

# Investor Presentation for FY23 H1 Apr.2023–Sep.2023

November 16, 2023



Mizuho Financial Group

**MIZUHO**

Innovating today. Transforming tomorrow.



## Mizuho and Art

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Based on the concepts of "Feeling Energized by Art," "Making Art More Accessible," and "Changing yourself through Art," Mizuho, in collaboration with Tokyo University of the Arts, contributes to social innovation, and the overcoming of social challenges like improving gender equality and people's well-being, aiming to co-create a sustainable and abundant society in terms of its art and culture as well as its economics.

For this presentation, we asked students at the Tokyo University of the Arts, Department of DESIGN to give form to the ideas they took from Mizuho's Purpose, "Proactively innovate together with our clients for a prosperous and sustainable future." This is the first time that artwork has been featured on the cover of our financial materials for shareholders and investors.



Artist: **Hiro Igarashi**

Tokyo University of the Arts, Department of DESIGN  
First-year master's student

Title: **"Spreading roots"**

*Roots interlace and grow.*

*Branching this way and that way.*

*Supposedly they fork, yet reconnect, only to branch out again.*

*A journey of 150 years, watching the intertwining complexities  
of society and envisioning what comes next.*

*How to thrive in this ever more intricately interlaced world?*

*Unencumbered by the past, and with freedom, create something entirely new.*



1

**Summary of FY23 H1 Financial Results**

2

Progress on improving P/B Ratio

3

Progress in Business Focus Areas

4

Enhancing our corporate foundations

Appendix



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# Summary of Financial Results

(JPY B)		FY23 H1	YoY	Outlook	vs. initial Outlook
1	Consolidated Gross Profits + Net Gains (Losses) related to ETFs and others <sup>1</sup>	1,331.2	+168.7		
2	G&A Expenses (excl. Non-Recurring Losses and others)	-796.1	-74.2		
3	<b>Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others<sup>1</sup></b>	<b>554.3</b>	<b>+104.9</b>	<b>950.0</b>	<b>+50.0</b>
4	o/w Customer Groups	373.5	+36.8 <sup>2</sup>		
5	o/w Markets	129.5	+24.5 <sup>2</sup>		
6	(Consolidated Net Business Profits)	536.0	+95.2		
7	Credit-related Costs	-11.0	+39.3	-100.0	-
8	Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others <sup>1</sup>	16.2	-13.4	60.0	-
9	Ordinary Profits	574.0	+134.8	<b>910.0</b>	<b>+50.0</b>
10	Net Extraordinary Gains (Losses)	22.2 <sup>3</sup>	+16.4		
11	<b>Net Income Attributable to FG</b>	<b>415.7</b>	<b>+81.7</b>	<b>640.0</b>	<b>+30.0</b>
(Reference)					
12	Consolidated ROE <sup>4</sup> (over past 12 months)	7.3%	+1.7%		
13	Expense ratio (2÷1)	59.8%	-2.2%		

## ■ Consolidated Gross Profits

### + Net Gains (Losses) related to ETFs and others:

Large increase mainly due to steady growth in Customer Groups and Markets, in addition to other factors such as Yen depreciation

## ■ G&A Expenses (excl. Non-Recurring Losses and others) :

Increase from resource deployment to growth areas, mainly outside Japan, in addition to external factors such as Yen depreciation and inflation

## ■ Consolidated Net Business Profits

### + Net Gains (Losses) related to ETFs and others

Increase of 23.3% year-on-year from top-line growth and other factors. Progress against initial annual target of JPY 900.0B at 61.5%

## ■ Credit-related Costs

Increase in forward-looking reserves in line with external business environment outlook. Recorded reversal from certain clients, keeping overall costs low

## ■ Net Income Attributable to FG

Increase of 24.4% year-on-year, mainly due to improving of Consolidated Net Business Profits. Strong progress of 68.1% against initial annual target of JPY 610.0B

## ■ Outlook

Increased earnings outlook, given steady performance in core business profits, Yen depreciation and other factors

1. Net Gains (Losses) related to ETFs and others JPY 18.3B (+JPY 9.6B YoY). 2. Figures for YoY are recalculated based on the FY23 management accounting rules.

3. Of which JPY 18.7B are from the cancellation of the Employee Retirement Benefit Trust (+JPY 6.7B YoY). 4. Excl. net unrealized gains (losses) on other securities.

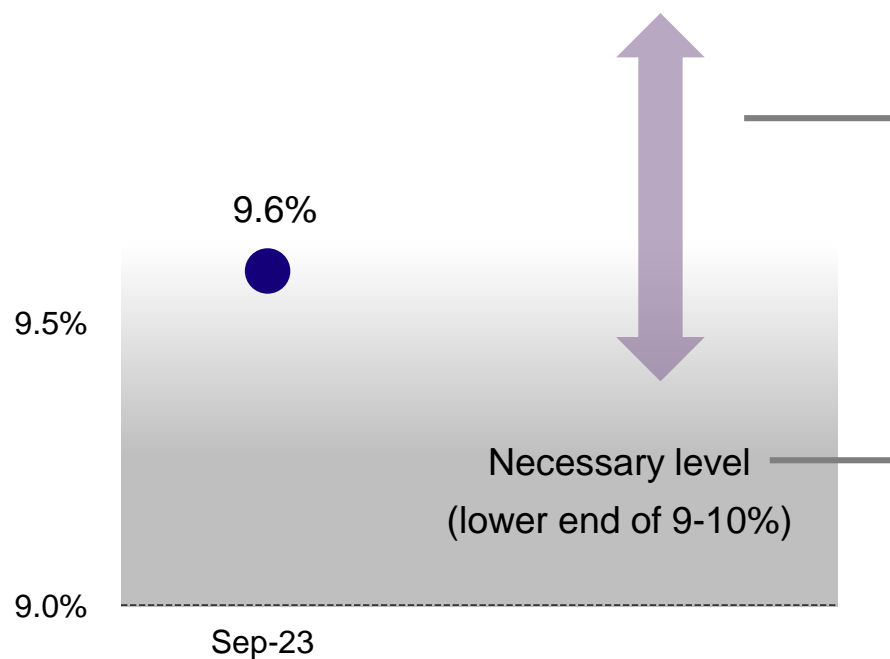
# Capital Policy

## Capital policy

Pursuing the optimal balance between capital adequacy, growth investment and enhancement of shareholder return

### CET1 Capital ratio\*

(Basel III finalization basis)



### Approach for managing CET1 Capital ratio at present

- Continue prudent capital management, including flexible control of RWAs, while paying close attention to geopolitical risks and the global economy
- While fulfilling the necessary level (lower end of 9-10%), secure enough capacity to enable flexible capital utilization in line with management strategies

Level at which we can adequately fulfill our financing function even in risk scenarios that are expected in a regular business environment

\* Excl. Net Unrealized gains (Losses) on other Securities.

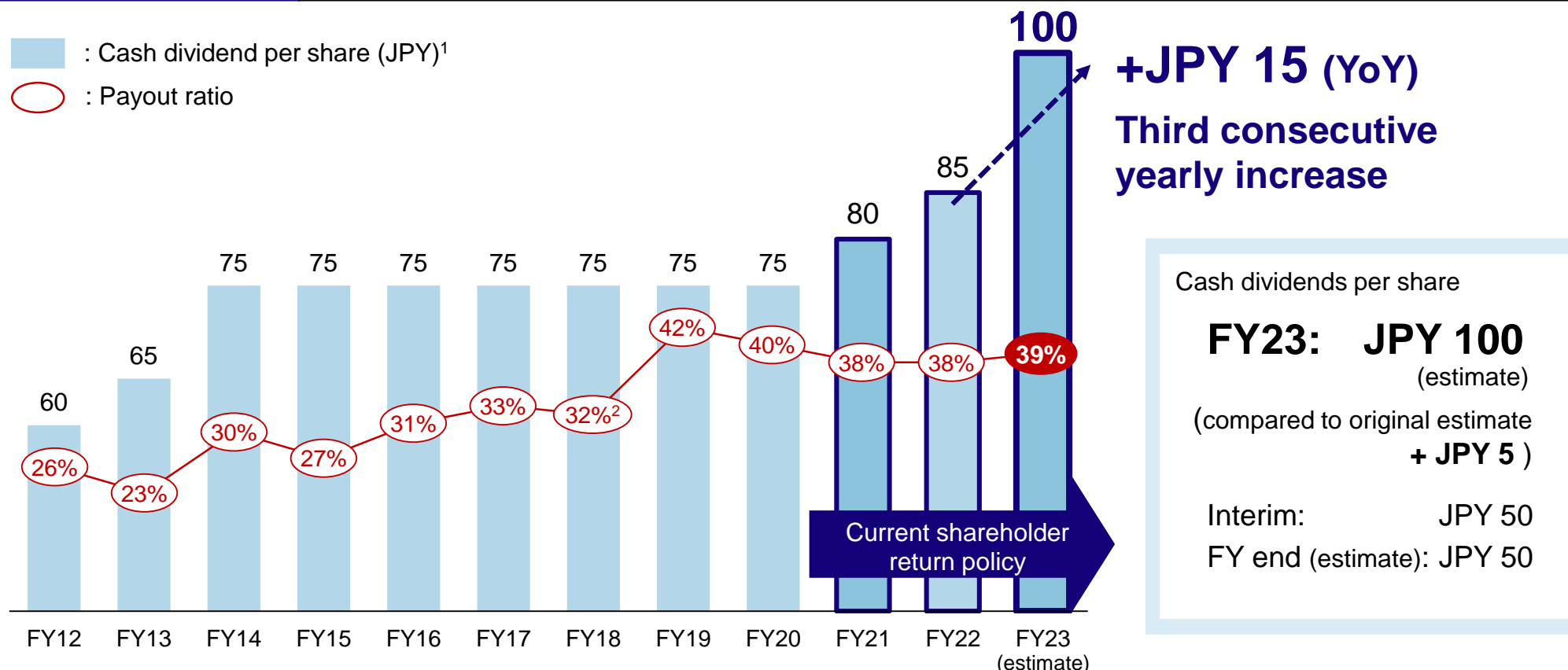
# Shareholder Returns

## Shareholder return policy

**Progressive dividends are our principal approach while intermittent share buybacks will also be considered**

**Dividends:** Taking 40% dividend payout ratio as a guide, decide based on the steady growth of our stable earnings base

**Share buybacks:** Consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution



1. Reflects the effect of the reverse stock split conducted in October 2020. 2. Before recording one-time losses basis. 197% if after recording one time losses.

1

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Progress in Business Focus Areas

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Enhancing our corporate foundations

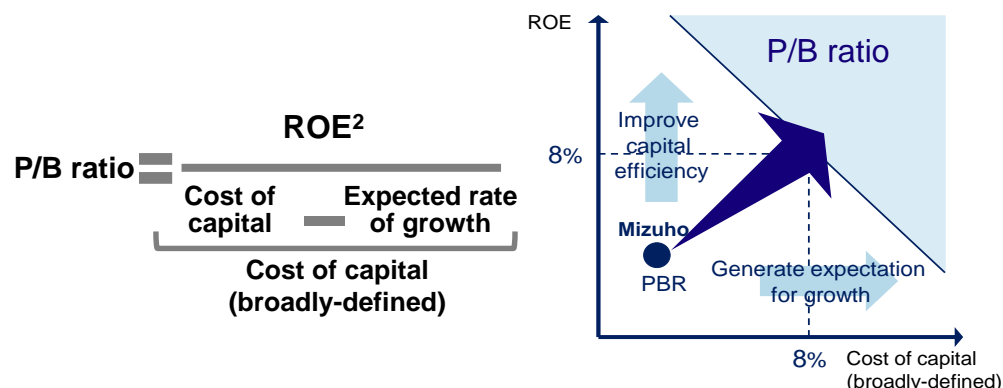
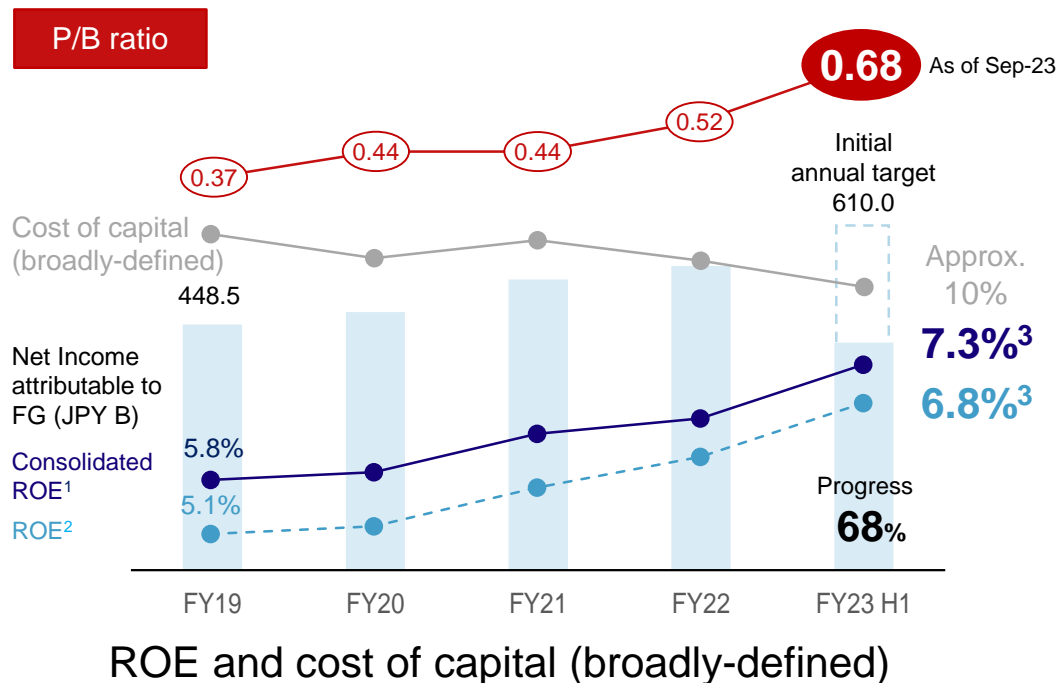
Appendix



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# Progress on improving our P/B ratio (1)

- Increased ROE through improving capital efficiency. Strengthened initiatives generating growth expectations



## Current initiatives to improve P/B ratio

### Improving capital efficiency

- **Improve asset profitability**
  - Reallocating resources from underperforming assets to highly profitable assets
- **Control on expense ratio**
  - Employ disciplined cost management, and improve productivity

### Generating expectation for growth

- **Achieve steady profit growth**
  - Aim for sustained growth in profit from core businesses, and expand non-interest income
- **Effective capital utilization**
  - Growth investment, investment in intangible assets, enhancement in shareholder return
- **Stabilize profit from core businesses**
  - Global CIB model becoming one of our strength where primary and secondary business complement each other. Diversify revenue and reduce one time gains/losses, cross shareholding reduction

### Eliminate discount factors

- **Improve financial soundness**
  - Optimize the management of CET1 capital ratio and reduce cost of capital
- **Contribute to the growth of Japan's economy**
  - (Doubling of personal financial assets and strengthening the competitiveness of Japan companies)
  - Realizing and prevailing Corporate Identity and Purpose
- **Capturing the growth outside of Japan**

Macro factors

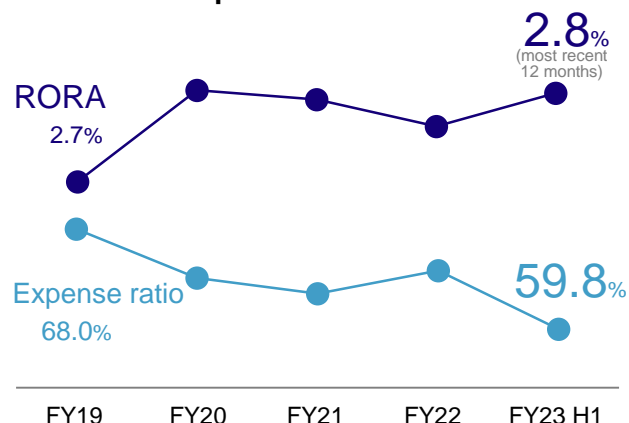
1. Excl. Net Unrealized Gains (Losses) on Other Securities 2. Net Income on Own Capital. Incl. Net Unrealized Gains (Losses) on other Securities. 3. Most recent 12 months.



# Progress on improving our P/B ratio (2)

## Improving capital efficiency

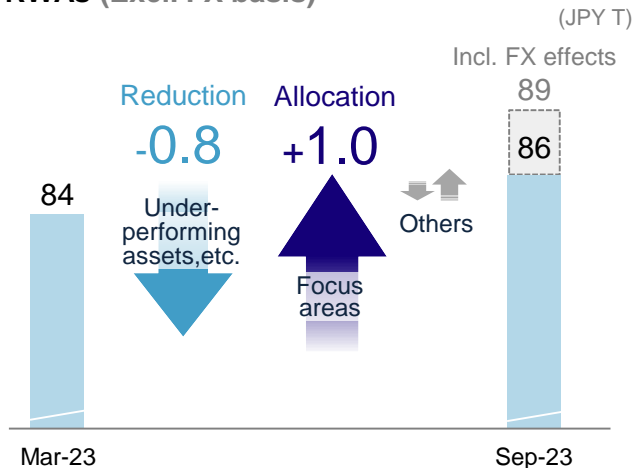
- Improve asset profitability/  
Control on expense ratio



FY19 FY20 FY21 FY22 FY23 H1

(FY25) RORA: 3.0%, Expense Ratio: Approx. 60%

- RWAs (Excl. FX basis)

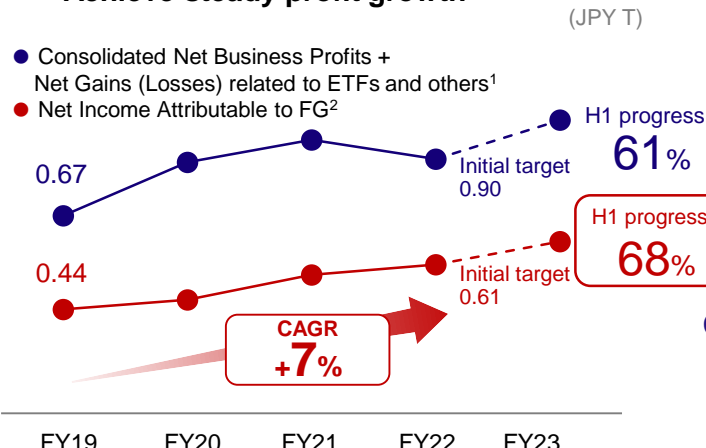


Mar-23 Sep-23

(Estimate: Mar-23 to Mar-26)  
Reduction: -6 to -7, allocation: +12 to +13

## Generating expectations for growth

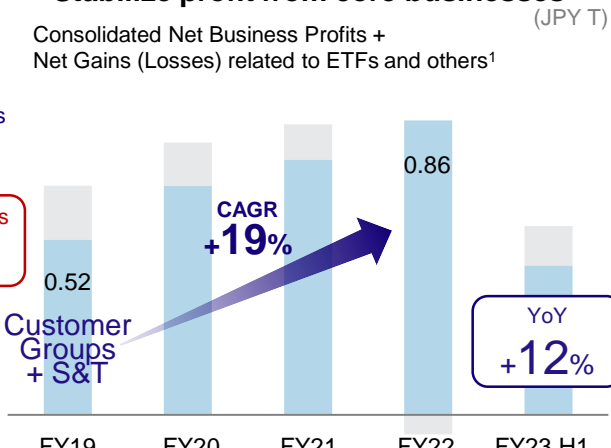
- Achieve steady profit growth



FY19 FY20 FY21 FY22 FY23

(FY25) 1: JPY1-1.1T, 2: Mid JPY 700.0B

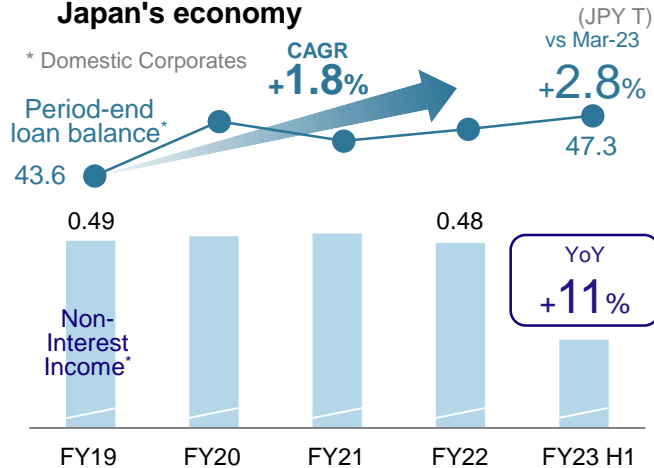
- Stabilize profit from core businesses



FY19 FY20 FY21 FY22 FY23 H1

(FY23-25) Focus areas +JPY 170.0B

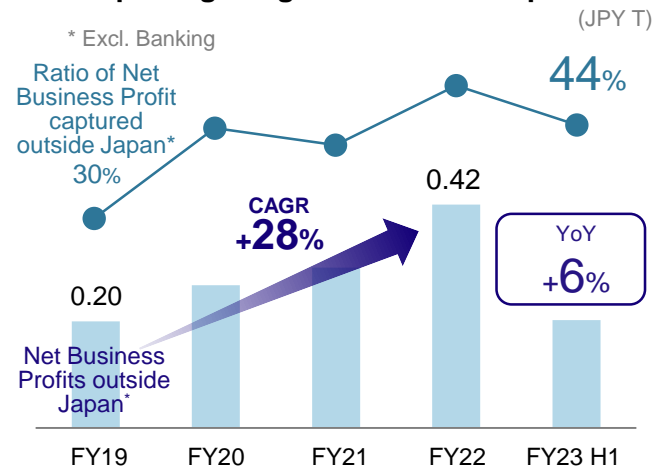
- Contribute to the growth of Japan's economy



FY19 FY20 FY21 FY22 FY23 H1

(Mar-23 to Mar-26) Loan balance of Domestic Corporates: CAGR around 2%

- Capturing the growth outside Japan



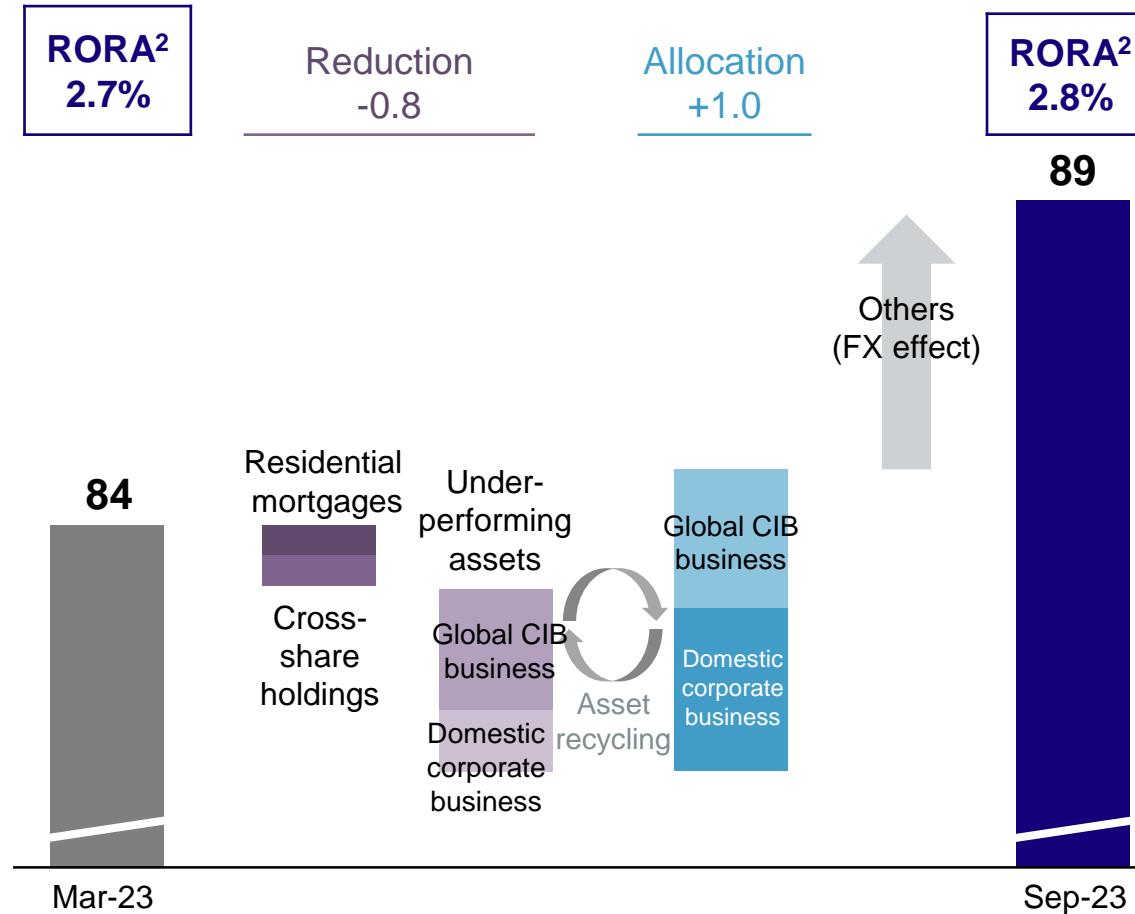
FY19 FY20 FY21 FY22 FY23 H1

(FY23-25) Global Corporate & Investment Banking (CIB) business: +JPY60.0B

# Improving asset profitability

- Reduced underperforming RWAs<sup>1</sup> and re-allocated to core business areas
- Target RORA of 3.0% by FY25 through disciplined RWA management

(JPY T, rounded figures)



## Reduction

- **Residential mortgages**  
Selective approach based on customer's income profile and transaction history with Mizuho
- **Cross-shareholdings**  
JPY 23.6B sold vs. target of 300.0B over 3 years
- **Under-performing assets**  
Reduced mainly in RBC and outside Japan

## Allocation

- **Domestic corporate business**  
Allocated to assets with higher profitability
- **Global CIB business**  
Allocated mainly to Americas

(Reference) RORA<sup>2</sup>

	Sep-23	vs Mar-23
RBC	4.1%	+0.2%
CIBC	2.3%	+0.1%
GCIBC	2.5%	+0.1%

1. RWA calculated on a management accounting basis (Preliminary figures). Incl. interest rate risk in banking account.

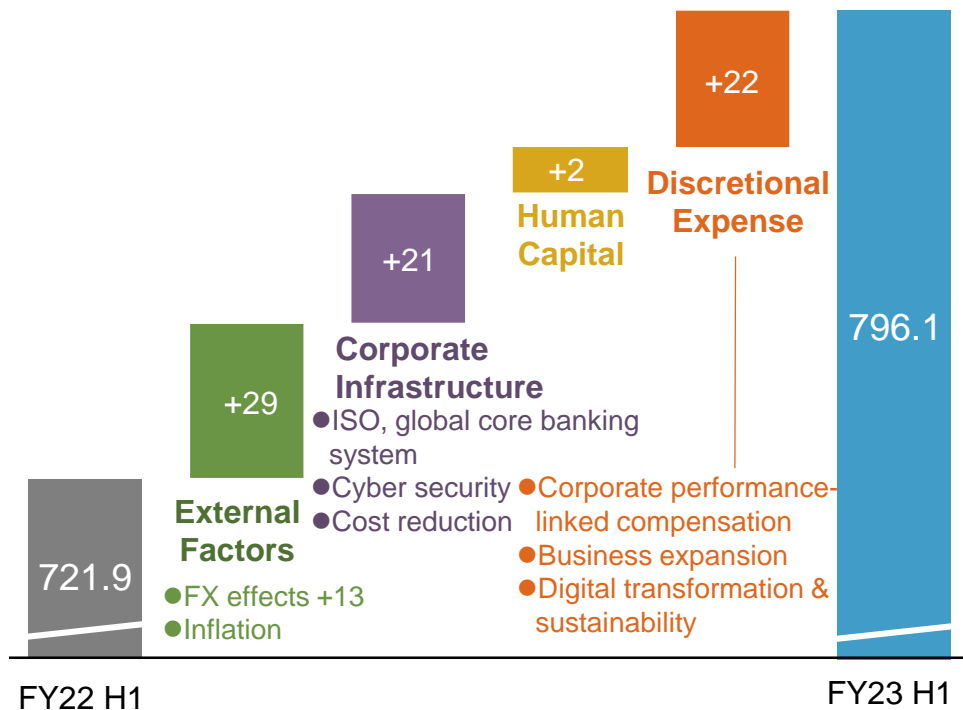
2. Management accounting rules for FY23. Gross Business Profit RORA. Most recent 12 months. Excl. the impact of unrealized losses on foreign bonds in FY22, RORA as of Mar-23 is 2.8%.

# Disciplined cost management

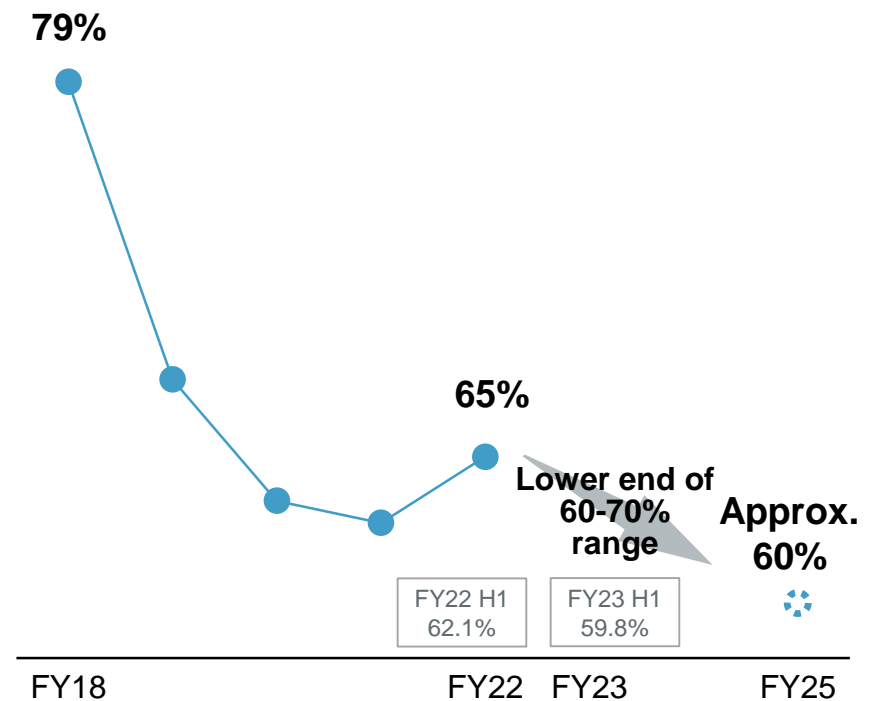
- Expense in line with budget. Increase in expenses mainly due to inevitable factors such as inflation, exchange rate and regulatory/governance costs
- Focus on controlling expense ratio at approx. 60% in FY25 through disciplined cost management

## Expenses\*

(JPY B)



## Expense ratio



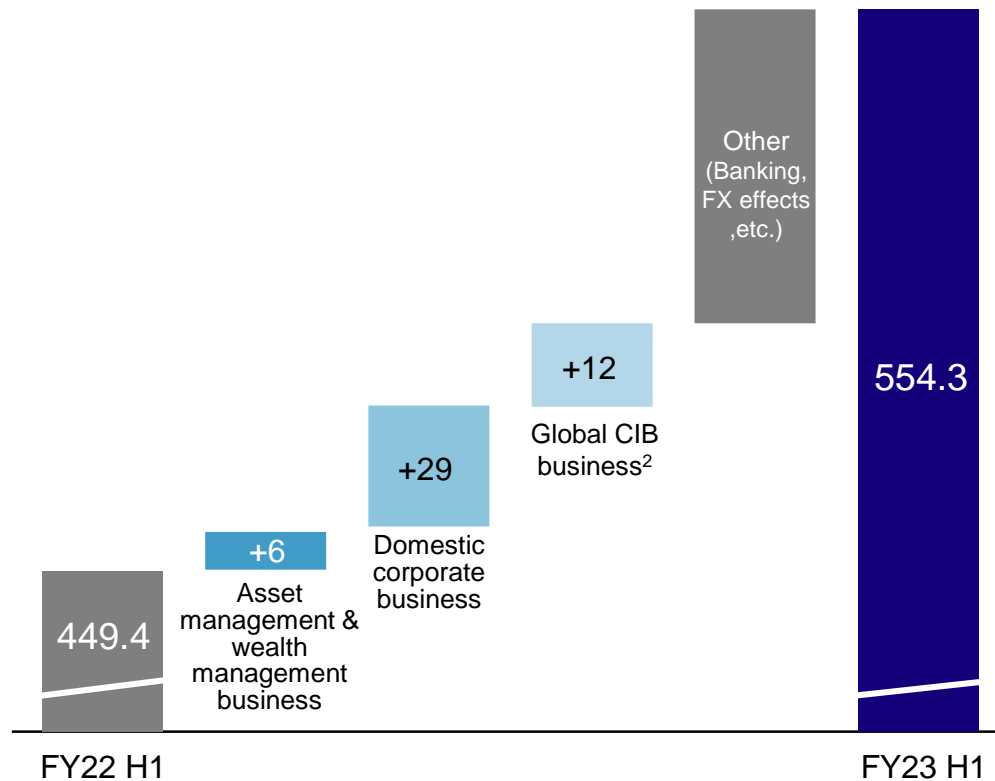
\* Excl. Non-Recurring Losses and others. Breakdowns are rounded figures.

# Achieving profit growth (1) - Net Business Profits

- Achieved growth in areas where we have been focusing under our Medium-term business plan.  
Yen depreciation and other factors also contributed to the increase

## Consolidated Net Business Profits<sup>1</sup>

(JPY B)



### Focus areas

FY23 H1

+JPY 47B

FY25 Outlook

+JPY 170B

#### ● Asset management & wealth management business

- Further growth in total AUM, backed by efforts to enhance our capabilities in asset management consulting

Individual Asset management  
AUM: JPY 27T  
vs Mar-23: +JPY2.0T

Equity investment Trusts  
AUM: JPY 7T  
vs Mar-23: +JPY 0.8T

#### ● Domestic corporate business

- Growth in profits related to solution business on top of solid Interest Income
- Progress on initiatives assisting Mid-cap and innovative companies' growth

o/w CIBC  
+JPY 19B  
Net Business Profits

o/w RBC Corporate<sup>3</sup>  
+JPY 10B  
Net Business Profits

#### ● Global CIB business

- Increased S&T business through successful revenue source diversification
- Won top underwriter role for Arm Holdings' IPO, this year's world largest IPO

o/w Overseas S&T  
+JPY 13B  
Net Business Profits

Global ECM<sup>4</sup>  
9th  
(FY22 15th)

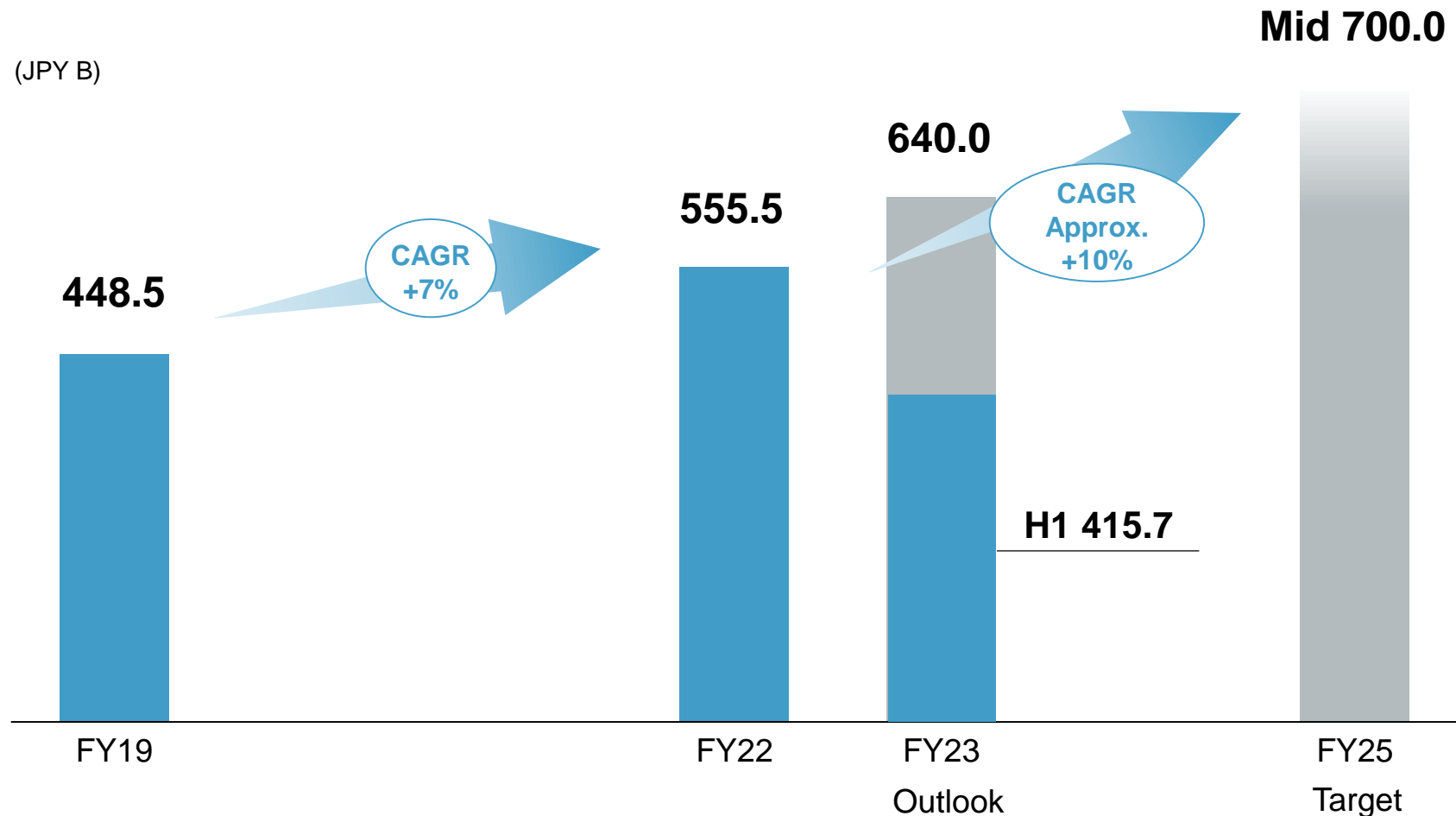
1. Consolidated net business profits+net gains (losses) related to ETFs and others. Breakdowns are in rounded figures. 2. GCIBC+GMC/S&T outside of Japan. 3. Mid-cap companies.

