

## Message from the Group CEO

### *Achieving further growth through our Purpose-driven business strategies that leverage our strengths and corporate culture transformation*

#### Setting the stage for our next challenge

Our society is one where multiple issues are intricately intertwined. What role should we at Mizuho play in such a society? What kind of society do we hope to create for the future? These are questions that we discussed in depth when formulating our current medium-term business plan, which we launched in fiscal 2023.

As customers confront the various challenges of today, we want to be by their side. We want to take on various challenges for ourselves as well. In doing so, we want to act as a bridge that connects our customers' endeavors and provides a platform for resolving the issues they are facing. Our determination to execute in these areas became the foundation for establishing our new corporate Purpose in 2023: "Proactively innovate together with our clients for a prosperous and sustainable future." The word "together" sums up what Mizuho aspires to do. In the last two years, I have been extremely pleased to confirm that this Purpose was indeed the right one for us.

Two examples epitomize our Purpose. The first is our value co-creation investment, in which we take business risks together with our corporate clients through direct equity participation in new businesses that seek to create new industries and markets. The second is our Mizuho NISA Cafes, where retail customers can freely join in consultations and seminars outside of regular branch operating hours, an idea that was originated by a branch employee and has since expanded nationwide. Each of these embody our Purpose by working together with our customers and society to address their needs.

We have carried forward our corporate DNA from the times of Eiichi Shibusawa, Zenjiro Yasuda, and Toyotaro Yuki, who were capitalists and entrepreneurs of Japan in the late 19th and early 20th centuries. These figures were instrumental to both the modernization of Japan and the development of Mizuho. They actively engaged with people in a spirit of co-creation, which remains at the core of Mizuho's identity. Looking closely at this corporate DNA, we have reaffirmed the need to realize societal

#### Masahiro Kihara

Member of the Board of Directors  
President & Group CEO  
Mizuho Financial Group

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value and not just economic value. Accordingly, we have defined our long-term goal for the future as personal well-being and a sustainable society and economy, and towards this goal we have set four 10-year milestones. The first milestone is progress toward a more inclusive society, in which everyone is able to lead a healthy and happy life; the second is widespread adoption of innovative technology such as AI, which will improve convenience and productivity; the third is reversing Japan's decline and putting the Japanese economy on a growth trajectory; and the fourth is accelerating the move toward global sustainability, which will lead to coexistence and mutual prosperity, as advocated by Shibusawa.

To realize our vision for the world 10 years from now, in fiscal 2023 we identified five business focus areas: (1) improving customer experience, (2) asset and wealth management in Japan, (3) enhancing the competitiveness of Japanese companies, (4) global Corporate & Investment Banking (CIB) business, and (5) sustainability and innovation. The recent implementation of US tariff policies has heightened uncertainty in global affairs. A major paradigm shift is taking place amid the advancement of globalization. What does this shift indicate? I believe it means that each country needs to recognize its own strengths and challenges and forge its own path to success. Now more than ever, Japan must lay down such a path to tackle its myriad challenges, including labor shortages stemming from the declining birthrate and aging population, low self-sufficiency in food and energy, and diminishing global competitiveness among local industries. I am confident that our five business focus areas,

which comprise the core of our strategy, are in line with the needs of the era. (1) to (3) will strengthen the competitiveness of Japan. In this regard, while there may be some conflicting interests at the level of national governments, collaboration within the private sector is still a priority. (4) will promote global collaboration through cross-regional cooperation, and (5) will extend commitments to sustainability. We will remain steadfast in moving forward these business focus areas.

In fiscal 2024, we achieved the financial targets of our medium-term business plan one year ahead of schedule. Subsequently, in fiscal 2025, we have introduced new medium-term financial targets. Because the business environment has been changing at a rapid pace in recent years, rather than making a set timeline of three years for achieving our medium-term financial targets, we will revise them flexibly in line with the changing business environment. This will serve to ensure highly transparent communication with our stakeholders.

