

New Medium-Term Business Plan

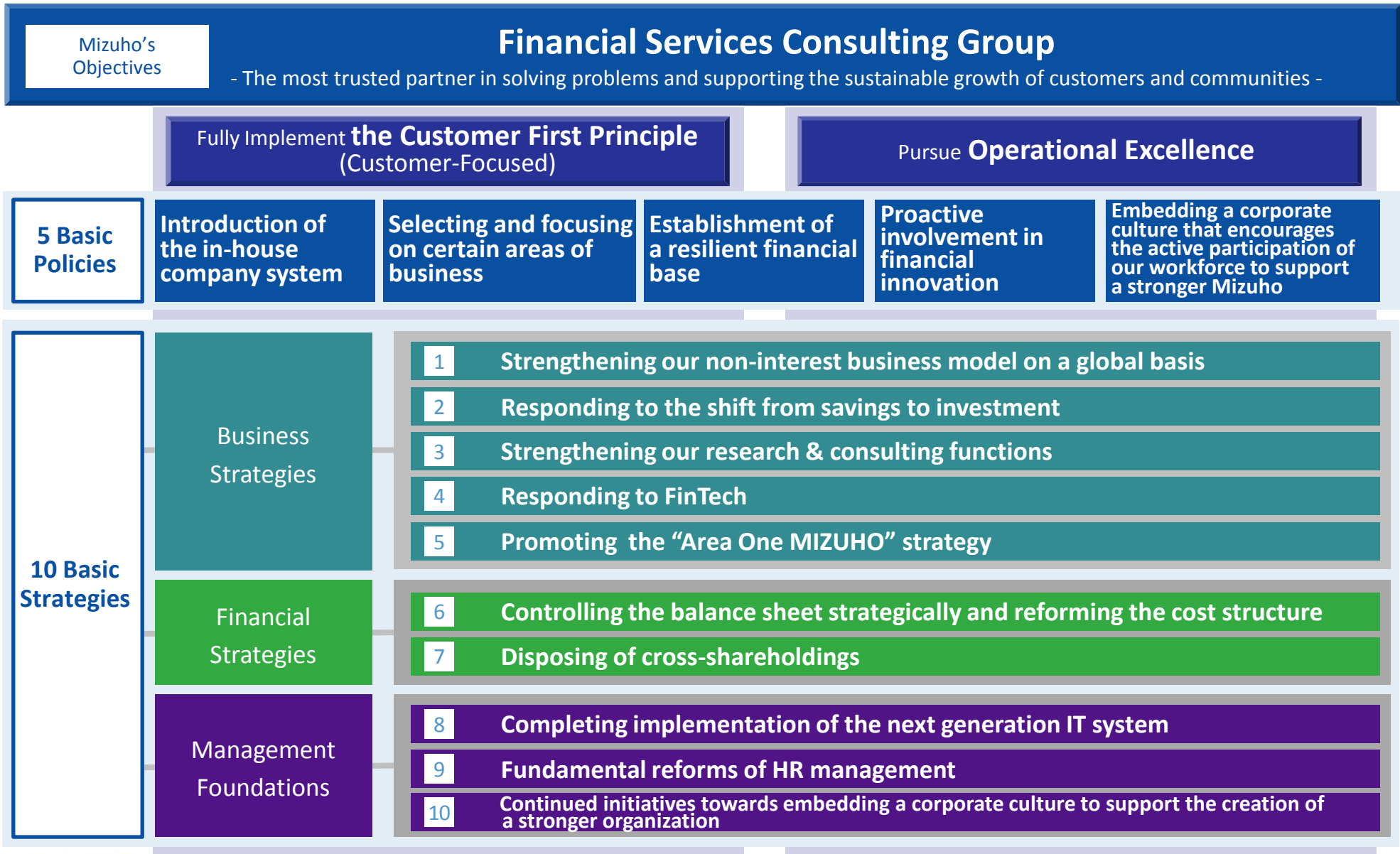
# Progressive Development of “One MIZUHO”

