

# Financial Results for FY2020

May 19, 2021

Mizuho Financial Group

MIZUHO

- Thank you very much for joining us for the earnings briefing for the financial results of FY2020 despite your busy schedules.
- First of all, I would like to offer my deepest apologies for causing great inconvenience to our customers, investors, and other relevant parties because of a series of IT systems failures that occurred at Mizuho Bank, as well as a similar event at Mizuho Securities.
- For the system failures at Mizuho Bank, we will make sure to conduct an in-depth investigation to get to the bottom of this issue, and come up with measures to make improvements. Upon receiving the results of the assessment and recommendations from the Special Investigative Committee, we will be reporting to you on this at an appropriate timing.
- Now allow me to start my presentation using the presentation materials.
- Please look at page 3.

## Table of Contents

### Financial Results for FY2020: Executive Summary

- Executive summary of financial results	P. 3
- Financial highlights	P. 4
- Reference: Progress against the 5-Year Business Plan	P. 7
- Financial results by In-house Company	P. 8
- Overview of Income Statement	P. 15
- Overview of Balance Sheet	P. 16
- Consolidated Gross Profits	P. 17
- Loans	P. 20
- Reference: Outlook of Loans	P. 23
- Non-interest Income	P. 24
- General and Administrative Expenses	P. 25
- Securities portfolio	P. 26
- Asset quality	P. 29
- Loan portfolio outside Japan	P. 30
- Exposure in specific sectors and products	P. 31
- Credit portfolio soundness	P. 32
- Basel Regulatory Disclosures	P. 33
- Progress against Fundamental Structural Reform Plan	P. 35
- Progress on sustainability KPIs/targets	P. 36

### Management policy for FY2021

- Management policy for FY2021	P. 38
- Economic outlook	P. 39
- Consolidated Net Business Profits	P. 40
- Expenses	P. 41
- Credit-related costs	P. 42
- Shareholdings	P. 43
- Earnings Plan	P. 44
- Current CET1 capital ratio and future outlook	P. 46
- Revision of the basic policy on capital strategy	P. 47
- Revision of the shareholder return policy	P. 48
- Sustainability-centered business promotion	P. 49
- Creating business and strengthening risk management through engagement	P. 50
- In-house company strategies: Retrospect	P. 51
- FY2021 in-house company strategies	P. 52
- Corporate foundations supporting the promotion of sustainability	P. 56
- Employee engagement leading to Mizuho's sustainable growth	P. 59
- Operations framework enhancements in line with in-house company strategies	P. 60
- Merging strengths in non-financial business areas	P. 61

### Appendix

Financial Results for FY2020:  
Executive Summary

## Executive summary of financial results

(JPY B)	FY20	YoY <sup>1</sup>	
Net Business Profits + Net Gains (Losses) related to ETFs and others <sup>1</sup> ( Net Business Profits )	799.7 ( 797.7 )	+127.1 ( +135.7 )	<ul style="list-style-type: none"> <li>Strong performance in both Customer Groups and Markets contributed to YoY increase in Net Business Profits</li> <li>Lower expenses YoY with structural reforms offsetting increase in expenses due to investment in focus areas</li> </ul>
Credit-related Costs	-204.9	-33.2	<ul style="list-style-type: none"> <li>Maintained Credit-related Costs around the estimated level, recording additional reserves from a forward-looking perspective to prepare for future credit risk</li> </ul>
Net Gains (Losses) related to Stocks – Net Gains (Losses) related to ETFs and others <sup>1</sup> ( Impairment Loss on Stocks )	10.0 ( -5.8 )	-116.4 ( +35.8 )	<ul style="list-style-type: none"> <li>Steadily reduced cross-shareholdings, in addition to reversing impairment losses recorded in H1</li> <li>Improved hedging price for bear funds in light of rising stock prices</li> </ul>
Net Income Attributable to FG	471.0	+22.4	<ul style="list-style-type: none"> <li>In addition to the above, Net Income Attributable to FG increased YoY due to factors such as recording profits from the reversion of stocks from the retirement benefit trust</li> </ul>
CET1 Capital Ratio ( excl. Net Unrealized Gains (Losses) on Other Securities )	11.63% ( 10.46% )	-0.02% ( -0.54% )	<ul style="list-style-type: none"> <li>Although CET1 capital ratio declined primarily due to increased risk-weighted assets arising from factors including providing financing support to clients and rising stock prices, a sufficient level of capital has been maintained</li> <li>CET1 capital ratio (Basel III finalization basis) steadily improved to 9.1%<sup>2</sup>, reaching the targeted level of the lower end of the 9-10% range</li> </ul>

1. JPY 2.0B (-JPY 8.5B YoY) 2. Excluding Net Unrealized Gains (Losses) on Other Securities.

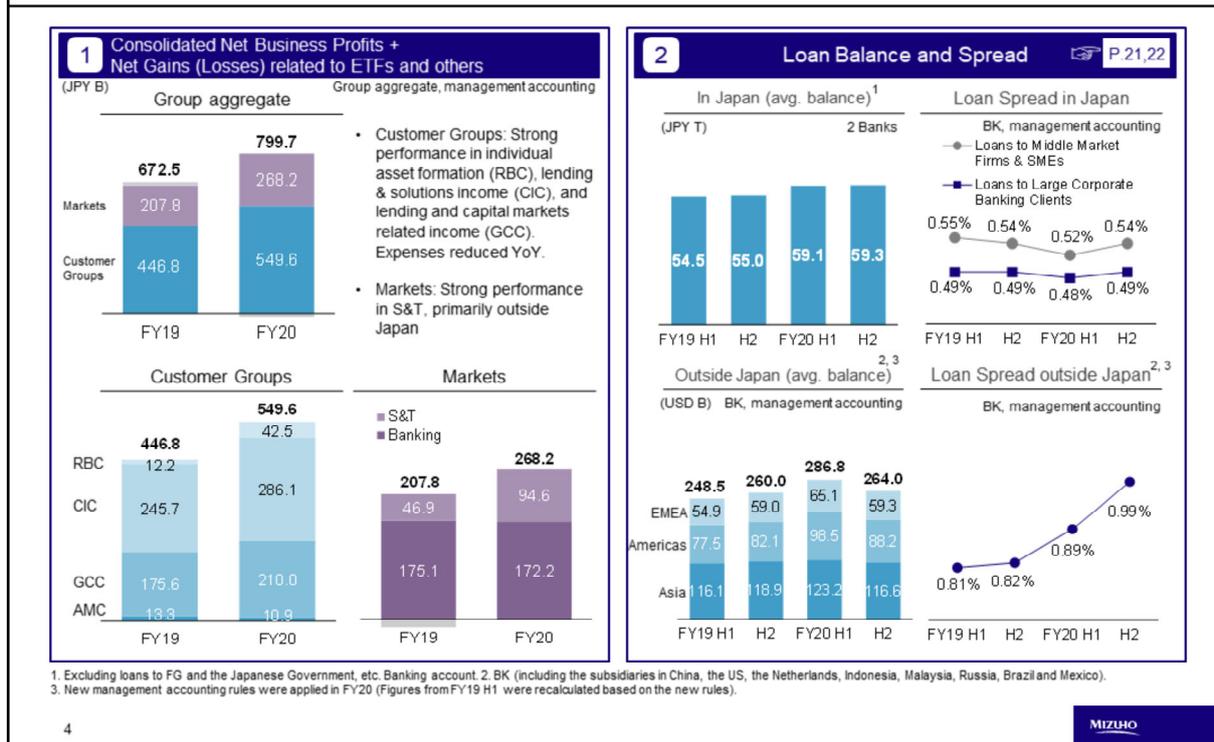
3

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### Page 3 Executive summary of financial results

- Consolidated net business profits rose to JPY 799.7 billion, up by JPY 127.1 billion YoY.
- This exceeds the revised fiscal plan of JPY 710 billion, which was developed as a result of reflecting the steady progress that we had made up to the interim. It also exceeds significantly the JPY 700 billion target that was to be achieved in FY2021 under the 5-Year Business Plan, and has done so a year earlier than in the initial plan.
- Net Gains (Losses) related to Stocks and others:
  - On top of steadily reducing our cross-shareholdings, we eliminated the impairment losses from certain holdings posted in the first half in light of not only the recovery of the stock market, but also through various measures tailored to each individual situation. The hedging price of bear funds, which resulted in unrealized losses in light of rising stock prices, was improved.
- Net income attributable to FG was JPY 471 billion, up by JPY 22.4 billion YoY.
- In the uncertain business environment amid COVID-19, although being helped by factors such as the posting of extraordinary profits from the change made to the pension plan and the reversion of stocks from the Retirement Benefit Trust, we have been able to achieve strong performance because we had solid growth in our net business profits as a result of steady efforts to capture profit opportunities, both in Markets and Customer Groups, despite recording reserves from a forward-looking perspective. In that regard, these were quite robust results.

## Financial highlights (1)



## Page 4 Financial highlights (1)

### ➤ First topic: Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others

Consolidated Net Business Profits were JPY 799.8 billion, an increase by JPY 127.1 billion YoY. To compare this with the results in the past, this year's net business profits exceeded the levels achieved prior to the introduction of negative interest rates in FY2015. It is a record high since the in-house company system was launched within the Mizuho group in FY2016.

### ➤ Customer Groups:

As the deposit income shrunk because of major reductions in overseas policy rates, including US dollar interest rates, we aimed to capitalize on the funding needs of our clients under COVID-19 and the improvement of spreads mainly overseas, as well as the active primary corporate bond market, to steadily translate these activities into revenue.

### ➤ Markets:

**Banking:** We accumulated carry income mainly from foreign bonds and improved the quality of the revenue.

**S&T:** Regarding sales and trading, centering around the US, we captured customer flows when volatility rose under COVID-19. But then on the other hand, at the end of March, trading losses were recorded in the US, which were around JPY 10 billion on a bottom-line basis. The position is already resolved, and we have confirmed that there is no similar trading transactions remaining on a global basis.

➤ **Second topic: Loan balance and spread**

- **In Japan:** Due to the support we provided to our clients to meet their funding needs under COVID-19, the average loan balance in the second half of FY2020 was up by JPY 4.3 trillion compared to the second half of FY2019.

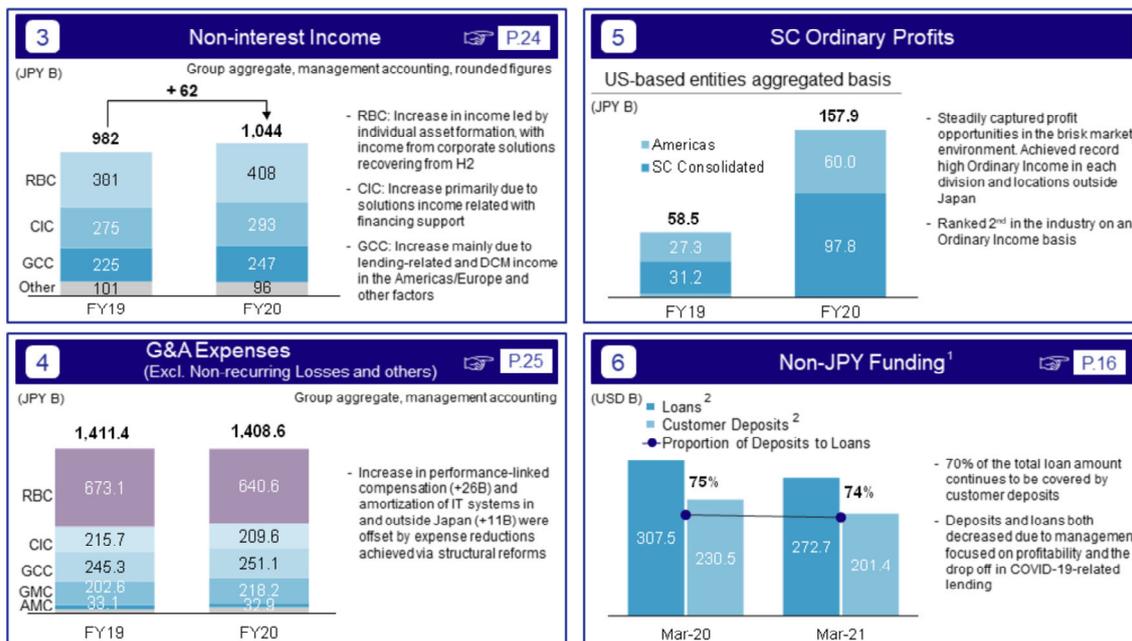
The loan spread for large corporates improved.

The loan spread for middle market and SME clients also rose by 2 basis points compared to the first half of FY2020, partly owing to growth in long-term funding. This is the first time since the second half of FY2009 to see rebound in the spread.

- **Outside Japan:** In all regions and in particular in the Americas, where there was a clear shift towards capital markets for funding, especially among non-Japanese clients, we saw a decline of JPY 22.8 in the average loan balance compared to the first half of FY2020.

The loan spread outside Japan continued its upswing of around 10 basis points compared to the first half of the fiscal year, as revisions to target clients, and other initiatives to improve spread bore fruit.

## Financial highlights (2)



1. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).  
 2. Including Non-JPY loans/customer deposits in Japan. New management accounting rules were applied in FY20.

5

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## Page 5 Financial highlights (2)

### ➤ Third Topic: Non-interest Income (Customer Groups)

RBC: Our Asset Management business for individual customers with a focus on long-term, diversified, and continuous investment, performed well, while our Corporate Solutions business, that had been struggling from sluggish corporate activity with the impact of COVID-19 began to recover in the second half to record JPY 408 billion with an increase by JPY 27 billion YoY.

CIC: CIC grew its revenue to JPY 293 billion, up by JPY 18 billion, with revenue from Solutions business with a rising loan balance brought about by funding support we provided under COVID-19.

GCC: Increased its revenue to JPY 247 billion, up by JPY 22 billion, primarily from lending-related activities, mainly in Europe and the Americas, and increases in the volume of capital market transactions.

### ➤ Fourth topic: G&A expenses

Increases in expenses from investments into areas of focus, including performance-linked compensation, up JPY 26 billion YoY, and the amortization of core banking systems in Japan and overseas, up JPY 11 billion YoY, were offset by expense reduction efforts through steady progress made in structural reform initiatives, bringing the overall expenses down YoY.

### ➤ Fifth topic: Mizuho Securities

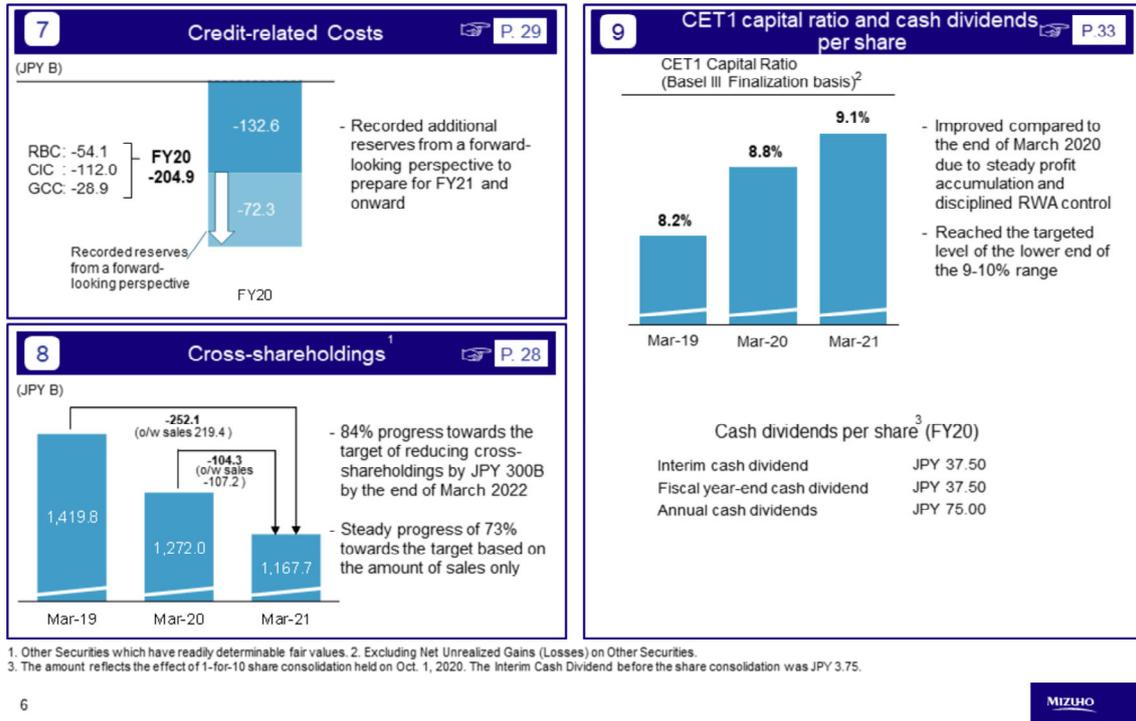
Mizuho Securities' ordinary profit on a simple aggregated basis, combining all the US entities, came to a record high of JPY 157.9 billion. Both on an unconsolidated basis and on the basis of combining both Japan and overseas, it was ranked second in the securities industry.

Retail, CIB, and Markets all performed extremely well.

### ➤ Sixth topic: Non-JPY funding

The balance of foreign currency customer deposits dropped because we had tighter controls around high-cost deposits, in the face of declining loans. But the ratio of the total loan amount covered by customer deposits continues to be above our benchmark of 70%.

## Financial highlights (3)



## Page 6 Financial highlights (3)

### ➤ **Seventh topic: Credit-related costs**

Credit-related costs were down by JPY 204.9 billion. The split between Japan and overseas is such that 80% is for Japan and 20% for overseas.

In anticipation of prolonged impacts from the coronavirus, we additionally recorded forward-looking reserves of JPY 72.3 billion. We managed our finances so that credit-related costs could peek out in FY2020 by moving up the recording of some costs from FY2021 and onwards.

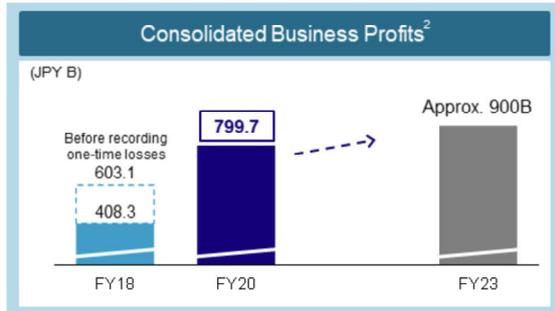
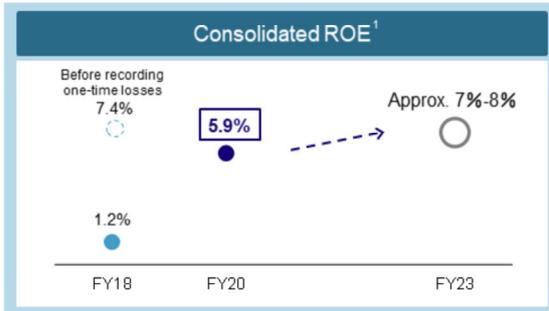
### ➤ **Eighth topic: Cross-shareholdings**

Reductions achieved were JPY 252.1 billion toward the target of reducing them by JPY 300 billion by the end of March 2022, a progress rate of 84%. We shall, first and foremost, concentrate on meeting the target of JPY 300 billion and then continue to sell and reduce cross-shareholdings thereafter. Net reductions or sales, excluding impairment, was JPY 219.4 billion, a progress rate of 73%.

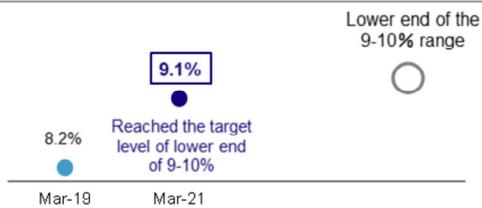
We will make sure to continue to negotiate with the issuers so that we can achieve a targeted JPY 300 billion reduction with the sale of the cross-shareholdings alone.

# Reference: Progress against the 5-Year Business Plan

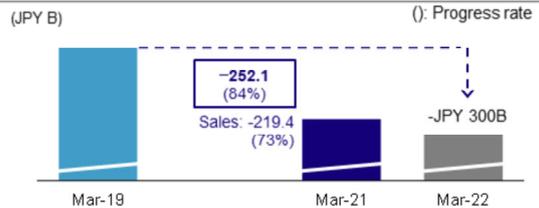
## Financial Targets



## Common Equity Tier 1 (CET1) Capital Ratio target level<sup>3</sup>



## Reduction of cross-shareholdings<sup>4</sup>



[Assumed financial indicators for FY23 targets] 10-year JGBs interest rate: 0.15%, Nikkei Stock Average: JPY 22,100, JPY/USD: JPY 101

1. Excluding Net Unrealized Gains (Losses) on Other Securities. 2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.  
3. Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities. 4. Acquisition cost basis.

## Financial results by In-house Company

(JPY B) Group aggregate, management accounting

	Gross Profits <sup>1</sup>		G&A Expenses (excl. Non-recurring Losses and others)		Net Business Profits <sup>1</sup>		Net Income <sup>1,3</sup>		ROE
	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20
Retail & Business Banking	679.9	3.5	-640.6	32.6	42.5	30.3	26.4	43.5	2.0%
Corporate & Institutional	491.9	32.3	-209.6	6.1	286.1	40.4	205.2	10.6	9.5%
Global Corporate	450.6	39.7	-251.1	-5.8	210.0	34.5	113.7	5.5	8.1%
Global Markets	487.2	75.7	-218.2	-15.6	268.2	60.4	174.2	31.1	10.9%
Asset Management	50.4	-2.5	-32.9	0.1	10.9	-2.4	4.4	-1.7	4.0%

1. GMC includes Net Gains (Losses) related to ETFs (2 Banks). 2. New management accounting rules were applied in FY20. Figures for FY19 are recalculated based on the new rules.  
 3. Credit-related costs of -JPY 39.3B recorded from a forward-looking perspective on head office account in FY19 were allocated to Retail & Business Banking and Corporate & Institutional Company on an actual basis both in FY19 and FY20.

## Net Business Profits by In-house Company (FY20/vs. revised plan)

(JPY B)

■ Gross Profits\*   ■ G&A Expenses (excluding Non-Recurring Losses)   ● Net Business Profits\*

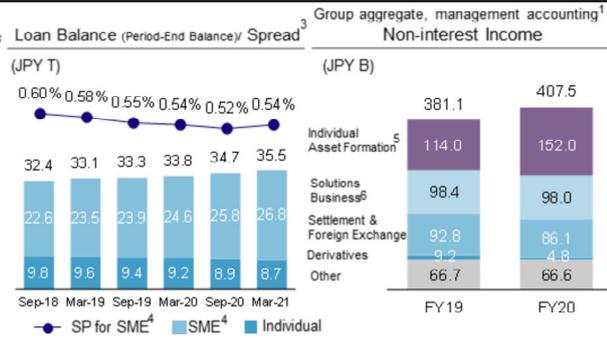
Group aggregate, management accounting  
Plan: Revised plan announced in Nov. 2020



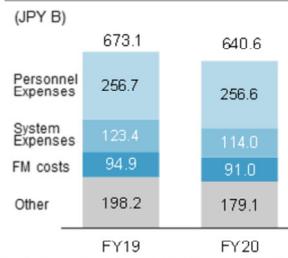
\* GMC (Banking) includes Net Gains (Losses) related to ETFs.