### Progress of the target business model

In this section, I will discuss the progress and challenges in our five business focus areas and the status of the corporate culture transformation we have been pursuing since I assumed my role as Group CEO. I will also explain the challenges we must address as a company to achieve further growth.

### ■ Progress and challenges in the five business focus areas

#### (1) Improving customer experience (mass-market retail business in Japan)

In Japan, over the past few years, we have been working to improve our online banking app and website Mizuho Direct. Through these efforts, our active users have increased 60% compared to fiscal 2022. In addition, account openings have trended upward, due mainly to various promotions and the launch of the Mizuho Rakuten Card credit card, in partnership with Rakuten Card. The key to maintaining a competitive edge over other companies will be in developing more effective promotional campaigns and redesigning our approaches from a user-oriented perspective. I have come to realize this past year that we may learn much in this area from Rakuten's expertise in digital technology. Also, in March 2025 we entered into a capital and business alliance with beBit, Inc., a leading company in user experience (UX) consulting services. We will leverage this alliance to further improve customer experience.

Improvements have also been made to our contact centers and branches. In August 2024, we introduced AI at our contact centers to facilitate more timely responses to customer inquiries and concerns. This has reduced our response time per case, enabling us to respond more quickly. As it is an ongoing process, we will continuously work to improve in this area.

Meanwhile, our branches increasingly cater to customers who prefer the experience of direct, in-person engagement. We will

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do our utmost to improve customer experience through services offered at our branches, contact centers, and through Mizuho Direct.

### (2) Asset and wealth management in Japan

In Japan, awareness of asset and wealth management is increasing each year, with the encouragement of the Japanese government, among other factors. However, many customers still find it a major challenge to become actively involved in asset building. To better serve them, we introduced NISA Cafes, where customers can consult with us about Japan's Nippon Individual Savings Account (NISA) tax-exempt investment scheme, at our branches throughout Japan. We have since come to stand out among Japan's three largest banks in terms of NISA account openings, and including Rakuten Securities, in which we own a 49% stake, we are one of the leading financial institutions in Japan in terms of the number of NISA accounts. That said, we must continue to refine our wealth management business and turn it into a source of differentiation. Our investment in Rakuten Securities has enabled us to reach all customer segments, from individuals starting out in asset management to high-net-worth investors, and engage with customers both in person and online. Going forward, we will provide consulting services that cater specifically to the goals of each customer by systematically training and developing relationship managers, who meet face-to-face with customers, and by expanding our product lineup. As part of our product development, we acquired a minority stake in Golub Capital in the US, through which we obtained exclusive rights to sell

Golub Capital's products in Japan. This will allow us to capture the widespread interest in private credit among institutional investors and high-net-worth investors. We will continue to expand our product lineup to include private asset investments, such as infrastructure and real estate.

### (3) Enhancing the competitiveness of Japanese companies

Mizuho has traditionally been strong when it comes to business with Japanese companies, able to apply our extensive track record in industry research, as well as our experience and expertise in consulting on the future of industries and in business and industry restructuring. These are major advantages in terms of transforming industry structures and developing a sustainable society. We have begun deploying the strengths of our industry research to middle-market firms and are actively discussing business development and sustainability with their respective CEOs and CFOs. Revenues from corporate solutions for middle-market firms have steadily increased as a result. We have also been supporting business succession and startups / innovative companies. Client needs for business succession continue to diversify. Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities are working together to provide concerned business owners with one-stop solutions for transferring their business and assets smoothly to the next generation. As for supporting startups / innovative companies, we have focused particularly on the task of providing risk capital to the deep tech field. Because of this, our loan balance has increased 1.7-fold from fiscal 2022.



With fierce competition from China and other countries, it is essential that Japanese industries find a path forward. The development of industries, from small and medium-sized enterprises (SMEs) to large corporations, is the root of Japan's national competitiveness, and we will continue to play a key role in this effort. To that end, we recognize the need to enhance productivity using limited resources and to further strengthen our resource allocation capabilities for SMEs. I am convinced Mizuho is in a position to fully demonstrate our *raison d'être*.