4. Source: Dealogic. FY23 H1. Incl. Japan.



## Achieving profit growth (2) - Net Income Attributable to FG

- Net Income Attributable to FG reached JPY 415.7B in FY23 H1, through steady profit growth
- Aim for mid JPY 700.0B in FY25

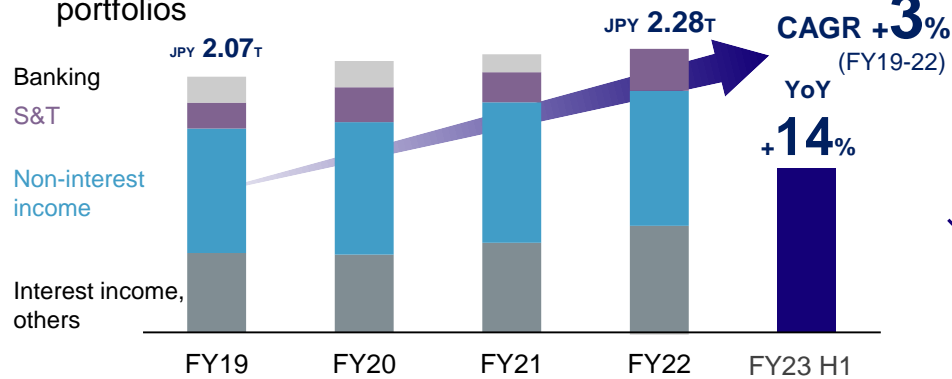


# Stabilizing profits from core businesses (1)

- Portfolio centered on customer business. Profits from core businesses stabilized through revenue diversification and mutual complementation among business portfolios

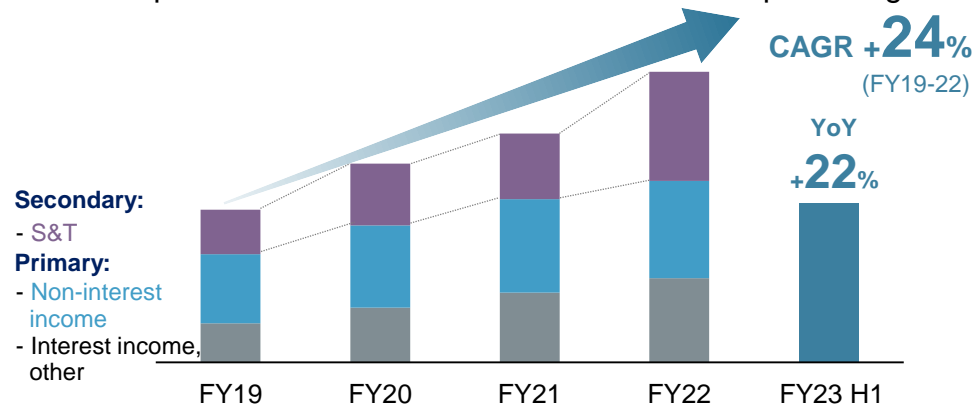
## Gross Business Profits

- Customer-centric business profit structure. Stable growth achieved through mutual complementation among business portfolios



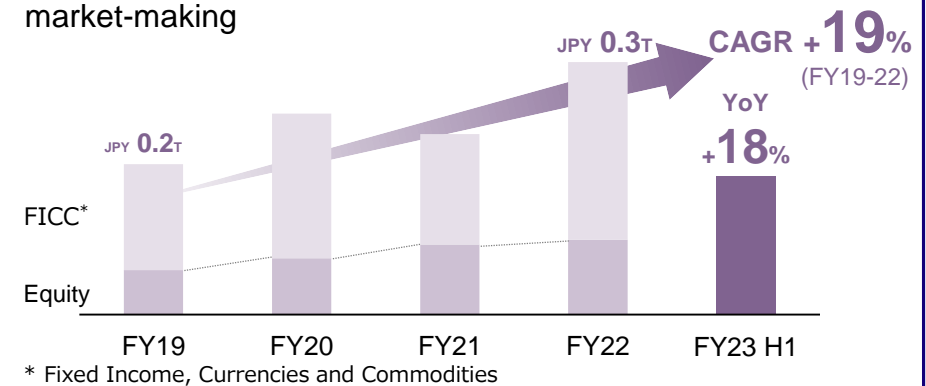
## (Ref.) Americas CIB Business

- Good diversification where each business mutually complements each other – one of Mizuho's unique strengths



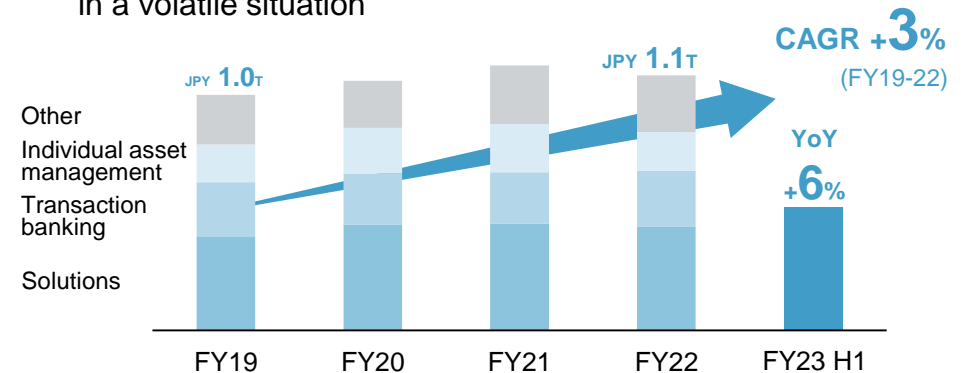
## S&T

- Ensuring resilience to market changes through product expansion
- Suppressing profit volatility through customer-flow-centric market-making



## Non-Interest Income

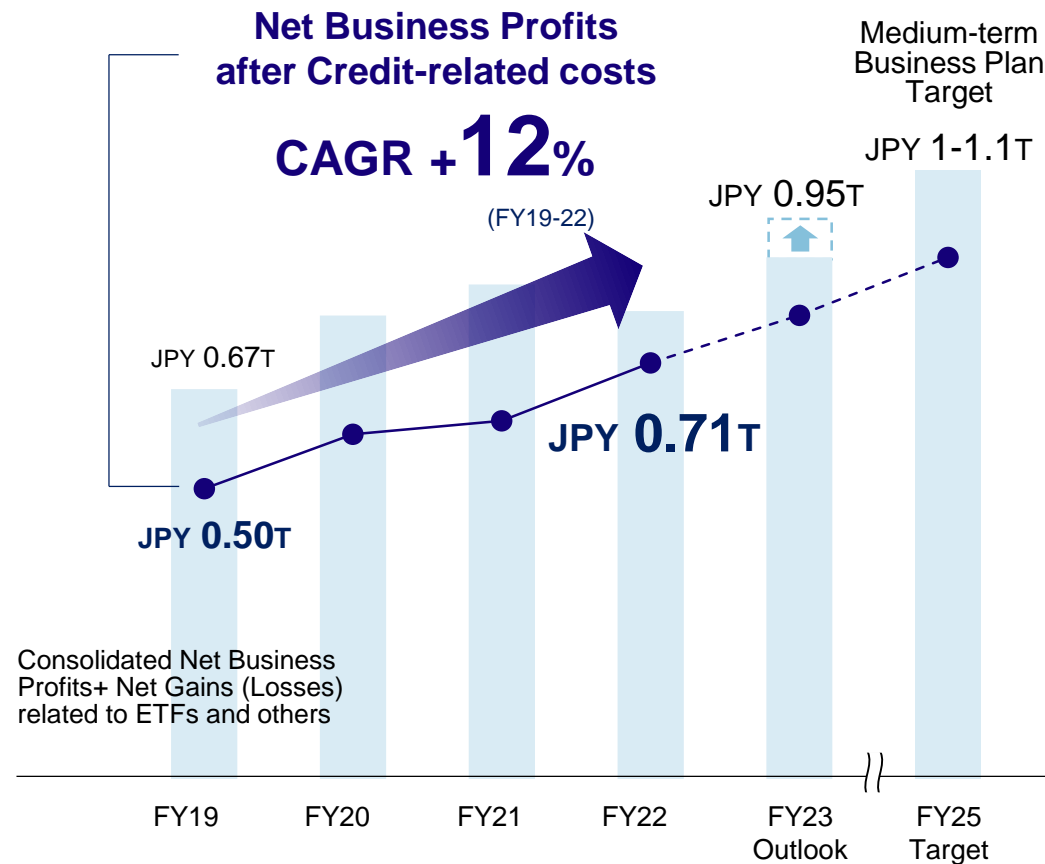
- Capturing opportunities to provide solution business even in a volatile situation



## Stabilizing profits from core businesses (2)

- Steady growth in Net Business Profits after Credit-related Costs, due to effective control of credit costs by predictive management of clients' credit profile, and solid growth in core business profits
- Utilize forward-looking provisioning and support clients' business turnaround

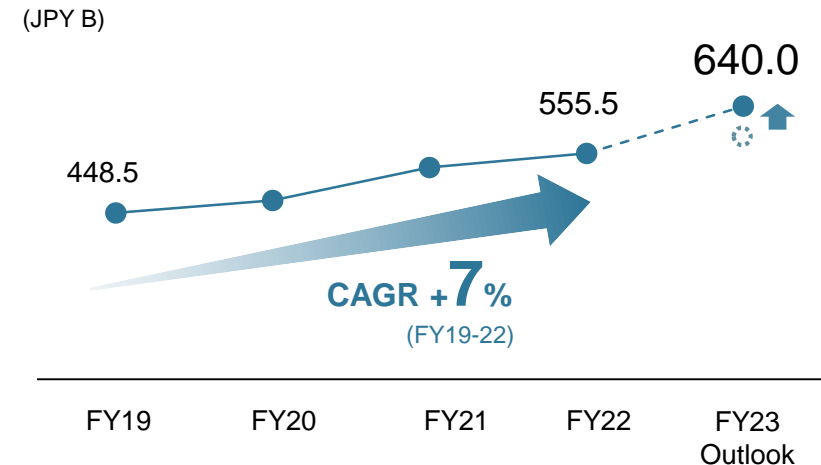
### Net Business Profits after Credit-related Costs



#### Reducing Credit-related costs

- In Japan:  
Offer support to clients whose earnings are decreasing, or that may require corporate restructuring (increased specialist staffs in corporate restructuring divisions)
- Outside Japan:  
Selectively engaging with clients in line with our G300 strategy

#### (Ref.) Net Income Attributable to FG



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**Progress in Business Focus Areas**

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Enhancing our corporate foundations

Appendix

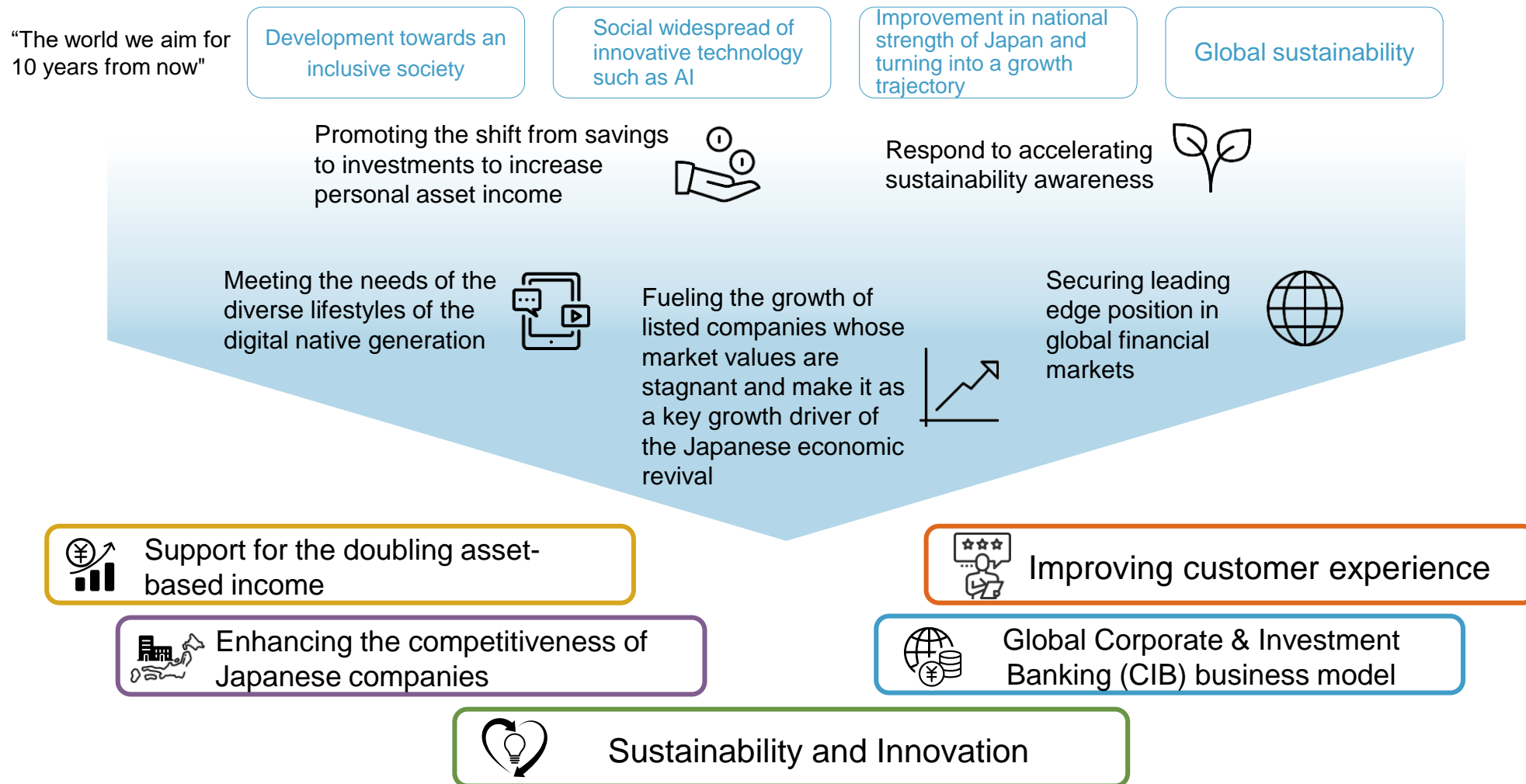


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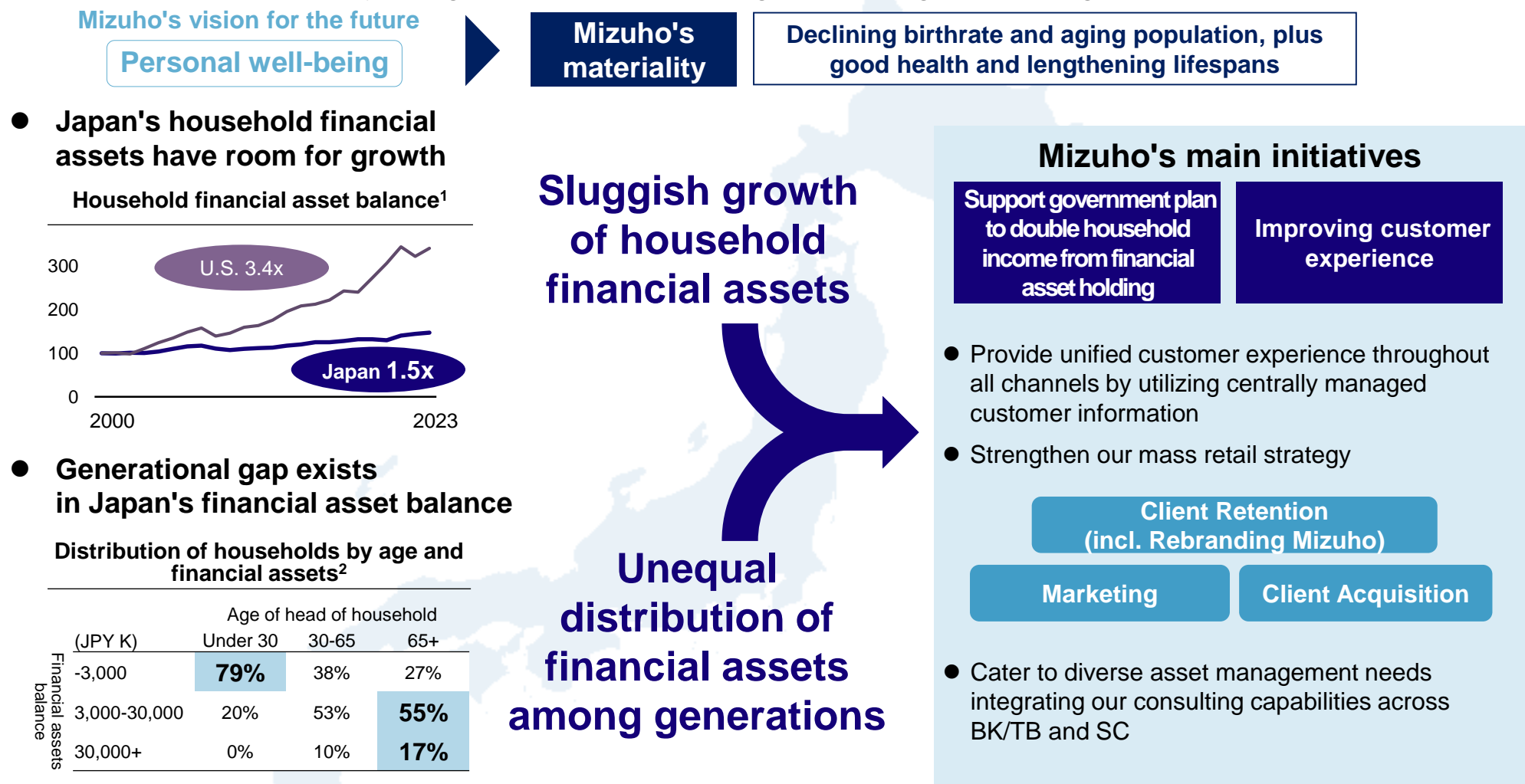
# Business focus areas in the new Medium-term plan

- Defining the business areas that Mizuho needs to focus on in order to make “the world we aim for 10 years from now” a reality



# Expand the base for asset management and wealth management

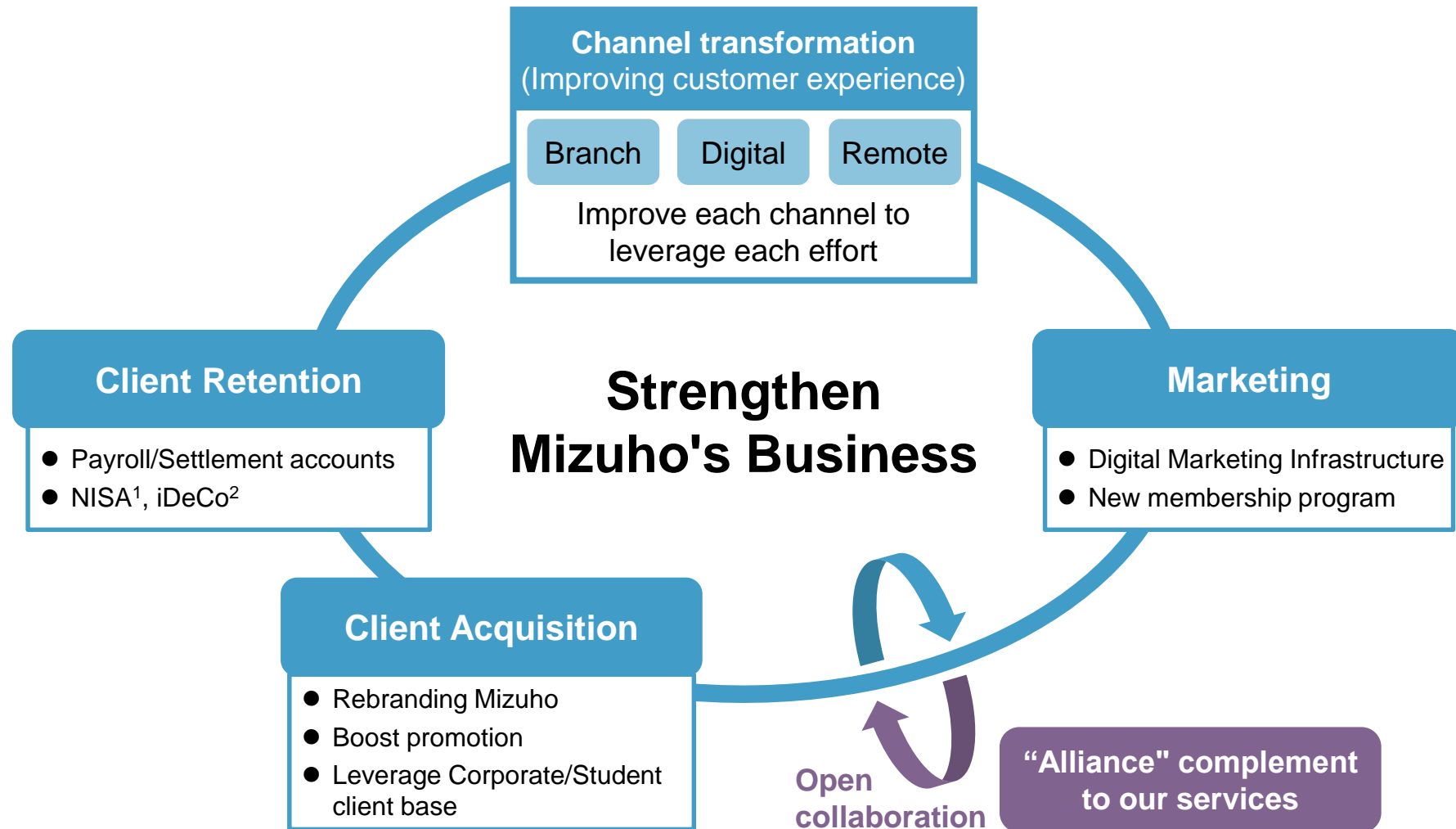
- Further strengthen the asset management and wealth management businesses to achieve the goal of “Personal well-being”
- New NISA launched by the government will be a game changer. Leverage on the current momentum



1. Dec-2000=100. 2023 only through end of June. Source: Bank of Japan, Federal Reserve. 2. Percentages of households for age group and by financial assets. Source: National Survey of Family Income, Consumption and Wealth (2019).

# Strengthen our mass retail strategy

- Reconstruct our mass retail strategy and execute each initiative, in order to continuously expand our customer base



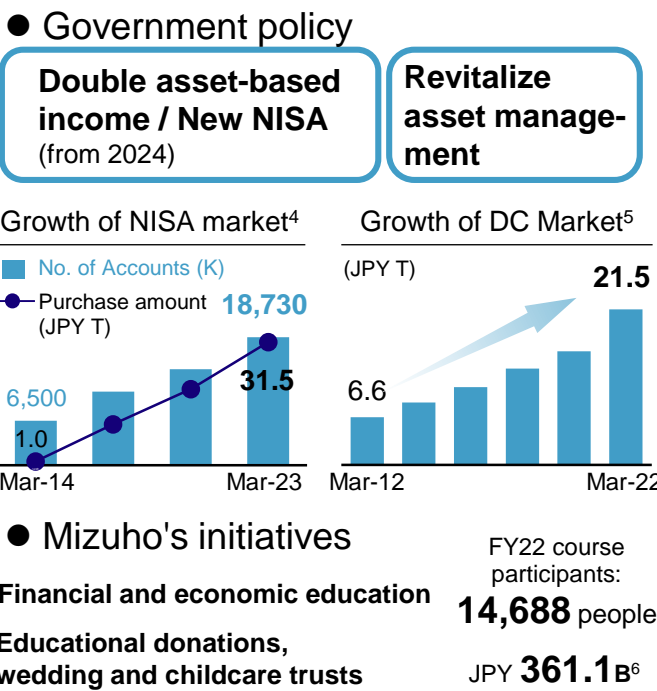
1. Nippon Individual Saving Account. 2. Individual-type Defined Contribution pension plan.

# Support government plan to double household income from financial asset holding (1)

- Taking advantage of the current momentum triggered by the new NISA<sup>1</sup> program, strengthen our approach towards clients by integrating our consultation capability across our Group
- Aim to expand AUM to achieve an increase of JPY 50B in Net Business profits by improving consulting and asset management capabilities



## Promoting market expansion





# Support government plan to double household income from financial asset holding (2)

## Improve consulting capabilities

- Pursue customer's best interests

Implement  
Fiduciary Duty

Support and appraisal  
from clients, etc.

Accomplishments



FG, BK, TB, SC

R&I's "Customer-Oriented Investment Trust Sales Company Evaluation"

Awarded the Highest rating (S+) for 3 consecutive years

- Changed employee performance evaluation system

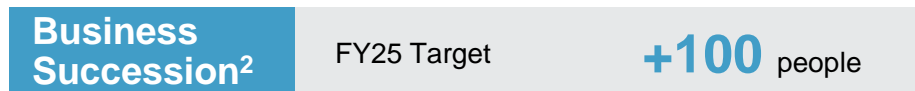
Abolished revenue-based evaluations and referral targets from BK to SC, etc.

Action changes in FY23 H1	BK	Increase in shift from deposits to investment products
	SC	Increase accounts utilization ratio, and sales proposals to customers with a wider range of products, not limited to Global Equity

- Strengthen human capital



– Aiming for doubling per branch



– Aiming for deployment of more than 1 staff per branch in Tokyo metropolitan and Kansai areas

## Enhance investment products portfolio and improve asset management capabilities

- A wide variety of solutions to meet individual investment needs

### <Multi-asset management Funds>

Introduced 2 balanced investment trusts simultaneously

ビクト・プレミアム・アセット・アロケーション・ファンド

Pictet Premium Asset Allocation Fund

フィデリティ・ロイヤル・コア・ファンド

Fidelity Royal Core Funds

### <Japanese equity funds>

Introduced Japanese equity active fund managed by AM-One

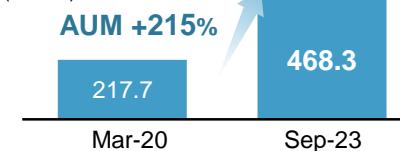
みずほ日本オールキャップ株式ファンド

Mizuho Japan Allcap Equity Funds

### <Fund wraps>

Improved added value through inclusion of additional funds and decreasing costs, etc.

(JPY B)



### <Index funds>

Promote "Tawara" no-load fund (Entry products for NISA).

Promotion for expanding awareness



Forum vision on Shibuya 109



Otemachi



Family Mart Vision

- Improve asset management capabilities

- Efforts of AM-One to improve the performance and optimizing the product lineup
- Inorganic strategy
  - Strengthen product offering capabilities
  - Potential growth of each asset class globally

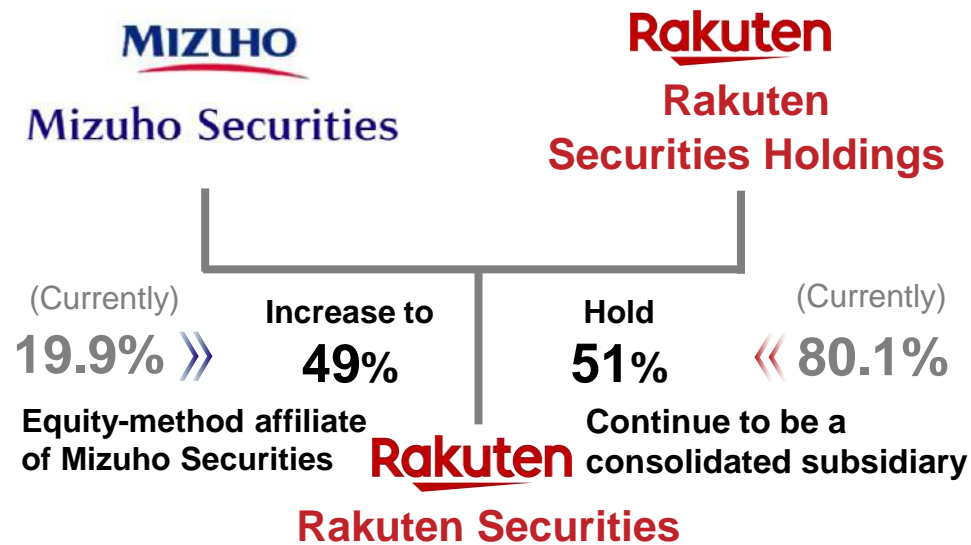
Considering the above, reviewing opportunities focusing on global equity, infrastructure, and private assets



1. Certified Skilled Professionals of Financial Planning 1st-grade or Certified Financial Planners (international certification). 2. In-house certified personnel (program launched in FY23).

# Strengthening business alliance with Rakuten Securities Holdings (1)

## Summary



- Planned date of execution of share transfer: December 15, 2023, subject to approval from relevant authorities

## Financial impacts

- Impact on CET1 ratio<sup>1</sup>: Up to approx. - 6 bps
- Goodwill: Up to approx. JPY 40 B+<sup>2</sup>
- Investment amount : Approx. JPY 87 B

(Ref.) Previous investment amount in Nov. 2022 :Approx. JPY80 B

## Outline of the business alliance

- Working together to create a new retail business model from customer's perspective that leverages both online and offline services
- Establish a framework which enables customers to choose their best services for their own

### Appropriately addressing customer's needs

- Accelerate initiatives to address face-to-face consulting needs for individual online customers, through joint businesses
- Build a platform that provides unprecedented services, which leverage both online and offline channels through seamless UI/ UX

### Strengthening product provision capability

- Provide highly convenient services, which allow users to access both Rakuten's services and full range of Mizuho's financial services, such as payment functions
- Develop and provide optimal asset management and wealth management products based on customers needs

### IT/ Operations

- Enhance customer satisfaction in IT/ Operation areas and improve efficiency by digitalization

1. Basel III finalization basis. Excl. net unrealized gains (losses) on other securities. 2. Plan to determine the amount of goodwill and other intangible assets based on consultation with CPA.

## Strengthening business alliance with Rakuten Securities Holdings (2)

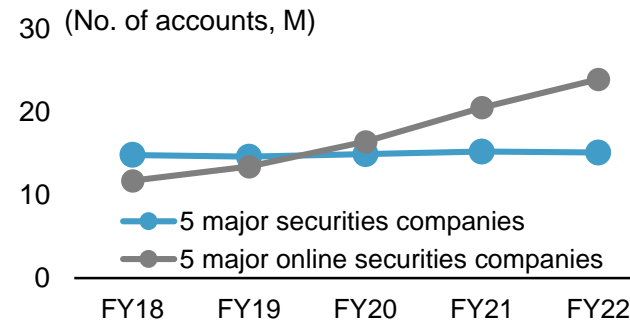
- While momentum in asset management is increasing, customers are becoming more digital-oriented, and penetration of online securities is expanding. Rakuten Securities' Net operating revenue has been increasing
- Combining online and face-to-face consulting to provide cutting edge responses to various needs

Strengthening asset management and wealth management businesses based on government policies in Japan

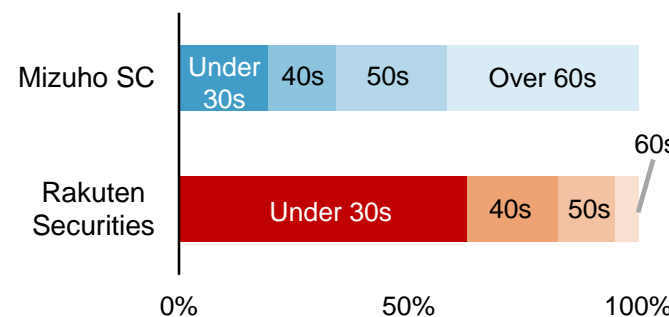
Strong customers' digital mindset

Necessity to expand the base for asset management to younger and asset-building generations

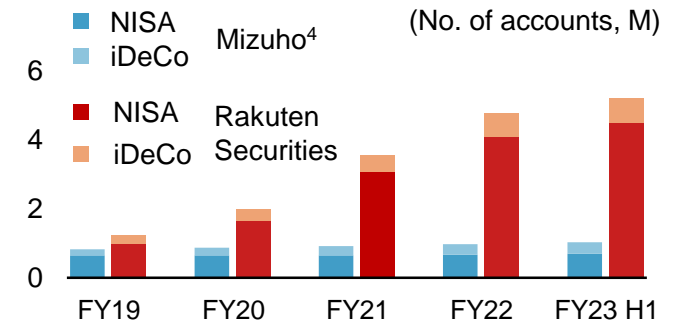
### Active accounts<sup>1,3</sup>



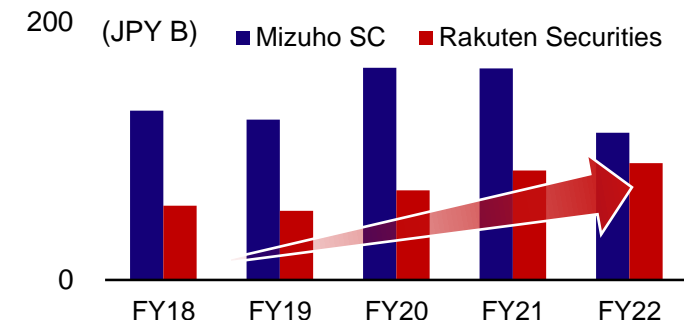
### Newly opened accounts (by age groups)<sup>1,5</sup>



### NISA/ iDeCo accounts (stock base)<sup>1,2,3</sup>



### Net operating revenue in retail business<sup>1,2</sup>



**Facing necessity to establish frameworks which customers themselves could choose their own best service, in order to respond to such diverse customer's needs**

1. The chart is made by Mizuho FG based on each company's disclosed materials (accounts with outstanding). 2. The figure of SC is only showing the performance of Retail business. 3. As Rakuten Securities's fiscal year ends in December, FY23 1H refers to Jan. 2023 - Jun. 2023. Fiscal year of other securities companies including Mizuho SC ends in March. 4. While NISA service is provided by both Mizuho BK and SC, iDeCo is provided only by Mizuho Bank. 5. Jan. 2022- Dec. 2022

# Strengthening business alliance with Rakuten Securities Holdings (3)

## Collaboration with Rakuten Securities Holdings

### Collaborative works

- **Collaboration through monthly steering committees led by managements**
  - Sharing mutual understanding of the concept and philosophy of asset management and wealth management businesses
  - Building reliable relationship between the managements

### Initiatives

- **ECM 18 deals\*** o/w 16 IPO deals
- **DCM 9 deals\*** o/w 8 deals with SC as lead arranger of retail bonds
- **Collaboration in creating and providing SC official YouTube contents**
- **SC/TB: Introducing Rakuten Securities' individual IR service to Mizuho's corporate customers**
- **BK: Started brokerage business in financial products of Rakuten Securities**
- **Concluded Basic Agreement on Joint-work (Oct. 23)**
  - Responding to face-to-face consulting needs for individual online customers, through joint businesses
  - Established a new company for joint-businesses (planned to start in 2024 spring, subject to approval by related authorities)

## Aim of strengthening strategic capital and business alliance

### Business promotion

- **Based on strong trust between Mizuho and Rakuten, deepen and accelerate collaborative initiatives, to establish a framework which enables customers to choose best services for their own**
- **Working together to create services that leverage both online and offline through seamless UI/IX**



Customers

Customers

Provide Rakuten Securities services to BK customers (Incl. opening NISA accounts)

Develop and provide services that will enable customers to access not only Mizuho's wealth management but also other products catered to customer needs

- **Joint initiatives to work in IT systems and operation areas, including digitalizing customer's procedures**

### Corporate foundations

- **Strengthening Mizuho's marketing capabilities and accelerating digital transformation by learning Rakuten's knowledge**

\* Accumulative figures since Nov. 22 to Sep. 23





# Improving customer experience (2)



Significantly improved evaluation from users through drastic improvements in UI/UX:

App store rating **4.5**  
(Highest Level)      MAU<sup>1</sup> **+50%**  
(Aug-23, vs. before improvement)

- Expand services available in App
- Add 1-to-1 proposal function
- Unify the UI between App and website



(App which enables customers to use various types of settlement services)

- Extend the lineup of services linked to Mizuho Wallet, such as credit/debit cards, Suica<sup>2</sup>, J-coin, etc.
- Increase functionalities adding linkage to credit cards from other issuers, cashless transaction systems, etc.



## Digital Marketing Infrastructure



**For each customer,**  
accumulate customer information from each action and offer comfortable services and interesting products at the optimal timing, through any channel

**What we aim to:**  
FY23~ Real time recommendations on Mizuho Direct, etc.  
FY24~ Offer unified consulting and support through timely sharing of customer data between all channels (contact and interaction, etc.)

## Utilizing VoC<sup>3</sup>

Utilizing customer feedback to improve our products/services – e.g. Drastic improvements in UI/ UX on Mizuho Direct

**BK: Awarded 2023 CRM Best Practice and Taisei Award**



**Next-gen contact centers**



**Branches**



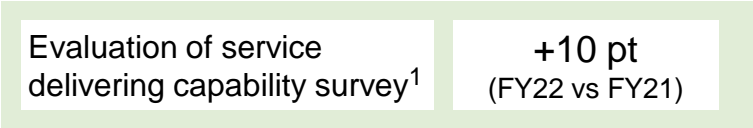
**New membership program**

1. Monthly Active Users. 2. Prepaid e-money card for travel and shopping, issued by JR East Japan Railway Company. 3. 'Voice of Customer'.

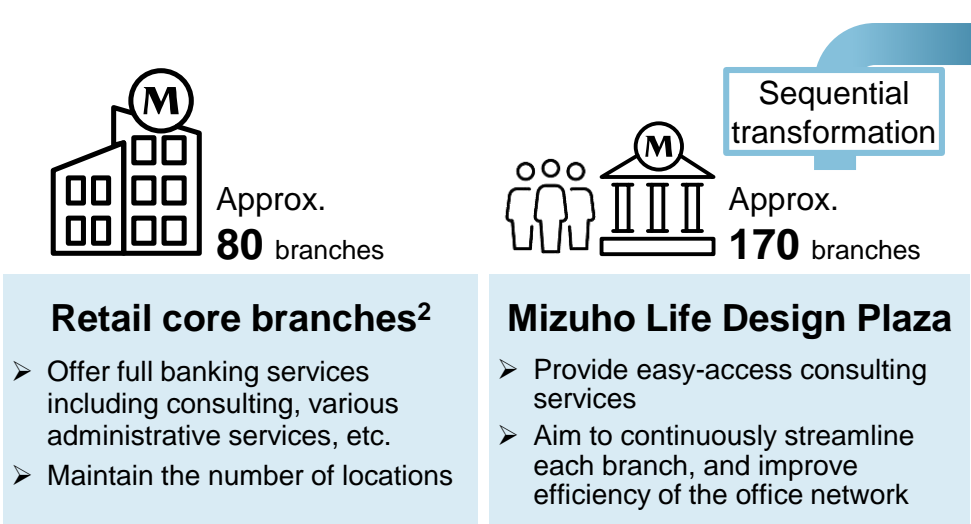
# Improving customer experience (3)

## Branch strategy

- Continuously reassess branch format and proceed business processes reforms
- Improve customer satisfaction by providing high-quality services and professional consulting
- Expect users of self-service banking to more than double



### Branch network in the Tokyo metropolitan and Kansai areas




### Open new streamlined branches

- Space that offers a futuristic, convenient and relaxed atmosphere through its flexible operating hours and easy-to-use reservation system, etc.
- Consider opening new branches in commercial facilities, also converting some “Mizuho Life Design Plaza” locations


### Consulting branch

Offers smooth services and asset management and wealth management services in a casual atmosphere



### Specialized branch

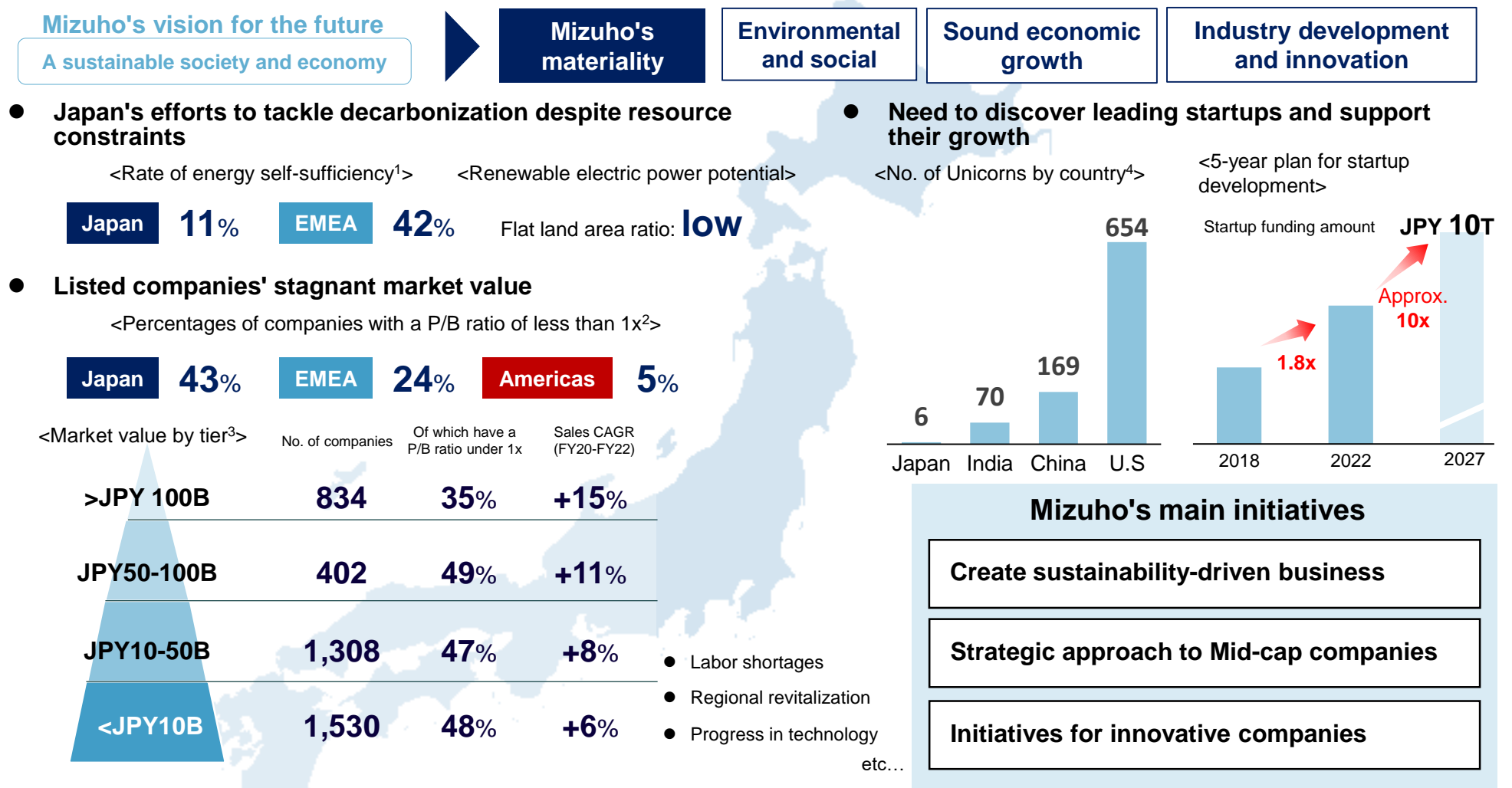
Specialized in specific services such as Account openings, etc.



1. Based on positive response rate for “Service capabilities” on the survey for satisfaction with main bank by a third party survey institution. 2. Offer counter service for corporate customer as well.

# Enhancing the competitiveness of Japanese companies

- Reaching a turning point where we can restore Japanese economy to a growth trajectory. Need to tackle our materiality directed toward a sustainable society and fulfill our role as a financial institution



1. Compiled by FG based on materials by IEA, etc. 2. Materials from the 5th meeting of the Tokyo Stock Exchange Council of Experts Concerning the Follow-up of Market Restructuring  
3. Compiled by FG based on publicly disclosed information. 4. Nikkei, as of April 24, 2023

# Create sustainability-driven business

- In the area of decarbonization, draw industry specific designs for transition and generate new businesses, by connecting various initiatives in and outside of Japan, leveraging our strength of industrial intelligence

Grand designs for the future	Creating industry-specific grand designs for sustainable society, and challenging with our clients towards industrial structure changes		
Support for decarbonization technology verification/commercialization	Solar power generation	<ul style="list-style-type: none"> <li>Structured infrastructure funds for solar power plant</li> </ul>	<ul style="list-style-type: none"> <li>Established a subscription model for residential renewable energy procurement</li> </ul>
	Wind power generation	<ul style="list-style-type: none"> <li>Financed floating offshore wind farm project in France</li> </ul>	<ul style="list-style-type: none"> <li>Arranged and supported consortium for offshore wind power project</li> </ul>
	Hydrogen/Ammonia	<ul style="list-style-type: none"> <li>Appointed as FA for projects in and outside of Japan (Japanese and non-Japanese clients)</li> <li>Participated in project finance for world's largest green ammonia plant project (Saudi Arabia)</li> </ul>	<ul style="list-style-type: none"> <li>Support for BECCS<sup>1</sup> technology verification to produce CO<sub>2</sub> negative hydrogen through domestic produced biomass energy</li> <li>Building a supply chain in Japan for domestic produced green hydrogen</li> </ul>
Development of Mizuho's solutions	Innovation	<ul style="list-style-type: none"> <li>Business matching between large corporates and innovative companies</li> </ul>	<ul style="list-style-type: none"> <li>Utilizing Transition Equity Investment Facility and Value co-creation investments with clients (p.33)</li> </ul>
	"Blue finance"	<ul style="list-style-type: none"> <li>Provide finance for the purpose of marine conservation (Blue Bond/Blue Sustainability Loan)</li> </ul>	
	Real estate funds	<ul style="list-style-type: none"> <li>Provide sustainability finance for real estate private placement fund, Green real estate non-recourse loans (both in and outside Japan)</li> </ul>	
	Virtual procurement of renewable energy	<ul style="list-style-type: none"> <li>Establish frameworks for renewable energy procurement through Corporate PPA<sup>2</sup>, Virtual PPA</li> </ul>	
	Mid-sized companies, SMEs	<ul style="list-style-type: none"> <li>Develop financial products such as "Sustainability-linked loan PRO" and "Positive impact finance PRO"</li> </ul>	

1. BioEnergy with Carbon Capture and Storage. Technology that collects CO<sub>2</sub> and stores them underground, which generated though the process of with utilizing Biomass as energy source.  
2. Power Purchase Agreement



# Sustainable finance track record and initiatives

## Connecting challenges inside and outside of Japan

### Knowledge accumulation on policy making and technologies, and information dissemination

- Joined “ACT FOR SKY” , a cross-industrial organization working for the promotion and expansion of Sustainable Aviation Fuel (Apr.23-)
- Participating in “Hydrogen Council” (May.23-)
- Joint statement with DBJ<sup>1</sup> on hydrogen initiatives(Oct.23-)
- Participating in committees and working groups, organized by government agencies, and making proposals to policy-makings

### Connecting initiatives outside and inside of Japan

- Collaborating with London Exchange Stock Group (Nov. 22-)
- Building strategic partnership as a decarbonization partner with BlackRock / Temasek, (Jan. 23-)
- Collaborating with Singapore Terrascope in providing decarbonization support service (Jun. 23-)
- Building strategic partnership in decarbonization areas with Koko Networks, a Kenyan company

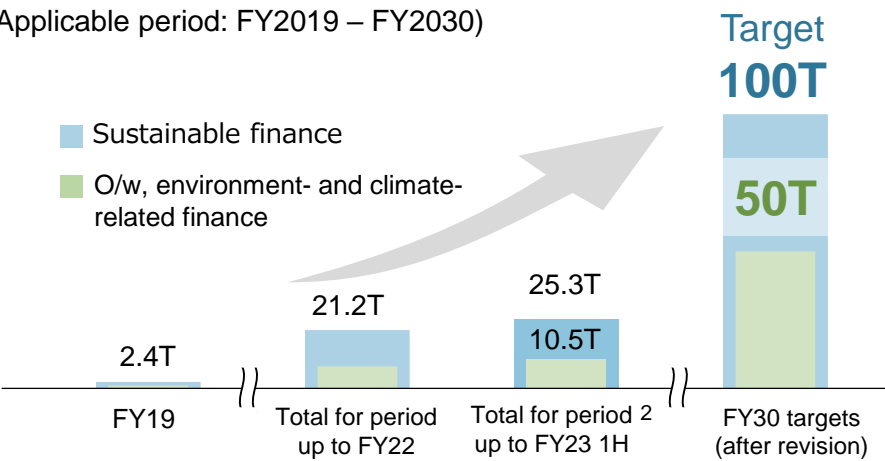
### Personnel for Sustainability transformation

FY25 Target	No. of Environmental/Energy sector consultants	130 (FY22) ➔ 150
	No. of Sustainability Management experts	1,300 (FY22) ➔ 1,600

## Dominant presence in finance

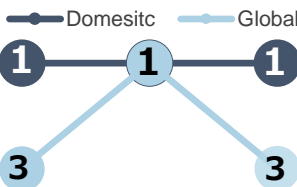
### Sustainable finance targets / results

(Applicable period: FY2019 – FY2030)



### Sustainable finance loan arranged amount<sup>3</sup>

(Syndicated Loan)



### No. of SA<sup>4</sup> appointments<sup>5</sup>

(Excl. Samurai Bond/in-house Bond)



1. Development Bank of Japan 2. Preliminary figures 3. Referring to the period of Apr. 2021 to Mar. 2023. FY23 H1 refers data during Jan. 2023 to Sep.2023. Source: Refinitiv. 4. Structuring Agent 5. Period: Apr. 2021 to Mar. 2023. FY23 H1 refers data during Apr. 2023 to Sep. 2023. Source: Capital Eye and other disclosed information such as issuers' web page.