# Retail & Business Banking Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	676.4	<b>679.9</b>	+3.5	<b>654.9</b>	104%
Interest Income	2	295.1	<b>272.1</b>	-23.0		
Non-interest Income	3	381.1	<b>407.5</b>	+26.4		
G&A Expenses (Excl. Non-recurring losses and others)	4	-673.1	<b>-640.6</b>	+32.6	<b>-643.4</b>	100%
Equity in Income from Investments in Affiliates	5	11.8	<b>5.4</b>	-6.3		
<b>Net Business Profits</b>	6	12.2	<b>42.5</b>	+30.3	<b>13.7</b>	311%
Credit-related Costs <sup>2</sup>	7	-76.6	<b>-54.1</b>	+22.5		
Net Gains (Losses) related to Stocks and others	8	17.3	<b>21.9</b>	+4.6		
Others	9	30.0	<b>16.1</b>	-13.9		
<b>Net Income</b>	10	-17.1	<b>26.4</b>	+43.5	<b>-34.6</b>	-#
Internal risk capital (avg. balance)	11	1,354.6	<b>1,316.1</b>	-38.5		
ROE	12	-1.3%	<b>2.0%</b>	+3.3%		
Gross Profits ROE	13	49.9%	<b>51.7%</b>	+1.7%		
Expense ratio	14	99.5%	<b>94.2%</b>	-5.3%		



## G&A Expenses (excl. Non-recurring Losses and others)



## League Table

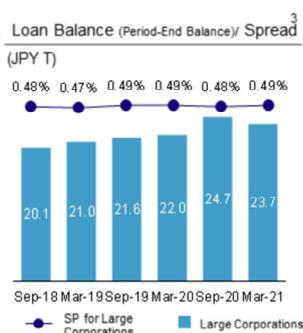
(JPY T)

	FY19	FY20
IPO <sup>7</sup>	2nd	<b>2nd</b>
Balance of Assets in Custody <sup>8</sup>	Mar-20	<b>Mar-21</b>
SC	43.1	<b>53.8</b>
2 Banks	37.6	<b>48.3</b>
2 Banks	5.5	<b>5.5</b>

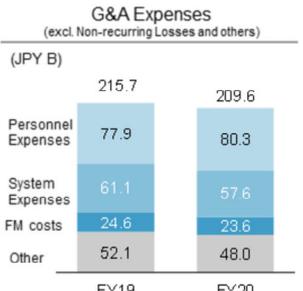
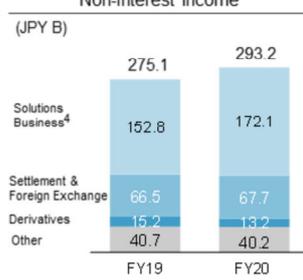
1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules. 2. Credit-related costs of JPY 37.9B recorded from a forward-looking perspective on head office account in FY19 were allocated to Retail & Business Banking and Corporate & Institutional Company on an actual basis both in FY19 and FY20. 3. Loan Balance: 2 Banks, Spread: BK management accounting. 4. Small and medium-sized enterprises. 5. BK investment trusts, annuities + SC individual segment, PB segment. 6. Including fees related to investment banking business, and real estate brokerage. 7. IPO bookrunner number Source: Capital Eye 8. Figures for SC are for Retail & Business Banking segment. From Mar. 31, 2019, the historical balance of assets in custody held by SC are recalculated due to a change in definition.

# Corporate & Institutional Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	459.5	<b>491.9</b>	+32.3	<b>463.1</b>	106%
Interest Income	2	184.8	<b>199.2</b>	+14.4		
Non-interest Income	3	275.1	<b>293.2</b>	+18.1		
G&A Expenses (Excl. Non-recurring losses and others)	4	-215.7	<b>-209.6</b>	+6.1	<b>-214.8</b>	98%
Equity in Income from Investments in Affiliates	5	2.0	<b>3.9</b>	+2.0		
<b>Net Business Profits</b>	6	245.7	<b>286.1</b>	+40.4	<b>251.2</b>	114%
Credit-related Costs <sup>2</sup>	7	-68.3	<b>-112.0</b>	-43.7		
Net Gains (Losses) related to Stocks and others	8	98.6	<b>51.9</b>	-46.7		
Others	9	-81.3	<b>-20.8</b>	+60.5		
<b>Net Income</b>	10	194.7	<b>205.2</b>	+10.6	<b>143.1</b>	143%
Internal risk capital (avg. balance)	11	2,157.4	<b>2,156.4</b>	-1.0		
ROE	12	9.0%	<b>9.5%</b>	+0.5%	<b>6.6%</b>	
Gross Profits ROE	13	21.3%	<b>22.8%</b>	+1.5%		
Expense ratio	14	46.9%	<b>42.6%</b>	-4.3%		



Group aggregate, management accounting<sup>1</sup>



League Table

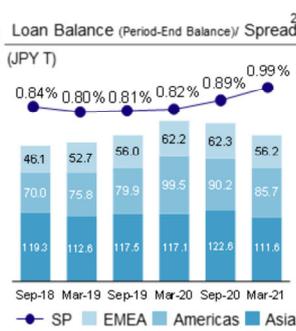
	FY19	FY20
DCM <sup>5</sup>	1st	<b>1st</b>
SDG bonds <sup>6</sup>	1st	<b>1st</b>
LCM <sup>6</sup>	1st	<b>1st</b>
ECM <sup>6,7</sup>	4th	<b>2nd</b>
M&A <sup>6,8</sup> No. of deals	2nd	<b>2nd</b>
Amount of deals	3rd	<b>15th</b>

1. New management accounting rules were applied in FY20 (Figures from FY19 were recalculated based on the new rules). 2. Credit-related costs of -JPY 1.4B recorded from a forward-looking perspective on head office account in FY19 were allocated to on an actual basis both in FY19 and FY20. 3. Loan Balance: 2 Banks, Spread: BK management accounting. 4. Including fee related to investment banking business, and real estate related. 5. Straight bonds, Investment corporation bonds, Zaito institution bonds, Municipal bonds (Lead manager method only), Samurai bonds and Preferred securities (excluding own debt). Source: Refinitive. 6. Source: Refinitive. 7. Equity Underwriting amount. 8. Any Japanese involvement announced (excluding real estate deals).

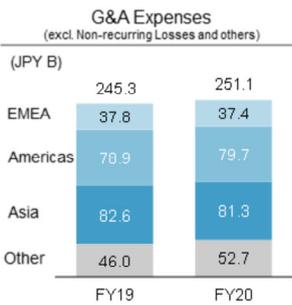
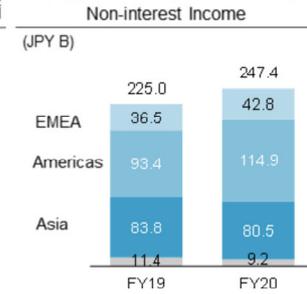


# Global Corporate Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	410.9	<b>450.6</b>	+39.7	<b>415.8</b>	108%
Interest Income	2	164.6	<b>189.3</b>	+24.8		
Non-interest Income	3	225.0	<b>247.4</b>	+22.4		
G&A Expenses (Excl. Non-recurring losses and others)	4	-245.3	<b>-251.1</b>	-5.8	<b>-257.5</b>	98%
Equity in Income from Investments in Affiliates	5	10.4	<b>10.9</b>	+0.6		
<b>Net Business Profits</b>	6	175.6	<b>210.0</b>	+34.5	<b>167.4</b>	125%
Credit-related Costs	7	-28.4	<b>-28.9</b>	-0.6		
Net Gains (Losses) related to Stocks and others	8	7.1	-	-7.1		
Others	9	-46.1	<b>-67.4</b>	-21.3		
<b>Net Income</b>	10	108.2	<b>113.7</b>	+5.5	<b>76.7</b>	148%
Internal risk capital (avg. balance)	11	1,301.1	<b>1,396.3</b>	95.2		
ROE	12	8.3%	<b>8.1%</b>	-0.2%	<b>5.4%</b>	
Gross Profits ROE	13	31.6%	<b>32.3%</b>	+0.7%		
Expense ratio	14	59.7%	<b>55.7%</b>	-4.0%		



Group aggregate, management accounting<sup>1</sup>



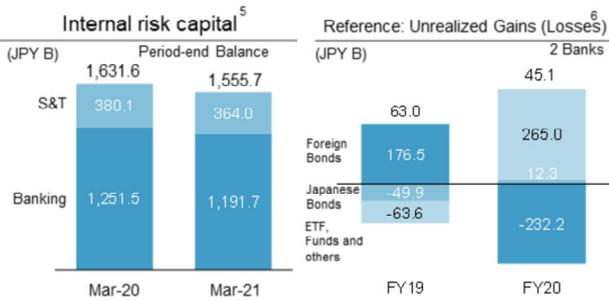
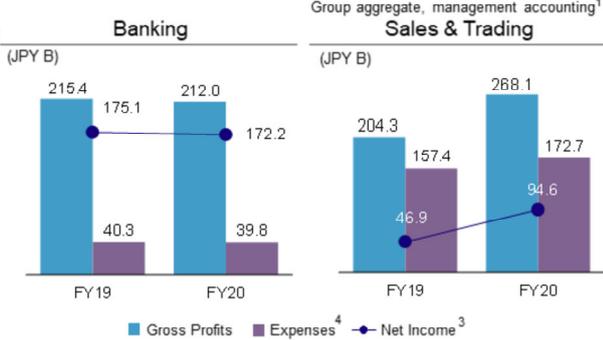
League Table

	FY19	FY20
DCM in the Americas <sup>3</sup>	10th	<b>9th</b>
Excl. US Banks	4th	<b>3rd</b>
Market Share	3.4%	<b>4.7%</b>
LCM in the Americas <sup>4</sup>	7th	<b>8th</b>
Excl. US Banks	3rd	<b>2nd</b>
Market Share	3.5%	<b>3.3%</b>

1. Figures including past figures are recalculated based on the FY20 planned rate in USD. 2. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).  
 Spread: BK management accounting 3. Bonds issued by investment grade corporations in the Americas, bookrunner basis. Source: Dealogic  
 4. Loans issued by investment grade corporations in the Americas, bookrunner basis. Source: Refinitive

# Global Markets Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits <sup>2</sup>	1	411.5	<b>487.2</b>	+75.7	<b>493.0</b>	99%
Banking	2	215.4	<b>212.0</b>	-3.4		
S&T	3	204.3	<b>268.1</b>	+63.7		
G&A Expenses (Excl. Non-recurring losses and others)	4	-202.6	<b>-218.2</b>	-15.6	<b>-215.5</b>	101%
Equity in Income from Investments in Affiliates	5	-	-	-		
<b>Net Business Profits</b> <sup>3</sup>	6	207.8	<b>268.2</b>	+60.4	<b>276.7</b>	97%
Credit-related Costs	7	0.8	<b>-0.1</b>	-1.0		
Net Gains (Losses) related to Stocks and others	8	-	-	-		
Others	9	-85.5	<b>-93.9</b>	-28.4		
<b>Net Income</b>	10	143.1	<b>174.2</b>	+31.1	<b>183.3</b>	95%
Internal risk capital (avg. balance)	11	1,428.4	<b>1,591.2</b>	+162.8		
ROE	12	10.0%	<b>10.9%</b>	+0.9%	<b>10.7%</b>	
Gross Profits ROE	13	28.8%	<b>30.6%</b>	+1.8%		
Expense ratio	14	49.2%	<b>44.8%</b>	-4.5%		

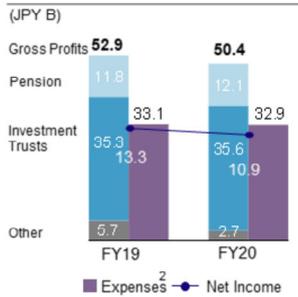


1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules. 2. Including XVA related gains and losses (FY19: -JPY 8.2B, FY20: JPY 7.2B).  
 3. Including Net Gains (Losses) related to ETFs (2 Banks) and others. 4. Excluding Non-recurring Losses and others. 5. Preliminary figures.  
 6. Excluding transactions such as hedge transactions calculated in management accounting in GMC.

# Asset Management Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	52.9	50.4	-2.5	49.4	102%
Investment Trusts	2	35.3	35.6	+0.2		
Pension	3	11.8	12.1	+0.3		
G&A Expenses (Excl. Non-recurring losses and others)	4	-33.1	-32.9	+0.1	-32.4	102%
Equity in Income from Investments in Affiliates	5	1.3	1.1	-0.2		
<b>Net Business Profits</b>	6	13.3	10.9	-2.4	10.0	109%
Credit-related Costs	7	-	-	-		
Net Gains (Losses) related to Stocks and others	8	1.2	0.0	-1.2		
Others	9	-8.4	-6.5	+1.9		
<b>Net Income</b>	10	6.1	4.4	-1.7	4.0	113%
Internal risk capital (avg. balance)	11	116.5	111.4	-5.1		
ROE	12	5.2%	4.0%	-1.2%	3.4%	
Gross Profits ROE	13	45.4%	45.3%	-0.1%		
Expense ratio	14	62.6%	65.4%	+2.8%		

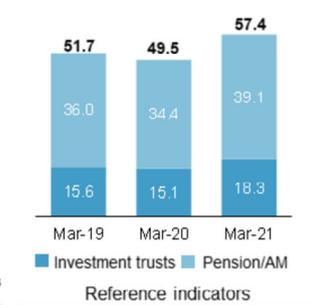
## Net Business Profits



## Investment Trust Net Assets Share



## Group aggregate, management accounting<sup>1</sup> Balance of publicly offered and privately placed investment trusts



	FY19	FY20
R&I investment trust sales companies satisfaction survey <sup>4</sup>	2nd	2nd
Number of iDeCo participants <sup>5</sup>	173	224

1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules). 2. Excluding Non-Recurring Losses and others. 3. Excluding ETFs. Source: The Investment Trusts Association data 4. AM One. Source: R&I 'Fund information' Vols. 314, 339. 5. BK.

## Overview of Income Statement

(JPY B)	FY2020			YoY			
		FG	BK + TB	SC Consolidated	FG	BK + TB	SC Consolidated
<b>Consolidated Net Business Profits</b>							
<b>+ Net Gains (Losses) related to ETFs and others*</b>	1	<b>2,200.7</b>	<b>1,749.6</b>	<b>351.3</b>	<b>+127.9</b>	<b>+46.0</b>	<b>+82.5</b>
Consolidated Gross Profits	2	2,198.6	1,750.9	348.0	+136.4	+54.6	+82.5
Net Interest Income	3	905.6	894.0	3.8	+172.1	+161.3	+8.7
Net Fee and Commission Income + Fiduciary Income	4	742.3	577.8	136.4	+64.4	+44.1	+24.9
Net Trading Income + Net Other Operating Income	5	550.7	279.0	207.7	-100.1	-150.8	+48.7
Net Gains (Losses) related to Bonds	6	1.6	1.6	0.0	-112.6	-112.6	+0.0
General and Administrative Expenses	7	-1,414.6	-1,063.6	-253.3	-36.2	-23.9	-14.0
<b>Consolidated Net Business Profits</b>	8	<b>799.7</b>	<b>690.7</b>	<b>99.3</b>	<b>+127.1</b>	<b>+58.8</b>	<b>+68.3</b>
<b>+ Net Gains (Losses) related to ETFs and others*</b>							
Consolidated Net Business Profits	9	797.7	692.0	96.0	+135.7	+67.4	+68.2
Consolidated Net Business Profits from core business operations (9-6)	10	796.1	690.3	96.0	+248.3	+180.0	+68.2
Credit-related Costs	11	-204.9	-205.0	-0.2	-33.2	-32.4	-1.3
Net Gains (Losses) related to Stocks	12	10.0	0.3	6.9	-116.4	-123.4	+6.7
- Net Gains (Losses) related to ETFs and others*							
Net Gains (Losses) related to Stocks	13	12.1	-0.9	10.2	-125.0	-132.0	+6.7
Equity in Income from Investments in Affiliates	14	19.9	23.2	-1.9	-10.4	-7.5	-1.8
Other	15	-74.8	-65.2	1.8	-33.0	-19.2	+2.7
Ordinary Profits	16	536.3	439.2	104.5	-101.5	-160.4	+74.8
Net Extraordinary Gains (Losses)	17	115.8	108.7	-15.6	+135.0	+126.0	-14.0
Income before Income Taxes	18	652.1	547.9	88.9	+33.4	-34.4	+60.8
Income Taxes	19	-174.7	-152.9	-11.5	-13.2	-3.8	-5.3
Profit Attributable to Non-controlling Interests	20	-6.3	0.3	-1.8	+2.2	+4.7	-1.2
<b>Profit Attributable to Owners of Parent</b>	21	<b>471.0</b>	<b>395.3</b>	<b>75.5</b>	<b>+22.4</b>	<b>-33.4</b>	<b>+54.1</b>

\*FY19: JPY 10.6B, FY20: JPY 2.0B.

# Overview of Balance Sheet (Mar-21)

**Total Assets: JPY 225T (+10.9T)** Consolidated,  
( ) represent changes from Mar-20

Loans	
<b>JPY 83T (+JPY 0.2T)</b>	
JPY <sup>1</sup>	JPY 53T
Non-JPY <sup>1</sup>	JPY 272.7B

Deposits/NCDs <sup>2</sup>	
<b>JPY 150T (+JPY 6.0T)</b>	
JPY <sup>1</sup>	JPY 127.T
Non-JPY <sup>1,3</sup>	JPY 201.4B

Securities	
<b>JPY 43T (+JPY 8.7T)</b>	
JGBs	JPY 21.4T
Foreign Bonds	JPY 12.8T
Japanese Stocks	JPY 3.5T

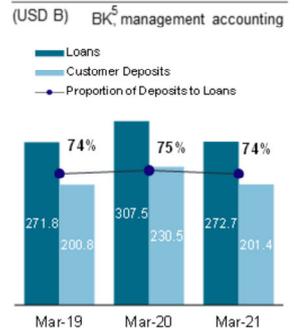
Other Liabilities	
<b>JPY 65T (+JPY 4.1T)</b>	

Other Assets	
<b>JPY 98T (+JPY 1.9T)</b>	
Cash and Due from Banks	JPY 47.9T
<i>o/v Bank of Japan</i>	
<i>Current Account Balance<sup>4</sup></i>	JPY 39T

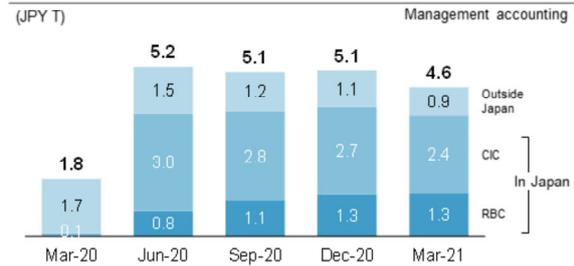
Net Assets	
<b>JPY 9T (+JPY 0.6T)</b>	

Non-JPY Funding	
(USD B)	BK <sup>5</sup> management accounting
<b>Loans</b>	<b>272.7</b>
<b>Securities</b>	<b>106.4</b>
<b>Other</b>	<b>67.5</b>
<b>Customer Deposits</b>	<b>201.4</b>
<b>Medium and LT Funding</b>	<b>81.0</b>
Corporate Bonds	
Currency Swaps and other	
<b>Market Operations</b>	<b>91.3</b>
Repos	
Interbank	
Central Banks	
deposits and other	
<b>CD &amp; CP</b>	<b>73.0</b>

**Trends in Non-JPY Loans and Deposits**

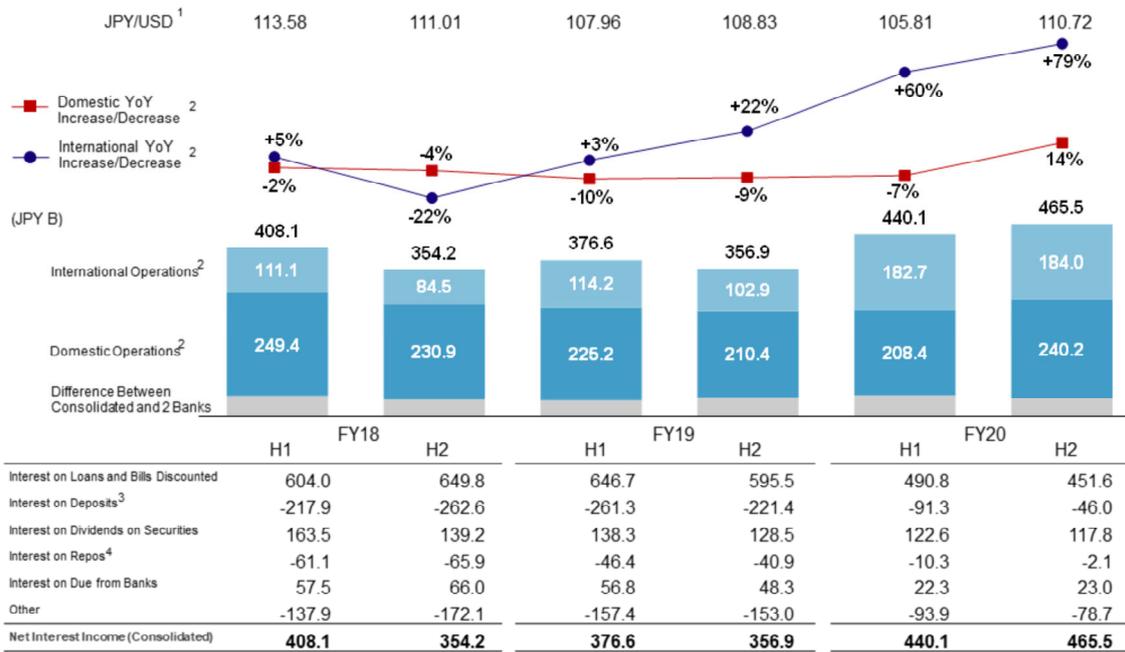


**Reference: COVID-19 related loans**



1. Management accounting basis, rounded figures. 2. Negotiable Certificates of Deposit. 3. Customer Deposits. 4. 2 Banks. 5. New management accounting rules were applied in FY20 (Figures from FY19 were recalculated based on the new rules), including Non-JPY loans/customer deposits in Japan and subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico.

## Consolidated Gross Profits (Net Interest Income)



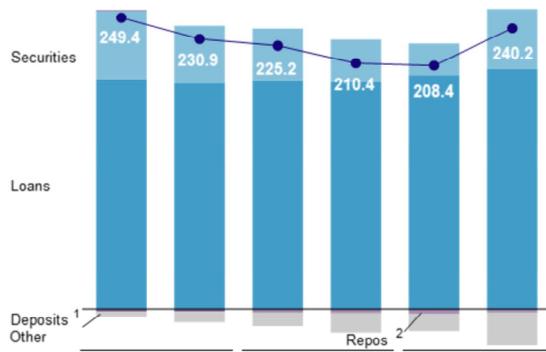
1. Foreign exchange rate (TTM) at the respective period end. 2. 2 Banks. 3. Excluding Interest on Negotiable Certificates of Deposit. 4. Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions.

