

Summary of Presentation

1. Sustainability initiatives

(Presenter: Mr. Naoshi Inomata, Managing Executive Officer & Group CSO)

P5 Definition and importance of sustainability

Sustainability for Mizuho stands for : the sustainable and steady growth of Mizuho and through which, achieving environmental conservation, and the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world. When launching our 5-Year Business Plan last year, we took the opportunity for bring together the supervisory and business execution lines for in-depth discussions to establish our basic policy on sustainability initiatives and approach as a united group for implementing our strategy.

Additionally, we established Key Sustainability Areas (within two categories—Business and Corporate Foundations), taking into consideration affinity with Mizuho's strategy and business domain and medium- to long-term impact on our corporate value.

P6 Strengthening our sustainability initiatives

As for the current external environment, there are three changes: (1) Increasing importance of the environment and responding to climate change, (2) Calls for companies to disclose further information in line with the expansion in ESG investment, and (3) Responding to ESG/SDG concerns, not defensively but as business opportunities. At Mizuho we are focusing on (1) Strengthening sustainable businesses promotion as a united group, (2) Strengthening the management of climate change risks, and (3) Building a robust corporate governance structure and strengthening disclosure.

P7 Strengthening group-wide sustainable businesses promotion

At Mizuho, we are thoroughly engaging with our clients about social challenges, such as those related to ESG and the SDGs. In doing so, we are providing a range of consulting and financial functions to promote sustainable business aimed at producing solutions and creating innovation. In particular, we have set a target of extending JPY 25 trillion in sustainable finance, out of which JPY 12 trillion in environmental finance, from FY2019 through FY2030.

P8 Structure for promoting sustainable business

We have established multiple functions and task forces to support our clients in improving their corporate value. For example, Mizuho Information & Research Institute houses a team dedicated to consulting on the environment and energy, made up of specialists with a strong record of policy support and corporate consulting. Providing sophisticated solutions to our clients, including solutions for their compliance with the TCFD Recommendations, is one of our strengths. Also, with our Sustainable Business Strategy Meeting, we are gathering insights from across the group to ensure that we can provide integrated services.

P9 Strengthening the management of climate change risks

Regarding risk management as it pertains to climate change, we conduct scenario analysis in compliance with the TCFD Recommendations to measure two categories of risk: Transition risks and physical risks. As of yet there are no established global standards for scenario analysis, making this an extremely challenging initiative for us, but we held numerous discussions and implemented trial and error in our analysis.

Comparing the two scenarios—a static scenario under which business structures are not transformed, and a dynamic scenario under which business structure are transformed—we found that the dynamic scenario would limit the increase in credit costs through 2050. In other words, we were able to quantitatively verify the importance of engaging with and supporting clients as they transition and adapt to a low-carbon society, which will be transitioned to over the medium to long term.

Regarding the analysis of physical risks, we estimated credit costs through 2050 using the scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC). This analysis found that the direct impact on credit costs due to diminished value of collateral would be limited, and the increase in credit costs through 2050 due to indirect impact in the form of business stagnation (effect on business performance) would be limited to JPY 52B.

Regarding financing for coal-fired power generation projects which face high transition risks, we are tightening our policy to not provide financing for the purpose of the new construction of such facilities. As a result, we are aiming to reduce our balance by 50% by FY2030 (compared to FY2019) and to a zero balance by 2050, but are already on track to reduce most of the credit balance by FY2040. We will consider further advanced reduction of the credit balance in the future.

P10 Establishment of Environmental Policy and enhancement of information disclosures

As sustainability has a significant medium- to long-term impact on Mizuho's corporate value, it is important to promote sustainability across the group. The corporate governance structure which provides oversight consists of sharing discussions at business execution line entities such as the Risk Committee and Executive Management Committee with the Board of Directors. Even outside of Japan, not many financial institutions issue TCFD reports, and Mizuho was the first Japanese financial institution to publish a TCFD report. We have received high evaluations from Japan's Financial Services Agency and investors, not only regarding the thoroughness of the disclosures but as a pioneer of enhanced TCFD disclosures in Japan. Going forward, we will conduct disclosures such as an ESG data book and the status of our response to SASB Standards, for the purpose of enhancing our corporate value and increasing usefulness for investors.

P11 Climate change-related shareholder proposal

This is a proposal to add the following provision to the Articles of Incorporation: "...the company shall disclose in its annual reporting a plan outlining the company's business strategy, including metrics and targets, to align its investments with the goals of the Paris Agreement." The Board of Directors opposes this proposal and I will explain our view on the matter.

Firstly, regarding the formulation of business strategy including targets aligned with the goals of the Paris Agreement, at Mizuho we position environmental issues as a key management concern, and already incorporate such targets into our business plans. Through engagement with clients, their challenges and needs are deeply understood, and our support for their efforts to address climate change and transition to a low-carbon society are a core part of our strategy to continually strengthen the Mizuho group's risk management.

Secondly, in addition to already disclosing information in line with the TCFD Recommendations through our annual Integrated Report, disclosures have been further expanded this year by publishing a TCFD Report alongside other releases, bringing our disclosures to the most advanced level.

Thirdly, by resolution of the Board of Directors we have established the Environmental Policy on environmental initiatives including those addressing climate change risks, and we are providing related disclosures. This Environmental Policy was established to clarify our stance on climate change explicitly, our inclusion of environment-related risks and opportunities in our strategy, our setting of indicators and targets related to our environmental initiatives and our efforts towards continual improvement through regular progress assessments, and our proactive disclosure of information to ensure transparency.