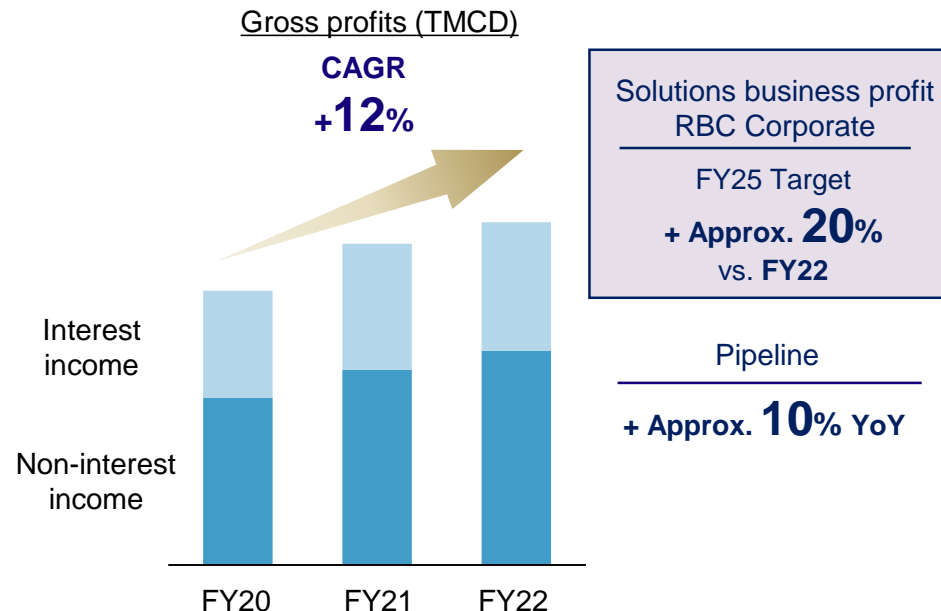


# Strategic approach to mid-cap companies

- Expand initiatives towards mid-cap companies, leveraging our success in Tokyo Metropolitan area

## Further develop TMCD initiatives

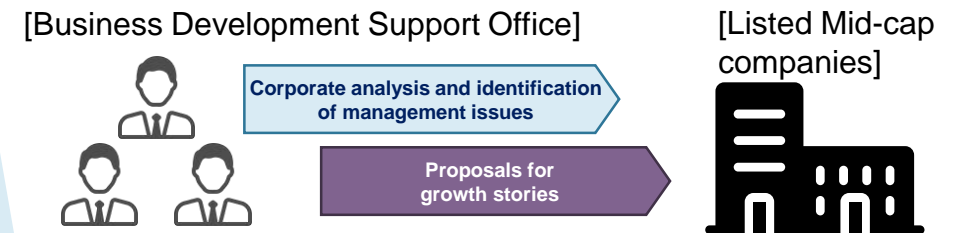
- In Tokyo Metropolitan area, made significant progress in providing solutions to upper mid-cap companies for growth strategies and corporate restructuring needs
- Merged the investment banking divisions that were originally divided between CIBC and RBC in order to further leverage sector expertise to mid-cap companies



\* Tokyo Stock Exchange

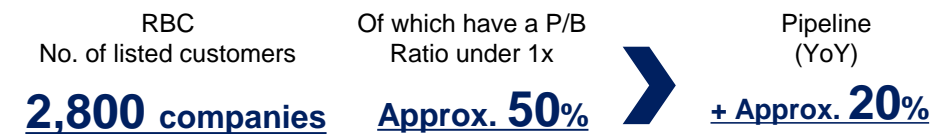
## Support for enhancing the corporate value of listed mid-cap companies

- The Business Development Support Office was established to increase proposals that create growth stories. The response has been quite favorable, with a positive reaction from around 30% of the customers who were approached. The number of target customers is being expanded from 100 companies



## Efforts based on the TSE\* reforms

- Enhance approaches with proposals aiming to boost ROA & ROE to RBC mid-cap and large companies



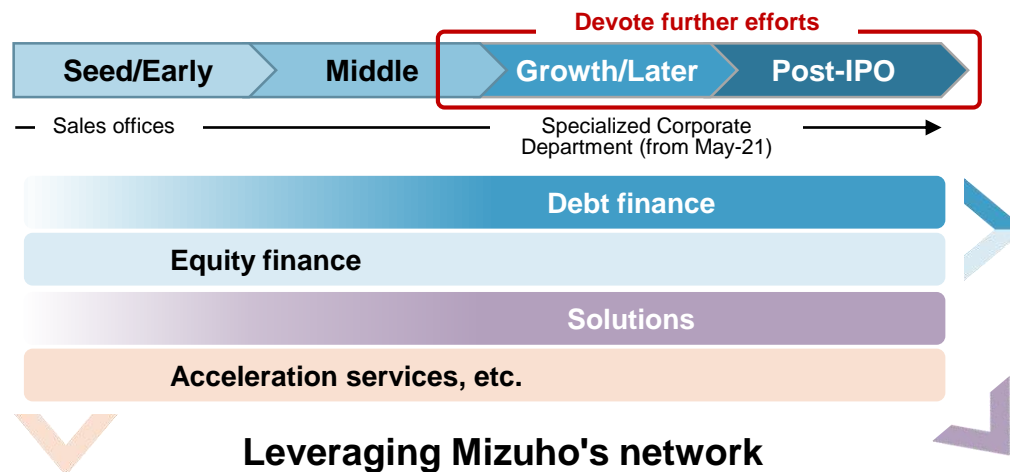
## Support for companies with decreasing earnings

- Select priority targets for a focused approach by credit and relationship management departments. Leverage expertise we have cultivated to encourage revitalization of local industries

# Initiatives for innovative companies

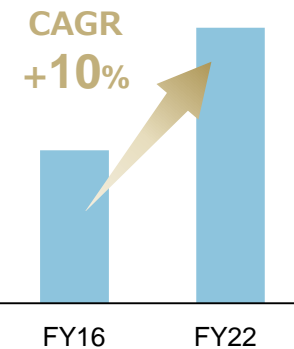
- Keeping the spirit of our forerunners, who supported and drove development of Japanese infrastructure and foundations, re-accelerate efforts to support innovative companies
- Strengthen risk money provision, respond to needs for business solutions, and leverage our networks

## Meeting needs for both financial and non-financial solutions



## Providing risk capital tailored to growth stage

Investment and loan balance<sup>1</sup>

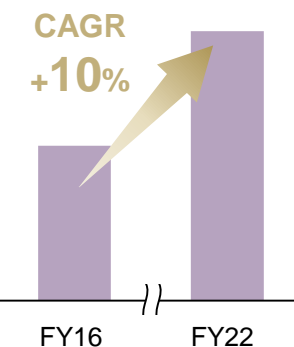


- Established specialist credit office (in Apr-22)
- Launched Mizuho Venture Debt Fund (in Aug-23)
- Established Growth Support fund No.5 (in Oct-23)
- Established Debt Fund with UPSIDER (p.33) Develop new business services based on AI technology



## Enhance capability to meet diversified needs

Solutions business profit



- Grow profits from IB and finance-related solutions business, supported by specialized credit office with specialists with various backgrounds

Consultants for Startups/innovative companies<sup>2</sup>

FY25 target  
In-house certified personnel  
**+200**

- Held the largest startup-related event to date (p.34)



**10** consecutive days  
**20** sessions  
Approx. **5,000** attendees  
**961** business meetings

- Co-creation initiatives based on acceleration membership services (p.35)

1. Total of balance of loans from BK as of March 2023 to 5,040 innovative companies based on the Apr-22 standards, and balance of investments by FG to domestic Venture Growth Fund and Mizuho Capital Management Fund. 2. In-house certified personnel (program launched in FY2023).

# Co-creation

- Accelerating efforts promoting value co-creation through risk sharing, aiming to create businesses opportunities that address social issues

## Debt Fund for Startups Established with UPSIDER Co.

- Joint venture launched with the aim of developing and providing new financial services that contribute to the sustainable growth of startups

UPSIDER Co. has developed a card business for corporations, including startups, through its unique AI credit model. The company's services have been adopted by over 25,000 companies

**UPSIDER** × **MIZUHO**



- As the first project, plan to establish 'UPSIDER Blue Dream Growth Fund No.1', a debt fund for growth-stage startups with a total financing amount of JPY 10B (Nov. 23)
- Provide growth capital through new credit model that combines AI credit technology developed by UPSIDER Co. with Mizuho's lending expertise
- In the future, plan to establish as an open platform to solicit funds from investors in and outside of Japan

## Corporate venture capital\* (from Apr-23)

**Investment of JPY 10B**

- Invest in financial and non-financial areas to speed up innovation



coconala

- Established a new JV for skills and personnel matching
- Resolves issues such as shortages of specialist staff



- Invested in alternative investment platform providers
- Expanded alternative investment opportunities to individual investors

**MIZUHO DX**

**UPSIDER**

## Value co-creation investment (from Feb-23)

- Promote creation of new business opportunities to support our clients and solve social issues

From launch to end Oct-23:

**Expected 4 investments**

Building up pipeline steadily:  
**Almost 100% progress**

against initial target investment amount in FY23

## Transition Equity Investment Facility

(from Apr-22)

**Over JPY 50B in 10 years +**

- Cultivate technologies and businesses in the demonstration or start-up stage that contribute to environmental and social sustainability improvement

**3rd deal closed**

\* Mizuho Innovation Frontier Co., Ltd.

# MIZUHO Startup WEEK

## Make Our Future "Start-Up" Together

**Event period** **10 days**

23<sup>rd</sup> Oct. – 1<sup>st</sup> Nov. 2023

**Participants\*** **Approx. 5,000**

\*Cumulative number for each session

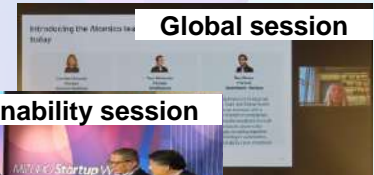
**Business Meetings** **961**

**Sessions** **20**

**Speakers** **75**

**Largest scale ever**

### Talk Session



### Business Meetings



### Workshop



### Pitch by Start-Up Company



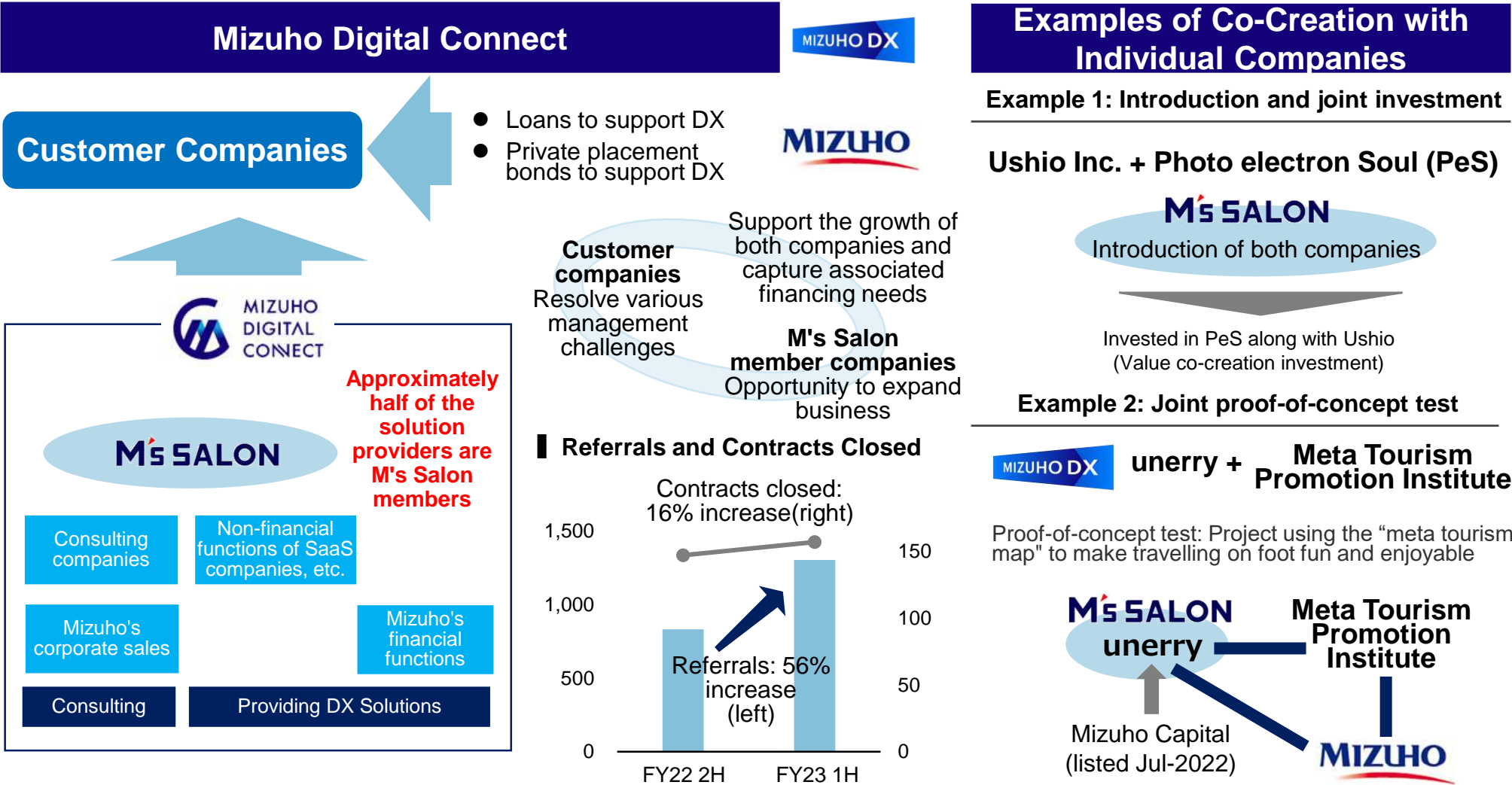
### Seminar





# Initiatives for co-creation based on organically grown networks

- Mizuho Digital Connect: Promote a co-creation framework for connecting solution providers with customer companies
- Co-creation projects with external partners originated through M's Salon network



# Global CIB business (1)

- No.1 presence among Japanese banks in the Americas in the IG area.  
Aim for further growth through capability strengthening

## Global League Table<sup>1</sup>

FY23 H1					
1	JPMorgan	10.3%	11	Deutsche Bank	2.1%
2	Goldman Sachs	9.1%	12	RBC	2.0%
3	BofA Securities	7.5%	13	BNP Paribas	2.0%
4	Morgan Stanley	5.7%	14	Mizuho	1.8%
5	Citi	4.5%	15	Evercore	1.4%
6	Barclays	3.2%	16	Nomura	1.4%
7	Wells Fargo	2.9%	17	HSBC	1.3%
8	Jefferies	2.6%	18	Houlihan Lokey	1.3%
9	UBS	2.4%	19	Lazard	1.2%
10	Centerview	2.3%	20	SMFG	1.2%

FY22	FY23 H1		FY25		FY30
17th	14th	➤	Top 15	➤➤	Top 10

## Other Key League Tables

### Americas<sup>1</sup>

FY23 H1

17<sup>th</sup>

No. 1  
Japanese  
bank

### Americas IG DCM<sup>1</sup>

8<sup>th</sup>

No. 1  
Japanese  
bank

### Global IG DCM/LCM<sup>1</sup>

6<sup>th</sup>

No. 1  
Japanese  
bank

### Global Sustainable Loans<sup>2</sup>

FY23 H1

3<sup>rd</sup>

### Global Talent Portfolio<sup>3</sup>

Sep-23  
**+35** employees

FY25 Target  
**+150** employees

1. Source: Dealogic, fee basis, incl. Japan. 2. Source: Refinitiv, Origination amount basis. 3. New international assignees from Japan. Figure as of Sep-23 includes employees not yet transferred.

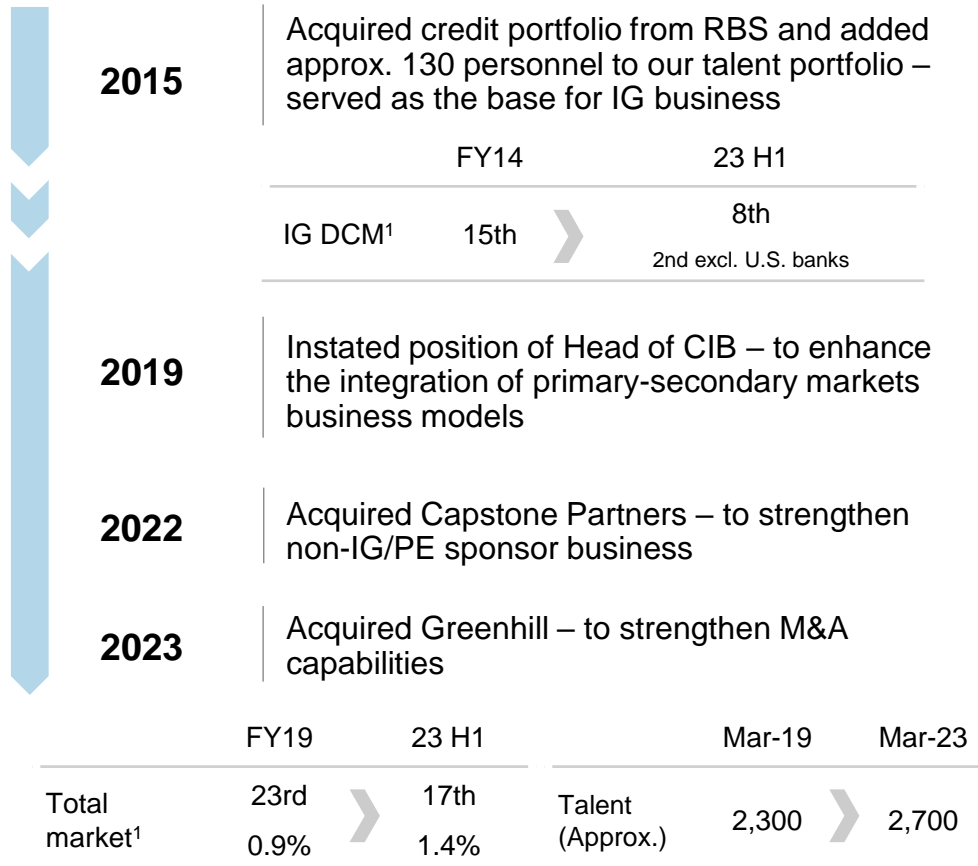


# Global CIB business (2): Americas

- Established business base with IG corporates. Strengthen non-IG/ECM and M&A business

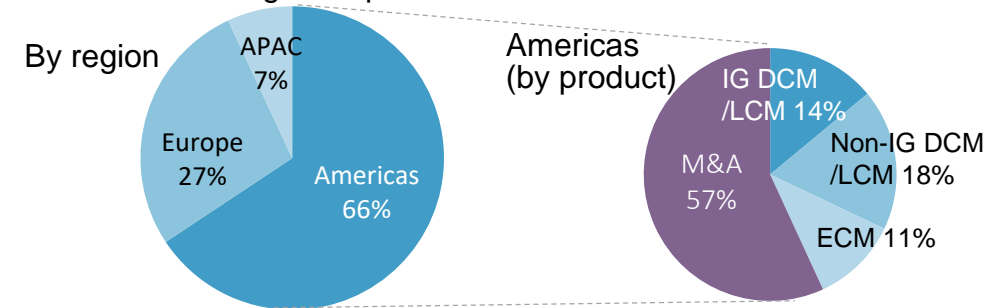
## History of Mizuho Americas

- Expanded in-house capabilities, including products and personnel, through inorganic investment



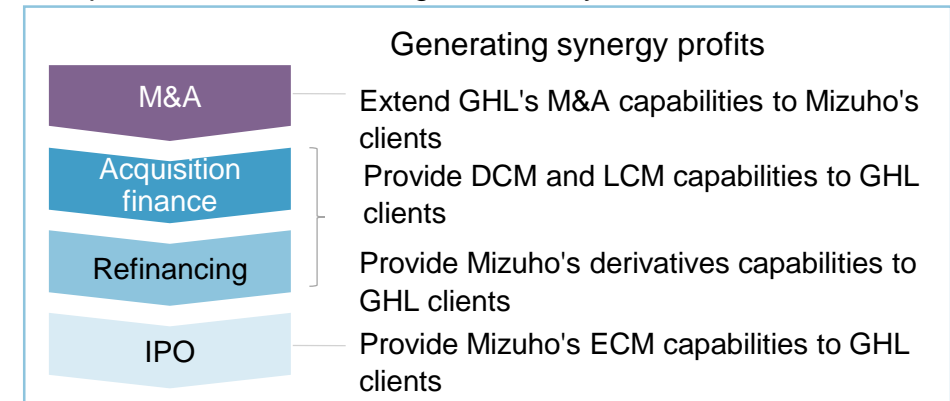
## Capital Market Fee Pool<sup>1,2</sup>

- Room for growth in M&A and ECM business in the Americas, the world's largest capital market



## Acquisition of Greenhill (GHL)

- Acquired approx. 370 M&A advisory professionals and the brand
- Will focus on the PMI of GHL, in order to maximize on value chain of capital markets business generated by M&A

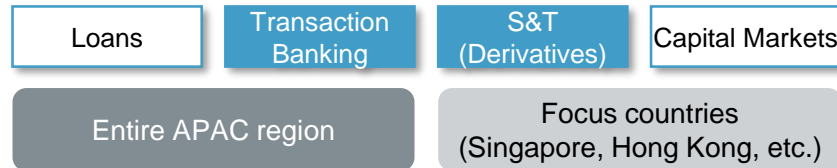


1. Source: Dealogic, fee basis. 2. FY22. DCM, LCM, ECM, M&A.

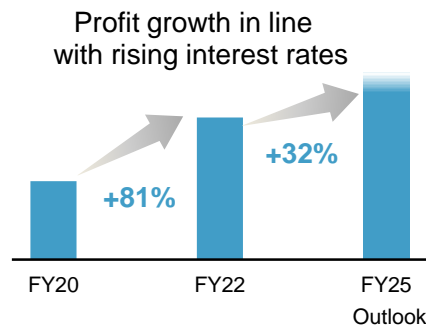
# Global CIB business (3): APAC and EMEA

## APAC

- Approaching customers in APAC on a region-wide basis, though simultaneously aligning products to each market environment



### Transaction Banking (Profits)<sup>1</sup>

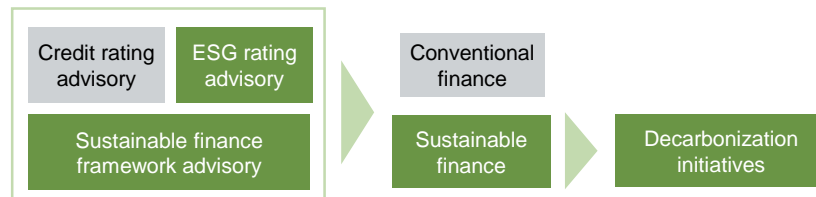


### Derivatives

- Continue to develop business foundation, capturing emerging markets rates/FX flows from financial institutions and non-Japanese clients
- Established a futures trading subsidiary in Singapore

## ESG Solutions

Providing decarbonization efforts support to an affiliate of Pertamina<sup>2</sup> in Indonesia



## EMEA

### Transition to Universal Bank in the EU region<sup>3</sup>

- Mizuho Bank Europe N.V. and Mizuho Securities Europe GmbH will merge, transforming into a Universal Bank in the EU region with integrated banking and securities functions by FY25
- Aim to provide improved services in the EU region by deepening BK-SC CIB model collaboration and utilizing the EU passport

Universal Bank **4** cities **4** offices **➤** Provide integrated BK-SC services throughout the EU region

### To be consolidated

- Current locations



1. Current deposit + FX + Trade Finance (non-interest income). 2. Indonesian state-owned oil & gas business operator. 3. Subject to approval by the relevant authorities.

1

Summary of FY23 H1 Financial Results

2

Progress on improving P/B Ratio

3

Progress in Business Focus Areas

4

**Enhancing our corporate foundations**

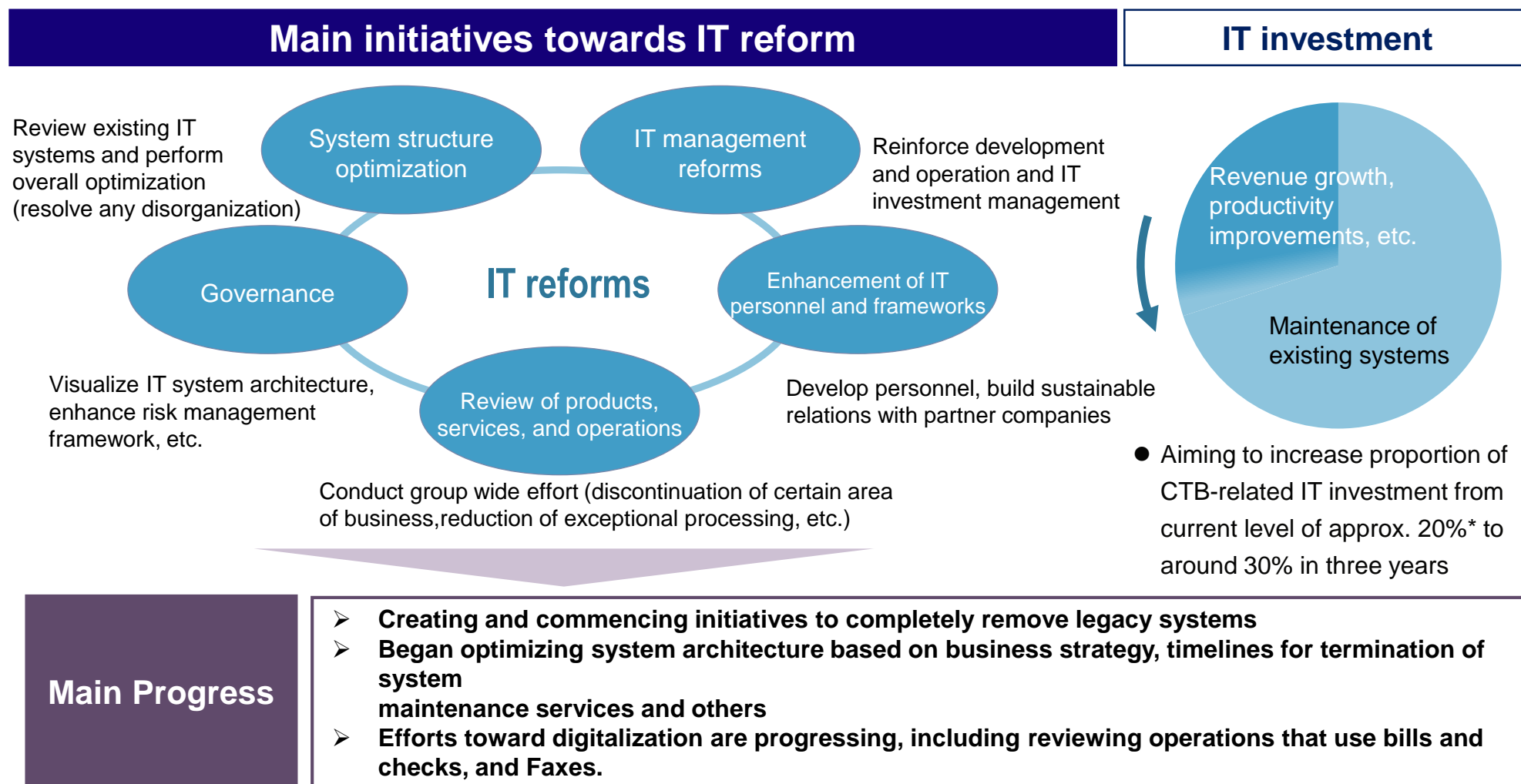
Appendix



Innovating today. Transforming tomorrow.

# IT Reforms

- Aiming to increase proportion of Change-the-Bank-related IT investment, while securing the costs necessary for stable business operations
- Pursue optimization of IT investment portfolio, including reviewing existing products and services



\* FY19-FY22 average

# Promoting ideas initiated by employees

- Initiatives driven by employees' ideas revitalizing the organization and promoting digital transformation within Mizuho, and generating new business opportunities
- Initiatives to improve internal operational efficiency also making progress

## Promoting digital transformation from “generative AI” ideathon

- “Generative AI” ideathon: Initiatives to create new businesses and explore potential useful ideas for operational efficiency, and further **enhancing employees' digital transformation literacy**, through ideathon

MIZUHO DX



Group-wide  
Generative AI  
ideathon

No of ideas  
submitted

Over **2,000**

The best  
prize

“AI judges investment  
capabilities!”



Utilizing AI  
internally

Crating operations procedures and credit  
applications

Adopting selected ideas also from the ideathon  
(10 ideas selected out of 2,000)



Expand utilization into customer services

<Ideas from employees>

Accumulating knowledge and sharing it  
among RM officers

Analysis of market data and industry trends,  
data visualization, etc.



## Incubation through “GCEO Challenges”

- Employees directly proposed their new ideas to managements, and GCEO selects the ideas to promote
- Management resources such as personnel and budget will be prioritarily allocated to selected initiatives



**3 ideas** were selected FY2022

Applications for parent  
and child communications

Service for  
business matching

NFT\* platform

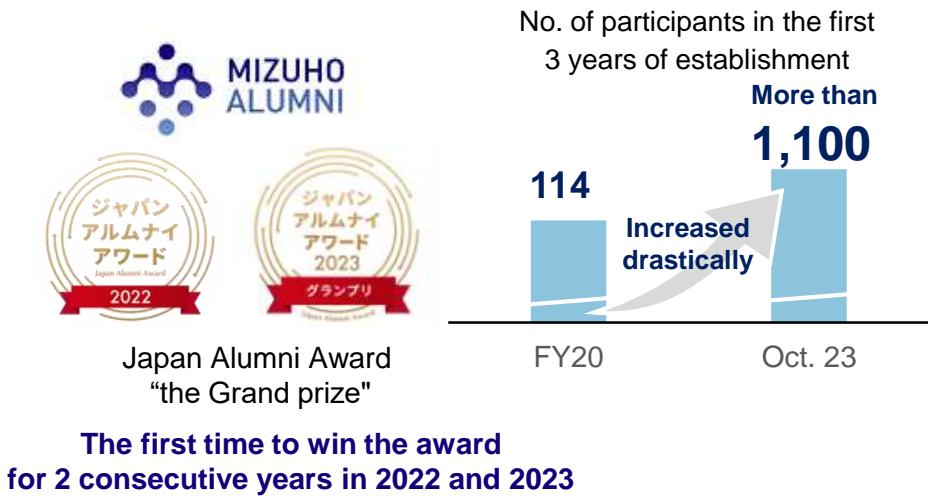


\* Non-fungible token

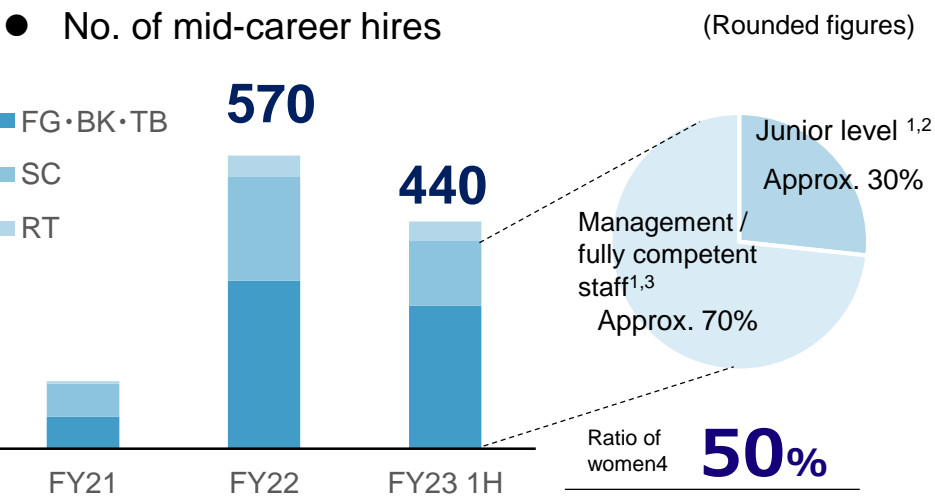


# Reference: Data on the revitalization of personnel

## Connection through Alumni



## Mid-career hiring track record



### ● Professionals in management class

Promoting digital transformation within Mizuho, leveraging rich experience and knowledge



#### Digital Planning Dept. Fujii Tatsuto, Operating Officer

Executive officer at the financial holding company of a leading telecommunications company and executive officer at Microsoft before joining Mizuho in 2023; current position.

Founding member of FINOVATORS, a financial innovation association. Overall supervisor and co-author of "Fintech Engineer Training Reader" (Gijutsu-Hyoron Co.)

1. Total figures of FG, BK, TB and SC. 2. Those who are at Associate class at FG, BK, TB, and Assistant class at SC. 3. Those who are at higher than Leader class at FG, BK and, TB, and at higher than Analyst class at SC. 4.Total figures of FG, BK, and TB



# Culture reforms by top management – employee engagement



Live Sessions



GCEO / President & CEO	Office visits <sup>1</sup>	Town hall meetings <sup>2</sup>
FG: Masahiro Kihara	31	15
BK: Masahiko Kato	30	33
SC: Yoshiro Hamamoto	20	24
TB: Kei Umeda	22	18
RT: Masatoshi Yoshihara	12	22



Company town hall meetings



Visiting frontline offices



1. Visiting frontline offices in Japan. 2. Including roundtable discussions and town hall meetings outside of Japan



# Culture reforms by top management – employees and Mizuho brand

Mizuho is a Major Partner of the Japan National Football Team

- Special sponsorship to realize our purpose “Proactively innovate together with our clients for a prosperous and sustainable future”, challenging to a big dream together with the Japanese national football team players



## MIZUHO BLUE DREAM MATCH 2023

Official no. of participants at the stadium

**37,125**

Of which, our employees (Inc. families)

**Approx. 1,000**

No. of participants at public viewing at Tokyo/Osaka

**850**

No. of sites our employees viewing

**At more than 50 sites**

No. of posting/viewers at internal social media

**88,000**

BLUE DREAM Initiatives for sustainability  
Providing trash bags made up by  
99.9% recycled plastics

**12,000 bags**



Participants at youth program\*

**97**

\* Program for children which held by Japan Football Association. The figure above is the number of which Mizuho applied



©JFA

**Enhancing corporate value.**

**Refining core competencies.**

**Addressing challenges.**

**Industry Knowledge  
and foresight.  
Linking networks.**

**A distinctive  
overseas strategy  
- building our own  
full CIB capability**

**A changing  
corporate culture.**

1

Summary of FY23 H1 Financial Results

2

Progress on improving P/B Ratio

3

Progress in Business Focus Areas

4

Enhancing our corporate foundations

**Appendix**

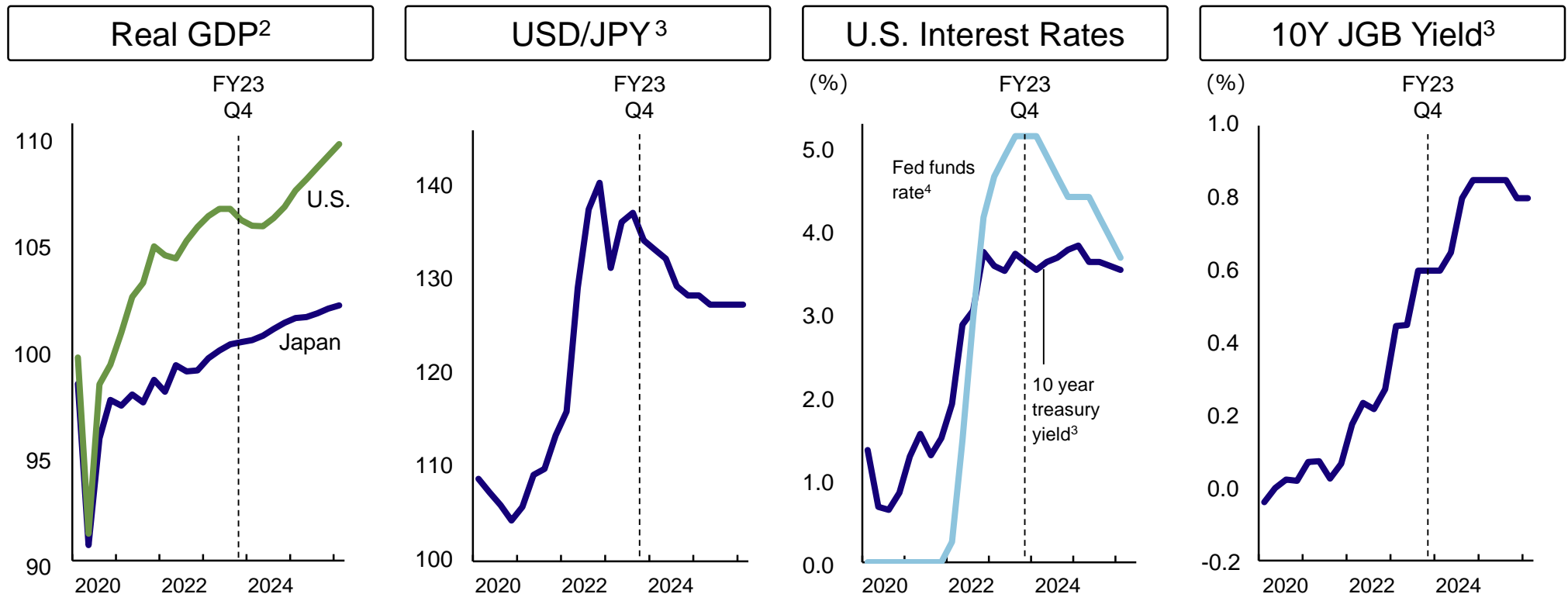


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Financial information

# Economic outlook

- Globally, we expect productivity to slowdown in line with the effects of higher inflation and interest rates, with Europe and U.S. economies experiencing negative growth. Though recovery is expected in 2024 as major economies bring interest rates back down, it should remain sluggish
- Domestically, a bounce in inbound tourism to Japan should help maintain relatively stable economic growth for the interim. In 2023 we expect the BOJ to loosen YCC<sup>1</sup>, and in 2024, whilst assessing price trends and economic risks, to potentially move out of Negative Interest Rate Policy (NIRP)



\* Yield Curve Control. 2. Using Quarterly average of 2019 as a baseline of 100. 3. Quarterly average 4. Lower band.



# Risk Management

## Our Top Risks\* Approach

### Identification Process

Assess a wide range of risk events in line with Mizuho's vulnerabilities, the external business environment and other factors, and identify any that could potentially damage corporate value

Ascertain which of those risks are serious, through an evaluation of their likelihood of occurrence, degree of impact, and their route of transmission

After consideration of difficulty of containment and closing discussions between executive officers, identify the top risks

### Strengthening Risk Governance

- Work to align the Group's understanding of risk perception and expand risk-related communication
- Ensure that risk perception is consistent between relevant risk management systems
- Formulate measures to address top risks, document those in our business plan, and monitor progress on containment as necessary



Report to the Risk Committee and Board of Directors, etc.

## Top Risks for FY23

- Continuation of high inflation and spillover to credit risk
- A shift in monetary policy and growing fiscal concerns
- Escalating U.S.-China conflict and sluggish Chinese economy
- Global decoupling and growing geopolitical risks
- Worsening impact of climate change
- IT system failures
- Cyberattack
- Money laundering/Financing of terrorism
- Improper acts and omissions by officers and employees
- Stagnation of sustainable growth due to a talent shortage
- Changes in the competitive environment

\* 'Top Risks' are those that the Group identify as the most serious when assessed via the above process.

# Financial Results by In-house Company

(JPY B)

Group aggregate, preliminary figures

	Gross Profits		G&A Expenses (excl. Non-Recurring Losses and others)		Net Business Profits		Net Income		ROE (most recent 12 months)
	FY23 H1	YoY <sup>1</sup>	FY23 H1	YoY <sup>1</sup>	FY23 H1	YoY <sup>1</sup>	FY23 H1	YoY <sup>1</sup>	FY23 H1
<b>Customer Groups</b>	<b>950.3</b>	<b>+60.8</b>	<b>-594.2</b>	<b>-32.9</b>	<b>373.5</b>	<b>+36.8</b>	<b>278.5</b>	<b>+31.6</b>	<b>7.4%</b>
RBC	348.0	+21.1	-308.6	-9.5	45.2	+19.3	35.0	+30.8	3.7%
CIBC	261.7	+23.0	-103.9	-4.4	161.7	+18.8	108.9	-33.7	8.2%
GCIBC	313.0	+16.7	-164.6	-18.8	160.3	-0.4	132.7	+35.2	9.3%
AMC	27.6	-0.0	-17.1	-0.1	6.4	-0.9	1.9	-0.7	2.9%
<b>Markets (GMC)<sup>2</sup></b>	<b>279.3</b>	<b>+50.0</b>	<b>-149.8</b>	<b>-25.9</b>	<b>129.5</b>	<b>+24.5</b>	<b>90.4</b>	<b>+19.0</b>	<b>2.6%</b>
Banking <sup>2</sup>	88.6	+17.0	-24.1	-2.5	64.4	+14.5			
Sales & Trading	190.8	+33.0	-125.7	-23.4	65.0	+10.0			

1. Figures for YoY are recalculated based on the FY23 management accounting rules. 2. Incl. Net Gains (Losses) related to ETFs of 2 Banks.