# Net Interest Income (2 Banks)

## Domestic Operations

2 Banks

(JPY B) ● Net Interest Income

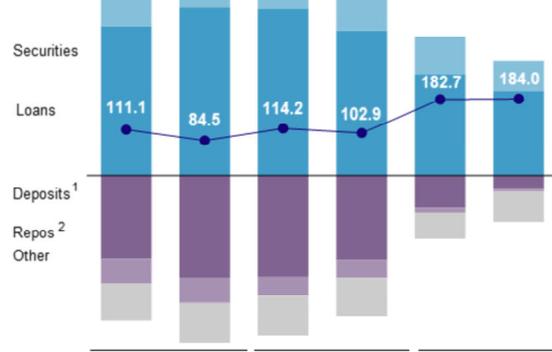


	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
Loans	195.5	192.7	194.9	193.6	200.1	205.7
Deposits	-2.3	-1.9	-1.8	-1.8	-1.7	-1.5
Securities	59.4	49.5	45.0	36.8	26.9	50.9
Repos	1.1	-0.2	-1.3	-1.9	-2.6	-1.4
Other <sup>3</sup>	-4.3	-9.1	-11.4	-16.1	-14.2	-13.4

## International Operations

2 Banks

(JPY B) ● Net Interest Income



	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
Loans	359.6	405.3	400.6	348.9	242.1	201.6
Deposits	-200.6	-245.2	-244.2	-203.6	-76.8	-33.1
Securities	99.4	87.0	96.2	90.6	91.7	73.1
Repos	-59.0	-60.7	-44.3	-41.9	-13.1	-5.6
Other <sup>3</sup>	-88.2	-101.8	-94.0	-91.2	-61.0	-51.9

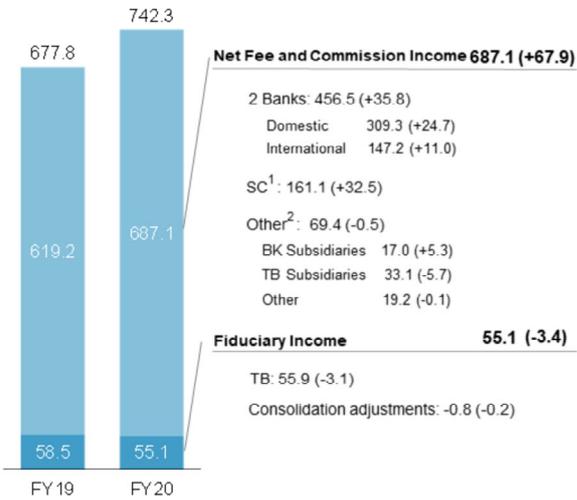
<sup>1</sup> Excluding Interest on Negotiable Certificates of Deposit. <sup>2</sup> Interest/expense of Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions. <sup>3</sup> Including Interest on Due from Banks

## Consolidated Gross Profits (excluding Net Interest Income)

### Net Fee and Commission Income/Fiduciary Income

(JPY B)

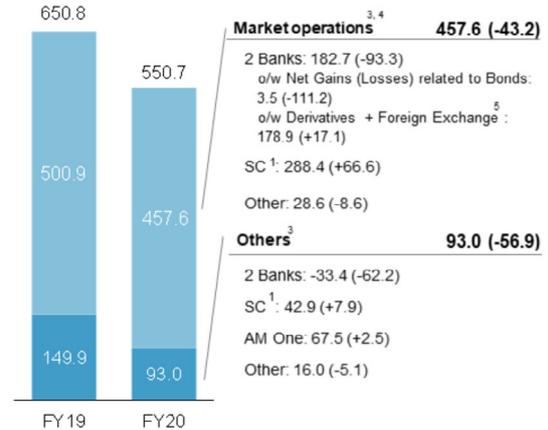
Consolidated, Figures in ( ) represent YoY



### Net Trading Income/Net Other Operating Income

(JPY B)

Consolidated, Figures in ( ) represent YoY



1. Including Mizuho Securities USA LLC 2. Including consolidation adjustments. 3. After consolidation adjustments, includes subsidiaries. 4. Net Trading Income - SC Underwriting and Selling Fees + Net Gains (Losses) related to Bonds + Net Gains (Losses) on Foreign Exchange Transactions 5. Net Gains (Losses) on Derivatives Trading Transactions + Net Gains (Losses) on Foreign Exchange Transactions.

# Loans



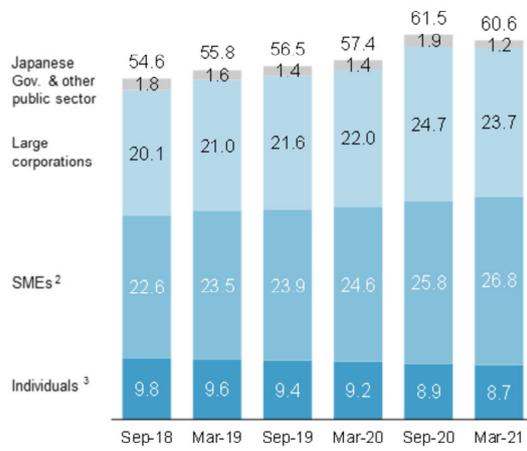
1. Foreign exchange rate (TTM) at the respective period ends. 2. Excluding loans to FG. Banking account.

# Loans in Japan

## Loan Balance<sup>1</sup> (Period-end Balance)

2 Banks

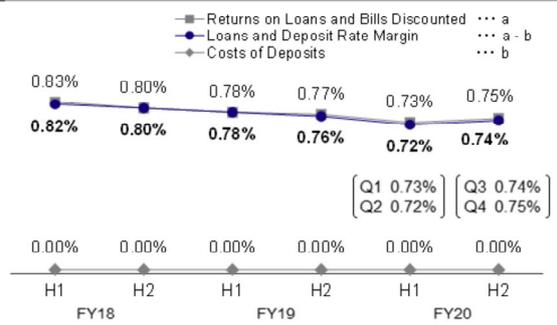
(JPY T)



Average Balance	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
	53.8	55.0	56.0	56.4	61.0	60.8

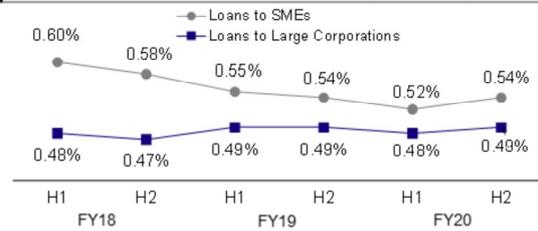
## Loan and Deposit Rate Margin<sup>4</sup>

2 Banks



## Loan Spread

BK. management accounting

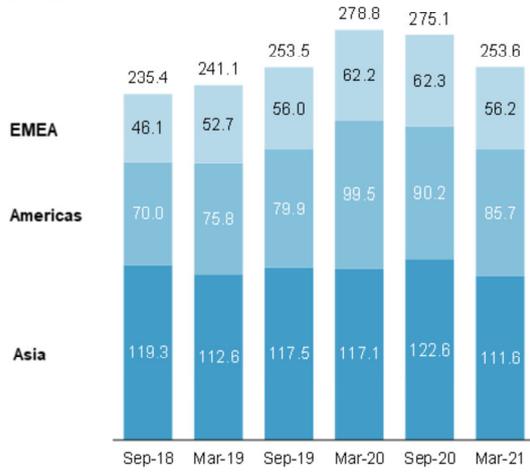


1. Excluding loans to FG. Banking account. 2. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers".  
3. Consumer Loans. 4. Domestic Operations, excluding loans to financial institutions (including FG) and the Japanese Government & other public sector.

# Loans outside Japan

## Loan Balance <sup>1,2</sup> (Period-end Balance) BK, management accounting

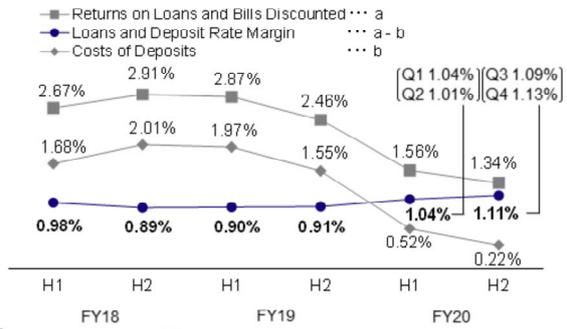
(USD B)



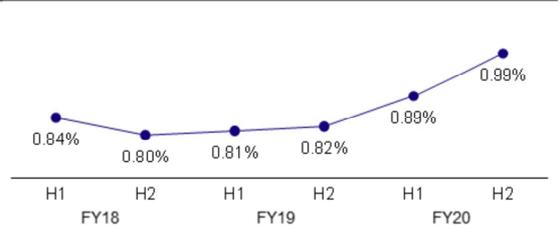
Average Balance	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
	227.6	244.0	248.5	260.0	286.8	264.0

1. BK (including the subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).  
 2. Figures including past figures are calculated based on the FY20 planned rate in USD.

## Loan and Deposit Rate Margin BK, Overseas offices



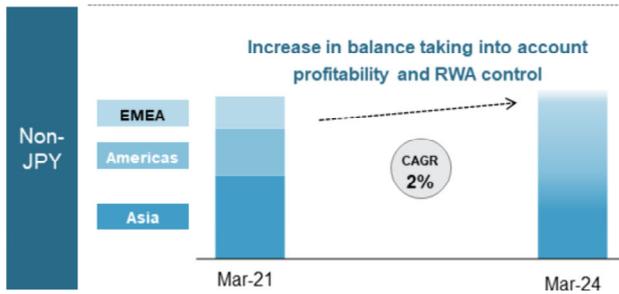
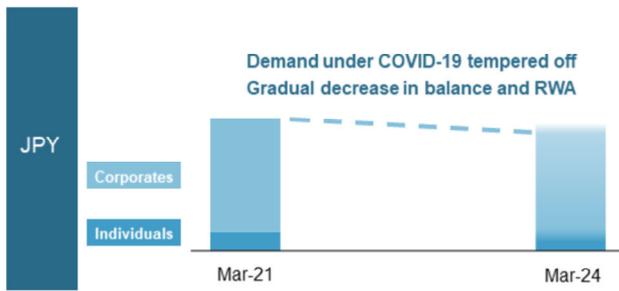
## Loan Spread <sup>1,2</sup> BK, management accounting



# Reference: Outlook of Loans

## Loan Balance

(In-house company management accounting basis)



## Loan Spread

(In-house company management accounting basis)

	FY19 vs FY20	FY20 vs FY21	FY21 vs FY23
Large Corporations	→	→	→
SMEs	→	→	→
Individuals	→	→	→

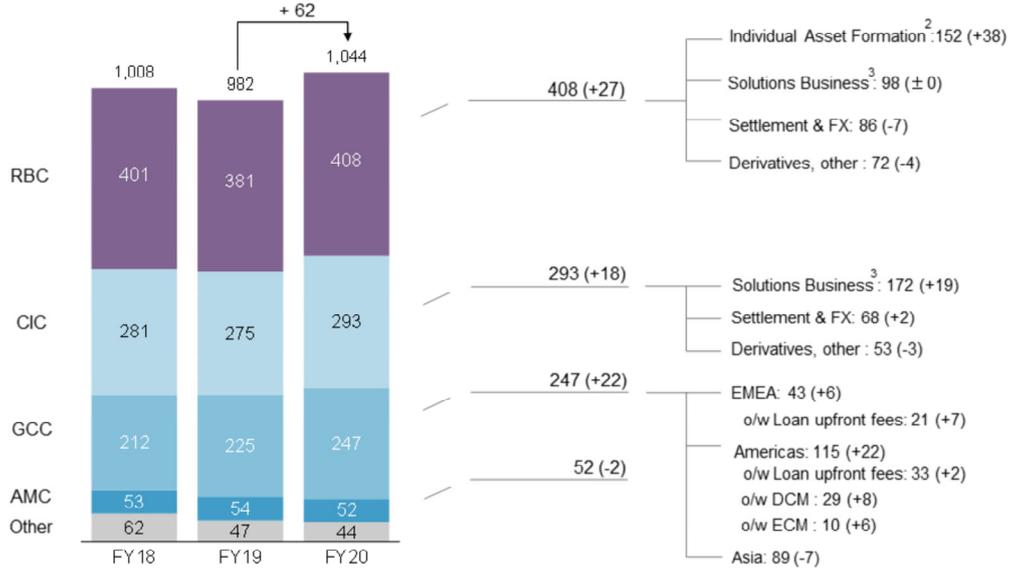
	FY19 vs FY20	FY20 vs FY21	FY21 vs FY23
EMEA	↗	→	→
Americas	↗	→	→
Asia	↗	→	→

# Non-interest Income

## Non-interest Income (Customer Groups)<sup>1</sup>

Group aggregate, management accounting, rounded figures  
 Figures in ( ) represent YoY

(JPY B)

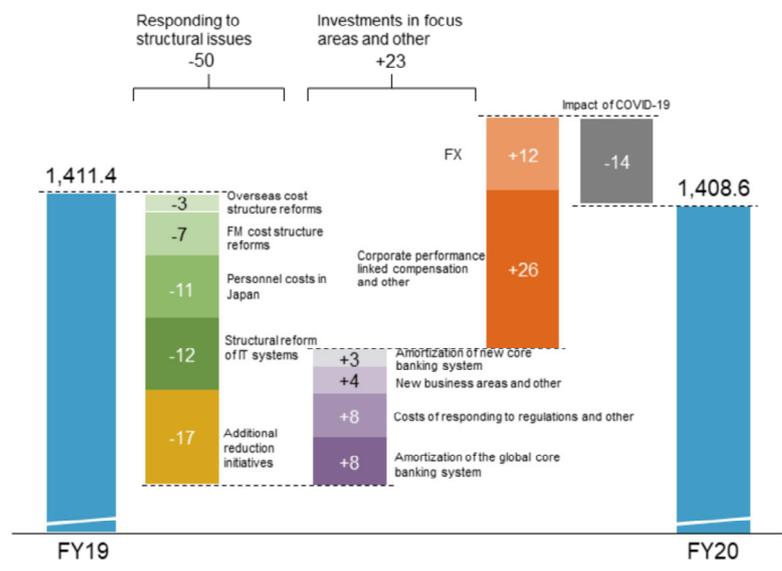


1. Recalculated past figures based on FY20 planned rate and other factors such as expansion and refinement of range of consolidated subsidiaries. The original figures before the recalculation were FY18 H1: JPY 1,007.0B and FY19: JPY 984.0B. 2. BK investment trusts, annuities + SC individual segment, PB segment. 3. Including fees related to investment banking business and real estate brokerage

# General and Administrative Expenses

## General and Administrative Expenses (excl. Non-recurring losses)<sup>1</sup> Consolidated

(JPY B)



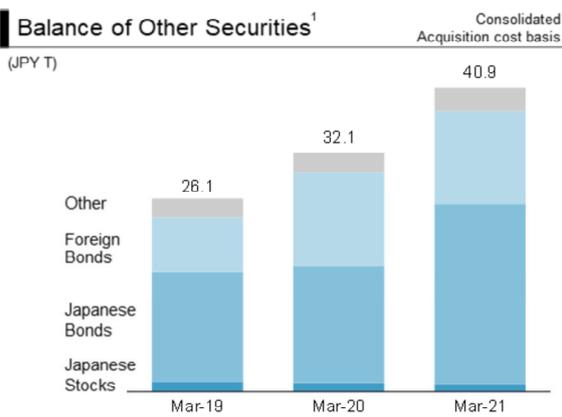
Reference	FY19	FY20
G&A Expenses (excl. Non-Recurring Losses)	1,411.4	1,408.6
<i>Personnel</i>	671.7	685.4
<i>Non-Personnel</i> <sup>2</sup>	674.8	658.8
<i>Miscellaneous Taxes</i>	64.8	64.2
<b>G&amp;A Expenses</b>	<b>1,378.3</b>	<b>1,414.6</b>
<i>Non-Recurring Losses</i>	-46.2	-6.2
<i>Amortization of Goodwill and other items</i>	13.2	12.2

1. Rounded figures, management accounting basis. 2. Excluding Amortization of Goodwill and other items.

## Securities portfolio

### Balance of Other Securities<sup>1</sup>

(JPY T)



	Mar-19	Mar-20	Mar-21
Japanese Stocks	1.4	1.2	1.1
Japanese Bonds	14.7	15.7	24.1
o/w JGB	11.8	12.6	20.9
Foreign Bonds	7.3	12.5	12.4
o/w Debt Securities issued in US <sup>2</sup>	2.1	8.0	8.3
Other	2.5	2.6	3.1
o/w bearfunds <sup>3</sup>	-	0.8	0.6
o/w Investment Trusts and others	2.5	1.8	2.4

### Unrealized Gains/Losses on Other Securities<sup>1,4</sup>

(JPY B)



	Mar-19	Mar-20	Mar-21
Japanese Stocks	1,687.6	1,071.5	1,665.7
Japanese Bonds	5.2	-54.1	-44.9
o/w JGB	5.9	-44.0	-31.7
Foreign Bonds	21.7	200.9	-33.0
o/w Debt Securities issued in US <sup>2</sup>	5.1	234.4	-29.3
Other	-64.6	-42.0	-17.0
o/w bearfunds <sup>3</sup>	-	86.2	-155.4
o/w Investment Trusts and others	-64.6	-128.2	138.4

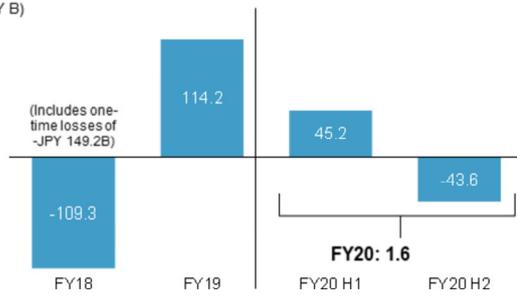
1. Other Securities which have readily determinable fair values. Excluding Investments in Partnership, 2 UST/GSE Bonds, 2 Banks, 3. Hedging transactions aiming to fix unrealized gains on Japanese stocks.  
4. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19, Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. Others are calculated based on the quoted market price if available, or other reasonable value, at the respective period end.

# Securities portfolio (Bonds)

## Net Gains (Losses) related to Bonds

Consolidated

(JPY B)



Reference: Interest Rate Trends in and outside Japan



## JGB portfolio <sup>1</sup>

2 Banks  
Acquisition cost basis

(JPY T)

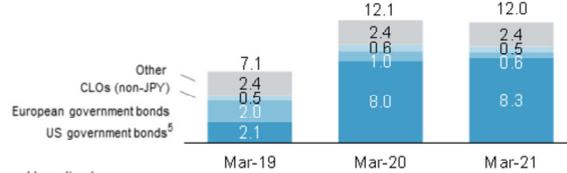


Unrealized Gains (Losses) <sup>3</sup> (JPY B)	Mar-19	Mar-20	Mar-21
	5.9	-44.0	-31.7
Reference: Avg. remaining period <sup>4</sup> (yrs)	2.1	2.4	1.1

## Foreign bond portfolio <sup>1</sup>

2 Banks  
Acquisition cost basis

(JPY T)



Unrealized Gains (Losses) <sup>3</sup> (JPY B)	Mar-19	Mar-20	Mar-21
	21.1	199.6	-32.5
Reference: Avg. remaining period (yrs)	3.2	2.6	2.5

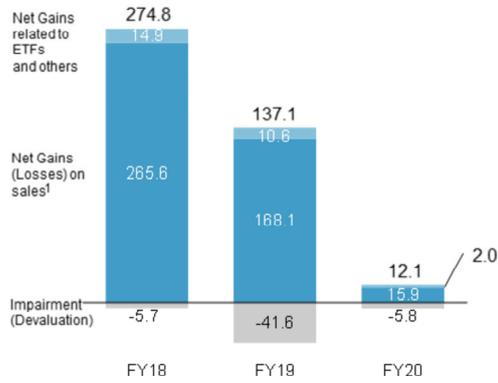
1. Other Securities which have readily determinable fair values. 2. Including bonds with remaining period of one year or less. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable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

## Securities portfolio (Stocks)

### Net Gains (Losses) related to Stocks

Consolidated

(JPY B)



- Reversed impairment losses recorded in H1
- Took preventative measures against impairment risk to a certain extent
- Improved hedging price for bear funds

### Japanese stock portfolio <sup>2</sup>

Consolidated Acquisition basis

(JPY B)



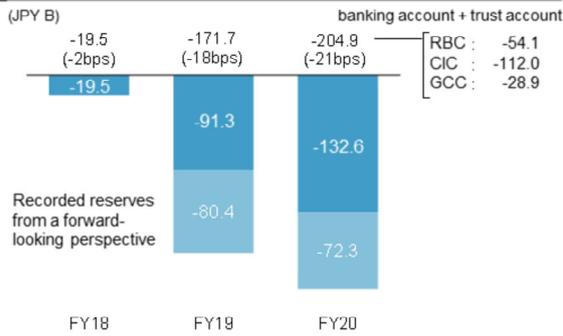
	Mar-19	Mar-20	Mar-21
Unrealized Gains (Losses) <sup>3</sup>	1,687.6	1,071.5	1,665.7
o/w gains	1,748.9	1,174.4	1,773.7
o/w losses	-61.3	-102.9	-107.9
Reference: No. of stocks <sup>4</sup>	1,060	1,013	970

1. Net Gains related to ETFs (2 Banks) + Net Gain on Operating Investment Securities (SC Consolidated). 2. Other Securities which have readily determinable fair values. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19, Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. 4. BK only. Stocks listed in Japan.

# Asset quality

## Credit-related Costs

Consolidated



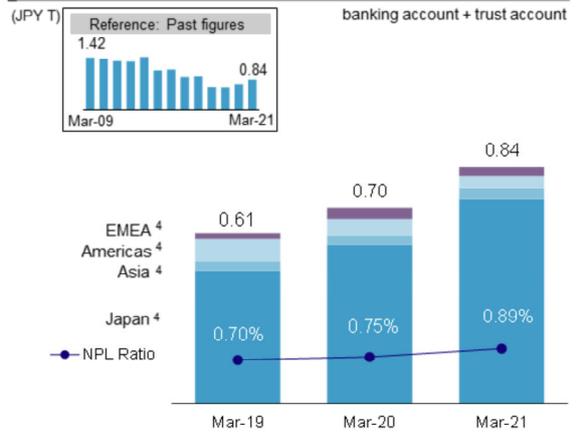
Reference Past figures



1. Financial Reconstruction Act 2. Ratio of Credit-related Costs against Total Claims (based on the FRA).  
 3. Figures before FY13 were calculated by using Total Claims of aggregate for 2 Banks. 4. Representative main branch basis.

