

May 15, 2023
Mizuho Financial Group, Inc.

Policies Regarding Mizuho's Fiduciary Duties

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.

Strong capabilities in product development, sales, asset management, and asset administration are indispensable to the successful conduct of asset management-related business. We are dedicated to speed and flexibility in our responses to the constantly changing, diverse needs of our broad range of clients—from individual investors to pension funds, regional financial institutions, and other institutional investors—all made possible by our full complement of group companies with expertise in banking, trust banking, securities, and asset management, as required to provide top-tier asset management-related products and services.

At each of Mizuho’s group companies, which specialize in different functions, Mizuho has established and announced response policies for each function, along with the following group management policies, as an action plan for fulfilling fiduciary duties with respect to asset management-related business. We are taking customer-oriented measures so as to provide products and services that are truly appropriate for the “pursuit of our customers’ best interests” toward implementing these policies.

*Fiduciary duties is a general term for the broad range of various 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.

Group Management Policies

In fulfilling our fiduciary duties, Mizuho Financial Group prioritizes our customers' interests above all else. We comply with the following group management policies when providing products and services which meet our customers' needs and are in their best interests.

1. Corporate Governance

- Mizuho Financial Group has established—at the holding company level—a corporate governance system which holds the group's management accountable and encourages them to practice self-discipline. In the context of asset management-related business as well, the group will build governance systems to ensure the appropriate levels of independence between the holding company and the group's asset management companies, and between the group's sales companies and asset management companies.
- In addition to establishing and disclosing specific plans of action on the part of the holding company and group companies, the compliance departments shall report to the board of directors and other relevant parties the state of compliance pursuant to the Policies Regarding Mizuho's Fiduciary Duties.

2. Evaluating Performance

- An appropriate performance review system will be established at the holding company and group companies to evaluate initiatives which meet our customers' needs and are in their best interests.

3. Rationality of Remuneration, Etc.

- Rational levels of remuneration, fees and commissions, etc. at group companies shall be set according to the nature of the products and services provided to customers.

4. Monitoring Conflicts of Interest

- The holding company and group companies shall, in advance, identify and classify any transactions where potential for conflict of interest may exist, and employ a specific method for conducting appropriate monitoring of these transactions. Additionally, group companies shall enhance monitoring of intra-group conflicts of interest by means of providing pertinent, easy to understand information relating to possible conflicts of interest.

5. Solidifying Corporate Culture

- We will foster a corporate culture that encourages frontline employees who actually provide products and services, as well as all other employees and executive officers, to be aware of and fulfill their fiduciary duties through training programs and incentive frameworks.

Policies by Function: Sales

1. Building Appropriate Product Lines in Response to Customers' Needs

- (1) Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities aim to provide customers with excellent investment opportunities that are right for them on a group basis.
- (2) Based on our customers' investment objectives, Mizuho will thoroughly review our existing products and consider adopting new products which help customers to steadily build their assets.

2. Providing Investment Products to Customers via Consulting Services

- (1) In order to appropriately understand our customers' respective investment goals, Mizuho will strive to accurately assess the state of our customers' assets and liabilities and their tolerance for risk.
- (2) The consulting services we provide will be accurately matched to the characteristics of each customer, and we will provide our customers with clear, truthful, and non-misleading information corresponding to the level of complexity and materiality of our products, in order to give them an understanding of the options available, and after comparing those, find the right product for their needs.
- (3) We will make earnest efforts to enhance our consulting capabilities and pursue new methods of making proposals using the latest technologies to sustainably provide high value-added services.
- (4) We will promote a high degree of transparency in setting remuneration, fees, and commissions, etc. in the interest of providing high value-added services at a reasonable cost, and make this information available to customers .

3. Attentive Follow-Up Service to Help Customers Achieve Their Goals

- (1) Through attentive follow-up services, we will provide information and advice to assist customers in making appropriate investment decisions.
- (2) We will strive to reliably execute and improve our business activities so that customers can invest with confidence.

4. Laying Foundations to Help Customers Invest with Confidence and Steadily Build Their Assets

- (1) We will enhance useful services which help to improve the financial and investment knowledge of our customers.
- (2) We will strive to share an understanding of our customers' respective goals, and to enhance personnel development as an organization in order to provide consulting services of the highest standard.

Policies by Function: Asset Management & Product Development

1. Enhancing Asset Management

- (1) Mizuho will aim to provide added value of the highest standard to our customers by enhancing investment analysis and decision-making capabilities through further reinforcements to our personnel base and asset management foundations.
- (2) To continue to provide optimal solutions to our customers' asset management needs, we will continuously pursue improvements in existing asset management methods and new methods and investment opportunities.

2. Initiatives to Continuously Improve Product Quality and Develop New Products Based on Customer Needs

- (1) Through appropriate risk management and checking of products, Mizuho will continuously improve the quality of our products and respond to changes in the market environment.
- (2) With our understanding of our customers' needs, including those of the ultimate beneficiary, and our expertise as professionals, we will develop products which help our customers to steadily build their assets.
- (3) Products we develop will be tailored to customer types depending on the degree of risk of the product and the level of complexity involved. We will also coordinate with brokers and sales departments where appropriate in order to provide the right products for our customers.
- (4) In seeking to provide superior products at a reasonable cost, we will take a customer-oriented view, promote a high degree of transparency in setting management fees, and endeavor to provide easy to understand information about these fees to our customers.

3. Enhancing the Provision of Information and Services from the Customer's Perspective

- (1) In an effort to become our customers' most trusted consultant, Mizuho will practice the highest quality of service.
- (2) We will prioritize convenience and ease of understanding in providing customers with the most appropriate information.
- (3) We will enhance personnel training, as well as useful services which help to improve the financial and investment knowledge of our customers.

4. Strengthening Corporate Governance

- (1) In an effort to further strengthen our organizational structure in consideration of our customers' best interests, Mizuho will build a corporate governance system that is of the highest standard in the industry and ensures the independence of the asset management entities.

- (2) Decisions pertaining to new product development will be made based on objective evaluations and highly transparent processes, which will include the involvement of the compliance divisions.

Policies by Function: Asset Administration

1. Strengthening the System for Providing Asset Administration Services

- (1) Our customers' asset management needs are becoming increasingly more refined and more globalized. In response, Mizuho will continuously advance initiatives to enhance our operational and IT infrastructure and develop personnel with a high degree of specialized expertise, so that we can continue to provide for our customers the same consistently high quality asset administration services adapted to their individual situation, such as custody, settlement, and various forms of reporting with regard to customers' assets entrusted to us.

2. Initiatives to Improve Service Quality and Develop New Services

- (1) So that customers can be comfortable with entrusting their assets to us, Mizuho practices proper administration of trust assets and works to develop new services in a broad range of fields pertaining to asset administration with the ultimate aim of providing optimal solutions in anticipation of customers' increasingly diversified and complex needs.
- (2) In addition to setting rational asset management fees, we will also provide easy to understand information about these fees to our customers to ensure that they reflect the nature of the services we provide to our customers.

3. Enhancing the Provision of Information in Support of Customers' Investment Activities

- (1) In addition to accurately reporting the state of assets in trust, Mizuho will strive to enrich our various services for providing information to investors to enhance their investment management efforts.