

# Financial Results for FY2020

May 19, 2021

Mizuho Financial Group

**MIZUHO**

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## Appendix

# Financial Results for FY2020: Executive Summary

# Executive summary of financial results

(JPY B)

FY20

YoY<sup>1</sup>

Net Business Profits +  
Net Gains (Losses) related  
to ETFs and others<sup>1</sup>

[ Net Business Profits ]

799.7

+127.1

- Strong performance in both Customer Groups and Markets contributed to YoY increase in Net Business Profits

[ 797.7 ]

[ +135.7 ]

- Lower expenses YoY with structural reforms offsetting increase in expenses due to investment in focus areas

Credit-related Costs

-204.9

-33.2

- Maintained Credit-related Costs around the estimated level, recording additional reserves from a forward-looking perspective to prepare for future credit risk

Net Gains (Losses) related to  
Stocks – Net Gains (Losses)  
related to ETFs and others<sup>1</sup>

[ Impairment loss on Stocks ]

10.0

-116.4

- Steadily reduced cross-shareholdings, in addition to reversing impairment losses recorded in H1

[ -5.8 ]

[ +35.8 ]

- Improved hedging price for bear funds in light of rising stock prices

Net Income  
Attributable to FG

471.0

+22.4

- In addition to the above, Net Income Attributable to FG increased YoY due to factors such as recording profits from the reversion of stocks from the retirement benefit trust

CET1 Capital Ratio

[ excl. Net Unrealized Gains  
(Losses) on Other Securities ]

11.63 %

-0.02%

- Although CET1 capital ratio declined primarily due to increased risk-weighted assets arising from factors including providing financing support to clients and rising stock prices, a sufficient level of capital has been maintained

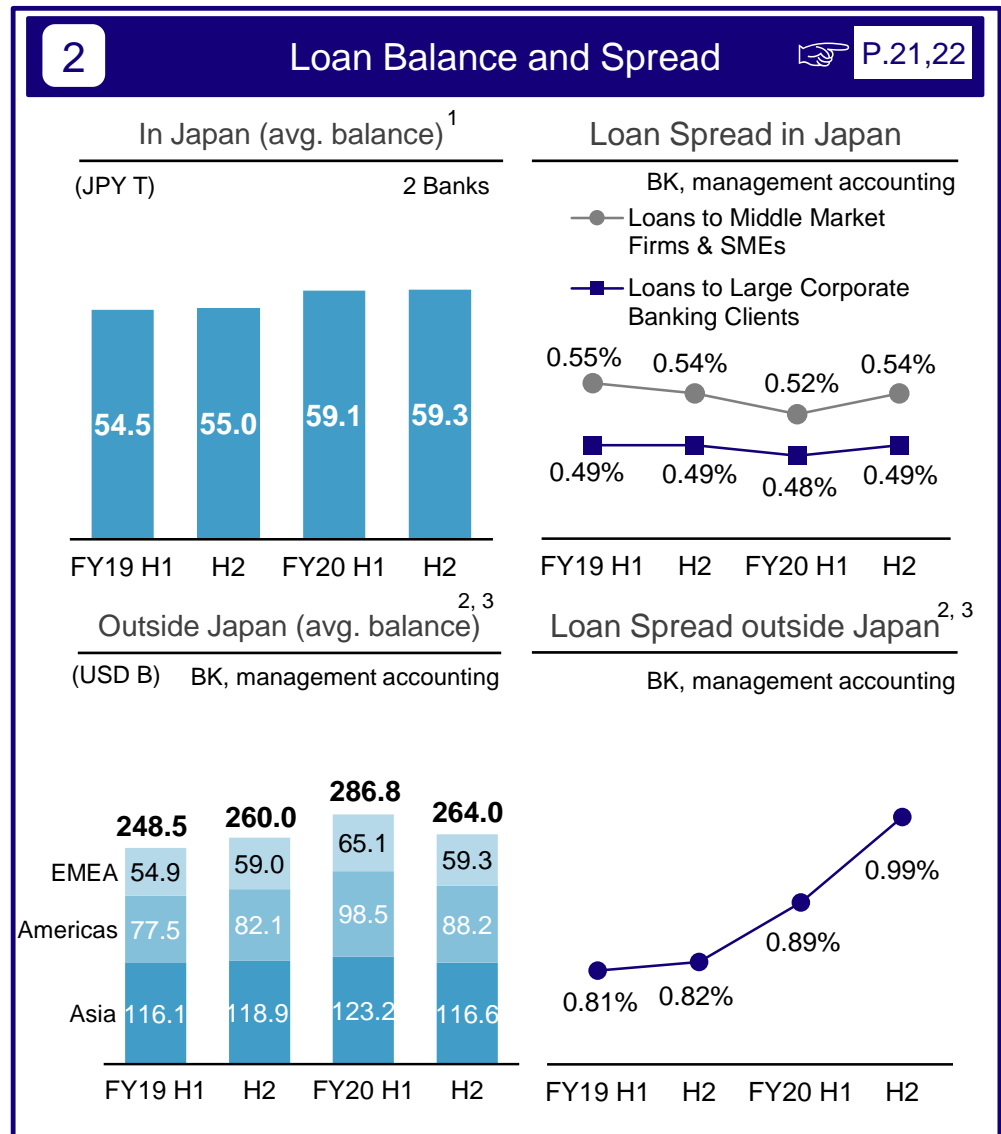
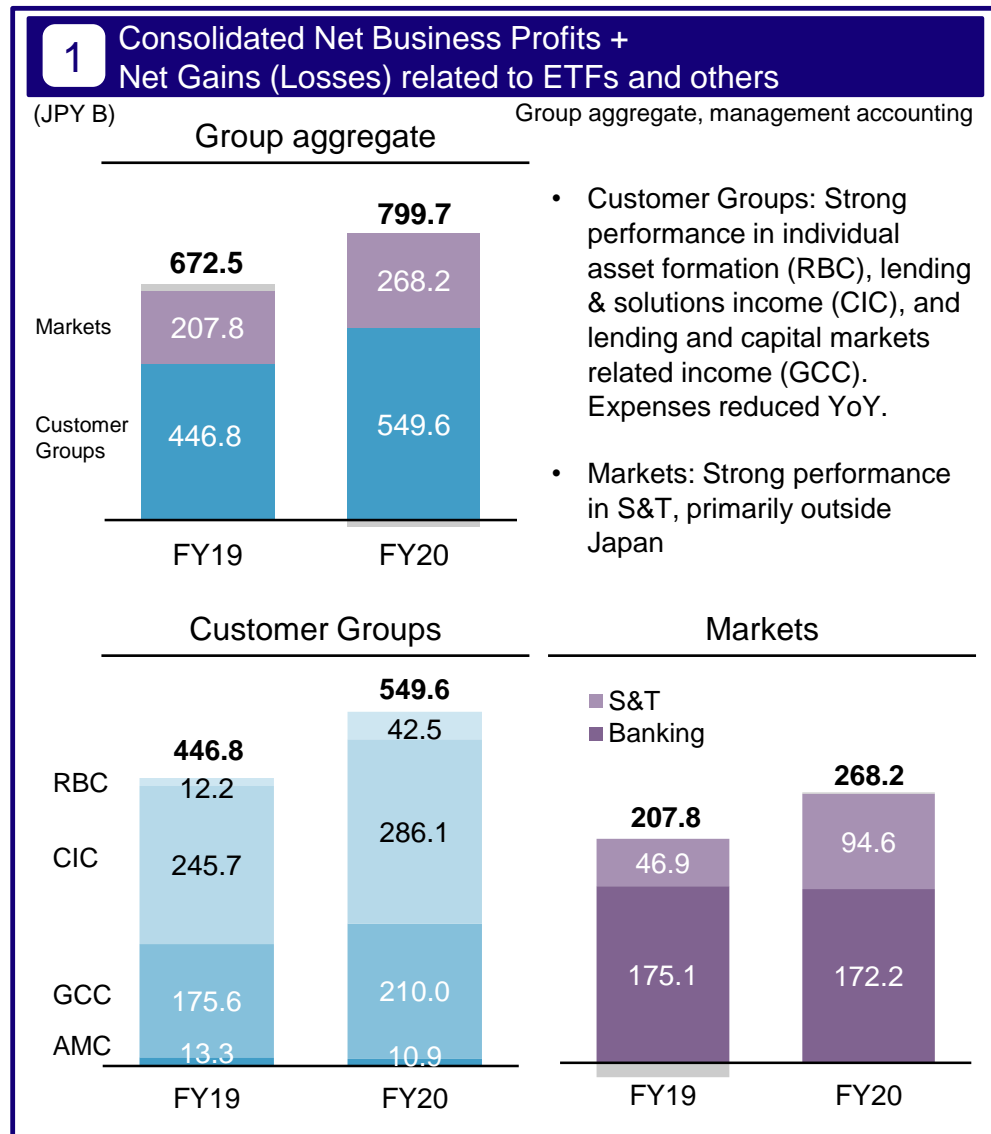
[ 10.46 % ]