## Non Performing Loans based on the FRA<sup>1</sup>

Consolidated



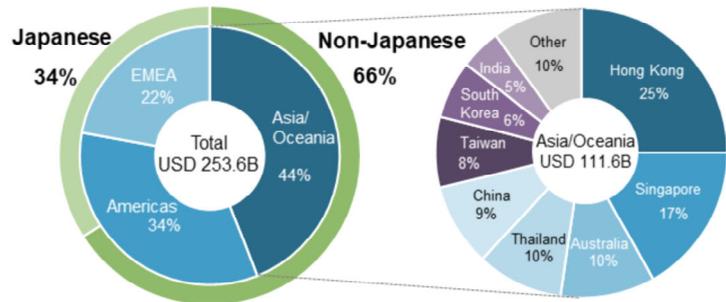
Reference: Other Watch Obligors

	2 Banks, banking account		
Balance (JPY T)	1.3	1.6	1.7
Reserve Ratio	2.46%	4.91%	4.87%

# Loan portfolio outside Japan

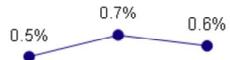
## Loan portfolio outside Japan (Mar-21)

BK, GCC management accounting basis <sup>1</sup>



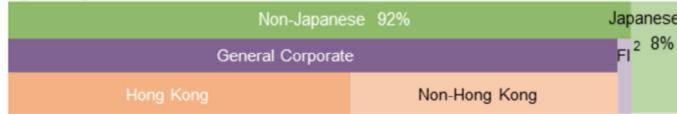
### Quality of loan portfolio

■ Investment Grade Level Ratio  
● NPL Ratio

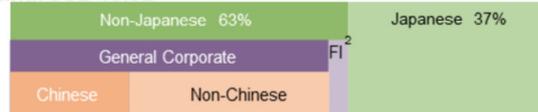


Mar-20    Sep-20    Mar-21

### Hong Kong: USD 27.9B



### China: USD 10.3B



1. Including banking subsidiaries outside Japan. 2. Financial Institutions.

# Exposure in specific sectors and products

## Resource sector<sup>1</sup>

BK  
management accounting basis

(JPY T)

	Mar-21	Investment grade and equivalent	
Non-JP	5.1	4.1	79%
Upstream	2.8	2.2	79%
Midstream	1.1	0.8	74%
Downstream	1.2	1.0	86%
JP	1.8	1.6	90%
<b>Total</b>	<b>6.9</b>	<b>5.7</b>	<b>82%</b>

- Exposure to the non-Japanese (JP) upstream sector, which is impacted the most by declines in crude oil prices, remains largely investment grade and equivalent (approx. 80%)
- Approx. JPY 0.3T in project finance transactions can be impacted by fluctuations in commodity prices

The above is our exposure in the resource sectors excluding mineral resources.  
Upstream: crude oil & natural gas mining etc. Midstream: storage and transportation.  
Downstream: petroleum refinery and product manufacturing and other.

## Aircraft / LBO Loans outside Japan

BK  
management accounting basis

(USD B)

	Mar-21	
Aircraft-related (Asset-based) <sup>1,2</sup>	0.25	
	Mar-21	(Reference) Jun-07
LBO loans outside Japan <sup>1</sup>	U/W <sup>3</sup> 1.7	12.5
	Final Take 3.8	6.3

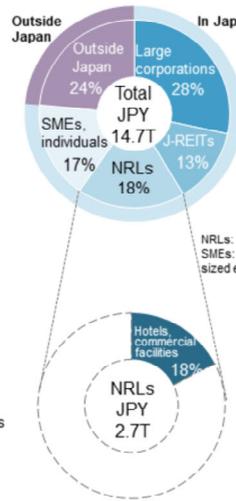
- Credit relying solely on cash flow from underlying aircraft assets is limited
- Cautious approach for industries vulnerable to economic fluctuations
- Controlling underwriting (U/W) risk by setting terms and conditions and strengthening management of underwriting positions

1. The sum of loans, foreign exchange, and unused committed lines of credit and other. 2. Credit where the lender is exposed to residual value risk of the asset. Exclusively warehouse facilities premised on takeouts by ABS and other securities. 3. Including those in which we have won mandates.

## Real estate sector<sup>1</sup>

BK + TB  
Management accounting basis

Investment grade and equivalent : approx. 80%



- Large corporations, clients outside Japan  
Over 90% of exposure is to investment grade and equivalent
- SMEs and individuals, J-REITs, NRLs  
Selectively originating deals based on comprehensive evaluation, including loan-to-value ratio and cash flow under stress scenario

NRLs: non-recourse loans  
SMEs: Small and medium-sized enterprises

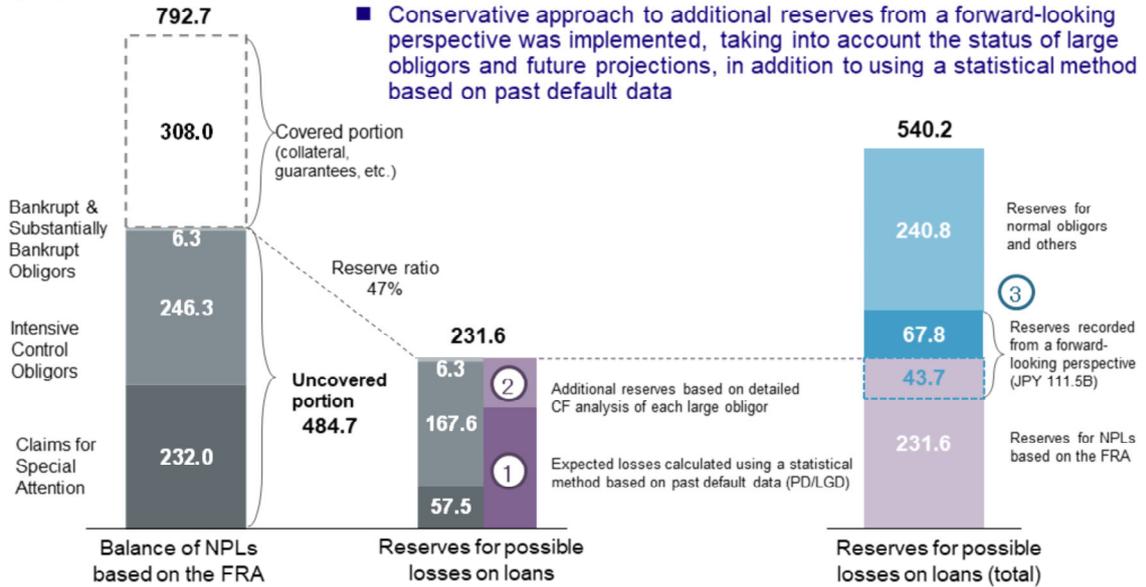
- Hotels and commercial facilities primarily consist of low LTV projects, while inbound trends require monitoring.

# Credit portfolio soundness

## Reserves for possible losses on loans against NPLs<sup>1</sup> based on the FRA<sup>2,3</sup>

2 Banks

(JPY B)



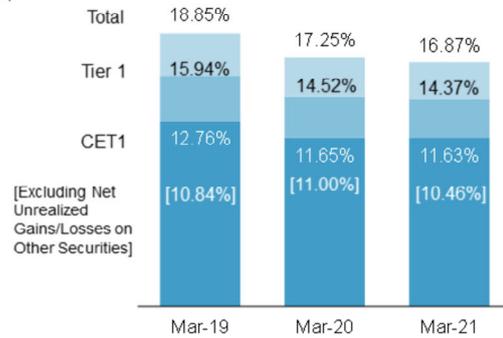
1. Non Performing Loans. 2. Financial Reconstruction Act. 3. Above figures represent net of partial direct write-offs.

## Basel Regulatory Disclosures (1)

### Capital Ratio

Consolidated

(JPY B)



CET1 Capital <sup>1</sup>	7,390.0	7,244.7	7,849.9
AT1 Capital <sup>2</sup>	1,842.1	1,779.6	1,851.9
Tier 1 Capital	9,232.1	9,024.4	9,701.9
Tier 2 Capital	1,685.3	1,697.8	1,683.4
Total Capital	10,917.5	10,722.2	11,385.3
Risk Weighted Assets	57,899.5	62,141.2	67,481.9

### Other Regulatory Ratios

Consolidated

(JPY B)

	Mar-19	Mar-20	Mar-21
Leverage Ratio <sup>3</sup>	4.42%	4.08%	4.83%
Tier 1 Capital	9,232.1	9,024.4	9,701.9
Total Exposures <sup>3</sup>	208,557.4	220,977.5	200,546.6

	FY18 Q4	FY19 Q4	FY20 Q4
Liquidity Coverage Ratio (LCR)	144.3%	137.3%	135.8%
Total HQLA	59,797.1	60,112.7	72,792.2
Net Cash Outflows	41,447.8	43,816.7	53,607.0

Reference: Basel III finalization basis

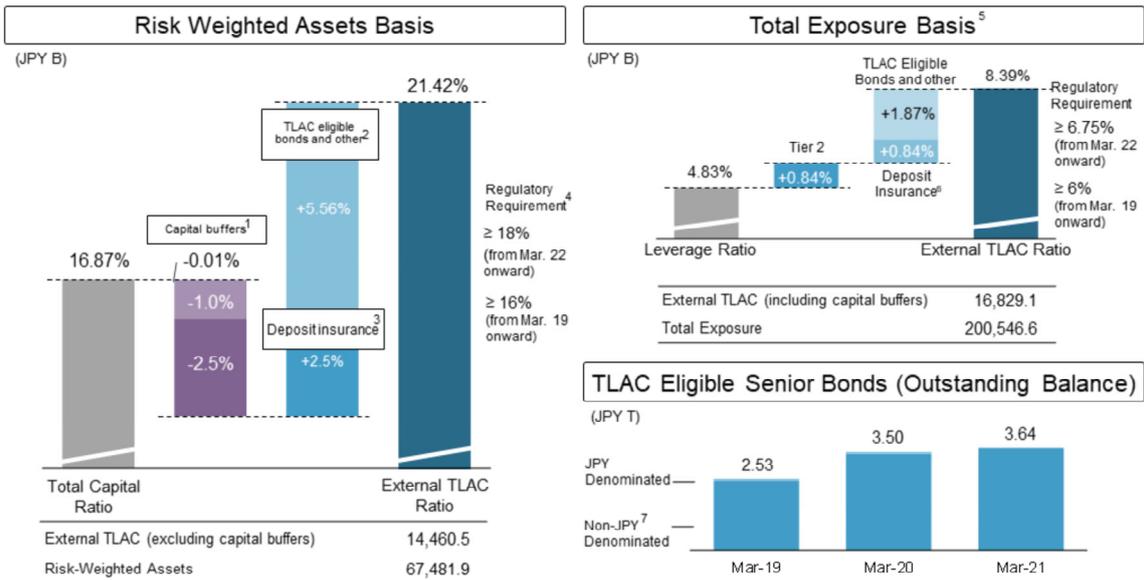
	Mar-19	Mar-20	Mar-21
CET1 Capital Ratio	9.5%	9.3%	10.0%
(excl. Net Unrealized Gains (Losses) on Other Securities)	8.2%	8.8%	9.1%

1. Common Equity Tier 1 Capital. 2. Additional Tier 1 Capital. 3. Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure since Mar. 2021. (before exclusion: Mar-21: 4.03%)

# Basel Regulatory Disclosures (2)

## External TLAC Ratio (Mar-21)

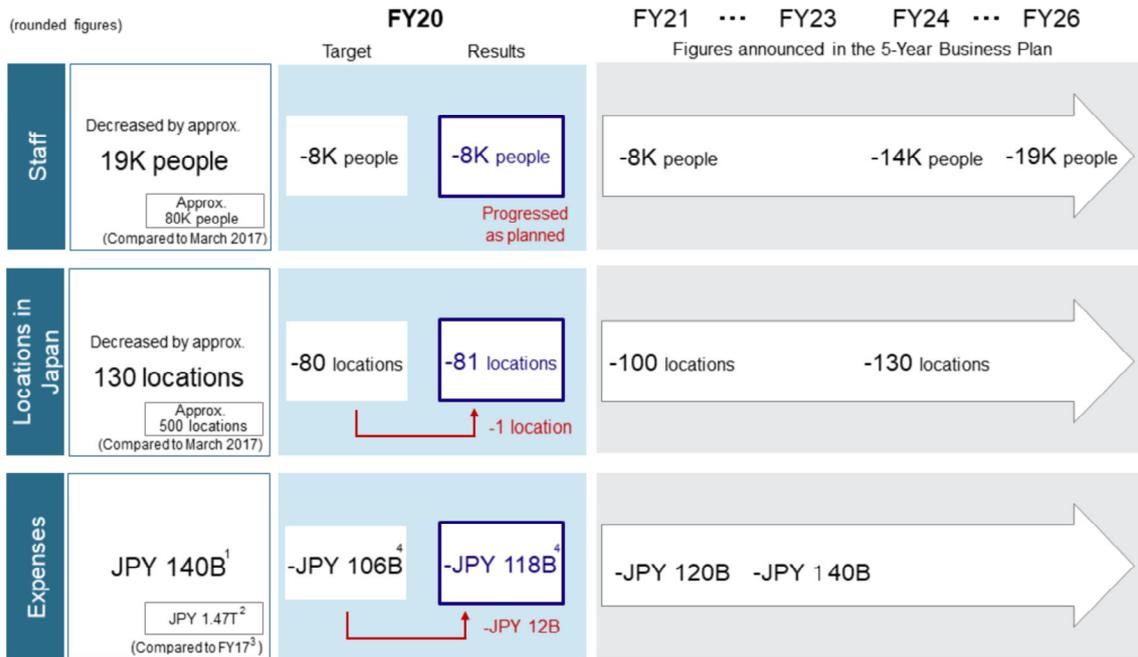
Consolidated



1. Capital Buffer = Capital Conservation Buffer (2.5%) + G-SIBs Capital Buffer (1.0%) + Countercyclical Capital Buffer (0.01%). 2. TLAC Eligible Senior Bonds including other adjustments.  
 3. Deposit insurance fund reserve is allowed to count towards Japanese G-SIBs' external TLAC 3.5% of RWA from Mar. 22. 4. Minimum TLAC requirement based on FSB's final TLAC standard as of Nov. 9, 2015. Our required minimum TLAC as of Mar. 21 is 16.0%. 5. Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure. (Before exclusion: Leverage Ratio: 4.03%, External TLAC Ratio: 6.99%.) 6. Deposit insurance fund reserve equivalent amount on total exposure basis calculated based on RWA basis of 2.5%.  
 7. Foreign exchange rate (TTM) at the respective period end.

# Progress against Fundamental Structural Reform Plan

(rounded figures)



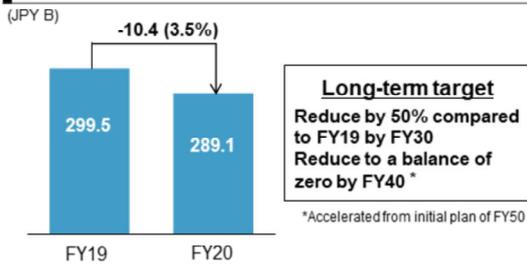
1. Reduction excluding depreciation cost related to new core banking system.

2. Group Aggregate. New management accounting rules were applied in FY19. The original figures before the recalculation was JPY 1.45T.

3. Compared to the estimate for FY17 as of November 2017 when Fundamental Structural Reforms were announced. 4. Excluding effects of foreign exchange.

## Progress on sustainability KPIs/targets

### Reduction of outstanding credit balance for coal-fired power generation <sup>1</sup>



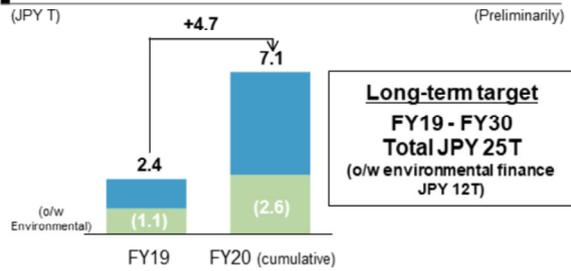
#### Approach to reduction

We do not provide financing which will be used for new construction of coal-fired power plants<sup>\*</sup>

<sup>\*</sup> including the expansion of existing power plants

- However, when a proposed coal-fired power plant is essential to the relevant country's stable energy supply and will contribute to reduction of greenhouse gas emissions by replacing an existing power plant, we may provide financing or investment for the project, based on careful consideration.
- We will also continue to support development of innovative, clean, and efficient next-generation technology that will contribute to the expansion of sustainable energy, as well as other initiatives for the transition to a low-carbon society.

### Sustainable finance performance <sup>2</sup>



### Diversity & Inclusion

	Target	Achieve by	Most recent
Management positions filled by women <sup>3</sup> (General Manager and Manager equivalent)	20%	July 2024	16.6% <sup>5</sup>
		<b>Level to be maintained continuously</b>	<b>Most recent</b>
Management positions filled by employees hired outside Japan <sup>4</sup>	65%		64.1% <sup>5</sup>
Percentage of new graduates hired for management track jobs who are female <sup>3</sup>	30%		37.2% <sup>6</sup>
Paid annual leave taken by employees <sup>3</sup>	70%		71.3% <sup>7</sup>
Eligible male employees who take childcare leave <sup>3</sup>	100%		97.5% <sup>7</sup>

1. Reduction target based on Environmental and Social Management Policy for Financing and Investment Activity. 2. i) Finance for clients where the intended use of funds is environmental and/or social projects. ii) Financing to support and facilitate clients' response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients' response to ESG/SDG-related areas. 3. Total for Japan (FG, BK, TB, SC). 4. Total for outside Japan (BK, TB, SC). 5. As of the end of March 2021. 6. New hires starting April 1, 2021. 7. FY2020.

Management policy for FY2021

## Management policy for FY2021

Steadily fulfill our social mission as a financial institution through stable operations and executing our financial intermediary functions amidst the COVID-19 pandemic

Build partnerships with clients and markets based on changes in the structure of the economy and society amidst and after the COVID-19 pandemic as well as global trends focused on sustainability

Enhance smooth communication among all members of Mizuho and further deepen structural reforms aimed at transitioning to the next generation of financial services

### Financial management

- Achieve steady growth in core operations, solidify defenses against downside risk, and transition to the capital utilization phase
- Take action regarding share-holdings

### Business strategy

- Advance engagement with clients based on sustainability and changes to social structures and behaviors under COVID-19
- Change business promotion framework to create business opportunities

### Corporate foundations reforms

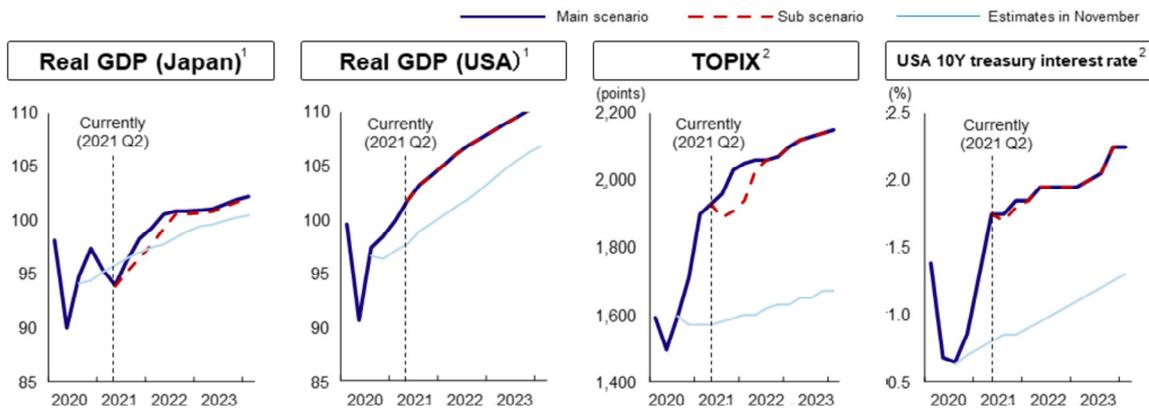
- HR strategy based on "Passionate & Professional" action principle
- Strengthen Sustainability action
- RT as an anchor for Mizuho's non-financial business areas

### Page 38 Management policy for FY2021

- From this page onward, I will explain our management policy for FY2021.
1. As the impact from COVID-19 is prolonged, it is important for us, as a financial institution, to fulfill our social mission to ensure stable business operations and to perform our financial intermediary functions.
  2. At the same time, we would like to build partnerships with our clients and markets, based on the economic and social structure changes arising amidst and after the pandemic and also in view of global trends, focused on sustainability.
  3. To this end, we must enhance communication amongst all members of Mizuho and deepen our structural reform initiatives, with the aim of transitioning to the next generation of financial services.

## Economic outlook

- Japan: Despite downward pressure on the economy from factors such as restrictions on consumption of services due to the delayed vaccine roll-out and declarations of a state of emergency, a moderate recovery is expected from the second half of 2021 as mobility recovers. From the Jan-Mar quarter of 2022 onward, the economy is expected to recover to pre-COVID-19 levels (Oct-Dec 2019). In the sub-scenario, the spread of highly transmissible virus variants leads to a more modest recovery of the domestic economy.
- US: Solid growth is anticipated as a result of the early vaccine roll-out and proactive fiscal measures. Long-term interest rates are expected to continue to rise moderately.

