

# **Initiatives regarding Mizuho's fiduciary duties**

June 2023

Mizuho Financial Group

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The initiatives listed at the top of each page correspond to the Policies Regarding Mizuho's Fiduciary Duties

The principles listed at the bottom of each page correspond to the Principles for Customer-Oriented Business Conduct of Japan's Financial Services Agency.

The following abbreviations are used for major group companies.

Mizuho Financial Group, Inc.

FG

Mizuho Securities Co., Ltd.

SC

Mizuho Bank, Ltd.

BK

Asset Management One Co., Ltd.

One

Mizuho Trust & Banking Co., Ltd.

TB

## 1. Corporate Identity

### Our Corporate Identity

- We, at Mizuho Financial Group, have established an ambition to “proactively innovate together with our clients for a prosperous and sustainable future” as the purpose of Mizuho’s Corporate Identity. We have also established “act as a trusted partner by always upholding solid moral principles” as a value to achieve the purpose.
- With all Mizuho management and employees sharing the values and principles, we are committed to fulfilling our fiduciary duties\* (customer-oriented business conduct) toward providing the best, most-appropriate solutions in response to meeting the diverse needs of our customers.



## Corporate Identity

<https://www.mizuhogroup.com/who-we-are/our-vision-and-values>

\* Fiduciary duties is a general term for the broad range of roles and responsibilities that fiduciaries are expected to fulfill when engaging in certain business activities in order to live up to the trust that is placed in them by their customers.

## 2. Policies

### Our policies

- Mizuho has established and announced response policies for each function, along with the group management policies, as an action plan for fulfilling fiduciary duties and is taking customer-oriented measures to pursue the “customer’s best interests” and to provide products and services that are truly appropriate for the customer’s interests.

### Policies Regarding Mizuho’s Fiduciary Duties

[https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/news\\_release/2023/20230630release\\_eng\\_3.pdf](https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/news_release/2023/20230630release_eng_3.pdf)

### Our vision of the “pursuit of customer’s best interests”

- We believe that protecting and growing financial assets to help our customers achieve their goals by providing products and services that are truly appropriate for the customer’s interests will lead to the achievement of the customer’s best interests.
- At the same time, we aim to utilize the medium- to long-term growth of Mizuho so as to further enhance the level of customer service by expanding our business base and establishing a brand based on customer satisfaction and trust.



## 3. Action plans and key performance indicators

### Our action plans

Mizuho's holding companies and group companies have established and released their own action plans according to their respective functions.

#### Major group companies that have established and released action plans

The terms in parentheses are abbreviated names of group companies.

Functions		
Sales	Asset management / product development	Asset administration
Mizuho Bank, Ltd. (BK)		
Mizuho Trust & Banking Co., Ltd. (TB)		
Mizuho Securities Co., Ltd. (SC)		
	Asset Management One Co., Ltd. (AM-One)	

### Key performance indicators (KPIs)<sup>2</sup>

- Key performance indicators (KPIs) for fiduciary duties are reviewed regularly and updated as necessary in order to fulfill our fiduciary duties.

- Number of personnel with professional qualifications
- Number of funds with a rating of 4 stars or higher
- TOPIX component ratio of the companies involved in our engagement activities
- Number of publicly offered investment trusts in different balance ranges
- Average balance per publicly offered investment trust
- Number of website views
- Number of participants enrolled in financial and economic education courses

- Customer satisfaction surveys
- Number of funds which have received awards
- Survey of satisfaction among investment trust companies

- Balance of assets under management from investment products
- Number of customers using our investment products
- Ratio of customers receiving different percentage ranges of returns for investment trusts
- Ratio of customers receiving different percentage ranges of returns for foreign currency-denominated insurance products
- Average holding period for publicly offered investment trusts
- Balance of assets of AM-One
- Balance of asset formation-focused products
- Balance of pension trust assets
- Balance of publicly offered investment trusts under administration

2. In addition to the Key Performance Indicators listed above, the following common KPIs have also been released.

(1) Customer ratio by investment profit/loss from investment trust funds/fund wraps, (2) Cost vs. return of the best-selling investment products in terms of the balance of investment trust assets under management, (3) Risk vs. return of the best-selling investment products in terms of the balance of investment trust assets under management, (4) Customer ratio by investment performance of the foreign currency-denominated insurance products (5) Cost vs. return of the foreign currency-denominated insurance products

Common KPIs are indicators based on the "Common Key Performance Indicators (KPIs) Comparable Across Investment Trust Distributors" published by Japan's Financial Services Agency in June 2018 and the "Common Key Performance Indicators (KPIs) Comparable Across Foreign Currency-denominated Insurance Distributors by Japan's Financial Services Agency" in January 2022.

Common KPIs

# FY2022 progress and key performance indicators (KPIs) - Sales -

## 1. Group-based consulting framework

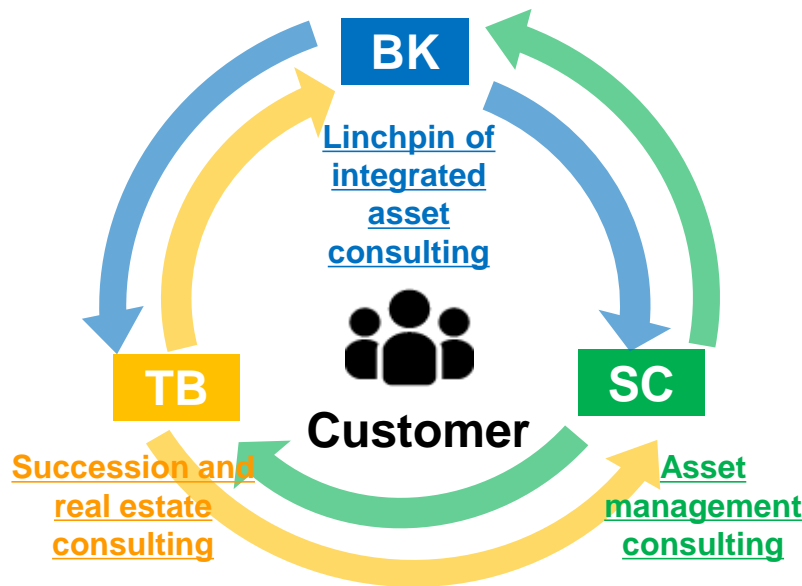
BK TB SC

### Main initiatives in FY2022

- By sharing our customers' life plans, with their permission, across the group, based on the information they have given us on their assets, we are developing a framework to provide products and services in line with each company's role and comprehensive consulting taking advantage of each company's strengths.
- Mizuho helps its customers achieve their **goals**: their dreams, hopes, and desires.

### Establishing an integrated asset consulting platform at different levels

**Mission** Mizuho contributes to enhancing the wealth of households in Japan



Integrated asset consulting platform at different levels with the unified efforts of BK/TB/SC

### MHFG consulting framework



- Portfolio proposals as a unified group
  - Proposals based on customer requests and status of customer assets
  - Building long-term relationships, including with the next generation
  - Leveraging various channels centered on branches
- 
- Partner for life design
  - Group's flagship company
- 
- Providing advanced asset management services across capital markets
- 
- Providing a plan for succession to the next generation and the use of assets

# FY2022 progress and key performance indicators (KPIs)

## - Sales -

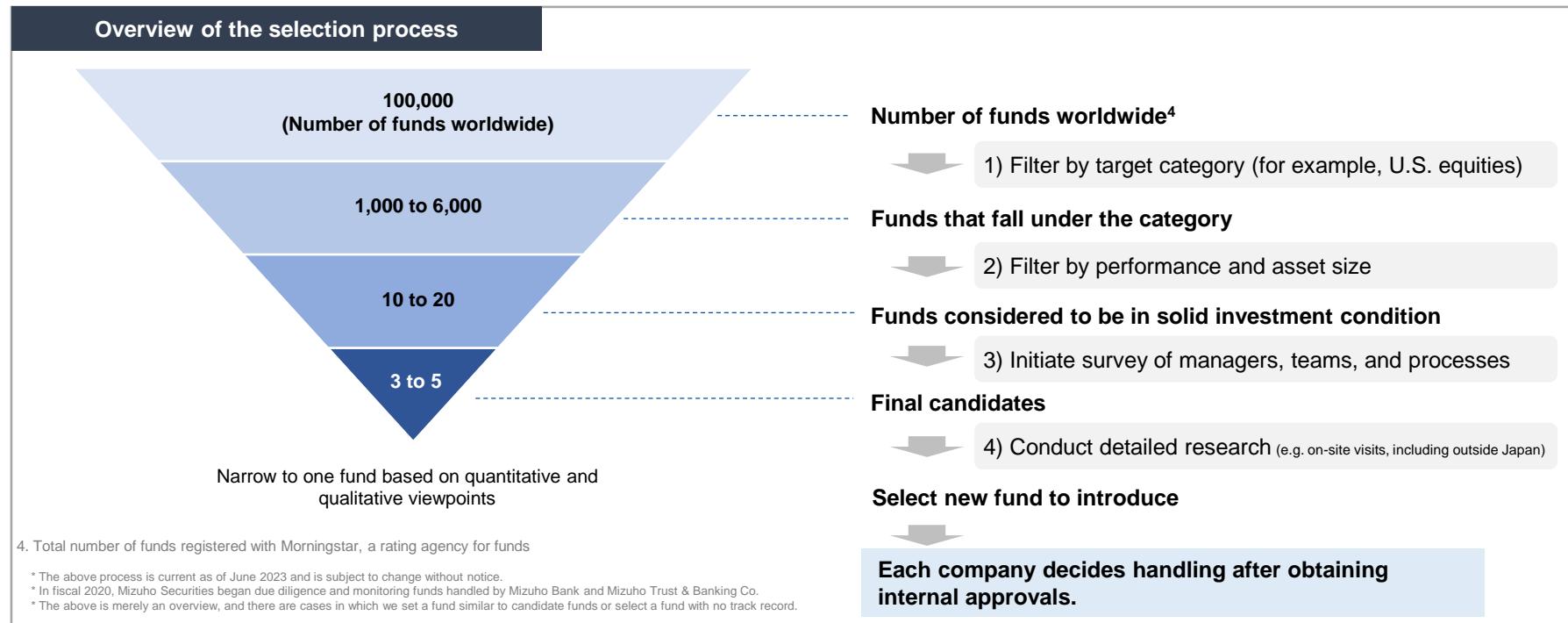
## 2. Process of selecting investment trust products

### Main initiatives in FY2022

FG BK TB SC

- By trying to enhance product selection and monitoring as a unified group, we will provide clients with funds that will positively contribute to long-term investment.
- In selecting funds, we conduct in-depth research, including performance analysis and on-site visits, on a wide range of products, in addition to those of our group companies. Our selection process also takes into account social responsibility (such as degree of contribution to the promotion of environmental or social sustainability). In addition, with respect to ESG, the SDGs, and similar funds that we handle, we offer a lineup of products with levels of disclosure that comply with European Union sustainable finance disclosure rules (Article 8 or Article 9<sup>3</sup>) or with other relevant terms, in order to ensure accountability to customers.
- When group companies have decided to begin offering a new investment trust, we introduce the investment trust to customers through an announcement on the investment trust page of each group company's website and through information at branches.

3. Article 8 relates to funds that promote environmental or social characteristics. Article 9 relates to funds for sustainable investment.



# FY2022 progress and key performance indicators (KPIs) - Sales -

## 3. Investment trust monitoring and review



### Main initiatives in FY2022

- We verify whether the funds we handle contribute to the asset formation of our clients. We conduct continuous and multifaceted monitoring from both quantitative and qualitative aspects. Based on the results of our monitoring, we narrow down the products that we offer to our customers and implement a review for products that can be solicited in person.
- In regard to index funds that are linked to the same index and that are handled in person, we consult with trust management companies to keep the total fiduciary fee rate to the lowest level among the products handled by the group.
- Customers can check the website of each company for products which will be discontinued or redeemed.

### Monitoring of funds

Qualitative assessment

Through interviews with fund managers and other methods, we assess the management companies' philosophy and whether or not it has a strong business foundation, a team structure for maintaining high management capabilities, and investment processes ensuring reliable performance.

1) Management company

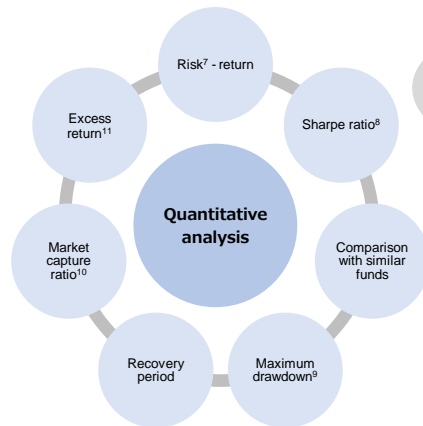
2) Investment team

3) Investment processes

Quantitative assessment

Based on past investment performance figures, we place emphasis on the performance against benchmarks<sup>5</sup> (or reference indexes) and similar funds<sup>6</sup> so as to evaluate whether the funds are better than the average of the respective market and whether they are superior to other funds.

#### Quantitative analysis items



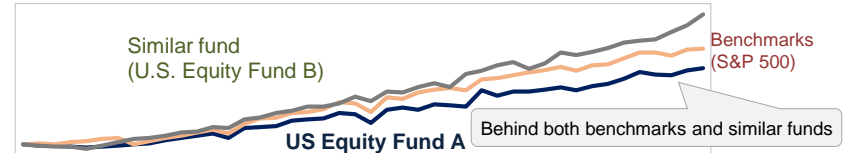
Comparison with benchmarks (or reference indexes) and similar funds is also important

#### Reasons for focusing on comparison with benchmarks and similar funds

When looking only at net asset value, the performance seems robust.



However, it may not compare favorably to benchmarks (or reference indexes) and similar funds.



5. Indexes used as investment guidelines. 6. Refers to funds that belong to the same category. (Global equity funds, US equity funds, etc.) 7. Indicates the extent of return volatility. 8. Indicates the amount of risk taken to generate returns. Higher numbers indicate more efficient investment. 9. Indicates the largest percentage decline from the highest value. 10. Indicates the extent to which the net asset value of the fund follows the benchmark (or reference index) when the benchmark (or reference index) is rising or falling. 11. Indicates the extent the fund is above (or below) the benchmark (or reference index).



