

The document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 8411)

# Mizuho Financial Group

The 16th Interim Period  
Report to Our Shareholders  
April 1, 2017 to September 30, 2017

**Definition**

MHFG, the Company: Mizuho Financial Group, Inc.

we, the Group, Mizuho: Mizuho Financial Group, Inc. and its consolidated subsidiaries and affiliates

## Forward-looking Statements

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

In many cases, but not all, we use such words as "aim," "anticipate," "believe," "endeavor," "estimate," "expect," "intend," "may," "plan," "probability," "project," "risk," "seek," "should," "strive," "target" and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; decrease in the market liquidity of our assets; revised assumptions or other changes related to our pension plans; a decline in our deferred tax assets; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our Medium-term Business Plan, realize the synergy effects of "One MIZUHO", and implement other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; and changes to applicable laws and regulations.

Further information regarding factors that could affect our financial condition and results of operations is included in "Item 3.D. Key Information-Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC"), which is available in the Financial Information section of our web page at [www.mizuho-fg.com/index.html](http://www.mizuho-fg.com/index.html) and also at the SEC's web site at [www.sec.gov](http://www.sec.gov).

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

Mizuho Financial Group, Inc. is a specified business company under "Cabinet Office Ordinance on Disclosure of Corporate Information, etc." Article 17-15 clause 2 and prepares the interim consolidated and interim non-consolidated financial statements in the second quarter.

<p>Unless otherwise specified, the financial figures used in this material are based on Japanese GAAP. This material does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities.</p>
---

# Message from the Group CEO

We will steadily promote strategies that allow us to strive toward our goal of becoming a “financial services consulting group”.

## Medium-term Business Plan

### “Progressive Development of ‘One MIZUHO’—The Path to a Financial Services Consulting Group”

A year-and-a-half has passed since we launched our medium-term business plan, “Progressive Development of ‘One MIZUHO’—The Path to a Financial Services Consulting Group”. Under this plan, we aim to further develop our One MIZUHO strategy to thoroughly align ourselves with our customers’ needs and be their best financial solutions partner.

With this year marking the second year of that plan, we are focusing our attention on accelerating our One MIZUHO strategy by having the Group steadily promote strategies that allow us to further optimize our in-house company system through collaboration and optimization of personnel allocation among our in-house companies, reallocate management resources to focus on core competencies, establish a stronger financial position, and take initiatives to transition into the next-generation IT systems.

## Interim Results for Fiscal 2017 – Progress towards Achievement of Annual Earnings Plan –

Profit Attributable to Owners of Parent in 1H Fiscal 2017 amounted to ¥316.6 billion, which represents progress of 57% toward the annual earnings plan of ¥550.0 billion. This was due to a net reversal in credit-related costs and the progress in cross-shareholding disposal despite a decrease of Gross Profits from the previous fiscal year in the Customer Groups and the Trading segment under the difficult business environment resulting from the continuing negative interest rate policy.

The Common Equity Tier 1 Capital Ratio\* was 9.56%.

Based on these results, interim cash dividend was ¥3.75, as provided in the original announced estimates.

## Issues to be Addressed Going Forward

The business environment surrounding financial institutions continues to be difficult, and major structural changes are anticipated. Under these circumstances, we will undertake fundamental reforms in our business structure and, with a view to ten years in the future, we will ensure the sustainable growth and continued competitive advantage of our Group. We aim to further develop our One MIZUHO strategy and increase Gross Profits by utilizing powerful advanced technology in accordance with our concept of open innovation. For example we are actively pursuing collaborative engagement with other companies, not limited to financial activities, in order to create new business opportunities, strengthen cost competitiveness and enhance productivity.

In addition, we will further reinforce our efforts to provide products and services that are in our customers’ best interests and continue our goal of becoming a “financial services consulting group.”

As President & Group CEO of MHFG, I would like to express our deep appreciation for your continued interest in and support of our Group.



December 2017

Yasuhiro Sato  
President & Group CEO  
Member of the Board of Directors

\* Basel III fully-effective basis, excluding Net Unrealized Gains on Other Securities.