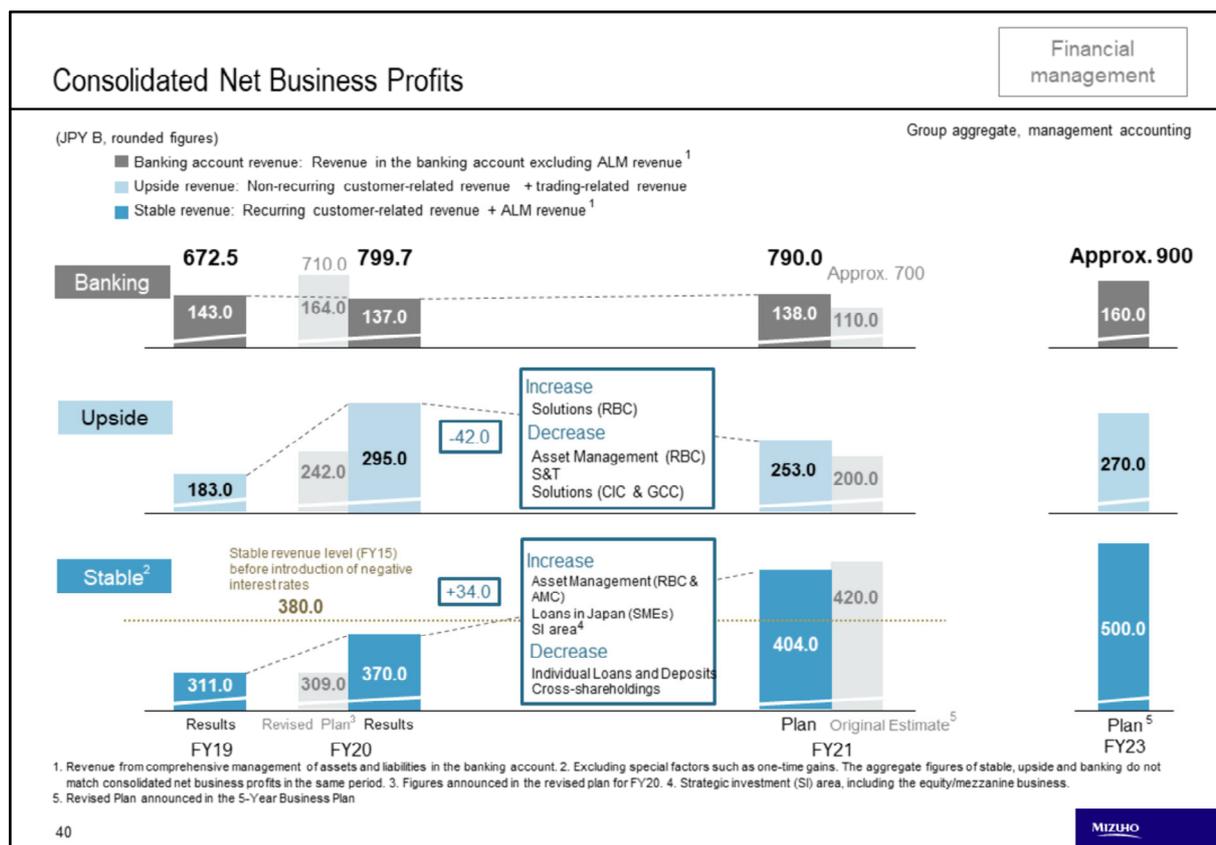


39

MIZUHO

### Page 39 Economic outlook

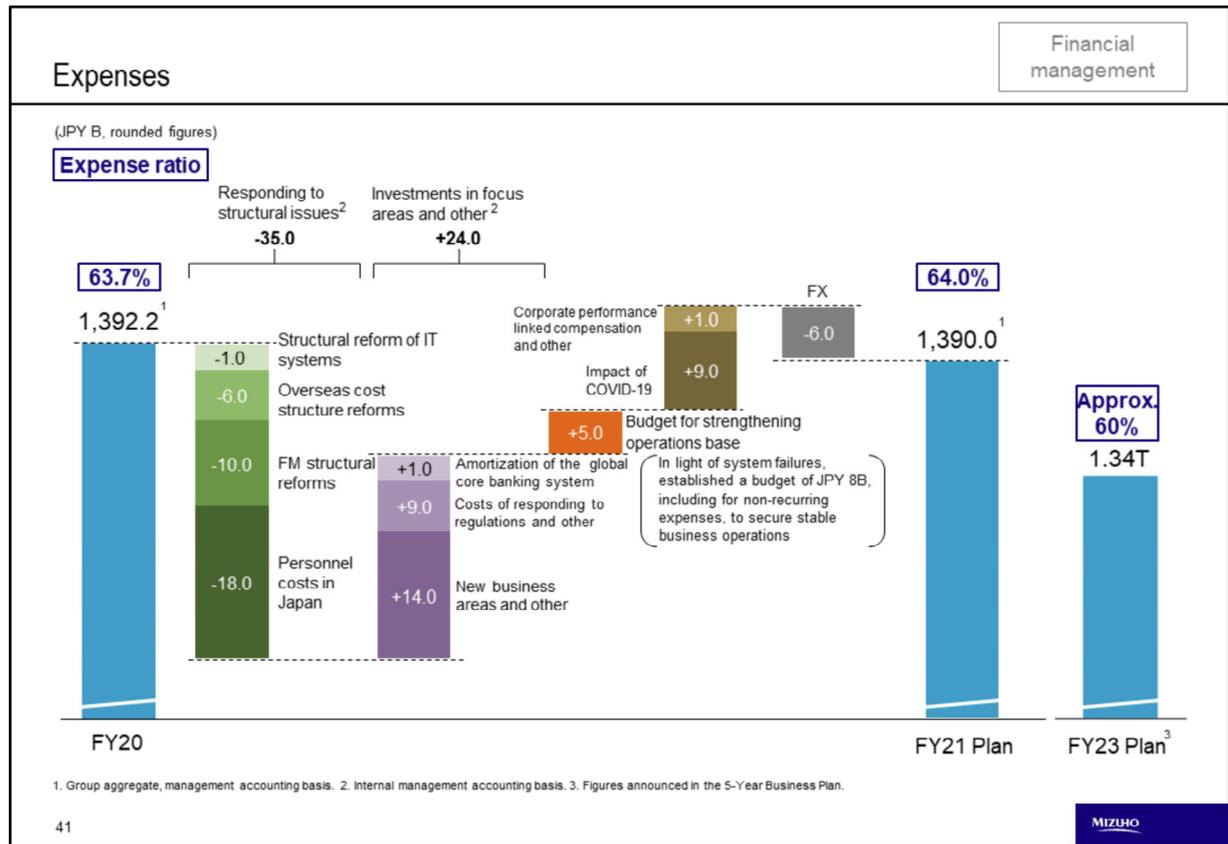
- This is the economic outlook for FY2021.
- Main Scenario (Bold line in graphs below)  
For Japan, because of downward pressure on the economy caused by delays in vaccine rollout and extension of the state of emergency, it will take until the January through March period of 2022 for the economy to recover to pre-COVID-19 levels, in other words the October through December period of 2019.
- Sub-Scenario (dotted red line)  
Graphs shows what may happen in Japan, if measures to contain the resurgence of COVID-19 fail and the highly transmissible variants prevail.  
As a result, this sub-scenario assumes that the state of emergency will be declared multiple times in the second half of 2021. In this case, the economic recovery will be at an even more modest pace.



### Page 40 Consolidated Net Business Profits

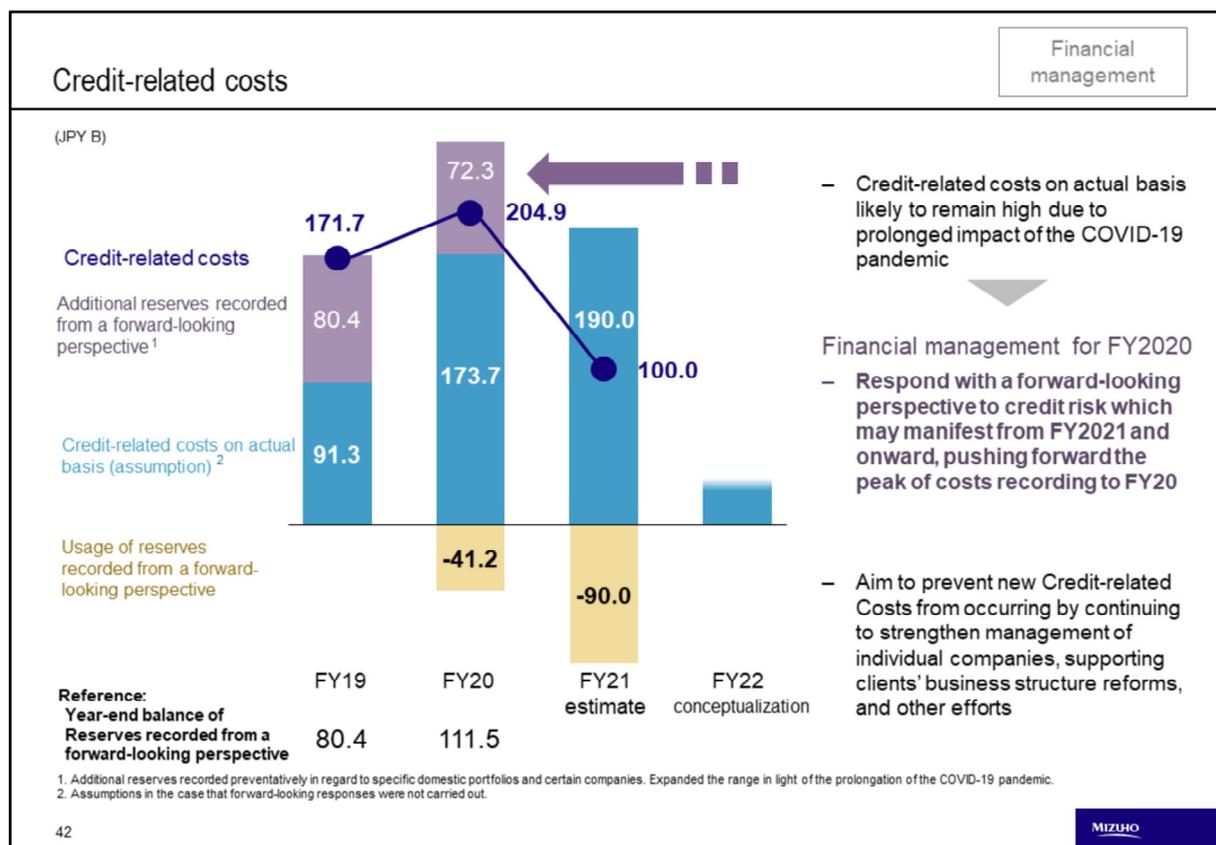
- When we announced the 5-Year Business Plan, we explained that in the first 3 years of the plan, we will aim to grow high-quality, stable revenue, while cutting fixed costs, and in the last 2 years of the plan, to further realize our strategy in terms of gross profits we will accelerate growth so that we can achieve consolidated net business profits of approximately JPY 700 billion in FY2021, and to further raise it to around JPY 900 billion in FY2023.
- In FY2020, we achieved this plan a year ahead of schedule.
- In particular, we did well in terms of stable revenue. We achieved JPY 370 billion, far exceeding the revised plan of JPY 309 billion that we announced in November last year.
- For FY2021, the plan is JPY 404 billion, which is lower than the initial plan of JPY 420 billion, but this target for FY2021 means that we will most likely exceed JPY 380 billion, which we considered as a stable level of revenue before negative interest rates were introduced and also considering that we are also working to overcome the impact of US interest rate cuts, which we had not assumed initially. Our assessment is that we are steadily strengthening our stable revenue through lending and deeper structural reform initiatives.
- On the other hand, upside revenue in FY2021 is expected to fall somewhat YoY compared to FY2020 because, in FY2020, we were able to seize revenue opportunities quite well under very active market conditions, but still, this is much higher than the initial plan.
- For banking account revenue, we will continue to operate with a focus on stable carry income. We are aiming to make it a stable source of revenue, working to exceed the initially planned level.
- All in all, when seen as a revenue portfolio or revenue mix, we believe our business is

gaining traction in that the quality of the stable revenue base is being reinforced steadily, and the foundation needed to pursue upside revenue potential is also being developed.



### Page 41 Expenses

- We will aim to limit expenses to below FY2020 levels by continuing to address the expense structure, although there are factors increasing expenses such as performance-linked compensation due to good performance and strategic investments.
- For this fiscal year, in view of the IT system failures we suffered of late<sup>1</sup>, we have set up a JPY 8 billion budget for strengthening our operations base, including nonrecurring expenses, and a considerable buffer, so as to ensure stable business operations.



#### Page 42 Credit-related costs

- If we look at how our actual credit-related costs would have changed had we not applied our discretionary forward-looking provisioning practice, we realized that credit-related costs would have hovered high at JPY 90, JPY 170 billion, and JPY 190 billion in FY2019, FY2020 and FY2021, respectively.
- What we did as part of the administration of our finances in FY2020 was to provision from a forward-looking perspective for as much credit risk as possible that could be expected in FY2021 onward, so that credit-related costs would peak in FY2020.
- We have, therefore, provisioned reserves, but we expect the severe business environment to continue, mainly here in Japan, due to COVID-19. Hence, we will continue to thoroughly implement proactive credit management and prevent new credit-related costs from manifesting.

## Steady reduction of cross-shareholdings

Basic  
policy

- We will not hold the shares unless we consider the holdings to be meaningful, in light of the potential impact on our financial position associated with stock price volatility.
- Even though we consider the holdings to be meaningful, we will also reduce them through dialogue with the issuing companies.

Reduction  
plan

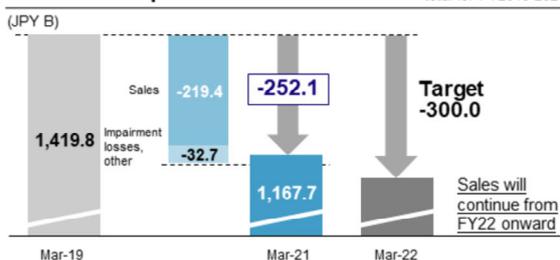
By Mar-22  
**-JPY 300B**  
(compared to Mar-19)

Progress of reduction  
(progress rate)

**-JPY 252.1B (84%)**  
Sales only;  
- JPY 219.4B (73%)

Reduction performance<sup>1</sup>

Consolidated, acquisition cost basis,  
total for FY2019-2020

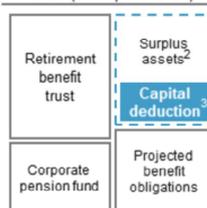


1. Other Securities which have readily determinable fair values. 2. Net, including underfunded amount. 3. Deduction of the amount equivalent to prepaid pension costs.  
 4. Effect on CET1 capital ratio (Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities).

43

## Reduction of stocks in the retirement benefit trust

Retirement benefit balance  
sheet (conceptualization)



## Issues

- Deduction from CET1 capital due to surplus assets: -0.6%<sup>4</sup>
- P/L volatility due to fluctuations in the fair value of pension assets (shares)

## Policy

- Right-size the surplus assets by reverting some retirement benefit trust assets  
→ Improve CET1 capital ratio (Basel III finalization basis)
- Sell off shares from the retirement benefit trust to the fullest extent possible through engagement with clients (not included in the reduction target for cross-shareholdings)

**FY20 results: CET1 capital ratio (Basel III finalization basis) +0.1%<sup>4</sup>**

**Potential future improvement: +0.2 - 0.3%<sup>4</sup>**

## Page 43 Shareholdings

➤ **On the right, there is an explanation of the reduction of stocks in the Retirement Benefit Trust that we focused on as part of our finance structure reforms initiative in FY2020.**

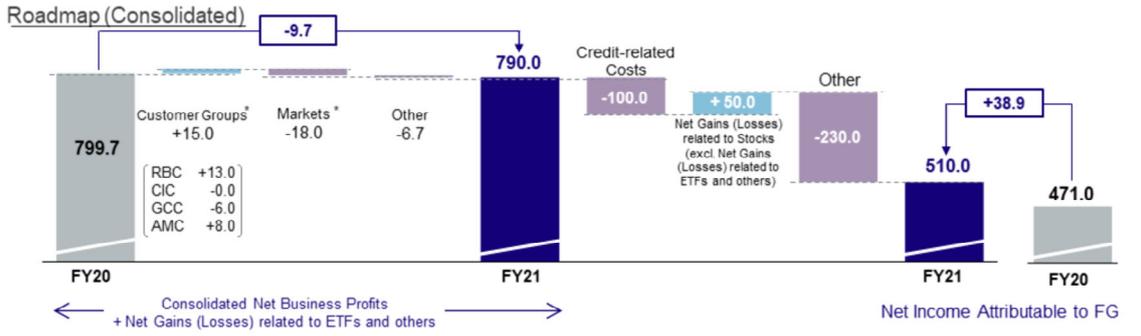
- Mizuho's retirement benefit balance sheet has surplus assets, or overfunding, that is deducted from CET1 capital, thus having the assessable impact of around minus 0.6% on the CET1 capital ratio, which is quite large.
- Through the reversion of part of the Retirement Benefit Trust assets, we will reduce the surplus assets, or overfunded portion, to an appropriate size. This effort is already underway.
- On top of our efforts to continue to negotiate the sale of our cross-shareholdings, separately we will work to sell as much of the stock holdings in the Retirement Benefit Trust as possible.
- In FY2020, sales of stocks in the Retirement Benefit Trust amounted to JPY 180 billion.
- As a result of these steps in FY2020, the CET1 capital ratio improved about 0.1 percentage points, or 10 basis points. There is further room to improve the ratio by another 0.2 or 0.3 percentage points.

# Earnings Plan

Financial management

Consolidated	FY20	FY21	YoY
	Results	Plan	
(JPY B)			
Consolidated Net Business Profits (+Net Gains (Losses) related to ETFs and others)	799.7	790.0	-9.7
Credit-related Costs	-204.9	-100.0	+104.9
Net Gains (Losses) related to Stocks (-Net Gains (Losses) related to ETFs and others)	10.0	50.0	+39.9
Ordinary Profits	536.3	720.0	+183.6
Net Income Attributable to FG	471.0	510.0	+38.9

2 Banks	FY20	FY21	YoY
	Results	Plan	
(JPY B)			
Consolidated Net Business Profits (+Net Gains (Losses) related to ETFs)	578.9	590.0	+11.0
Credit-related Costs	-201.5	-90.0	+111.5
Net Gains (Losses) related to Stocks (-Net Gains (Losses) related to ETFs)	-11.0	50.0	+61.0
Ordinary Profits	321.9	540.0	+218.0
Net Income Attributable to FG	311.7	375.0	+63.2



\*Assumptions under the Earnings Plan: JGB (10-yr) 0.10%, UST bonds (10-yr) 1.80%, Nikkei 225 JPY 29,700, USD/JPY JPY 108



## Page 44 Earnings Plan

Based on what I have explained so far, our plan for net income attributable to FG is JPY 510 billion, up 8% versus last fiscal year.

# In-house Company Plan

Financial management

(JPY B)

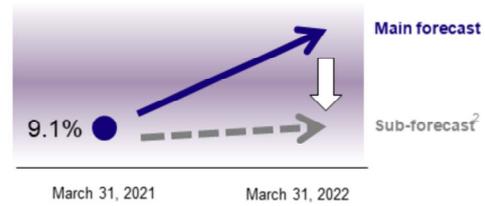
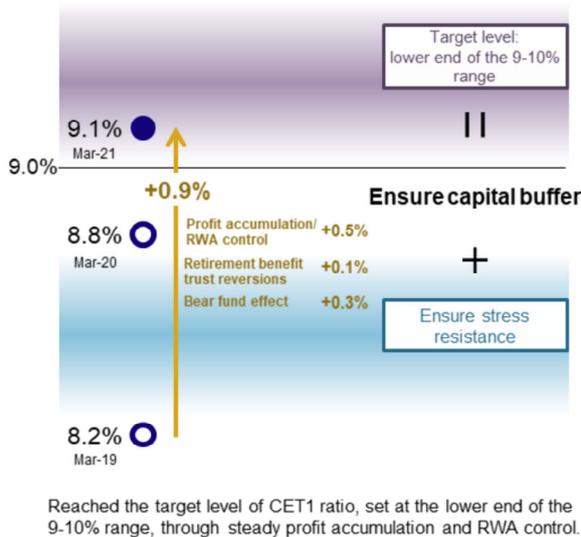
Group aggregate, management accounting, rounded figures

	Net Business Profits <sup>1,2</sup>			Net Income <sup>1,3</sup>			ROE <sup>1,4</sup>	
	FY20	FY21		FY20	FY21		FY21	
	Results	Plan	YoY	Results	Plan	YoY	Plan	YoY
Retail & Business Banking	61.0	<b>75.0</b>	+13.0	20.0	<b>10.0</b>	-10.0	<b>0.5%</b>	-0.4%
Corporate & Institutional	270.0	<b>270.0</b>	± 0	221.0	<b>283.0</b>	+62.0	<b>7.6%</b>	+1.8%
Global Corporate	207.0	<b>202.0</b>	-6.0	109.0	<b>118.0</b>	+9.0	<b>4.8%</b>	+0.4%
Global Markets	272.0	<b>253.0</b>	-18.0	176.0	<b>169.0</b>	-7.0	<b>8.6%</b>	-2.5%
Asset Management	11.0	<b>19.0</b>	+8.0	5.0	<b>7.0</b>	+2.0	<b>6.6%</b>	+2.5%
In-house Company Total	822.0	<b>819.0</b>	-3.0	530.0	<b>587.0</b>	+57.0		
FG Consolidated	799.7	<b>790.0</b>	-9.7	471.0	<b>510.0</b>	+38.9	<b>6.1%</b>	<b>+0.2%</b>

1. New management accounting rules were applied in FY21. Including impact of the changes to the in-house company in charge due to reorganization of branches (FY20 Net Business Profits: RBC +15B, CIC -15B). GMC includes Net Gains (Losses) related to ETFs (2Banks). 2. FG Consolidated figures are Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others. 3. FG Consolidated figures are Net Income Attributable to FG. 4. Each in-house company's ROE is on a management accounting basis. Calculated by dividing Net Income by internal risk capital. From FY21, internal risk capital of RBC, CIC, GCC are revised from Basel III current requirements to finalization fully-effective basis.

Current CET1 capital ratio (Basel III finalization basis)<sup>1</sup>

Future outlook (conceptualization)



- Maintain stable returns to shareholders by further strengthening our stable profit base, hedging stock price fluctuation risk with bear funds, RWA control, etc.
- Even in the sub-forecast, where downward pressure on Net Income Attributable to FG is assumed, ensure that the CET1 capital ratio is stably maintained at the targeted level.

1. Excluding Net Unrealized Gains (Losses) on Other Securities. 2. Takes into account Credit-related Costs and Net Gains (Losses) on Stocks based on the sub-scenario of the economic outlook (pg. 39) and downside risks for Net Business Profits.

Page 46 Current CET1 capital ratio and future outlook

➤ The left-hand side of the slide

- Our CET1 capital ratio, on a Basel III finalization basis, excluding net unrealized gains/losses on other securities was 9.1% as of the end of March 2021. That was up 0.9% versus 8.2% before the start of the medium-term plan. It is still improving and reached the lower end of the 9-10% range, which is our target.
- The breakdown of the 0.9% increase is as listed.
- Profit accumulation and risk-weighted asset control accounted for 0.5%.
  - Profit accumulation was up 0.6%.
  - Risk-weighted assets reduction efforts, also up 0.6%.
  - Responding to COVID-19, a minus 0.3% effect.
  - Lending and other denominator items increased, having a minus 0.4% effect

➤ The right-hand side of the slide

- Going forward, we will further strengthen our stable profit base and continue to control RWA.
- Credit-related Costs and Net Gains (Losses) related to Stocks based on the sub-scenario for the economic outlook I shared with you on page 39, and downside risk for net business profits are considered in the sub-forecast. Even in that case, we will operate to maintain the target level of the lower end of the 9-10% range.

**Prior to revision**

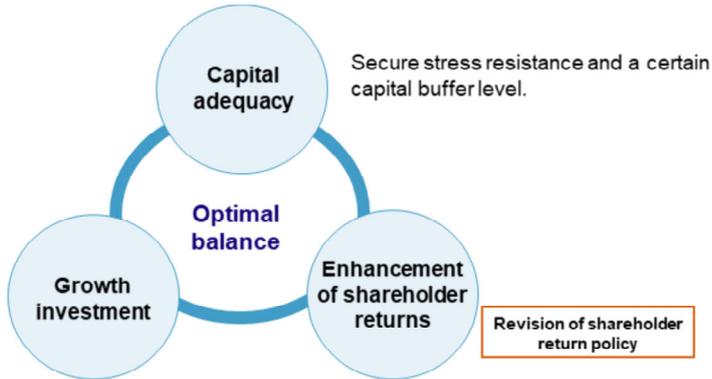
Pursue the optimum balance between strengthening our stable capital base and steady returns to shareholders

**Capital Policy**

Pursue the optimum balance between capital adequacy, growth investment and enhancement of shareholder returns

Make investments that will strengthen the profit base of existing business areas.

Evaluate each inorganic investment opportunity by its consistency with our strategy, the appropriateness of its cost, and its risk vs. return.



Page 47 Revision of the basic policy on capital strategy

- As our CET1 capital ratio has reached the lower end of the 9-10% range, and taking into consideration the outlook for the capital and earnings level, we have revised the basic capital policy to state that we will pursue the optimum balance between capital adequacy, growth investment, and enhancement of shareholder returns and we will aim to shift to the capital utilization phase, while maintaining capital sufficiency and a certain capital buffer under stress.

## Prior to revision

We are maintaining the current level of dividends for the time being while aiming to strengthen our capital base further to enhance returns to shareholders at an early stage

Shareholder  
return policy

Progressive dividends being our principle approach while executing flexible and intermittent share buybacks

- ✓ As for the dividends, we will decide based on the steady growth of our stable earnings base, taking 40% of the dividend payout ratio as a guide into consideration
- ✓ As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution

Cash  
dividend  
per share

<b>FY2021 (estimate):</b>	<b>JPY 75.00</b>
Interim cash dividend (estimate):	JPY 37.50
Fiscal year-end cash dividend (estimate):	JPY 37.50

## FY21 approach:

- Maintain the dividend estimates as of now based on the prolonged uncertainty in the business environment under the COVID-19 pandemic
- Adjust FY21 dividend estimates as and when appropriate, closely monitoring the likelihood of this fiscal year's target being reached
- Share buybacks in accordance with the shareholder return policy

Reference: Earnings plan for FY21

Net Income Attributable to FG: JPY 510 B

(Payout ratio: 37%)

### Page 48 Revision of the shareholder return policy

- This is the revision of the shareholder return policy.
  - Dividends
 

We are stating our intention to pursue progressive dividends. At the same time, to secure predictability, a 40% payout ratio is shown as a guide based on the steady growth of our stable earnings base. We will curb dividend fluctuations owing to transient factors such as credit-related costs.
  - Share buybacks
 

Unlike dividends that are paid on a continuing basis, we will consider our business results and capital adequacy, our share price, and opportunities for growth investment in determining their execution.
- As for FY2021, we will maintain the dividend estimate at JPY 75 for now, given the uncertainty in the business environment owing to the prolonged impact of COVID-19 and the extension of the declaration of emergency in Japan.
- On the other hand, we will adjust FY2021 dividend estimates, as and when appropriate, closely monitoring the likelihood of achieving the JPY 510 billion estimate for net income attributable to FG.