# FY2022 progress and key performance indicators (KPIs) - Sales -

## 4. Consulting services at Mizuho (1)

BK

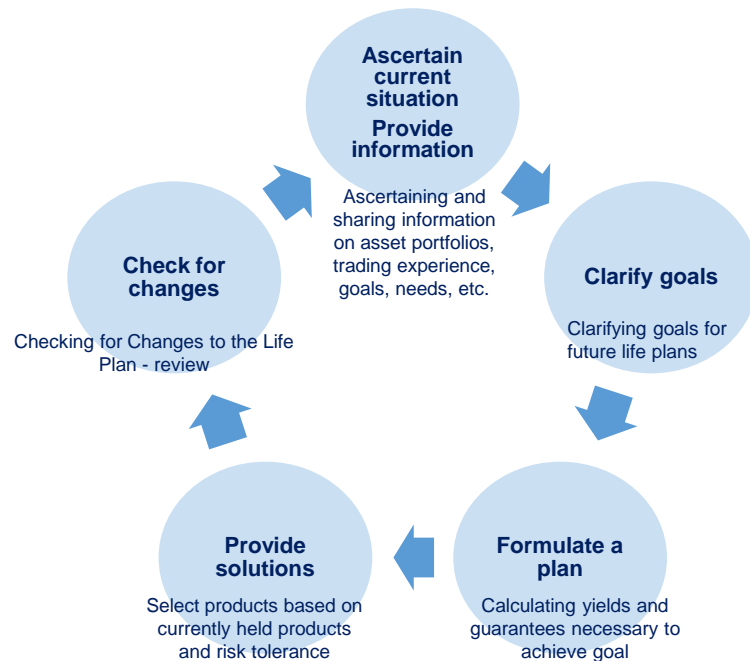
TB

SC

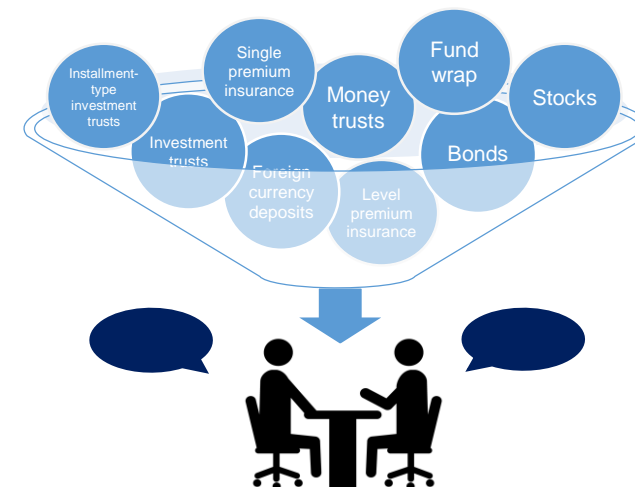
### Main initiatives in FY2022

- We take into consideration our customers' asset portfolios and trading experience and goals and dreams, and we propose financial plans tailored to our customers' needs from among multiple financial products and services, comparing them with similar products and alternative products (including a comparison of service fees). When we sell multiple financial products in a package, we also consider whether the package is appropriate for the customer in making our proposal.
- When proposing complex or high-risk products, we use a check sheet to determine that we are making appropriate proposals. We also review the check items regularly.  
(Structured bonds are generally offered on a limited basis, taking into account product characteristics and risks.)

#### Mizuho's comprehensive consulting (goals-based)



#### Proposing optimal products from diverse product lineups



After talking with our customers about their current situation and future dreams, we propose the best products to meet their needs.

FY2022 progress and key performance indicators (KPIs) - Sales -

4. Consulting services at Mizuho (2)

BK TB SC

Comprehensive asset consulting

- Mizuho strives to accurately understand customer needs and provide solutions to realize them by setting each customer's dreams, hopes, and desires as goals.
  - Mizuho Bank has introduced a Life Design Navigation tool for simulating the future financial plans of the customers, based on customers' information such as income, assets, family members and life events, and their life planning. We use the tool to propose solutions to customers' challenges, including asset reviews relative to the model portfolio.
  - Mizuho Securities uses the "Current Assets Report" and "Asset Allocation Simulation" to visualize the status of securities held by clients, to explain the current portfolio, and to propose asset reviews. Through this process, proposals are made to provide solutions to the challenges faced by customers.

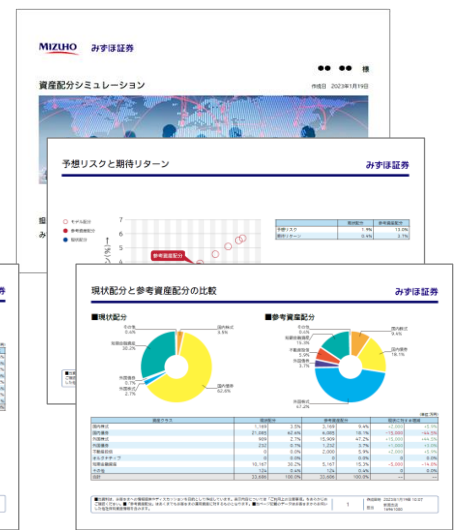


BK

SC

Asset portfolio report

Simulation of asset allocation



# FY2022 progress and key performance indicators (KPIs) - Sales -

## 4. Consulting services at Mizuho (3)

BK

### Support for implementing life design plans: Contribution to the shift from savings to asset formation

- We put forth asset formation proposals based on our customer's life design plans through a variety of channels, including branches, online, and in cooperation with corporate clients.
- We are also supporting customers' asset formation in line with plans to expand and make permanent NISAs under the "Doubling Asset-based Income Plan."
- With various plans and products, including installment-type NISAs, installment-type investment trusts, and iDeCo, we provide financial services that enable our customers to achieve their dreams, aspirations, and goals.

Life Design Brochure

The brochure includes a consulting invitation titled "～(みずほ)と作る～ ライフデザイン & マネープラン". Below it is a detailed "LIFE DESIGN" chart. The chart shows a flow from "収入" (Income) to "貯蓄収入" (Savings Income) and "投資収入" (Investment Income). It details various income sources like "給与収入" (Salary Income), "年金収入" (Pension Income), and "投資収入" (Investment Income), along with their respective tax treatments and contribution limits. A table at the bottom summarizes the total income and investment amounts for different scenarios.

Asset formation leaflet

The leaflet is titled "資産形成の考え方" (Thoughts on Asset Formation). It explains the importance of asset formation for long-term wealth creation. Key points include:
 

- 資産分散 (Asset Diversification):** Spreading assets across different categories to reduce risk.
- 時間分散 (Time Diversification):** Investing over a long period to smooth out market fluctuations.
- 長期保有 (Long-term Holding):** Holding assets for a long time to benefit from compounding and market growth.

 The leaflet also includes a table comparing different asset formation methods:
 

つみたてNISA	NISA	生命保険	iDeCo
つみたてNISA: 年々積立可能な非課税枠が最大20万円。長期保有による資産形成が可能。	NISA: 非課税枠が最大20万円。長期保有による資産形成が可能。	生命保険: 長期保有による資産形成が可能。	iDeCo: 長期保有による資産形成が可能。

New NISA program leaflet

The leaflet is titled "2024年から始まる新しいNISAのポイント" (Key Points of the New NISA Starting from 2024). It highlights the transition from the current system to a new system with "無期限" (indefinite) and "長期化" (long-term) features. A comparison table is provided:
 

現行制度	新制度
つみたてNISA	一般NISA
～2042年 (*1)	～2023年
制度の併用	併用不可
非課税期間	無期限
毎年の非課税投資額	120万円
最大利用可能額	1,800万円 (*2)
対象商品	株式・投資信託等 (*3) (*4)
対象年齢	18歳以上

 The leaflet also lists five key changes in the new system:
 

1. 制度の無期限化 (無久化): 期間がなくなり、いつでも、いままでも制度を利用できるようになります。
2. 制度の併用が可能に: 現行のつみたてNISAとNISAの機能を同時に利用することが可能になります。
3. 非課税期間の無期限化: 期間がなくなることで、より長期の投資が可能になり、ロールオーバー手続きもなくなります。
4. 毎年の非課税投資額が拡大: つみたて投資枠は120万円 (従来のつみたてNISAと同額)、成長投資枠は240万円 (従来の一般NISAと同額)、合計360万円が大幅に引き上げられます。
5. 最大利用可能額の設定: 生産した非課税投資額は、800万円 (成長投資枠は内訳で1,200万円)。NISA口座の保有商品を売却した場合は、売った非課税投資額は毎年より優先的に利用されます。

# FY2022 progress and key performance indicators (KPIs) - Sales -

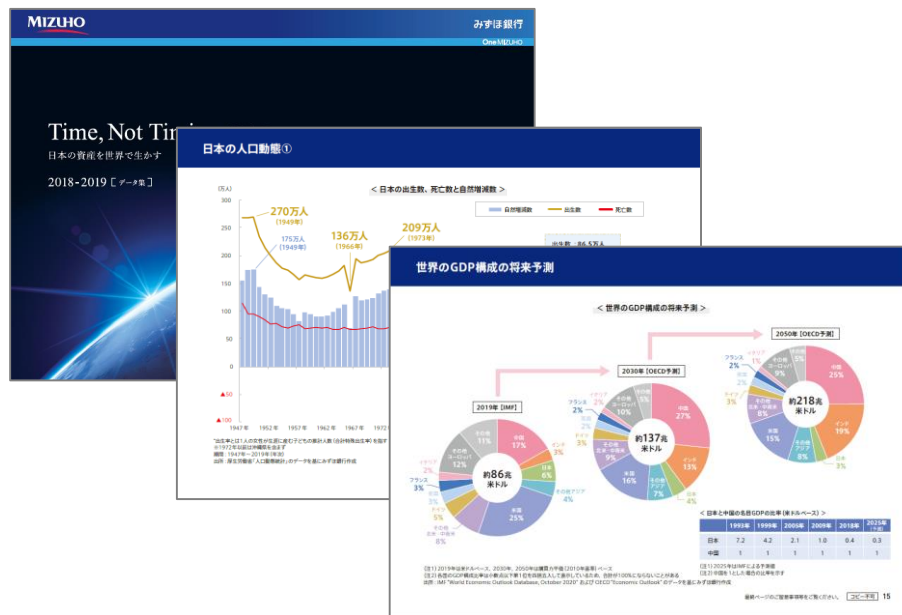
## 4. Consulting services at Mizuho (4)

BK TB SC

### Implementing advanced asset management consulting

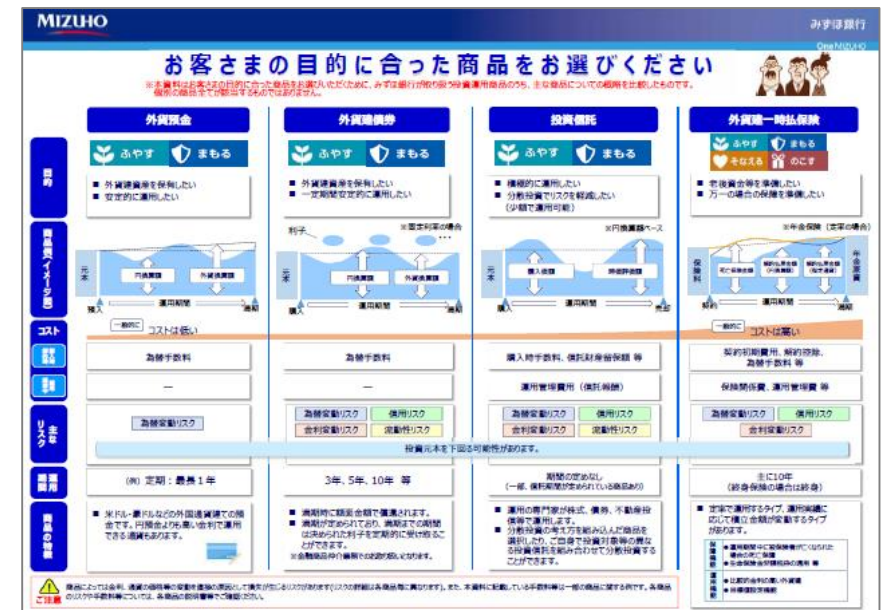
- In addition to the concept of "Time, Not Timing" in our global equity proposals, Mizuho is making efforts to further enhance our portfolio offerings. We are committed to supporting our customers in achieving their investment dreams and goals through long-term, diversified, and continuous investments by offering proposals that meet their needs from a variety of product categories, such as stocks and bonds.
- We respond appropriately to customer needs by providing information on the importance and effects of investment and investment decisions.

Time, Not Timing data collection



Materials displaying and analyzing a range of data from Japan and the rest of the world. Explains the effects of long-term, diversified, and continual investments.

Product comparisons



We use materials that allow us to compare the characteristics of each product category, the purpose of investment, costs, and other factors, so that customers can select products that meet their needs.



FY2022 progress and key performance indicators (KPIs) - Sales -

4. Consulting services at Mizuho (5)



Succession consulting

- We respond to our clients' asset inheritance needs from a variety of angles in order to connect their precious assets and their feelings toward their families into the future.

Mizuho Bank Dear Future



Mizuho Bank uses booklets on asset inheritance to respond to a wide range of customer needs.

Mizuho Securities senior consultant website



Mizuho Securities employs senior consultants with expertise in inheritance and gifts. We also offer the Mizuho Securities Anshin Service to keep families informed about their relatives' living conditions.

Mizuho Trust & Banking product materials



Mizuho Trust & Banking provides products and services to meet the needs of customers during asset inheritance.

Mizuho Securities Anshin Service material

## FY2022 progress and key performance indicators (KPIs) - Sales -

### 4. Consulting services at Mizuho (6)

At Mizuho, we are working to enhance the services we provide to our customers by utilizing online channels and tablet devices.

#### Asset formation support tools online

##### Smart Folio

BK

- The website provides free assistance to help customers develop their own money plan. By entering current income and expenses, as well as life events, customers can understand how much money they will need in the future.
- By connecting to Internet Banking (Mizuho Direct), customers can check the status of their assets at any time.



#### Funds for tomorrow

SC



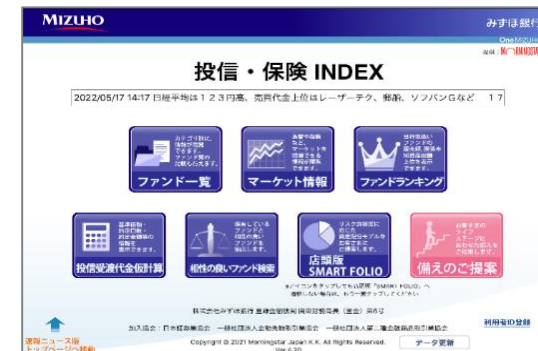
Generates a simple simulation of customers' costs and expenditures from five questions, allowing customers to understand what level of funds they will need in the future.

#### Tablet-based proposals and procedures

BK

TB

- Sales staff make proposals on investment trusts, insurance products, and asset inheritance using tablet devices.



- By using tablets to accept applications for investment trusts, insurance, and other products, we are promoting the shift to paperless.

BK



# FY2022 progress and key performance indicators (KPIs)

## - Sales -

### 4. Consulting services at Mizuho (7)

#### Delivering services remotely and online

To improve customer convenience, we are working to expand the services we provide remotely and/or online.