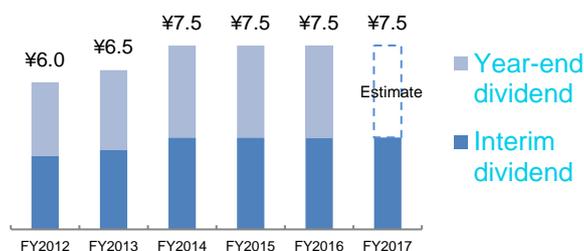
## Report of Interim Dividend for Fiscal 2017

### Interim Dividend for Fiscal 2017 ▶ ¥3.75

Interim Period FY2017

Interim Dividend per Share of Common Stock	¥3.75
Total Interim Dividend	¥95.1 billion
Profit Attributable to Owners of Parent	¥316.6 billion

• Cash Dividend per Share of Common Stock



### Determination of the Interim Dividend for Fiscal 2017

- MHFG has decided to pay an interim dividend of JPY 3.75 per share of Common Stock for fiscal year 2017, as we had initially estimated at the beginning of this fiscal year.
- In addition, the estimated annual dividend for fiscal year 2017 is unchanged at JPY 7.50 per share, as we had initially estimated at the beginning of this fiscal year.
- As for our policy to return profits to shareholders, MHFG has implemented a steady dividend payout policy setting a dividend payout ratio on a consolidated basis of approximately 30% as a guide for our consideration.
- Under the above policy, the Board of Directors of MHFG has decided the interim dividend for fiscal year 2017 based on their thorough consideration and by comprehensively taking into account our business environment such as the steady progress of Profit Attributable to Owners of Parent for fiscal year 2017 against the full-year consolidated earnings estimates, future earnings forecasts, profit base, status of capital adequacy and domestic and international regulation trends such as the Basel framework.

### Capital Management Policy

MHFG continues to pursue **disciplined capital management policy** which maintains the optimal balance between strengthening of stable capital base and steady returns to shareholders

Strengthening of stable capital base

**Target Common Equity Tier 1 capital (CET1) ratio\*1: approximately 10% (as of March 31, 2019)**

**CET1 Ratio\*1 as of September 30, 2017: 9.56%**

\*1 Basel III fully-effective basis (based on current regulations), excluding Net Unrealized Gains on Other Securities.

We will enhance resistance to stress from the external environment in order to optimize our financial intermediary functions even during economic downturn

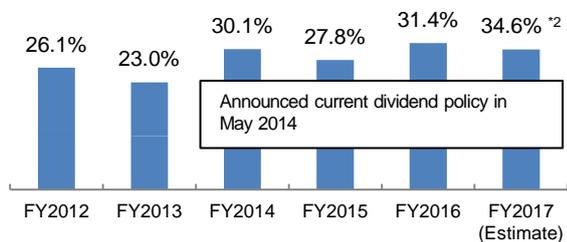
Steady returns  
to shareholders

**We aim to implement steady dividend payouts setting a consolidated dividend payout ratio of approximately 30% as a guide for our consideration (since fiscal year 2014).**

We will continue steady returns to our shareholders while further strengthening our capital base

**Annual dividend for fiscal 2017: ¥7.50 (estimate)**

■ Trends in Consolidated Dividend Payout Ratio



\*2 Assuming JPY 550.0 billion in Profit Attributable to Owners of Parent in fiscal year 2017

The above information includes forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. See "Forward-looking Statements" on page 1 of this material.

## Dialogue with Our Shareholders

### Outline of General Meeting of Shareholders

Date and Time	10:00 – 12:16 on June 23, 2017
Place	Tokyo International Forum
Number of Shareholders Attended	2,523
Number of Shareholders Present	266,039

### After Conclusion of the 15th Ordinary General Meeting of Shareholders

We held the 15th Ordinary General Meeting of Shareholders on June 23, 2017, at the Tokyo International Forum.

The meeting was attended by 2,523 shareholders. At the meeting we made various reports to our shareholders, and held a question and answer session that allowed us to receive and respond to questions and opinions from our shareholders.