**Current situation**

**FY2020 financial results were positive for both Customer Groups and Markets, reaching the targets set forth in our 5-Year Business Plan ahead of schedule in the midst of the COVID-19 pandemic.**

**Since sustainability is an irreversible structural change, sustainability initiatives are a significant challenge for our clients.**

**Sustainability strategy**

**We will create business by assessing sustainability-related opportunities and climate change and other risks, and enhancing engagement with our clients.**

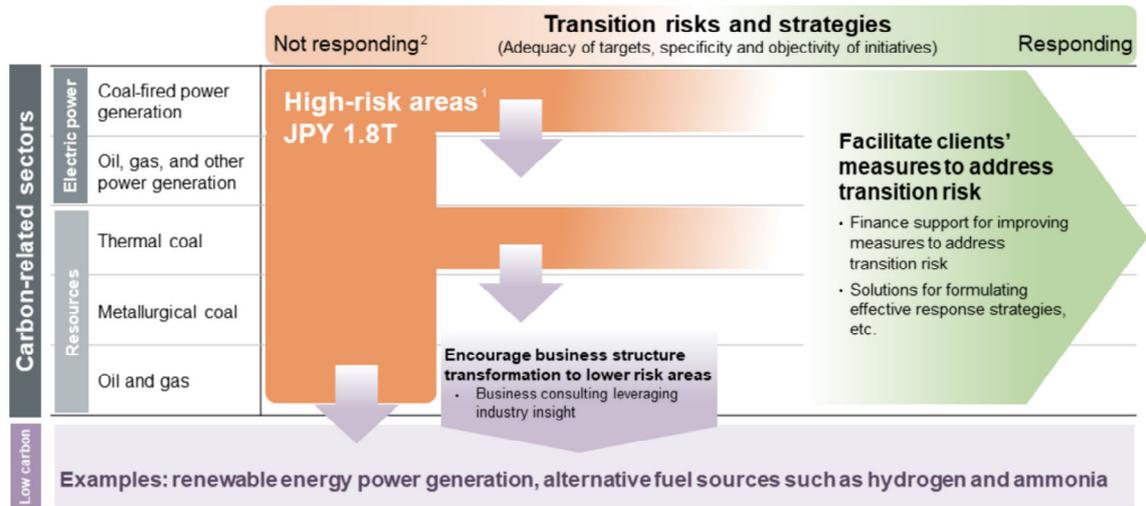
**Through our sustainable growth, we will positively contribute to the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world and to environmental conservation, thus contributing to the achievement of the SDGs.**

Page 49 Sustainability-centered business promotion

- Allow me to explain our FY2021 business strategy.
- In our 5-Year Business Plan, Mizuho put sustainability front and center of our strategy. We do not see it just as a target of divestment; rather we intend to create business opportunities and enhance risk management through engagement.
- We will contribute to the sustainable development and prosperity of the economy, industry, and society and environmental conservation in Japan and abroad, in turn, positively contributing to the achievement of the SDGs.

- Through engagement with clients to encourage initiatives to address transition risks and to transform their business structure, we are identifying financial and solutions needs that could lead to business opportunities
- Strengthened our climate change risk management system with an aim to reduce our exposure in high risk areas<sup>1</sup> over the medium to long term.

**Mapping of engagement in carbon-related sectors**



1. Classified high-risk areas by assessing risk along two axes—our clients' sectors and our clients' measures to address transition risk—using Mizuho's own standards (JPY 1.8T figure includes project finance).  
 2. Clients whose responses to transition risks are at a low level (who have not been confirmed to have effective strategies for addressing transition risks)

Page 50 Creating business and strengthening risk management through engagement

- Let me share with you some examples of what we do.
- We place the environment at the core of our strategy. As I mentioned, we do not view this as a simple divestment model. Rather, we pursue an engagement model to encourage our clients to address transition.
- In so doing, we are offering financial and non-financial solutions to clients and creating business opportunities for Mizuho as well.
- As disclosed, we have JPY 1.8 trillion of exposure to high-risk areas in the carbon-related sector.
- Going forward, through engagement, we will support clients to address transition risks and encourage them to transform their businesses toward lower risk areas.

**Summary**

Steady progress from the first fiscal year for strategies aimed at the transition to the next generation of financial services  
 Exceeded initial expectations as a result of accelerating strategies under the unexpected changes in the business environment brought about by COVID-19  
 Appropriately responded to changing client needs while steadily implementing structural reforms toward sustainable growth

**Key strategies & evaluation**

Retail & Business Banking	Retail	Focused on core customers and greatly expanded asset management business	Global equity fund balance	Clients w/ business succession needs
	SMEs	Increased pipeline by approaching business succession needs as a starting point. Transitioned to monetization phase	JPY 3.5T (+2.1T) <sup>2,3</sup>	18,200 (+5,000) <sup>4</sup>
	Digital services	Strengthened alliances in order to expand access to customers		
Corporate & Institutional	Strategic investment area <sup>1</sup>	Through a successful approach to clients' C-Suite:	Strategic investment (executed amount)	SDG bonds league table
	Sustainability transformation	- Increased new types of partnerships to replace cross-shareholding - Established a strong advantage in financing from a sustainability transformation angle	Approx. JPY 0.8T <sup>4</sup> (+0.6T)	1 <sup>st</sup> in share <sup>4,5</sup> (26.8%)
Global Corporate	Capital markets	Accelerated the Global 300 strategy and steadily captured opportunities in the brisk market environment	USA DCM league table	FX/trade finance revenue
	Transaction banking	Solidified our business base, primarily in Asia, and aimed to capture future money flows	9 <sup>th</sup> 4.7% (+1.3%) <sup>4,6</sup>	USD 530M (+20M) <sup>4</sup>
Global Markets	Banking	Responded flexibly to market changes and established a stable profit base	Carry income ratio <sup>7</sup>	Derivatives trading volume (Tokyo) <sup>7</sup>
	S&T	Captured transaction flows via deepening cross-BK-SC collaboration framework	60% (Approx. +20%) <sup>4</sup>	Approx. +25% <sup>4</sup>
Asset Management	Publicly-offered investment trusts	Provided products aligned to asset management needs in order to greatly increase AUM	Publicly-offered equity investment trusts <sup>8</sup>	
	Pensions, other	Enhanced our ability to provide solutions and our comprehensive pension consulting capabilities	2 <sup>nd</sup> JPY 8.6T (+2.7T) <sup>2</sup>	

1. Quasi-equity financing. 2. Year-end balance for FY19 and FY20. 3. SC. 4. Comparison between FY19 and FY20. 5. Source: Capital Eye. 6. Bonds issued by investment grade corporations. Bookrunner basis. Source: Dealogic. 7. In-house company management accounting basis. Carry income excludes one-time extraordinary factors. 8. All One. Based on publicly available data from the Investment Trusts Association of Japan. Publicly-offered equity investment trusts (excluding ETFs).

Page 51 In-house company strategies: Retrospect

- I'll skip the detailed explanation on each in-house company, but the strategies published in the 5-Year Business Plan have been progressing steadily from year one, amid unprecedented changes in the business environment, namely COVID-19.
- In the second year, execution of strategy was accelerated, which resulted in much higher performance, better than initially expected.
- To achieve greater growth in FY2021 and for sustainable growth, we will develop a deeper understanding of customer needs and further address structural challenges.

## Create business opportunities by deepening engagement with clients toward sustainable growth

Retail & Business Banking	Branch network reorganization	Individual clients: Further enhance comprehensive asset consulting capabilities and provide services tailored to diverse needs Corporate clients: Promote business based on client needs through detailed segmentation
	Digital services	Improve the convenience of digital services and monetize them
Corporate & Institutional	IG framework	Started the Industry Groups (IG) framework towards strengthening our cross-sector deal origination
	Capital reallocation	Strengthen risk-taking capabilities by utilizing capital released by reducing cross-shareholdings
Global Corporate	Capital markets	Advance capital markets business through multi-layer transactions with Global 300 and expanding the client base
	Transaction banking	Enhance transaction banking business earnings base in Asia in light of changes in the business environment
Global Markets	Banking	Continue focusing on the balance between realized gains and the accumulation of unrealized gains
	S&T	Strengthen S&T operations through the "One Responsibility" framework
Asset Management	Publically-offered investment trusts	Enhance profitability through product strategies suited for asset formation and long-term investment initiatives
	Pensions, other	Secure further competitiveness in providing solutions and in comprehensive pension consulting

### Page 52 FY2021 in-house company strategies

#### RBC

- Through a branch network reorganization, we are boosting expertise including through personnel development. The new structure caters to various customer needs, and we can respond through "One Mizuho" group collaboration, which is our strength.
  - Retail: We enhanced consulting through a group-wide One Mizuho approach via area-based management.
  - Corporate: With detailed segmentation for family-owned companies, we have the structures in place and have established dedicated functions that cater to the needs and characteristics of each customer segment, including innovative startups and foreign enterprises operating in Japan.
  - Remote and digital channels: Enhancing the convenience of financial services and monetizing existing products are our remaining challenges.

#### CIC

- In addition to the sophistication of our C-suite approach, we started an Industry Groups system towards strengthening our proposal-making capabilities across the bank and securities. Five Industry Groups have now been established. Through this reorganization, we strongly support clients' business structure transformation based on the post-COVID-19 industry structure and sustainability transformation and will support them even more strongly.

## GCC

- Capital markets: We constantly update the Global 300 strategy. With multilayer transactions and selective expansion of the client base we advanced our capital markets business.
- Transaction banking: In light of future interest rate hikes and current trade flow recovery, we are identifying opportunities based on changes in clients' trade and capital flows triggered by COVID-19. And in so doing, although this may not lead to immediate profit, we have strengthened the foundations of our earnings power.

## GMC

- Banking: We continue focusing on mark-to-market P&L while paying attention to the balance between the accumulation of unrealized gains and realized gains.
- S&T: We established the One Responsibility framework, where one person is responsible for each region across the Bank and Securities. We offer one-stop solutions to customer needs to steadily capture revenue-generating opportunities.

## AMC

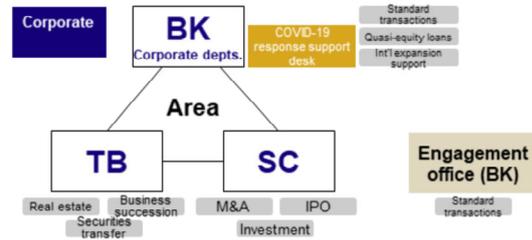
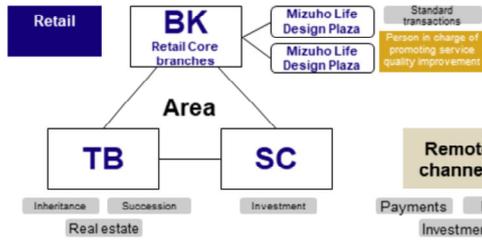
We enhanced earnings power through product strategy which fully encompasses various customer needs such as asset formation and long-term investment.

# Strengthen segment-based approach by reorganizing our branch network

Business strategy

- Enhance collaborative BK-TB-SC comprehensive asset management consulting through unified area-wide management for responses to diverse client needs

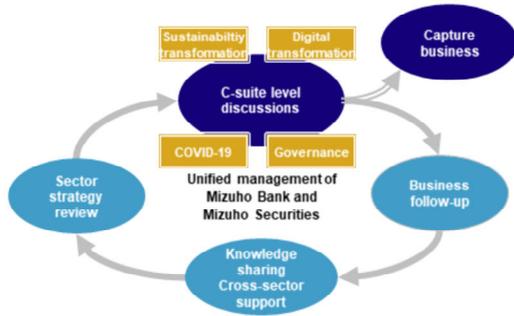
- In addition to continuing financial support during the COVID-19 pandemic, respond to wide-ranging needs through close BK, TB, and SC collaboration by carrying out detailed segmentation



	Face-to-face	Remote	Face-to-face	Remote
<b>Demographic</b>	<p><b>Focus areas</b></p> <p>Customers with complex consulting needs (investment, inheritance, succession, etc.)</p>	<p>Customers prioritizing convenience (online/mobile)</p>	<p><b>Focus areas</b></p> <p>Family-owned businesses (Large &amp; middle market)</p> <p>Listed companies</p>	<p>Family-owned businesses (SMEs)</p> <p>Private companies</p> <p>Small business owners</p>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Branches transform from a place to complete procedures to a consulting space</li> <li>BK, TB, and SC work together to provide accessible consulting, including responding to asset formation needs arising in this age of longevity</li> </ul>	<ul style="list-style-type: none"> <li>Utilize alliances to capture more customers</li> </ul> <p> </p>	<ul style="list-style-type: none"> <li>Respond to needs including for business succession and business structure reform under close BK, TB, and SC collaboration</li> <li>Specialist departments respond to the needs of startup companies, non-Japanese companies, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Deepen relationships using financing support as an opening</li> <li>Expand client base through development assistance for growth stage companies</li> <li>Respond to remote transaction needs</li> <li>Remote RM framework</li> </ul>

## Implementation of the Industry Groups (IG) framework

- Implement the multi-sector IG framework across BK and SC
- Offer robust support for clients' business structure transformations in light of industry structure post COVID-19 and sustainability transformation



HR management with a focus on sector and product insights



## Strategies tailored to IGs

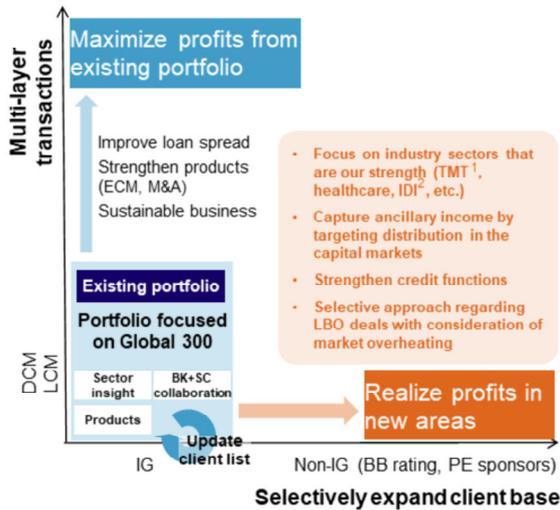
Analyze changes in trends such as sustainability and utilize our strengths in solutions and other services to support our clients' overall business strategies

IG	Business strategies (examples)	Expected business
<u>Automobiles / technology</u>	Enhancing global competitiveness Mobility revolution Sustainability transformation Digital transformation	<ul style="list-style-type: none"> <li>• M&amp;A</li> <li>• Supplier restructuring</li> </ul>
<u>ICT / retail</u>	Support for new lifestyles Global expansion COVID-19 Digital transformation	<ul style="list-style-type: none"> <li>• M&amp;A</li> <li>• Real estate (e.g. sale of storefronts)</li> <li>• Global retail strategy support</li> </ul>
<u>Resources and materials</u>	Shift to clean energy Production system restructuring Sustainability transformation Digital transformation	<ul style="list-style-type: none"> <li>• Support for large-scale capital expenditures</li> <li>• M&amp;A</li> </ul>
<u>Social / industrial foundations</u>	Shift to digitalization Governance, industry restructuring Digital transformation Governance	<ul style="list-style-type: none"> <li>• Consulting</li> <li>• Capital raising for regulatory compliance</li> </ul>
<u>Trading, real estate, financial sponsorship</u>	Business portfolio review Logistics / infrastructure fund support Sustainability transformation COVID-19	<ul style="list-style-type: none"> <li>• Global investment support, business restructuring</li> <li>• M&amp;A</li> </ul>

# Capital market and transaction banking businesses

## Enhancing capital markets business

- While maintaining the Global 300 as a stable base, strengthen earnings base through multi-layer transactions and selective expansion of our client base by drawing on accumulated strengths



1. Telecom, Media & Technology 2. Industrial & Diversified Industries

## Enhancing profit base for transaction banking business

- Capture changes in trade flows and finance flows resulting from COVID-19 with an eye to future interest rate hikes and recovery in trade flows
  - Steadily capture FX and trade finance opportunities
  - Increased liquid deposits by acquiring new settlement accounts
- Capture inbound transactions from multinational corporates by strengthening regional collaboration among EMEA, Americas and Asia
  - Capital facilitation within and outside the corporate group, hedging emerging market currencies, capital remittances, etc.

**Asia & Oceania office network**

14 Countries /regions | 42 Offices

**THE ASIAN BANKER**  
 Best Asian International Transaction Bank in Asia Pacific  
 TRANSACTION AWARDS 2020

**GTR 2020**  
Leaders in Trade

**2020 EQUIS**  
MARKET LEADER

## Strengthen market operations

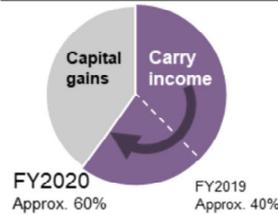
### Banking: Focus on the balance between realized gains and unrealized gains

- Control funding costs through **enhanced globally unified asset and liability management operations**
  - Manage B/S in a globally integrated manner with the introduction of a new IT system
  - Improve the flexibility of non-JPY loans and deposits management
- Expand mark-to-market P/L<sup>1</sup>** by increasing carry income and through flexible position adjustments
  - Improve fundamental profitability by increasing carry income
  - Strengthening forecast analysis and hedging methods, flexibly shifting allocation

#### Mark-to-market P/L trend (conceptualization)



#### Ratio of carry income in our banking income<sup>2</sup>



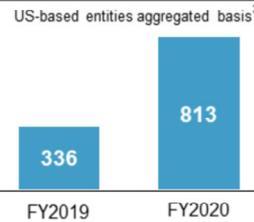
### S&T: Deepening cross-BK-SC integrated operations

#### Enhancement through "One Responsibility" framework (conceptualization)



- Establish "One Responsibility" framework in each region and create a framework that can steadily monetize revenue opportunities
- Avoid tail risk through appropriate monitoring

#### SC Global Markets Division ordinary income



Until FY2020  
Framework building for Americas/Europe nearly complete

FY2021  
Full execution of the integrated BK/SC operations in Japan

FY2022 onward  
Expand into Asian regions outside Japan

1. Increase/decrease in realized gains and unrealized gains/losses 2. Company management basis excluding one-time extraordinary factors 3. Simple aggregation of ordinary income for SC consolidated P/L and the ordinary income (management accounting basis) of non-consolidated USA-based entities, including Mizuho Securities USA

# Asset management business

## Current status & primary initiatives

	External environment	Customer trends
<b>Retail investors</b>	<ul style="list-style-type: none"> <li>Increased volatility in equities</li> <li>Age of longevity</li> <li>NISA, 1 iDeCo<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Taking on risk by targeting rises in the markets</li> <li>Conservative investment behavior</li> <li>Interest toward ESG investment</li> </ul>
	<p>➔ Advancing initiatives for the shift from savings to investment and long-term investment</p>	
<b>Corporations, pension funds, etc.</b>	<ul style="list-style-type: none"> <li>Low interest rates, increase in volatility</li> <li>Shift to passive investment for traditional assets</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Need for improvement in ALM</li> <li>Need for alternative investments</li> <li>Increased opportunity to introduce DC pensions</li> </ul>
	<p>➔ Strengthen provision of solutions and comprehensive pension consulting</p>	

## Initiatives as a responsible institutional investor

- Promote the sustainability and enhanced corporate value of our investment recipients via engagement



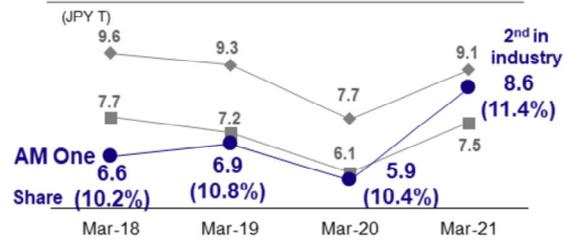
**Only initial signatory in Japan** In Dec 2020 AM One became one of the initial signatories of the Net Zero Asset Managers initiative, an initiative formed by an international group of asset managers

## Publicly-offered investment trust business

- Focus on products which contribute to asset formation and long-term investment

Prioritizes return	Prioritizes stability
<b>Global equities funds</b> "Future World" series Future World (ESG) <sup>4</sup> FY20 net assets flows 1 <sup>st</sup> in industry (JPY +920 B)	<b>Balanced Funds</b> Investment Sommelier First step toward happiness <sup>5</sup> Investment Sommelier FY20 net assets flows 1 <sup>st</sup> in balanced funds (JPY +300 B)

## Publicly-offered equities investment trusts AUM<sup>6</sup>



1. Nippon Individual Savings Account. 2. Individual-type Defined Contribution Pension Plan. 3. An international group of asset managers committed to supporting investing aligned with net zero emissions by 2050 or sooner. Composed of 30 global signatories at the time of founding. 4. Global ESG High-Quality Growth Equity Fund (Currency Unhedged) 5. World 8 Assets Balanced Fund (Risk Mitigated) 6. Based on publicly available data from the Investment Trusts Association of Japan. Excluding ETFs.

**Clarifying our support of the Paris Agreement**

- Supporting the Paris Agreement goals
- Clarified our contribution to transitioning to a low carbon society by 2050 and our transformation to a portfolio aligned with the targets in the Paris Agreement



Revised Environmental Policy (pg. 70)

**Enhanced response to transition risk**

- Identified high-risk areas based on response to transition risk (pg. 50)
- Enhancing engagement with clients in high-risk areas
- Encourage clients to formulate effective response strategies and disclose their progress
- Encourage business structure transformation towards lower risk sectors



**Net Zero Asset Managers initiative**

One of the initial signatories and the only Japanese investment firm signatory

**Responding to environmental/social factors in the value chain**

Revised Environmental and Social Management Policy for Financing and Investment Activity (pg. 72)

- Strengthened response from the perspective of climate change, biodiversity, and human rights.



Established Procurement Policy (pg. 73)

- Clarified Mizuho's basic approach to procurement and requirements for suppliers from the perspective of environmental considerations, human rights, compliance, and information management.