[ -0.54% ]

- CET1 capital ratio (Basel III finalization basis) steadily improved to 9.1%<sup>2</sup>, reaching the targeted level of the lower end of the 9-10% range

1. JPY 2.0B (-JPY 8.5B YoY) 2. Excluding Net Unrealized Gains (Losses) on Other Securities.

# Financial highlights (1)



1. Excluding loans to FG and the Japanese Government, etc. Banking account. 2. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).  
3. New management accounting rules were applied in FY20 (Figures from FY19 H1 were recalculated based on the new rules).

# Financial highlights (2)

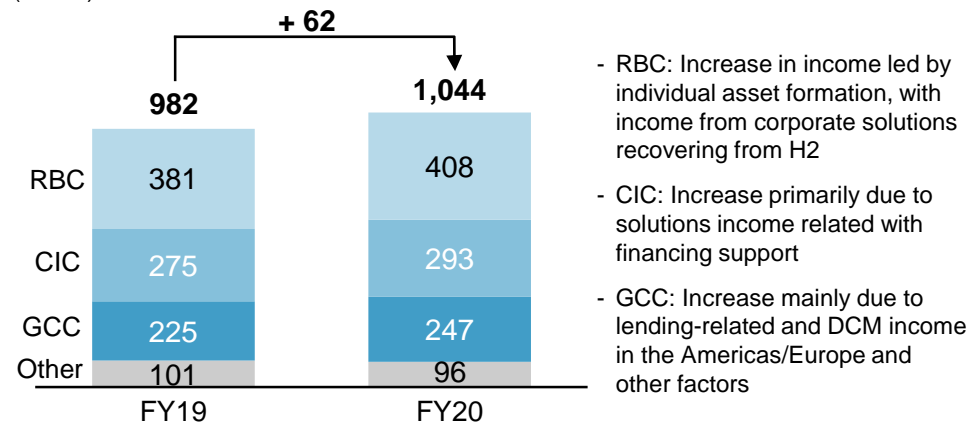
3

## Non-interest Income

P.24

(JPY B)

Group aggregate, management accounting, rounded figures

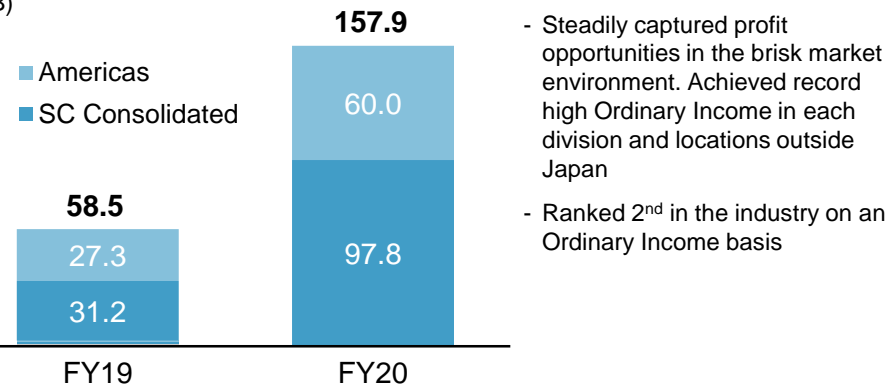


5

## SC Ordinary Profits

### US-based entities aggregated basis

(JPY B)



4

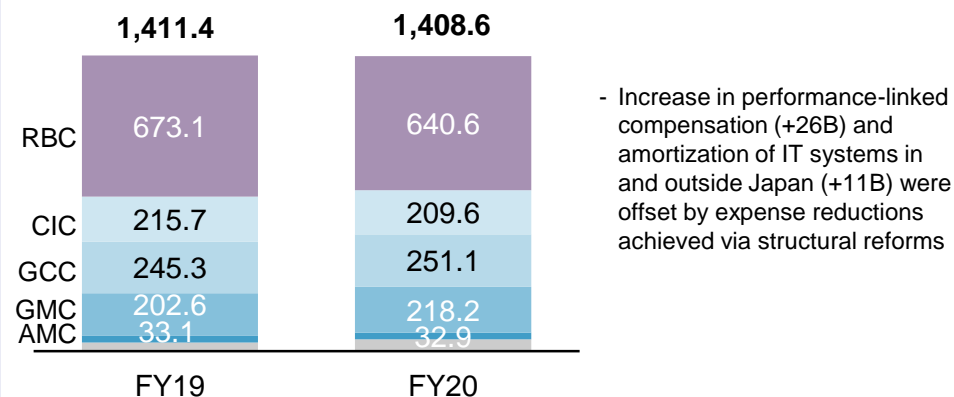
## G&A Expenses

(Excl. Non-recurring Losses and others)

P.25

(JPY B)

Group aggregate, management accounting

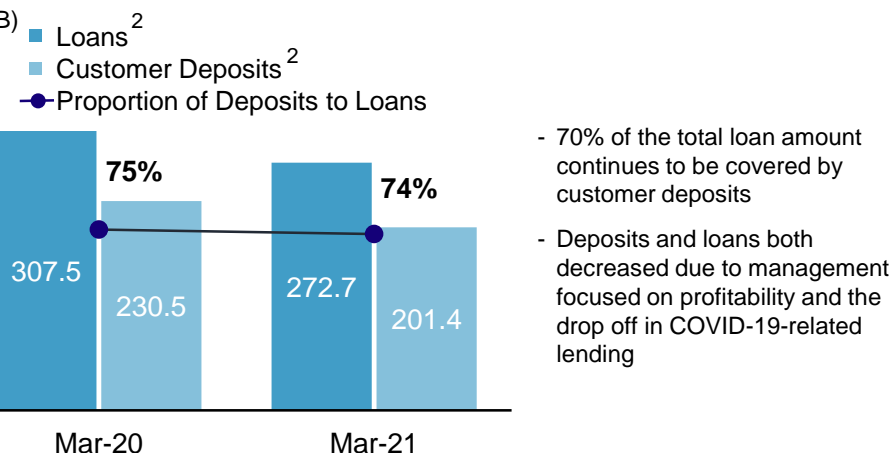


6

## Non-JPY Funding<sup>1</sup>

P.16

(USD B)



1. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).

2. Including Non-JPY loans/customer deposits in Japan. New management accounting rules were applied in FY20.

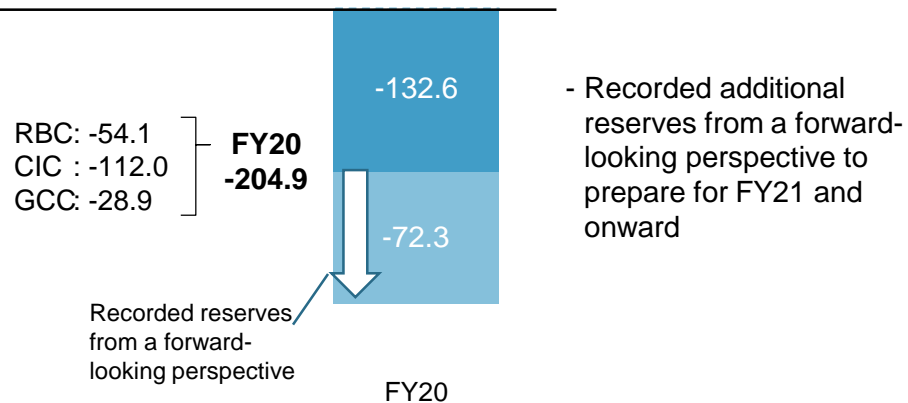
# Financial highlights (3)