# Retail & Business Banking Company

Group aggregate<sup>1</sup>

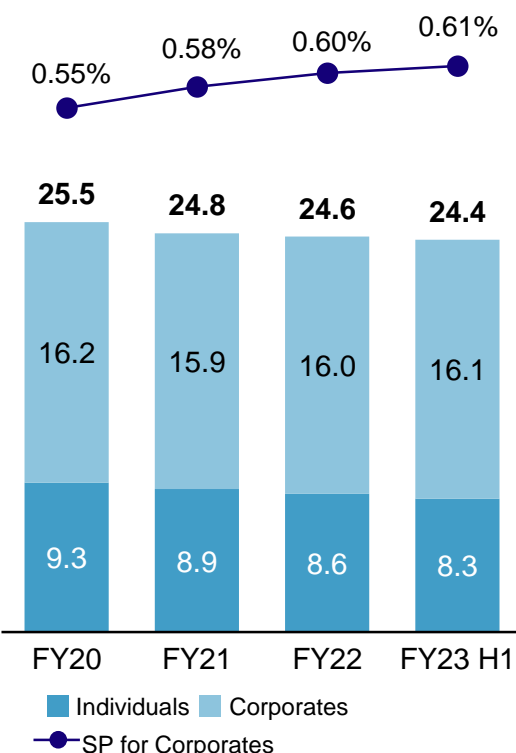
(JPY B)		FY22 H1	FY23 H1	YoY	FY Plan	Progress
Gross Profits	1	326.8	<b>348.0</b>	+21.1		
o/w Interest Income	2	137.7	<b>156.4</b>	+18.7		
o/w Non-interest Income	3	189.1	<b>191.5</b>	+2.4		
G&A Expenses (Excl. Non-recurring losses and others)	4	-299.1	<b>-308.6</b>	-9.5		
Equity in Income from Investments in Affiliates	5	-0.9	<b>5.8</b>	+6.6		
<b>Net Business Profits</b>	6	25.9	<b>45.2</b>	+19.3	88.0	51%
Credit-related Costs	7	-20.0	<b>8.4</b>	+28.4		
Net Gains (Losses) related to Stocks and others	8	5.9	<b>1.3</b>	-4.6		
Others	9	-7.6	<b>-19.8</b>	-12.2		
<b>Net Income</b>	10	4.2	<b>35.0</b>	+30.8	55.0	64%
Internal risk capital (avg. balance)	11	1,951.8	<b>1,897.7</b>	-54.1		
ROE <sup>2</sup>	12	2.0%	<b>3.7%</b>	+1.7%	2.8%	
Gross Profits RORA <sup>2</sup>	13	3.9%	<b>4.1%</b>	+0.2%		
Expense ratio	14	91.5%	<b>88.7%</b>	-2.8%		

## Results Summary

Net Business Profits higher YoY due to increase in Interest Income and income related to individual asset management business, while disciplined approach to expenses also contributed.

### Loan Balance (avg. balance) / Spread<sup>3</sup>

(JPY T)



### League Table and references

Corporates	FY22	FY23 H1
Number of IPOs <sup>4</sup>	2 <sup>nd</sup>	4 <sup>th</sup>
	Mar-23	Sep-23
High-profit loan balance <sup>5</sup> (JPY B)	712.9	<b>800.0</b>
Individuals	FY22	FY23 H1
Number of NISA accounts opened <sup>6</sup> (K)	60	<b>48</b>
	Mar-23	Sep-23
Assets in Custody (JPY T)	50.9	54.9
o/w SC <sup>7</sup> (JPY T)	45.4	49.2
Avg. holding period of equity investment trusts <sup>8</sup>	7.4 yrs.	<b>7.6 yrs.</b>
Reference: Industry wide avg. <sup>8,9</sup>	5.1 yrs.	<b>4.6 yrs.</b>

1. New management accounting rules were applied in FY23. Past figures were recalculated based on the new rules. 2. Most recent 12 months. 3. BK+TB, management accounting. Excl. loans between the consolidated entities and loans to the Japanese Government and others. 4. IPO bookrunner number. Source: Capital Eye. 5. Highly profitable loans of JPY 1 billion or more, period-end balance. 6. FG. 7. For Retail & Business Banking segment. 8. Calculated by dividing previous year's average balance by total cancellations/redemption value. 9. Prepared based on data published by Investment Trust Association, Japan.

# Corporate & Investment Banking Company

Group aggregate<sup>1</sup>

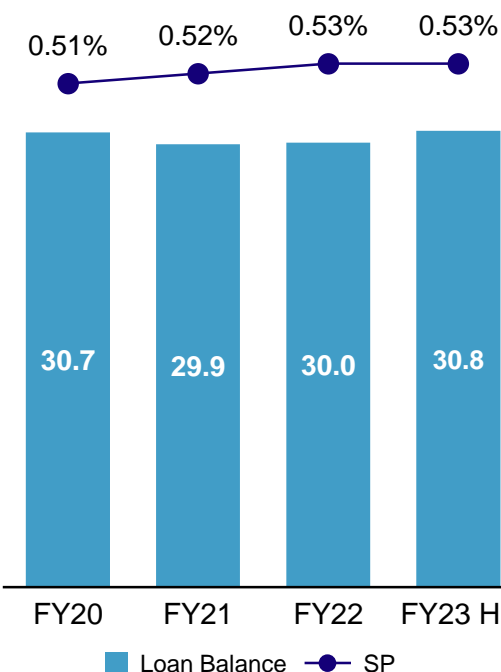
(JPY B)		FY22 H1	FY23 H1	YoY	FY Plan	Progress
Gross Profits	1	238.7	<b>261.7</b>	+23.0		
<i>o/w Interest Income</i>	2	122.4	<b>121.5</b>	-0.9		
<i>o/w Non-interest Income</i>	3	115.6	<b>140.7</b>	+25.2		
G&A Expenses (Excl. Non-recurring losses and others)	4	-99.5	<b>-103.9</b>	-4.4		
Equity in Income from Investments in Affiliates	5	3.6	<b>3.9</b>	+0.2		
<b>Net Business Profits</b>	6	142.9	<b>161.7</b>	+18.8	321.0	50%
Credit-related Costs	7	6.4	<b>-46.4</b>	-52.9		
Net Gains (Losses) related to Stocks and others	8	32.8	<b>12.9</b>	-19.9		
Others	9	-39.5	<b>-19.2</b>	+20.3		
<b>Net Income</b>	10	142.6	<b>108.9</b>	-33.7	281.0	39%
Internal risk capital (avg. balance)	11	3,371.2	<b>3,170.3</b>	-200.9		
ROE <sup>2</sup>	12	8.9%	<b>8.2%</b>	-0.7%	8.8%	
Gross Profits RORA <sup>2</sup>	13	2.2%	<b>2.3%</b>	+0.1%		
Expense ratio	14	41.7%	<b>39.7%</b>	-2.0%		

## Results Summary

Net Business Profits increased YoY, supported by specific large-scale deals, though Net Income was down, with forward-looking provisions increasing Credit-related costs.

### Loan Balance (avg. balance) / Spread<sup>3</sup>

(JPY T)



### League Table and references

		FY22	FY23 H1
DCM <sup>4</sup>	1 <sup>st</sup>		<b>1<sup>st</sup></b>
SDG bonds <sup>4</sup>	1 <sup>st</sup>		<b>2<sup>nd</sup></b>
LCM <sup>5</sup>	1 <sup>st</sup>		<b>1<sup>st</sup></b>
ECM <sup>5,6</sup>	4 <sup>th</sup>		<b>4<sup>th</sup></b>
M&A <sup>5,7</sup>	No. of deals	<b>3<sup>rd</sup></b>	<b>3<sup>rd</sup></b>
	Total amount	<b>4<sup>th</sup></b>	<b>6<sup>th</sup></b>
SI Investment <sup>8</sup> (Period-end balance FY19=100)		<b>135</b>	<b>142</b>

1. New management accounting rules were applied in FY23. Past figures were recalculated based on the new rules. 2. Most recent 12 months. 3. BK+TB, management accounting. Excl. loans between the consolidated entities and loans to the Japanese Government. 4. Based on underwriting amount and pricing date. Excl. own debt and securitization (subordinated bonds includes bonds issued by utilities companies). Source: Capital Eye. 5. Source: Refinitiv. 6. Based on bookrunner and pricing date. Deals including initial public offerings, public offerings, convertible bonds and REITs. 7. Involving Japanese corporates (excl. real estate) 8. Strategic investment. Hybrid financing, Equity & Mezzanine, etc.

# Global Corporate & Investment Company

Group aggregate<sup>1</sup>

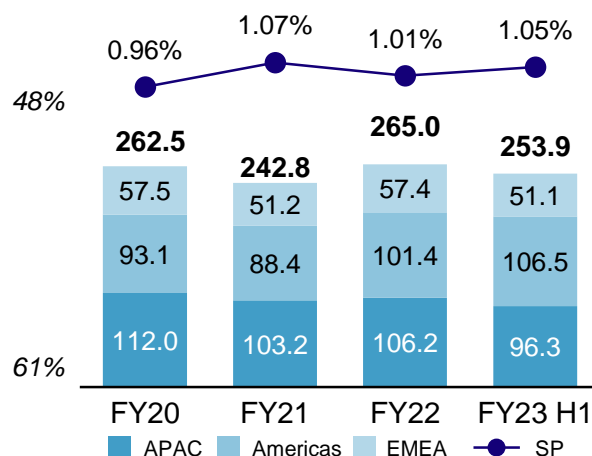
(JPY B)		FY22 H1	FY23 H1	YoY	FY Plan	Progress
Gross Profits	1	296.3	<b>313.0</b>	+16.7		
o/w Interest Income	2	133.3	<b>135.1</b>	+1.8		
o/w Non-interest Income	3	148.5	<b>154.3</b>	+5.8		
G&A Expenses (Excl. Non-recurring losses and others)	4	-145.7	<b>-164.6</b>	-18.8		
Equity in Income from Investments in Affiliates	5	10.3	<b>12.3</b>	+1.9		
<b>Net Business Profits</b>	6	160.7	<b>160.3</b>	-0.4	332.0	48%
Credit-related Costs	7	-12.6	<b>31.1</b>	+43.7		
Net Gains (Losses) related to Stocks and others	8	-	<b>0.9</b>	+0.9		
Others	9	-50.6	<b>-59.5</b>	-8.9		
<b>Net Income</b>	10	97.5	<b>132.7</b>	+35.2	217.0	61%
Internal risk capital (avg. balance)	11	2,558.2	<b>2,488.9</b>	-69.3		
ROE <sup>2</sup>	12	7.6%	<b>9.3%</b>	+1.7%	7.9%	
Gross Profits RORA <sup>2</sup>	13	2.4%	<b>2.5%</b>	+0.1%		
Expense ratio	14	49.2%	<b>52.6%</b>	+3.4%		

## Results Summary

Gross Profits and Net Business Profits under 50% of FY plan due to low loan demand among other factors, though Net Income reached 60% from a net reversal in Credit-related costs.

## Loan Balance (avg. balance) / Spread<sup>3</sup>

(USD B)



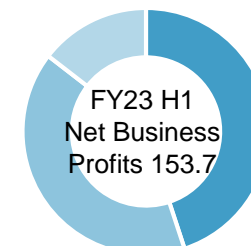
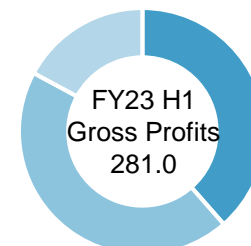
## League Table and references

	FY22	FY23 H1
IG DCM in the Americas <sup>4</sup>	8 <sup>th</sup>	<b>8<sup>th</sup></b>
Excl. U.S. Banks	2 <sup>nd</sup>	<b>2<sup>nd</sup></b>
Market Share	4.2%	<b>3.9%</b>
Non-IG LCM/DCM in the Americas <sup>5</sup>	17 <sup>st</sup>	<b>16<sup>th</sup></b>
Excl. U.S. Banks	7 <sup>th</sup>	<b>8<sup>th</sup></b>
Market Share	1.4%	<b>1.7%</b>
Asia Transaction Banking <sup>6</sup> (vs FY20)	+81%	<b>+11%</b>

## Profits by region<sup>7</sup>

(USD M)  
o/w Approx. 60%  
Non-Japanese

■ APAC  
■ Americas  
■ EMEA



1. New management accounting rules were applied in FY23. Past figures were recalculated based on the new rules. 2. Most recent 12 Months. 3. BK (incl. the subsidiaries in China, the U.S., the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico). Excl. loans between the consolidated entities. 4. Bonds issued by investment grade corporations. Fee basis. Source: Dealogic. 5. High Yield Loans and Bonds issued by non-investment grade corporations, fee basis. Source: Dealogic. 6. Current deposit + FX + Trade Finance (non-interest income). 7. Mismatch with number shown in let table due to exclusion of portion recorded at Head Quarter.

# Global Markets Company

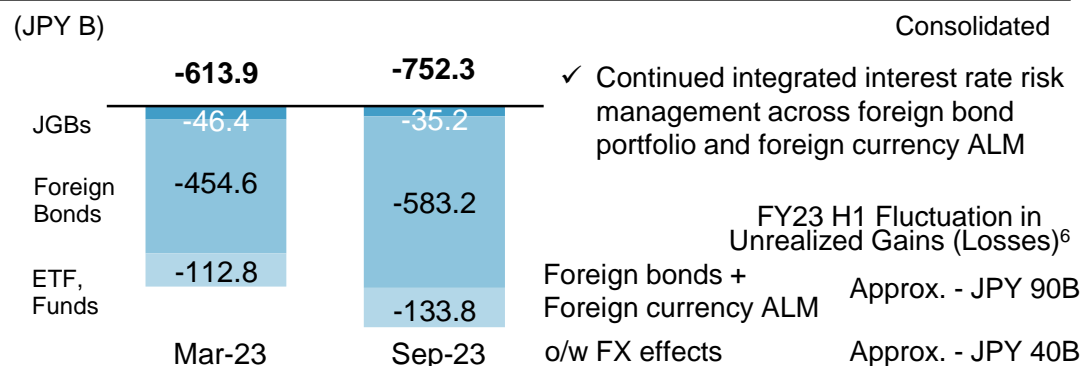
Group aggregate<sup>1</sup>

(JPY B)		FY22 H1	FY23 H1	YoY	FY Plan	Progress
Gross Profits <sup>2</sup>	1	229.3	<b>279.3</b>	+50.0		
o/w Banking	2	71.5	<b>88.6</b>	+17.0		
o/w S&T	3	158.3	<b>189.3</b>	+31.0		
G&A Expenses (Excl. Non-recurring losses and others)	4	-124.0	<b>-149.8</b>	-25.9		
Equity in Income from Investments in Affiliates	5	-	-	-		
<b>Net Business Profits<sup>3</sup></b>	6	104.9	<b>129.5</b>	+24.5	154.0	84%
o/w Banking	7	49.9	<b>64.4</b>	+14.5		
o/w S&T	8	58.7	<b>66.6</b>	+7.9		
Credit-related Costs	9	-0.7	<b>0.3</b>	+1.0		
Net Gains (Losses) related to Stocks and others	10	-	-	-		
Others	11	-32.8	<b>-39.3</b>	-6.5		
<b>Net Income</b>	12	71.4	<b>90.4</b>	+19.0	104.0	87%
Internal risk capital (avg. balance)	13	1,649.4	<b>2,042.1</b>	+392.7		
ROE <sup>4</sup>	14	2.1%	<b>2.6%</b>	+0.6%	4.2%	
Gross Profits RORA <sup>4</sup>	15	3.1%	<b>2.9%</b>	-0.2%		
Expense ratio	16	54.1%	<b>53.7%</b>	-0.4%		

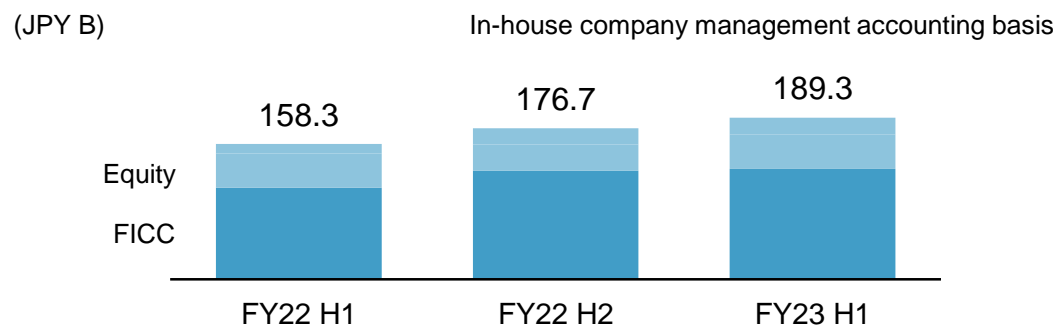
## Results Summary

Banking: Despite cautious operations, results over 50% of FY plan due to improved interest income and seizing stock market gains.  
S&T: Pinpointed capturing of customer flows through product expansion in a volatile environment. Particularly strong in Japan and Americas.

## (Ref.) Unrealized Gains (Losses)<sup>5</sup>



## S&T Gross Profits by product



1. New management accounting rules were applied in FY23. Past figures were recalculated based on the new rules. 2. Incl. XVA related gains and losses (FY22 H1: -JPY 1.2B, FY23 H1: -JPY 0.3B).  
3. Incl. Net Gains (Losses) related to ETFs (2 Banks). 4. Most recent 12 months. 5. Changes in value to be recorded directory to Net Assets after tax and other necessary adjustments. After hedge accounting. After applying Net deferred gains/ losses on deferred hedging accounting among hedging instruments related to other securities. 6. Management accounting basis.



# Asset Management Company

Group aggregate<sup>1</sup>

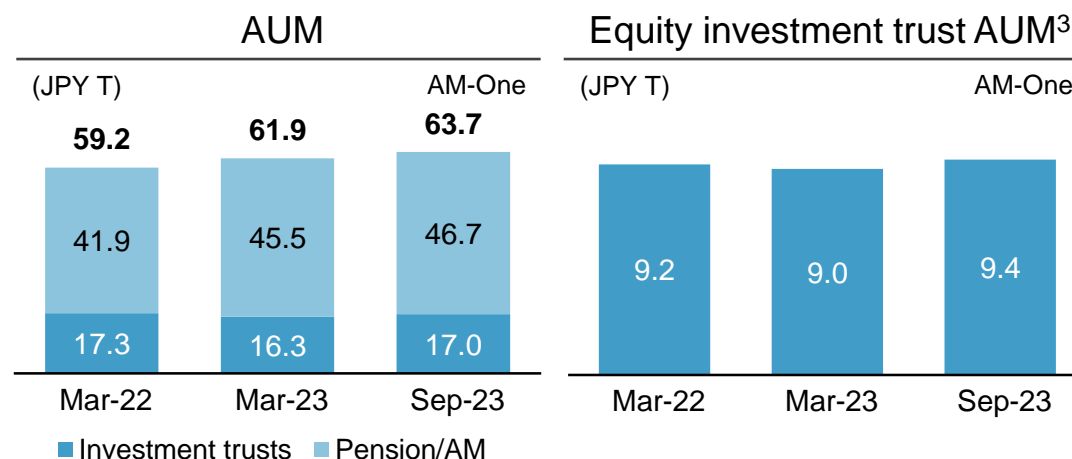
(JPY B)		FY22 H1	FY23 H1	YoY	FY Plan	Progress
Gross Profits	1	27.6	<b>27.6</b>	-0.0		
o/w Investment Trusts	2	17.1	<b>17.3</b>	+0.3		
o/w Pension	3	6.3	<b>6.3</b>	+0		
G&A Expenses (Excl. Non-recurring losses and others)	4	-17.0	<b>-17.1</b>	-0.1		
Equity in Income from Investments in Affiliates	5	0.1	<b>-0.9</b>	-0.9		
<b>Net Business Profits</b>	6	7.2	<b>6.4</b>	-0.9	14.0	46%
Credit-related Costs	7	-	-	-		
Net Gains (Losses) related to Stocks and others	8	-	-	-		
Others	9	-4.6	<b>-4.5</b>	+0.1		
<b>Net Income</b>	10	2.6	<b>1.9</b>	-0.7	5.0	38%

Internal risk capital (avg. balance)	11	105.0	<b>100.9</b>	-4.0		
ROE <sup>2</sup>	12	3.5%	<b>2.9%</b>	-0.6%	4.5%	
Gross Profits RORA <sup>2</sup>	13	19.0%	<b>18.6%</b>	-0.3%		
Expense ratio	14	61.6%	<b>62.1%</b>	+0.4%		

## Results Summary

Gross Profits largely flat YoY in both Investment Trusts and Pension business, though Net Business Profits and Net Income lower due to loss in Equity in Income from Investments in Affiliates.



## Reference indicators

(Thousand)	Mar-23	Sep-23	(JPY T)	Mar-23	Sep-23
DC Participants and other <sup>4</sup>	1,741	<b>1,794</b>	DC Pension AUM	2.9	<b>3.2</b>
Corporate type	1,427	<b>1,462</b>	DB Pension AUM	6.6	<b>6.8</b>
iDeCo	314	<b>332</b>			
				FY22	FY23 H1
No.1 for DC participants in Japan <sup>5</sup>			R&I investment trust sales companies satisfaction survey <sup>6</sup>	3 <sup>rd</sup>	<b>4<sup>th</sup></b>

1. New management accounting rules were applied in FY23. Past figures were recalculated based on the new rules. 2. Most recent 12 months.

3. Excl. ETFs. Source: The Investment Trusts Association data. 4. BK. 5. Mar-23. 6. AM-One. Source: R&I 'Fund information' Vol. 390, 417

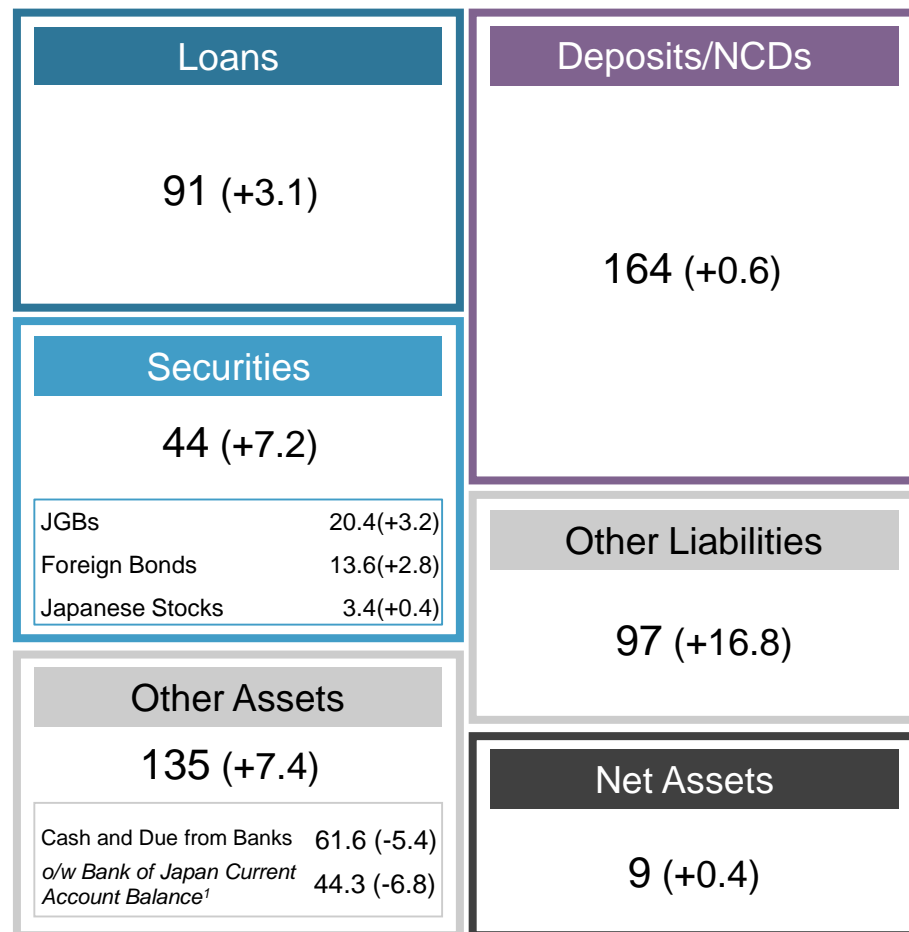
# Overview of Balance Sheet (Sep-23)

## Consolidated Balance Sheet

(JPY T)

Figures in ( ) represent changes from Mar-23

Total Assets 272 (+17.9)



## Non-JPY Balance Sheet<sup>2</sup>

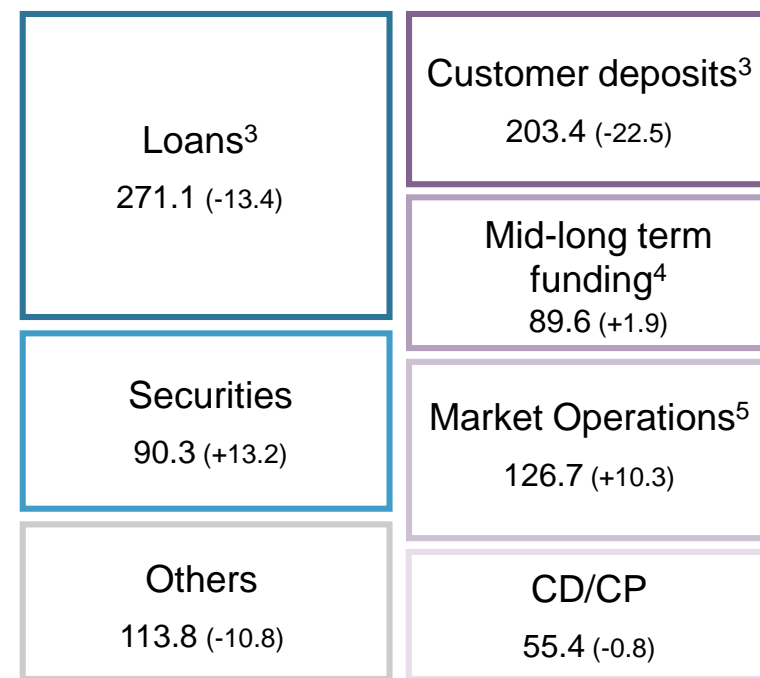
BK+TB, management accounting

(USD B)

Figures in ( ) represent changes from Mar-23

- Customer deposits to loan ratio: 75%
- Breakdown of Customer deposits:
  - JP Clients (inside + outside Japan): Approx. 50%
  - Non-JP Clients (outside Japan): Approx. 50%

Total Assets 475 (-11.1)



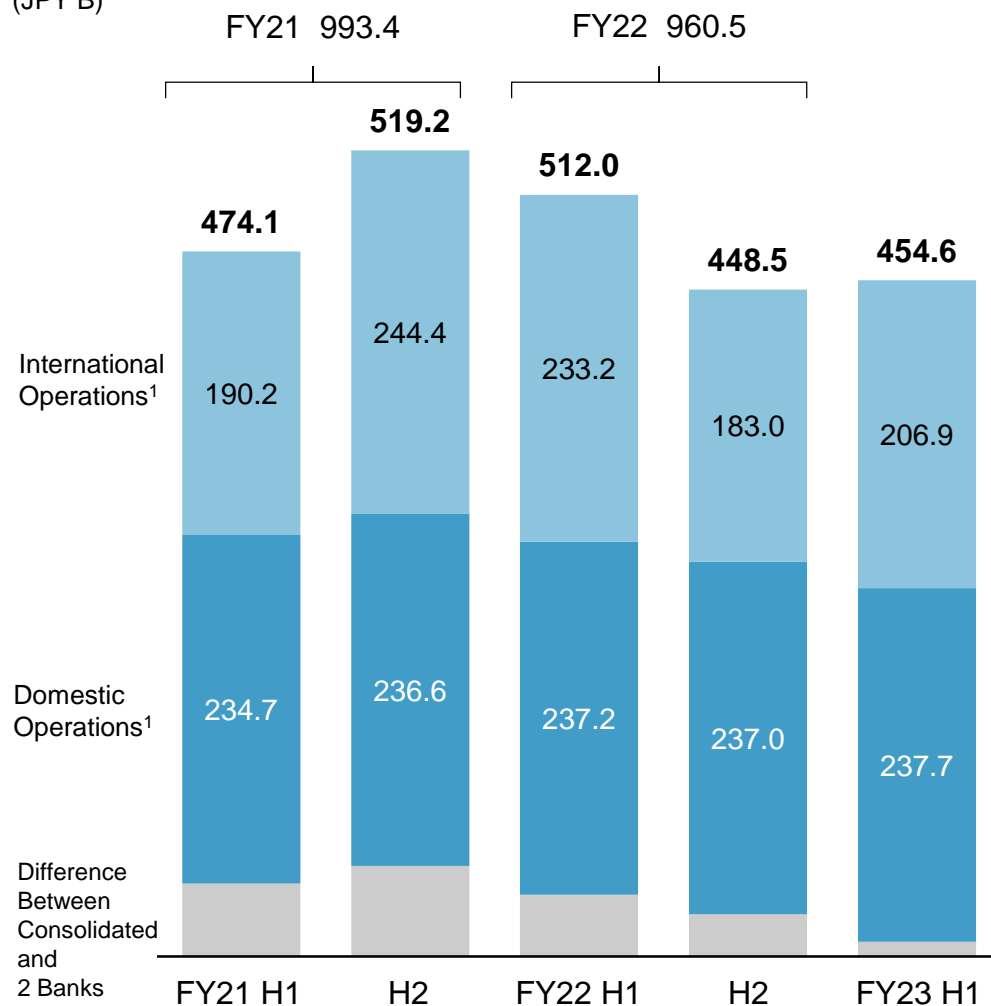
1. 2 Banks. 2. FY23 management accounting rules. 3. Japan and subsidiaries in China, the U.S., the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico. 4. Corporate bonds, currency swaps, etc. 5. Repos, interbank, Central bank deposits and others.

# Consolidated Gross Profits

## Net Interest Income

Consolidated

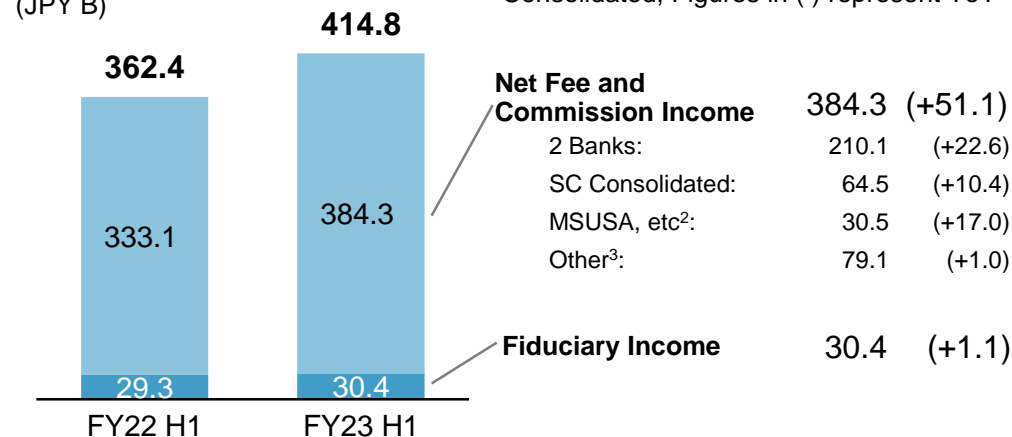
(JPY B)



## Net Fee and Commission Income/Fiduciary Income

Consolidated, Figures in ( ) represent YoY

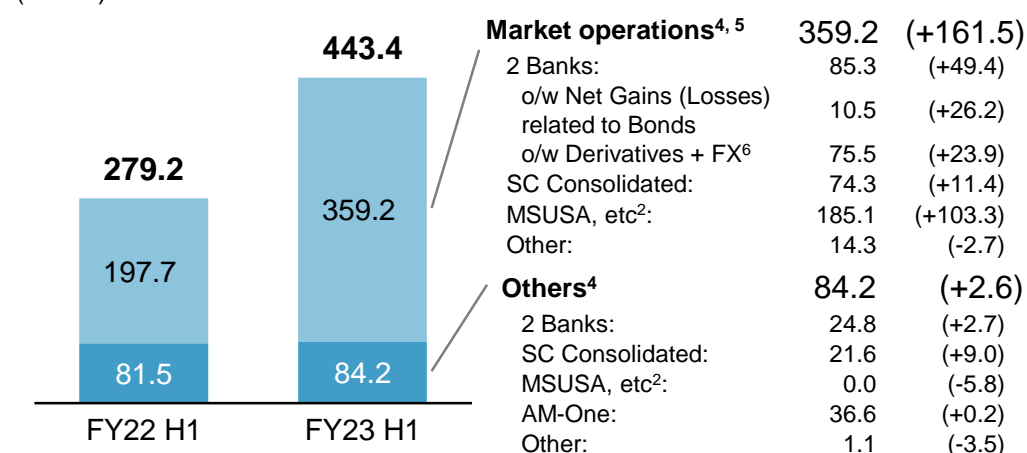
(JPY B)



## Net Trading Income/Net Other Operating Income

Consolidated, Figures in ( ) represent YoY

(JPY B)



1. 2 Banks. 2. U.S. based security entities (such as MSUSA) which are not consolidated subsidiaries of SC. 3. Incl. consolidation adjustments. 4. After consolidation adjustments, incl. subsidiaries.

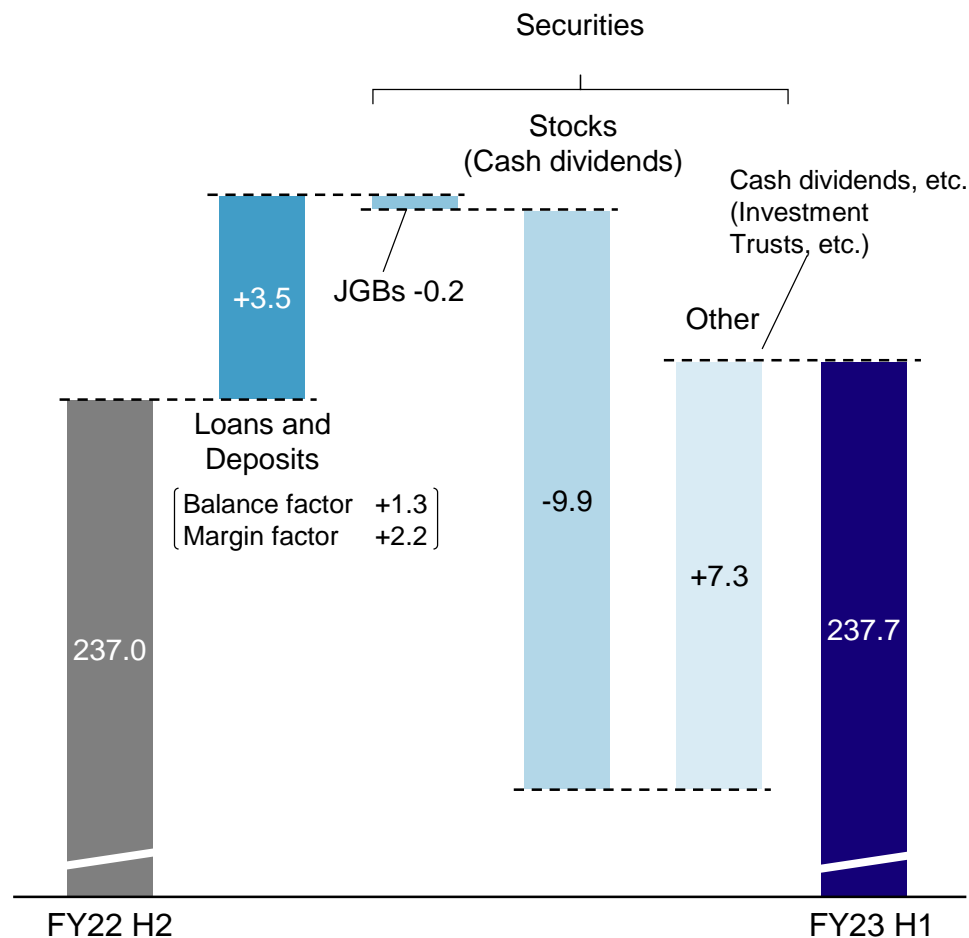
5. Net Trading Income-SC Underwriting and Selling Fees+Net Gains (Losses) related to Bonds+Net Gains (Losses) on Foreign Exchange Transactions. 6. Net Gains (Losses) on Derivatives Trading Transactions+ Net Gains (Losses) on Foreign Exchange Transactions.

# Net Interest Income

## Domestic Operations

2 Banks

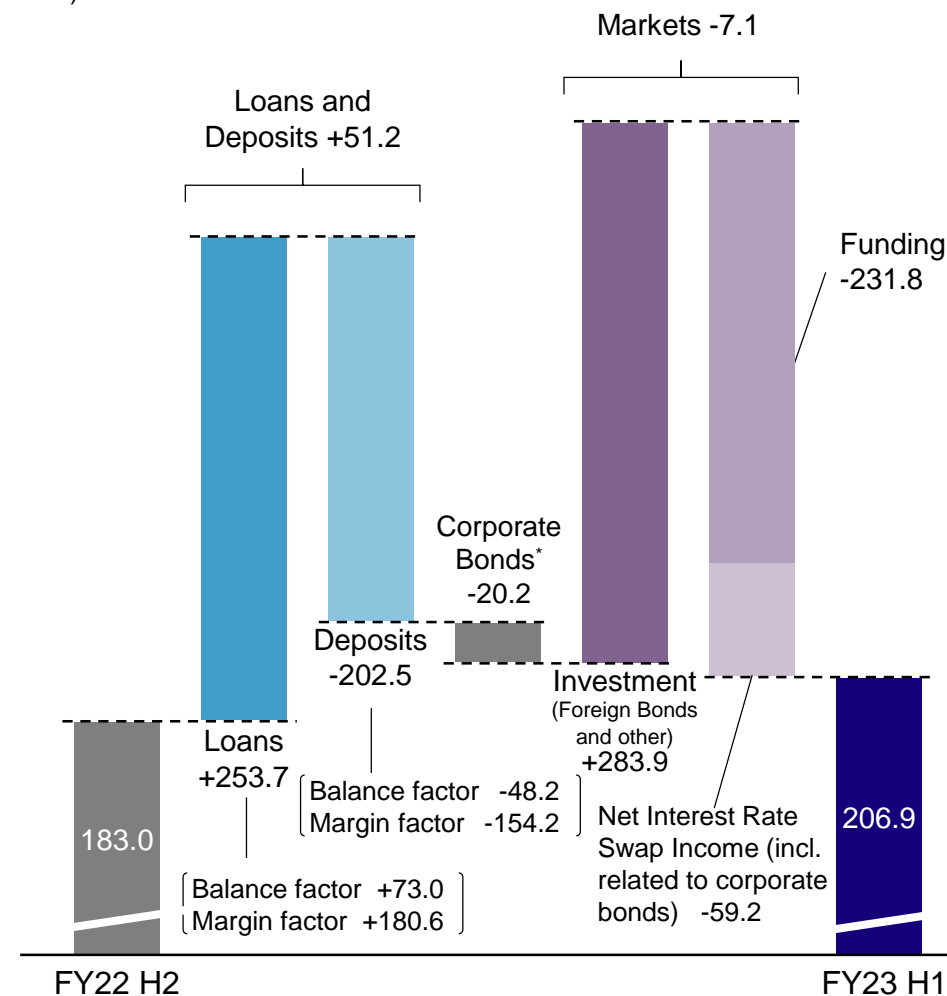
(JPY B)



## International Operations

2 Banks

(JPY B)

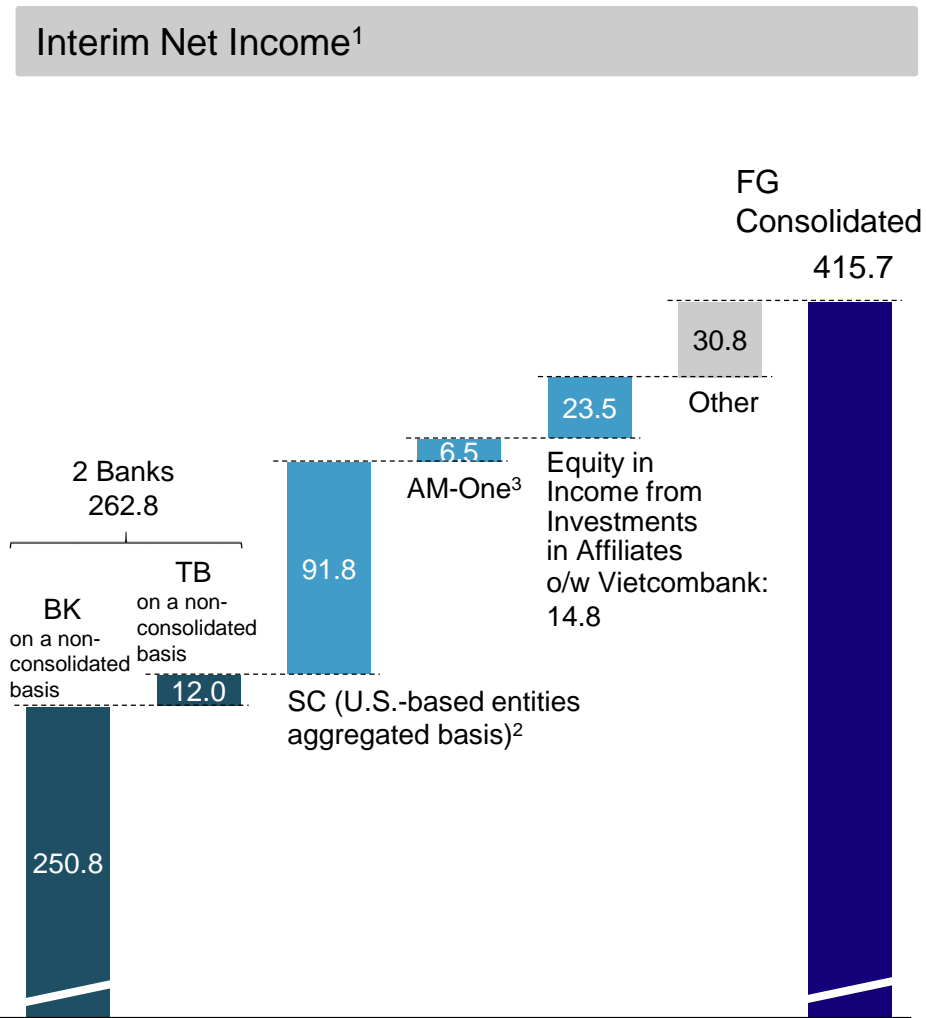


\* Incl. loans payable.