#### Life Design Remote Service

SC



Mizuho Securities Life Design Remote Services website

Employees specializing in remote consulting provide phone- and ICT-based services to meet the following needs

- Consulting outside branch business hours, such as after work or on holidays.
- Consulting during the customer's free time and at the customer's convenience
- Consulting with a knowledgeable and experienced consultant to allay concerns about relying solely on online information.

#### Online meetings

BK



Online meeting leaflet

Online meetings to allow customers to take care of asset management consultations and procedures from their home or office

Investment prospectuses, etc., can be delivered to customers' e-mail addresses electronically (paperless delivery of documents).

#### Investment trust account opening and installment-type investment trust application service

BK



A service that enables customers to quickly perform a range of procedures, from opening an investment trust account to making an application for an installment-type investment trust, and receive the results in as few as three days from the application date.

# FY2022 progress and key performance indicators (KPIs) - Sales -

## 5. Provision of important information (1)

BK TB SC

### Main initiatives in FY2022

- Mizuho strives to provide customers with clear, non-misleading, and honest information that matches the complexity and importance of products, so that our customers can understand a variety of products, compare with the terms and conditions and other aspects of alternative products, and then select the products that meet their needs, taking into account their own investment experience.
- We are progressively releasing material information sheets for financial service providers that show the products offered by each of the group companies and the concepts behind the product lineup, as well as material information sheets for individual products, which allow for a cross-company comparison of multiple products. We released these for structured bonds to be sold in April 2022 and for structured bonds to be sold privately (equity-type) in October 2022.
- We will continue to revise the display and content of the documents so that they are easier for customers to understand.

### Material Information Sheet (financial service providers)



This document is mainly intended to support first-time customers in selecting a financial services provider and includes information on products, the concept of product lineups, and contact information for complaints and consultation.

### Important information explained at the time of product proposal

#### Examples

- The purpose and function of the product
- Expected client groups
- Reason for selecting product being sold
- Basic profits (returns) and risks
- Costs for the customer
- Service fees paid to the distributor
- Redemption and cancellation conditions
- Any possibilities for conflicts of interest
- Outline of taxes (applicability for NISA and other systems)
- Comparison information for products made up of multiple products (including possibility of purchasing included products individually)

### Easy-to-Understand Information Using Pamphlets and the Material Information Sheet

When proposing complex or high-risk products, we present the above items in an easy-to-understand manner using pre-contract documents, prospectuses, pamphlets, and other materials. We also use individual materials that allow easy comparisons with similar products in order to ensure customers' understanding.

(For example, when offering fund wraps, we explain that the fund wrap is made up of multiple products and that these products are exclusive to the fund wrap and cannot be purchased individually, etc.)



FY2022 progress and key performance indicators (KPIs) - Sales -

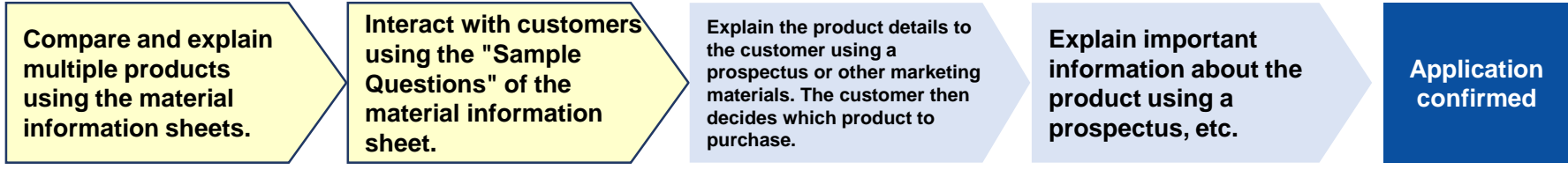
5. Provision of important information (2)

BK TB SC

Explanations to customers using material information sheets for individual products

- Material information sheets for individual products are provided to customers upon request or when we believe that the material information sheets will enhance customer understanding. We also provide the sheets to customers in the following cases.
  - Suggestions to customers that have not yet decided on a specific product to purchase
  - When advising on a specific product or proposing multiple products according to the customer's request

Flow of explanation using material information sheets for individual products



Material Information Sheet (individual products)

This is a common information form that allows for easy comparison of expected client groups, risk contents that might cause losses (e.g., market price fluctuations, exchange rate fluctuations, portfolio insolvency, etc.), historical rate of return, and costs, etc. By providing a common information form, we allow customers to compare multiple products across the board for a better understanding of our customers.

# FY2022 progress and key performance indicators (KPIs) - Sales -

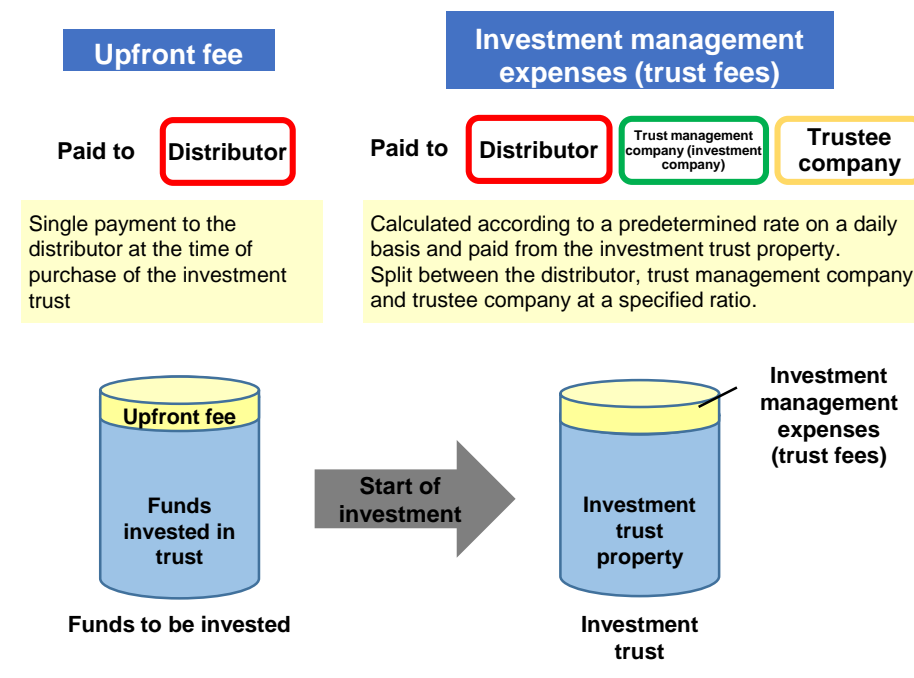
## 6. Providing information on fees

BK TB SC

### Main initiatives in FY2022

- In consideration for the services we provide, we receive various fees when customers purchase and hold investment trusts or single premium insurance policies. In addition to the fees we receive from customers for insurance products and similar, we may also separately receive fees from the providers of financial products for acting as a sales agent.
- We are promoting initiatives to provide sufficient information on these fees so that customers can select products that satisfy their needs, and we strive to provide easy-to-understand explanations when providing products in the forms provided prior to the conclusion of contracts, prospectuses, and assorted pamphlets. For example, when similar products have differing fees depending on face-to-face or remote services, selected currencies or courses, or other factors, we provide the reasons and the breakdown of fees in an easy-to-understand manner in our product brochures and in the forms provided prior to the conclusion of contracts. (We disclosed the fees and organization costs of structured bonds to be sold in April 2022 and structured bonds to be sold privately (equity type) in October 2022.)

### Overview of investment trust fees



### Services and fees

Transaction stage	Fees		Examples of services provided <sup>14</sup>
	Investment trust	Single premium insurance	
At time of purchase	Upfront fee	Agent fee <sup>13</sup>	<ul style="list-style-type: none"> <li>◆ Provision of market-related information so that customers can select products that meet their needs and so that they can make appropriate decisions in asset management</li> <li>◆ Confirmation of the customer's investment experience and goals, their financial assets, etc.; proposal of appropriate products that meet the needs of the customer considering the customer's point of view and risk involved in investment; provision of easy-to-understand explanation about important matters</li> <li>◆ Administrative procedures related to product sales (contracts)</li> </ul>
Throughout holding period	Investment management expenses <sup>12</sup>		<ul style="list-style-type: none"> <li>◆ Provision of information that helps the customer make appropriate investment decisions, in light of changes in the business environment surrounding the customer and the status of the customer's investments</li> <li>◆ In the case of investment trusts: Delivery of various documents such as investment reports, payment of dividends and redemptions, advice on cancellation procedures, etc.</li> </ul>

12. The fees Mizuho receives from customers as a distributor. Fees paid by customers in relation to investment trusts are not limited to the above. Please see the investment trust explanation (prospectus) and pre-contract documents (including prospectus supplementary material) for details on fees and expenses.

13. For single premium insurance, the insurance fee is paid by the insurance company to the sales agent, and the amount of the agent fee does not directly affect the amount paid by the customer.

14. The above are merely examples and do not necessarily apply to all customers.

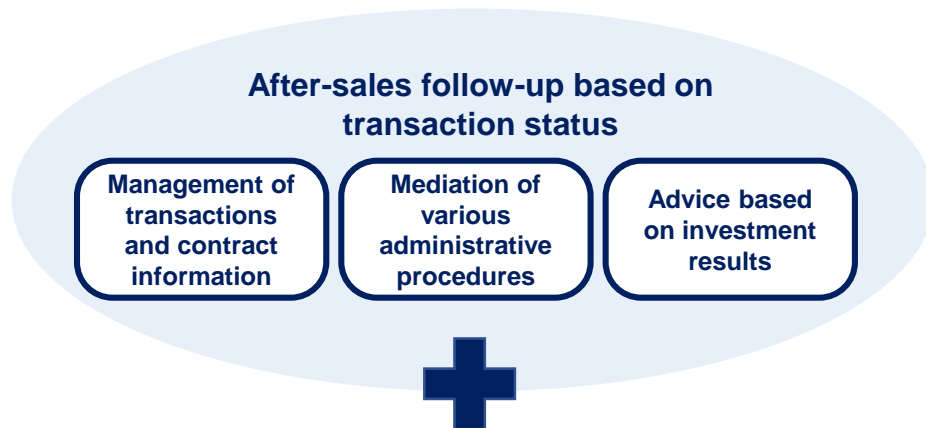
## FY2022 progress and key performance indicators (KPIs) - Sales -

### 7. Follow-up and monitoring

#### After-sales follow-up system tailored to customers

In addition to after-sales support providing information based on the status of customers' transactions, Mizuho has established and implemented rules at each company (BK, TB, and SC) so as to carefully implement after-sales support in the case of sudden changes in rates and market trends and in accordance with individual circumstances.

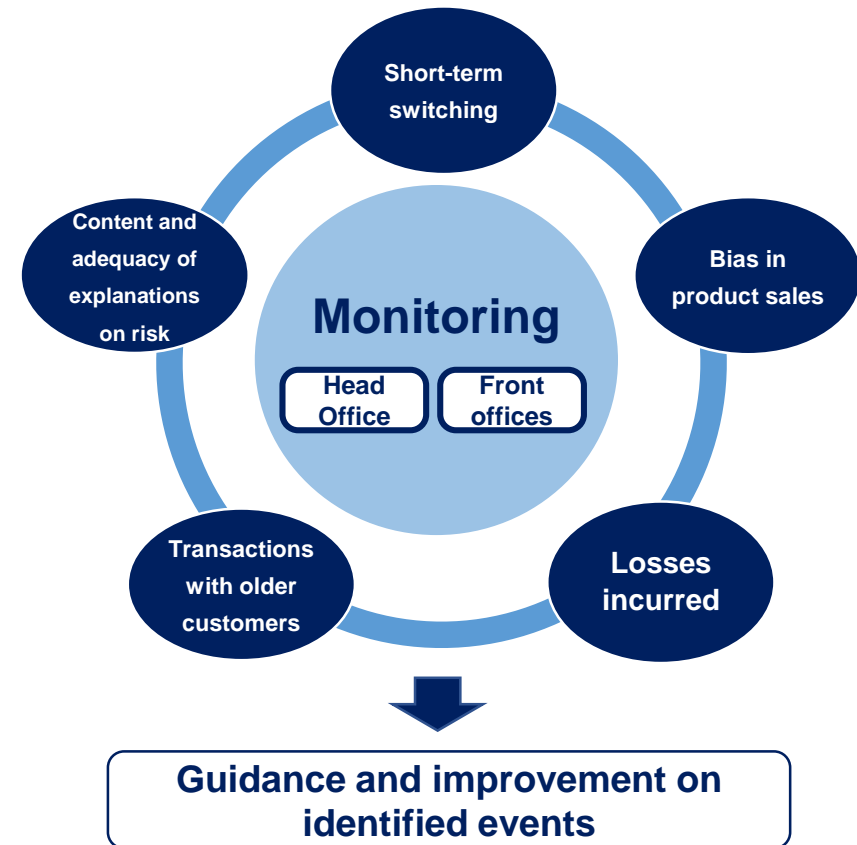
(Example: For clients introduced to SC, BK tracks changes in their asset status and intentions through daily contact even after introduction.)



- We send customers easy-to-understand notifications of their current assets, market conditions, and future prospects on a regular schedule set by product and when certain events such as losses occur.
- We undertake more detailed and continuous follow-up with older customers.

#### Focused and systematic monitoring

We conduct monitoring at both Head Office and front offices, focusing on face-to-face sales, and undertake thorough guidance and improvement for identified events in order to ensure we are offering and selling financial products and services suitable for our customers.



# FY2022 progress and key performance indicators (KPIs)

## - Sales -

## 8. Serving older customers

BK TB SC

### Main initiatives in FY2022

- We have established a system to respond appropriately and in a timely manner to older customers by unifying the sales rules for investment management products throughout the group.
- We have established a system to verify appropriateness and implement review through the results of after-sales follow-up and regular monitoring.

	Customers age 75 or older	Customers age 85 or older
Products eligible for proposal	<ul style="list-style-type: none"> <li>■ We offer a limited selection of products.</li> </ul>	<ul style="list-style-type: none"> <li>■ As a general rule, we refrain from making suggestions from our side.</li> <li>■ We offer a limited selection of products to customers who can have their family members present.</li> </ul>
Confirmation by supervisors, etc.	<ul style="list-style-type: none"> <li>■ Supervisors meet with customers in advance and accept orders.*</li> <li>* This applies to the orders accepted from customers over 80 years old.</li> <li>■ Sales staff other than those that accepted the order or supervisors might contact the customer to confirm the contract according to the situation of the application.</li> </ul>	
Accompaniment by family	<ul style="list-style-type: none"> <li>■ We require family to be present for proposals.</li> </ul> <p>(When family members are not present, we may call the family members to confirm.)</p>	
Other Applies to customers under age 75	<ul style="list-style-type: none"> <li>■ Solicitation of customers who fall under any of the following categories is <b>prohibited</b>. <ul style="list-style-type: none"> <li>✓ Customers living in (1) nursing homes (assisted living facilities), (2) long-term care facilities, and (3) long-term care medical facilities</li> <li>✓ Customers who may have dementia, based on information from care providers and relatives</li> </ul> </li> <li>■ We <b>refrain</b> from soliciting customers who fall under any of the following categories. <ul style="list-style-type: none"> <li>✓ Customers receiving home nursing care, even when they are at home</li> <li>✓ Customers who are hospitalized (due to impaired judgment)</li> <li>✓ Customers who have undergone noticeable changes in behavior, such as impaired judgment due to medical treatment (side effects from medication and other factors)</li> </ul> </li> </ul>	

# FY2022 progress and key performance indicators (KPIs) - Sales -

## 9. Information and seminars (1)

BK

TB

SC

### Main initiatives in FY2022

- Mizuho offers a wide range of content on its website to help customers learn about asset formation and management. We also provide a variety of information to our customers by offering seminars online and at our branches.
- In addition, in cooperation with Zuu, we run an investment education site targeted at beginners and at those who simply want to learn more about investment, and we publish various articles under the slogan, "An easier way to learn about finance and economics".