7

## Credit-related Costs

P. 29

(JPY B)

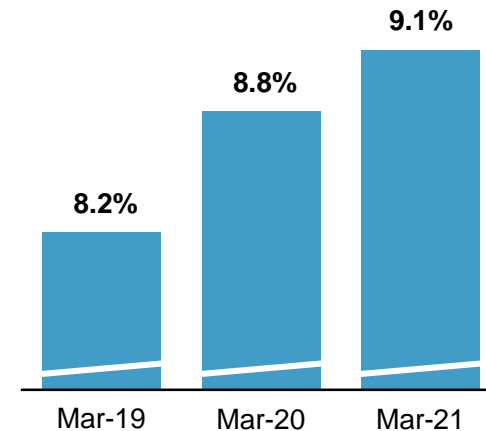


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## CET1 capital ratio and cash dividends per share

P.33

CET1 Capital Ratio  
(Basel III Finalization basis)<sup>2</sup>



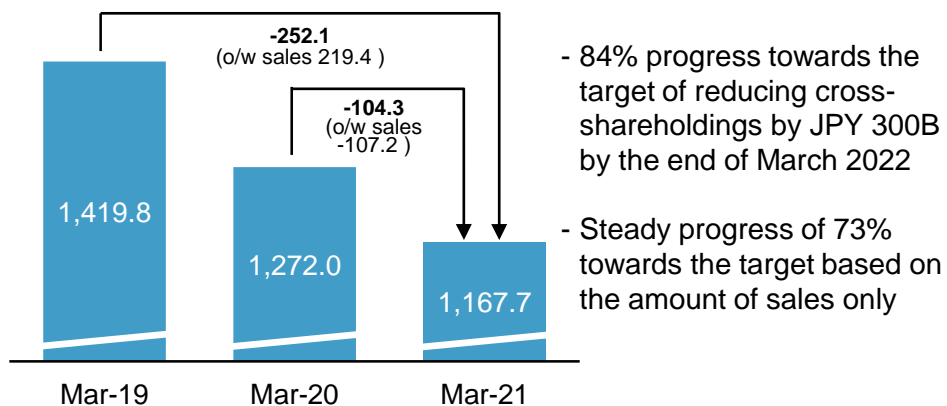
- Improved compared to the end of March 2020 due to steady profit accumulation and disciplined RWA control
- Reached the targeted level of the lower end of the 9-10% range

8

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

P. 28

(JPY B)



## Cash dividends per share<sup>3</sup> (FY20)

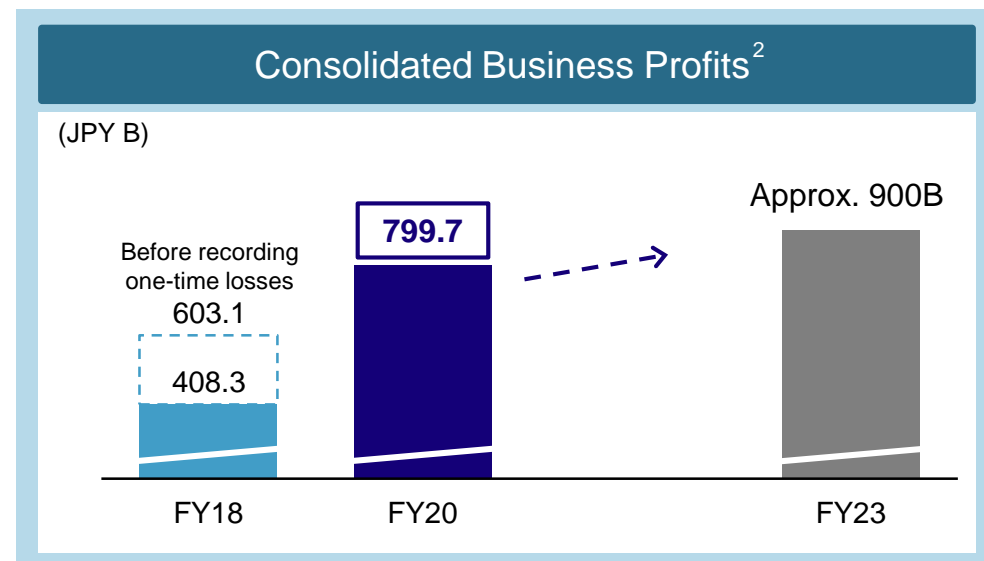
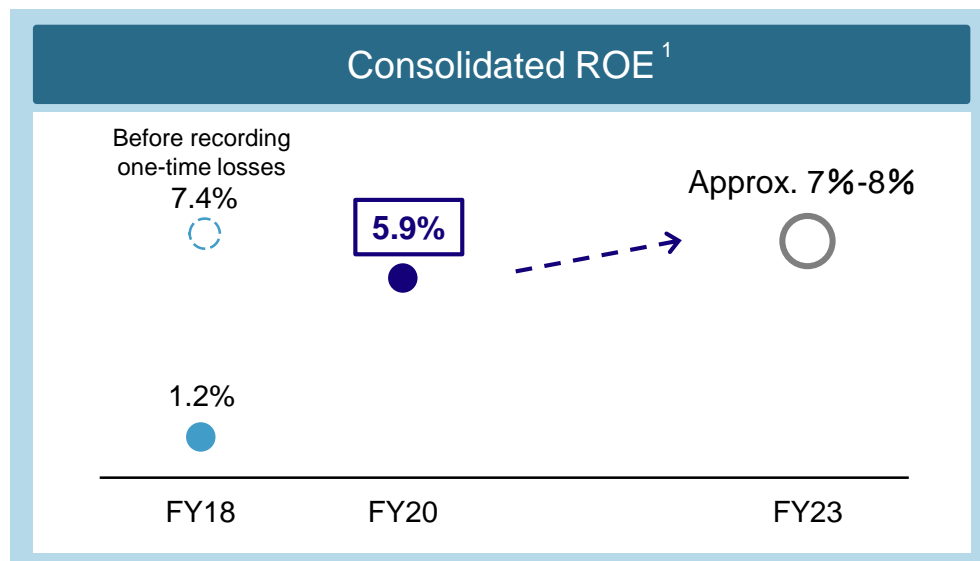
Interim cash dividend	JPY 37.50
Fiscal year-end cash dividend	JPY 37.50
Annual cash dividends	JPY 75.00

1. Other Securities which have readily determinable fair values. 2. Excluding Net Unrealized Gains (Losses) on Other Securities.

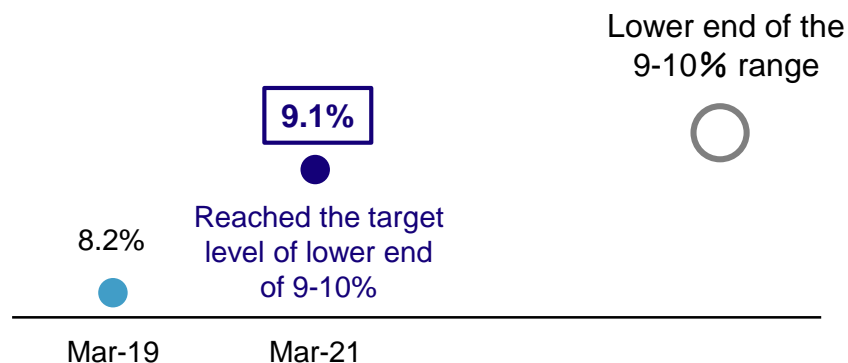
3. The amount reflects the effect of 1-for-10 share consolidation held on Oct. 1, 2020. The Interim Cash Dividend before the share consolidation was JPY 3.75.

