

Mizuho IR Day 2018

1. Retail & Business Banking Company (RBC)

Presentation summary

Page 4. FY2017 Review and the FY2018 Management Policy

The proportion of non-interest income accounting for net business profit was 54% and 57% in FY2016 and FY2017 respectively, and is expected to rise to 60% in FY2018. We need to generate non-interest income to offset declining interest income results. Although the balance of managed investment products has been somewhat weak compared to our plan, we are on track to meet targets. In FY2017, Mizuho Securities (SC) assets under management (AUM) increased by JPY 1.7 trillion, more than any of our competitors. Group collaboration efforts have been effective in the rise in AUM increases, but there also remain challenges as mentioned below. The number of IPO deals in which we served as the lead manager have steadily increased since the launch of the Innovative Startups Coordination Department in April 2016, which focuses on providing support to small- to medium-sized enterprises (SMEs). We had the second largest market share in FY2017 and have set our sights on taking over the top spot in FY2018.

Page 5. “One Mizuho” Strategy (1): Accelerating the Shift from Savings to Investment and Asset Formation

The inflow of AUM to SC through customer referrals increased more than JPY 3 trillion over the last two years, but we still need to improve investment trust and individual annuities figures. Given that the retail business model is not as effective when Mizuho Bank (BK) does not expand its customer base, growth in the number of customers using Mizuho's investment products has been sluggish. We need to revise our focus from sales profits to AUM profits with consideration to the shift from savings to investment and asset formation, which has become a priority for us. . While we have increased Mizuho Trust & Banking (TB) and SC personnel by approximately 10% through personnel shifts, our individual sales staff is still smaller than the other megabanks, so we must offset this disadvantage by developing talent with a high level of expertise and enhancing productivity.

Page 6. “One Mizuho” Strategy (2): Supporting Corporates’ Growth Strategies & Business Succession

We have been unable to provide full support to corporate client growth strategies through intra-group collaboration due to a rise in the number of clients and increasingly smaller deals in the first half of FY2017. However the situation improved in the second half of FY2017 as we reduced the number of personnel by 30% at the Retail & Business Banking Company head office by shifting them to the group’s Head Office branch support departments and the front offices and branches. To lay the groundwork for the future, we will increase the number of personnel in BK and TB's consulting departments, which support solutions provided in the area of business succession. These are highly specialized departments that are one of Mizuho’s strengths. We expect to increase profits in our consulting business primarily through business succession consulting services. The CEO of about 1.2 million SMEs will be replaced over the next 10 years, so we can anticipate broad business expansion, including the expansion of BK's lending business, SC's capital strategy services, and TB's trust and real estate businesses. At present, we have approached about 30,000 companies regarding our services.

Page 7. Revisit Channel Strategy: Branch Digitization x BK/TB/SC Service Enhancement

Mizuho has 500 locations in Japan where 800 branches of BK, TB, and SC operate (as some of these businesses operate in the same location). Through the digital channel reforms, we will scale down our locations from 500 to 400. These reforms are not merely directed at cost reductions. Instead, we are formulating a plan to integrate our banking, trust banking, and securities services throughout 120 areas across Japan. This plan aims to enhance our services, such as improving customer convenience, through the consolidation of banking, trust banking, and securities branches. Our one-stop service of banking, trust and securities model needs to have more capabilities than just employing video conferencing systems for customers who visit branches, so we are developing channel strategies for using tablet devices and Skype when visiting customers.

Page 8. Digital Innovation Initiatives

More than six months have passed since the launch of J.Score, which has grown at double the speed than we anticipated with loan balances increasing to JPY 3.5 billion as of March 31, 2018. We project loan balances to grow to JPY 20 billion by the end of March 2019. We are also making efforts in a number of other areas in digital innovation.

Q&A

Q: With regards to SME lending services, regional banks are experiencing growth while megabanks are struggling. Please tell us the reasons behind this trend and what actions Mizuho plans to take to achieve growth in this area.