### Main content

- Columns on finances to enable people to enjoy their lives in an age of longevity

BK



- Online seminars are provided on asset formation systems, money plans for the future in an era of lengthening lifespans, and more.

BK

おかねアカデミーセミナー  
人生のお金の流れを見てみよう!  
今からでも遅くない  
老後の準備

- Wide range of financial content for beginners and those who simply want to learn more

SC





# FY2022 progress and key performance indicators (KPIs) - Sales -

## 9. Information and seminars (2)

### Main content

SC

#### Mizuho Securities market and investment trust information service



Providing market and investment information via Line to Mizuho Securities Net Club members

- ✓ **Market information (3 times a day)**  
Send out Tokyo Stock Exchange (open/close) and New York Stock Exchange market information at a fixed time every day

- ✓ **Investment Trust Information (up to 20 stocks)**  
Regularly provide information such as net asset values and dividends for registered funds



#### Mizuho Securities official YouTube channel



Mizuho Securities analysts deliver investment information on YouTube

# FY2022 progress and key performance indicators (KPIs) - Sales -

## 10. Personnel development (1)

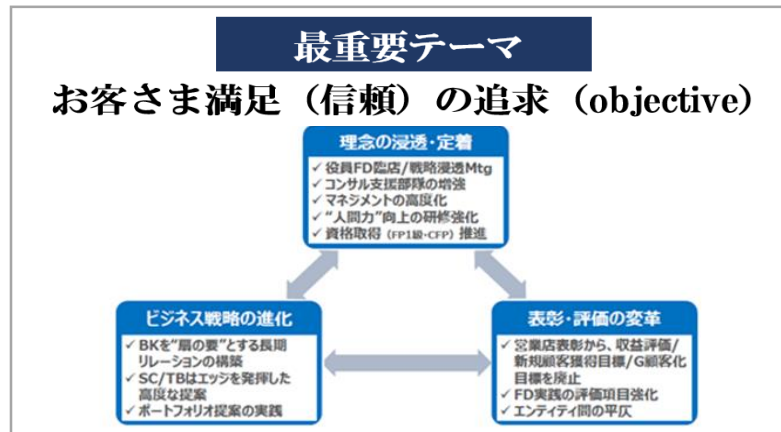
BK TB SC

### Main initiatives in FY2022

- At Mizuho, in addition to internal training, we are working to raise awareness of fiduciary duties by having executives regularly send messages to relationship managers.
- Relationship managers' fiduciary duty performance is visualized and returned to their front offices.

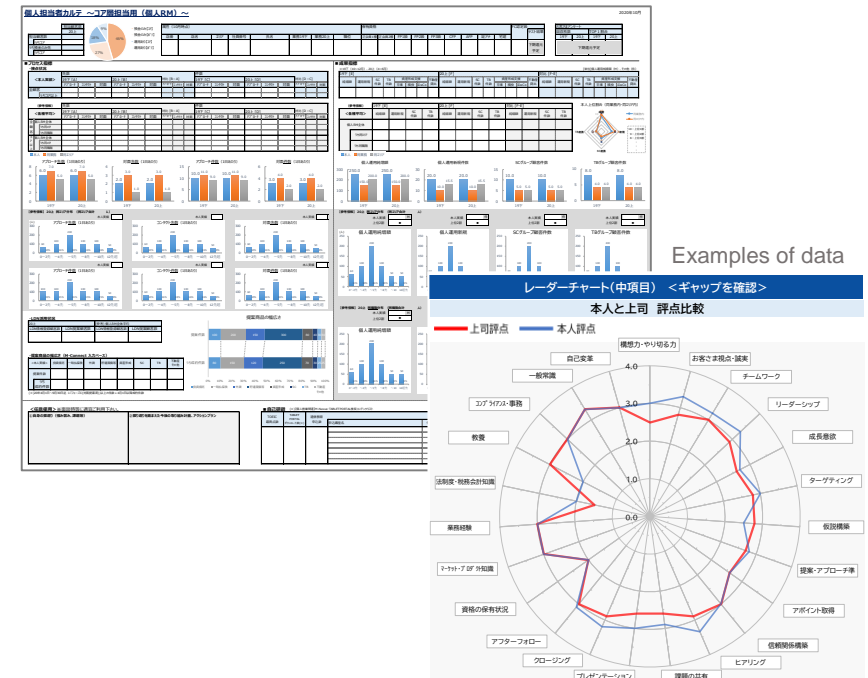
### Executive messages

Example message



### Visualization of relationship managers' performance

Visualize relationship managers' fiduciary duty performance and regularly share with front offices to promote higher level initiatives.



Examples of data

# FY2022 progress and key performance indicators (KPIs) - Sales -

## 10. Personnel development (2)

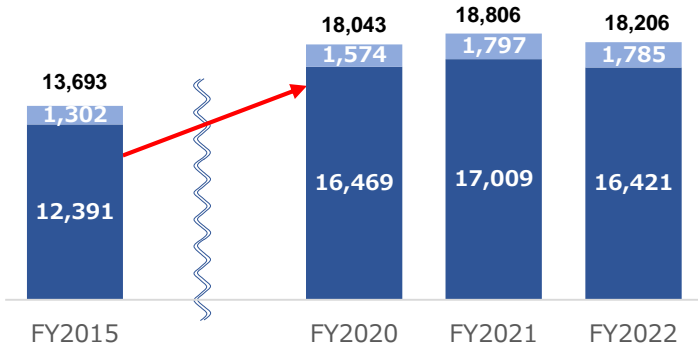
BK TB SC

### Main initiatives in FY2022

- Mizuho believes that the acquisition of financial expertise through qualifications and other means is necessary to provide and practice integrated consulting services to achieve the "pursuit of our customers' best interests."
  - We perform our fiduciary duties through appropriate consulting with clients. We certify relationship managers who have received high support as Client First Meisters (CFM) and recognize them on our website.
  - We have positioned the qualification as a necessary requirement for the practice of consulting sales and are promoting the acquisition. We are encouraging relationship managers to improve their abilities by providing a system that allows them to constantly upgrade their skills and acquire new knowledge through extensive training.

Number of personnel with professional qualifications

BK TB SC



Light: Financial Planning Test Rank 1 (FP1) equivalent: FP1, Certified Financial Planner, securities analyst, senior private banker, etc.  
 Dark: FP2 equivalent: FP2, Affiliated Financial Planner, primary private banker, etc.



Badge for holders of the FP 1st-grade, CFP, or Securities Analyst (2nd test pass)



CFM badge

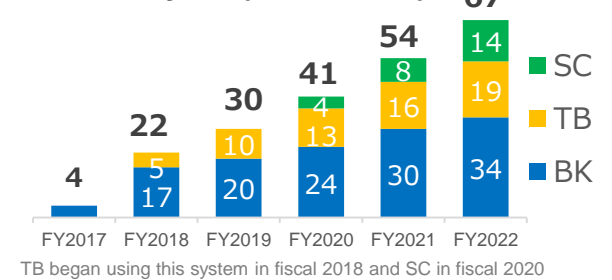
By distributing special badges, we are able to visualize the efforts of each relationship manager.

MIZUHO BK TB SC



Recipients are posted on our website.

CFM accredited personnel by year (cumulative)



### Training system BK

- Providing training programs that contribute to expertise development based on customer needs
- In line with changes in work and lifestyle behavior, courses are held in a way that allows employees to take them at any time or place, even when working from home. (Utilizing Webex and video contents)

134 courses

17,853 participants

コース名	種別	価格	講師
資産承継セミナー基礎コース	オンライン	1,100円	佐藤 雅之
資産承継セミナー基礎コース	対面	3,000円	佐藤 雅之
資産承継セミナー基礎コース	オンライン	1,100円	佐藤 雅之
資産承継セミナー基礎コース	対面	3,000円	佐藤 雅之
資産承継セミナー基礎コース	オンライン	1,100円	佐藤 雅之
資産承継セミナー基礎コース	対面	3,000円	佐藤 雅之



**FY2022 progress and key performance indicators (KPIs)**  
- Sales -

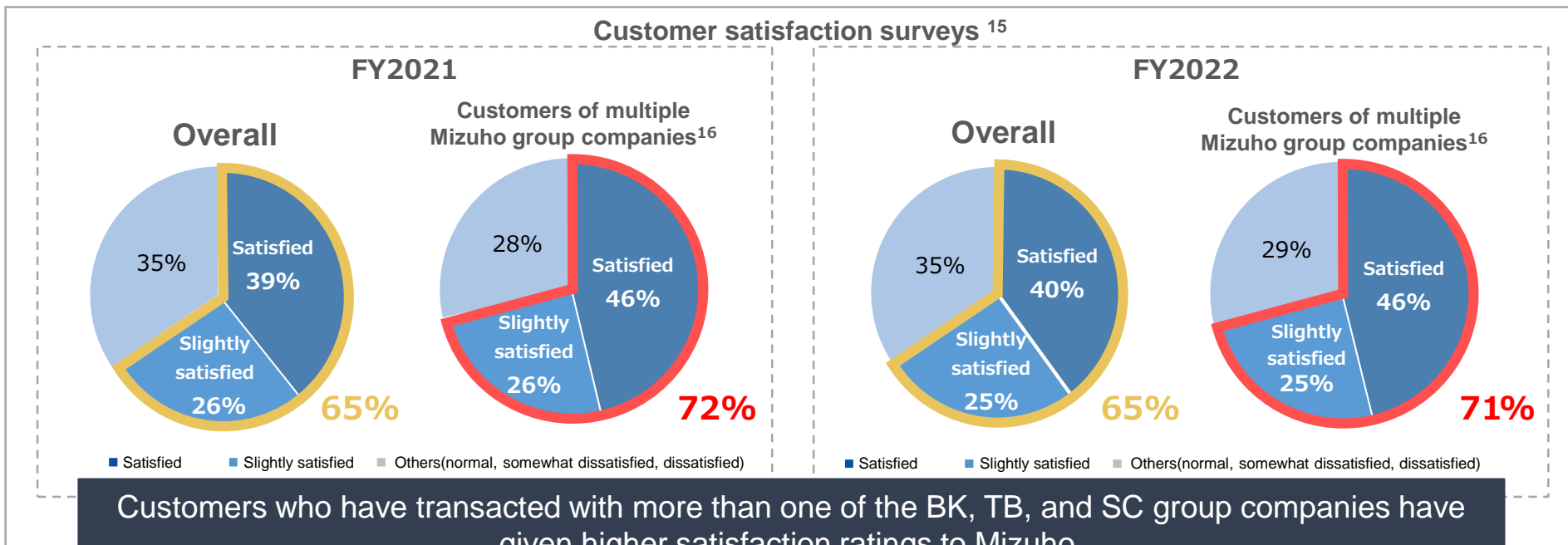
# 11. Customer evaluations



## Main initiatives in FY2022

- In addition to various customer satisfaction surveys that we have been conducting for some time, we are also continuously conducting customer satisfaction surveys on our implementation of fiduciary duties in order to assess customer satisfaction in asset management related operations.
- We also ask about the degree of satisfaction with individual items such as "accurate advice according to life planning and financial objectives," "easy-to-understand explanations about the structure of asset management products, risks, and fees," and "customer service from the customer's perspective at all times." The survey results are used to further improve the level of various products, services, and proposal methods.
- We also employ a research company to conduct a survey on our ability to provide services relative to other banks.
- We will continue to make full use of the group's comprehensive strengths to provide comprehensive asset consulting services through the provision of various types of information and after-sales follow-up, and strive to improve customer satisfaction through initiatives to improve products and services utilizing customer opinions.

Customer satisfaction surveys <sup>15</sup>



Customers who have transacted with more than one of the BK, TB, and SC group companies have given higher satisfaction ratings to Mizuho.

<sup>15</sup> Sum of results of customer satisfaction surveys conducted at BK, TB and SC (BK and TB indicate overall satisfaction with person in charge, and SC indicates overall satisfaction with the company).  
<sup>16</sup> Satisfaction of customers whom BK has introduced to TB or SC.

FY2022 progress and key performance indicators (KPIs)  
- Sales -

12. External assessments (1)

Mizuho has been highly appraised by external rating companies with regard to our fiduciary duties.



R&I Customer-Oriented Investment Trust Sales Company Evaluation



- As a result of our fiduciary duty initiatives, Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities earned an S+ score for three consecutive years in Rating & Investment Information (R&I)'s Customer-Oriented Investment Trust Sales Company Evaluation<sup>17</sup> by Rating and Investment Information, Inc., the external rating company. This was the highest score among the companies evaluated.

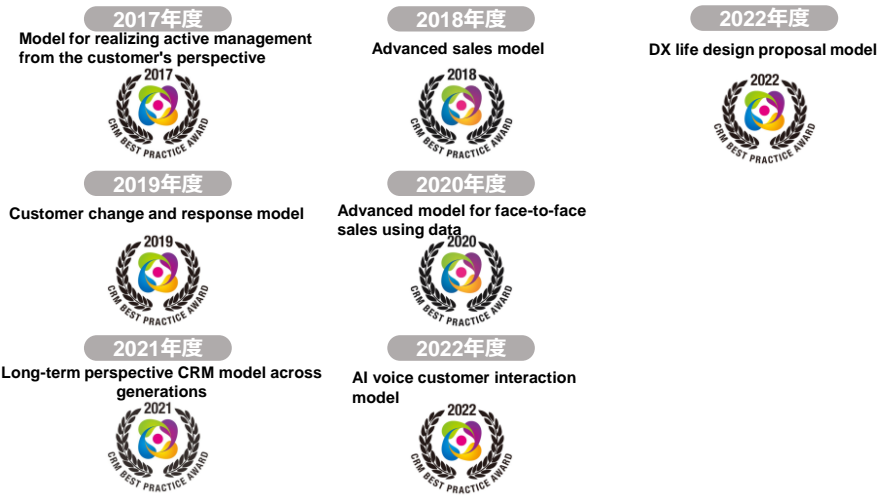
Poster



Performance on customer-centric management

✓ Winning the CRM Best Practice Award

- Mizuho Bank and Mizuho Securities received the CRM Best Practice Award from CRM Association Japan<sup>18</sup> for "Companies, government offices, and organizations that have built relationships with customers from the perspectives of strategy, operations, and organization and that are achieving results with the aim of realizing customer-centered management." (Mizuho Securities won the award for six consecutive years.)