# Reference: Progress against the 5-Year Business Plan

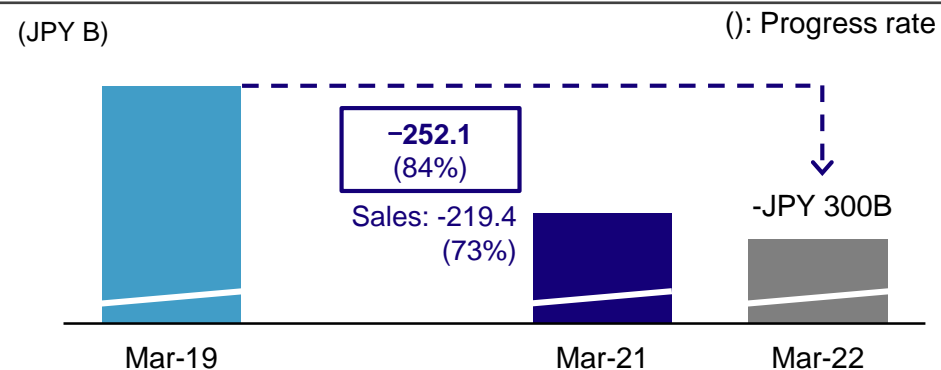
## Financial Targets



## Common Equity Tier 1 (CET1) Capital Ratio target level<sup>3</sup>



## Reduction of cross-shareholdings<sup>4</sup>



[Assumed financial indicators for FY23 targets] 10-year JGBs interest rate: 0.15%, Nikkei Stock Average: JPY 22,100, JPY/USD: JPY 101

1. Excluding Net Unrealized Gains (Losses) on Other Securities. 2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.  
3. Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities. 4. Acquisition cost basis.



# Financial results by In-house Company

(JPY B)

Group aggregate, management accounting

	Gross Profits <sup>1</sup>		G&A Expenses (excl. Non-recurring Losses and others)		Net Business Profits <sup>1</sup>		Net Income <sup>1, 3</sup>		ROE
	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20
Retail & Business Banking	679.9	3.5	-640.6	32.6	42.5	30.3	26.4	43.5	2.0%
Corporate & Institutional	491.9	32.3	-209.6	6.1	286.1	40.4	205.2	10.6	9.5%
Global Corporate	450.6	39.7	-251.1	-5.8	210.0	34.5	113.7	5.5	8.1%
Global Markets	487.2	75.7	-218.2	-15.6	268.2	60.4	174.2	31.1	10.9%
Asset Management	50.4	-2.5	-32.9	0.1	10.9	-2.4	4.4	-1.7	4.0%

1. GMC includes Net Gains (Losses) related to ETFs (2 Banks). 2. New management accounting rules were applied in FY20. Figures for FY19 are recalculated based on the new rules.

3. Credit-related costs of -JPY 39.3B recorded from a forward-looking perspective on head office account in FY19 were allocated to Retail & Business Banking and Corporate & Institutional Company on an actual basis both in FY19 and FY20.

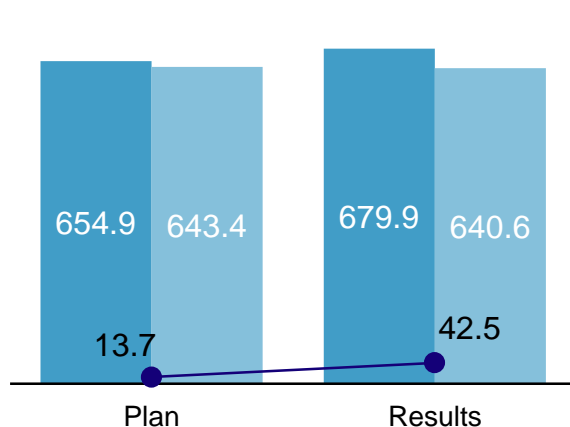
# Net Business Profits by In-house Company (FY20/vs. revised plan)

(JPY B)

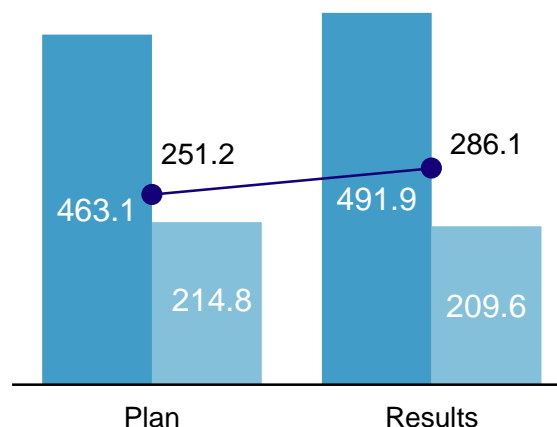
Group aggregate, management accounting  
Plan: Revised plan announced in Nov. 2020

■ Gross Profits\*   ■ G&A Expenses (excluding Non-Recurring Losses)   ● Net Business Profits\*

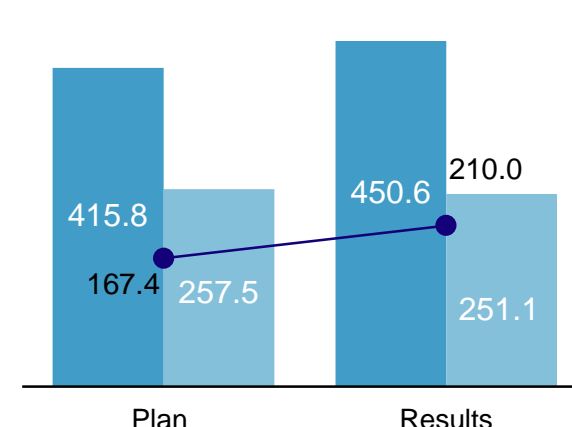
## Retail & Business Banking



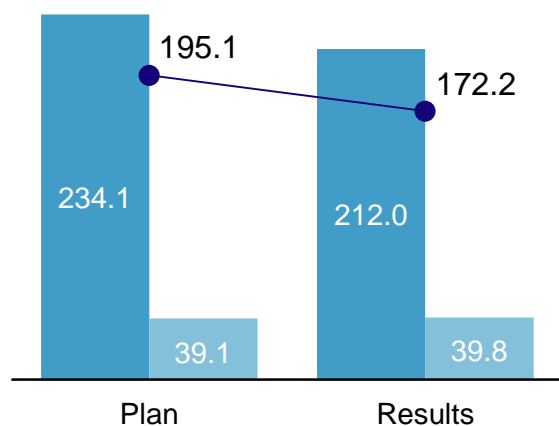
## Corporate & Institutional



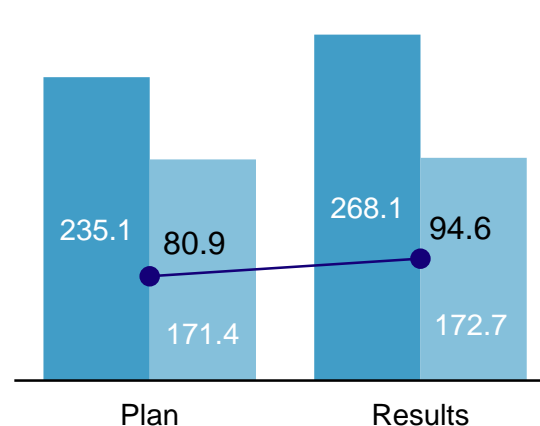
## Global Corporate



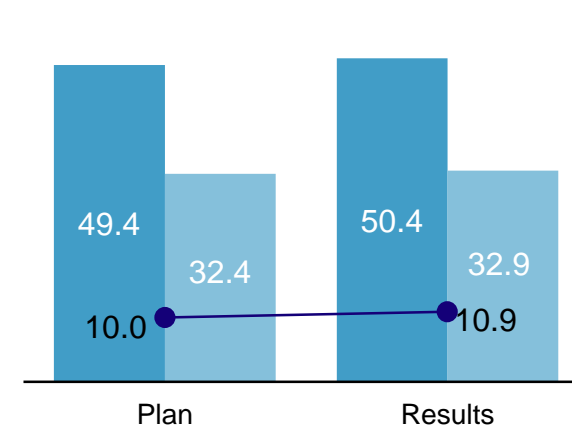
## Global Markets (Banking)