- The Path to a Financial Services Consulting Group -

**May 2016**

**Mizuho Financial Group**

# Summary of the New Medium-Term Business Plan



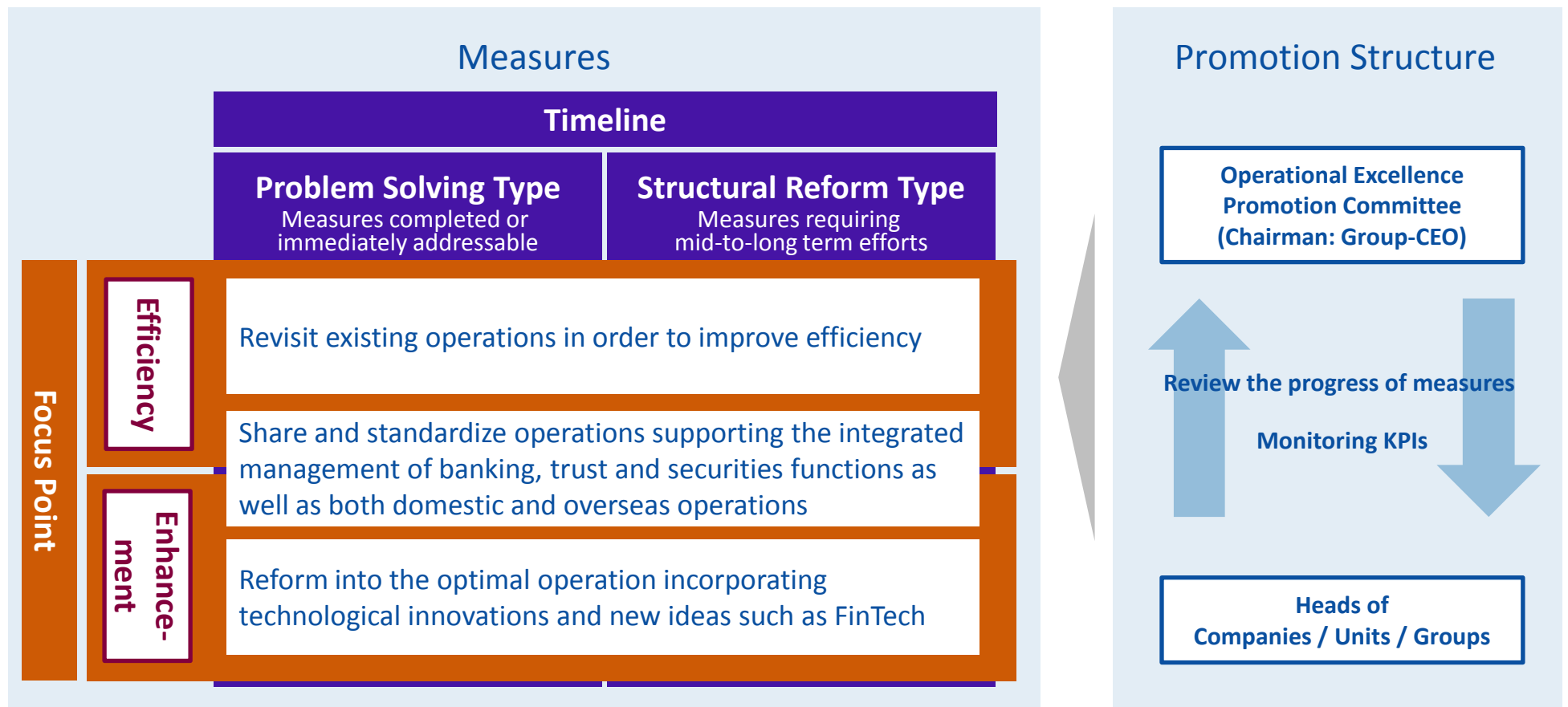
# Establishment of Operational Excellence

Mizuho's  
Definition

Improve "operation," the execution capabilities of the One MIZUHO strategy, and along with the differentiation of strategies centered on "customer-focused" approach, lead to establishing a sustainable competitive advantage and to enhancing added value of customer services; this initiative is not limited to cost reduction and structural reform

Basic  
Policy

Enhance the 4 elements of operation -1. Speed, 2. Quality / Accuracy, 3. Cost, and 4. Sustainability - to a higher level  
- Continue through PDCA (Plan Do Check Action) and visualize performance to embed operational excellence as corporate culture -