We recognize that our general meetings of shareholders are a valuable opportunity for us to engage in direct dialogue with our shareholders, and we will continually strive to enhance the corporate value of Mizuho on the basis of the various opinions we receive from our shareholders.

#### Proposals Made by Certain Shareholders

The Board of Directors disagreed with the proposals made by certain shareholders. Though the view of the Board of Directors on this proposal had been disclosed in advance of the Convocation Notice of the 15th Ordinary General Meeting of Shareholders, some of our shareholders pointed out that our position was somewhat unclear. In light of the considerable approval ratio among shareholders for Proposal 3 (Organizations that determine dividends from surplus, etc.), which was eventually rejected, we would like to explain MHFG's corporate governance system to our shareholders in the following sections in order to gain your/our shareholders' understanding and to clarify our reasoning for rejecting this proposal.

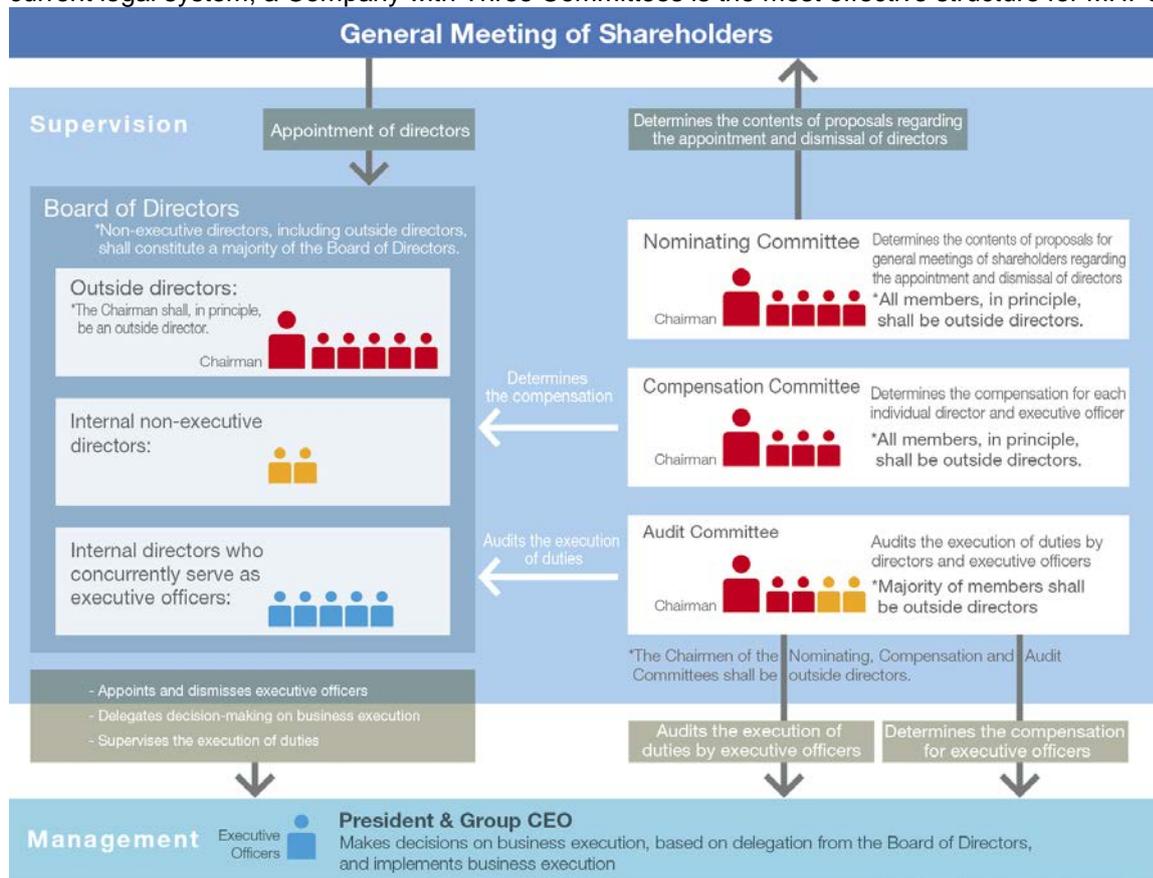
**Q** Does the Board of Directors have a system that enables it to fulfill its responsibilities to shareholders?