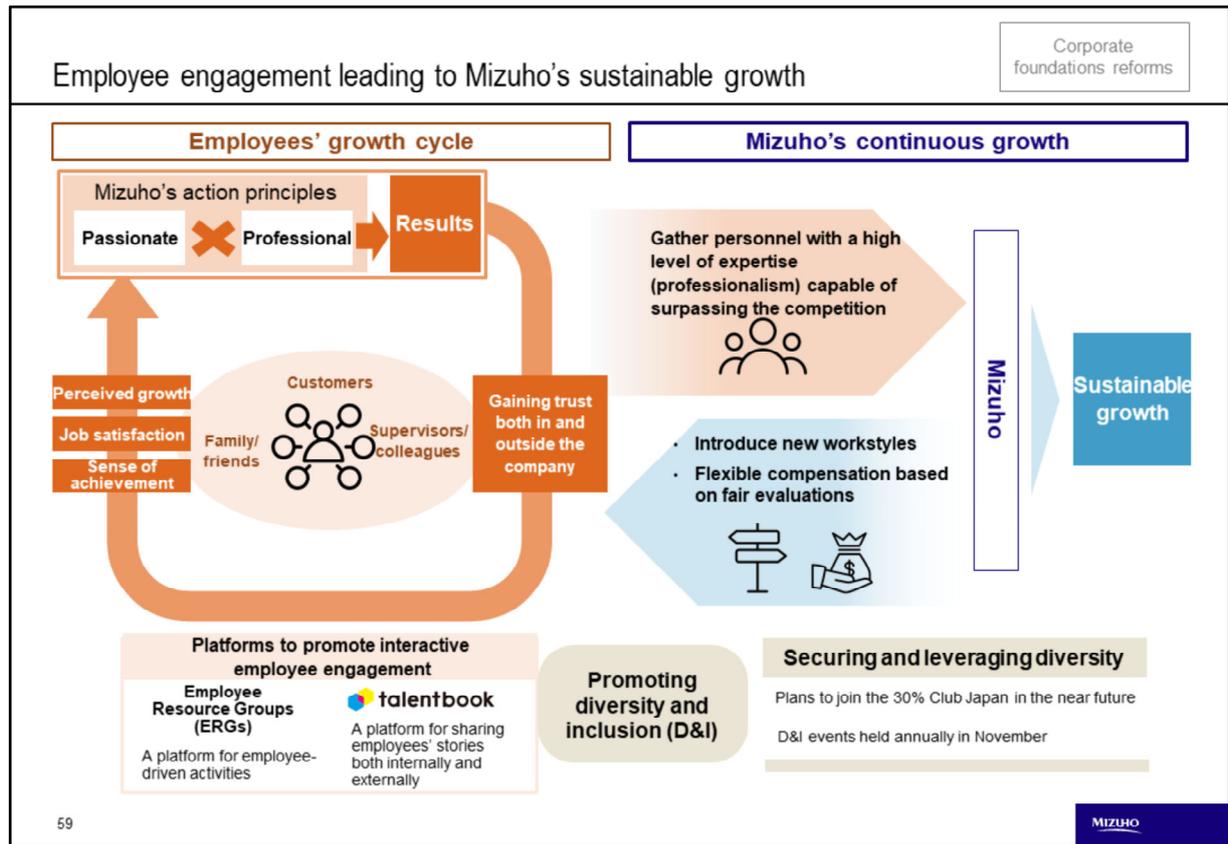


**Disclosure schedule**

June	TCFD Report
July	Integrated Report
August	ESG Data Book
September	SASB Index

Page 58 Corporate foundations supporting the promotion of sustainability

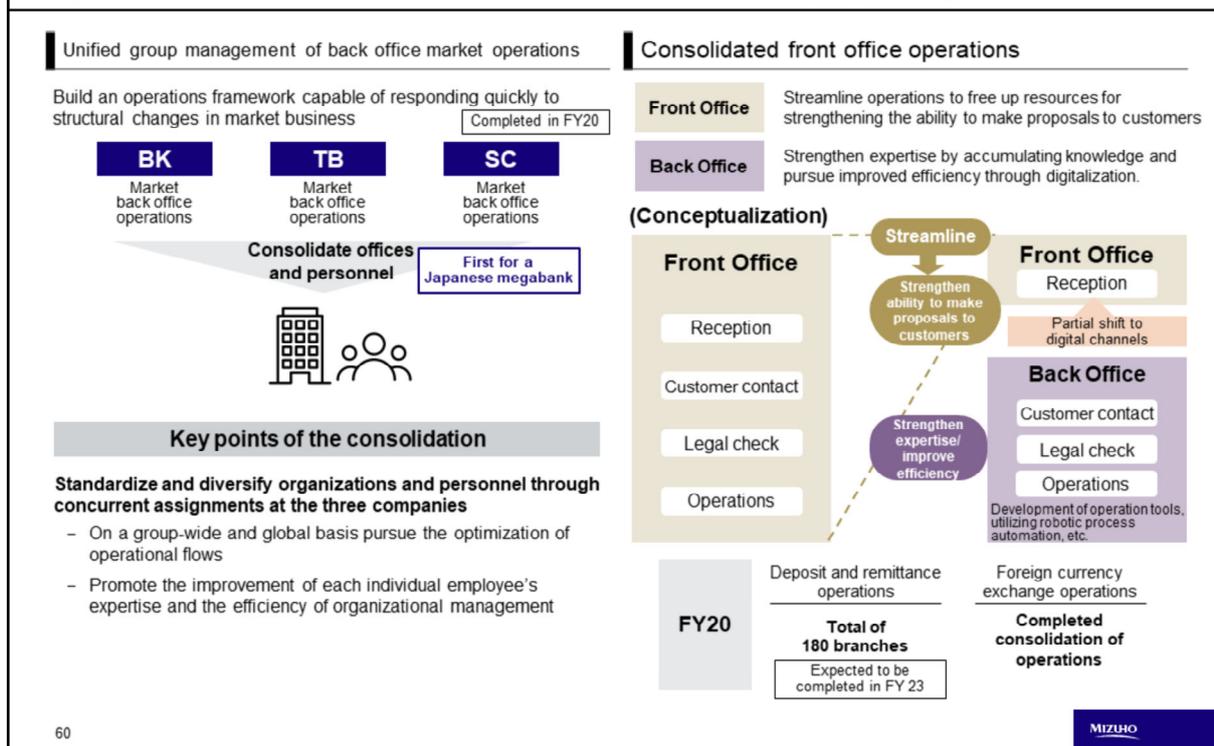
- This is an update on our progress on corporate foundations reforms.
- Firstly, we have strengthened our foundations for promoting sustainability.
- In light of the increasing emphasis on sustainability, we revised our environmental policy, clarifying our support for the Paris Agreement, as we intend to strengthen our response to climate change.
- We are also responding to environmental and social factors in the value chain, inclusive of suppliers in addition to investments and loans.



### Page 59 Employee engagement leading to Mizuho's sustainable growth

- For Mizuho to grow, it's indispensable to develop employees with higher expertise who can surpass the competition.
- When each employee is passionate and professional, they will gain trust both inside and outside the company, which should result in perceived growth and even more job satisfaction. That's exactly what we intend to do.
- Performance will be duly rewarded.
- From the viewpoint of promoting diversity and inclusion, we are planning to join the 30% Club Japan in the near future.

## Operations framework enhancements in line with in-house company strategies



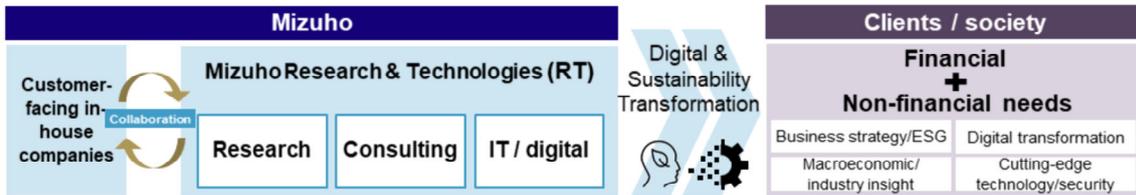
### Page 60 Operations framework enhancements in line with in-house company strategies

- The left side shows the unification of market operations across Mizuho Bank, Trust & Banking, and Securities, which was completed in FY2020.
- The right side shows revisions to domestic and international exchange operations at retail branches. The front office specializes in reception, while operations are concentrated in the back office, thus streamlining the work. We are boosting functions here and pursuing the benefits of improved efficiency.
- Regarding foreign currency exchange operations, consolidation was completed in FY2020, covering all the branches. As for deposit and remittance operations, a total of 180 branches have been covered. Completion is estimated for FY2023.

## Merging strengths in non-financial business areas

Corporate foundations reforms

- Providing new added value to clients and society through the provision of services and solutions that meet client and societal needs, and through improving technology and the capacity to adopt IT



### Providing high-added-value services that leverage our strengths

<b>Mizuho Eco Finance</b> Capital raising support that utilizes environmental assessment scoring <b>Results</b> FY2019 – FY2020 Total: 17 deals / JPY 5.903B	<b>Healstep</b> AI-based healthcare services provided in collaboration with the Dai-ichi Life Group MIZUHO 一生涯のパートナー 第一生命 Dai-ichi Life Group QOLeap		
<b>Challenge</b> Promoting initiatives toward a transition to a low-carbon society.	<b>Demonstrating our strengths</b> RT Development of our own scoring model Providing advice for improving and maintaining scores.	<b>Issues</b> Growing burden of medical costs due to an aging population and declining birthrate Increasing workload for promoting and managing employee health	<b>Fusing our strengths</b> RT Industry insight/research capabilities Data collection/analytical ability Leveraging consulting expertise FT <sup>1</sup> Development and enhancement of AI software <sup>2</sup> that predicts future medical expenses

1. Mizuho-DL Financial Technology 2. AI software jointly developed by Dai-ichi Life Group and Mizuho

## Page 61 Merging strengths in non-financial business areas

- Mizuho Research and Technologies, MHRT, was established on April 1<sup>st</sup> and is aligned with the strategies of customer-facing in-house companies. By combining financial and non-financial services catering to the various needs of clients, we create added value.
- In particular, MHRT has expertise, a track record, and experience in digital transformation and sustainability transformation, which we are confident will give us an edge in non-financial business areas.

A graphic consisting of a light blue border enclosing a white rectangular area. The left half of this white area is shaded light gray and contains the word "Appendix" in black text. The right half is white and empty.

## Appendix

- FY2021 is a critical moment for the economy, society, and for financial institutions in responding to COVID-19. Towards the post-COVID era, it is an important year to achieve significant structural changes.
- FY2021 is also, for Mizuho, the third year of the 5-Year Business Plan and we are aiming to steadily evolve past efforts to achieve sustainable growth. It is a year of significant importance.
- All members of the group are committed to working together.

## Diverse HR programs and shared corporate culture

### Supporting employee growth and promoting new workstyles

#### ■ Career design support

Many employees use our HR programs to pursue their individual career goals

		Participants
Job Change Program	FY2020	299
Internal dual-hat assignments		198
External dual assignments	Cumulative total from program launch onward (FY2019)	7
Part-time		298
Professional development leave		9

#### ■ New workstyles to support employees

- Remote work
- Staggered working hours
- Flextime
- Three- or four-day work weeks

#### Employee survey

Approximately half of respondents answered that initiatives to promote flexible workstyles in terms of where and when employees work are improving

- Increased number of new opportunities for communication
- Improved productivity and operational efficiency
- Many respondents felt communication and operations speed have not changed since before the systems were introduced

### Raising employee engagement

#### ■ Employee Resource Groups (ERGs)

Employee-led networks that contribute toward the growth of both employees and Mizuho through self-development opportunities to achieve goals

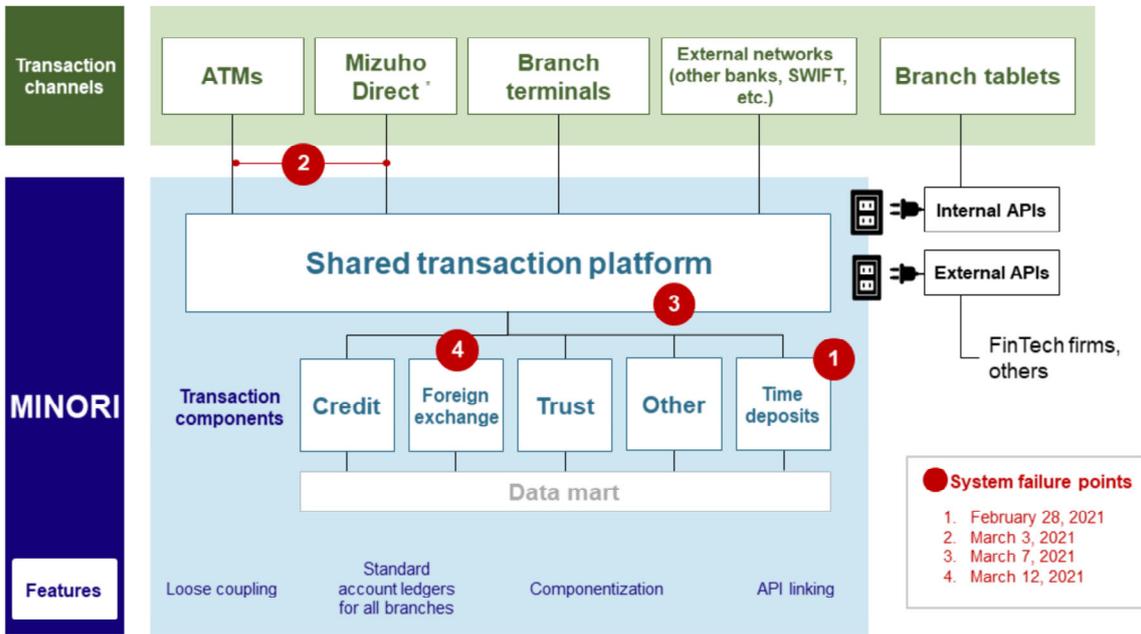


#### ■ talentbook

Online media platform that takes an employee-driven approach to building Mizuho's brand together collaboratively



# MINORI (new core banking system) structure overview



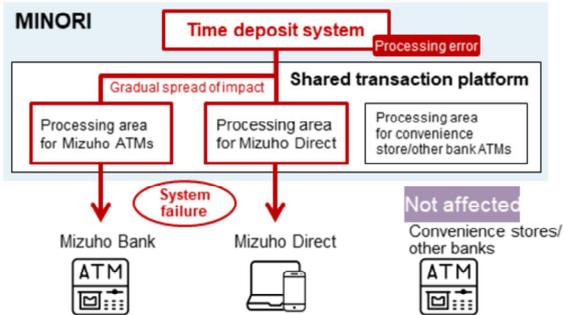
\* Internet Banking system

## System failure outline (1)

### February 28, 2021 Incident

System failure events

- Memory shortage occurred in the time deposit system during batch processing.
- The accumulation of processing errors led to a shutdown of the processing areas for Mizuho Bank ATMs and Mizuho Direct.

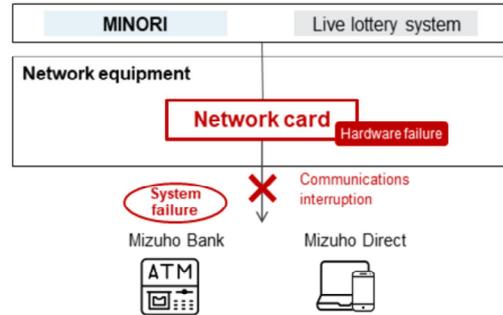


- Suspended ATMs: 4,318 (at peak)
- No. of bank cards and bank books captured: 5,244

### March 3, 2021 Incident

System failure events

- Network communications became unstable due to network equipment failure.
- Communications were restored after an automatic switch to an alternative network approximately 3 minutes later.



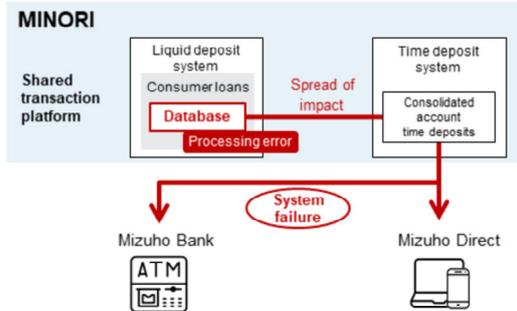
- Suspended ATMs: 29
- No. of failed lottery purchase transactions: 7

## System failure outline (2)

### March 7, 2021 Incident

#### System failure events

- An error occurred during a consumer loan program update, impacting time deposit batch processing.
- Time deposit services for Mizuho Bank ATMs and Mizuho Direct were temporarily suspended.

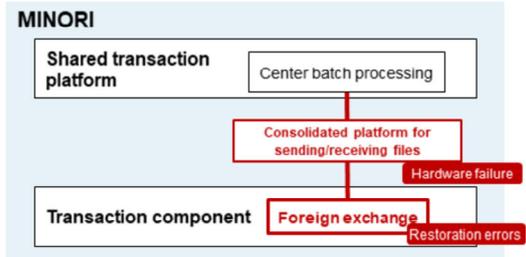


Failed Mizuho Direct time deposit transactions:  
9 customers

### March 12, 2021 Incident

#### System failure events

- A hardware failure occurred in the consolidated platform for sending and receiving files and batch processing data. The automatic switch to the backup also failed to activate.
- Procedural errors during restoration of the foreign exchange system contributed to delayed transaction processing.



- Delayed processing for outgoing foreign exchange remittances to other Japanese banks in Japan: 263 incidents
- Unable to provide same-day notification for incoming foreign exchange remittances: 761 incidents
- Delays also affected certain other services outside foreign exchange transactions

**Issues recognized regarding the series of system failures**

**Measures to prevent further incidents / response going forward**

- |  |  |
|--|--|
| <p><b>1 ATM specifications</b></p> <p>Designed to capture bank cards and bank books with ATMs when transactions are unable to be completed successfully.</p>   | <p><b>2 Hardware (equipment) failure</b></p> <p>Equipment failure resulted in multiple system failures occurring in a short period of time.</p>  |
| <p><b>3 System development/operations</b></p> <ul style="list-style-type: none"> <li>Decisions regarding the appropriateness of the release date (end-of-month system release).</li> <li>Advanced confirmations were insufficient during the development process.</li> <li>Insufficient recognition and understanding of how system failures structurally affect settlement systems and impact customers.</li> <li>Inadequate monitoring and contingency plans for system operations.</li> </ul> | <p><b>4 Response during system failures</b></p> <p><b>System related</b></p> <ul style="list-style-type: none"> <li>Prolonged system restoration/resumption</li> <li>Procedural failure during system restoration</li> </ul> <p><b>Non-system related</b></p> <ul style="list-style-type: none"> <li>Early recognition of system failure impacts on customers and internal dissemination were insufficient.</li> <li>Failure to provide important information in a timely manner.</li> </ul> |

**System measures**

Improve the organization-wide ability to respond by strengthening system functions and increasing the number of responsible personnel in order to secure stable operations of the entire system.

**Business measures**

Establish a multifaceted system as an entire organization to detect system failures and gather information in order to quickly recognize and minimize the impact on customers and provide information in a timely manner.

**Initiatives toward organization-wide improvements**

- Improving multilayered system failure responses**
- Construct a framework of robust multilayered safeguards both in and across IT system and business segments, maintaining a customer perspective.
- Fundamentally strengthen the organization and its employees**
- Fundamentally strengthen both HR management, which develops the organization and its people, and our crisis management framework.

## Remote/digital business

Collaborating with companies from other industries and other financial institutions in order to effectively acquire customers through multiple channels

### Payments



- A payments & money transfer app backed by banks available to the customer bases of over 90 financial institutions
- Corporate services such as reimbursement of expenses also available

### Unsecured loans



Shareholders: SoftBank, BK

- Convenient and fast loans based on AI scoring
- Services also available to PayPay users



Shareholders: Line Financial, BK, Orient Corporation

- Unsecured consumer loan service utilizing Line Score platform
- Line has 88 million active monthly users in Japan

### Securities



Shareholders: SoftBank\*, SC

- Easy-to-use service for first-time investors and beginners interested in asset formation
- Access to PayPay's approx. 38 million users

### Banking



Shareholders: Line Financial, BK

- Shareholders made an additional investment in and changes to the management structure of the company in February 2021
- Aim to establish a new bank within FY2022 dependent on the approval of relevant authorities and other factors

\*Including indirect holdings through Z Holdings Corporation

## Sustainable finance - examples

### Transition loan



- Arranged a transition loan to build a next-generation environmentally friendly car carrier ship fueled by LNG as part of efforts to transition to a low-carbon society
- This loan applies the Climate Transition Finance Handbook (ICMA<sup>1</sup>) and the Green Loan Principles (LMA<sup>2</sup>)

First in Japan

### Social hybrid bond



- Arranged a social hybrid bond through engagement with the client, aiming to resolve social issues (ESG, strengthening financial base)
- Includes funding for the purpose of preventing the spread of COVID-19
- The first hybrid bond in Japan to receive the "social" label

First in Japan

### Green bond



Nagano Prefecture

- Arranged a green bond aimed at addressing/mitigating climate change
- This bond applies the Green Bond Principles (ICMA<sup>1</sup>) and the Japan Ministry of the Environment's Green Bond Guidelines

First in Japan

### Sustainability-linked loan (SLL)



- Arranged an SLL focused on reducing green house gases and aquatic resource conservation
- KPIs include strengthening traceability management related to procurement of aquatic resources



- Arranged an SLL aimed at achieving targets under the non-financial KPI\* in the client's medium-term business plan

First in construction industry

\*Reduction rate of CO<sub>2</sub> emissions in the construction business

### Sustainability-linked bond (SLB)



- Arranged an SLB aimed at achieving the client's SPTs<sup>3</sup>
- This bond applies the SLB Principles (ICMA<sup>1</sup>)
- Certified by Japan's Ministry of the Environment as the first model case

First in Japan

1. International Capital Market Association. 2. Loan Market Association. 3. Sustainability Performance Targets.

Revised the Environmental Policy to clarify our stance on positively contributing to a net zero society and alignment with the Paris Agreement.

### Environmental Policy (excerpt)

7. Efforts to address climate change:

■ Attitude toward climate change

We recognize climate change as one of the most crucial global issues with the potential to impact the stability of financial markets, representing a threat to the environment, society, people's lifestyles and businesses.

At the same time, we believe there are new business opportunities arising from the need to transition to a low-carbon society, such as the field of renewable energy and other businesses and innovations which contribute to mitigating and adapting to the impact of climate change.

Mizuho supports the Paris Agreement's objective to "strengthen the global response to the threat of climate change".

In light of this, we have included responding to climate change as a key pillar of our business strategy and will take the following actions in order to proactively fulfill our role as a financial services group in the effort to achieve a low-carbon society (achieve net zero greenhouse gas emissions) and to develop a climate change resilient society by 2050.

- We are directing finance flows towards achievement of the Paris Agreement targets to limit average global temperature rise, and we are undertaking phased transformation to a finance portfolio aligned with said targets.
- We will engage in proactive, constructive dialogue in response to our clients' individual concerns and needs, and in support of their efforts to introduce climate change countermeasures and transition to a low-carbon society in both the medium and long term.
- We will proactively develop and offer financial products and services designed to support clients' efforts to introduce climate change countermeasures and transition to a low-carbon society.
- We understand the importance of climate-related financial disclosures and we utilize the framework under the Recommendations of the TCFD in order to leverage growth opportunities and strengthen risk management as well as disclose information in a transparent manner regarding our progress.

## Enhancing our response to the TCFD Recommendations

April 2021 revisions  
in **red**.

Through engagement, we are supporting our clients' low carbon transitions and business structure transformation while also facilitating setting of targets aligned with the Paris Agreement and implementation of concrete initiatives.