# Introduction of the In-House Company System

Mgt. Structure based on Customer Segments

Reorganizing the 10 units structure into 5 in-house companies and 2 units

- Reorganization of the existing structure into 5 in-house companies to strengthen our market-driven approach
- Streamline head office operations by shifting HR to the front-line and implement speedy decision-making processes to further enhance the group's front-line business and sales capabilities
- The expertise and capabilities of the 2 independent units are available to further enhance expertise and support all of the in-house companies

Consistency of strategy

Speed up decision-making processes and enhance group's front-line capabilities

Clear responsibility of profits

## 10 Units

Personal Banking	Individuals
Retail Banking	SMEs
Corporate Banking	Middle market firms
Corporate Banking (Large Corporations)	Large corporations
Financial Institutions & Public Sector Business	Financial & public sector
International Banking	Customers outside Japan
Investment Banking	
Transaction Banking	
Asset Management	Investors
Markets	Investors

## 5 In-House Companies

Retail & Business Banking Company

Individuals
SMEs
Middle market firms

Corporate & Institutional Company

Large corporations
Financial institutions
Public sector

Global Corporate Company

Americas	East Asia
Europe	Asia & Oceania

Global Markets Company

Investors
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Asset Management Company

Investors
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## 2 Units

Global Products Unit

Research & Consulting Unit

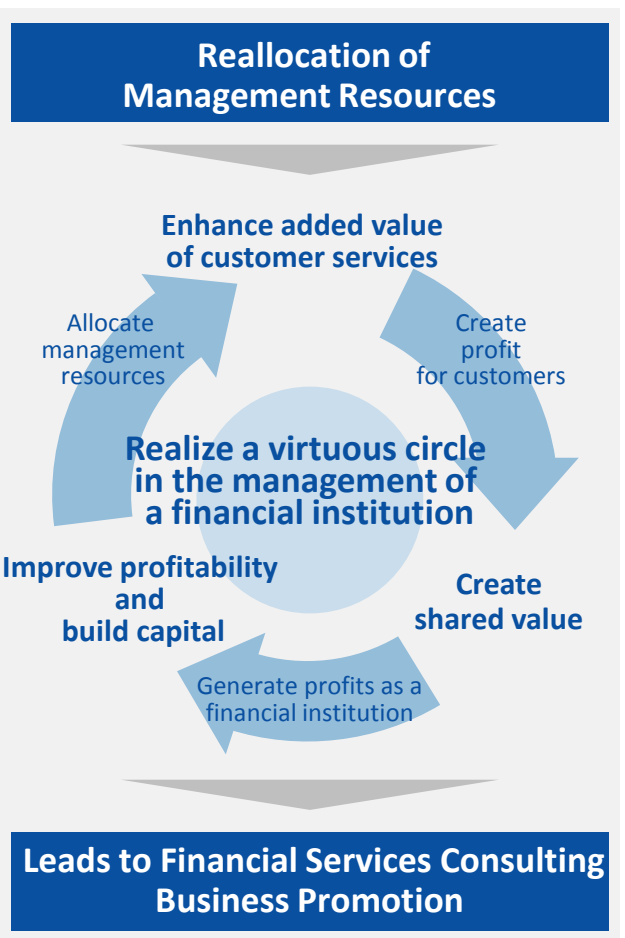
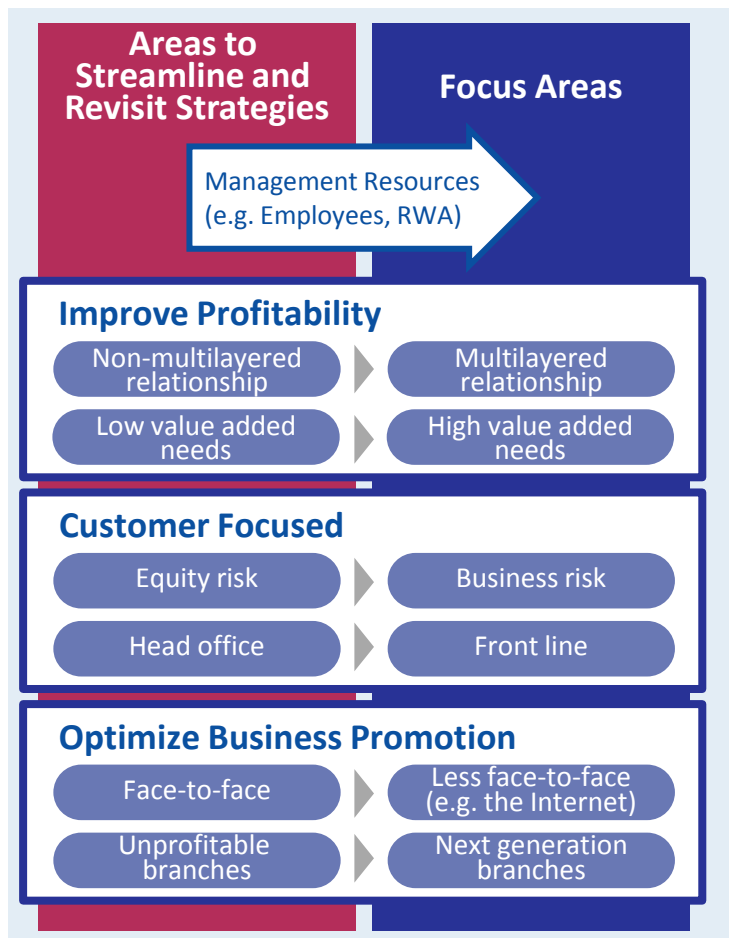
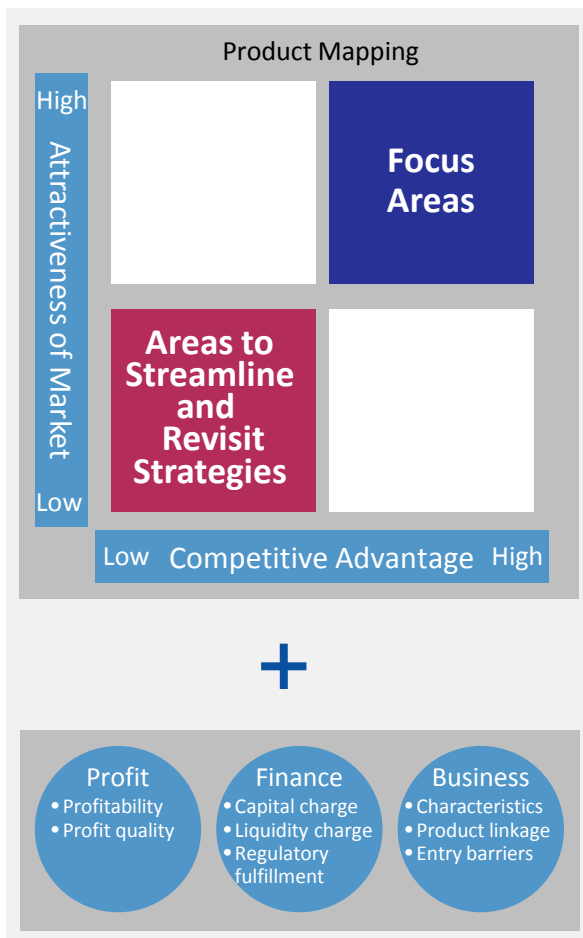
Transaction Banking