## Global Markets (S&T)



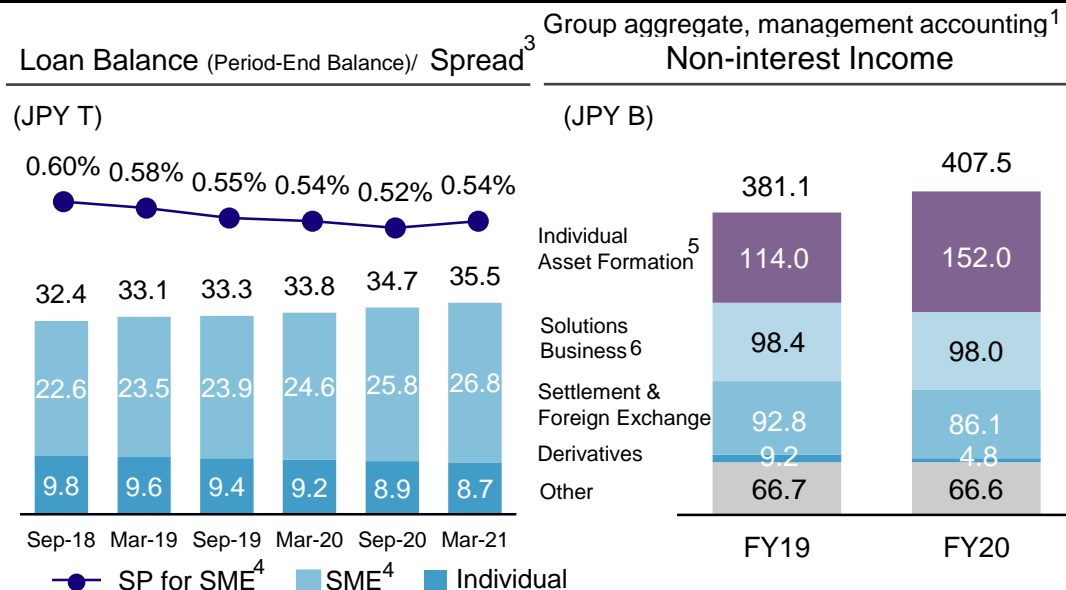
## Asset Management



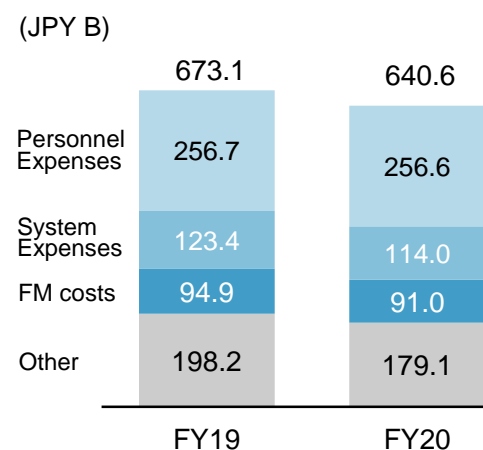
\* GMC (Banking) includes Net Gains (Losses) related to ETFs.

# Retail & Business Banking Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	676.4	679.9	+3.5	654.9	104%
Interest Income	2	295.1	272.1	-23.0		
Non-interest Income	3	381.1	407.5	+26.4		
G&A Expenses (Excl. Non-recurring losses and others)	4	-673.1	-640.6	+32.6	-643.4	100%
Equity in Income from Investments in Affiliates	5	11.8	5.4	-6.3		
<b>Net Business Profits</b>	6	12.2	42.5	+30.3	13.7	311%
Credit-related Costs <sup>2</sup>	7	-76.6	-54.1	+22.5		
Net Gains (Losses) related to Stocks and others	8	17.3	21.9	+4.6		
Others	9	30.0	16.1	-13.9		
<b>Net Income</b>	10	-17.1	26.4	+43.5	-34.6	-%
Internal risk capital (avg. balance)	11	1,354.6	1,316.1	-38.5		
ROE	12	-1.3%	2.0%	+3.3%	—	
Gross Profits ROE	13	49.9%	51.7%	+1.7%		
Expense ratio	14	99.5%	94.2%	-5.3%		



G&A Expenses  
(excl. Non-recurring Losses and others)



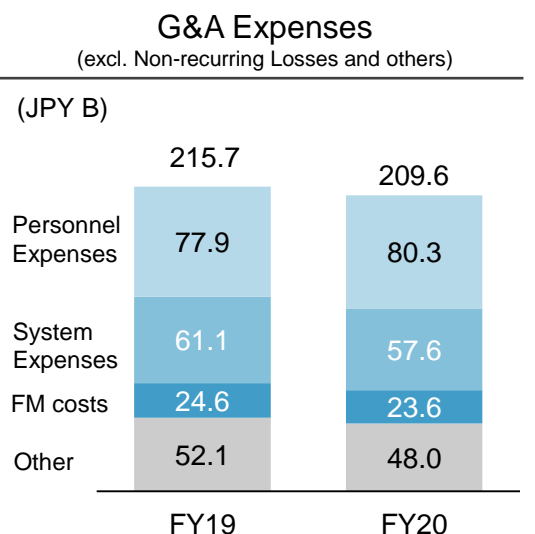
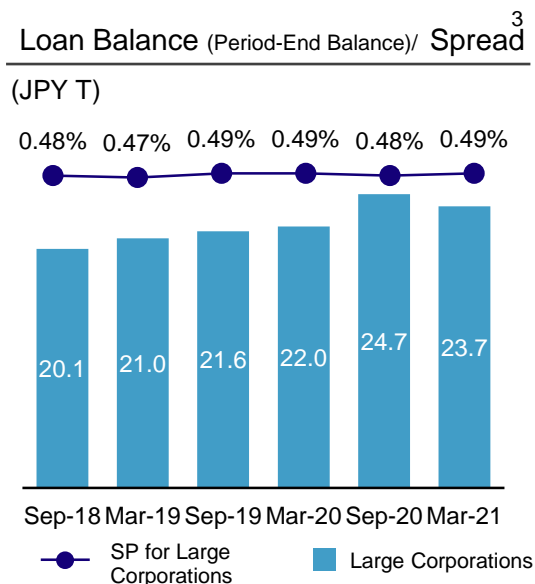
League Table

	FY19	FY20
IPO <sup>7</sup>	2nd	2nd
Balance of Assets in Custody <sup>8</sup>	43.1	53.8
SC	37.6	48.3
2 Banks	5.5	5.5

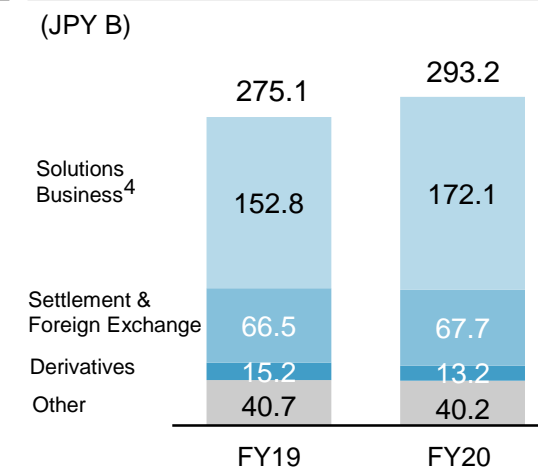
1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules. 2. Credit-related costs of -JPY 37.9B recorded from a forward-looking perspective on head office account in FY19 were allocated to Retail & Business Banking and Corporate & Institutional Company on an actual basis both in FY19 and FY20. 3. Loan Balance: 2 Banks, Spread: BK management accounting. 4. Small and medium-sized enterprises. 5. BK investment trusts, annuities + SC individual segment, PB segment. 6. Including fees related to investment banking business, and real estate brokerage. 7. IPO bookrunner number Source: Capital Eye 8. Figures for SC are for Retail & Business Banking segment. From Mar. 31, 2019, the historical balance of assets in custody held by SC are recalculated due to a change in definition.