In other words, the content of the shareholder proposal is clearly stated in our Environmental Policy, and we believe it is not pertinent to add similar, detailed provisions to the Articles of Incorporation due to concerns over restricting the ability of management to make flexible decisions at its discretion.

Also, the Paris Agreement is an agreement between national governments, with many matters that are still being discussed. As a private sector enterprise, it is difficult to ensure the effectiveness of the Paris Agreement itself, making it unsuitable to include in the Articles of Incorporation. Regarding aligning our investments with the goals of the Paris Agreement, it might be difficult to reach a consensus on the interpretation of such a statement or the level to which such a thing would be required, inviting unneeded risk of lawsuits and reputational risk, as well as costs related to those risks. In a critical emergency situation such as the 2011 Great East Japan Earthquake, restricting the discretion of management could cause issues with our timely and appropriate business execution.

Furthermore, we have engaged in constructive dialogue with the shareholder who submitted this proposal,

and the shareholder has indicated their opinion that among the three Japanese megabanks, Mizuho is implementing the most progressive initiatives. However, we understand that the shareholder was unable to withdraw the proposal due to their intention of making a statement to society at large to promote responses to climate change.

Message from GCEO Sakai

Disclosing information on our strategy for addressing sustainability and environmental issues is already an established part of our Integrated Report. The Articles of Incorporation describe the company's purpose, name, and other such matters requiring special resolution at a General Meeting of Shareholders to change. Under the Articles of Incorporation are various provisions established by the Board of Directors, and the highest of these are the Corporate Governance Guidelines, Mizuho Code of Conduct and Human Rights Policy, Environmental Policy, risk-related principles, and other policies.

I believe that this shareholder proposal is not suitable for approval considering the conventional positioning of the Articles of Incorporation, consistency with other provisions that have already been established, the flexibility and discretion of our business execution, and the undetermined status of the Paris Agreement itself.

As I have explained today, sustainability and environmental issues are a key concern for management. Our 5-Year Business Plan is based on the idea of creating new value with our stakeholders including shareholders, customers, employees, and society as a whole.

Allow me to take this opportunity to state that I will continue to take responsibility and provide leadership with regard to sustainability and environmental issues, ensuring that we implement initiatives in such areas as a part of our business strategy, and continue to enhance our disclosures.

2. Outside director session (p. 25)

(Presenter : Ms. Izumi Kobayashi, Outside Director and Candidate for Chairperson of the Board of Directors)

Aspirations and challenges as Candidate for Chairman of the Board of Directors

Our priority is the implementation of the 5-Year Business Plan. Based on the structural reforms implemented thus far, Mizuho's fiscal results exceeded estimates for FY2019 which the Board has evaluated highly, but the outlook is challenging for FY2020 and FY2021 due to the impact of COVID-19.

Therefore, I believe that the main priority is determining how to achieve what is set out in the 5-Year Business Plan by the end of the period from the perspective of sustainably increasing corporate value.

Although COVID-19 has a negative impact, the changes to social and economic models that it is creating also brings significant opportunities. While balancing the negative and positive factors, Mizuho must work to turn these opportunities into a positive for our future. Although in some respects Mizuho is behind the other Japanese megabanks, as the economic structure changes there is potential for it to work to our advantage.

Thus far, as digitalization and fintech progresses, we have held discussions on what shape traditional financial institutions will take in the future, and I believe that COVID-19 has provided insight in this respect. Also, the role that financial institutions play under the current regulatory environment has become clearer. Going forward, I would like Mizuho to consider without preconceptions what kind of business model to create in this new society transformed by digitalization.

Governance

The Outside Directors proactively provide their opinions and the business execution line responds thoroughly, ensuring that the Board of Directors is highly effective. However, until now our discussions have focused primarily on structural reforms and how to solve issues. Going forward, we will need to discuss what is needed for Mizuho's future development and to supervise the actions taken to achieve that. To do so, it is essential that Mizuho fully implement and accelerate structural reforms.

From the perspective of responding to the "new normal" going forward, we directors are committed ensuring highly progressive corporate management, including in areas such as sustainability. The Board has the kind of people needed as Mizuho takes on new challenges.

As for Mizuho's approach to sustainability initiatives and the supervisory framework for it, I believe that a lot of thought has been put into the basic policy and priority areas. However, there is no point in only creating the framework, we need to monitor whether the tenets have truly taken root in the day-to-day

decision making at the frontlines.

Additionally, there is surely a role within society that financial institutions are expected to play when it comes to sustainability, and we will need to determine comprehensively whether Mizuho is fulfilling this role. The basic policy Mizuho has announced emphasizes environmental issues, however in light of the impact of COVID-19, I believe that social aspects will be increasing important going forward.

Risk Management

I believe the most pressing issue is how to manage risks during the COVID-19 pandemic. Through efforts on multiple fronts, Mizuho has been able to operate RAF thoroughly and enhance capital adequacy. However, in light of the unprecedented situation with COVID-19, the level of our risk appetite and the potential for an increase in credit costs due to deterioration in client credit ratings is something requiring close consideration. In this situation, fulfilling our expected role as a financial institution can be challenging, but we will conduct thorough risk management and monitoring via the Risk Committee.

Also, we need to not only respond to the current situation regarding COVID-19 but also determine comprehensively what stance we will take to prepare for after COVID-19 and build a risk management framework from this perspective.