# Financial Results by Group Company

(JPY B)

Net Business Profits <sup>1</sup>	FY22 H1	FY23 H1	YoY	Interim Net Income <sup>1</sup>	
BK on a non-consolidated basis	325.6	360.0	+34.3		
TB on a non-consolidated basis	8.7	9.6	+0.8		
SC (U.S.-based entities aggregated basis) <sup>2</sup>	50.5	83.0	+32.4		
AM-One <sup>3</sup>	11.8	10.0	-1.8		
Equity in Income from Investments in Affiliates	14.4	23.5	+9.0		
Other	38.0	68.1	+30.0		
FG Consolidated	449.4	554.3	+104.9		
Interim Net Income <sup>1</sup>					
BK on a non-consolidated basis	237.8	250.8	+13.0		
TB on a non-consolidated basis	12.4	12.0	-0.4		
SC (U.S.-based entities aggregated basis) <sup>2</sup>	48.9	91.8	+42.8		
AM-One <sup>3</sup>	8.0	6.5	-1.4		
Equity in Income from Investments in Affiliates	14.4	23.5	+9.0		
Other	12.1	30.8	+18.7		
FG Consolidated	333.9	415.7	+81.7		



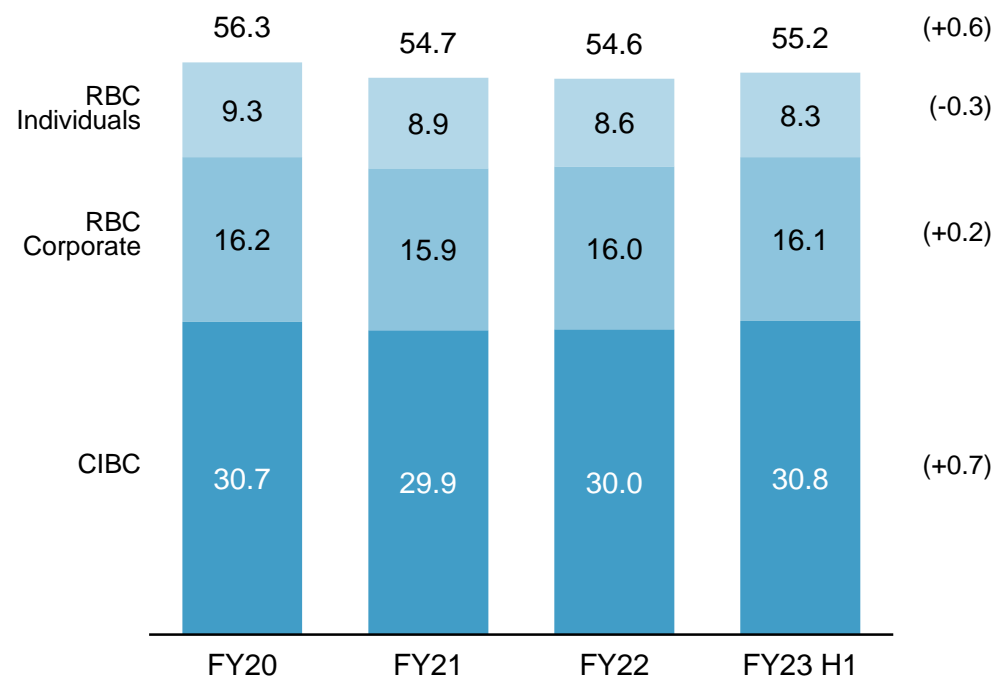
1. Incl. Net Gains (Losses) related to ETFs and others. Rounded figures before consolidation adjustment. 2. Net Business Profits are the sum of figures from SC consolidation and U.S.-based entities (such as MSUSA, etc.) which are not consolidated subsidiaries of SC. Interim Net Income is Management accounting basis, which includes the figures of such U.S. based entities. Figures of U.S.-based entities are: Net Business Profits JPY 58.2B, Interim Net Income JPY 48.9B. 3. Excl. Consolidation, Amortization of Goodwill and other.

# Loans in Japan

## Loans in Japan (Average Balance)<sup>1</sup> BK+TB management accounting

(JPY T)

Figures in ( ) represent YoY



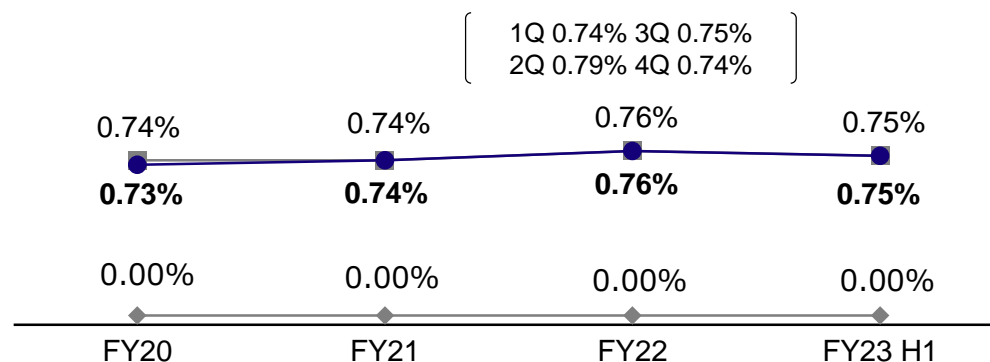
Period-end Balance	55.4	54.1	54.6	55.6
RBC Individuals	9.1	8.8	8.4	8.2
RBC Corporate	16.0	15.7	15.9	16.1
CIBC	30.3	29.5	30.2	31.2

1. FY23 management accounting rules. Figures from FY20 to FY22 were recalculated based on the new rules. Excl. loans between the consolidated entities and loans to the Japanese Government and others.  
 2. Excl. loans to financial institutions (incl. FG) and the Japanese Government & others. Domestic operations.

## Loan and Deposit Rate Margin<sup>2</sup>

2 Banks

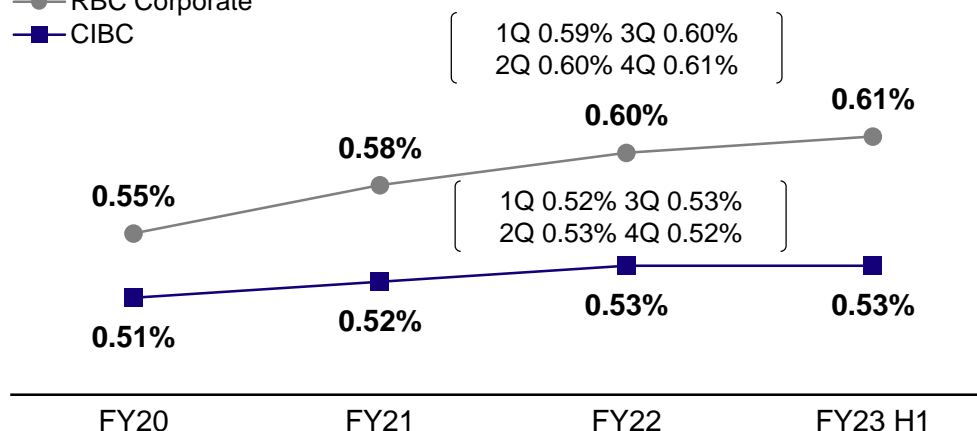
■ Returns on Loans and Bills Discounted ... a  
 ◆ Costs of Deposits ... b  
 ● Loans and Deposit Rate Margin ... a-b



## Loan Spread<sup>1</sup>

BK+TB management accounting

● RBC Corporate  
 ■ CIBC



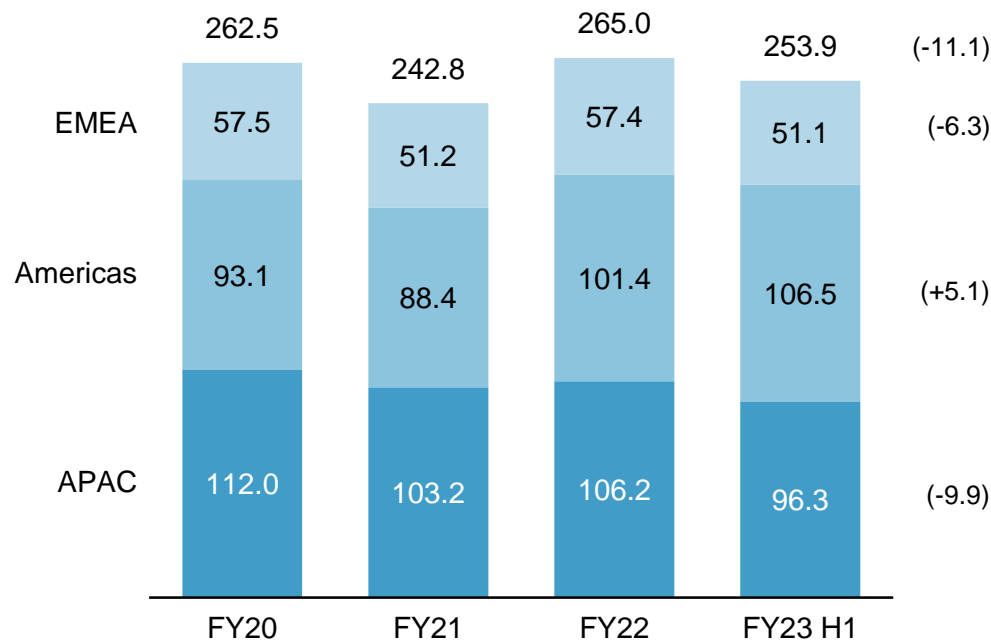


# Loans outside Japan

## Loan Balance (Average Balance)<sup>1</sup> BK, management accounting

(USD B)

Figures in ( ) represent YoY

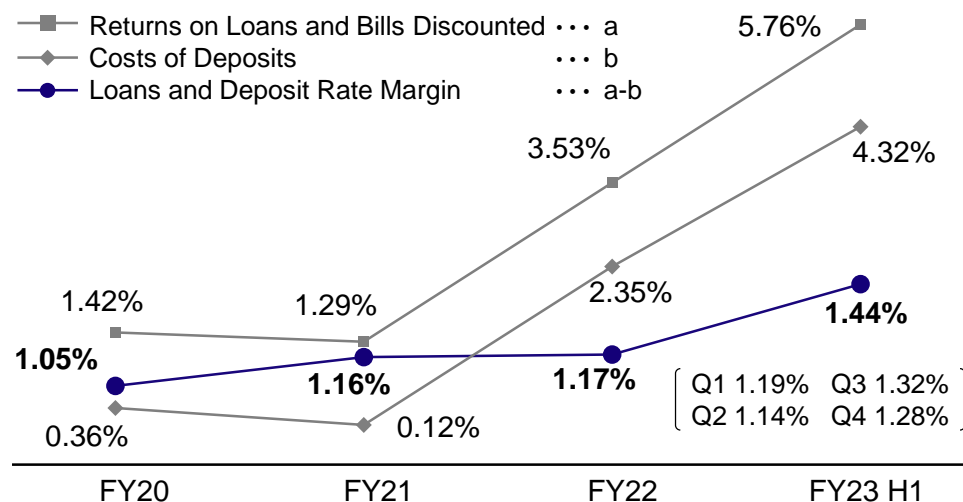


Period-end Balance	FY20	FY21	FY22	FY23 H1
EMEA	241.1	248.2	255.2	246.0
Americas	51.4	55.2	50.6	49.8
APAC	85.7	90.6	107.4	104.5
APAC	104.1	102.4	97.2	91.8

1. FY23 management accounting rules. Figures from FY20 to FY22 were recalculated based on the new rules. Excl. loans between the consolidated entities. Incl. the subsidiaries in China, the U.S., the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico.

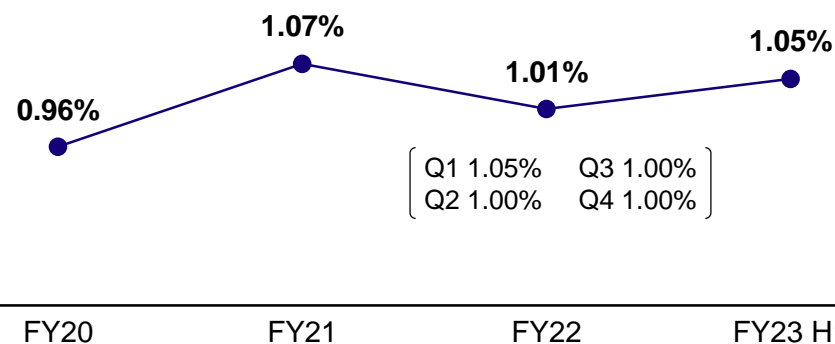
## Loan and Deposit Rate Margin

BK, International Operations



## Loan Spread<sup>1</sup>

BK, management accounting



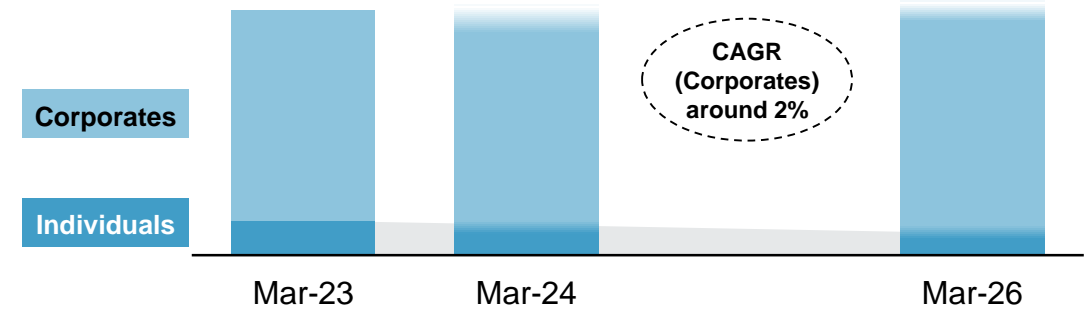
# Reference: Outlook on Loans

## Loan Balance

In-house company management accounting basis

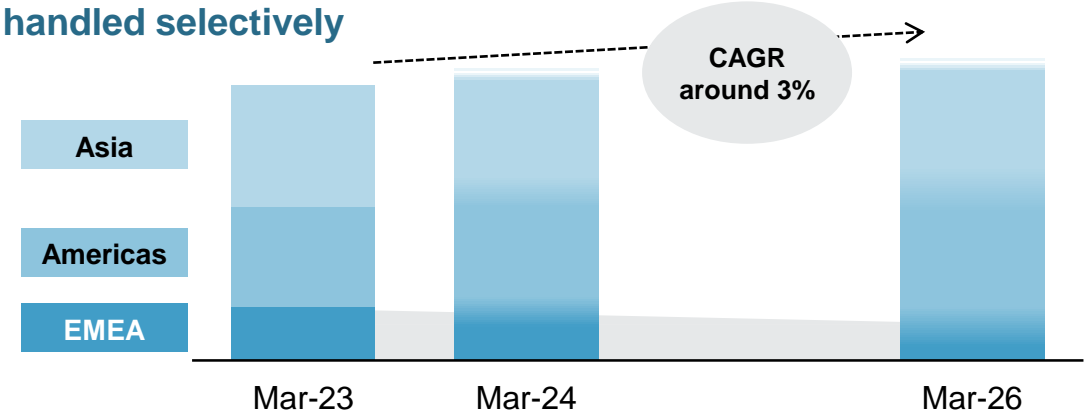
JPY

Build up corporate loans mainly with products and sustainable finance while individuals loans (residential mortgages, etc.) decrease gradually



Non-JPY

Reallocate loan assets based on profitability. Build up loan balances mainly in the Americas and Asia, while EMEA to be handled selectively



## Loan Spread

In-house company management accounting basis

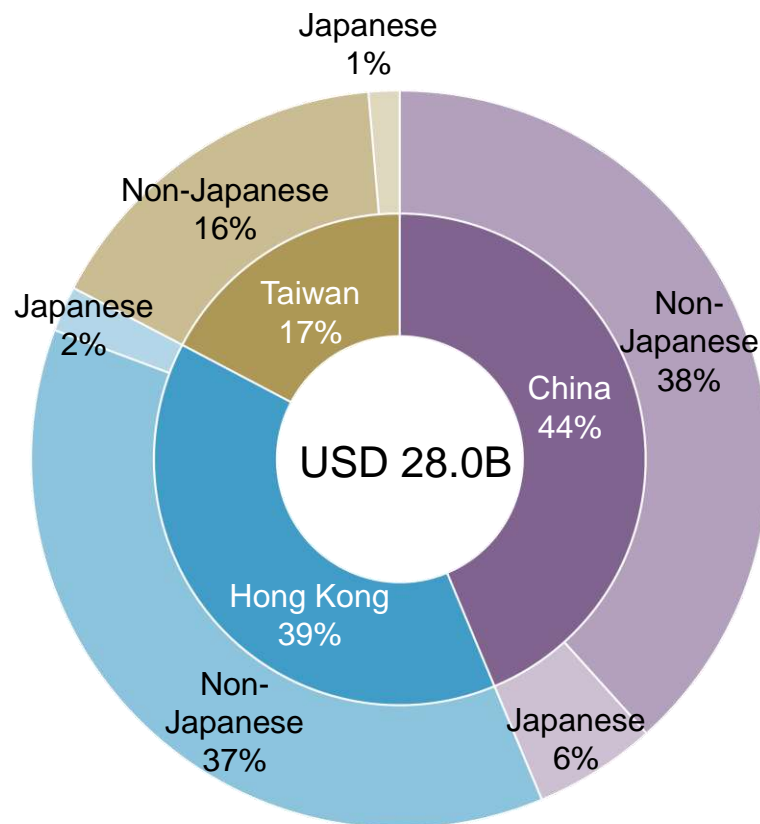
	FY22 vs FY23	FY23 vs FY25
Large Corporates	➡	➡
SMEs	➡	➡
Individuals	➡	➡

	FY22 vs FY23	FY23 vs FY25
Asia	➡	➡
Americas	➡	➡
EMEA	➡	➡

# Portfolio outside Japan (1)

## Loans to China, Hong Kong and Taiwan (Sep-23) <sup>1</sup>

Balance after guarantee at country or region of risk



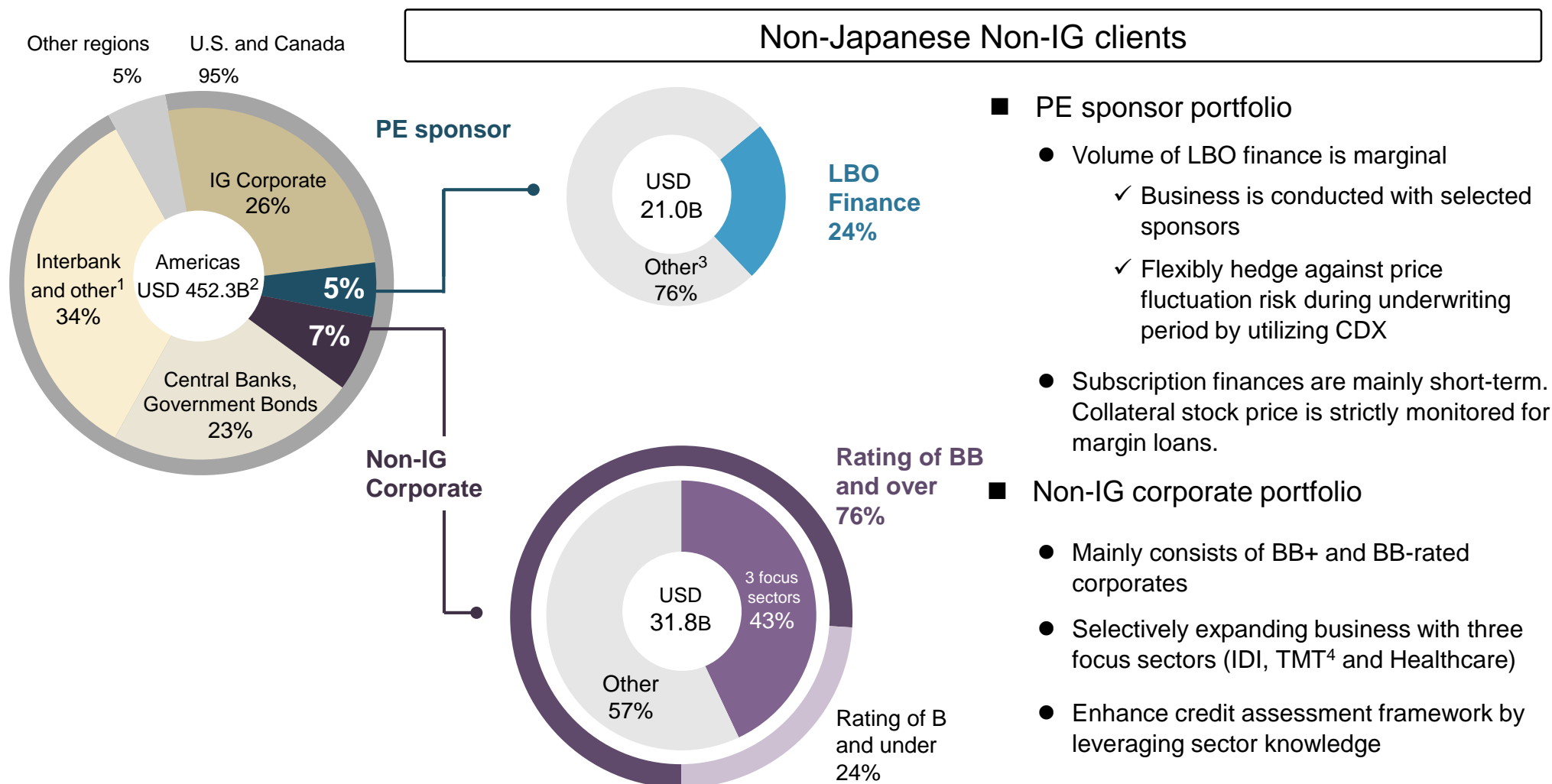
- Control the quantity and quality of the loan portfolio while improving profitability mainly by non-interest income
  - Achieve mobility in loan assets by actively managing their maturity and salability
  - Enhance returns on a by-client and by-deal basis, through the strengthening of Transaction Banking, DCM, etc., and reduction of low-profitability assets
- ✓ Global automobile-related companies and leading state-owned companies such as petroleum and chemicals, etc., and major private-sector companies such as TMT<sup>2</sup>
- ✓ Real estate-related loans in China represent approx. 10% of total loan balance in China, and are mainly extended to leading state-owned companies. Look to maintain same ratio going forward.
- ✓ Loans primarily to IG Hong Kong conglomerates, whose resilience against real estate market downturn has been confirmed through stress testing

1. BK Consolidated+TB Consolidated. Classification of Japanese and non-Japanese clients is on a management accounting basis. 2. Telecom, Media & Technologies.

## Portfolio outside Japan (2)

### Exposure in the Americas (Sep-23)

Management accounting basis

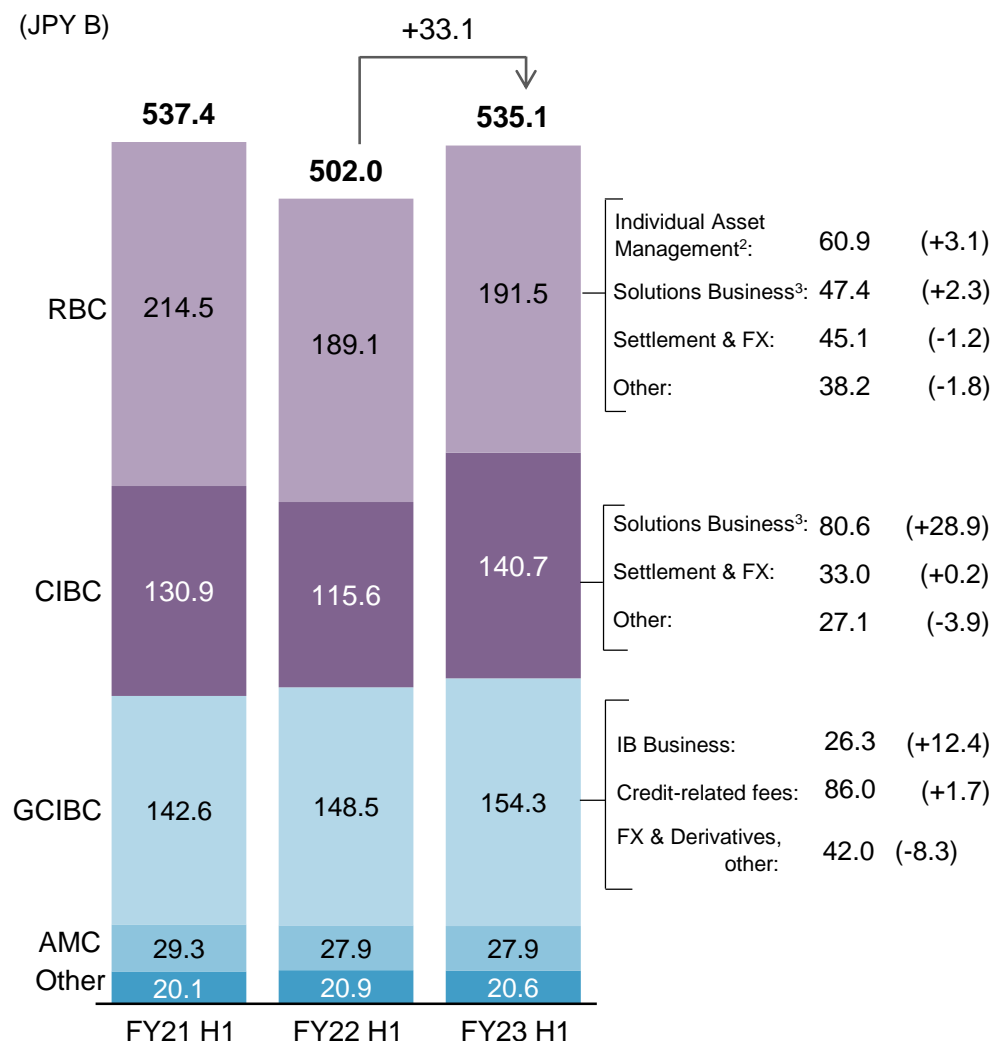


1. Interbank transactions, Japanese corporates, etc. 2. BK Consolidated+TB Consolidated. Inclusive of loans, commitment lines, guarantee transactions, derivatives related credit, etc. Balance after guarantee at country of risk. 3. Subscription finance, margin loans. 4. Industrial & Diversified Industries, Telecom, Media & Technologies.

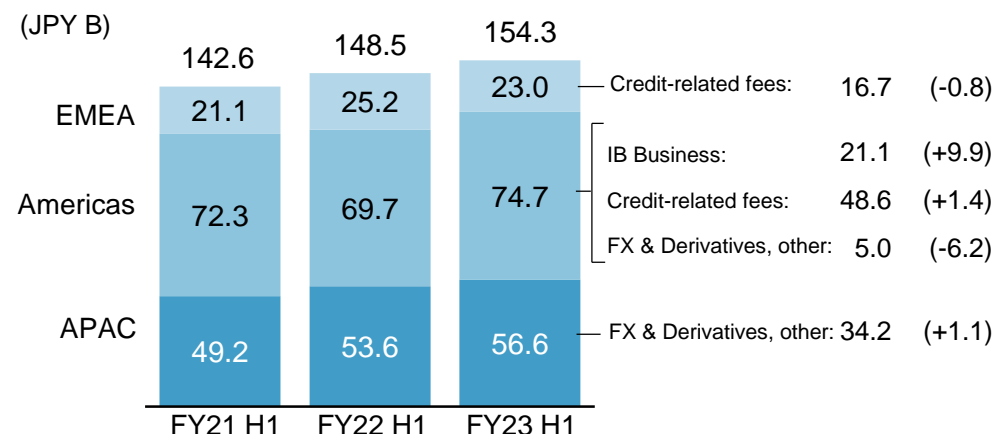
# Non-interest Income

## Non-interest Income (Customer Groups)<sup>1</sup>

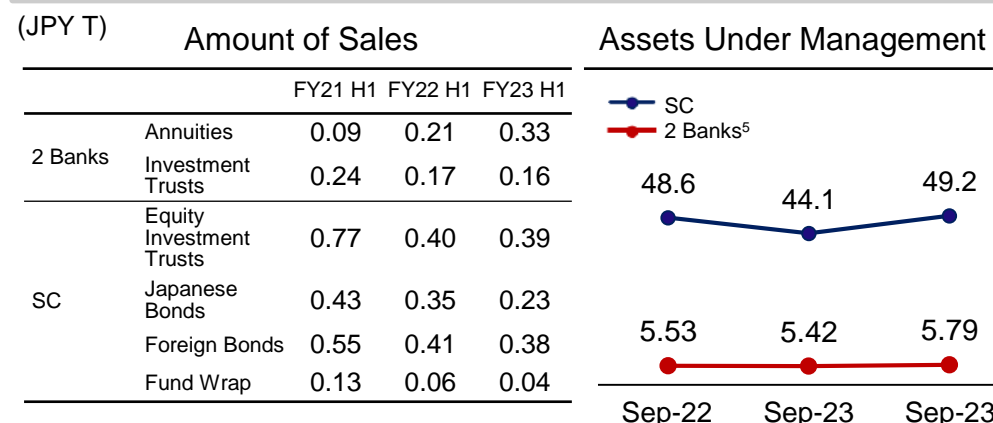
Group aggregate, preliminary figures  
Figures in ( ) represent YoY



## Breakdown of GCIBC by region



## Investment Products<sup>4</sup>



1. FY23 management accounting rules. Past Figures were recalculated based on the new rules. Original figures before the recalculation were FY21 H1: JPY 548.4B and FY22 H1: JPY 510.2B.

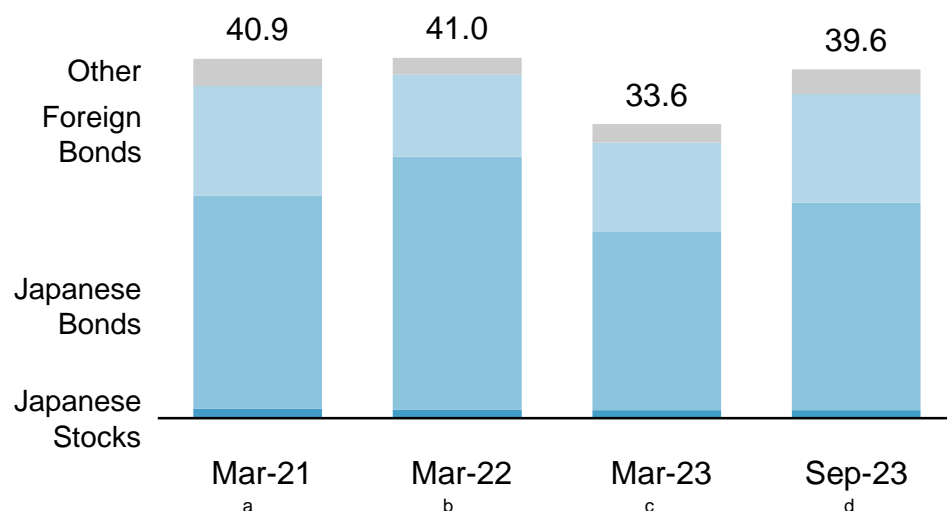
2. BK investment trusts, annuities + SC individual segment, PB segment. 3. Incl. fees related to investment banking business and real estate brokerage.

4. SC: Retail & Business Banking Division. 5. Total of Individual Annuities, Investment Trust (excluding MMF), and Non-JPY Deposits.

# Securities Portfolio

## Balance of Other Securities<sup>1</sup> Consolidated, acquisition cost basis

(JPY T)

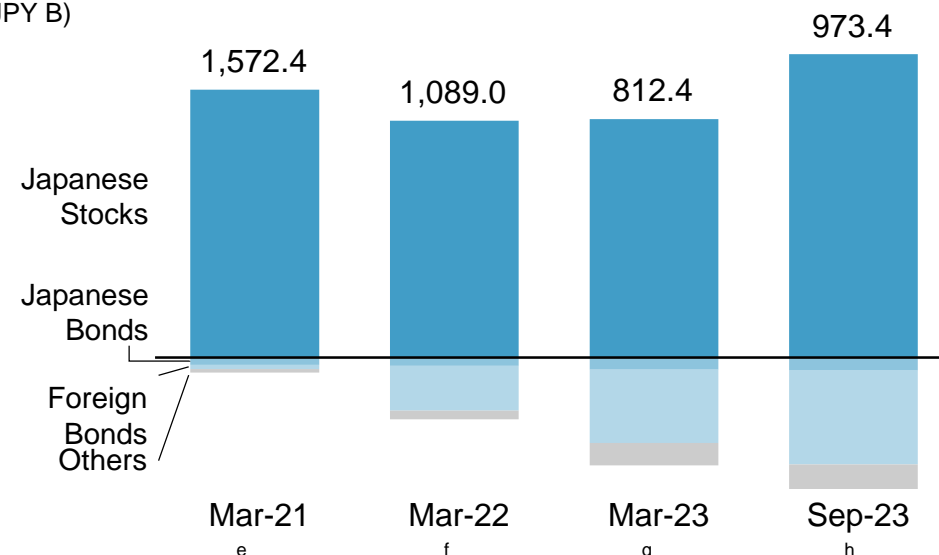


	a	b	c	d
1 Japanese Stocks	1.1	1.0	0.9	0.9
2 Japanese Bonds	24.1	28.6	20.3	23.5
3 o/w JGB	20.9	25.1	16.4	19.9
4 Foreign Bonds	12.4	9.3	10.1	12.3
5 o/w Debt Securities issued in U.S. <sup>2</sup>	8.3	5.7	6.3	8.1
6 Other	3.1	1.9	2.1	2.8
7 bear funds <sup>3</sup>	0.6	0.2	0.4	0.5
8 Investment Trusts and others	2.4	1.7	1.7	2.3

## Unrealized Gains/Losses on Other Securities (incl. Hedge Gains or Losses Applied)<sup>1,4</sup>

Consolidated

(JPY B)



	e	f	g	h
Japanese Stocks	1,665.7	1,472.4	1,481.7	1,884.7
Japanese Bonds	-44.9	-52.1	-75.9	-80.5
o/w JGB	-31.7	-30.5	-46.4	-35.2
Foreign Bonds	-27.0	-278.9	-454.6	-583.2
o/w Debt Securities issued in U.S. <sup>2</sup>	-23.6	-251.5	-414.0	-540.2
Other	-21.3	-52.2	-138.7	-247.4
bear funds <sup>3</sup>	-155.4	-29.8	-25.8	-113.5
Investment Trusts and others	134.1	-22.4	-112.8	-133.8

1. Other Securities which have readily determinable fair values. Excl. Investments in Partnership. 2. UST/GSE Bonds. 2 Banks. 3. Hedging transactions aiming to fix unrealized gains on Japanese stocks.

4. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. After applying Net deferred gains/losses of deferred hedging accounting among hedging instruments.

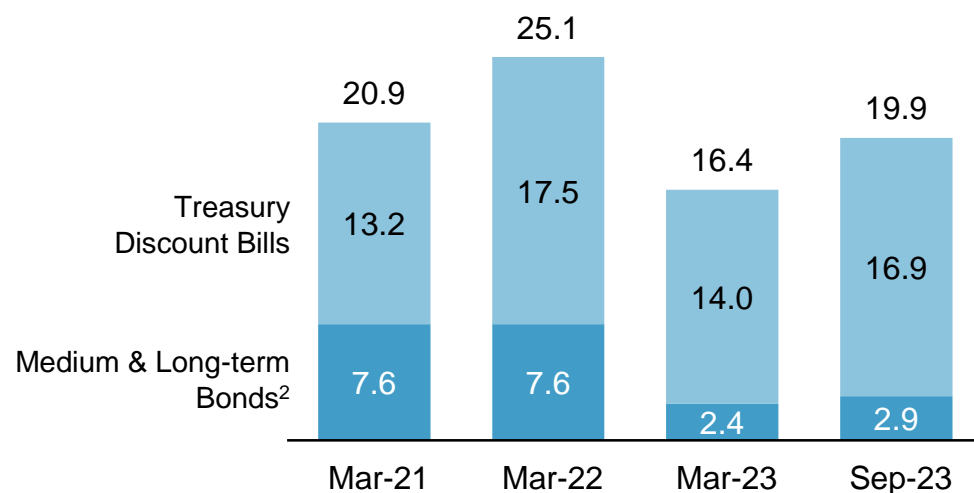


# Securities Portfolio (Bonds)

## JGB portfolio<sup>1</sup>

2 Banks, acquisition cost basis

(JPY T)



Unrealized Gains (Losses) <sup>3</sup> (JPY B)	-31.7	-30.5	-46.4	-35.2
Reference: Avg. remaining period <sup>4</sup> (yrs)	1.1	1.2	0.7	0.7

## (Ref.) Bonds held to maturity

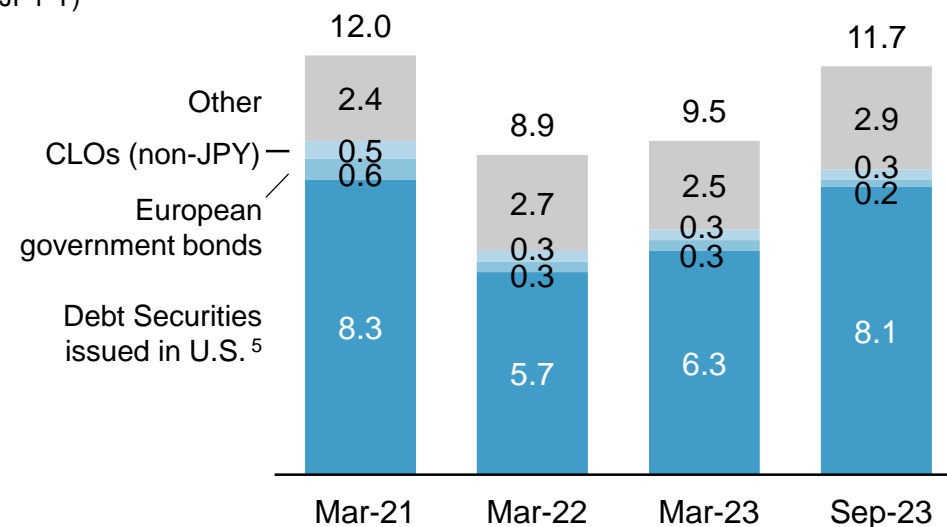
2 Banks, acquisition cost basis

	Mar-21	Mar-22	Mar-23	Sep-23
Balance (JPY T)	0.8	1.5	2.0	2.9

## Foreign bond portfolio<sup>1</sup>

2 Banks, acquisition cost basis

(JPY T)



Unrealized Gains (Losses) <sup>3</sup> (JPY B)	-26.6	-279.5	-454.7	-584.0
Reference: Avg. remaining period <sup>4</sup> (yrs)	2.5	1.6	1.1	1.6

## (Ref.) Foreign currency Banking Operations

Continued integrated interest rate risk management across foreign bond portfolio and foreign currency ALM		FY23 H1 Movement in Unrealized Gains (Losses) <sup>6</sup>
Foreign bonds <sup>3</sup> + Foreign currency ALM		Approx. -JPY 90B
o/w FX effects		Approx. -JPY 40B

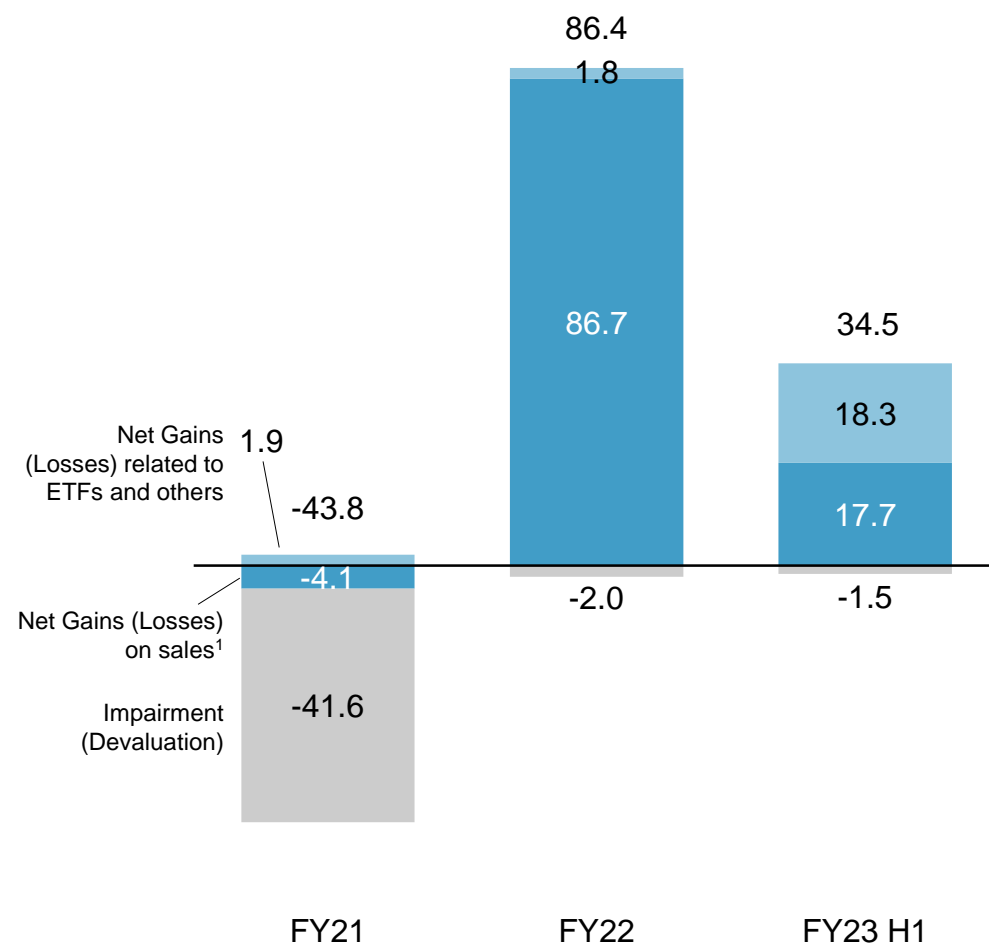
1. Other Securities which have readily determinable fair values. 2. Incl. bonds with remaining period of one year or less. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Applying Net Deferred gains (losses) of deferred hedging accounting among hedging instruments. 4. Management accounting basis. After taking into account hedging activities, excl. bonds held to maturity. 5. UST/GSE Bonds. 6. Management accounting basis

# Securities Portfolio (Stocks)

## Net Gains (Losses) related to Stocks

Consolidated

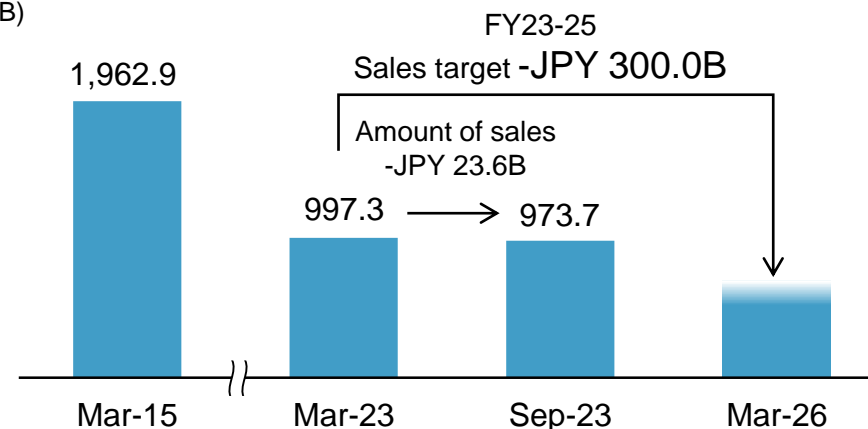
(JPY B)



## Japanese Stock Portfolio<sup>2</sup>

Consolidated, acquisition cost basis

(JPY B)



### Unrealized Gains (Losses)<sup>3</sup>

Stocks	2,132.1	1,481.7	1,884.7
Bear Funds <sup>4</sup>	-	-25.8	-113.5

Amount of Sales (Mar-23 to Sep-23) 23.6

Amount of sales accepted (unsold) 48.0

**Total 71.6**

Reference: Deemed holdings of shares<sup>5</sup> BK+TB, management accounting

Mar-15 to Sep-23 672.4

FY23 H1 65.2

1. Net Gains (Losses) on sales of stocks + Net Gains (Losses) on Derivatives other than for trading. 2. Other Securities with readily determinable fair values, excl. Investments in Partnerships.

3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. 4. Hedging transactions aiming to fix unrealized gains on Japanese stocks.