# Corporate & Institutional Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	459.5	491.9	+32.3	463.1	106%
Interest Income	2	184.8	199.2	+14.4		
Non-interest Income	3	275.1	293.2	+18.1		
G&A Expenses (Excl. Non-recurring losses and others)	4	-215.7	-209.6	+6.1	-214.8	98%
Equity in Income from Investments in Affiliates	5	2.0	3.9	+2.0		
<b>Net Business Profits</b>	6	245.7	286.1	+40.4	251.2	114%
Credit-related Costs <sup>2</sup>	7	-68.3	-112.0	-43.7		
Net Gains (Losses) related to Stocks and others	8	98.6	51.9	-46.7		
Others	9	-81.3	-20.8	+60.5		
<b>Net Income</b>	10	194.7	205.2	+10.6	143.1	143%
Internal risk capital (avg. balance)	11	2,157.4	2,156.4	-1.0		
ROE	12	9.0%	9.5%	+0.5%	6.6%	
Gross Profits ROE	13	21.3%	22.8%	+1.5%		
Expense ratio	14	46.9%	42.6%	-4.3%		



## Group aggregate, management accounting<sup>1</sup> Non-interest Income



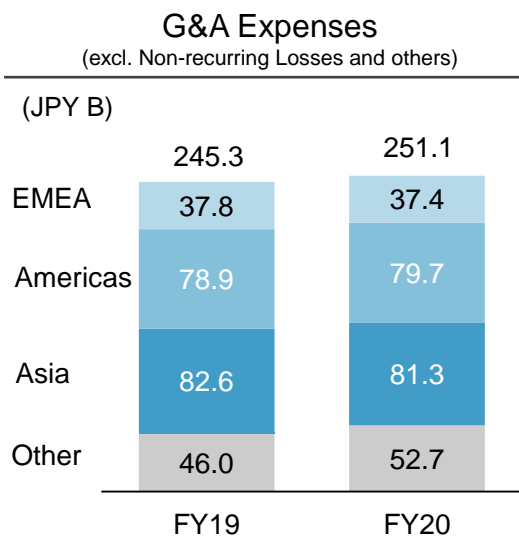
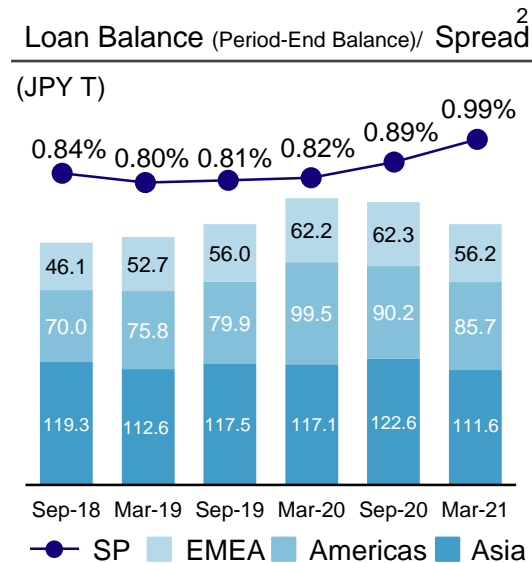
## League Table

	FY19	FY20
DCM <sup>5</sup>	1st	1st
SDG bonds <sup>6</sup>	1st	1st
LCM <sup>6</sup>	1st	1st
ECM <sup>6, 7</sup>	4th	2nd
M&A <sup>6, 8</sup> No. of deals	2nd	2nd
Amount of deals	3rd	15th

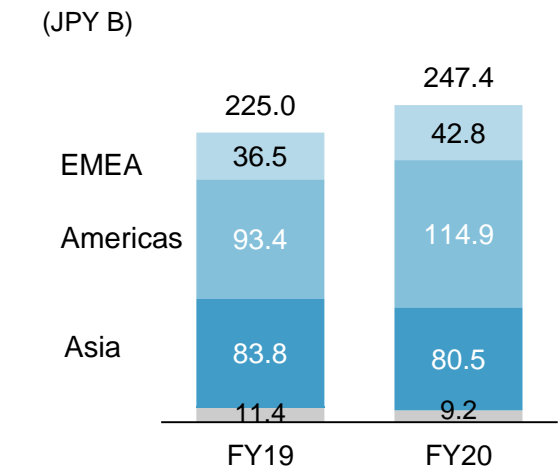
1. New management accounting rules were applied in FY20 (Figures from FY19 were recalculated based on the new rules). 2. Credit-related costs of -JPY 1.4B recorded from a forward-looking perspective on head office account in FY19 were allocated to on an actual basis both in FY19 and FY20. 3. Loan Balance: 2 Banks, Spread: BK management accounting. 4. Including fee related to investment banking business, and real estate related. 5. Straight bonds, Investment corporation bonds, Zaito institution bonds, Municipal bonds (Lead manager method only), Samurai bonds and Preferred securities (excluding own debt). Source: Refinitive. 6. Source: Refinitive. 7. Equity Underwriting amount. 8. Any Japanese involvement announced (excluding real estate deals).

# Global Corporate Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	410.9	450.6	+39.7	415.8	108%
Interest Income	2	164.6	189.3	+24.8		
Non-interest Income	3	225.0	247.4	+22.4		
G&A Expenses (Excl. Non-recurring losses and others)	4	-245.3	-251.1	-5.8	-257.5	98%
Equity in Income from Investments in Affiliates	5	10.4	10.9	+0.6		
<b>Net Business Profits</b>	6	175.6	210.0	+34.5	167.4	125%
Credit-related Costs	7	-28.4	-28.9	-0.6		
Net Gains (Losses) related to Stocks and others	8	7.1	-	-7.1		
Others	9	-46.1	-67.4	-21.3		
<b>Net Income</b>	10	108.2	113.7	+5.5	76.7	148%
Internal risk capital (avg. balance)	11	1,301.1	1,396.3	95.2		
ROE	12	8.3%	8.1%	-0.2%	5.4%	
Gross Profits ROE	13	31.6%	32.3%	+0.7%		
Expense ratio	14	59.7%	55.7%	-4.0%		



## Group aggregate, management accounting<sup>1</sup> Non-interest Income



## League Table

	FY19	FY20
DCM in the Americas <sup>3</sup>	10th	9th
Excl. US Banks	4th	3rd
Market Share	3.4%	4.7%
LCM in the Americas <sup>4</sup>	7th	8th
Excl. US Banks	3rd	2nd
Market Share	3.5%	3.3%

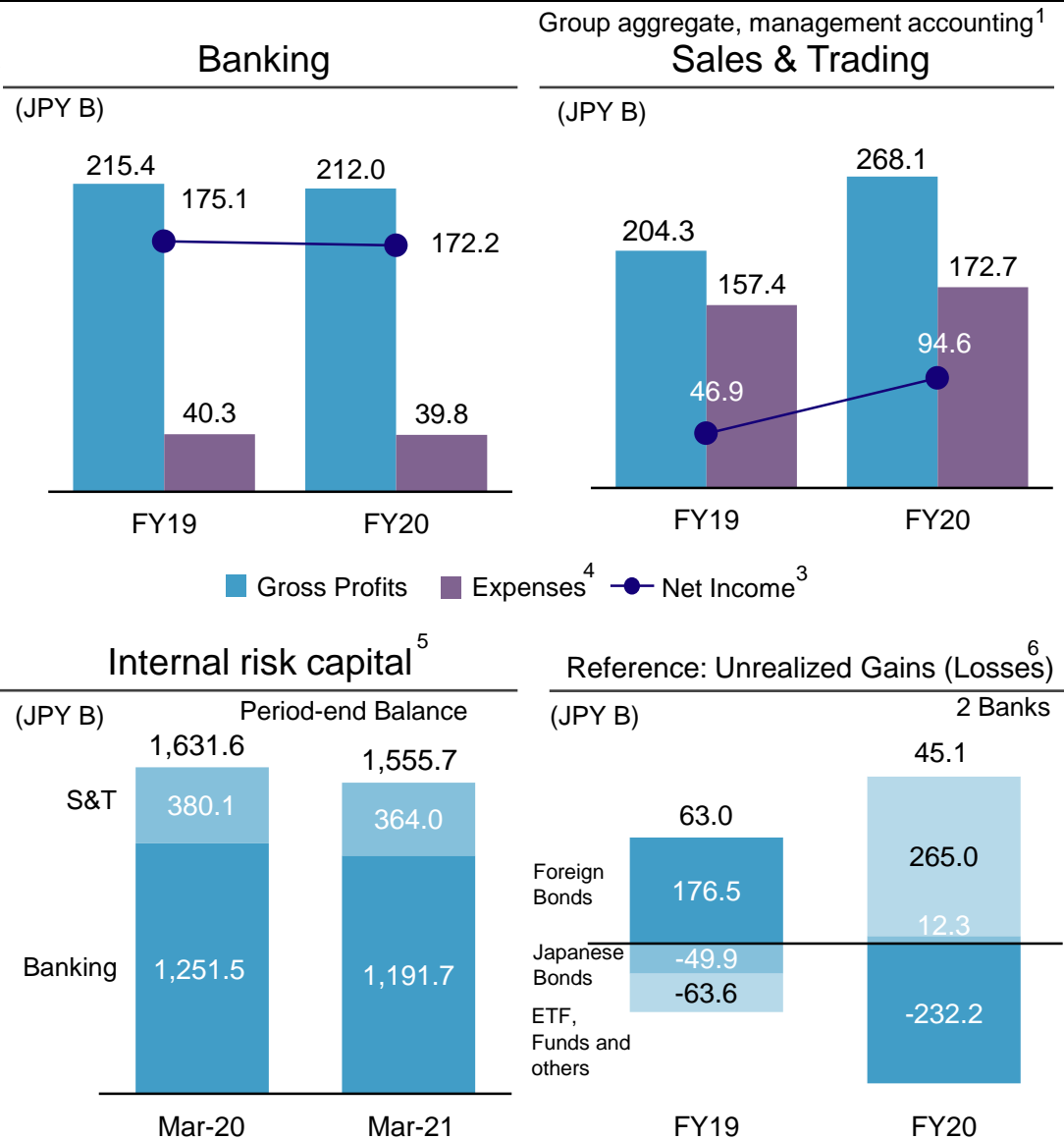
1. Figures including past figures are recalculated based on the FY20 planned rate in USD. 2. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).