### (4) Global Corporate & Investment Banking business

We have honed our strengths in the global Corporate & Investment Banking (CIB) business, particularly in the US. In 2015, we purchased North America assets from Royal Bank of Scotland (RBS), upon which just over 100 coverage bankers

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and other professionals became members of the Mizuho group. We have since developed our debt capital market (DCM), equity capital market (ECM), and derivatives capabilities. Based on client needs, we have also developed our sales and trading (S&T) business, which underpins the growth of our primary business. Accordingly, our gross profits in the Americas have grown 20% compared to fiscal 2022. In fiscal 2023, we made US-based M&A advisory firm Greenhill a wholly owned subsidiary. Through this acquisition, we have furthered our M&A and equity capabilities, and our investment banking platform is now on the verge of completion.

Our CIB business has steadily increased our presence in the US market and we have seen drastic growth in the number of job applications. This has created a virtuous cycle in which the acquisition of exceptional talent leads to the stable and continuous growth of business. With Greenhill at the center, we will strive for further growth by strengthening cross-regional collaboration between Japan, APAC, EMEA, and the Americas, which has already been showing positive results. There has been a considerable increase in collaboration between bankers in Japan and the Americas, as well as a growing number of cross-border M&As between Japan and the US. In addition, during our current medium-term business plan, our global CIB business has been working to reduce low-profit assets.

### (5) Sustainability and innovation

Sustainability involves both risks and opportunities. In this

section, I will discuss the sustainability of our business. For other aspects of sustainability, please refer to our various reports and releases from May to July 2025.

While we set our sustainable finance target for ¥100 trillion by fiscal 2030, we have steadily accumulated ¥40.3 trillion in sustainable finance as of the end of fiscal 2024. In the process, we have introduced or helped design various new financing methods in cooperation with business partners, such as GHG Visualization Impact Finance to support SMEs, Sustainable Shipping Impact Finance to promote decarbonization in the maritime transportation sector, and a sustainable finance framework for the development of carbon neutral ports. We have identified hydrogen, carbon credits, impact, and circular economy as four areas to focus on from a sustainability perspective and made strides in each area. Amid ongoing changes in the international situation, sustainability remains a priority. Mizuho will continue to push forward in resolving societal issues and enhancing corporate value.

### ■ Corporate culture transformation as a catalyst for continuous growth

As Group CEO, I believe it is my duty to foster a sound corporate culture and develop strategies that allow Mizuho to demonstrate its strengths. A sound corporate culture inspires employees to be motivated and innovative. If we focus our strategies on areas where we can leverage our strengths, employees will experience success, be more motivated, and take on new challenges. The only way we will naturally

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continue to grow is by achieving a virtuous cycle of culture and strategy. I discussed our strategy in the previous section, and I will now explain briefly our corporate culture transformation.

We aim to build a corporate culture that enables anyone to express their views in a constructive manner and that encourages everyone to pursue new initiatives and the development of innovative solutions through active discussion. By operating responsibly and transparently for all stakeholders, we will work together to achieve our vision for the world.

There are three key points to this. The first is defining a purpose to create a sense of unity among employees. Ours, as described earlier, is to “Proactively innovate together with our clients for a prosperous and sustainable future.” The second point is establishing a human resources framework that cultivates individuals who will take initiative on their own and embrace new challenges. In Japan, we introduced our new human resources framework, CANADE, in fiscal 2024. This framework attaches greater importance to individual roles and



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achievements, as we break away from the traditional Japanese seniority system and promote capable individuals to advanced roles regardless of age. The third point is creating a corporate culture in which employees with a range of different backgrounds and experiences can thrive. This includes promoting highly competent employees regardless of gender and actively recruiting outside the organization.