**A** We have secured an advanced corporate governance system that is able to respond to the trust placed in us by our shareholders.

MHFG has secured a corporate governance system, under which the Board of Directors is able to sufficiently fulfill its roles and responsibilities in relation to corporate governance in order to operate for the benefit of shareholders.

**Advanced Corporate Governance System**

MHFG has decided to become a Company with Three Committees with the belief that, under the current legal system, a Company with Three Committees is the most effective structure for MHFG.



**Ensuring the separation of supervision and management**

MHFG has the corporate governance system where outside directors independent from the management of Mizuho play a central role and the Board of Directors can perform its supervisory function to the maximum extent.

**Securing independence of management supervision**

Three legally-required committees comprising mainly of outside directors secure transparency and fairness of the decision-making processes regarding the appointment and dismissal of, and compensation for, the management as well as the effective supervision of the management.

## Realizing the Board of Directors' substantive deliberations

The Board of Directors concentrates on supervising the management and discussing on management policies by delegating decisions on business execution to the President & Group CEO and promotes deeper and substantive deliberations of essential points by drawing on the extensive experience and deep insight and knowledge of each director.

### Efforts to Respond to Trust Placed in Us by Shareholders

Under the corporate governance system laid out on the previous page, we strive to respond to the trust placed in us by shareholders in the following ways:

- **Operation to fulfill the responsibilities of the Board of Directors**

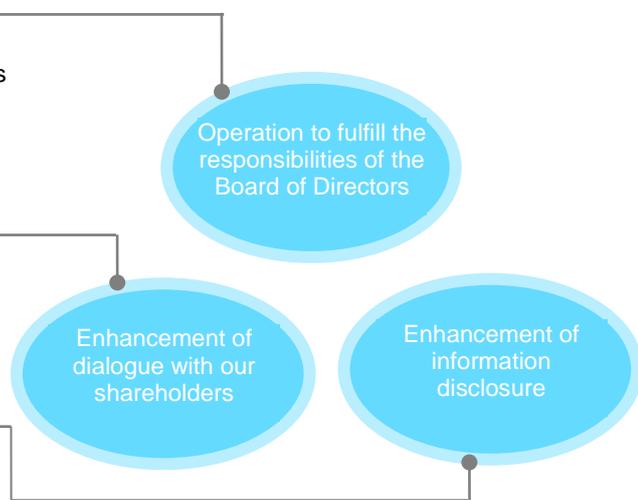
We have striven to further facilitate active discussion in meetings of the Board of Directors and fully perform the function of outside directors.

- **Enhancement of dialogue with our shareholders**

We have enhanced dialogue with institutional investors and communication with individual investors through various IR activities.

- **Enhancement of Information Disclosure**

We have proactively implemented high-quality information disclosure through our website, etc.



## Our Rationale regarding Determination of Dividends

Related to Proposal 3

**Q** Why are dividends decided by the Board of Directors? What is the benefit for shareholders?

**A** We believe that the Board of Directors has a governance structure to fulfill its fiduciary duties to shareholders and decisions on dividends should be made in accordance with management policy after thorough discussion by our directors with expertise. Doing so, in our view, contributes to maximization of the mid- to long-term benefit of our shareholders.

After our transformation into a Company with Three Committees in June 2014, as explained in the previous section, we have established a system that is able to respond to the trust placed in us by shareholders through strengthening the governance system and enhancing the effectiveness thereof, improving dialogue with shareholders, and making efforts to actively disclose information.

As strengthening the capital base is one of MHFG's highest management priorities, we believe that it is more appropriate for us to decide capital policies, including dividends, agilely and in accordance with management policy. Given the requirement of complying with global financial regulations, a high level of expertise is necessary to make such decisions. In this regard, our Board of Directors, consisting of members with extensive experience and expert knowledge, holds a high level of expertise.