17. The R&I Customer-Oriented Investment Trust Sales Company Evaluation ("this evaluation") represents R&I's opinion on the "customer-oriented business operations" initiatives of sales companies engaged in the investment trust sales business, and is not a statement of fact. The information used by R&I in conducting this evaluation is deemed to be reliable by R&I at its discretion, but R&I does not independently verify the accuracy of such information. In addition, R&I and others do not guarantee the accuracy and completeness of the information, and do not recommend the purchase, sale or holding of specific products or guarantee future performance. All intellectual property rights such as copyrights related to this evaluation and all other rights belong to R&I and are prohibited from reproduction or reprinting without permission. The evaluation of Mizuho Financial Group combines the evaluations of Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities.

18. CRM Association: An open, non-profit membership organization that took over the activities of the CRM Council, which was established in April 2000. The organization was established on October 1, 2009, and since then has conducted research and pursued the true ideal of "customer-centric management" in Japan (Customer Centric Relationship Management (CCRM) with the cooperation of users, vendors, and academics).

## FY2022 progress and key performance indicators (KPIs)

### - Sales -





## 12. External assessments (2)

BK

SC

- Mizuho Securities received the five-star HDI Contact Rating, and the five-star HDI Web Support Rating (for two consecutive years). It has also obtained the certification for the COPC® CX Standard CSP Certification<sup>19</sup> (for six consecutive years) and received the Best Strategy Award of the “Contact Center Award.”<sup>20</sup>
- Mizuho Bank has received three star HDI Contact Rating (for the fourth consecutive year) and the three star HDI Web Support Rating (for the sixth consecutive year).

### Improving customer service quality: call center

HDI <span style="float: right;">SC</span>	COPC <span style="float: right;">SC</span>	Contact Center Award <span style="float: right;">SC</span>
<p>✓ Received five-star certification for two consecutive years</p>   <ul style="list-style-type: none"> <li>Received an assessment from HDI-Japan based on the international accreditation of support centers and was recognized as a center that can truly contribute to business both domestically and internationally</li> </ul>	<p>✓ Acquisition of COPC Customer Experience Standard certification for six consecutive years</p>  <p>Mizuho Securities Co., Ltd. Direct Channel Management Dept. Retail &amp; Business Banking Division Contact Center Tokyo / Osaka, Japan</p> <ul style="list-style-type: none"> <li>Obtained the international quality assurance standard from COPC (US) for our contact center operations; only awarded to organizations with outstanding performance</li> </ul>	<p>✓ Received the Best Strategy Award</p>  <ul style="list-style-type: none"> <li>Received the highest award in the strategy category at Contact Center Awards 2022.</li> <li>This is the third year in a row that SC has received the highest award, after 2020 and 2021.</li> </ul>

19. COPC Standard: A global standard quality assurance standard adopted by more than 1,600 companies in 75 countries worldwide. This standard is provided only to organizations that have achieved an extremely high level of customer satisfaction and a systematic operation to achieve this in customer contact operations such as contact centers. This certification is issued by COPC of the United States for organizations that have been able to achieve and maintain a high level of performance based on indicators such as the speed and accuracy of service provision to customers and the efficiency of business operations.

20. The Contact Center Award is designed to promote interactive learning among participating members by sharing innovations and actions that deliver results and by deepening insights and understanding of implementation methods in business. The award is organized by RIC TELECOM Co., Ltd. which publishes the industry magazine, *Call Center JAPAN Monthly*.

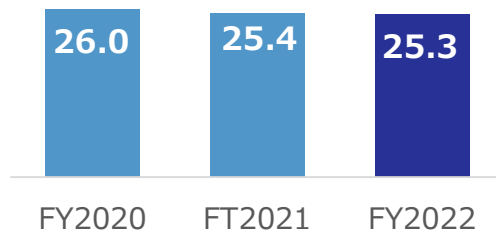
## FY2022 progress and key performance indicators (KPIs) - Sales -

### 13. Balance of investment products

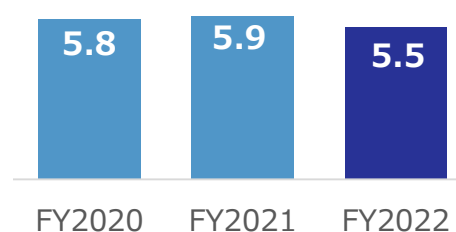
BK
TB
SC

- The balance of investment products was JPY 25.3 trillion, down slightly from the end of the previous fiscal year in terms of market value. This was due to the downturn in the market as a result of concerns about future economic recession caused by the situation in Ukraine in February 2022, U.S. interest rate hikes, and other factors.
- On the other hand, as BK and SC provide integrated asset consulting services to their asset formation segment with a focus on long-term, diversified, and continuous investment, the number of customers is steadily increasing through the expansion of information provision, web-based seminars, and the services through non-face-to-face channels.

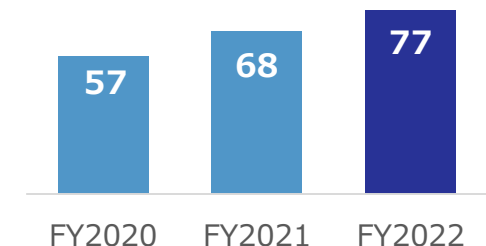
Assets under management<sup>21</sup>  
(JPY trillion)



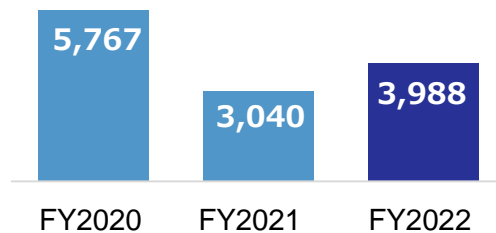
Equity investment trust balance<sup>22</sup>  
(JPY trillion)



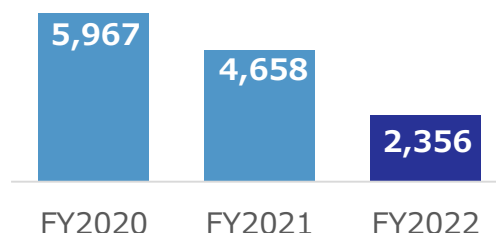
Number of customers using Mizuho's asset formation focused products<sup>23</sup> (BK & SC)  
(10,000)



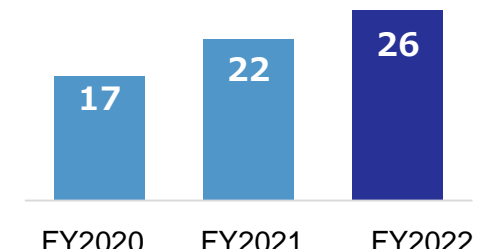
Net increase in investment products<sup>24</sup>  
(JPY 100 million)



Net increase for equity investment trusts<sup>22</sup> (JPY billion)



Installment-type investment trust uses (10,000)



<sup>21</sup> . The number of customers using Mizuho's investment products was 2.3 million in FY2020 and 2.29 million in FY2021, and 2.28 million in FY2022 (excluding MRF [money reserve funds] with a balance of less than JPY 10,000 at Mizuho Securities).

<sup>22</sup> . Excluding fund wrap only investment trusts

<sup>23</sup> . The number of customers using Mizuho's asset formation-focused products is the total number of holders of level-payment insurance, individual annuities, savings investment trusts, bond investment trusts, and Million at BK and SC. (The total number of holders of bond investment trusts and Million [4,586 people] was added since FY2022.)

<sup>24</sup> . Retail customers only, not including asset management companies

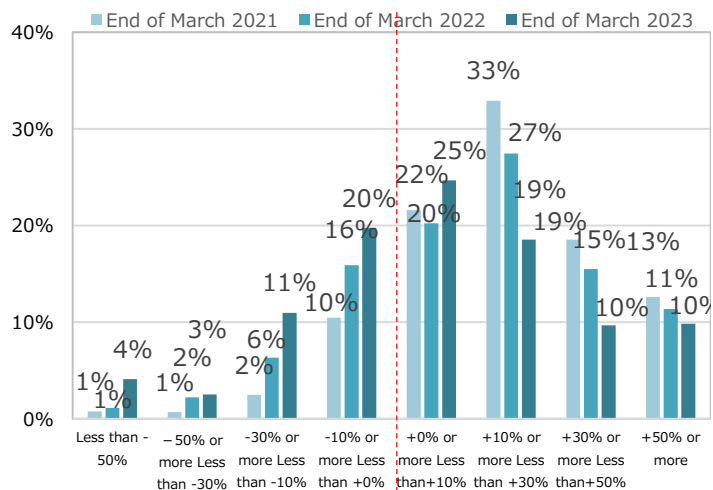
**FY2022 progress and key performance indicators (KPIs)**  
- Sales -

**14. Status of customer assets**

BK TB SC

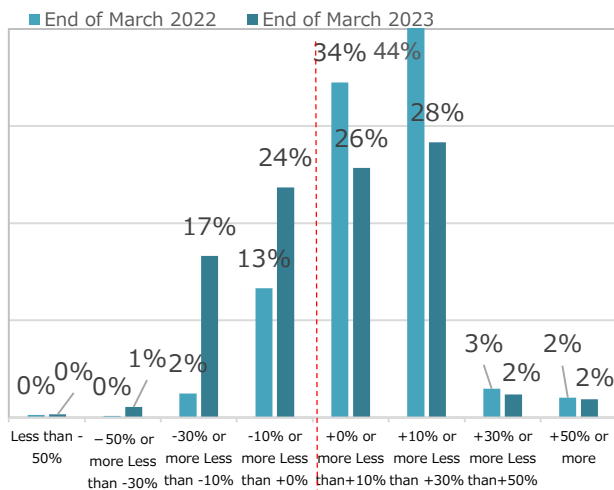
- In order to ensure that clients with investment products receive stable returns over the medium-to-long term, Mizuho makes proposals that contribute to long-term, diversified, and continual investment through integrated asset consulting services.
- As a result, the "average holding period of investment trusts" is longer than the industry trend, and the "ratio of customers receiving different percentage ranges of returns for investment trusts" and the "ratio of customers receiving different percentage ranges of returns for foreign currency-denominated insurance products" have maintained a positive trend, although they have been declining since FY2022 due to the situation in Ukraine and rising market interest rates.

**Ratio of customers receiving different percentage ranges of returns for investment trusts**



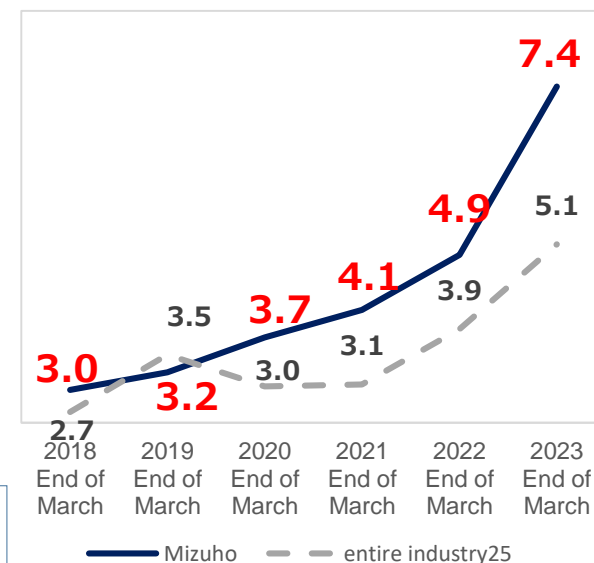
Positive ratio of customer returns		
2021/3	→	2022/3
85.6%		74.5%
	→	2023/3
		62.7%

**Ratio of customers receiving different percentage ranges of returns for foreign currency-denominated insurance products**



Positive ratio of customer returns		
2022/3	→	2023/3
83.8%		58.2%

**Average holding period of investment trusts**



FG: 7.4 years, BK: 6.9 years, TB: 7.0 years, SC: 7.7 years

25. Industry average Compiled from data published by The Investment Trusts Association, Japan.

# 1. More sophisticated asset management (1)

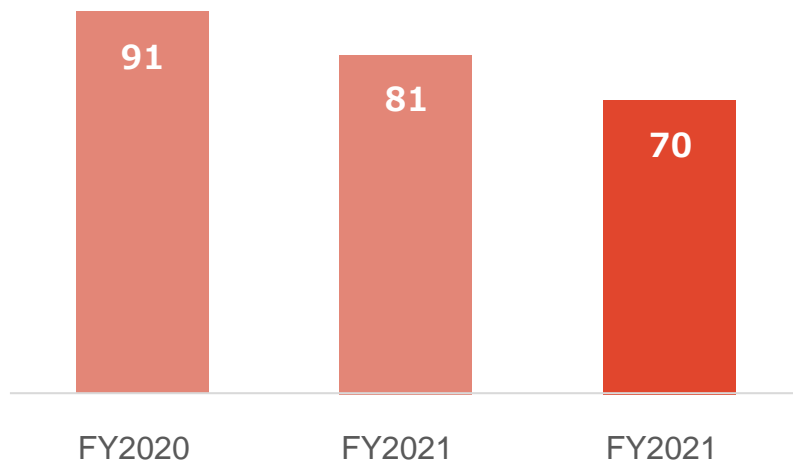
One

## Main initiatives in FY2022

### Strengthen asset management capabilities

- Asset Management One Co monitors the number of funds listed with a rating of four stars or higher in the Fundmark<sup>26</sup>, an investment trust performance report provided by Nomura Research Institute, as a KPI as part of our efforts to strengthen our asset management capabilities.
- The number of funds with a rating of four stars or higher, especially in the Japanese equities and balanced categories, declined from the previous year due to the change in market conditions, but the total number of funds remains high.
- We strive to improve our asset management capabilities to achieve competitive performance by, for example, analyzing the factors behind the decline and changing part of the investment model for our core funds that have been underperforming.