In spearheading our corporate culture transformation, each year Group Chief Culture Officer (CCuO) Natsumi Akita and I visit over 100 offices and hold 15 to 20 town hall meetings at our Head Office, meeting and talking with employees.

Through these efforts, we have made solid progress in our corporate culture transformation. We promised to raise both



Company town hall meeting at our London office

our engagement score and inclusion score to 65% by the end of fiscal 2025, and we have nearly achieved this goal a year ahead of schedule. Even so, corporate culture transformation is an ongoing process, and one we will continuously work to advance.

### ■ Group-wide challenges to overcome for sustainable growth

So far, I have discussed the progress and challenges in our five business focus areas and corporate culture transformation. The business environment is expected to remain highly uncertain and volatile. Due to the decrease in Japan's working population, stemming from the declining birthrate and aging population, we will need to change our business model to incorporate the use of technology even further. Consequently, it is imperative Mizuho continues to become a more lean and resilient organization that boldly embraces challenges with an eye on the future and reinforces the catalysts of business growth. From these perspectives, we must resolve the following issues as quickly as possible.

#### (1) Streamlining and optimization of organizational structure

More complex organizational structures lead to fewer opportunities for dialogue and higher management costs at each level. We have been looking into streamlining Mizuho Trust & Banking's organizational structure and integrating Mizuho Bank and Mizuho Research & Technologies, and we will continue to explore possibilities for consolidating and reorganizing our group companies and simplifying our business lines.

#### (2) Cost restructuring

Rapid inflation, wage increases in Japan, soaring vendor costs, underinvestment during the past capital accumulation phase, and regulatory compliance have all contributed to a significant increase in our cost base. These unavoidable events make it clear that streamlining our cost structure is essential to our sustainable growth. Accordingly, we will conduct an extensive review of our work processes and revise our products and services, as well as assess the feasibility of using third parties such as consultants and SaaS providers.

#### (3) Ensuring alignment of strategies with resource allocation

The declining working age population in Japan is sure to strain resources. We will decide on investments after rigorously assessing their alignment with our strategies and their expected returns. We will also further clarify our objectives, particularly in areas where we have struggled with operational stability and strategy execution, and based on this, we will allocate and train appropriate personnel.

#### (4) Use of AI

Though AI is becoming more commonplace throughout our organization, for the most part it is being used only as a means of revising work processes. We will review our conventional work processes from the bottom up, position AI as a source of differentiation, and embrace bold reform. At the same time, we will take measures to develop personnel who can use AI effectively on a day-to-day basis and thereby create new value.

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With the commitment of Group Chief Strategy Officer (CSO) Naoshi Inomata, Group Chief Financial Officer (CFO) Takefumi Yonezawa, and all executive officers of the Mizuho Financial Group, we will take a comprehensive optimization approach to group-wide issues.

### In conclusion: Creating an organization that respects different values

My goal is for Mizuho to transform from a Japanese financial institution with a global footprint to a global financial institution that embraces its Japanese heritage and bridges diverse cultures.

In April 2025, we appointed Suneel Bakhshi, current President & CEO of Mizuho International, our securities subsidiary in Europe, as a Deputy President & Executive Officer of Mizuho Financial Group. Despite building a global business foundation, until now Mizuho has never promoted a non-Japanese member to its management team. I believe attracting management with a wealth of experience in cutting-edge financial markets is evidence of our ability to compete on the global stage. With this appointment as a starting point and symbol of our ambition, we will move quickly to become an organization where our people who have built their careers outside Japan can harness their strengths in any of our departments and offices. We will be a

financial institution where diverse talent play an active role throughout the organization, including management, and where our people can engage in global discussions in all aspects of our business.

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We will maintain our virtuous cycle by strengthening our approach in the five business focus areas and working together with employees to transform our corporate culture. We will also set the stage for further growth by approaching group-wide issues with unwavering resolve. We look forward to your continued support.

*M. Kihara*  
Masahiro Kihara