A: There has been no decline in SME lending balances, which stands at JPY 14.7 trillion. However, while we have lost ground to the aggressive ultra-low interest rate strategies taken by regional banks as a result of their difficult operating environments, we are working to differentiate ourselves through our intra-group collaboration rather than competing based solely on our interest rates.

Q: What are RBC's biggest challenges in terms of fundamental profitability?

A: While we have encountered eroding net interest income results, we are working toward improving profitability by strengthening our business succession business and implementing initiatives for supporting customers to make the shift from savings to investment and asset formation by enhancing services through collaboration between BK, TB, and SC, as well as enhancing services and reducing costs through digital channel reforms. Our greatest challenge lies in balancing the pace of declining net interest income with generating growth of gross profit and reducing costs.

Q: Please tell us your thoughts on the pace of collaboration with regional banks and division of roles between Mizuho and these banks.

A: We are currently discussing potential areas of collaboration with several regional banks. These discussions include introducing customers to regional banks for general transaction banking services that do not have the potential for

cross-selling, while regional banks would introduce customers to us for services where we could leverage our group-wide expertise, such as inheritance, business succession, and trust services.

Q: What were the factors for falling well short of net business profit targets under the current medium-term business plan?

A: The chief factors were that interest income has declined more than we anticipated and the pace of non-interest income growth via intra-group collaboration has been less than expected. We have made efforts to boost non-interest income by shifting personnel to strengthen sales capabilities, but we still face challenges in terms of enhancing intra-group collaboration and expanding our customer base.

Q: To what extent will non-interest income and cost reductions offset net interest income declines over the next three years?

A: In the next three years, in addition to interest income declines we are also facing increasing amortization costs for the next-generation IT system in Japan. We hope to make up for this negative impact by accelerating the pace of strengthening profitability.

2. Corporate & Institutional Company (CIC)

Presentation summary

Page 10. FY2017 Review and the FY2018 Management Policy

We exceeded FY2017 net business profit and net income targets. In particular, there was an upturn in net interest income (lending), which has trended downward since the 2008 global financial crisis. Although we did not meet FY2017 targets for cross-shareholding reductions, we have exceeded 80% of the JPY 550 billion reduction target set in the medium-term business plan, including future reduction with customers' consent.

In FY2018, we are committed to improving our gross profit, i.e., fundamental profitability.

Page 11. FY2018 Key Strategy (1): Improvement of Core Earnings

First, I will talk about enhancing the business value-chain sales structure through collaborative BK-TB-SC efforts. We will maximize group profit through our knowledge of changes in social and industrial structures and an understanding of customers' financial and business strategies. In order to transform our business model, we have made efforts to focus on core competencies and increase efficiency, and strengthened our sales framework via the reallocation of resources.

There are two challenges we must address in FY2018 to further strengthen these efforts. First, we need to bolster our securities business, particularly the areas of M&A and equity. Second, we need to further enhance our trust business, particularly in the area of real estate intermediary transactions.

Page 12. FY2018 Key Strategy (2) Improvement of Core Earnings

We will further accelerate collaboration among companies and strengthen the "hub" function in promoting business with large Japanese companies. We will also improve the effects of the In-house Company system by creating synergies through the collaboration with other companies and units.

First, we will strengthen the investor business. This is a business that we can leverage synergy effects through collaboration between large corporate issuers and financial institutional investors and collaboration with other in-house companies, including GMC and AMC. Second, we will establish an industry-specific global sales structure. We must further strengthen our global sales frameworks primarily in the technology, media, and telecommunications (TMT), health care, and consumer goods industries, by leveraging mainly BK and SC coverage bankers around the world and the Industry Research Department. Third, we will implement initiatives for innovation-focused companies. We will accelerate in-house collaboration with RBC and the Research & Consulting Unit (RCU) in order to facilitate large company investments, acquisitions, and tie-ups related to start-up companies. Lastly, we will implement initiatives for Japan's growth strategy. In particular, we want to provide support for regional infrastructure development centered on the increased inbound demand from overseas.