<b>Government</b>	<ul style="list-style-type: none"><li>• <b>Revised Environmental Policy. Clarified support for Paris Agreement and targets, along with other changes.</b></li><li>• Board of Directors supervised initiatives to address climate change</li></ul>
<b>Strategy</b>	<ul style="list-style-type: none"><li>• With our FY2020 scenario analysis results, <b>we reaffirmed the importance of engagement, and we are improving our practices to engage with more clients and to better ascertain their measures to address transition risk.</b></li><li>• <b>Expanded the scope of this fiscal year's scenario analysis.</b><ul style="list-style-type: none"><li>- Transition risk: <b>Added automobile sector and began covering electric utilities and oil, gas, and coal sectors worldwide.</b></li><li>- Physical risk: <b>Analyzed chronic risks (risk of increase in heat stroke and infectious disease).</b></li></ul></li><li>• <b>Further enhanced our structure for promoting sustainable business group-wide</b> in order to capture expanding business opportunities.</li></ul>
<b>Risk management</b>	<ul style="list-style-type: none"><li>• Positioned climate change risks as "<b>top risks</b>" and regularly monitored related indicators.</li><li>• <b>Formulated risk assessment-linked control policy for transition risk in carbon-related sectors.</b></li><li>• <b>Revised</b> Environmental and Social Management Policy for Financing and Investment Activity.</li></ul>
<b>Indicators and targets</b>	<ul style="list-style-type: none"><li>• Monitoring indicators:<ul style="list-style-type: none"><li>- <b>Exposure in high-risk areas</b></li></ul></li><li>• <b>Risk and opportunity targets:</b><ul style="list-style-type: none"><li>- <b>Established target to reduce our own environmental footprint (Scope 1 and 2).</b></li><li>- <b>Moved up our target date on reducing our outstanding credit balance for coal-fired power generation facilities to 2040.</b></li><li>- Sustainable/environmental finance amounts.</li></ul></li></ul>

**Transactions which are prohibited or require additional due diligence regardless of sector**

<b>Prohibited</b>	<ul style="list-style-type: none"> <li>• Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention or on UNESCO World Heritage sites<sup>1</sup></li> <li>• Projects violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)<sup>2</sup></li> <li>• Projects involving child labor or forced labor</li> </ul>	<b>Additional due diligence</b>	<ul style="list-style-type: none"> <li>• Projects with adverse impacts on indigenous people's local communities</li> <li>• Projects involving land expropriation that causes forced relocation of residents</li> </ul>
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**Established new transition risk sectors (excerpt)**

**coal-fired, oil-fired, and gas-fired power generation; coal mining; and oil and gas**

We undertake engagement for responding to transition risks. If the client does not make progress on addressing transition risks even after a certain period of time, we carefully consider our financing and investment transactions with the client

**Policies on Specific Industrial Sectors (excerpt)**

<b>Weapons</b>	Avoid providing financing or investment for antipersonnel landmines and biochemical weapons, in addition to cluster munitions
<b>Coal-fired power generation</b>	Do not provide financing or investment which will be used for new construction of coal-fired power plants* * Including expansion of existing facilities
<b>Thermal coal mining</b>	We do not provide financing or investment which will be used for new thermal coal mining projects.
<b>Oil and gas</b>	Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.
<b>Large-scale hydropower</b>	Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.
<b>Large-scale agriculture (soybeans and similar)</b>	Our decisions involve a thorough examination of the client's measures to address environmental and social issues.
<b>Palm oil and lumber</b>	Our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for the production of sustainable palm oil.

1. Excluding projects that have received prior consent from the relevant national government and UNESCO. 2. Excluding cases permitted under any country's reservation(s) to the convention.

## Procurement Policy

By applying our new Procurement Policy to our own procurement and also encouraging our suppliers to pursue ESG initiatives in their business operations, we are enhancing ESG risk management throughout the supply chain.

### Basic approach to procurement operations

Fair and impartial decisions on suppliers	<ul style="list-style-type: none"><li>We will make fair and impartial decisions on suppliers, taking into account factors such as quality, ease of use of services, price, reliability, compliance with laws and regulations, information management frameworks, respect for human rights, and environmentally friendly initiatives.</li></ul>
Compliance with laws and regulations and social norms	<ul style="list-style-type: none"><li>We will fully comply with all laws, rules, and regulations; always adhere to social norms; and exercise strong self-discipline in our procurement operations.</li><li>With our suppliers, we will maintain healthy and transparent relationships. To ensure this, we will not accept gifts or entertainment from suppliers when these are against social norms.</li></ul>
Respect for human rights and consideration for the environment	<ul style="list-style-type: none"><li>In our procurement operations, we will endeavor to respect human rights and reduce our environmental footprint.</li><li>We will also encourage our suppliers to respect human rights and give consideration to the environment in their business operations.</li></ul>

### Requirements for suppliers

Compliance with laws and regulations and social norms	<ul style="list-style-type: none"><li>Fully comply with all laws, rules, and regulations, adhere to social norms, and conduct corporate activities fairly and in good faith.</li></ul>
Information management	<ul style="list-style-type: none"><li>Manage information gathered through business operations with due care, in compliance with laws on the protection of personal information and any related laws.</li></ul>
Respect for human rights	<ul style="list-style-type: none"><li>Be aware of the ways in which business operations have the potential to impact human rights and endeavor to respect human rights while carrying out corporate activities.</li></ul>
Consideration for the environment	<ul style="list-style-type: none"><li>Work to reduce the environmental impact of business operations through use of sustainable energy and resources, pollution prevention, green procurement, and other measures.</li></ul>

# Sustainability KPIs and targets

Business	Corporate foundations																					
<b>Industrial development &amp; innovation, environmental considerations, sound economic growth</b> <ul style="list-style-type: none"> <li>Arrangement of sustainable finance / environmental finance JPY 25T in cumulative total from FY2019 to FY2030 (of which, JPY 12T in environmental finance)</li> <li>Credit balance for coal-fired power generation providers based on our Environmental and Social Management Policy for Financing and Investment Activity Reduce by 50% compared to FY2019 by FY2030, Reduce to a balance of zero by FY2040 <span style="background-color: #FF8C00; color: white; padding: 2px;">Accelerated</span></li> <li><b>High risk area exposure</b> in transition risk sectors <span style="background-color: #FF8C00; color: white; padding: 2px;">New</span></li> </ul>	<b>Diversity &amp; Inclusion</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #E0F0E0;">Item</th> <th style="background-color: #E0F0E0;">Target</th> <th style="background-color: #E0F0E0;">Achieve by</th> </tr> </thead> <tbody> <tr> <td>Management positions filled by women (General Manager and Manager equivalent) <sup>1</sup></td> <td>20%</td> <td>July 2024</td> </tr> <tr> <th style="background-color: #E0F0E0;">Item</th> <th colspan="2" style="background-color: #E0F0E0;">Level to be maintained continuously</th> </tr> <tr> <td>Management positions filled by employees hired outside Japan <sup>2</sup></td> <td colspan="2">65%</td> </tr> <tr> <td>Percentage of new graduates hired for management track jobs who are female <sup>1</sup></td> <td colspan="2">30%</td> </tr> <tr> <td>Paid annual leave taken by employees <sup>1</sup></td> <td colspan="2">70%</td> </tr> <tr> <td>Eligible male employees who take childcare leave <sup>1</sup></td> <td colspan="2">100%</td> </tr> </tbody> </table>	Item	Target	Achieve by	Management positions filled by women (General Manager and Manager equivalent) <sup>1</sup>	20%	July 2024	Item	Level to be maintained continuously		Management positions filled by employees hired outside Japan <sup>2</sup>	65%		Percentage of new graduates hired for management track jobs who are female <sup>1</sup>	30%		Paid annual leave taken by employees <sup>1</sup>	70%		Eligible male employees who take childcare leave <sup>1</sup>	100%	
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<b>Declining birthrate and aging population, plus good health and lengthening lifespans</b> <ul style="list-style-type: none"> <li>Asset formation to prepare for the future                             <ul style="list-style-type: none"> <li>Net increase in investment products (Individual investors)</li> <li>Number of investment products purchasers (individual investors)</li> </ul> </li> <li>Net increase in publicly offered investment trust assets under management</li> </ul>	<b>Environmental Footprint</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 80%;">Worldwide greenhouse gas emissions (Scope 1 and 2, 8 group companies)</td> <td style="background-color: #FF8C00; color: white; text-align: center; font-weight: bold;">New</td> </tr> <tr> <td>Achieve a reduction of 35% compared to FY2019 levels by FY2030 Aim to become carbon neutral by FY2050</td> <td></td> </tr> <tr> <td>Paper use in Japan</td> <td style="background-color: #FF8C00; color: white; text-align: center; font-weight: bold;">New</td> </tr> <tr> <td>Reduce by 1% compared to previous fiscal year (7 group companies)</td> <td></td> </tr> <tr> <td>Paper recycling ratio target</td> <td>at least 85% (7 group companies)</td> </tr> </tbody> </table>	Worldwide greenhouse gas emissions (Scope 1 and 2, 8 group companies)	New	Achieve a reduction of 35% compared to FY2019 levels by FY2030 Aim to become carbon neutral by FY2050		Paper use in Japan	New	Reduce by 1% compared to previous fiscal year (7 group companies)		Paper recycling ratio target	at least 85% (7 group companies)											
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<b>Industrial development &amp; innovation</b> <ul style="list-style-type: none"> <li>Smooth business succession                             <ul style="list-style-type: none"> <li>Number of clients provided with consulting</li> </ul> </li> <li>Acceleration of innovation and industry transformation                             <ul style="list-style-type: none"> <li>Number of IPOs as lead underwriter / rank in terms of underwriting amount</li> </ul> </li> </ul>	<b>Financial Education</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Total financial education participants</td> <td>60,000 or more from FY19 to FY23</td> </tr> </tbody> </table>	Total financial education participants	60,000 or more from FY19 to FY23																			
Total financial education participants	60,000 or more from FY19 to FY23																					

1. Total of FG, BK, TB, SC in Japan 2. Total of BK, TB, SC outside Japan

## Reference: Key sustainability areas

Business	<b>Declining birthrate and aging population, plus good health and lengthening lifespans</b> <ul style="list-style-type: none"> <li>Asset formation in preparation for the future</li> <li>Expand services that respond to a society with a declining birthrate and aging population</li> <li>Convenient services in line with diversifying lifestyles</li> </ul>	
	<b>Industry development &amp; innovation</b> <ul style="list-style-type: none"> <li>Smooth business succession</li> <li>Industry structure transformation</li> <li>Acceleration of Innovation</li> <li>Growth in Asian economic zones</li> <li>Creating resilient social infrastructure</li> </ul>	
	<b>Sound economic growth</b> <ul style="list-style-type: none"> <li>Strengthening capital markets functions</li> <li>Transition to a cashless society</li> <li>Environmentally conscious social programs</li> </ul>	
	<b>Environmental considerations</b> <ul style="list-style-type: none"> <li>Promoting action to address climate change and supporting the transition to a low carbon society</li> </ul>	
Corporate foundations	<b>Governance</b> <ul style="list-style-type: none"> <li>Enhancing corporate governance</li> <li>Risk management/strengthening of IT infrastructure, and compliance</li> <li>Disclosure of information in a fair, timely, and appropriate manner, and holding dialogue with stakeholders</li> </ul>	
	<b>Personnel</b> <ul style="list-style-type: none"> <li>Personnel development and creating workplaces that give employees a sense of purpose</li> </ul>	
	<b>Environment &amp; society</b> <ul style="list-style-type: none"> <li>Environmental and human rights considerations for investment and lending</li> <li>Addressing climate change</li> <li>Improving financial and economic literacy and promoting activities that contribute to addressing the needs of society and local communities</li> </ul>	
<b>Open partnerships and collaboration with a diverse range of stakeholders</b>		

# ESG-related recognition and awards

## Third-party evaluation

### ESG Finance Awards Japan

FG **GOLD**



SC **BRONZE**



### Health & Productivity Stock Selection 2020



### Markets Choice 2021

Mizuho Americas LLC received the "Positive Change Award for Diversity, Inclusion & Belonging"

### ESG score

	Mizuho	MUFG	SMFG
<b>S&amp;P SAM</b> <sup>1</sup>	<b>81</b>	75	75
<b>FTSE</b> <sup>2</sup>	<b>4.1</b>	3.4	3.6
<b>SUSTAINALYTICS</b> ESG Risk Rating <sup>3</sup>	<b>20.9</b>	20.5	26.9
<b>MSCI</b> <sup>4</sup>	<b>A</b>	BBB	A

## Incorporation in social responsibility indices<sup>5</sup>

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Dow Jones Sustainability Index Asia Pacific



STOXX Global ESG Leaders Index



MSCI ESG Leaders Indexes<sup>6</sup>



Euronext Vigeo World 120



FTSE4Good Index Series



Bloomberg Gender-Equality Index

### GPIF selected ESG indices

General Index



FTSE Blossom Japan Index

Themed Index

2020 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

MSCI Japan Empowering Women Index (WIN)



S&P/JPX Carbon Efficient Index

1. S&P SAM: Percentile ranking. Those near 100 are evaluated highly. Source: Bloomberg (as of May 14, 2021). 2. FTSE Overall ESG Score (as of Jun. 2020); Maximum score of 5.

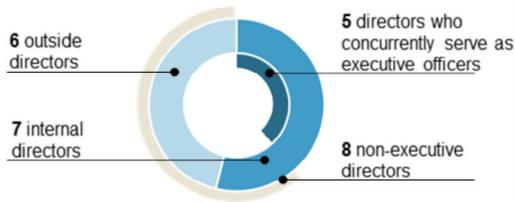
3. Sustainalytic ESG Ranking compares ESG risk with peers in the same industry. The lower the score, the higher the evaluation. (as of May 12, 2021) 4. CCC-AAA 7-grade rating (as of May 7, 2021)

5. As of May 2021. 6. <https://www.mizuhogroup.com/sustainability/mizuocs/rating>

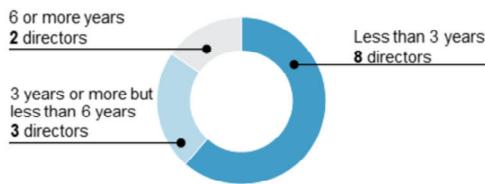
## Corporate governance - Highlights

### Composition of the Board of Directors<sup>1</sup>

As of  
Mar 31, 2021



### Tenure of directors<sup>1</sup>



### Main initiatives for improving the effectiveness of the Board of Directors (FY2020)

- 9 times** **Offsite meetings on management issues**  
Outside directors and the business execution line share information and exchange opinions thereby deepening mutual understanding
- 1 times** **Outside Director Sessions**  
Meetings attended only by outside directors, at which discussions on future initiatives are held after reflecting on past activities and sharing issues

### Director training

Continually provide and facilitate opportunities to acquire and improve knowledge

#### All directors

- Individual sessions, training, etc. by executives or guest speakers

#### Outside directors

- Ensuring the prior explanation and follow-up of proposals to the Board of Directors
- Visits to domestic branches, etc.

### Evaluating the effectiveness of the Board of Directors

Perform an analysis and evaluation of the effectiveness of the Board of Directors each year and disclose a summary of the results

**FY2019<sup>2</sup> assessment:** The Board of Directors are performing their functions to realize our corporate governance objectives, and their performance is sufficiently effective

1. Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future. 2. Jul 2019 – Jun 2020.

## Board of Directors (as of Mar 31)

### Internal directors (7 people)<sup>1</sup>

Name	Position/Responsibility
Tatsufumi Sakai	Representative Executive Officer President & Group CEO
Satoshi Ishii	Senior Managing Executive Officer CDIO, Group CIO, Group COO
Motonori Wakabayashi	Senior Managing Executive Officer Group CRO
Makoto Umemiya	Senior Managing Executive Officer Group CFO
Hiroaki Ehara	Managing Executive Officer Group CHRO
Yasuhiro Sato	Chairman
Hisaaki Hiramata	

### Outside directors (6 people)<sup>1</sup>

 Chairperson

Name	Position/ Responsibility	Fields where directors are especially expected to contribute <sup>2</sup>				
		Corporate Management	Legal	Financial Accounting	Finance	Technology
Tetsuo Seki	Nominating Compensation Audit	●		●	●	
Tatsuo Kainaka	Nominating Compensation Audit		●			
Yoshimitsu Kobayashi	Nominating	●				●
Ryoji Sato	Audit			●		
Masami Yamamoto	Nominating Compensation	●				●
Izumi Kobayashi	Chairman Nominating Risk	●			●	

1. Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future  
2. The fields in the chart above are not representative of all of the areas of expertise the directors possess.

# Compensation framework for executives

## Executives responsible for business execution\*

### Composition of compensation

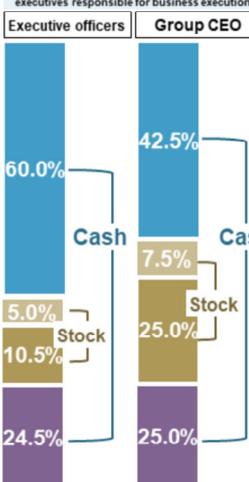
Fixed compensation	Base Salary	A standard amount based on position, with additions based on each executive's role and duties	Paid monthly
	Stock Compensation I	Payment based on position	Paid upon retirement
Variable compensation	Stock Compensation II	Factors including progress on achievement of the 5-Year Business Plan and the results of organizations (e.g. in-house company/unit) that each executive is in charge of are reflected to a base amount based on position	Deferred payment over 3 years
	Performance Payments		Deferred payment over 3 years for the portion above a certain amount

Determined based on a comprehensive evaluation of the factors below, with weight given to Net Business Profits + Net Gains (Losses) related to ETFs and others

- Financial indicators (Consolidated ROE, expense ratio, Consolidated Gross Profits RORA, CET1 capital ratio)
- Results taking into consideration the amount of reduction in cross-shareholdings and other factors
- Results for the organization (in-house company, unit, group) they are in charge of compared to targets, compared to past fiscal years, and compared to other companies
- Medium- to long-term initiatives, including sustainability-related initiatives, and other factors

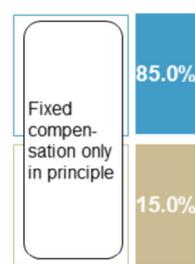
\* In principle, compensation for executives responsible for business execution (directors, executive officers as defined in the Companies Act, and executive officers as defined in our internal regulations of FG, BK, TB and SC) consists of Base Salary, Stock Compensation, and Performance Payments. The ratio of fixed compensation to variable compensation varies depending on each executive's role and duties. For the Group CEO, the ratio of fixed compensation has been set at the minimum.

Example of composition of compensation for executives responsible for business execution

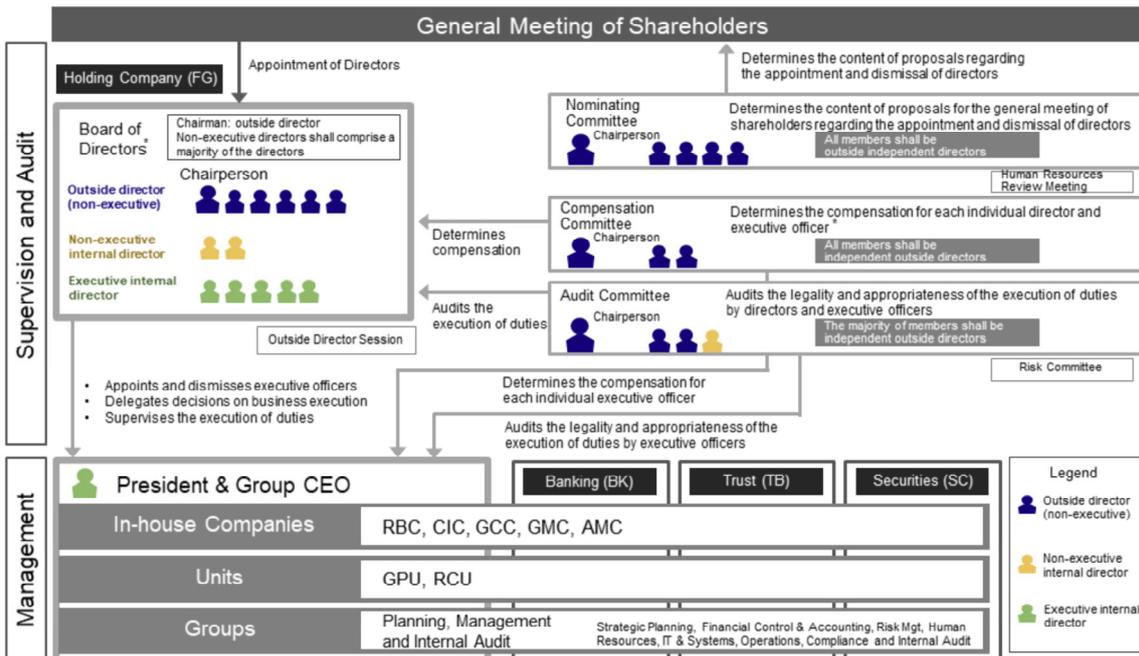


## Non-executive management

Example of composition of compensation for executives responsible for supervision of management



# Corporate governance structure



\* Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future.

\* As of Mar 31, 2021

## Abbreviations

<b>FG</b>	: Mizuho Financial Group, Inc.	<b>RBC</b>	: Retail & Business Banking Company
<b>BK</b>	: Mizuho Bank, Ltd.	<b>CIC</b>	: Corporate & Institutional Company
<b>TB</b>	: Mizuho Trust & Banking Co., Ltd.	<b>GCC</b>	: Global Corporate Company
<b>SC</b>	: Mizuho Securities Co., Ltd.	<b>GMC</b>	: Global Markets Company
<b>AM One</b>	: Asset Management One Co., Ltd.	<b>AMC</b>	: Asset Management Company
<b>RT</b>	: Mizuho Research & Technologies, Ltd.	<b>GPU</b>	: Global Products Unit
		<b>RCU</b>	: Research & Consulting Unit

## Foreignexchange rate

TTM at the respective period end	Mar-20	Mar-21
USD/JPY	108.83	110.72
EUR/JPY	119.65	129.76
Management accounting	FY20 Planned rate	
USD/JPY	108.00	
EUR/JPY	118.80	

## Definitions

### Financial accounting

- 2 Banks	: BK + TB on a non-consolidated basis (financial accounting)
- 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 Gains (Losses) related to ETFs and others	: Net Gains (Losses) related to ETFs (2 Banks) + Net Gains on Operating Investment Securities (SC Consolidated)
- G&A Expenses (excl. Non-recurring Losses and others)	: G&A Expenses (excl. Non-recurring Losses) – Amortization of Goodwill and other items
- Net Income Attributable to FG	: Profit Attributable to Owners of Parent
- Consolidated ROE	: Calculated dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excluding Net Unrealized Gains (Losses) on Other Securities))
- CET1 Capital Ratio (excl. Net Unrealized Gains (Losses) on Other Securities)	: Includes the effect of partially fixing unrealized gains on Japanese stocks through hedging transactions [Numerator] Calculated by excluding Net Unrealized Gains (Losses) on Other Securities and its associated Deferred Gains or Losses on Hedges
- CET1 Capital Ratio (Basel III finalization basis)	: [Denominator] Calculated by excluding RWA associated with Net Unrealized Gains (Losses) on Other Securities (stocks) : Estimated figures reflecting the effect of Basel III finalization. The capital floor is calculated after deducting the associated reserves from RWA using the standardized approach

### Management accounting

- Customer Groups	: RBC + CIC + GCC + AMC
- Markets	: GMC
- Group aggregate	: BK + TB + SC + AM One + other major subsidiaries on a non-consolidated basis
- In-house company management basis	: Figure of the respective in-house company
- Net Business Profits by In-house Company	: Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates – Amortization of Goodwill and other items
- Internal risk capital	: Risk capital calculated taking account of factors such as regulatory risk-weighted assets (RWA) and interest rate risk in the banking account
- ROE by In-house Company	: Calculated dividing Net Income by each company's internal risk capital

#### Forward-looking Statements

Financial information in this presentation uses figures under Japanese GAAP unless otherwise stated (including management accounting basis).

This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Such forward-looking statements do not represent any guarantee of future performance by management.

Further information regarding factors that could affect our financial condition and results of operations is included in our most recent Form 20-F and our report on Form 6-K.

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