Number of funds with a rating of 4 stars or higher



Number of funds with a rating of 4 stars or higher by investment asset

	FY2020	FY2021	FY2022
Japanese equities	24	21	13
Global equities	13	9	13
Japanese bonds	2	2	1
Global bonds	20	26	22
Balance	30	22	19
Japanese REITs	2	0	2
Global REITs	0	1	0
<b>Total</b>	<b>91</b>	<b>81</b>	<b>70</b>

<sup>26</sup> Fundmark is an investment trust performance evaluation report provided by Nomura Research Institute, Ltd. Based on its own research, Nomura Research Institute, Ltd. classifies investment trusts (Fundmark classification: approx. 300 classifications) according to their investment policies and actual investment conditions. Within the same classification, investment trust performance is assessed in a bilateral way, and a five-point ranking is announced using a ranking and star rating. URL: <https://www.nri.com/jp/knowledge/report/lst> (Japanese only)

Fundmark is an analysis of historical data and does not guarantee future performance. The purpose of Fundmark is to provide information that will serve as a reference for investment decisions and asset management, and not to solicit investments. Any part of Fundmark, its copyright, intellectual property, or any other rights belong to Nomura Research Institute, Ltd. or its licensor, and reproduction, quotation, reprint, or transfer, etc. for any purpose, whether electronic or mechanical, is prohibited without permission.

Compiled by Mizuho Financial Group based on materials provided by Nomura Research Institute.



FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

# 1. More sophisticated asset management (2)

One

## Main initiatives in FY2022

As part of our responsible investment initiatives, we at Mizuho believe that giving appropriate consideration to ESG and other factors, as well as encouraging the sustainability of the companies in which we invest and the improvement of corporate value, will positively contribute to the expansion of client investment returns in the medium to long term and lead to the sustainable development of society.

### ■ Enhancement of engagement activities

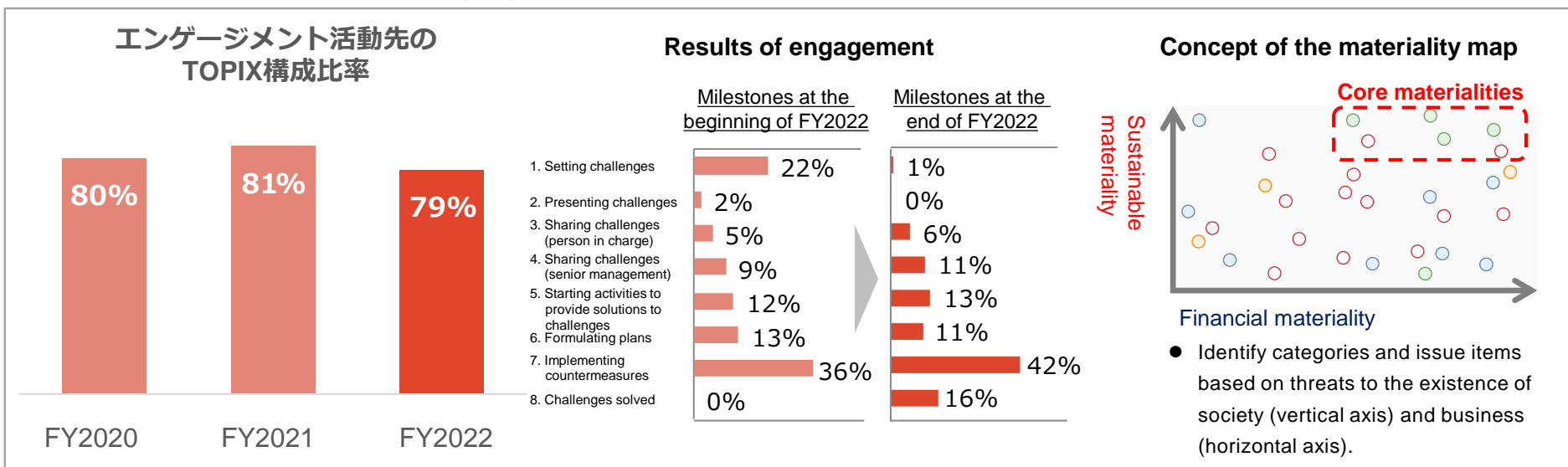
- Asset Management One engages in effective engagement with investee companies with the aim of improving corporate value and raising the overall market level over the medium to long term. In engagement associated with passive fund management in particular, we are effectiveness by setting unique ESG challenges, preparing detailed materials, and carefully managing milestones, in order to facilitate the improvement of corporate value over the medium- to long-term.

### ■ Formulation of the materiality map

- Asset Management One has developed and is constantly renewing its unique materiality map so as to understand global environmental and social issues of particular importance. It identifies the most-important ones as core materialities, which are reflected in engagement and investment decisions and applied to a wide range of business activities.

(Reference) Asset Management One Sustainability Report 2022

[http://www.am-one.co.jp/img/english/26/sustainability\\_report\\_e\\_2022.pdf](http://www.am-one.co.jp/img/english/26/sustainability_report_e_2022.pdf)



FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

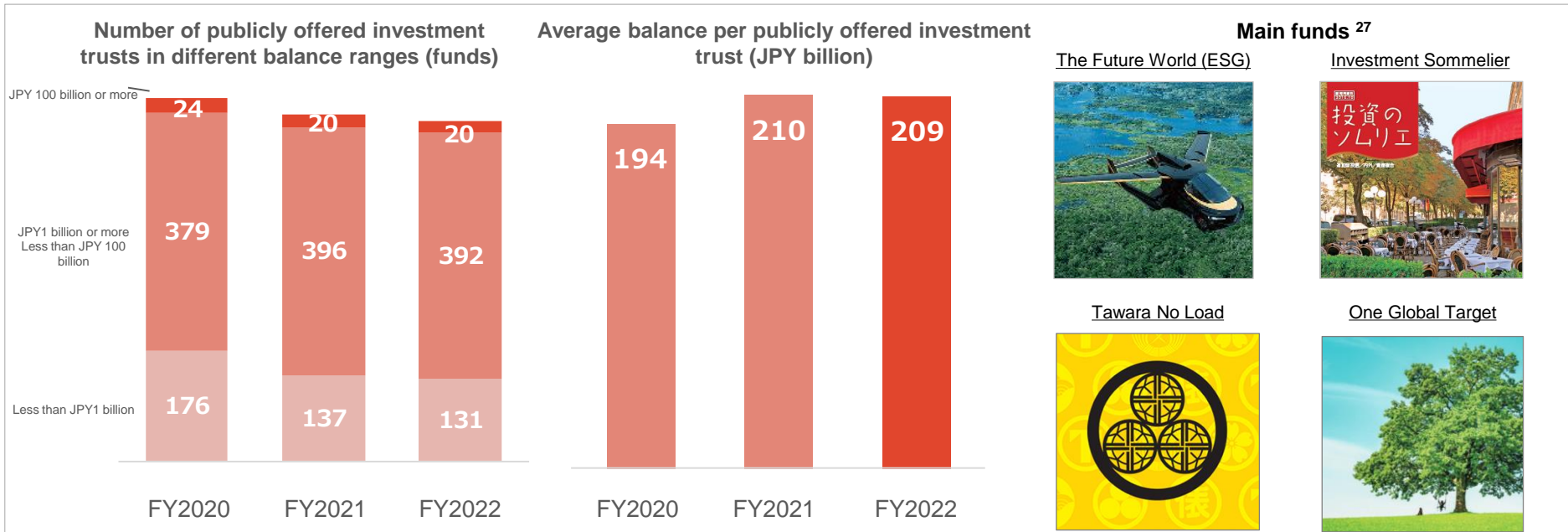
## 2. Development and improvement of investment products (1)

One

### Main initiatives in FY2022

#### ■ Product governance

- In general, an inability to maintain an appropriate fund size may lead to a decline in investment efficiency. Asset Management One is implementing product governance so as to build an optimal product lineup that will enable us to deliver the best products to our customers, including consideration of improvements of products that are not delivering adequate performance and reimbursement as necessary.
- Asset Management One strives to maximize returns for customers by pursuing efficiencies through a reduction in the number of funds and working to further strengthen its asset management capabilities.
- Product development to meet diverse customer needs
- In preparation for the new NISA program starting in 2024, we will continue to develop and offer products that meet customers' needs for asset formation and long-term investment.



27. This material is provided for informational purposes only and is not intended to solicit investment from investors.



FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

## 2. Development and improvement of investment products (2)

One

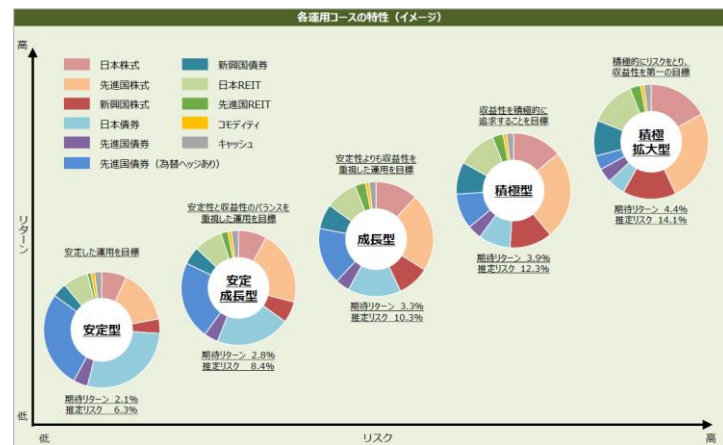
### Main initiatives in FY2022

- Continuous efforts to improve fund wrap services
  - We switched the investment trusts in "Mizuho Fund Wrap First Step" and "Mizuho Fund Wrap My Goal" and lowered the trust fee rate in February 2023 in order to further improve investment performance in the medium-to-long term.
  - In particular, "Mizuho Fund Wrap First Step" was redesigned to focus on index funds for all the investment trusts in its lineup. In addition, investments in developed country bonds (with currency hedging) and commodities (gold) have been introduced to diversify the sources of return for discretionary assets under management and to enhance the ability to mitigate downside risk when tail risks arise.
  - Mizuho Securities will continue to improve its fund wrap services in order to achieve medium- to long-term growth in customers' assets under management.

### Investment trusts in “Mizuho Fund Wrap First Step” and the characteristics of asset management courses \*28

Asset class	Investment trust	Trust fee rate *29
Japanese equities	MHAM Japanese Equity Index Fund	0.080%
Developed-country equities	MHAM Global Equity Index Fund	0.065%
Emerging-country equities	DIAM Emerging Countries Equity Index Fund (without currency hedging)	0.092%
Japanese bonds	MHAM Japanese Bond Index Fund	0.080%
Developed-country bonds	MHAM Global Bond Index Fund	0.060%
	MHAM Global Bond Index Fund (with currency hedging)	0.060%
Emerging-country bonds	Tawara No Load Emerging Country Local Currency Bonds	0.170%
Japanese REITs	MHAM J-REIT Index Fund	0.100%
Developed-country REITs	DIAM Developed Country REIT Index Fund (without currency hedging)	0.117%
Commodities (gold)	One Gold Fund (with currency hedging)	0.140%

- New investment trusts introduced in February 2023 (funds shaded in the list above)



Excerpt from the data book of “Mizuho Fund Wrap First Step” by Mizuho Securities

\*28 This material is for informational purposes only and is not intended to solicit investments.

\*29 Annual rate, tax excluded (as of April 1, 2023); for the One Gold Fund (with currency hedging), the actual trust fee rate, including the trust fees of the Exchange Traded Fund (ETF) invested, will be approximately 0.24% to 0.54% per annum.

FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

# 3. Provision of easy-to-understand information on management and other fees

One SC

## Main initiatives in FY2022

### ■ Disclosure of management and other fees

- Asset Management One discloses the details of fees and other in prospectuses and investment reports.
- In addition, in order to provide useful information for clients' investment decisions, we publish our approach to determining trust fees for publicly offered investment trusts on our website.  
URL: <http://www.am-one.co.jp/company/trustfees/> (Japanese only)
- Mizuho Securities, which deals in fund wraps, provides information on the types of fees (commissions) charged to customers via pamphlets and other materials, with fee-based services divided into asset management, consulting, and wrap account management, with fee (commission) rates for each of these, using charts for ease of understanding.
- The timing of when the customer will be required to pay the fund wrap fees (commissions) over the term of the contract is also explained using the chart.

## Explanatory material regarding fees

One

### Prospectus

**ファンドの費用・税金**

■ファンドの費用

投資者が直接的に負担する費用

購入手数料  
購入金額の0.33% (税込0.33%)を上乗せして、販売会社が別に定める手数料率を乗じて積立債といたします。購入手数料は、商品が投資対象国に設定された国別手数料率、年6回購入に際する手数料率と、購入の通貨別の両方に従って取扱いとなります。

信託財産留保費  
ありません。

投資者が信託財産で間接的に負担する費用

ファンドの信託報酬(信託報酬として年率1.34%程度※1.40%)  
信託報酬は、信託財産の運用実績、信託報酬率、信託報酬率と信託財産の運用実績に基づき算出され、毎計算期末に投資者の信託財産に反映され、毎計算期末に投資者の信託財産から引かれます。

運用管理費用(信託報酬)  
支払先 内閣府(信託) 土地信託  
株式会社 年率0.05% 株式会社 年率0.05%  
株式会社 年率0.05% 株式会社 年率0.05%  
株式会社 年率0.05% 株式会社 年率0.05%

その他の費用・手数料  
購入時信託財産の増減に発生する信託財産手数料  
信託財産の運用・管理に発生する信託報酬  
信託財産の運用・管理に発生する信託報酬  
信託財産の運用・管理に発生する信託報酬

### Major factors contributing to changes in fees

No.	事業	具体的内容	運用報酬率の傾向
			低い ← 高い
1	投資対象国・地域	国内 海外先進国 海外新興国	
2	投資対象資産の種類	国債 社債 信託(REIT含む)	
3	運用の難易度 → 投資者の入手 → 必要な分析力 → 完全な難易度、など	投資対象国数・資産数 運用手段 (+)	少ない 多い
4	運用指書内容	インデックス運用 アクティブ運用 絶対収益型運用	
5	資産配分	固定型 機動的	
6	情報入手の難易度	容易 困難	
7	運用指書内容 → 事務コスト、など	基準書類の引出 法定開示書類等の作成	簡易による程度は小さい

\*1 インデックス運用：市場平均を表す指数（日経平均など）と同程度の運用収益を目指す運用手法  
アクティブ運用：市場平均を表す指数を上回る運用収益を目指す運用手法  
絶対収益型運用：市場動向に拘わらず投資資産の増加を目指す運用手法

\* 上記は一般的な変動要因を示したものであり、必ずしも当てはまらない場合があります。

Asset Management One  
Excerpt from approach to determining trust fees for publicly offered investment trusts

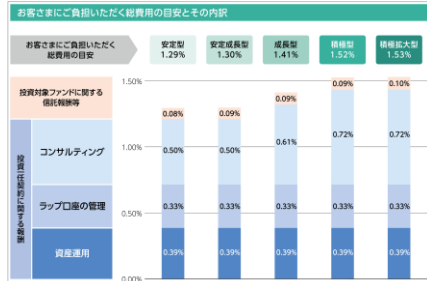
## Fund wrap: Explanatory material on fees (commissions)