Page 13. Initiatives to Reduce Cross-Shareholding - and Prospects for FY2018 1Q

We have exceeded 70% (more than 80% including future reduction with customers' consent) of the medium-term business plan targets for reduction on an acquisition cost basis in cross-shareholdings. While share sell-off

negotiations have slowed since the autumn of 2017, we are committed to steadily reducing our cross-shareholdings in light of the revisions to Japan's Corporate Governance Code on June 1, 2018, which require, in addition to financial institutions, non-financial institutions to disclose their reduction policies for cross-shareholdings.

We have made steady progress with deals, which have increased about 10% year-on-year based on the deal pipeline in the first quarter of FY2018 as of the end of May. Going forward, we will focus on improving fundamental profitability while also maintaining a balance between volatile non-interest income and stable interest income.

Q&A

Q: Please tell us about Mizuho's selections and areas of focus based on business portfolio analysis

A: We need to strengthen the M&A and ECM business, mainly in SC, and the real estate business, mainly in TB. We also think there is room to reform and improve operations, including fund settlement for public organization, and sales frameworks for medium-size companies. In particular, we must address how our group will win top tier business transactions.

Q: What is your plan for cross-shareholding reductions in FY2019 and later?

A: From the autumn of 2017, share sell-off negotiations with our clients have become slow down. However, a number of companies seem to have been affected by the revised Corporate Governance Code. We need to closely monitor the situation, but also continue with our policy to reduce cross-shareholdings.

Q: How do you plan on strengthening the equity and M&A businesses?

A: In terms of equity, we have captured many individual equity deals of less than JPY 100 billion to date, mainly from clients with whom we have a close relationship with and clients whose primary bank is Mizuho, but over the last few years we have also won individual business deals in excess of that amount. We have been also significantly expanding our sales framework for investors in the secondary market, and will strengthen primary market coverage and ECM products by hiring mid-career professionals.

For M&As, we will focus on strengthening our services for business carve-outs through proposals developed collaboratively between BK and SC, as carve-outs are high value deals that provide business opportunities throughout the carve-out process up to the exit stage. With regard to cross-border M&As, we must steadily increase medium-size deals.

3. Global Corporate Company (GCC)

Presentation summary

Page 15. FY2017 Review and the FY2018 Management Policy.

In FY2017, our transaction banking revenues grew steadily. While we managed to downsize low-return assets (RWA), which is mostly on track, a delay in shifting resources to high-return assets resulted in sluggish loan income. Net business profits declined to JPY 100.2 billion compared to FY2016.

In FY2018, we will continue with (1) implementing structural reforms to our business portfolio by shifting resources to high profit assets, (2) global cross-selling of products, and (3) enhancing our business and management base by securing liquidity in foreign currencies.

Page 16. Key strategy 1: Transforming business portfolio

In FY2017, we managed to significantly downsize low-profitability assets. Our efforts in shifting to high-profitability assets resulted in increases of JPY 240 billion, JPY 70 billion, and JPY 50 billion for non-Japanese, Japanese, and Project Finance businesses, respectively. In FY2018, we are planning to decrease low-profitability assets by JPY 50 billion and shift resources in the amount of JPY 460 billion to high-profitability assets.

Our non-Japanese business has shown signs of recovery since the second half of FY2017. We also experienced a turn-around in our return on risk assets (RORA) for Global 300 clients since the second half of FY2017. In FY2018, we need to put stronger emphasis on Global 300 clients and increase profitability in the Americas DCM and other areas.

Page 17. Key strategy 1: Transforming business portfolio

In terms of new initiatives for further growth, we will revise our scope of risk-taking to take further risk under our current risk appetite framework. We will selectively expand our structured finance and financial sponsor products in phases.

Page 18. Key strategy 2: Cross-selling (i) Investment banking

We will focus on increasing our presence in the Americas, the largest market in the world. We ranked sixth in the league table, on the basis of Mizuho clients, and stand shoulder-to-shoulder with the other major European and US securities companies. Our strength in the USD underwriting and sales business has been having a positive effect in Europe as well, and going forward, we will focus on expanding our DCM business, including in Asia, through global collaboration.