Spread: BK management accounting 3. Bonds issued by investment grade corporations in the Americas, bookrunner basis. Source: Dealogic

4. Loans issued by investment grade corporations in the Americas, bookrunner basis. Source: Refinitive

# Global Markets Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits <sup>2</sup>	1	411.5	<b>487.2</b>	+75.7	<b>493.0</b>	99%
Banking	2	215.4	<b>212.0</b>	-3.4		
S&T	3	204.3	<b>268.1</b>	+63.7		
G&A Expenses (Excl. Non-recurring losses and others)	4	-202.6	<b>-218.2</b>	-15.6	<b>-215.5</b>	101%
Equity in Income from Investments in Affiliates	5	-	-	-		
<b>Net Business Profits</b> <sup>3</sup>	6	207.8	<b>268.2</b>	+60.4	<b>276.7</b>	97%
Credit-related Costs	7	0.8	<b>-0.1</b>	-1.0		
Net Gains (Losses) related to Stocks and others	8	-	-	-		
Others	9	-65.5	<b>-93.9</b>	-28.4		
<b>Net Income</b>	10	143.1	<b>174.2</b>	+31.1	<b>183.3</b>	95%
Internal risk capital (avg. balance)	11	1,428.4	<b>1,591.2</b>	+162.8		
ROE	12	10.0%	<b>10.9%</b>	+0.9%	<b>10.7%</b>	
Gross Profits ROE	13	28.8%	<b>30.6%</b>	+1.8%		
Expense ratio	14	49.2%	<b>44.8%</b>	-4.5%		



1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules. 2. Including XVA related gains and losses (FY19: -JPY 8.2B, FY20: JPY 7.2B).

3. Including Net Gains (Losses) related to ETFs (2 Banks) and others. 4. Excluding Non-recurring Losses and others. 5. Preliminary figures.

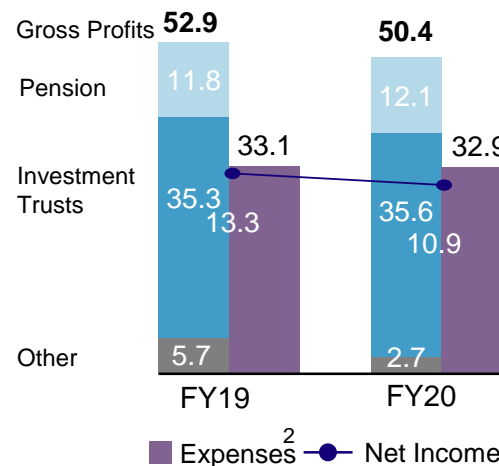
6. Excluding transactions such as hedge transactions calculated in management accounting in GMC.

# Asset Management Company

(JPY B)		FY19	FY20	YoY	Plan	Progress
Gross Profits	1	52.9	50.4	-2.5	49.4	102%
Investment Trusts	2	35.3	35.6	+0.2		
Pension	3	11.8	12.1	+0.3		
G&A Expenses (Excl. Non-recurring losses and others)	4	-33.1	-32.9	+0.1	-32.4	102%
Equity in Income from Investments in Affiliates	5	1.3	1.1	-0.2		
<b>Net Business Profits</b>	6	13.3	10.9	-2.4	10.0	109%
Credit-related Costs	7	-	-	-		
Net Gains (Losses) related to Stocks and others	8	1.2	0.0	-1.2		
Others	9	-8.4	-6.5	+1.9		
<b>Net Income</b>	10	6.1	4.4	-1.7	4.0	113%
Internal risk capital (avg. balance)	11	116.5	111.4	-5.1		
ROE	12	5.2%	4.0%	-1.2%	3.4%	
Gross Profits ROE	13	45.4%	45.3%	-0.1%		
Expense ratio	14	62.6%	65.4%	+2.8%		

## Net Business Profits

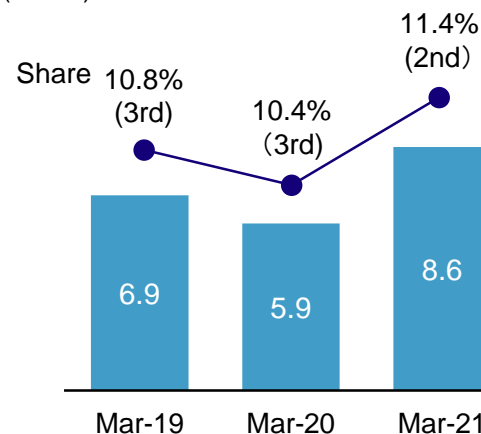
(JPY B)



## Investment Trust Net Assets Share<sup>3</sup>

(JPY T)

AM One

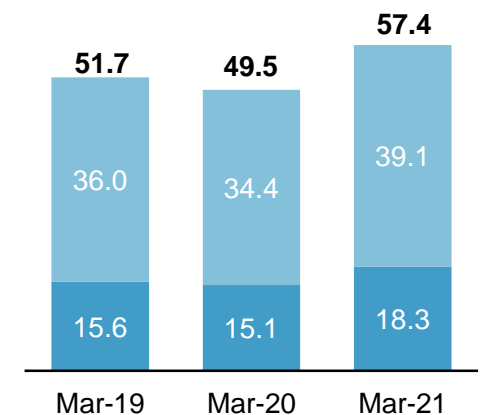


Group aggregate, management accounting<sup>1</sup>

Balance of publicly offered and  
privately placed investment trusts

(JPY T)

AM One



## Reference indicators

	FY19	FY20
R&I investment trust sales companies satisfaction survey <sup>4</sup>	2nd	2nd
Number of iDeCo participants <sup>5</sup> (K)	173	224

1. New management accounting rules were applied in FY20. Past figures were recalculated based on the new rules). 2. Excluding Non-Recurring Losses and others. 3. Excluding ETFs. Source: The Investment Trusts Association data 4. AM One. Source: R&I 'Fund information' Vols. 314, 339. 5. BK.

# Overview of Income Statement

(JPY B)