SC

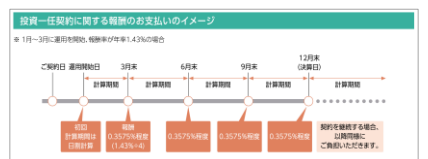
### Expenses (fees)

お客様にご提供する主なサービス

主なサービス	概要
コンサルティング	● 運用が定めた報告や定期お話し会への準備 ● みずほ証券ネット倶楽部 <sup>®</sup> での運用状況等のご報告 ● ご関心の詳細にご要望を伺いお応えする事務手続等
ラップ口座の管理	● お客様とのラップ口座 <sup>®</sup> におけるご契約内容や運用財産の管理等
資産運用	● お客様のご契約内容に合わせた運用方針の策定 ● マーケット環境の調査・分析 ● 投資指書および投資指書の売買の執行等



### Timing of payment of fees (commissions) (concept)



Excerpt from the pamphlet of "Mizuho Fund Wrap First Step" by Mizuho Securities

FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

# 4. Provision of information and services

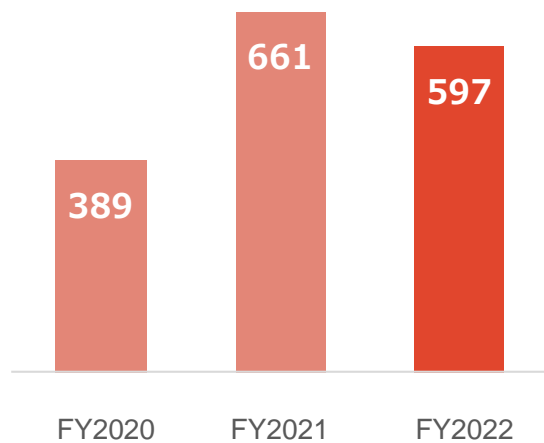
One

## Main initiatives in FY2022

### ■ Providing information and services from customer-centric perspective

- Asset Management One has worked to provide information and services tailored to the perspectives of individual customers by enhancing the asset formation content of its website and by holding seminars in a non-face-to-face format.
- We are also working to enhance the provision of materials and information that are easy to understand and that reflect the customer's perspective. We strive to provide straightforward explanations of specific details regarding the management of our main products to ensure customer understanding.
- We formulated ESG naming rules to minimize the gap between our customers' expectations for ESG-related investments and actual fund management. We have also established a framework for sustainable investment based on the level of ESG emphasis by referring to industry trends in Japan and overseas.
- Displaying expected customer attributes
- From the viewpoint of customer protection, Asset Management One sets prospective customers' attributes for each product and describes them in the material information sheet.

Number of website views (10,000)



Examples of contents for individual customers

Video on the website



- Video clips of fund managers explaining the fund performance are posted on the website and can be viewed by customers.

Examples of initiatives concerning information materials

Enhancement of ESG-related information

Category	Sub-category	Fund characteristics
Impact investment	Impact generation	• Contributes directly to providing solutions to the challenges of achieving a sustainable society by setting a goal of social return (impact) while pursuing financial return
	Impact alignment	• Makes a positive impact to achieve a sustainable society through corporate initiatives and businesses while aiming for a financial return
ESG leader		• Invests in excellent companies that contribute to a sustainable society
Transition		• Invests in companies actively engaged in transitions toward a sustainable society • Invests in companies with potential for improvement in ESG initiatives
ESG integration		• ESG risks and opportunities (or one of them) have been identified and considered in the investment process.

- Defining a sustainable investment platform and formulating a framework based on fund characteristics

FY2022 progress and key performance indicators (KPIs)

-Asset management / product development-

# 5. Governance framework

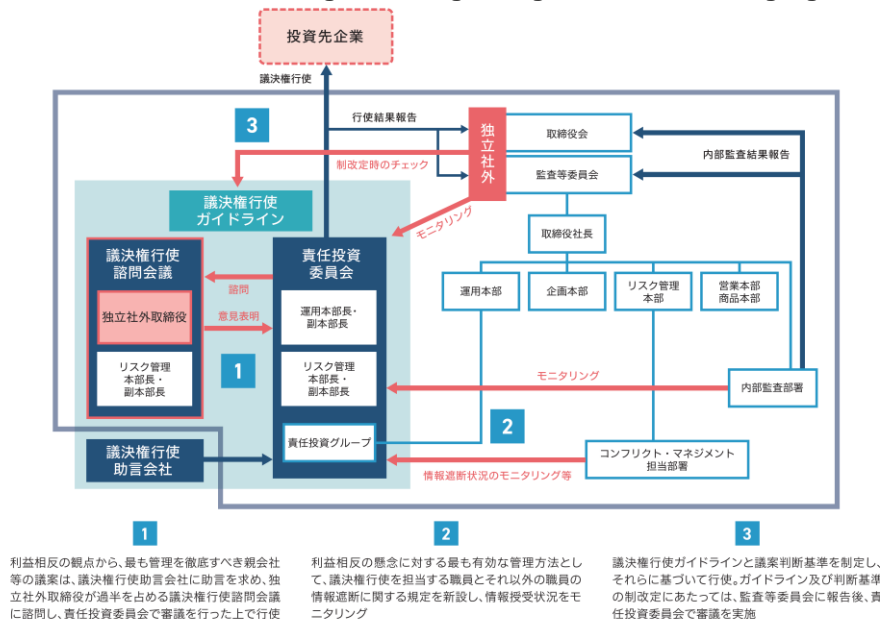
One

## Main initiatives in FY2022

### ■ Establishment of governance system and fulfillment of functions

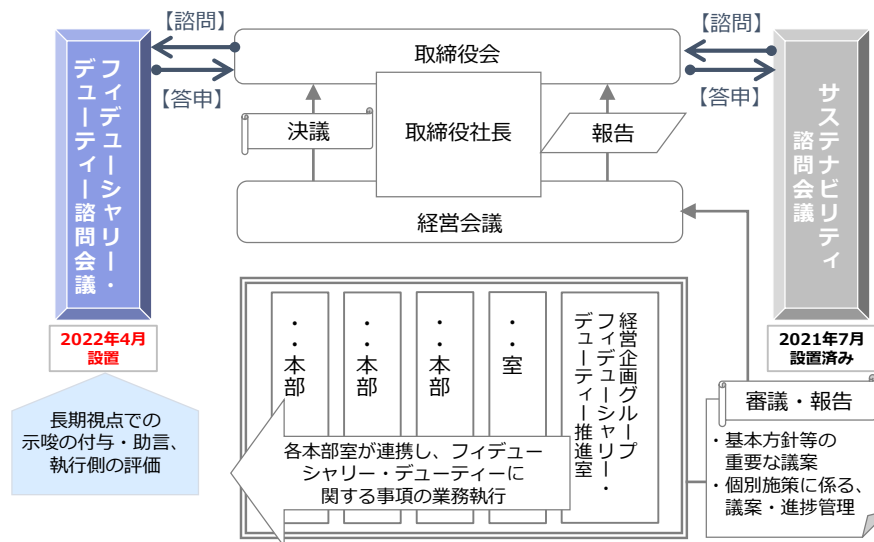
- Asset Management One strives to ensure and maintain appropriate management independence from group companies through the governance functions of the Board of Directors, Audit & Supervisory Committee, Executive Management Committee, and other business policy committees.
- We have also established a system to appropriately determine and manage the exercise of voting rights in investee companies where there is a risk of conflict of interest with a parent company.
- By establishing our Fiduciary Duty Advisory Council, we will obtain recommendations and advice from external experts from the customer's perspective, strengthen fiduciary duty governance via the Board of Directors, and pursue the best interests of our customers.

### Conflict of interest management regarding exercise of voting rights



Asset Management One exercise of voting rights  
<http://www.am-one.co.jp/english/information/voting/>

### Fiduciary duty promotion framework



Asset Management One: Establishment of the Fiduciary Duty Advisory Council  
[http://www.am-one.co.jp/pdf/news/277/220401\\_AMOne\\_newsrelease\\_J2.pdf](http://www.am-one.co.jp/pdf/news/277/220401_AMOne_newsrelease_J2.pdf)

## 6. Third-party evaluation

One

### Main initiatives in FY2022

#### ■ Positive evaluation by third parties

- We received 33 fund awards. In the R&I Fund Award 2023, we received awards in a wide variety of asset classes mainly for funds investing in Japanese equities, becoming the most-awarded company. In the Refinitiv Lipper Fund Awards Japan 2023, we received a total of 14 best-fund awards and the best company award in the category of fixed income for pensions for two consecutive years.
- In a survey of customer satisfaction in investment trust companies, we ranked third in overall evaluation and have continuously received high evaluations.
- We will continue our efforts to offer products and services that contribute to our customers' asset formation and that improve our performance.



30. Number of fund awards received. Sources: Refinitiv Lipper, R&I.

31. R&I Fund Award 2023. [https://www.r-i.co.jp/investment/fund\\_award/index.html](https://www.r-i.co.jp/investment/fund_award/index.html) (Japanese only)

32. Refinitiv Lipper Fund Awards Japan 2023 <https://www.refinitiv.com/ja/asset-management-solutions/lipper-fund-performance/japan-lipper/lipper-fund-award-2023> (Japanese only)

33. Investment Trust Company Satisfaction Ranking: Compiled by Mizuho Financial Group from Rating & Investment Information. (R&I) "Fund Information" Nos. 339, 364, and 390.

## 7. Assets under management

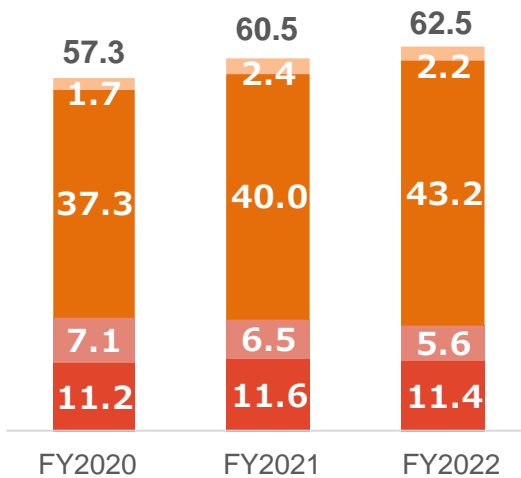
One TB

### Main initiatives in FY2022

#### ■ Assets under management at each company

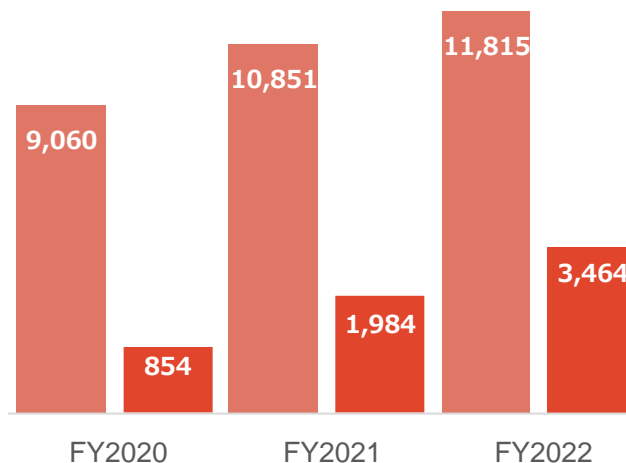
- Asset Management One's total asset balance increased to JPY 62.5 trillion due to its efforts to establish Japanese and global fixed-income funds in publicly offered investment trusts taking advantage of rising interest rates, and the increase in discretionary assets under management due to inflows from major public pension funds.
- The balance of assets under management for products for asset formation through DC, installation-type NISA, and other schemes is steadily increasing through our efforts such as improving the understanding of DC participants in cooperation with Mizuho Bank and other DC plan administrators and reducing trust fees for the Tawara No Load series.
- Although the balance of pension trust assets at Mizuho Trust & Banking was affected by a decline in market values, the company is continuously accepting new transactions and additional trusts from clients through comprehensive consulting on pension plans and asset management, and the balance has remained generally unchanged.

AM-One assets under management (JPY trillion)



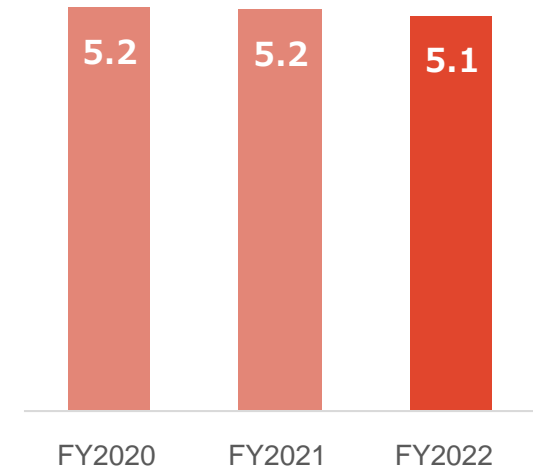
- Publicly offered investment trusts
- Privately placed investment trusts
- Discretionary investment management
- Investment advisory

Balance of asset formation-focused products (JPY 100 million)



- Balance of DC specialized funds
- Balance of installment-type NISA funds

Balance of pension trust assets (JPY trillion)



**FY2022 progress and key performance indicators (KPIs)**  
**- Asset administration -**

**1. Strengthening framework for offering asset administration services**

TB

**Main initiatives in FY2022**

■ Strengthening framework for offering asset administration services

Mizuho Trust & Banking is working to strengthen our framework for offering asset administration services by developing asset administration specialists and sales personnel expertise in cooperation with the Custody Bank of Japan, our outsourcing partner, through training for employees and external seminars, etc.

■ Improving service quality and developing new services

In cooperation with the Custody Bank of Japan, our outsourcing partner, we have offered new services to meet customer needs and improved the quality of our operational services, such as enhancement of derivatives trading and paperless reports for customers.

■ Providing easy-to-understand information on asset management fees

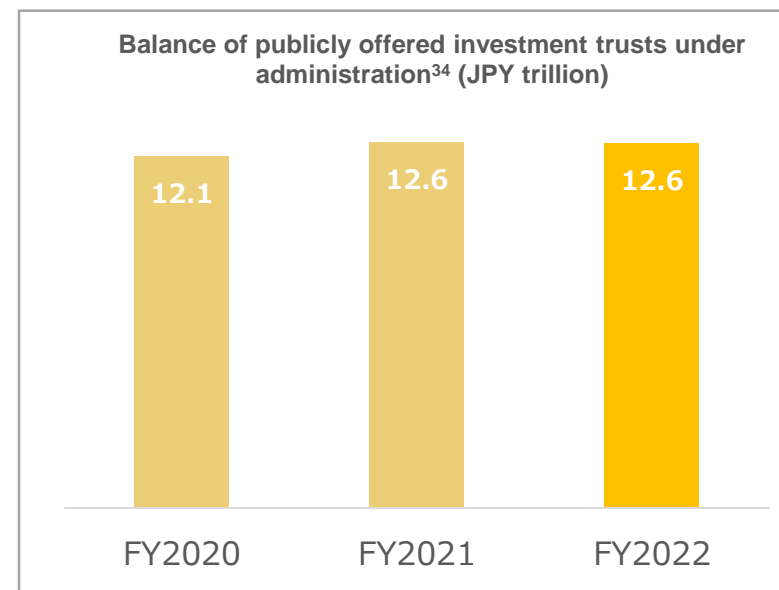
Fees are disclosed through prospectuses and investment reports prepared by the management company.