Page 19. Key strategy 2: Cross-selling (ii) Transaction banking

We experienced growth in our transaction banking business in FY2017. While Japanese clients are our main focus, we will expand our businesses related to the flow of capital from European and US companies in Asia and transactions with Asian multinationals.

Page 20. Key strategy 3: Strengthening the business and management base

We must continue to implement strict cost control measures. Overall expenses rose 16% per year on average from FY2012 to FY2016 along with increasing gross profits, but we managed to reduce this to 4% in FY2017. We have implemented two major initiatives to control costs. One initiative aims to strengthen cost control through tighter headcount and Non-personnel expense management. The other initiative was to implement cost structure reforms aimed at integrating corporate functions, consolidating back-office operations, and employing new technologies such as robotic process automation (RPA)

Page 21. Key strategy 3: Strengthening the business and management base

Our operational excellence initiatives focus on not only cost control, but more importantly, improving customer satisfaction and service quality. Through these efforts, we aim to increase our fundamental profitability.

One of our structural reform initiatives is to integrate corporate functions across locations and entities. We will also focus on further optimizing operations through new technologies.

Q&A

Q: Please share with us your FY2018 plan?

A: We plan on further enhancing the non-Japanese G300 strategy and expanding our non-Japanese investment grade (IG) business in the US. There is also room for further growth in our transaction banking businesses in Asia. We are also focusing efforts on capturing cross-border and M&A transactions for non-Japanese companies in Asia.

Q: Please tell about the situation on loan spreads outside Japan and how you would improve it. .

With regards to loan spreads, customer spreads trended downward due to excess liquidity, but there are also some countries that have bottomed-out or improved their liquidity situation. We will also focus on increasing spreads by accelerating the shift from low-profitability assets to high-profitability assets.

Q: How do your plan on raising fee revenue in your non-lending businesses?

A: We plan on increasing revenue through one-time fees in financing deals in which we are the lead bank and non-banking fees via DCM and ECM takeouts. Countries in Asia have been raising interest rates due to the US rate hikes, so we aim to maximize overall profitability through expected growth in profit margins on deposits and increases in our non-lending services profits.

4. Global Markets Company (GMC)

Presentation summary

Page 23. FY2017 Review and the FY2018 Management Policy

In FY2017, we did not meet gross profit and net business profit targets due to one-time loss cut of about JPY 50 billion in our bond portfolio booked in the fourth quarter, but market operations results overall were on track.

In FY2018, we will focus on (1) making a V-shaped recovery of profit, (2) successfully achieving targets in the current medium-term business plan, and (3) formulating initiatives towards the next medium-term business plan. We are confident that we will achieve a V-shaped recovery of profit based on the fact that our bond portfolio has become sounder in FY2017, we set low targets in FY2017, and volatility in current markets has been increasing. While increased market volatility is generally viewed as having a negative impact on banking operations, a certain level of volatility will positively affect us considering the potential rise in capital gains.

Page 24. Initiatives in ALM and Investments (1) Portfolio Management

The policy of our banking business is to diversify our portfolio according to the market environment and adjust for appropriate levels of risk rather than taking big risks. This policy will not change. We have adequately established frameworks for collaborative banking services between BK and TB, and proactive portfolio management.

Page 25. Initiatives in ALM and Investments (2) Early Warning Management

We have made progress in improving our early warning management functions. In particular, the utilization of AI and other new technologies will contribute to optimizing portfolios and avoiding major losses.

Pages 26 & 27. Initiatives in S&T

For S&T, we have already unified Mizuho's banking, trust banking, and securities services within GMC. Our next challenge is to establish as many collaborative relationships as possible across in-house companies, units, and entities. We need to focus on expanding business flows through collaboration with customer-based companies based on the asset management needs of each customer.