5. Partially includes amount recorded as assets of BK or TB. Management accounting basis.

# Asset Quality

## Credit-related Costs

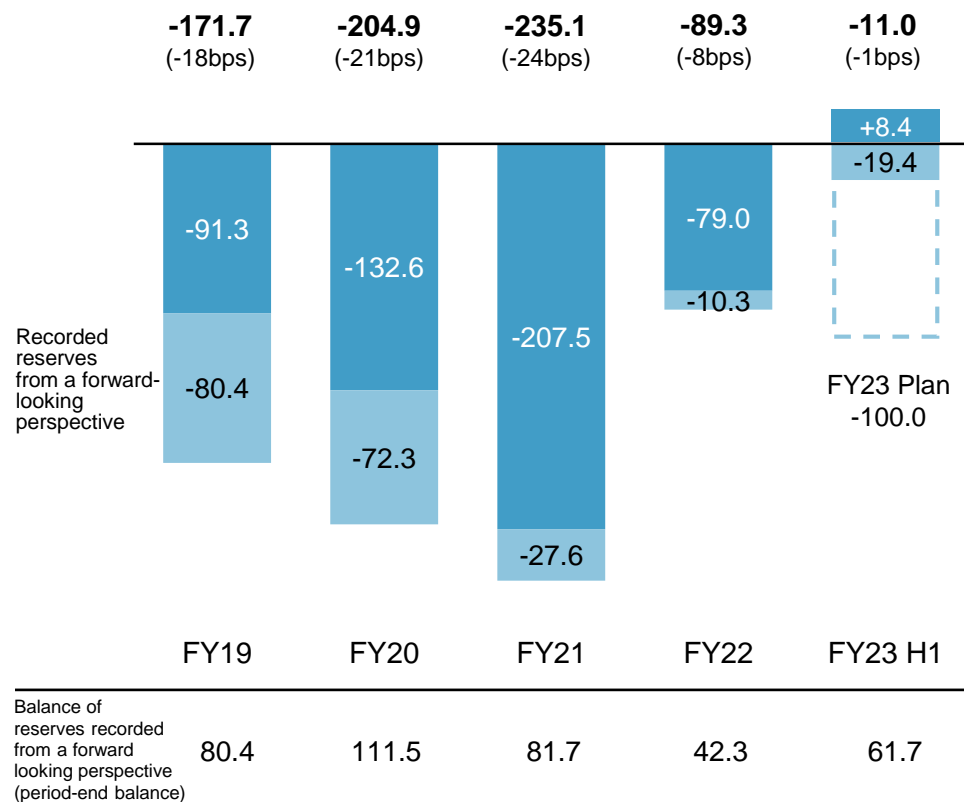
Consolidated

(JPY B)

Figures in ( ) represent Credit-related Costs Ratio:

Credit-related Costs ÷ Total period-end Claims (incl. Trust Account)

RBC : +8.4  
CIBC : -46.4  
GCIBC : +31.1

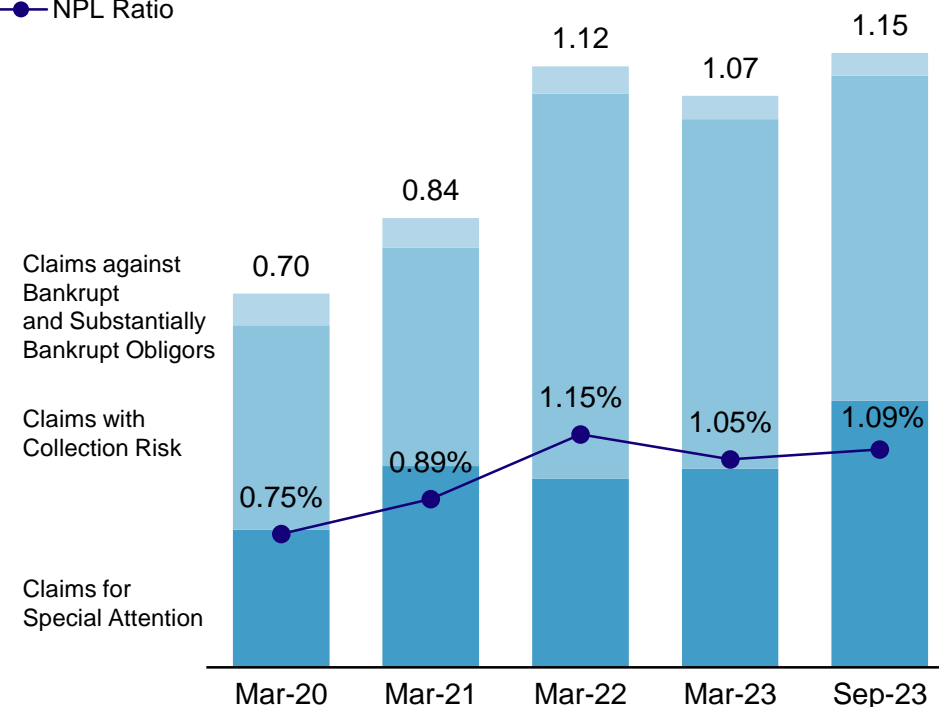


## Non Performing Loans based on BA<sup>1</sup> and FRA<sup>2,3</sup>

(JPY T)

Consolidated

● NPL Ratio



Ref. Other Watch Obligors

2 Banks, banking account

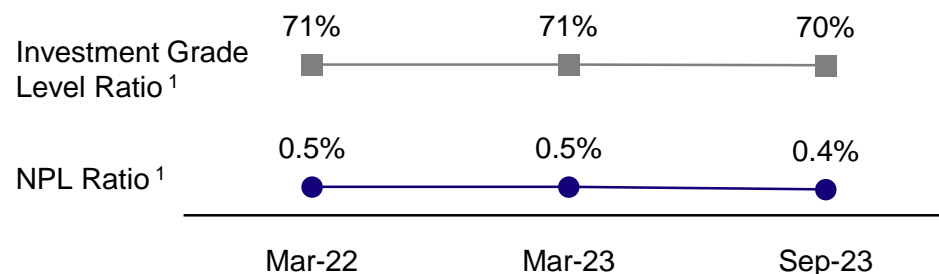
Balance (JPY T)	1.6	1.7	1.9	1.8	2.0
Reserve Ratio	4.91%	4.87%	3.46%	2.91%	4.11%

1. Banking Act. 2. Financial Reconstruction Act. 3. Incl. Trust Account. Ratio and balance before Mar-21 are based on non performing loans on FRA.

# Asset Quality outside Japan

## Quality of loan portfolio

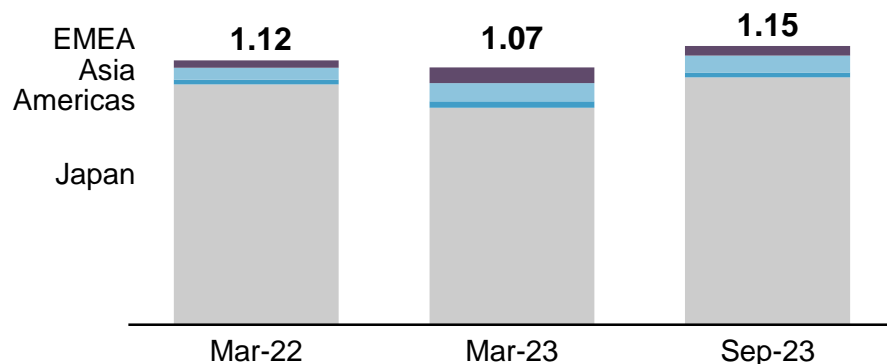
- Promote business with Non-Japanese blue chip companies under “Global 300 strategy”
- Financing towards SMEs and individuals outside Japan is marginal



## Non Performing Loans based on BA<sup>2</sup> and FRA<sup>3</sup> (by region<sup>4</sup>)

(JPY T)

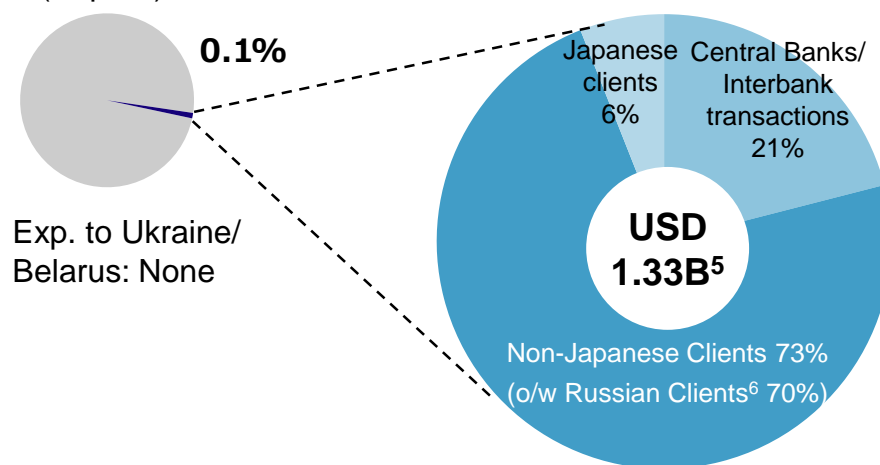
Consolidated, Banking account + trust account



## Russian related exposure (Sep-23)

- Focusing on providing necessary support (settlement operations, etc.) primarily to existing Japanese clients operating in Russia, while complying with the sanctions imposed
- Russian related exposure decreased from Mar-23 due to repayment of loans, sales of receivables and others. Reserves were recorded to the fullest extent possible under Japanese accounting standards, including those from a forward-looking perspective

Total Exposure (Sep-23)<sup>5</sup>



Reserves on Russian related Exposure<sup>7</sup>: JPY 54.3B

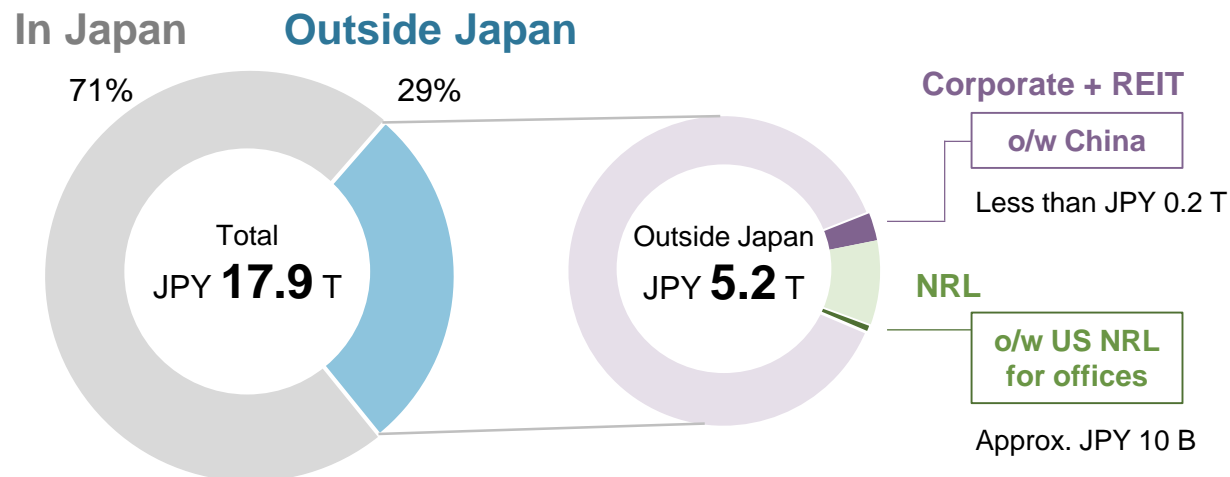
1. BK (incl. banking subsidiaries outside Japan), In-house company management basis. 2. Banking Act. 3. Financial Reconstruction Act. 4. Representative main branch basis.

5. BK Consolidated+TB Consolidated. Inclusive of loans, commitment lines, guarantee transactions, derivatives related credit, etc. Balance after guarantee at country of risk.

6. Includes project finance transactions. 7. Reserve account for Possible Losses on Loans to Restructuring Countries.

# Exposure to Real Estate Sector

Management accounting basis<sup>1</sup>



- Exposure to real estate sector outside Japan is approximately 30% of the total

## In Japan

- Real estate market has remained steady compared to overseas markets
- IG-rated clients represent approximately 80% of exposure

(JPY T)	Balance	Pct.
<b>Total</b>	<b>17.9</b>	100%
<b>In Japan</b>	<b>12.8</b>	71%
Large Corporations	4.3	24%
SMEs and Individuals	2.4	13%
J-REIT	2.2	12%
NRL	3.9	22%
<b>Outside Japan</b>	<b>5.2</b>	29%
Corporate	2.5	14%
REIT	2.1	12%
NRL	0.5	3%

o/w NRL	Balance	Pct.
<b>Total</b>	<b>4.4</b>	100%
In Japan	3.9	88%
<b>Outside Japan</b>	<b>0.5</b>	12%
Ref. NRL balance outside of Japan		
By region		
Americas	0.2	5%
EMEA	0.1	3%
APAC	0.2	4%
By asset type		
Offices	0.1	3%

## Outside Japan

- Selectively expanding business with IG-rated clients, and counterparties with resilient associated assets
- U.S. NRL exposure is less than 0.1%<sup>2</sup> of total U.S. CRE loan balance
- China portfolio solid, with over 80% of exposure originated to IG-rated clients, and over 95% to government-associated clients<sup>3</sup>

1. BK consolidated+TB non-consolidated. Total exposure including loans, FX and unused commitment lines. Sep-23. NRL represents Non Recourse Loans.

2. U.S. Total Commercial Real Estate loan balance, published by FRB. 3. Counterparties associated with central government and local government in first-tier cities.



# Basel Regulatory Disclosures

## Capital Ratios

Consolidated

(JPY B)

Total	17.53%		
Tier1	15.00%	16.05%	15.86%
		13.91%	13.80%
CET1	12.46%	11.80%	11.52%
(Excl. Net Unrealized Gains (Losses) on Other Securities)	[11.52%]	[11.28%]	[10.93%]
	Mar-22	Mar-23	Sep-23
Total Capital	11,351.6	11,306.9	12,228.2
Tier1 Capital	9,713.2	9,803.3	10,636.3
CET1 Capital <sup>1</sup>	8,067.2	8,315.5	8,885.3
AT1 Capital <sup>2</sup>	1,646.0	1,487.8	1,751.0
Tier2 Capital	1,638.3	1,503.5	1,591.8
Risk Weighted Assets	64,730.4	70,434.1	77,063.5
Total Exposure	212,972.0	219,441.1	242,406.1

## Other Regulatory Ratios

Consolidated

(JPY B)

	Mar-22	Mar-23	Sep-23
Leverage Ratio	4.56%	4.46%	4.38%
External TLAC Ratio			
Risk Weighted Assets Basis	24.24%	24.02%	23.22%
Total Exposure Basis	8.43%	8.85%	8.52%
	FY21 Q4	FY22 Q4	FY23 Q2
Liquidity Coverage Ratio (LCR)	136.5%	130.6%	132.7%
Total HQLA	71,174.1	77,599.9	80,465.1
Net Cash Outflows	52,140.9	59,419.4	60,670.1
Reference:	Mar-22	Mar-23	Sep-23
CET1 Capital Ratio (Basel III finalization basis)	9.9%	9.9%	10.0%
(excl. Net Unrealized Gains (Losses) on Other Securities)	9.3%	9.5%	9.6%

1. Common Equity Tier 1 Capital. 2. Additional Tier 1 Capital.

# FY2023 Earnings Outlook

## Earnings outlook

Consolidated (JPY B)	FY22		FY23	
	Results	H1 Results	Revised Outlook	vs May
Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others	807.1	554.3	<b>950.0</b>	+50.0
Credit-related Costs	-89.3	-11.0	<b>-100.0</b>	±0
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others	84.6	16.2	<b>60.0</b>	±0
Ordinary Profits	789.6	574.0	<b>910.0</b>	+50.0
Net Income Attributable to FG	555.5	415.7	<b>640.0</b>	+30.0

- Increased earnings outlook, given steady performance in core business profits, Yen depreciation and other factors

## Shareholder return

Cash dividend per share	FY23	
		vs May
Interim Cash Dividend	<b>JPY 50.00</b>	+JPY 2.5
Fiscal Year-end Cash Dividend (Estimate)	<b>JPY 50.00</b>	+JPY 2.5
Annual Cash Dividend (Estimate)	<b>JPY 100.00</b>	+JPY 5.00

- Annual Cash Dividend (Estimate) raised to JPY 100.00

[Assumed financial indicators] 10Y JGB Yield 0.60%. Nikkei 225, JPY 31,000. USD/JPY 135.

# Plan by In-house Company

(JPY B)

Group aggregate, preliminary figures

	Net Business Profits <sup>1</sup>			Net Income <sup>1</sup>			ROE <sup>1</sup>	
	FY23 H1	FY23		FY23 H1	FY23		FY23	
	Result	Plan	YoY	Result	Plan	YoY	Plan	YoY
<b>Customer Groups</b>	<b>373.5</b>	<b>755.0</b>	<b>+11.0</b>	<b>278.5</b>	<b>558.0</b>	<b>+24.0</b>		
RBC	45.2	<b>88.0</b>	+8.0	35.0	<b>55.0</b>	+16.0	<b>2.8%</b>	+0.8%
CIBC	161.7	<b>321.0</b>	+8.0	108.9	<b>281.0</b>	-14.0	<b>8.8%</b>	-0.1%
GCIBC	160.3	<b>332.0</b>	-6.0	132.7	<b>217.0</b>	+21.0	<b>7.9%</b>	+0.4%
AMC	6.4	<b>14.0</b>	+1.0	1.9	<b>5.0</b>	+1.0	<b>4.5%</b>	+1.0%
<b>Markets (GMC)</b>	<b>129.5</b>	<b>154.0</b>	<b>+94.0</b>	<b>90.4</b>	<b>104.0</b>	<b>+69.0</b>	<b>4.2%</b>	<b>+2.2%</b>
<b>FG Consolidated<sup>2</sup></b>	<b>554.3</b>	<b>950.0</b> (vs initial plan +50.0)	<b>+143.0</b>	<b>415.7</b>	<b>640.0</b> (vs initial plan +30.0)	<b>+85.0</b>	<b>7.3%</b> (vs initial plan +0.3%)	<b>+0.7%</b>

1. Accounting rule as of FY23. GMC includes Net Gains (Losses) related to ETFs and others of 2 Banks. 2. Figures for Net Business Profits includes Net Gains (Losses) related to ETFs and others. Net Income is Net Income Attributable to FG.

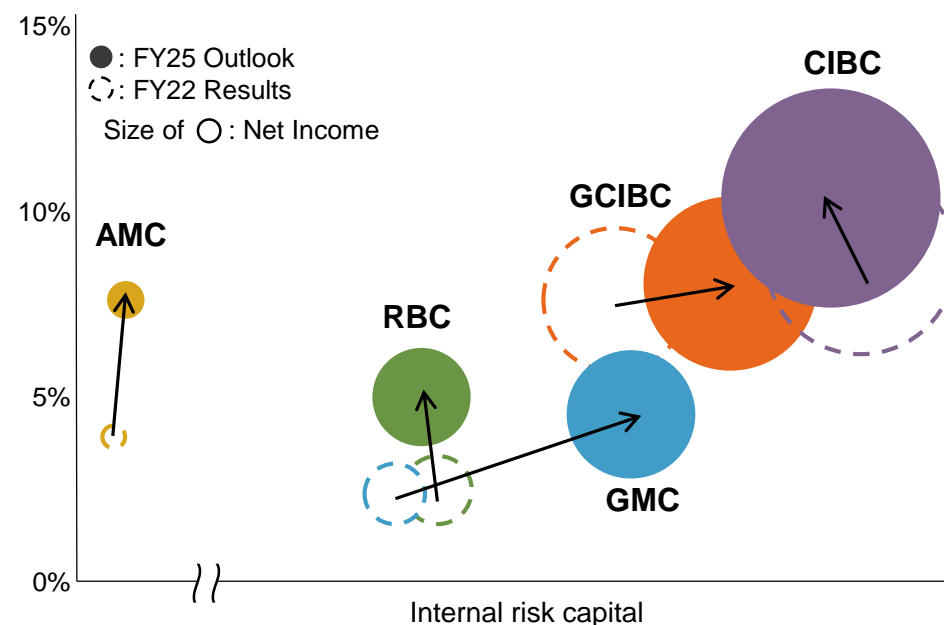
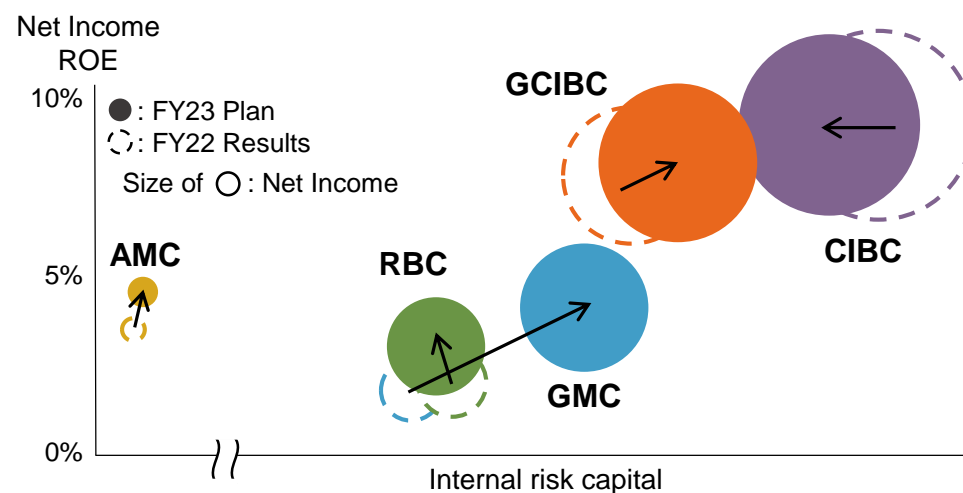
# ROE / Internal Risk Capital by In-house Company

## ■ Aim to strengthen stable profit base and improve ROE, pursuing enhanced capital efficiency in each In-house Company

- Allocate internal risk capital by concentrating corporate resources to focus areas and reducing low-return assets
- Derive ROE target for each in-house Company from FG consolidated ROE, based on cost of capital and profit forecast considering the business environment

	ROE*		
	FY22 Results	FY23 Plan	FY25 Outlook
RBC	2.0%	2.8%	4.9%
CIBC	8.8%	8.8%	10.4%
GCIBC	7.5%	7.9%	7.9%
GMC	2.0%	4.2%	4.6%
AMC	3.5%	4.5%	7.5%
FG Consolidated	6.6%	7.3%	Over 8%

\* New management accounting rules were applied in FY23.



# Reference: Estimating the financial impact of JPY rate-hike

## ■ Annual P/L impact estimation:

Impact on interest income assuming no change in current balance-sheet

### [Case 1.] Abolishing of NIRP<sup>1</sup>

**+JPY 35.0 B<sup>2</sup>**  
(unchanged from previous estimation in July 2023<sup>3</sup>)

- Simulation based on **a set of assumptions<sup>1</sup>**

Assumptions (BoJ Current Account):

	(change)
Policy Interest Rate Balance:	+0.10%
Macro Add-on Balance:	Unchanged
Base Balance:	Unchanged

### [Case 2.] Continued increase in policy rate

Ref. **Avg. +JPY 50.0 B**  
per +10bps

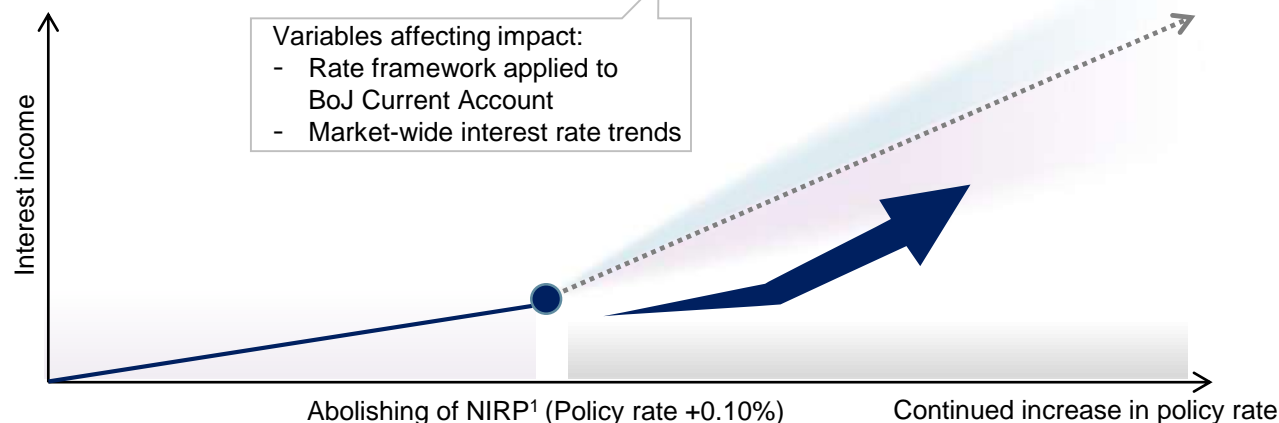
- Analysis of **upwards parallel shift** for risk monitoring purposes<sup>4</sup>

For example:

	(change)
Policy Interest Rate Balance:	+0.10%
Macro Add-on Balance:	+0.10%
Base Balance:	+0.10%

□ **Actual impact would fluctuate in line with market environment**

Conceptual interest rate sensitivity



## JPY B/S (Sep-23)<sup>5</sup>

(JPY T)

**56**

**Loans**

Floating:	Approx. 60%
Fixed:	Approx. 20%
Prime rate, etc.:	Approx. 20%

**118**

**Deposits**

Liquid:	Approx. 80%
Fixed-term:	Approx. 20%

**72**

**Market Investment**

Treasury Discount Bill <sup>6</sup> :	18
Mid/long-term:	3
Avg. remaining period:	0.7yrs <sup>7</sup>
Bank of Japan Current Account:	42

**4**

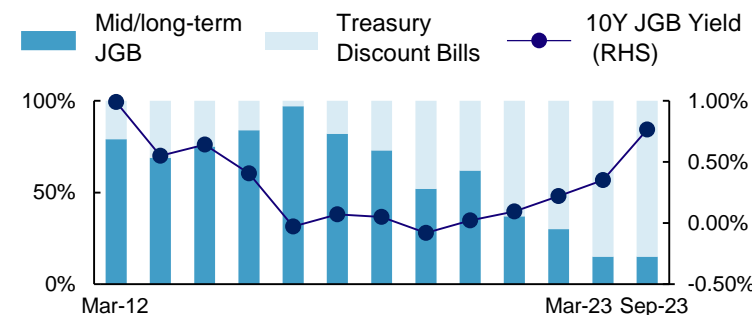
**Other**

**13**

**Other**

Ref.

## Past investment in JGBs<sup>8</sup>



1. Key assumption: Policy Interest Rate 0.00% (+0.10% vs Sep-23), Rate applied to Macro Add-on Balance 0.00% and to Base Balance 0.00% (unchanged from Sep-23), Short-term rate (TIBOR and other) and Long-term rate +0.10% (vs Sep-23). 2. Loan/Deposit Income +20.0Bn. Market Investment +15.0Bn. 3. [https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/ir-information/briefing/202308\\_1.pdf](https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/ir-information/briefing/202308_1.pdf), p.12. 4. JPY ΔNII under IRRBB. Average based on 100bps instantaneous upwards parallel shift. BK Consolidated, Jun-23. 5. BK, management accounting basis. 6. Government guaranteed bonds and other. 7. Excl. bonds held to maturity. After taking into account hedging activities. 8. Other securities. Acquisition cost basis.

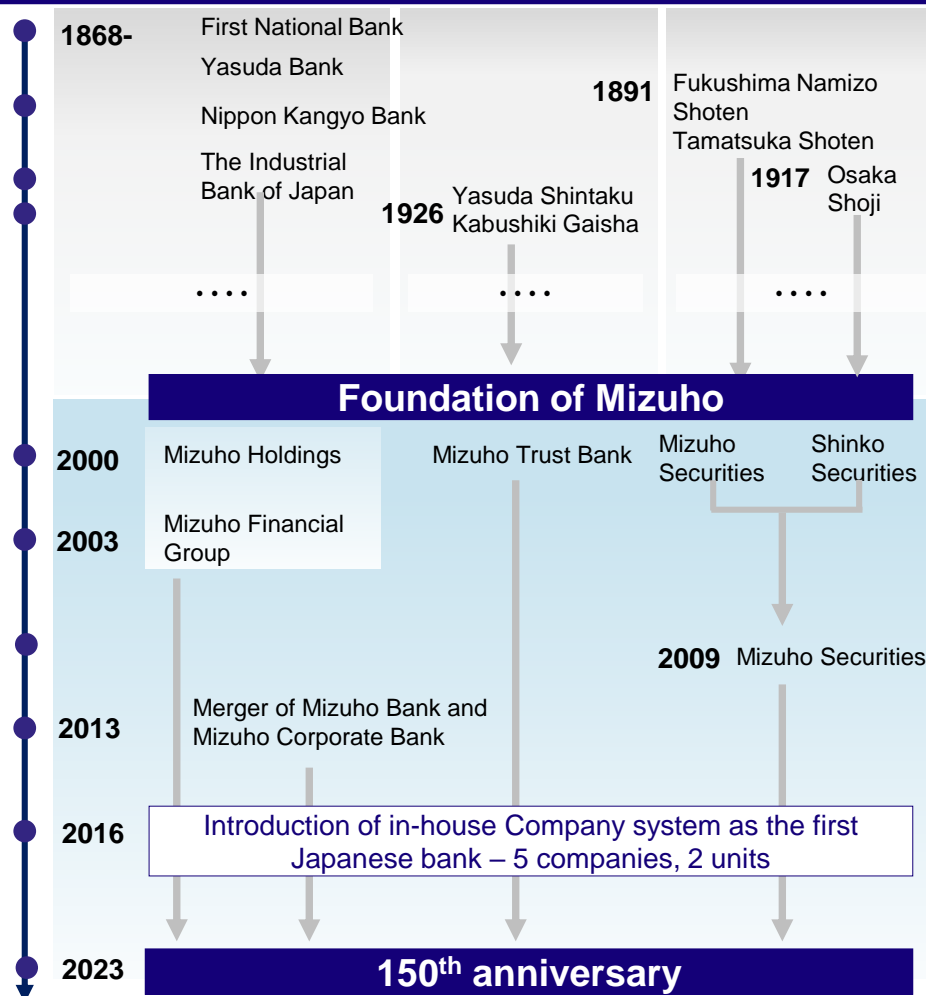
# Outline of Mizuho Group



# Who we are: Mizuho Group (1) Outline

- To mark 150<sup>th</sup> anniversary, as the first bank founded in Japan, we offer full range of financial services, banking, trust banking and securities, with wide range of network and customer base

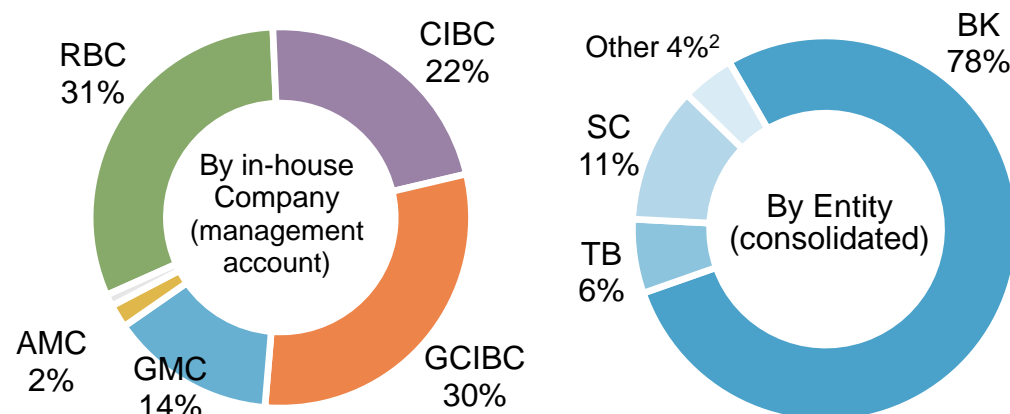
## Our history



## Network and customer base

Locations (As of Mar-23)	Japan	745 locations	Total no. of locations: 110 Americas: 33, EMEA: 25, APAC: 52
	Outside of Japan	36 countries	
Customer base	Individual customers:	approx. 22 M	
	Securities accounts:	approx. 1.7M	
	Coverage of listed companies in Japan:	approx. 80 %	
	Coverage of Forbes Global 200 <sup>1</sup> (Non-Japanese corporate clients) :	approx. 90 %	

## Breakdown of FY22 Gross Profits



1. The top 200 companies in the Forbes Global 2000. 2. Includestransactions between subsidiaries that should be consolidated and eliminated as internal transactions

# Who we are: Mizuho Group (2)

## RBC Retail

Figures as of Sep-23

- Promoted integrated asset management consulting across our Group (BK-TB-SC)
- Grew the stable revenue base by expanding AUM
- Exercising FD<sup>1</sup> supporting advanced consulting

Equity investment trust<sup>2</sup> **JPY 7.0 T** +JPY 2.9 T (vs. Mar-19)  
 Average investment trust holding period<sup>3</sup> **7.6 yrs.** Industry average<sup>4</sup> 4.6 yrs.  
 Global equity fund balance **JPY 3.7 T** +JPY 2.5 T (vs. Mar-19)

4 legal entities were awarded the highest ranking (S+) for R&I's "Customer-Oriented Investment Trust Sales Company Evaluation" for the 3rd year running



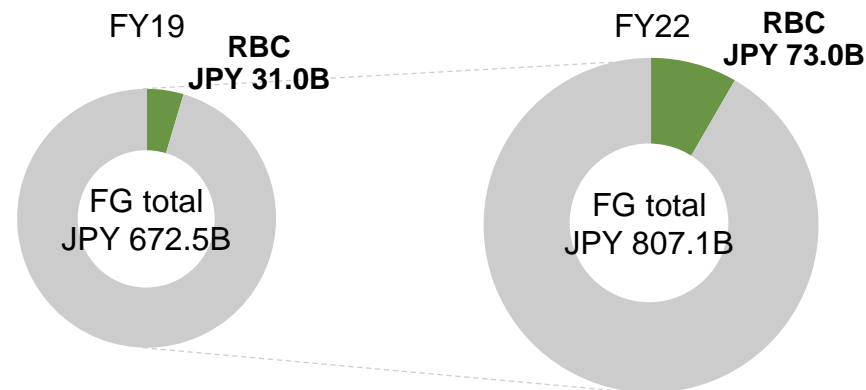
## RBC Medium-sized companies and SMEs

- Switched to new branch structure in 2021, consolidating expertise based on industrial sectors
- Enhanced the capabilities of providing solutions based on clients' needs, including addressing sustainability transformation & digitalization, through supporting growth strategy and business succession. Continuing to change loan profit structure

1. Fiduciary Duties. 2. Publicly offered equity investment trust. 3. Calculated by dividing the average balance held in the past year by the total amount of cancellations and depreciation. 4. Based on data published by The Investment Trusts Association.

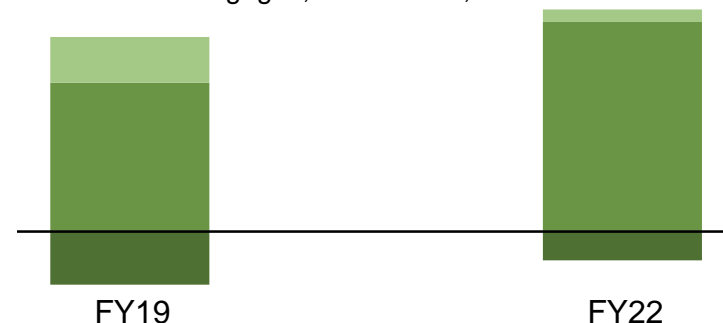
## Net Business Profit

Management accounting, rounded figures



### RBC breakdown

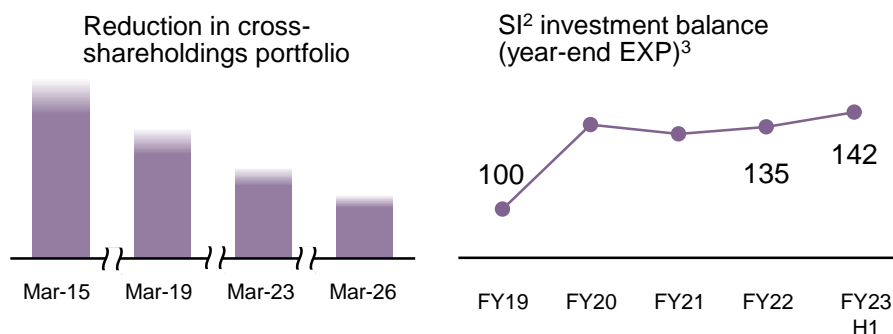
- Individual Retail: Asset management, Business generated through succession, Real-estate
- Medium-sized companies and SMEs: Lending, Solutions businesses
- Non-face-to-face: Residential mortgages, Card Loans, Frontier areas



# Who we are: Mizuho Group (3)

## CIBC Large corporations (in Japan)

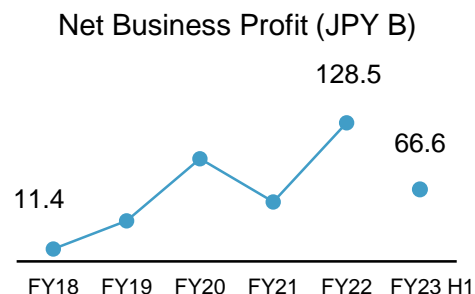
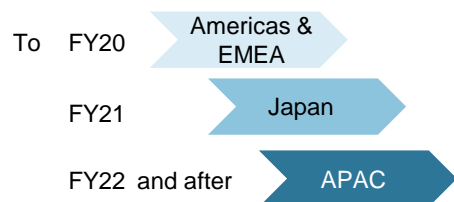
- Implemented the IG/RG<sup>1</sup> framework which promotes group unified initiatives among banking, trust banking and securities
- Having been promoting co-creation business and risk sharing model by leveraging our strengths in industry insight, and shifting capital from cross-shareholdings



## GMC S&T

- Expanding BK-SC integrated operations on a global basis
- Enhanced business in Americas, diversifying deal generation by expanding product line-up, increasing resistance to environmental change. Strengthened APAC's infrastructure, aiming for steady build-up of income.

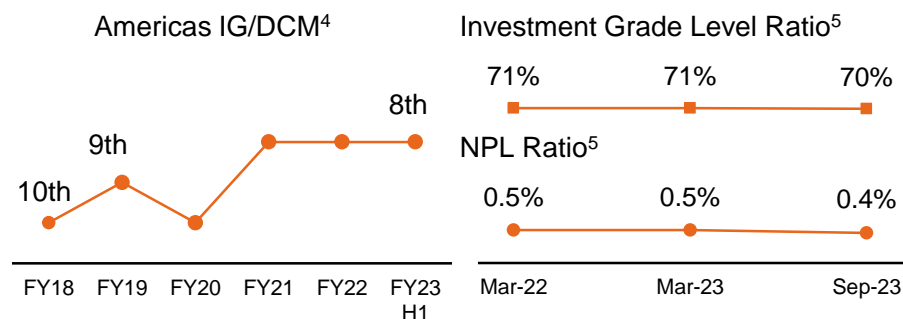
Expansion of BK-SC integrated operations & products line up



## GCIBC Outside Japan

Management accounting

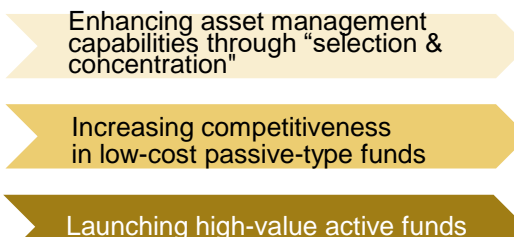
- Pursuing business with leading non-Japanese corporations based on the Global 300 strategy.
- Establishing a solid position in Americas IG DCM.



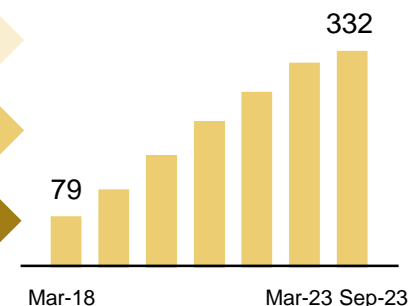
## AMC Asset Management

- Aiming for solid growth through leading the reinvigoration of fund investment in Japan

Enhancing asset-management capabilities, expanding product line-up



No. of iDeCo users (BK, K)



1. Industry Group & Regional Group. Formation based on industry sector. 2. Strategic Investment. Hybrid financing, Equity & Mezzanine, etc. 3. Balance indexed at FY19 as 100. 4. Bonds issued by investment grade corporations. Fee basis. Source: Dealogic. 5. BK (incl. banking subsidiaries outside Japan), In-house company management basis.