■ Information services

We continue to provide information that supports asset management by sharing information on regulatory trends and markets worldwide as well as by holding seminars.

■ Balance of publicly offered investment trusts under administration

As of March 31, 2023, the balance of publicly offered investment trusts under administration was JPY 12.6 trillion.



34. Balance of publicly offered investment trust principal for each fiscal year.



## FY2022 progress and key performance indicators (KPIs) - Group management policies -

# 1. Evaluating performance

FG BK TB SC

### Main initiatives in FY2022

#### ■ Evaluating performance

- Our performance evaluation system is designed on the concept of “Customer satisfaction (trust) through the practice of fiduciary duties and the resulting stable growth.” It emphasizes fiduciary duties by incorporating customer evaluations and other measures.
- In order to prevent actions that go against fiduciary duties, such as promoting sales activities that disregard the interests of customers by placing too much priority on business performance within the company, we have established a system in which we take strict measures when such actions are discovered during business performance evaluations.

### FY2023 business performance evaluation system (priority items)

BK Award		TB Award		SC Award	
Quantitative items (50%)	<ul style="list-style-type: none"> <li>• Net increase in retail investment</li> <li>• Number of new investment customers</li> <li>• Number of transactions related to asset inheritance</li> </ul>	Quantitative items (70%)	<ul style="list-style-type: none"> <li>• Net increase in retail investment</li> <li>• Provision of comprehensive asset consulting functions</li> </ul>	Quantitative items*	<ul style="list-style-type: none"> <li>• Asset introduction amount</li> <li>• Net increase in equity investment trusts and fund wraps</li> <li>• Number of new customers acquired</li> <li>• Total sales of investment products</li> <li>• Provision of asset inheritance solutions</li> </ul>
Qualitative items (50%)	<ul style="list-style-type: none"> <li>• Evaluation of fiduciary duty initiatives</li> <li>- Building trust from customers, consultation status</li> <li>- Personnel development, etc.</li> </ul>	Qualitative items (30%)	<ul style="list-style-type: none"> <li>• Evaluation of efforts to improve customer satisfaction, including in fiduciary duties</li> <li>• Personnel development, etc.</li> </ul>	Qualitative evaluation*	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Compliance</li> <li>• Overall branch administration</li> <li>• FD implementation</li> </ul>

\* To encourage customer-oriented branch management more than ever by not disclosing evaluation weights



## FY2022 progress and key performance indicators (KPIs) - Group management policies -

## 2. Reasonability of remuneration and conflict of interest monitoring

FG BK TB SC One

### Main initiatives in FY2022

#### ■ Reasonability of remuneration and relevant fees

- Each group company not only sets remuneration and fee levels that are commensurate with its expenses incurred as a business entity, but also **develops rules for setting reasonable remuneration and fee levels that are consistent with the contents of the goods and services provided to customers**. We also implement measures such as verifying the appropriateness of service prices based on differences in the investment targets and other features of products and confirming the rationality of differences in remuneration and fee levels for each product.
- Our holding company confirms that each group company operates in accordance with the rules and regulations.

#### ■ Monitoring conflicts of interest

- In order to ensure that customers' interests are not unjustly impaired in transactions, **we are making efforts to appropriately manage potential conflicts of interest by categorizing transactions that could cause conflicts of interest and by establishing a management approach for each case**.
- We conduct periodic monitoring of compliance with the rules for such actions so as to verify the effectiveness and appropriateness of the management of potential conflicts of interest, and we **strive for continuous improvement based on the results of such verification**.

#### Examples of identifying and categorizing transactions with potential conflicts of interest

- When our group sells an investment trust provided by a management company within the group
- When our group receives an fee from the provider of the investment trust in association with the sale of the investment trust

#### Example of management

- Ensuring appropriate independence between product providers and distributors so as to enable a product launch/revision/removal process that meets the needs of customers
- Monitoring of the independence of the investment decision-making processes of the asset management department
- When receiving products from asset management companies within the group, the appropriateness and reasonableness should be verified more carefully by checking the superiority and performance of the strategy.
- The level of commissions is confirmed to be set in an objective and reasonable manner, based on the comparisons with commissions of other companies outside the group and based on the level of consulting required for the sale of the product.

The "Policy for the Management of Conflicts of Interest," which describes the types of transactions to be managed and how to manage them, is published on the website of each respective group company. (URL of the holding company's website: <https://www.mizuho-fg.co.jp/coi/index.html>)

## FY2022 progress and key performance indicators (KPIs) - Group management policies -

### 3. Enhancing corporate culture (1)

FG BK TB SC One

#### Main initiatives in FY2022

- Enhancing corporate culture
  - At Mizuho, we are implementing internal training and communicating messages from executive officers in order to foster a corporate culture in which all employees share an awareness of fiduciary duty compliance and practice it faithfully.
  - We also conduct regular internal questionnaires to verify and evaluate awareness of fiduciary duty compliance.
- Examples of new initiatives
  - In addition to regularly announcing the status of Mizuho's FD initiatives, we are publishing a cartoon on the FG website so as to make the information easier to understand.

#### Main efforts to enhance corporate culture

##### 1) Understanding and thorough implementation of fiduciary duties

- Conducting in-house training and communicating messages from executive officers
- Publicizing positive examples to our employees

##### 2) Evaluation of fiduciary duty practices

- Setting the result of customer satisfaction survey results as an evaluation item for each workplace and staff member (p. 40)
- Accredited "Client First Meisters" (p. 24)

##### 3) Verification and evaluation of awareness of fiduciary duties

- Conducting in-house questionnaires

#### Let's learn about Mizuho's FD through cartoons!

FG BK TB SC



Let's learn about Mizuho's FD through cartoons!

<https://www.mizuho-fg.co.jp/company/policy/fiduciary/manga/>

(Japanese only)



## FY2022 progress and key performance indicators (KPIs) - Group management policies -

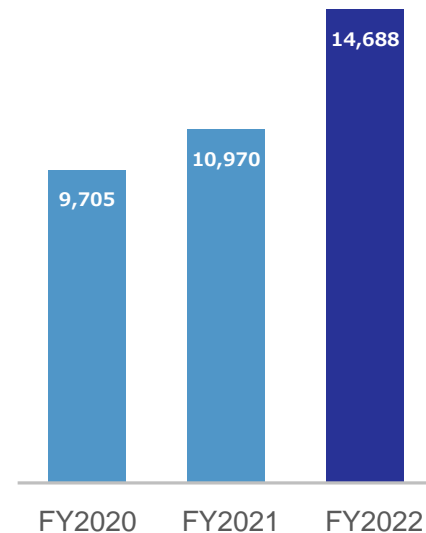
### 3. Enhancing corporate culture (2)

#### Main initiatives in FY2022

FG BK TB SC One

- Responding to social needs to improve financial literacy through financial and economic education initiatives
  - In order to support the shift from savings to investment and asset formation from the perspective of improving financial literacy, we have set KPIs for the number of participants in financial and economic education courses and are further strengthening our initiatives.
  - Utilizing the fundamental knowledge and experience of each group company, since 2005 we have been supporting financial and economic education in primary, secondary, and higher education, as well as in training for local governments, corporate employees, and the general public.
  - In FY2022, we further enhanced our ability to provide financial and economic education by creating new digital teaching materials and resuming traditional classroom sessions, in addition to using online classes and non-face-to-face teaching materials that were greatly enhanced due to the COVID-19 pandemic. As a result, the number of participants increased from the previous fiscal year to 14,688.

Number of participants enrolled in financial and economic education courses



#### Classroom and on-line courses

FG BK TB SC One

##### Sponsored lectures at universities



##### Summer school for children



Classes for elementary school students were organized during the summer vacation period. In FY2022, face-to-face and online classes were held at group company branches nationwide, with more than 1,000 children participating.

#### Leveraging online educational tools



Video content has been produced to promote financial and economic literacy. Although the content is aimed at children, it is also entertaining and informative for adults. Mizuho Bank Official YouTube <https://youtube.com/@MizuhoBKOfficial>

In secondary education, the Ministry of Economy, Trade and Industry is promoting the development of digital teaching materials (STEAM library). As part of this project, we are developing teaching materials together with Waseda University. This is the first such effort by a financial institution.

<https://www.steam-library.go.jp/content/9> (Japanese only)



# FY2023 action plans

## - Sales -

### Building appropriate product lines in response to customers' needs

- We will establish a product provision structure by bringing together and fully utilizing the resources and functions of Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities.
- Based on a medium- to long-term investment perspective which includes building assets to prepare for the future in an era of lengthening lifespans, we will improve the process employed to introduce, improve, and discontinue products so as to maintain a high-quality product lineup that meets customers' diverse needs.
- We will provide optimal products to our customers by strengthening our group-wide product selection system.

### Offering investment products via our customer consulting services

- We will build a system for enhancing the sophistication of our comprehensive asset consulting by thoroughly listening to customers' investment goals and asset and liability status, conducting various analyses, and accurately ascertaining the degree of risk acceptable to customers.
- We will enhance the provision of honest information that is clear and does not cause misunderstanding so that customers can select products that meet their needs.
- In order to provide high value-added services to customers, we will further enhance our product proposal and explanation methods by utilizing system tools that support the achievement of goals and by further standardizing the product provision process.
- We will continue to explore and actively utilize the latest technologies in order to upgrade our consulting methods to meet the diverse asset management needs of our customers and their purchasing channels, such as over the counter and online.
- We will operate and improve the monitoring of consulting processes so as to check the status of integrated asset consulting practices by sales staff.

### Attentive follow-up services to help customers achieve their goals

- By regularly checking the status of customers' assets and by enhancing after-sales service related to portfolio diagnosis based on each customer's investment goals, we will promote and enhance the appropriate provision of information and advice, including the elimination of customers' concerns, and we will endeavor to respond in a courteous manner tailored to each customer, while carefully understanding changes in customer intentions.
- In order to further enhance the reliability of our business operations, we will promote system support, including the upgrading of administrative procedures and the computerization of forms.
- In order to implement more detailed follow-up, we will strengthen the follow-up system for the status of customer assets through online assistance and call centers.

### Laying foundations to help customers invest with confidence and steadily build their assets

- In order to support customers' investment decisions, we will provide information, seminars, and other opportunities for our customers to improve their financial and investment knowledge and gather market information.
- In order to provide appropriate and accurate consulting services to meet the diverse asset management needs of our customers, we will promote the enhancement of our organizational management by reinforcing the education of our sales staff, continually fostering their awareness of asset management needs, and encouraging the advancement of the business performance evaluation process for sales staff.
- We will strengthen our efforts to further enhance customer satisfaction through the collection, analysis, and utilization of customer feedback.

# FY2023 action plans

## - Asset management / product development -

### Advanced operations

- We will strategically develop personnel who are dedicated to asset management and who will lead the next generation in order to promote the improvement of investment decision-making and analytical expertise and continually provide services with high added value to customers.
- In order to provide optimal solutions for customers' asset management needs, we will implement initiatives that contribute to the enhancement of asset management.
- Through medium- to long-term engagement and the exercise of voting rights, we will disclose information about and enhance our ESG initiatives and stewardship activities so as to contribute to improvement in the corporate value of the companies in our investment portfolio and to the growth of the overall stock market.

### Continuous efforts to improve product quality and develop products that meet customer needs

- We will work to continuously improve product quality and product development through appropriate risk management and monitoring of products and selective allocation of asset management resources to products that meet the high-level needs of customers, including long-term holding needs.
- We will clarify product characteristics and potential customer attributes and provide products suitable for our customers in collaboration with our distributors.
- We will continue initiatives to reflect customer feedback into our product development and in the explanatory materials for customers.
- We will work to provide easy-to-understand information about the relationship between the fees paid by customers and the services we provide.

### Providing information and enhancing services with the customer's best interest in mind

- We will provide solutions that integrate DB and DC and will practice integrated consulting to pension customers by leveraging the expertise of the middle-office departments.
- We will enhance information dissemination and investment education opportunities through seminars and events for customers. We will also strive to provide easy-to-understand materials and information that reflect the customer's perspective.
- We will expand market-related information, product information, sustainability-related information, and content for improving financial and investment knowledge, utilizing online tools.
- We will provide financial services that respond to diversifying lifestyles.

### Strengthening corporate governance

- We will ensure and maintain appropriate management independence between the holding company and the group's distributors through the governance structure functions within business policy committees such as the Board of Directors, Audit & Supervisory Committee, and Responsible Investment Committee.
- We will establish an operating system that puts the customer's interests first and strengthen internal controls.
- We will maintain and improve highly transparent new product development processes to develop products that meet the needs of our customers.

# FY2023 action plans - Asset administration -

## Strengthening asset administration services

- In order to appropriately respond to changes in regulations and frameworks, as well as new investment methods and targets, we will continue to develop systematic administrative and IT system infrastructures.
- We will strategically develop next-generation expertise and "asset management experts" with advanced IT skills.

## Initiatives to improve service quality and develop new services

- We will respond swiftly to new methods of asset management and new investment options to proactively support our clients' new initiatives from an asset administration perspective.
- We will increase interaction with clients so that their feedback, such as their asset administration needs and their evaluations of our services, are reflected in our business management strategies.

## Enhancing the provision of information in support of customers' investment activities

- We are working to enhance our provision of a variety of information services to customers, such as for regulations, individual jurisdiction market systems, and investment products.



# FY2023 action plans - Group management policies -

## Corporate governance

- We will maintain corporate governance systems to ensure the appropriate levels of management independence between the holding company and the group's asset management companies, as well as between the group's distributors and asset management companies.
- The holding company and group companies will provide regular internal reports on the status of compliance with the action plan.

## Evaluating performance

- We will establish a performance evaluation system at the holding company and each group company to gauge how well we are fulfilling our fiduciary duties based on customer-focused business management.

## Reasonability of remuneration and relevant fees

- We will set rules and regulations for reasonable levels of remuneration, fees, and commissions, according to the nature of the products and services provided by group companies to customers.

## Monitoring conflicts of interest

- We will verify the effectiveness and suitability of our systems for monitoring conflicts of interest and will continually work to implement improvements based on our findings.

## Enhancing corporate culture

- We will utilize incentive frameworks at group companies and internal communication initiatives to foster a corporate culture that encourages all employees to be aware of and fulfill their fiduciary duties.
- We will proactively use the knowledge and expertise of each group company to support financial and economic education and to contribute to better financial literacy.