Investment Banking

# Selecting and Focusing on Certain Areas of Business

Business Portfolio

Clarifying focus areas and areas to streamline based on attractiveness of the market and Mizuho's competitive advantage  
Improving profitability by streamlining and revisiting strategies, and reallocating management resources to focus areas



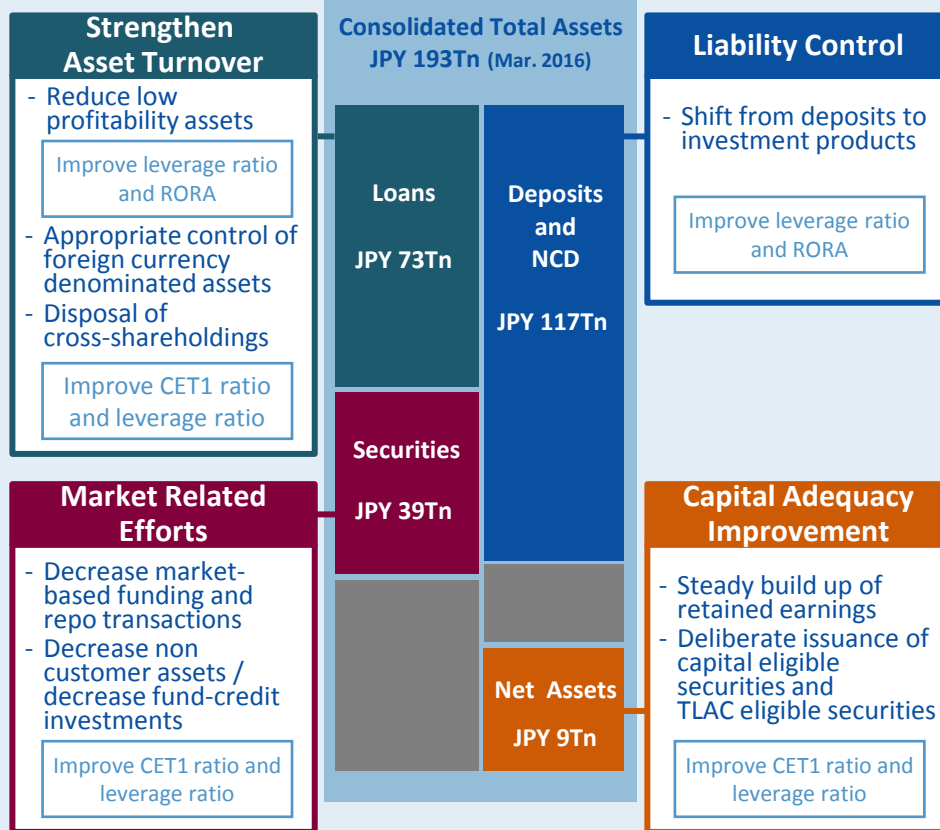
# Establishment of a Resilient Financial Base

Resilience

Building a strong financial base in order to realize sustainable and stable growth

## Balance Sheet Control Strategies

Develop a Resilient Balance Sheet both through “Offensive” and “Defensive” Measures

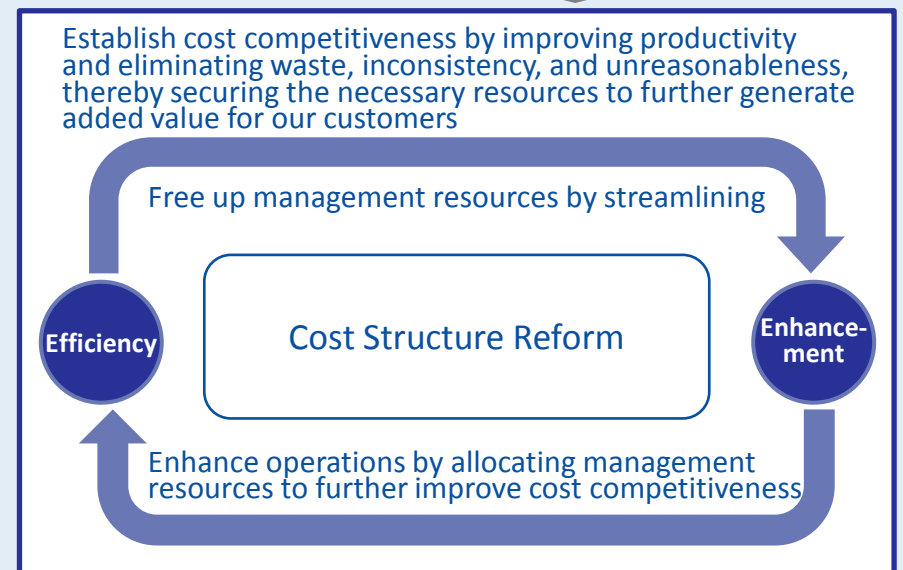


## Cost Structure Reform

Differentiate Execution Capabilities to Support the Strategies



One of the 4 Elements



# Embedding a Corporate Culture that Encourages the Active Participation of Our Workforce to Support a Stronger Mizuho

Strong Workforce and Culture

Continuing to promote the active engagement of the workforce and strengthen the corporate culture in order to establish a sustainable competitive advantage

## Fundamental Reform of HR Management to Promote Active Participation of All Employees

### 1 Transforming into HR Management which develops each individual

- Exploring the strengths of each employee
- Evaluating the process of learning from failures