In particular, we must build up a global S&T basis. The first step is to strengthen this foundation by leveraging our yen-based business. With regard to yen-denominated bonds in the spot market, one of SC's strengths, our share in the derivatives market has dropped to less than half of the spot market. We expect to achieve significant growth in gross profit by strengthening intra-group collaboration to increase our share in the derivative fee pool.

To date, we have mostly reached FY2018 net business profit targets in banking. While performance has been a bit sluggish, mainly due to low volatility, we expect S&T to get back on track.

Page 28. Examples of Initiatives in Digital Innovation

We need to formulate our future dealing room. We will also focus on building a vision for our future front offices and back offices. In order to implement these initiatives, we need to use technologies, such as AI. With this in mind, we have adopted technologically advanced early warning management tools, started to offer algorithm-based AI trading

services, and are collaborating with other organizations in the area of quantum computing.

Page 29.

Approach to Next Medium-term Business Plan –Images of the future dealing room-

This slide shows the future vision of our dealing room. It would be difficult to develop a top-down dealing room structure like the one currently employed, so we need to develop a dealing room that is agile. We will develop the dealing room through a process of trial and error.

Q&A

Q: Please tell us your thoughts on plans to increase profit in FY2018.

A: While we have experienced record low trading and banking business results over the past 10 years, we can expect net business profits in the area of JPY 100 billion in each business even in the worst of business environments. Under the current environment, we have the potential to generate about JPY 200 billion, so we can meet FY2018 targets if we carry out appropriate market operations.

Q: With regard to equity-related profit, what is the reasoning behind focusing on ETFs rather than privately placed investment trusts?

A: We are investing in privately placed investment trusts in addition to ETFs, but the reason why we are prioritizing ETFs is that they allow for greater diversified stock exposure, price movement is easy to track, and they are easier to deal with when taking risk in Japanese and non-Japanese stocks.

Q: Going forward, when will you fully implement investment in non-Japanese bonds?

A: We think that we do not need to increase US interest rate-related risk taking into consideration the current market environment. As a result, our risk level in stocks is at a historical high, while the amount of allocation in US interest rate-related risk is at a record low. We expected to have an opportunity to restart full implementation of investments in non-Japanese bonds, but this had to be postponed due to the business environment. Going forward, we will closely monitor the impact on the US economy of US interest rate hikes and reductions on the Federal Reserve Board's balance sheet. We will restructure our non-Japanese bond portfolio once we verify that US interest rate hikes have peaked.

Q: What is the outlook for interest rates and how will this affect non-Japanese bond unrealized losses and the profit and loss statement?

A: We will not to confine our business to one specific approach to US interest rates when they peak, but will respond

according to market trends. Although interest rate hike risks still remain, we have significantly reduced the amount of risk in our non-Japanese bond portfolio. When we think that US interest rates have peaked, we will take a flexible business approach, in terms of restructuring our non-Japanese bond portfolio and other businesses.

5. Asset Management Company (AMC)

Presentation summary

Page 31. FY2017 Review and the FY2018 Management Policy

In FY2017, we met net business targets by increasing gross profits through increases in our balance of assets under management (AUM) and controlling costs after the post-merger integration of Asset Management One (AM One). Our AUM rose to JPY 57 trillion, one of the largest in Asia. In FY2018, we will focus on strengthening initiatives in medium- to long-term asset building in our trust investment business and our consulting services that capture our customers' needs for restructuring corporate pensions.

Page 32. Structure & Key Strategies

We are committed to putting in place a framework to provide products and asset management solutions led by AM One that accommodates the diverse needs of our customers, whose needs include defined benefit plans, defined contribution plans, fund wrap management, alternative investments, and quantitative trading.

We have established three key strategies: (1) Enhance asset management capabilities, the business engine of AM One; (2) focus on the investment trust business, a growth driver; and (3) improve the profitability of the pension business, a stable revenue base.

