thorough diversification and long-term stable earnings, etc.

Revitalizing flow of financial assets through DC plan

Positioning of the DC plan - key to activate financial assets



<Mizuho> Initiatives - 1.1 million subscribers, top class number in the industry (Corporate and individual-types, including investment instruction)

	Corporate-type DC	Individual-type DC <i>iDeCo</i>
Sales	<ul style="list-style-type: none"> Large corporations: DB / DC sales through partnership between banking and trust banking SMEs: developed marketing plan jointly with Sampo Japan 	<ul style="list-style-type: none"> Acquire subscribers by using bank channels Start tie-up with regional bank Lowest commission in the Industry
Investment trusts lineup	<ul style="list-style-type: none"> Expand lineup according to customer needs (low risk balance fund, target year funds by risk tolerance, etc.) 	
Investment support tool	<ul style="list-style-type: none"> Navigate diversified investment with robot advisor "SMART FOLIO for DC" 	
Policy	<ul style="list-style-type: none"> Step-by-step policy suggestions for better investment environment 	

Expand future customer base along with investment base

Key Strategy

Operational Excellence

- Promoting PMI of Asset Management One
- Delivering differentiated solutions in pension business

Op EX

Improving investment capabilities

- Selection and concentration of in-house investment
- Big data / Efforts to utilize AI

Utilizing functions of strategic subsidiaries

- Gate-keeping capabilities of MGAI¹ which competitors don't possess
 - Capabilities of running hedge funds in MAI²
1. Mizuho Global Alternative Investments
2. Mizuho Alternative Investments

Business Engine

1 Developing products capabilities



Growth Driver

2 Focusing on investment trusts business

Op EX

Distribution

- Utilizing channels and know-how expanded by integration
- Inputting resources to non-face-to-face channels

Collaboration with other in-house companies

- Taking in mid-to-long term asset formation needs of individual investors
- Taking in the needs of institutional investors that are difficult to invest under low interest rate

Stable Revenue Base

3 Improving the profitability of pension business

Op EX

Strengthening consulting Functions

- Launching the Fiduciary Management Service
- Effort to utilize AI

Op EX

Defined Contribution Plan

- Inputting management resource to corporate type/individual type (iDeCo), and utilization of Robo-Advisor