We believe that, due to our robust corporate governance system which enables the Board of Directors to fulfill its fiduciary duties to shareholders, decisions on dividends from surplus, etc. by the Board of Directors contribute to the enhancement of corporate value in the mid- to long-term and thus maximizes the mid- to long-term benefits to our shareholders.

### <Summary of Our Rationale>

#### Comprehensive

- We execute agile management by taking into consideration, in a timely manner, all matters concerning management (macroeconomics, profit forecasts, capital regulations, etc.) and non-public information, etc.
- Capital policies, including dividends, are material management matters and, therefore, should be decided in accordance with the management policy.

#### Expertise

- The Board of Directors consists of members with extensive experience and expert knowledge.
- We are required to comply with global financial regulations, such as the regulatory framework set by the Basel Committee on Banking Supervision, as one of the global systemically important banks (G-SIBs).

#### Governance

- We maintain a high level of independence; as an example, the Chairman of the Board of Directors and all members of the Nominating Committee and Compensation Committee are independent outside directors.
- It is consistent with Japan's Corporate Governance Code for us to enhance the effectiveness of our corporate governance and have the Board of Directors, which maintains a high level of independence, decide dividends.

- With respect to the shareholder return policy and dividends from surplus, etc., we have several discussions in meetings, including Board of Directors meetings.

**Q** What kind of companies are allowed to decide dividends solely by the board of directors?

**A** The Companies Act permits dividends to be decided solely by the board of directors when a company has an adequate governance system and doing so is in line with Japan's Corporate Governance Code. For the majority of Companies with Three Committees, dividends are decided solely by the board of directors.

Establishing a strong governance structure was a contributing factor to our decision to become a Company with Three Committees, which allows us to secure the effectiveness of our corporate governance as it ensures the separation of supervision and management.

With respect to dividends from surplus, etc., the Companies Act permits dividends to be decided solely by the board of directors when it is provided for in the articles of incorporation and certain conditions stipulated in the Companies Act are met. In addition, according to the Supplementary Principles and background described in Japan's Corporate Governance Code, when a board is capable of adequately fulfilling its fiduciary duties towards shareholders, delegating to the board part of the decision-making responsibilities on the matter to be resolved by a shareholders' meeting "may at times be a rational choice in order to secure agile decision-making and expertise in business judgment."

Thus, with respect to our company, which has an adequate governance system, we believe that having dividends decided solely by the Board of Directors is in line with the intentions of the Companies Act and Japan's Corporate Governance Code.

For the majority of Companies with Three Committees, dividends are decided solely by the board of directors.

**For many Companies with Three Committees, dividends from surplus, etc. are decided solely by the board of directors.**

Approx. 75.3%

55 companies\* (out of 73 companies)

Prepared based on the Japan Association of Corporate Directors' List of Companies with Three Committees (as of August 1, 2017) and each company's website.

\* A Company with Three Committees whose articles of incorporation state that the company shall decide the distribution of dividends from surplus, etc. "not by a resolution of a general meeting of shareholders, but by a resolution of the board of directors," in just the same way as MHFG.

[Reference]

Japan's Corporate Governance Code Supplementary Principles  
1.1.2

When proposing to shareholders that certain powers of the general shareholder meeting be delegated to the board, companies should consider whether the board is adequately constituted to fulfill its corporate governance roles and responsibilities. If a company determines that the board is indeed adequately constituted, then it should recognize that such delegation may be desirable from the perspectives of agile decision-making and expertise in business judgment.

[Progress against Financial Targets under the Medium-term Business Plan, Financial Highlights and “Fundamental Structural Reforms”]

Please refer to the “Summary of Financial Results” on the following website:

URL:[https://www.mizuho-fg.com/investors/financial/fin\\_statements/pdf/data17\\_2q\\_2.pdf](https://www.mizuho-fg.com/investors/financial/fin_statements/pdf/data17_2q_2.pdf)