Page 33. Key strategy 1: Enhancement of Asset Management capabilities

Taking into consideration the asset management product needs of our customers, we will shift from traditionally active asset management to a low-cost and high-value added asset management approach. We will (1) enhance alternative investments, (2) focus on responsible management, and (3) utilize technological innovations by expanding our scope of investments and streamlining asset management through technological innovations. In terms of (1) enhancing alternative investments, we have already issued a press release on our policy to make Mizuho Global Alternative Investments (MGAI), a company that acts as a financial gatekeeper specializing in alternative investment, a wholly-owned subsidiary of AM One. This will allow us to focus on better responding to the growing alternative investment management needs of our customers.

Page 34. Key strategy 2: Focus on Investment Trust Business

One of AM One's core competencies is its robust Mizuho group and non-group customer base. Approximately 250 financial companies sell AM One's publicly offered investment trust products, which is one of the largest distribution networks in Japan. Non-group financial companies account for close to 60% of the balance of AUM shares. We will focus on enhancing support of this network and these financial companies together with augmenting the balance in the growth area of publicly offered investment trust products. In addition, given the low interest rate environment in Japan, we will strengthen our responses to the asset management needs of regional financial institutions through privately placed investment trusts.

Page 35. Key strategy 3: Profitability Improvement of Pension Business

Amid the rapidly expanding need to strengthen defined benefit plan governance, primarily among listed companies having defined benefit plans, TB offers fiduciary management services as part of its pension consulting businesses. For defined contribution plans and Mizuho's iDeCo plan, which will be crucial to supporting customers in Japan shift from savings to investment, we aim to expand our customer base through asset management support via Mizuho's unique Smart Folio robo-advisory services for defined contribution plans.

Page 36. Enhancement of the Business & Management Base

With regards to costs, we have managed to streamline processes and reduced IT costs by leveraging the effects before the AM One integration, which has contributed to gradually lowering our expense ratio since the merger. To complete AM-One's post-merger integration, we are prioritizing efforts on standardizing business processes, integrating front and back office IT systems, strengthening our asset management framework, and consolidating and restructuring funds.

We have made asset management into the "fourth pillar" after the preexisting three main pillars of our One Mizuho strategy represented by our banking, trust banking, and securities entities. To this end, we are dedicated to helping customers shift their assets to more growth-focused portfolios through the asset management business.

Q&A

Q: How is the AUM (KPI) linked to net business profit in AMC?

A: There isn't necessarily a direct link between AUM and net business profit. AUM fees depend on the types of assets. For example, public pension funds, where fees are generally low, account for a large portion of AM One's AUM. Going forward, we will prioritize achieving a balance between the volume and quality of AUM. We also aim to shift our ratio of trust investments to pensions from the current 30% to 70% ratio to around 40% to 60%. As the overall AUM continues to grow, we also need to increase the ratio of the highly profitable publicly offered investment trust products.

Q: Please tell us your thoughts on increasing AMC's profit.

A: The scale of profits for our asset management businesses has been traditionally smaller than that of the banking and securities businesses. However, profit from the asset management businesses will steadily increase as a result of helping customers shift from savings to investment. In light of this, the investor mindset towards asset management is shifting. We believe that the asset management business is an area where we can leverage the effects of our role as catalysts of transactions in the retail and investment businesses. With this in mind, we have focused on integrating our asset management businesses ahead of other financial companies. Being a step ahead of our competitors will, in addition to solidifying our position, have a significant affect 10 to 15 years down the road.

Independent Outside Director

Presentation summary

Page 38.