# What we aim through Strategic Capital and Business Alliance with Rakuten Securities

**Provide integrated new asset formation and asset management services with the customer's perspective by leveraging both online and offline services**

## Strength of Mizuho

**24M**  
(Number of retail customers)

**Face to face Consulting**  
(Branch network)

**Consulting capability**  
(The 1<sup>st</sup> Grade Financial \* Planner/ CFP holders:1,821)

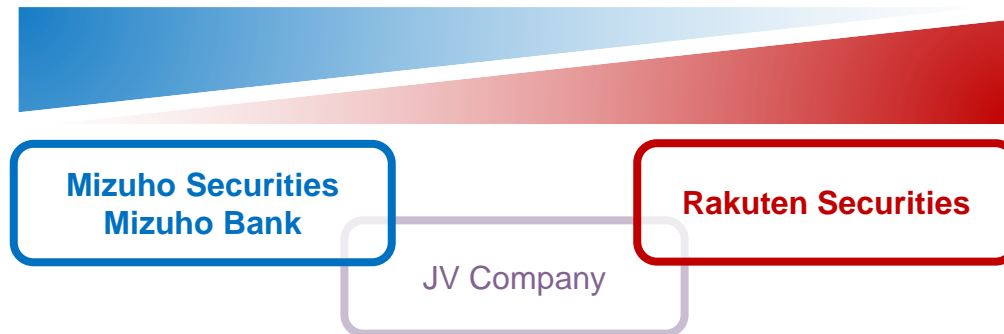
**Strong corporate customer base and partnership**

**Integrated Financial functions**  
(Trust, Research, etc.)

**A new retail business model that allows customers to utilize both online and offline channels**

Face-to-face consulting  
Consulting oriented

Digital  
UI/UX oriented



**Mizuho Securities**  
**Mizuho Bank**

**Rakuten Securities**

JV Company

Joint consideration of product and service capabilities

Collaborative Platform

## Strength of Rakuten

**100M**  
(Rakuten IDs issued)

**Digital**  
(Excellent UI /UX)

**Low cost channel**

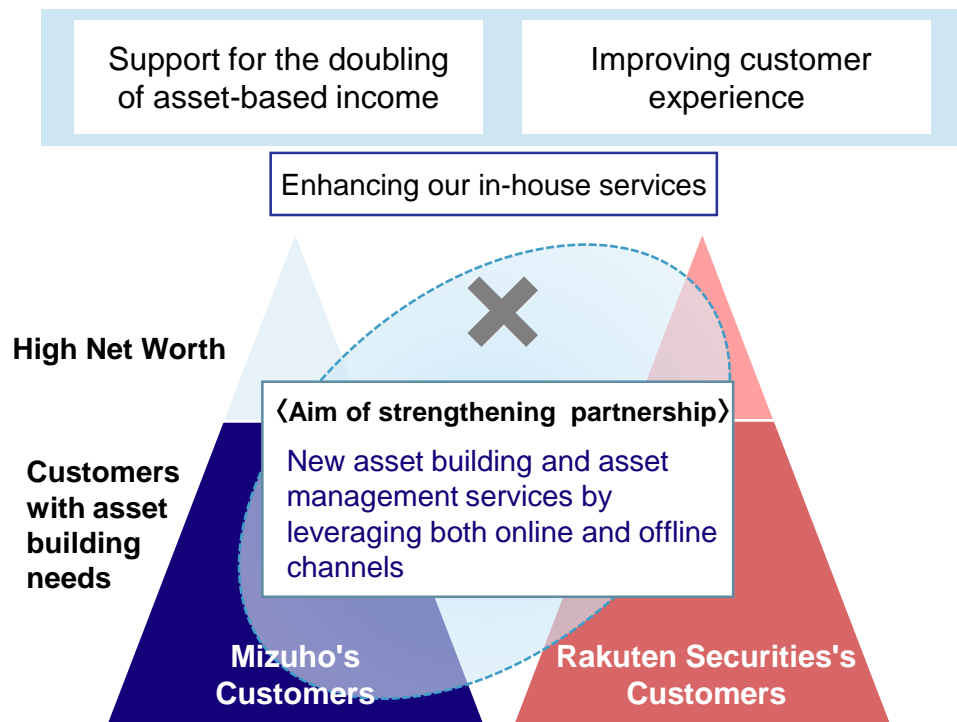
**No.1 share of NISA accounts**

**Rakuten Ecosystem**

\* As of Sep.23

# How the Business Alliance with Rakuten Securities works in our medium-term business plan

## Business focus area in medium-term business plan



## Strengthening approach for customers with asset building needs

Provide newly added value, which can not be realized by Mizuho alone

Contribute to

“Living lives in the aging society without concerns about the future”

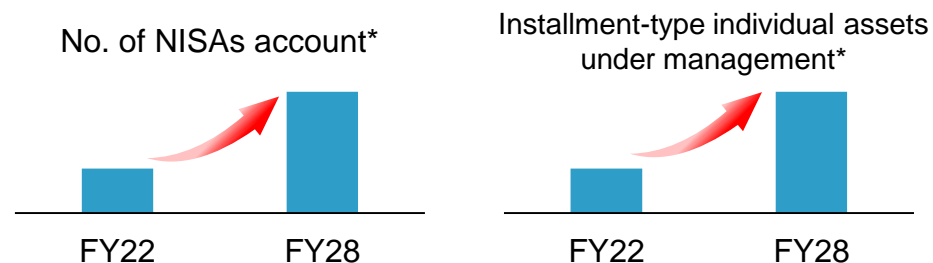
“Realizing comfortable, safe and convenient lives”

\* Total of Mizuho Bank, Mizuho Securities and Rakuten Securities

## Support for the doubling of asset-based income

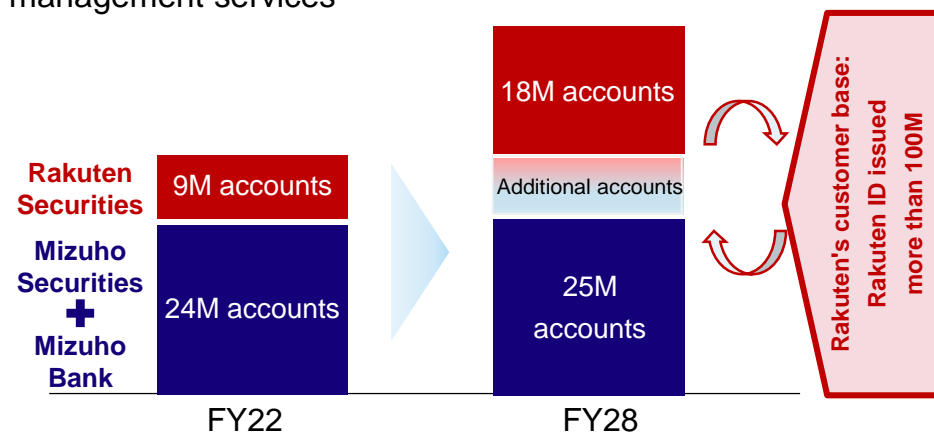
Aiming for a leading position in asset building industry by collaborating with partner

## Aiming to be the dominant player together with the partner



## Improving customer experience

Aiming to expand Mizuho's customer base exponentially, by providing attractive platform in asset building and asset management services



# Global Retail Strategy

## ■ Capturing the growth of Asia through Digital Finance



Policy for selecting target countries for investment

- Population scale and the outlook for economic growth.
- Volume of numbers of young generation without bank accounts (the unbanked segment).

Strategic approach

- Promote financial transactions via Digital Finance.
- No intention to pursue branch-based retail business.



### Vietnam

Invested in Dec-21

No.1 super-app<sup>1</sup>  
(Share<sup>2</sup>)

Approx. 7.5%<sup>3</sup>

No. of  
registered users<sup>2</sup>

Over **36 M**  
(Mar-23)

Payment transaction  
volume<sup>2</sup>

USD **24 B**  
(cumulative Dec-22)



### Philippines

Invested in Feb-22

First digital bank in  
the Philippines  
(started operations in Mar-21)

No. of  
registered users<sup>5</sup>

Over **1 M**  
(Jun-23)

Approx. 10%<sup>4</sup>

Deposit balance<sup>6</sup>

USD **146 M**  
(Jun-23)



### Indonesia

Invested in Mar-23

No.1 BNPL<sup>7</sup> provider  
(Share)

USD 125M

No. of  
registered users<sup>8</sup>

**7.8 M**  
(Sep-23)

Coverage rate of  
e-commerce

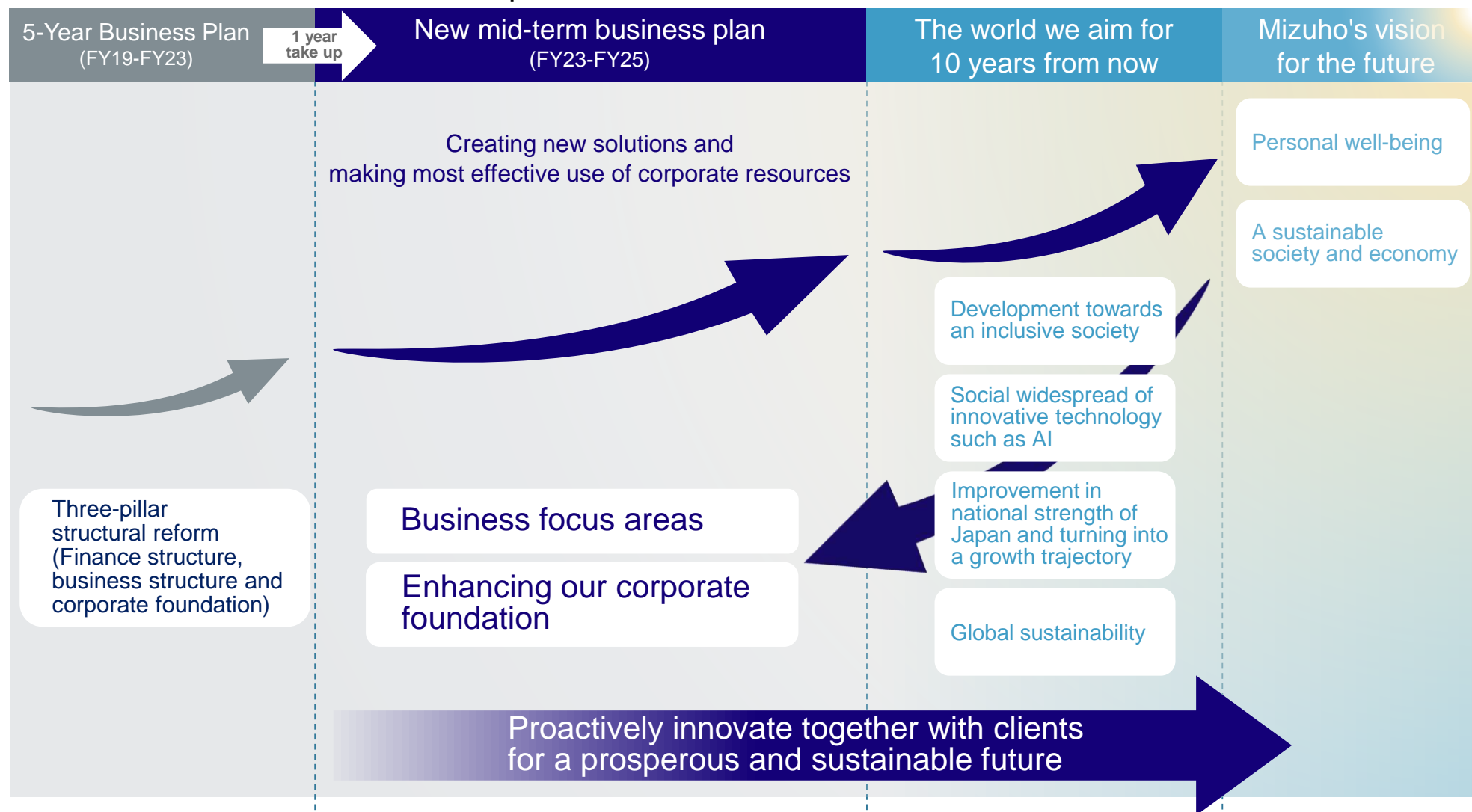
**No.1**

1. All-encompassing mobile application that can provide services on personal life, incl. massaging, ride-hailing, and payment. 2. Source: MoMo Info Memo. 3. Investment ratio to Online Mobile Services Joint Stock Company. 4. Investment ratio to Tonik Financial Ptd. Ltd. 5. Source: Tonik web site. 6. Source: Bangko Sentral ng Pilipinas 7. Buy Now Pay Later. 8. Source Kredivo Info Memo.



# Position of the new Medium-term business plan\*

- Backcasting from our vision for the future, we have revised our Corporate Identity and launched the new Medium-term business plan

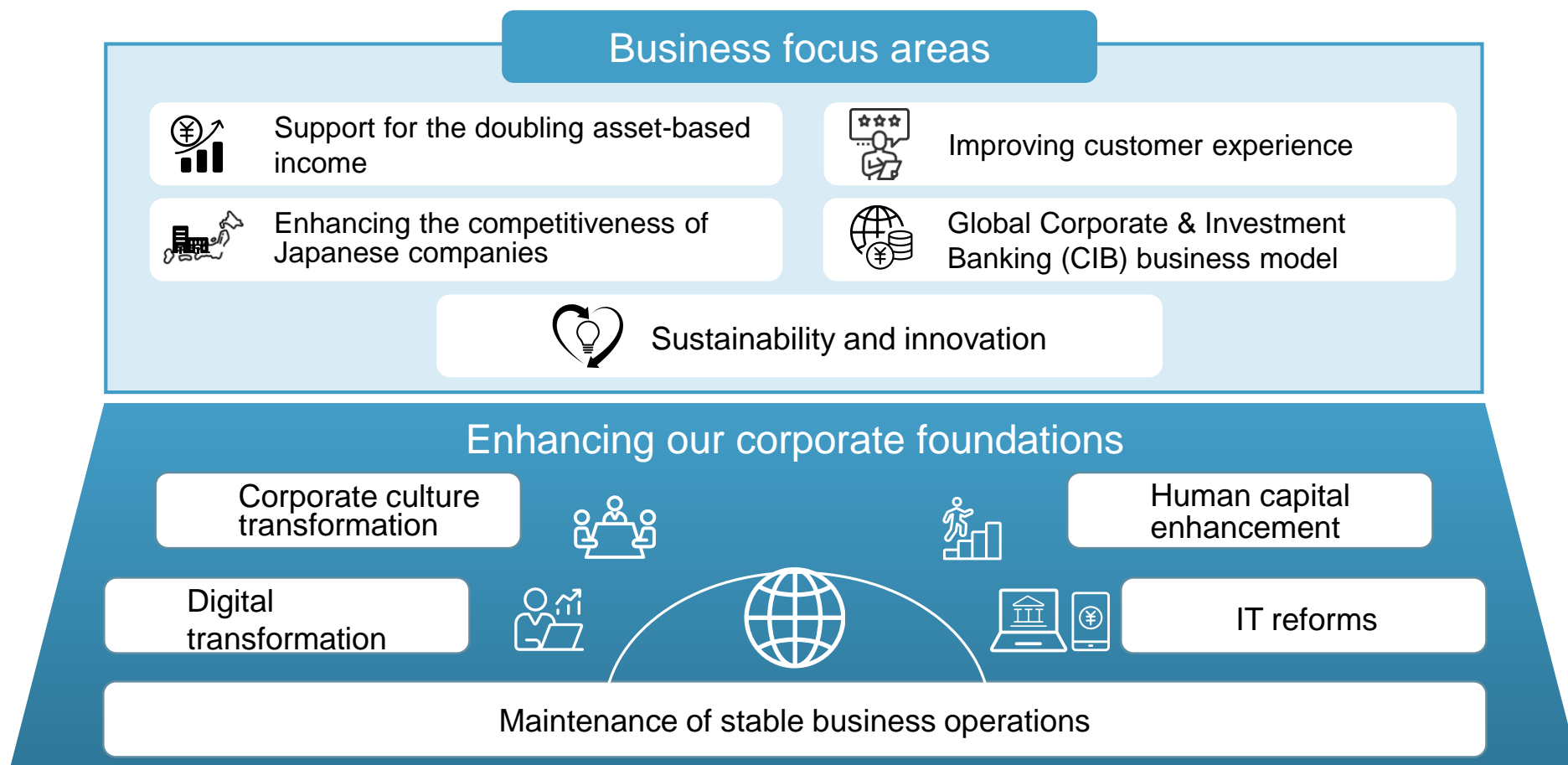


\* Excerpt from Mizuho FG Investor Presentation for FY22 in May-23

# Basic Policy of the new Medium-term business plan<sup>1</sup>

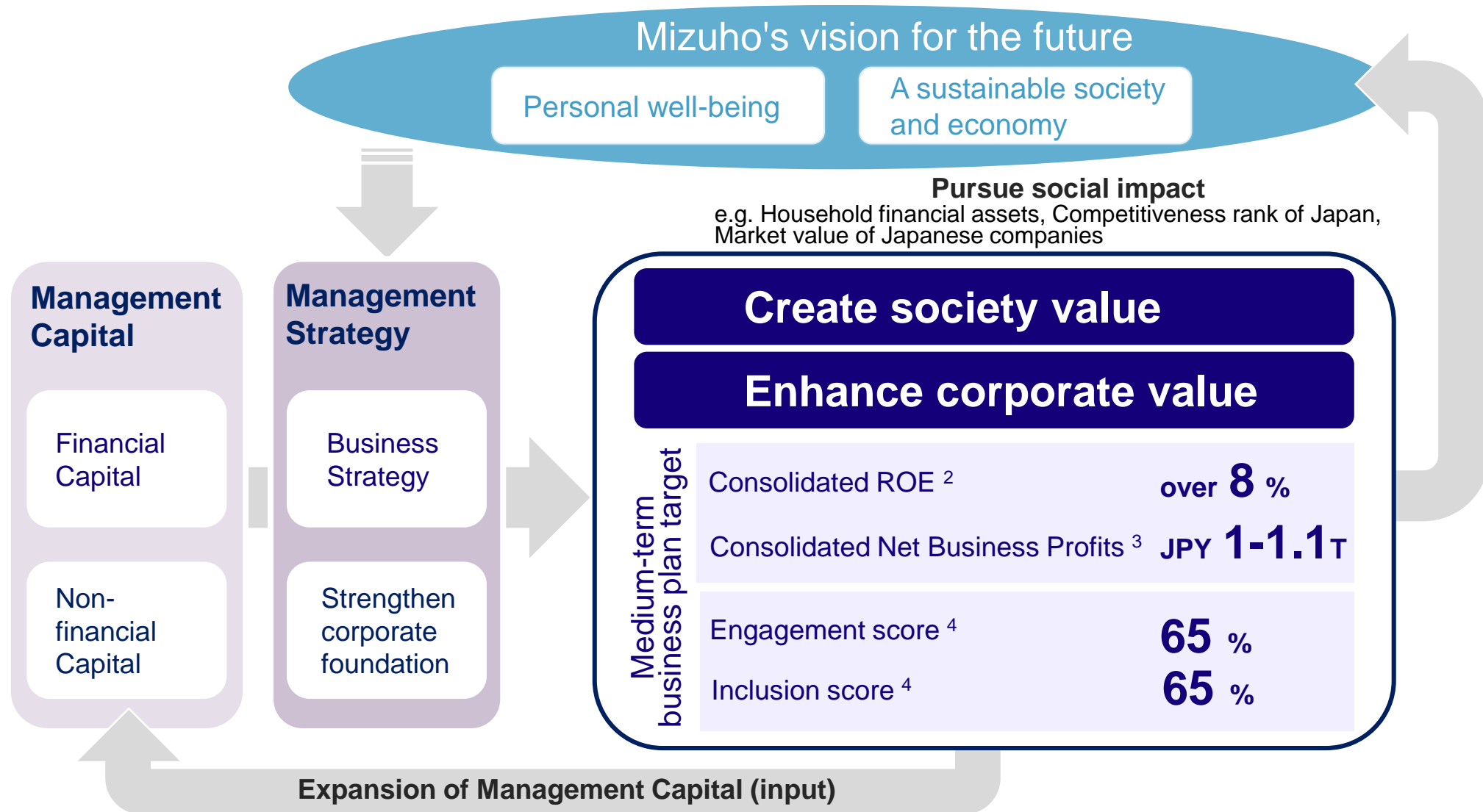
A three-year journey connecting various challenges and co-creating value-added solutions in order to support our clients' initiative and to solve social issues

- Make the most effective use of corporate resources through a flexible business development approach
- Together with our clients and society, build the cornerstone of future sustainable growth and prosperity



1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. Announced by Kishida Administration, which encourages the shift of household excess fund from saving into investment.

# The new Medium-term business plan target<sup>1</sup>



[Assumed financial indicators] JGB (10-yr): 0.95%, Nikkei 225: JPY 30,000, USD/JPY: JPY 120 (FY25)

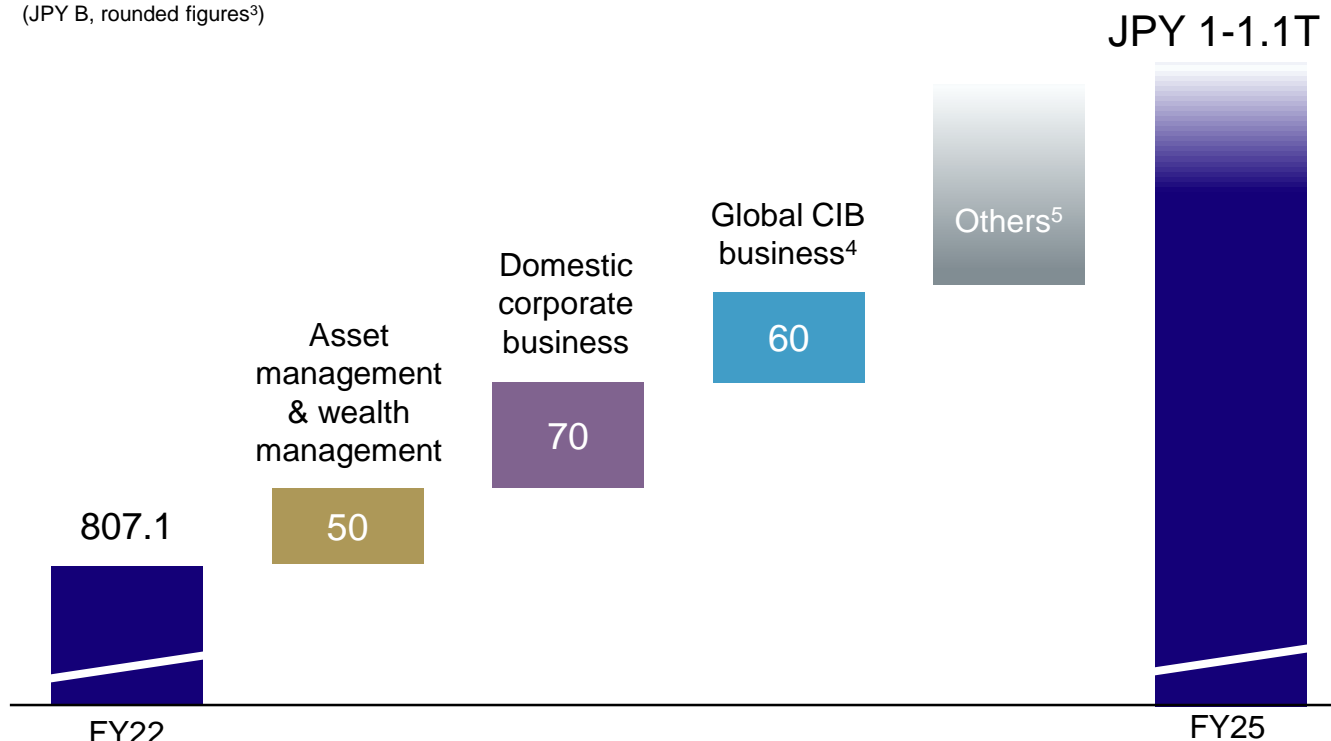
1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. Excl. Net Unrealized Gains (Losses) on Other Securities. 3. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and other. 4. Based on the positive response rate (selection of 4 or 5 on a scale from 1 to 5) for four Staff Survey questions related to engagement and inclusion.

# Assumed Scenario for Target Achievement<sup>1</sup>

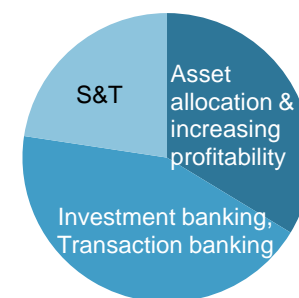
## ■ Allocate corporate resources to focus areas, aiming for Net Consolidated Business Profits of JPY 1-1.1T, and Net Income attributable to FG of mid JPY 700B

- Asset management & wealth management: Use the new NISA<sup>2</sup> as a chance to strengthen our presence
- Domestic corporates: (Large corporates) address sustainability-driven business (Medium-sized corporates) target and approach strategically
- Global CIB business: Reallocating and injecting resources to the Americas and APAC regions where growth is expected
- Expenses: Exercise a disciplined, ratio-focused approach. Allocate expenditure to focus business areas and to streamline corporate governance functions in order to keep aligned with G-SIBs standard

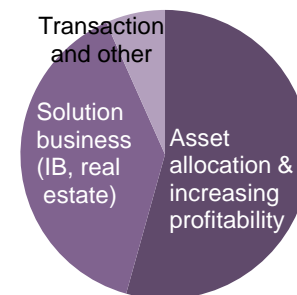
(JPY B, rounded figures<sup>3</sup>)



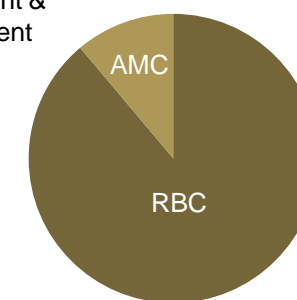
Global CIB business<sup>6</sup>



Domestic corporate business<sup>6</sup>



Asset management & wealth management business<sup>6</sup>



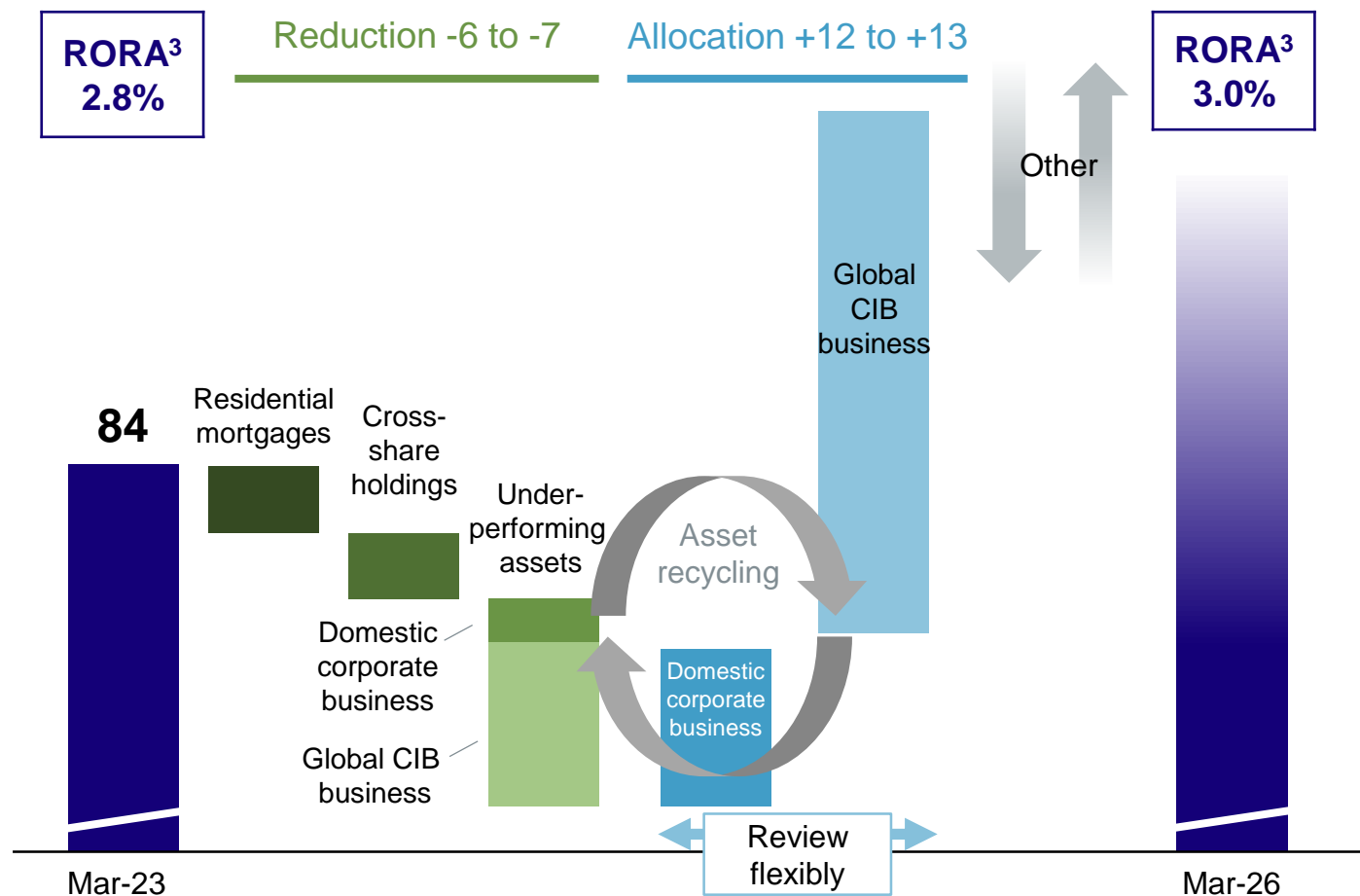
1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. Nippon Individual Savings Account.

3. Consolidated Net Business Profit + Net gains (Losses) related to ETFs and others. 4. GCIBC+GMC/S&T Outside of Japan 5. Banking + S&T in Japan and other. 6. Gross Business Profits base. The pie chart shows the proportion of the profit growth (outlook) in each business to the total accumulative profit growth from FY22 to FY25 (outlook) in the focus areas. Rounded figures.

# Assumed Scenario for Target Achievement – Risk Weighted Assets (RWA)<sup>1</sup>

- Reallocate RWA<sup>2</sup> to focus business areas whilst pursuing capital efficiency. Though a slight increase expected in the total, use of RWAs will be flexibly reviewed in line with prevailing business environment

(JPY T, rounded figures)



## Reduction

### Residential mortgages

- To be dealt selectively based on customer's income and nature of relationship such as existence of payroll account and ancillary transactions

### Cross-shareholdings

- Plan to reduce by JPY 300.0B

### Under-performing assets

- Japan: Reduce mainly in RBC
- Outside Japan: Reduce mainly in EMEA and APAC

## Allocation

### Domestic corporate business

- Allocate to assets with higher profitability

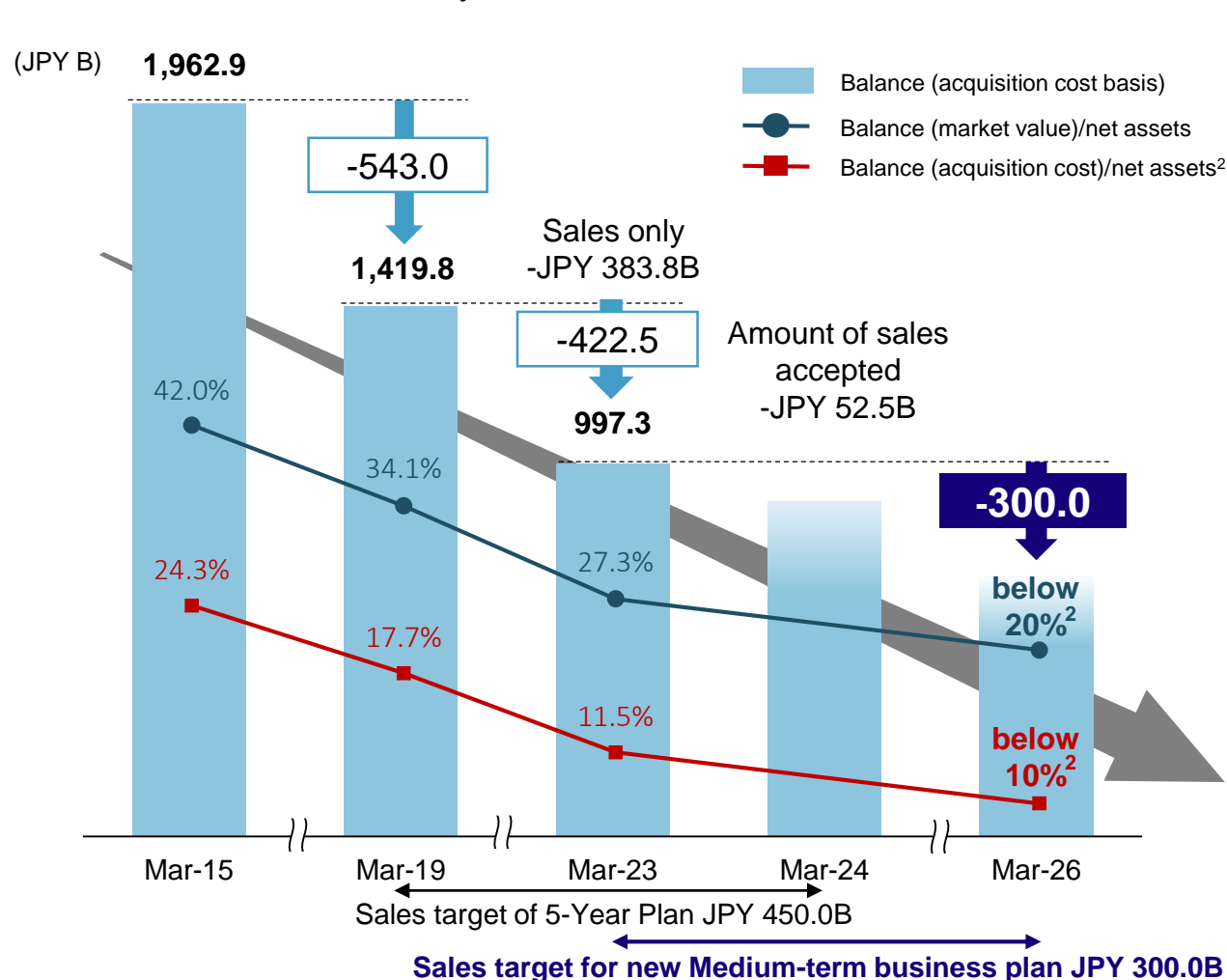
### Global CIB business

- Allocate mainly to Americas and APAC

1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. RWA calculated on a management accounting basis. RBC, CIBC & GCIBC calculated on Basel III finalization basis. Incl. interest-rate risk in banking account. 3. Gross Business Profit RORA.

# Sales of Cross-shareholdings<sup>1</sup>

- Plan to reaccelerate sales as part of the new Medium-term business plan, in pursuit of enhanced capital efficiency. Assumed outcome for ratio of stocks to net assets to be less than 10% in book value and less than 20% in market value by the end of Mar-26<sup>1</sup>



Consolidated

New Medium-term business plan target

**Sales JPY 300.0B**  
(Mar-23 to Mar-26)

(Reference) Stock reduction from Employee Retirement Benefit Trust Fund

	Mar-20 to Mar-23 Actual	Mar-23 to Mar-26 Outlook <sup>4</sup>
Total Reduction	-JPY 576.8B	-JPY 200.0B
CET1 Capital Ratio (Basel III finalization basis) <sup>3</sup>	+0.5%	+0.2%

**Continue sales after Mar-26, putting emphasis on profitability**

1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. Calculated based on the net asset and stock price as of Mar-23. 3. Excl. net unrealized gains (losses) on other securities. 4. Calculated based on stock market price and market outlook as of Mar-23. The figure fluctuate based on market price.

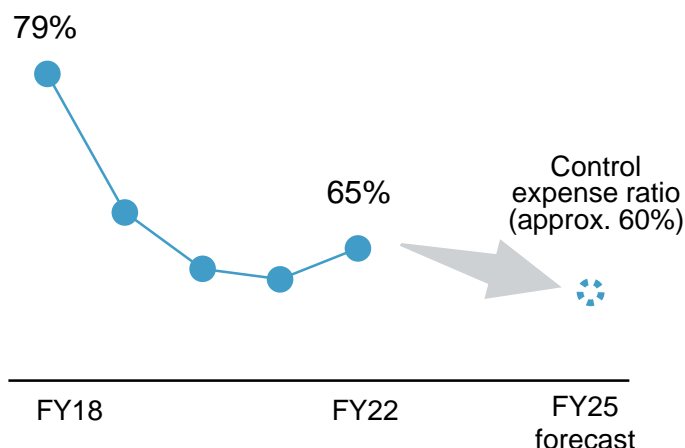


# Assumed Scenario for Target Achievement (other corporate resources)<sup>1</sup>

- Thoroughly review our business portfolio and the current allocation of corporate resources, given their constraints, and reallocate them to focus areas

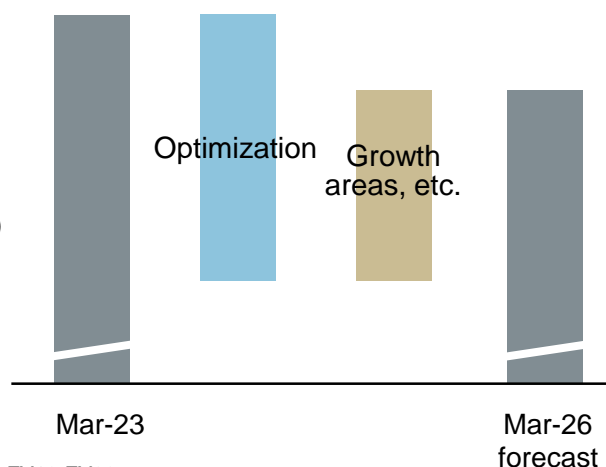
## Expense ratio

- Lowered the expense ratio notably through structural reforms
- While ensuring disciplined control of expenditure based on expense ratio, allocate expenses mainly to focus areas
- Stay committed to raising productivity and reducing expenses



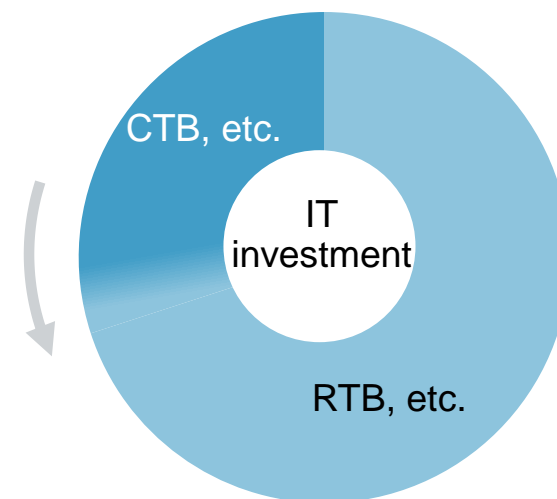
## Personnel

- Although process of digitalization is still underway, headcount is decreasing
- Promote digitalization and optimization of business processes. Improve efficiency of existing businesses
- Allocate human resources to focus areas and areas necessary to streamline corporate governance functions in order to keep aligned with G-SIBs standard



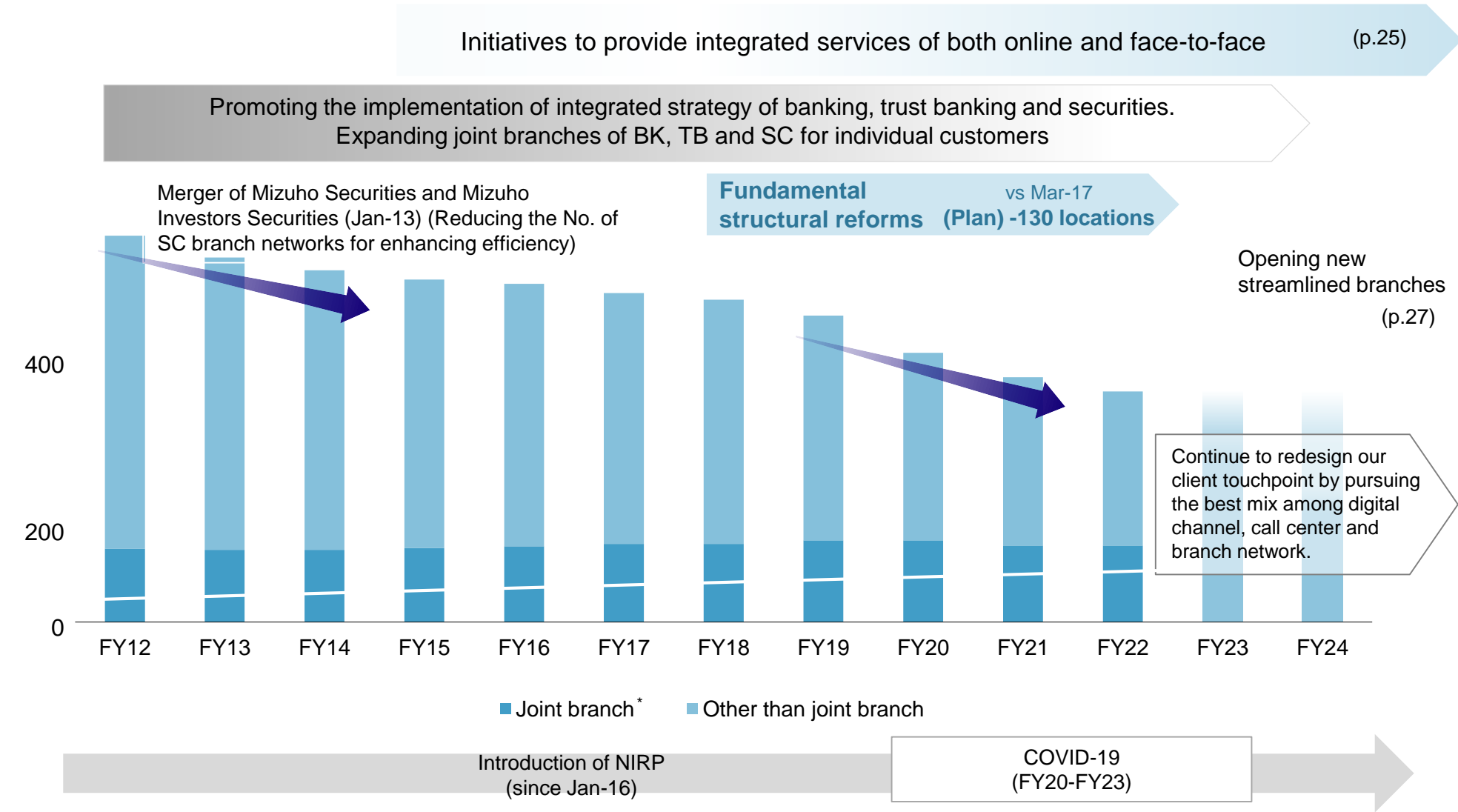
## IT investment

- Work on to optimize IT system structure, in addition to investment for Running the Bank (RTB), accelerate investment aimed Changing the Bank (CTB)
- Increasing IT-related investment for CTB, from current approx. 20%<sup>2</sup> up to below approx. 30% in three years



1. Excerpt from Mizuho FG Investor Presentation for FY22 in May-23. 2. FY19-FY22 average

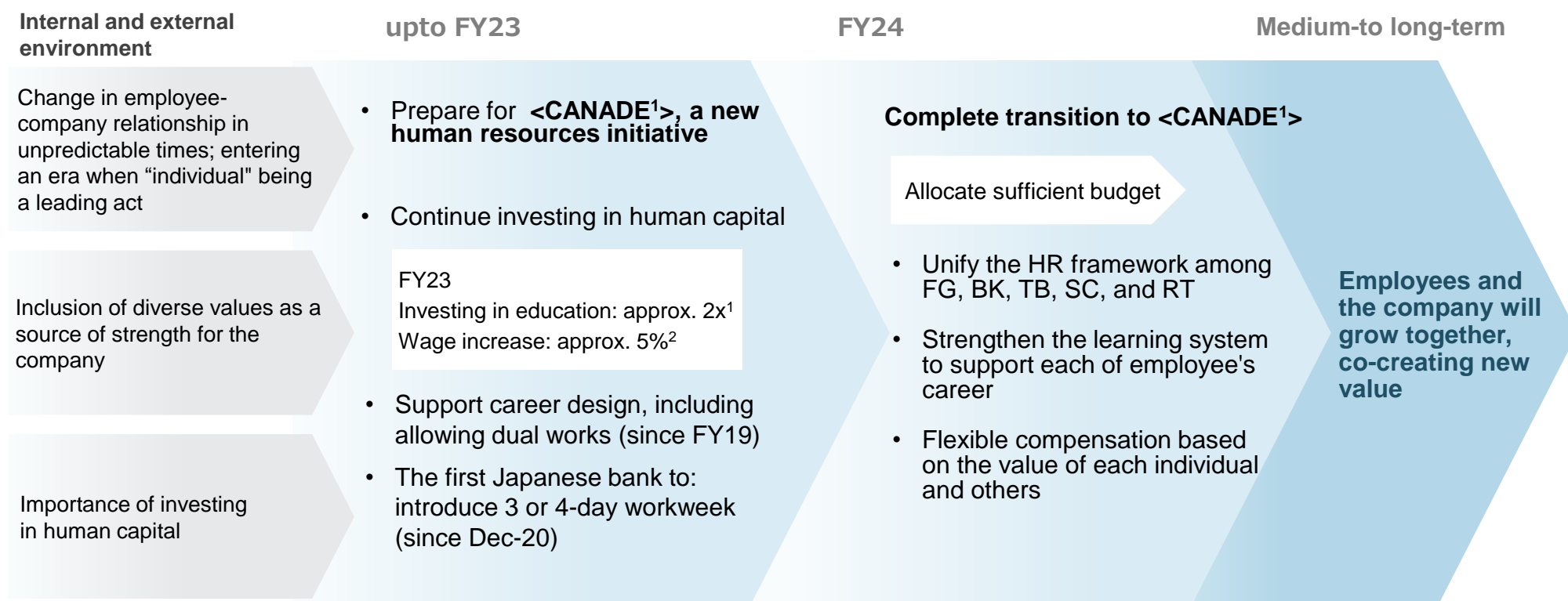
# Number of frontline offices (FG)



\* Joint branch between BK, TB or BK and BK SC, or among BK, TB and SC

# Creating new value together with employees and managements

- Giving each employee the opportunity “to be yourselves” to develop a relationship in which employees co-create value with the company
  - Mizuho is committed to enabling employees to be their full selves at work, which means, demonstrating each individual's strengths and characteristic, in suitable job positions, and taking on new challenges with fulfilling each assigned roles and responsibilities. We allocate sufficient budgets for investments to develop HR systems and working environment to support our people.
  - **<CANADE<sup>1</sup>>**, the new HR initiatives created together with both employees and the company, enables to build a relationship in which employees can speak up and the company responds by making changes. Through **<CANADE<sup>1</sup>>**, we aim to become an organization where employees and the company can work together to enhance corporate value for our customers and help solve social issues.