### 2 Promoting Diversity & Inclusion

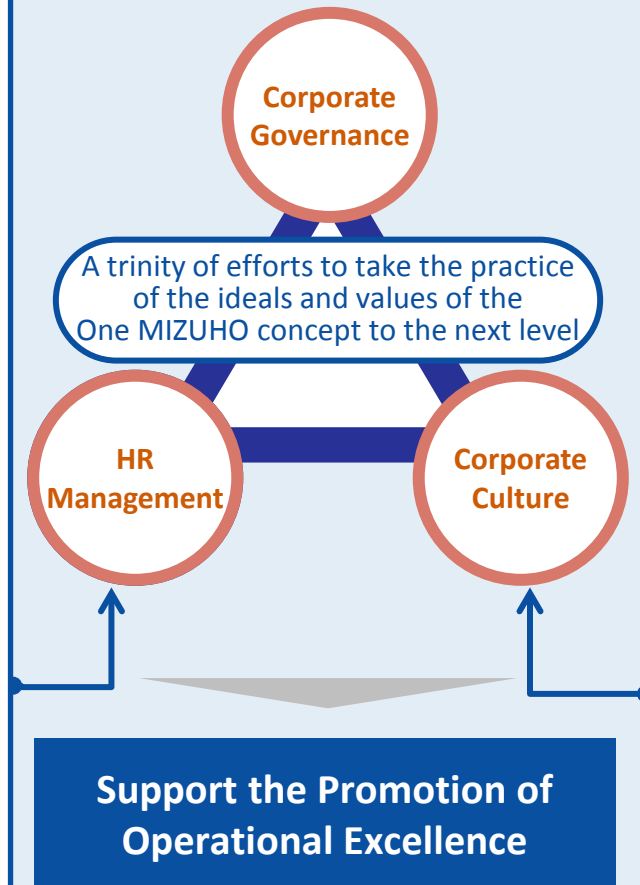
### 3 Establishing a Program to Develop Strong Management Leaders

- Producing leaders that are ready and prepared to take the lead in driving the group's strategies

### 4 Globalization of the Workforce & HR Management

### 5 Establish Disciplined HR Governance

- Conducting transparent and accountable HR management



## Efforts to Establish a Strong Culture

### 1 Encouraging All Employees to Put the Mizuho Values\* into Practice

- Penetration of the corporate philosophy; making the visions of individual offices as a core component
- Continuing general managers' off-site meetings
- Utilizing training programs

### 2 Further Promoting Internal Communication

- Creating a sense of unity and improving loyalty
- Vitalizing measures for mutual communication between employees
- Sharing examples of practicing Mizuho Values at a higher level

\* The values and principles shared by all of Mizuho's internal stakeholders to pursue the "Vision":  
Customer First, Innovative Spirit, Team Spirit, Speed and Passion

# Strengthening our Asset Management and Research & Consulting Functions

Asset Management

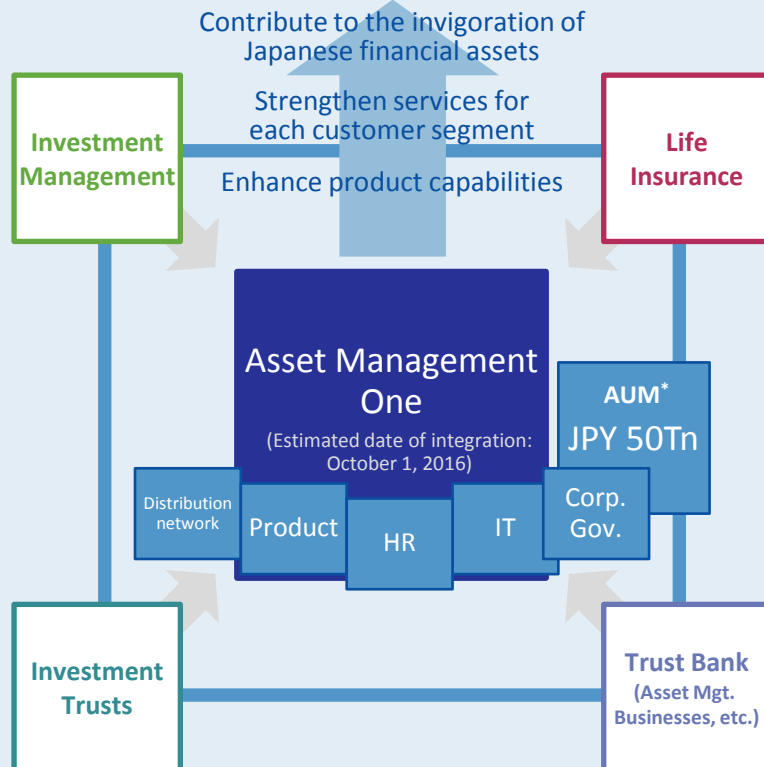
Conducting highest level of fiduciary duties while realizing customers' needs