Retracement of Challenges in the past years

1. Initiatives under the One Mizuho Strategy have two objectives; to integrate former bank systems and businesses, and to achieve intra-group collaboration. We aim to integrate former bank systems and businesses through completion of the migration to the next-generation IT system, and to achieve intra-group collaboration we have developed frameworks through the introduction of the In-house Company System, but we cannot say at this point that financial results have improved. Going forward, we must place greater emphasis on the One Mizuho Strategy, particularly, in the area of intra-group collaboration.
2. In terms of governance reform and its impact, while we believe our governance framework is as robust as that of our competitors, it does not necessarily contribute to financial results. We are implementing initiatives to improve the effectiveness of our governance that we think will contribute to improving financial performance from a medium- to long-term perspective.
3. After careful consideration by our board of directors, we have decided to implement an In-house Company System, which is a business model tailored to intra-group collaboration. In terms of results, we want to avoid making hasty decisions, so we will conduct close monitoring of results to strengthen and further refine efforts to expand customer-focused full-service financial services going forward.
4. We announced our Fundamental Structural Reforms, which we formulated by taking into considering multiple scenarios over the next ten years using numerical evidence based on significant changes expected in financial and economic environments in the future. Going forward, since the Fundamental Structural Reforms will serve as a basis for establishing medium- to long-term business, we will make efforts to refine and accelerate implementation of the reforms.
5. The migration to the Next-generation IT system is moving forward as scheduled and will be completed next year. Once the migration is complete, we will be able to focus on resource allocation and shift from a defensive to an offensive competitive strategy.

Nominating Committee and Compensation Committee

The largest task in the Nominating Committee is to carry out nominations for executive-level positions. Nomination processes are specified in the Corporate Governance Reports released on June 5. After careful deliberation, the Nominating Committee, composed of independent directors, unanimously approved the nomination of Tatsufumi Sakai as President & CEO of Mizuho Financial Group.

The Compensation Committee recently conducted compensation framework reforms, which included linking the total amount of variable compensation for executives to figures calculated based on the Mizuho group's consolidated net business profit. These reforms are expected to contribute to improving sound incentives in order to enhance sustainable growth and corporate value from a medium- to long-term perspective.

Audit Committee & its Priorities

The Audit Committee has three tasks, which are to monitor the appropriateness of management decision-making and progress after decisions are made, manage risk, and conduct compliance-related activities. It is particularly important to closely monitor results to improve the effectiveness of intra-group collaboration.

With regard to the reallocation of personnel and efforts to raise productivity specified under the structural reforms, we need to restructure our personnel management framework, which has incentives built in, to enhance productivity. The Audit Committee will closely follow up on the restructuring and verify implementation and operation from the next medium-term business plan.

Challenges for the New Management team

The two challenges faced by the new management team under the leadership of group President & CEO Tatsufumi Sakai are (1) meeting FY2018 business plan targets and (2) formulating the next medium-term business plan starting in FY2019.

Against the backdrop of the challenges posed by the current economic and business environment, we must set our sights on fulfilling the vision of the financial institution we want to become prescribed under the One Mizuho strategy by establishing specific business strategies to provide financial consulting services as a united Mizuho group. We are confident that we will coordinate to integrate these specific business strategies with corporate governance frameworks so that we can manage to pool the energy of all of our companies and reach our full potential.

Q&A

Q: Please explain the independent directors' expectations of President & CEO Tatsufumi Sakai.

A: Under the leadership of former President & CEO Yasuhiro Sato, we established corporate governance frameworks and implemented the One Mizuho Strategy and management structures. Under President & CEO Tatsufumi Sakai, we will define our next vision of the financial institution we want to become, and, to this end, implement the structural reforms over a period of time and formulate business strategies to enhance fundamental profitability.

Q: What do you think are the challenges in achieving the Fundamental Structural reforms?

A: In order to fulfill our next vision of the financial institution we want to become, it is important for us to find ways to optimize allocation and utilization of personnel resources. To achieve this, we need to reform past practices and ways of working, which will be a particularly difficult challenge. With this in mind, we adopted the In-house Company System. Mizuho as well as other megabanks have put in place initiatives to enhance intra-group collaboration, but we are making efforts to improve personnel allocation and productivity through the establishment of our In-house Company system.

Q: Given the public rumors surrounding work force reductions, how do you plan on improving the motivation of employees?

A: Improving productivity is not simply achieved through streamlining and restructuring. This is an excellent

opportunity for employees to revise their way of working and find greater fulfillment in their jobs by reexamining how they can improve productivity in their own work. As independent directors, we want to ensure that this mindset is adopted throughout the entire Mizuho group.