1. The figure for FY23 is a target figure. Investment for overall education and human development in FY23, vs. investment amount only for training in FY21. 5 entities including FG, BK, TB, SC and RT.

2. Continuing employees in Japan are eligible. Compared with the result in FY22, BK

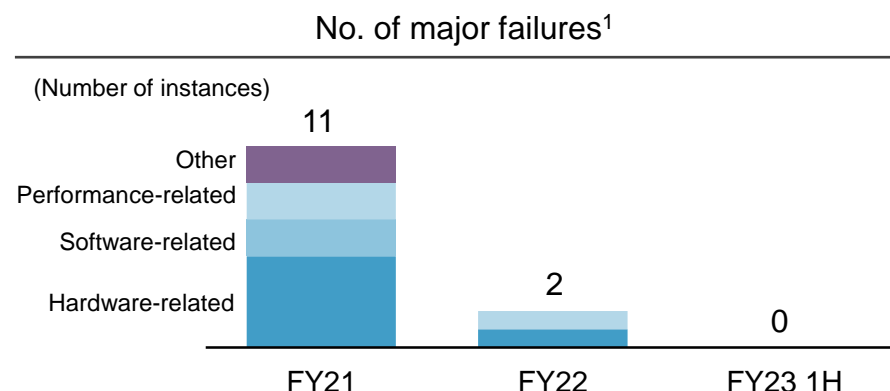
# Progress of the Business Improvement Plan

- Progress has been made in establishing an inspection circuit and improvement measures, and major IT system failures have been deterred
- Incorporated into day-to-day operations to maintain and continue effectiveness
- Along with preventing system failures, responding promptly in the event of a failure to minimize the impact on customers

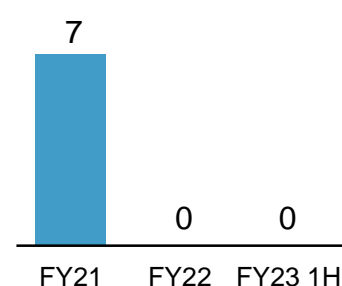
## Main initiatives

IT System failures prevention	<ul style="list-style-type: none"> <li>• Multidimensional inspection of key IT systems               <ol style="list-style-type: none"> <li>1. Parts: detect signs of failure and replace promptly</li> <li>2. Configuration: establish a configuration that can allow switching between multiple devices</li> <li>3. Procedures: Visualize and share recovery procedures</li> </ol> </li> <li>• Improving ATMs: modify specifications to prevent the swallowing of bankbooks and ATM cards into ATMs</li> </ul>
Enhancement of response capabilities	<ul style="list-style-type: none"> <li>• Thorough initial response: Report within 30 minutes, hold a meeting within 1 hour</li> <li>• Visualize business processes and data flow through joint walkthroughs by IT divisions and divisions in charge of business operations</li> <li>• Refine contingency plans and run repeated simulation drills</li> </ul>

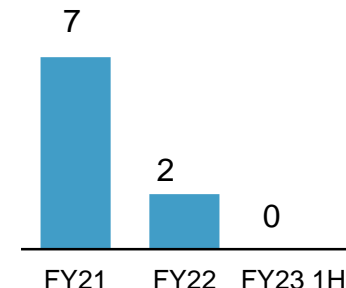
- Other efforts include utilizing customer and front office feedback, IT governance, transforming the corporate culture, legal compliance, and exercising of supervisory functions



No. of cases taking over 3 hours<sup>1, 2</sup>



No of transactions processed the next-day<sup>1, 3</sup>

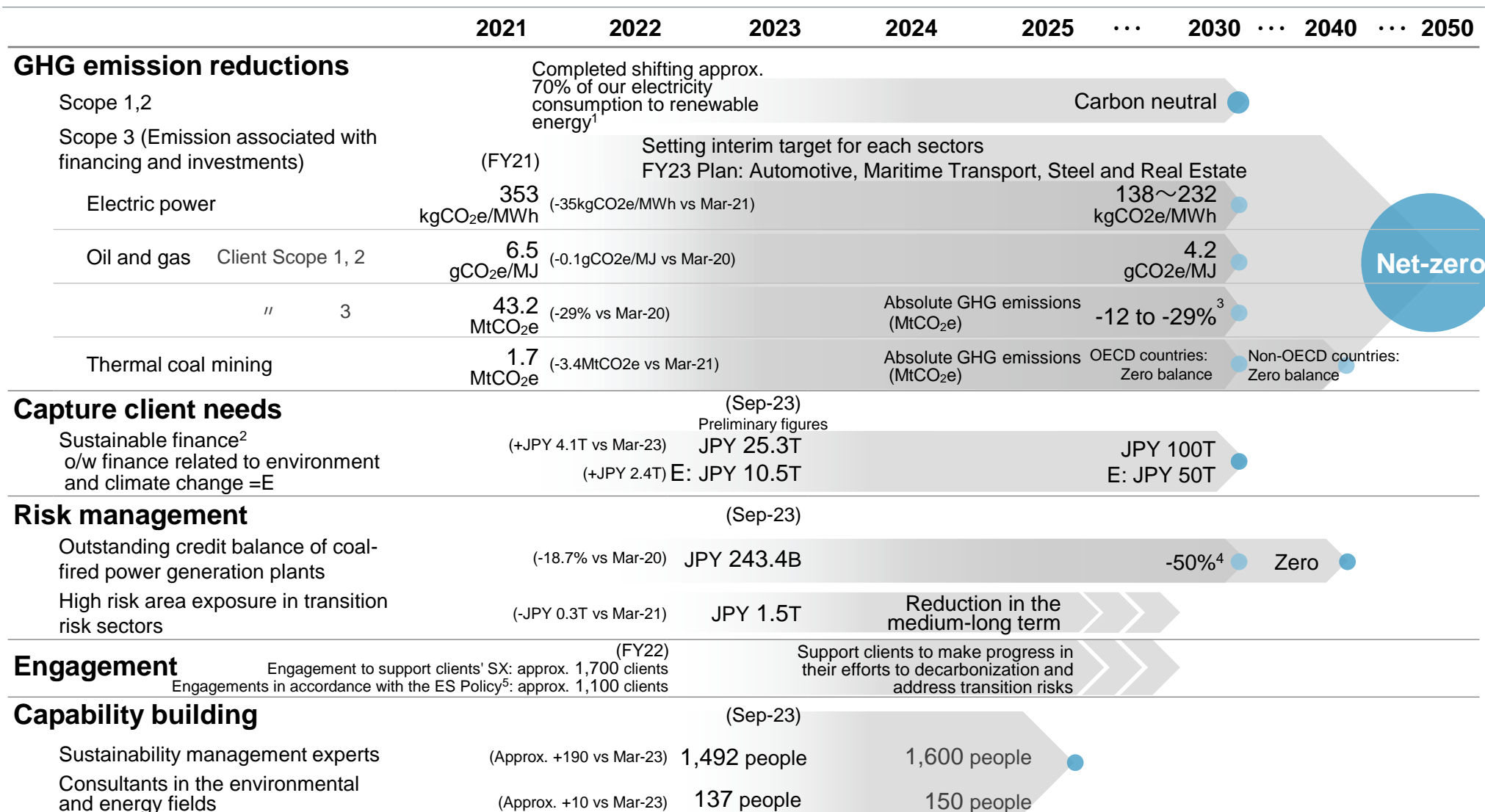


1. Failures of systems with a large impact (impact in Japan, excl. those caused by external factors). FY21: Feb-21 to Mar-22. 2. Instances where over 3 hours passed before systems are restored

3. Number of system failures (in Japan) in which transactions that should have been processed on that day were handled on the following day.

ESG

# Road map for net-zero by 2050



Net-zero

Initiatives



Chair of the PCAF Japan coalition

Participate in PCAF Global Core Team



NZBA, NZAM

1. Scope 2 in Japan. 2. Total accumulated financing amount since FY19. 3. vs FY19. 4. vs Mar-19. 5. The Environmental and Social Management Policy for Financing and Investment Activity.



# Highlights: TCFD Report / Human Rights Report



## Revisions to the Net Zero Transition Plan

- Identified key sectors to the net zero transition and relevant next-generation tech related key sectors.
- Strengthen initiatives on structural transformation of economy/industry, commercialization of technology
- Added progress in client's status of response to the transition risks as a metric.
- Enhanced engagement and strengthen human resources development to proceed the engagement



## GHG emission reduction interim targets associated with financing and investments

### Sectors with targets set

FY22 (targets already set): Electric Power, Oil and Gas, and Coal Mining (Thermal Coal)  
 FY23 (target-setting planned): Automotive, Steel, Maritime Transportation, and Real Estate

### Reduction of our own GHG emissions

Scope 2 in Japan: Switched around 70% of electricity consumptions to renewable energy sources

### Governance

Revised executive compensation system

Evaluation criteria on sustainability / climate change



## Engagement

Engagement to support clients' SX

Engagements in accordance with the ES Policy<sup>1</sup>

FY22 approx. 1,700

approx. 1,100

Clients in transition risk sectors: Steady progress in response to the transition risks



## Natural capital initiatives

Identified important natural capital by the financing portfolios analysis

Water/Biodiversity (habitats and species)



## Wider scope of financed emissions measurement

Corporate finance  
Project finance



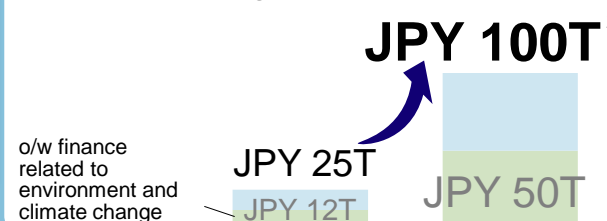
Investment on own account

19 sectors in accordance with TCFD



Other sectors

## Increase targets of sustainable finance



## Strengthening of climate change risk management structure

- Establishment of Sustainability Risk Management Office
- Formulation of the Basic Policy on Climate-related Risk Management

## Revisions to ES policy<sup>1</sup>

Thermal coal mining sector

Added to prohibited target for financing and investment

Oil and gas sector

Enhanced environmental and social risk verification of oil and gas mining operations

## Human Rights Due Diligence (HRDD)

Engaged in dialogue with stakeholders including customers, suppliers, investors, and human rights experts

Number of enhanced DD:

9 cases<sup>3</sup>

(3 in Japan, 6 in outside of Japan)

TCFD Report 2023

Human Rights Report 2023



1. The Environmental and Social Management Policy for Financing and Investment Activity. 2. Total accumulated financing amount of FY19-FY30 3. 2023 Apr-Sep.

# ESG-related recognition and awards

## Third-party evaluation

D&I Award 2022



Pride Indicators 2023



ESG Finance Awards Japan

SC



Environmental Finance  
Bond Award 2023

SC



Research Institute for Environmental Finance  
"Outstanding Performance Award" in the  
"Sustainable Finance Awards"

SC



## Incorporation in social responsibility indices<sup>1</sup>

STOXX

Member 2022/2023  
ESG Leaders  
Indices



FTSE4Good



### GPIF selected ESG indices

#### General Index



2

FTSE Blossom  
Japan Index



2

FTSE Blossom  
Japan Sector  
Relative Index

#### Themed Index

2023 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

2023 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

S&P/PX carbon efficient index  
Morningstar Japan ex REIT  
Gender Diversity Tilt Index  
(GenDi J)

ESG score  
(Sep-23)

S&P Global<sup>3</sup>  
59

MSCI<sup>4</sup>  
AA

Sustainalytics (ESG Risk Rating)<sup>5</sup>  
25.7

FTSE<sup>6</sup>  
4.6

1. As of Sep-23. 2. <https://www.mizuhogroup.com/sustainability/mizuhocsr/evaluation> 3. <https://www.spglobal.com/esg/solutions/data-intelligence-esg-scores>

4. CCC-AAA 7-grade rating. Source: Bloomberg 5. Sustainalytics ESG Risk Ranking compares ESG risk with peers in the same industry. The lower the score, the higher the evaluation. Source: Bloomberg.

6. FTSE Overall ESG Score: on a scale of five.

# Other Non-financial Targets

## Environment and climate change related

Sustainable finance, Environment and Climate Change related finance targets - **JPY 100T from FY19 to FY30 (o/w 50T climate change related)**

Scope 1, 2 (GHG emissions across the seven group entities<sup>1)</sup>) - **Carbon Neutral by FY30**

Scope 3 (Emission reduction targets associated with financing and investments) - **reach net-zero by 2050**

Sector		FY30 Target
Electric Power		138-232kgCO <sub>2</sub> e/MWh
Oil and gas	Client's Scope 1, 2	4.2gCO <sub>2</sub> e/MJ
	3	Absolute emissions (MtCO <sub>2</sub> e) -12 to -29% <sup>2</sup>
Thermal coal mining		Absolute emissions (MtCO <sub>2</sub> e) - OECD countries: zero balance by FY30 Non-OECD countries: zero balance by FY40

**New**

FY23 Plan: Automotive, Maritime Transport, Steel and Real Estate

Outstanding exposure to coal-fired power plants based on our 'Environmental and Social Management Policy for Financing and Investment Activity' - **reduce exposure in FY19 to 50% by FY30, reduce to zero by FY40**

Exposure in high-risk areas within transition risk sector - **reduce over medium to long term**

## Human Capital related

FY25 target

Management	Operating officers and candidates:	
	<b>Twice of Executive Officers</b>	
Digital Transformation <sup>3</sup>	In-house certified personnel	Digital transformation <sup>4</sup> <b>+100</b>
		Digital transformation basic <sup>5</sup> <b>+1,000</b>
Personal Consulting	Certified skilled professionals of FP1st-grade/CFP (international certification) <b>2,100</b>	
Business Succession <sup>3</sup>	In-house certified personnel: <b>+100</b>	
Innovation <sup>3</sup>	In-house certified personnel : <b>+200</b>	
Global Business <sup>3</sup>	New international assignees from Japan <b>+150</b>	
Sustainability Transformation	Environmental /energy sector consultants <b>150</b>	
	Sustainability management experts <b>1,600</b>	
Engagement score		65%
Inclusion score		65%
Percentage of management positions filled by women <sup>6</sup>	Equivalent to general managers <b>14%</b>	
	Equivalent to managers and above <b>21%</b>	
	By beginning of 2030's <b>30%</b>	
Management positions filled by employees hired outside Japan <sup>7</sup>		maintain 83% <sup>8</sup>
Ratio of female new-graduate hires <sup>6</sup>		maintain 30% <sup>8</sup>
Paid annual leave taken by employees <sup>6</sup>		maintain 70% <sup>8</sup>
Rate of childcare leave taken by male employees <sup>6</sup>		maintain 100% <sup>8</sup>

1. FG, BK, TB, SC, RT, AM-One, Mizuho Americas. 2. vs FY19. 3. Over past 3 years (accumulative). 4. Personnel that has the basic minimum knowledge required to promote digital transformation.

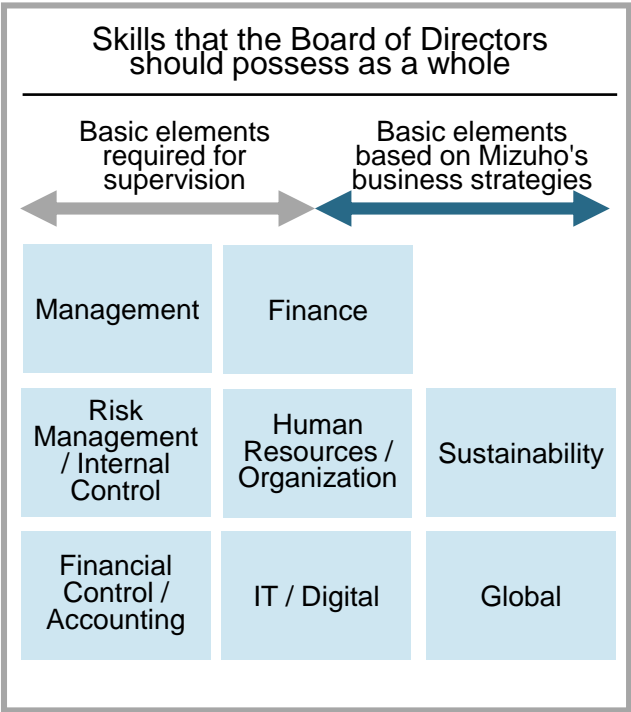
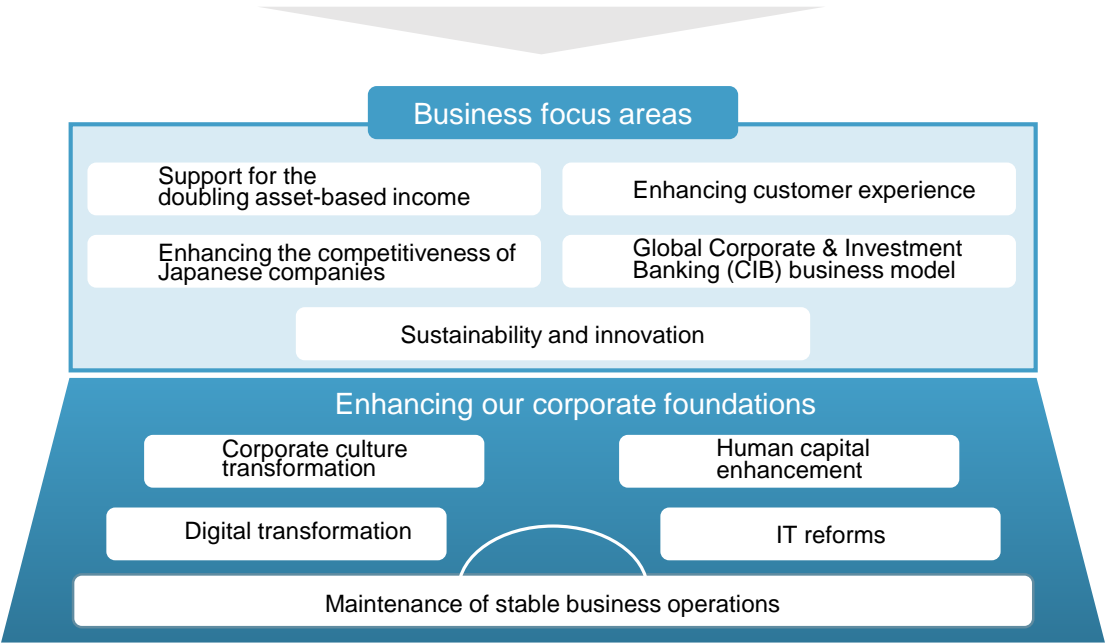
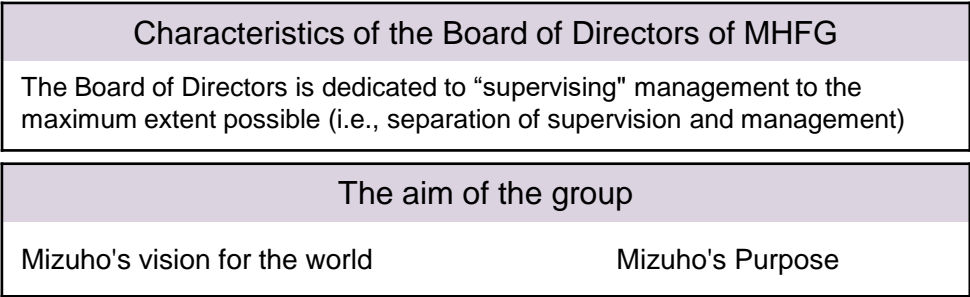
5. Professionals: Professional personnel that has advanced skills and knowledge in addition to digital transformation (DX) literacy and aims to play a role in the DX area. 6. Total in Japan (FG, BK, TB, SC, RT).

7. Total outside Japan (BK, TB, SC). 8. Level to be maintained continuously.

# Approach to the composition of the Board of Directors

## Composition of the Board of Directors

In addition to conducting strategic direction within the group, it is important for our Board of Directors to fulfill the role of appropriately implementing governance functions across the group and across subsidiaries under the group's management. As such, our Board of Directors is composed of an appropriate balance of internal directors who have insight into the group's business model, and outside directors who possess complex and diverse perspectives that we may not have within the group.



# Skill Matrix of the Board of Directors

The table below lists the particular core skills of the directors in relation to the skills that the Board of Directors as a whole should possess

		Management	Risk Management/ Internal Control	Financial Control/ Accounting	Finance	Human Resources / Organization	IT / Digital	Sustainability	Global	Title and assignment	N: Nominating C: Compensation A: Audit R: Risk H: Human Resources Review Meeting S: System Failure Response Evaluation		
											Chairperson		
Outside Directors	Yoshimitsu Kobayashi	●	●			●		●	●	Member of the Board of Directors	N		H
	Ryoji Sato	●	●	●					●	Member of the Board of Directors		A	S
	Takashi Tsukioka	●	●			●			●	Member of the Board of Directors	N	C	A H S
	Kotaro Ohno		●			●				Member of the Board of Directors	N	A	H S
	Hiromichi Shinohara	●				●	●	●		Member of the Board of Directors	N		R H S
	Masami Yamamoto	●					●		●	Member of the Board of Directors	N	C	H
	Izumi Kobayashi	●	●		●	●		●	●	Member of the Board of Directors Chairman of the Board of Directors	N		R H S
	Yumiko Noda	●			●	●		●	●	Member of the Board of Directors		C	R
	Seiji Imai				●			●	●	Chairman ( <i>Kaicho</i> ), Member of the Board of Directors (Non-Executive)			
	Hisaaki Hirama		●	●	●			●		Member of the Board of Directors (Non-Executive)		A	R
	Masahiro Kihara	●	●	●	●				●	Member of the Board of Directors, President & Group CEO (Representative Executive Officer)			H
	Makoto Umemiya			●	●		●			Member of the Board of Directors, Deputy President & Senior Executive Officer, Group CDO (Representative Executive Officer)			
	Motonori Wakabayashi		●		●			●		Member of the Board of Directors, Senior Executive Officer, Group CRO			
	Nobuhiro Kaminoyama		●		●	●				Member of the Board of Directors, Senior Executive Officer, Group CHRO			
YoY*	Percentage of outside directors	50.0% ⇒ 57.1%			Percentage of outside and non-executive directors			66.6% ⇒ 71.4%		Percentage of female directors	8.3% ⇒ 14.3%		

\* Compared to the timing of appointment at the 20<sup>th</sup> Ordinary General Meeting of Shareholders in June 2022.

# Reasons for the selection of necessary skills

<b>Management</b>	The experience of management, especially as a member in executive management in a large corporation and other companies, is necessary to fulfill the supervisory function of the group
<b>Risk Management / Internal Control</b>	Professional experience in and knowledge of risk governance and internal control in corporations, auditing firms, and/or in the legal profession are necessary for supervision to ensure fair corporate activities and sound business operations by management
<b>Financial Control / Accounting</b>	Experience as a CFO or person with similar responsibility in corporations and professional experience and knowledge as a certified public accountant or as a member of a similar profession are necessary to oversee management, which aims to build a sound financial base, pursue capital efficiency and realize growth strategies
<b>Finance</b>	Knowledge of the financial business, backed by, among others, business experience at financial institutions, is necessary to fulfill the supervisory function of the group, which has banking, trust, and securities businesses at its core
<b>Human Resources/ Organization</b>	The group considers “human resources” to be one of the key corporate resources that will support future growth, and experience in and knowledge of, among others, the development of executive managers, human resources and organizations are necessary from the perspective of appropriately overseeing efforts by management to transform human capital and corporate culture
<b>IT / Digital</b>	Experience and knowledge in, among others, technological and business development in the IT and digital fields are necessary to fulfill the group's supervisory function, as they are the foundation for customers to use the group's services with peace of mind and are also key to the group's future competitiveness
<b>Sustainability</b>	The group aims to achieve its own growth through facing social issues and contributing to their resolution, and we believe that experience in and knowledge of environmental and other sustainability-related operations are necessary to fulfill the supervisory function of the group
<b>Global</b>	As the group is expanding its business globally and aims to contribute increasingly to the sustainable growth of the world, experience in, among others, management of global corporations overseas is necessary to fulfill the supervisory function of the group



# FY23 Compensation framework for executives (1)

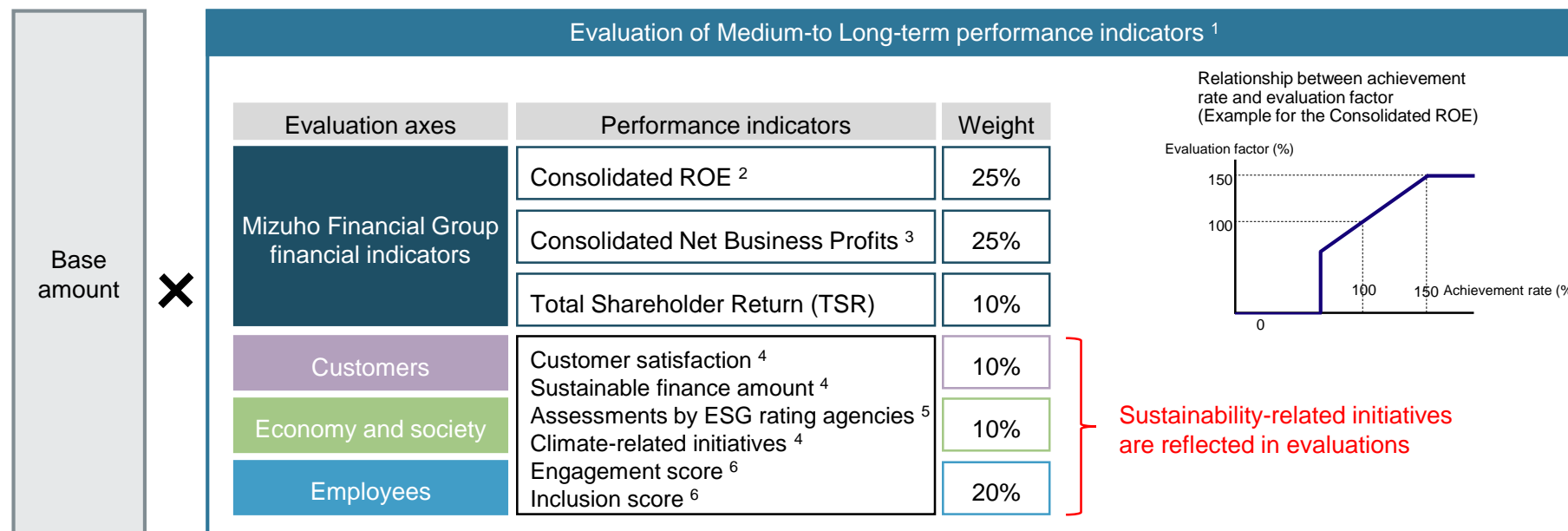
Compensation type	Performance-linked or not (range)	Payment timing	Payment method	Example of composition of compensation		
				Executive officers responsible for business execution		Non-executive officers
				Group CEO	Group executive officers	
Base Compensation <sup>1</sup>	Not linked	Monthly	Cash	40.0% 40%	55.0% 55%	85.0% 85%
Incentive Compensation	Not linked	Time of resignation	Stock	5.0%	5.0%	
	Linked (0–150%)	Deferred payment over three years starting the fiscal year after next	Stock	30.0%	17.5%	
	Linked (0–150%)	Lump sum in the next fiscal year <sup>5</sup>	Cash	25.0%	22.5%	15.0% 15%
				60%	45%	

↑ Subject to malus and clawback <sup>6</sup>

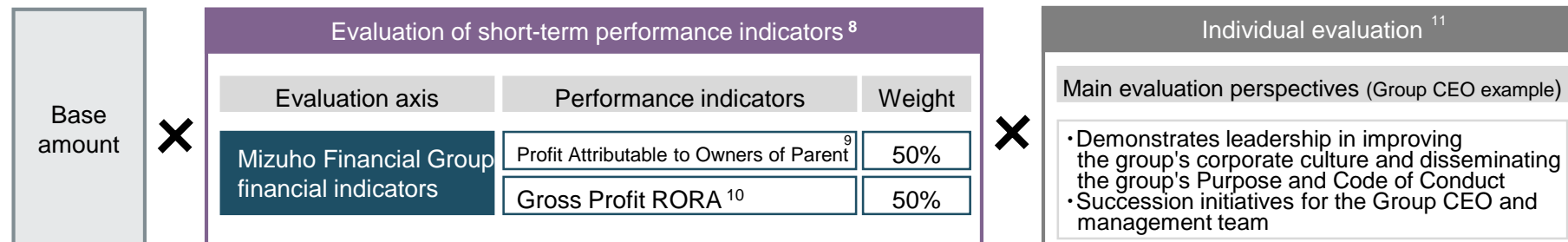
1. Payment will be made monthly in cash in accordance with the roles and responsibilities of each of the Officers. 2. Payment in accordance with the roles and responsibilities of each of the Officers as an incentive to increase corporate value over the medium to long term and for other purposes. 3. Payment in accordance with level of achievement of financial indicators emphasized by the Mizuho Financial Group and evaluation of indicators related to stakeholders as an incentive to increase corporate value over the medium to long term and for other purposes. 4. Payment in accordance with level of achievement of financial indicators emphasized by the Mizuho Financial Group and the evaluation of individual performance as an incentive for fiscal year performance to increase corporate value. 5. Deferred payment over three years starting the fiscal year after next for payments above a certain amount. 6. A system has been adopted that enables malus (forfeiture of compensation remaining unpaid) and clawback (request for return of compensation) by resolution of the Compensation Committee depending on the performance of the group or the individual.

# FY23 Compensation framework for executives (2)

## Medium- to Long-term Incentive Compensation (Stock Compensation II)

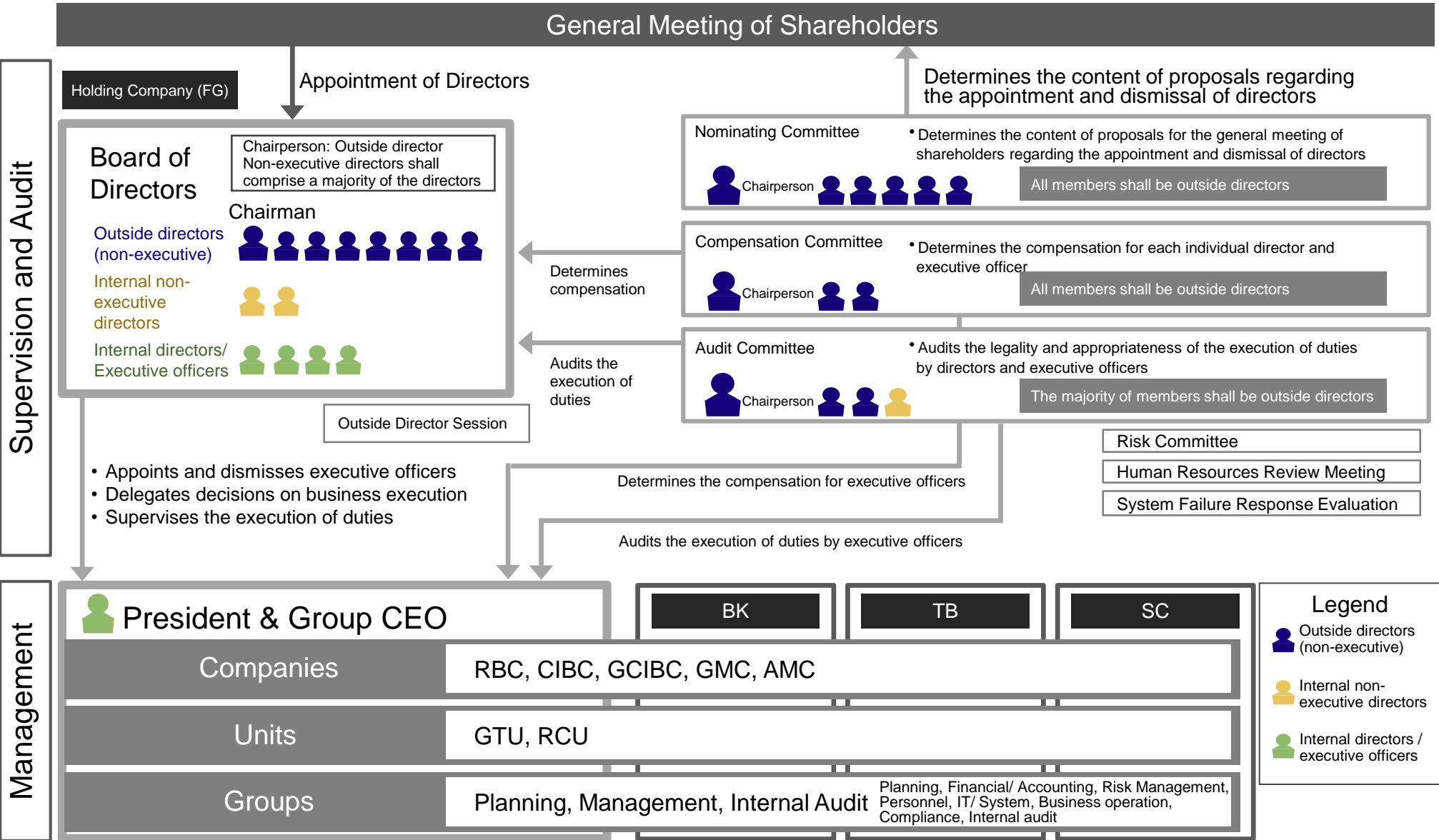


## Short-term Incentive Compensation <sup>7</sup>



1. The Compensation Committee makes the final decision (maximum 150%) based on target achievement rates for performance indicators considering the business environment and the existence of events that should be reflected individually. 2. Excludes Net Unrealized Gains (Losses) on Other Securities. 3. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and Others. 4. Evaluated on the target achievement rates on related internal indicators. 5. Evaluated by comparison with results of previous years and peers that have been assessed by four major ESG rating agencies (S&P Global, Sustainalytics, MSCI, and FTSE). 6. Evaluated on the target achievement rate for the positive response rate for four Staff Survey questions related to engagement and inclusion. 7. The evaluation factor for the short-term performance indicators and individual evaluation is capped at 150%. 8. The Compensation Committee makes the final decision based on target achievement rates for performance indicators considering the business environment and the existence of events that should be reflected individually. Varies from 0–140% in the case of the Group CEO. 9. Net Income for the period Attributable to Shareholders of the Parent Company. 10. Return on Risk-weighted Assets. 11. The Compensation Committee makes the decision based on the evaluation perspectives, etc. Varies from 0–110% in the case of the Group CEO.

# Corporate governance structure



\*After the 21th Ordinary General Meeting of Shareholders.

# Verification of the significance of cross-shareholdings

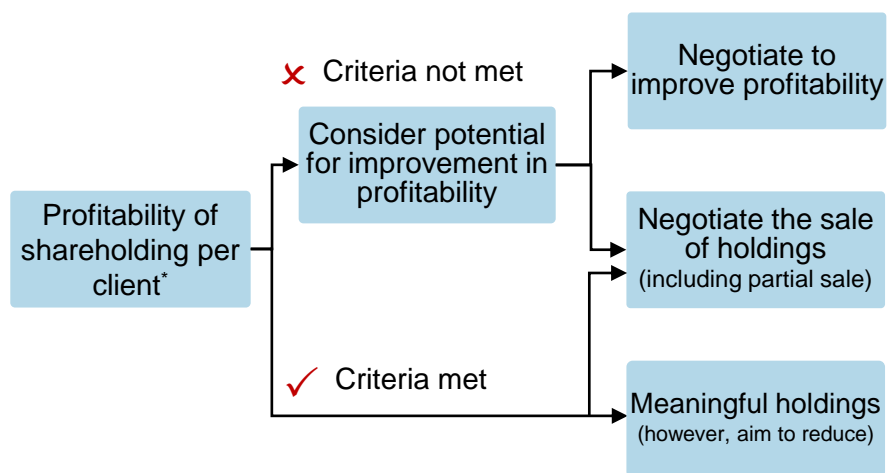
## Basic Policy

- Unless we consider these holdings to be meaningful, we will not hold the shares of other companies as cross-shareholdings
- Through dialogue with the issuing companies, we will also reduce even those holdings we consider to be meaningful

### Process for assessing whether cross-shareholding is meaningful

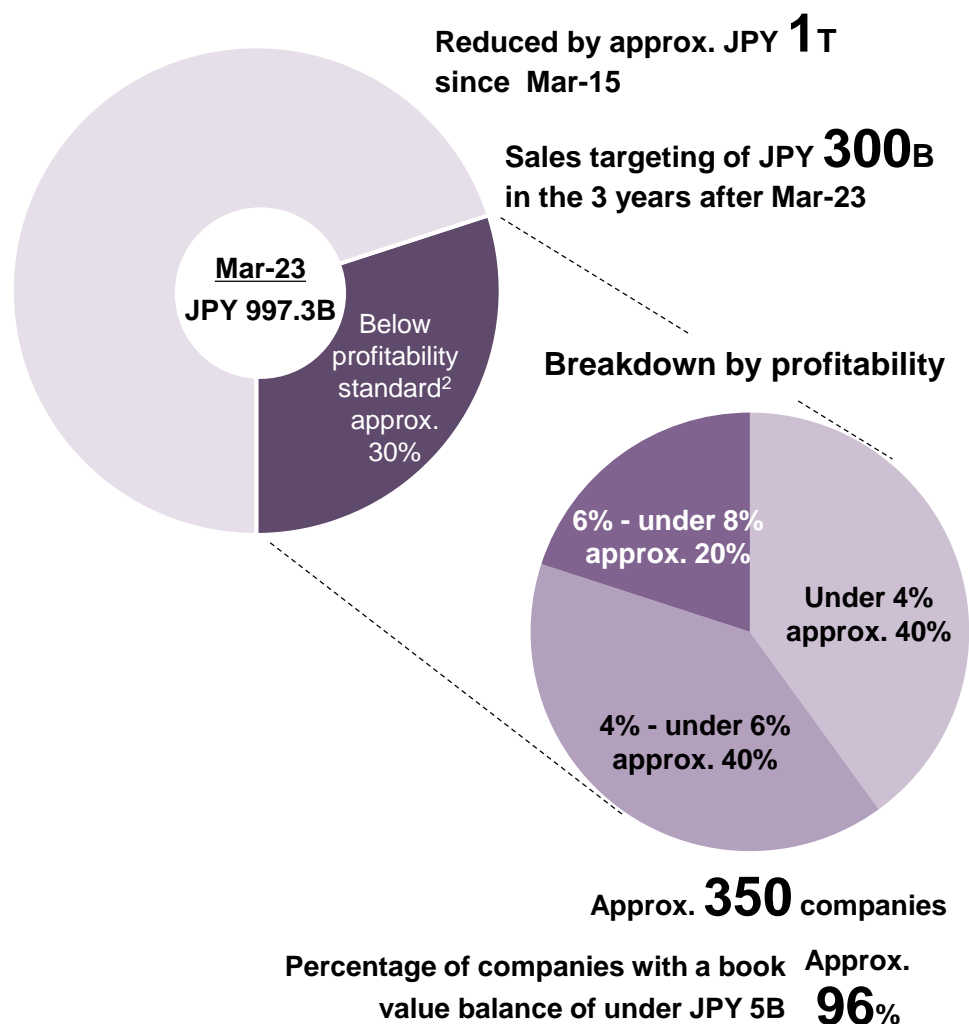
#### Quantitative assessment

#### Comprehensive assessment



(\*)  $\frac{\text{Total profitability}}{\text{Risk Capital}} > \text{or } < \text{Hurdle rate: Set at 8\% after income taxes in consideration of the consolidated ROE target}$

Reference: Results of verification of the significance of holding (Mar-23 base date; book value<sup>1</sup>)



1. Consolidated, acquisition cost basis. 2. As of Mar-21, capital management was changed to align Basel III finalization basis, and the measurement of risk capital for verifying the significance of holdings was also changed accordingly, resulting in double the number not meeting the profitability standards compared to the previous method.

## Definitions

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### Financial accounting

- 2 Banks : BK+TB on a non-consolidated basis
- Consolidated Net Business Profits : Consolidated Gross Profits - G&A Expenses (excl. Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments
- Net Gains (Losses) related to ETFs and others : Net Gains (Losses) related to ETFs (2 Banks) + Net Gains on Operating Investment Securities (SC Consolidated)
- G&A Expenses (excl. Non-Recurring Losses and others) : G&A Expenses (excl. Non-Recurring Losses) - Amortization of Goodwill and other items
- Net Income Attributable to FG : Profit Attributable to Owners of Parent
- Consolidated ROE : Calculated dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excl. Net Unrealized Gains (Losses) on Other Securities)) . Denominator is calculated as the average of the previous fiscal year quarter end and current quarter end
- CET1 Capital Ratio (excl. Net Unrealized Gains (Losses) on Other Securities) : Includes the effect of partially fixing unrealized gains on Japanese stocks through hedging transactions  
[Numerator] Calculated by excluding Net Unrealized Gains (Losses) on Other Securities and its associated Deferred Gains or Losses on Hedges  
[Denominator] Calculated by excluding RWA associated with Net Unrealized Gains (Losses) on Other Securities (stocks)
- CET1 Capital Ratio (Basel III finalization basis) : Estimated figures reflecting the effect of Basel III finalization. The capital floor is calculated after deducting the associated reserves from RWA using the standardized approach

### Management accounting

- Customer Groups : RBC + CIBC + GCIBC + AMC
- Markets : GMC
- Group aggregate : BK + TB + SC + AM-One + other major subsidiaries on a non-consolidated basis
- In-house Company management basis : Figure of the respective in-house company
- Net Business Profits by In-house Company : Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates - Amortization of Goodwill and other items
- Internal risk capital : Risk capital calculated taking account of factors such as regulatory risk-weighted assets (RWA) and interest rate risk in the banking account. Internal risk capital of RBC, CIC, GCC are calculated from Basel III finalization fully-effective basis
- ROE by In-house Company : Calculated dividing Net Income by each in-house Company's internal risk capital

## Abbreviations

<b>FG</b>	: Mizuho Financial Group, Inc.	<b>RBC</b>	: Retail & Business Banking Company
<b>BK</b>	: Mizuho Bank, Ltd.	<b>CIBC</b>	: Corporate & Investment Banking Company
<b>TB</b>	: Mizuho Trust & Banking Co., Ltd.	<b>GCIBC</b>	: Global Corporate & Investment Banking Company
<b>SC</b>	: Mizuho Securities Co., Ltd.	<b>GMC</b>	: Global Markets Company
<b>MSUSA</b>	: Mizuho Securities USA LLC.	<b>AMC</b>	: Asset Management Company
<b>AM-One</b>	: Asset Management One Co., Ltd.	<b>GTU</b>	: Global Transaction Banking Unit
<b>RT</b>	: Mizuho Research & Technologies, Ltd.	<b>RCU</b>	: Research & Consulting Unit
<b>FT</b>	: Mizuho-DL Financial Technology Co., Ltd.		
<b>LS</b>	: Mizuho Leasing Company, Limited		
<b>IF</b>	: Mizuho Innovation Frontier Co., Ltd.		

## Foreign exchange rate

TTM	Sep-22	Mar-23	Sep-23
USD/JPY	144.81	133.54	149.58
EUR/JPY	142.32	145.72	157.97
Management accounting (Plan rate)			
		FY23	
USD/JPY		120.00	
EUR/JPY		132.00	

### Forward-looking Statements

Financial information in this presentation uses figures under Japanese GAAP unless otherwise stated (including management accounting basis).

This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans.

These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

Such forward-looking statements do not represent any guarantee of future performance by management.

Further information regarding factors that could affect our financial condition and results of operations is included in our most recent Form 20-F and our report on Form 6-K.

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

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