Research & Consulting

Establishing the Research & Consulting Unit dedicated to helping customers develop solutions to any issue

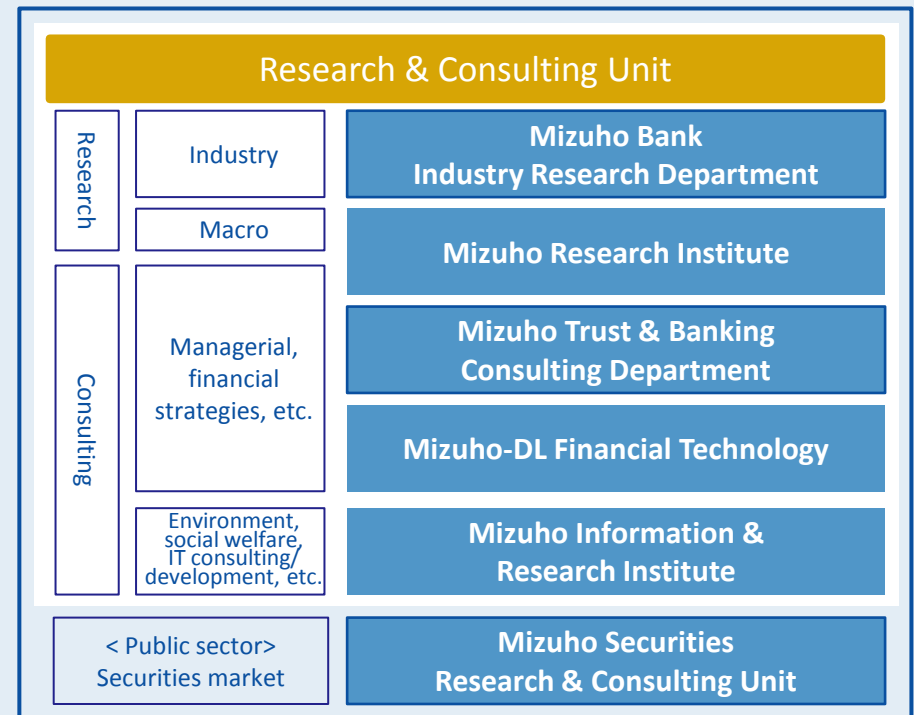
## Asset Management One

Aim to be the representative asset management company in Asia, number one in both "Quality" and "Quantity"



\* AUM (Asset Under Management) as of Sep. 2015

## One Think Tank





# Financial Targets

Financial  
Accounting  
Operational  
Policy

Transform into a resilient financial structure by steadily accumulating profits while also controlling risks and expenses

## Financial Targets for FY2018

### Common Equity Tier 1 (CET1) Capital Ratio

Approx. 10%

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

Capital Management Policy:  
Maintain an optimal balance between building a stable capital base and providing steady returns to shareholders

### Consolidated ROE

Approx. 8%

Excluding Net Unrealized Gains on Other Securities

### RORA

(Consolidated Net Income Attributable to Owners of Parent)

Approx. 0.9%

### Group Expense Ratio\*

Approx. 60%

Excluding expenses related to  
the next-generation IT Systems, etc.:  
high 50% level

FY2020: aim for the mid 50% range

### Cross-Shareholdings Disposal

JPY 550Bn

Shares listed on Japanese stock market,  
acquisition cost basis,  
cumulative amount from FY2015 to FY2018

[Financial Market Assumptions for FY2018] 3M TIBOR: 0.05%, 10Y JGM: 0.30%, Nikkei 225: JPY 19,000, Foreign Exchange Rate (USD/JPY): JPY 122

\* Expense ratio based on Gross Profits. Aggregate of Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, Asset Management One (estimated date of integration: Oct., 2016) and other major subsidiaries

## Forward-looking Statements

This presentation 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, 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”) and our report on Form 6-K furnished to the SEC on January 26, 2016, both of which are available in the Financial Information section of our web page at [www.mizuho-fg.co.jp/english/](http://www.mizuho-fg.co.jp/english/) 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.