

5-Year Business Plan

Transitioning to the Next Generation of Financial Services

May 2019

Mizuho Financial Group

MIZUHO


5-Year Business Plan: Transitioning to the Next Generation of Financial Services

Basic policy

Implement forward-looking structural reforms focused on three interconnected areas: business structure, finance structure, and corporate foundations. Resolve the mismatch that has arisen in the allocation of corporate resources and respond to new customer needs in order to transition to the next generation of financial services.

Go beyond the conventional boundaries of finance and create new value incorporating both financial and non-financial products and services in order to forge new forms of partnerships with our customers.

Open & Connected

Passionate & Professional

- Draw on the strengths that Mizuho has cultivated thus far.

Mizuho's strengths

- (1) Customer base, network, trustworthiness & dependability
- (2) Financial functions, market presence, ability to respond to non-financial needs
- (3) Approach business as a unified group ...and others

- Accelerate our digitalization initiatives and proactive collaboration with external partners.

Our objective

Build a stronger and more resilient financial group which our customers can depend on in the coming era

FY2023 financial targets

Consolidated ROE¹

Approx. 7 – 8%

Consolidated Net Business Profits²

Approx. JPY 900 billion

Priority business domains

Business structure reforms

Individual customers & business owners

Be a partner that helps customers design their lives in a changing society

- Assist customers with asset building to support their life design in an era of lengthening lifespans
- Support smooth business succession
- Create next-generation branches
- Create new business through the application of technology and open collaboration

Mizuho's strengths

Customer base & network
Trust-worthiness & dependability

Corporate & institutional clients

Be a strategic partner for business development under a changing industrial structure

- Support the growth acceleration of startups
- Build new forms of partnerships for business development
- Leverage our Asian network as a hub for global business

Financial functions & market presence

Ability to respond to non-financial needs

Market participants

Be a partner with expert knowledge of market mechanisms and the ability to draw on a range of intermediary functions

- Optimize our global markets operational framework
- Enhance the sophistication of our ALM and portfolio management

Approach business as a unified group

Finance structure reforms

Transition to a flexible business/earnings structure which can better respond to changes in the surrounding environment

- We will identify business/revenue structure issues in each business domain, focusing on the following four perspectives, and then streamline certain areas and concentrate/re-allocate corporate resources to growth areas.

Risk & return
(Gross profits ROE)

Cost & return
(expense ratio)

Growth potential

Stability

Corporate foundations reforms

Transform our approach to new business and our working style

personnel & workplace

IT systems/digital

channels

group companies

- Maximize the value of our workforce through a new HR management strategy
 - Revise our HR management in line with an approach which prioritizes employees' professional growth and career preferences

Strengthen group governance

Cultivate a new corporate culture centered on communication

Reference

Quantitative overview of our workforce, Japanese branch network, and expenses

	Compared to Nov. '17 announcement	FY17	FY21	...	FY23	FY24	...	FY26
Workforce	<p>Reduction of 19,000 people (Compared to the end of March 2017)</p> <p>Aim to achieve ahead of schedule</p>	80,000 people	<p>-8,000 people</p> <p>Targets from Nov. '17 announcement [-8,000]</p> <p>-14,000 [-14,000]</p> <p>-19,000 [-19,000]</p>					
Japanese branch network	<p>Reduction of 130 branches (Compared to the end of March 2017)</p> <p>Additional 30 branches compared to original target (by FY24) Aim to achieve ahead of schedule</p>	500 branches	<p><u>-100 branches</u></p> <p>Targets from Nov. '17 announcement [-50]</p> <p><u>-130 branches</u> [-100]</p>					
Expenses	<p>Reduction excl. amortization expenses related to the next-generation IT system</p> <p>JPY 140B (Group aggregate; Compared to FY2017)</p> <p>Additional 20B compared to original target (by FY21) Aim to achieve ahead of schedule</p>	JPY 1.45T	<p><u>JPY -120B</u> <u>JPY -140B</u> (1 year ahead of schedule)</p> <p>Targets from Nov. '17 announcement [Around 100B]</p> <p>[Mid 100-200B range]</p>					

This immediate release 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”) and our report on Form 6-K furnished to the SEC on December 26, 2018, both of which are available in the Financial Information section of our web page at www.mizuho-fg.com/index.html and also at the SEC’s web site at 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.