		FY2020			YoY		
		FG	BK + TB	SC Consolidated	FG	BK + TB	SC Consolidated
<b>Consolidated Net Business Profits</b>							
<b>+ Net Gains (Losses) related to ETFs and others*</b>	1	<b>2,200.7</b>	<b>1,749.6</b>	<b>351.3</b>	<b>+127.9</b>	<b>+46.0</b>	<b>+82.5</b>
Consolidated Gross Profits	2	2,198.6	1,750.9	348.0	+136.4	+54.6	+82.5
Net Interest Income	3	905.6	894.0	3.8	+172.1	+161.3	+8.7
Net Fee and Commission Income + Fiduciary Income	4	742.3	577.8	136.4	+64.4	+44.1	+24.9
Net Trading Income + Net Other Operating Income	5	550.7	279.0	207.7	-100.1	-150.8	+48.7
Net Gains (Losses) related to Bonds	6	1.6	1.6	0.0	-112.6	-112.6	+0.0
General and Administrative Expenses	7	-1,414.6	-1,063.6	-253.3	-36.2	-23.9	-14.0
<b>Consolidated Net Business Profits</b>							
<b>+ Net Gains (Losses) related to ETFs and others*</b>	8	<b>799.7</b>	<b>690.7</b>	<b>99.3</b>	<b>+127.1</b>	<b>+58.8</b>	<b>+68.3</b>
Consolidated Net Business Profits	9	797.7	692.0	96.0	+135.7	+67.4	+68.2
Consolidated Net Business Profits from core business operations (9-6)	10	796.1	690.3	96.0	+248.3	+180.0	+68.2
Credit-related Costs	11	-204.9	-205.0	-0.2	-33.2	-32.4	-1.3
Net Gains (Losses) related to Stocks	12	10.0	0.3	6.9	-116.4	-123.4	+6.7
- Net Gains (Losses) related to ETFs and others*							
Net Gains (Losses) related to Stocks	13	12.1	-0.9	10.2	-125.0	-132.0	+6.7
Equity in Income from Investments in Affiliates	14	19.9	23.2	-1.9	-10.4	-7.5	-1.8
Other	15	-74.8	-65.2	1.8	-33.0	-19.2	+2.7
Ordinary Profits	16	536.3	439.2	104.5	-101.5	-160.4	+74.8
Net Extraordinary Gains (Losses)	17	115.8	108.7	-15.6	+135.0	+126.0	-14.0
Income before Income Taxes	18	652.1	547.9	88.9	+33.4	-34.4	+60.8
Income Taxes	19	-174.7	-152.9	-11.5	-13.2	-3.8	-5.3
Profit Attributable to Non-controlling Interests	20	-6.3	0.3	-1.8	+2.2	+4.7	-1.2
<b>Profit Attributable to Owners of Parent</b>	21	<b>471.0</b>	<b>395.3</b>	<b>75.5</b>	<b>+22.4</b>	<b>-33.4</b>	<b>+54.1</b>

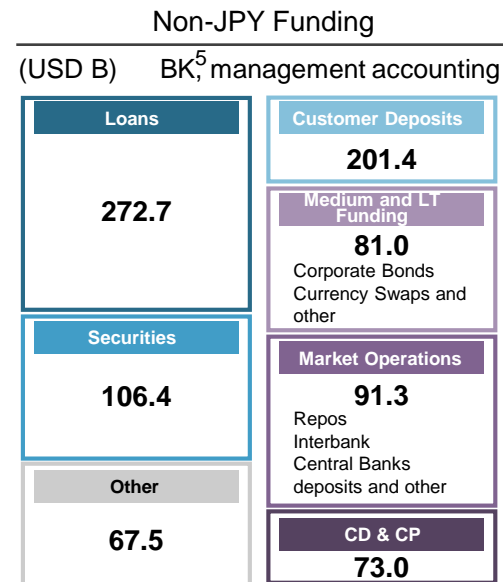
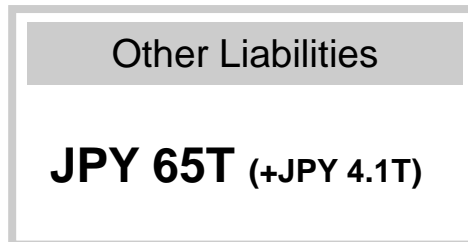
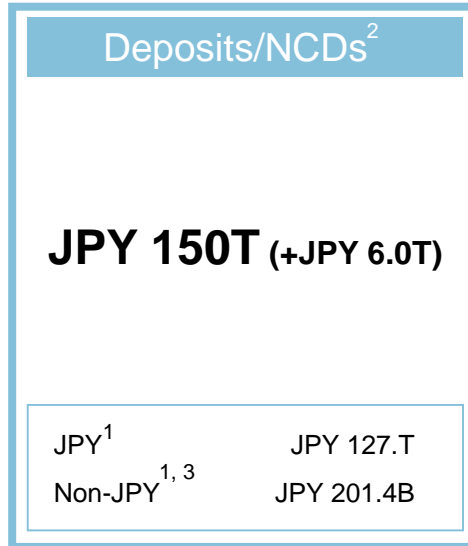
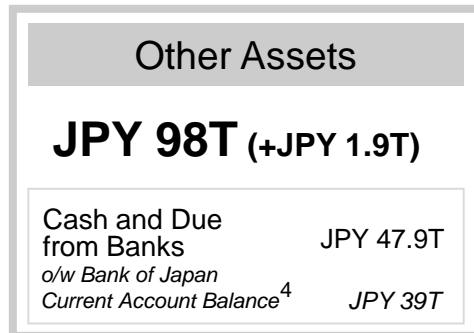
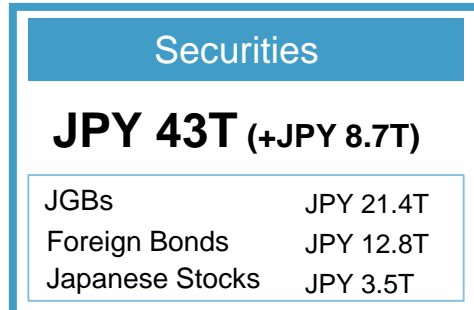
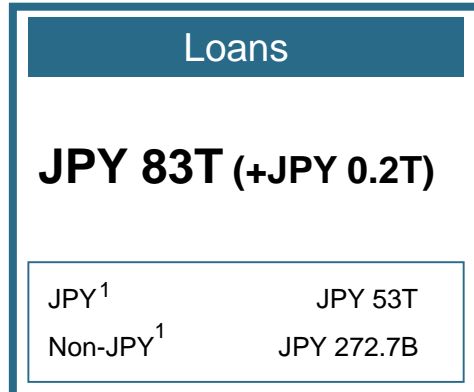
\*FY19: JPY 10.6B, FY20: JPY 2.0B.



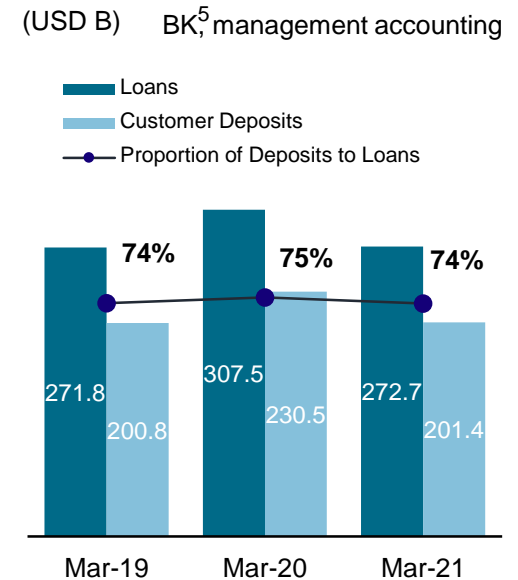
# Overview of Balance Sheet (Mar-21)

Total Assets: JPY 225T (+10.9T)

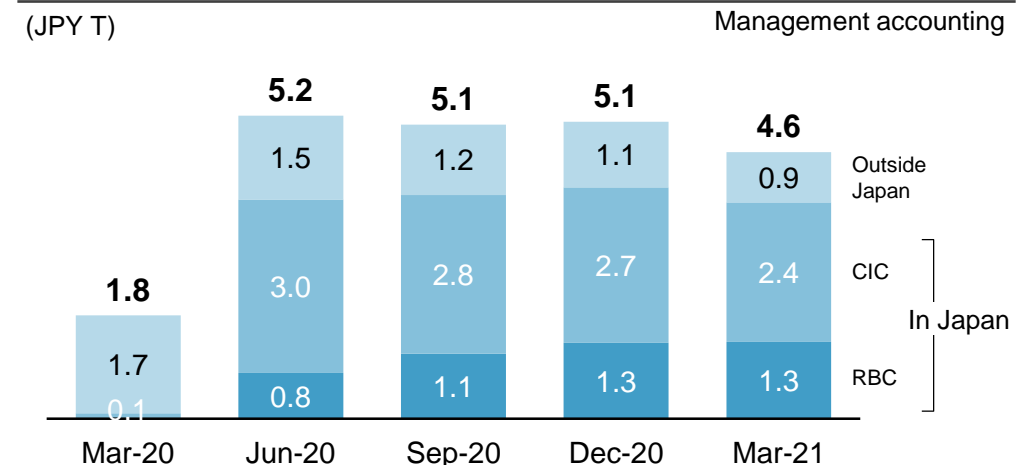
Consolidated,  
( ) represent changes from Mar-20



Trends in Non-JPY Loans and Deposits

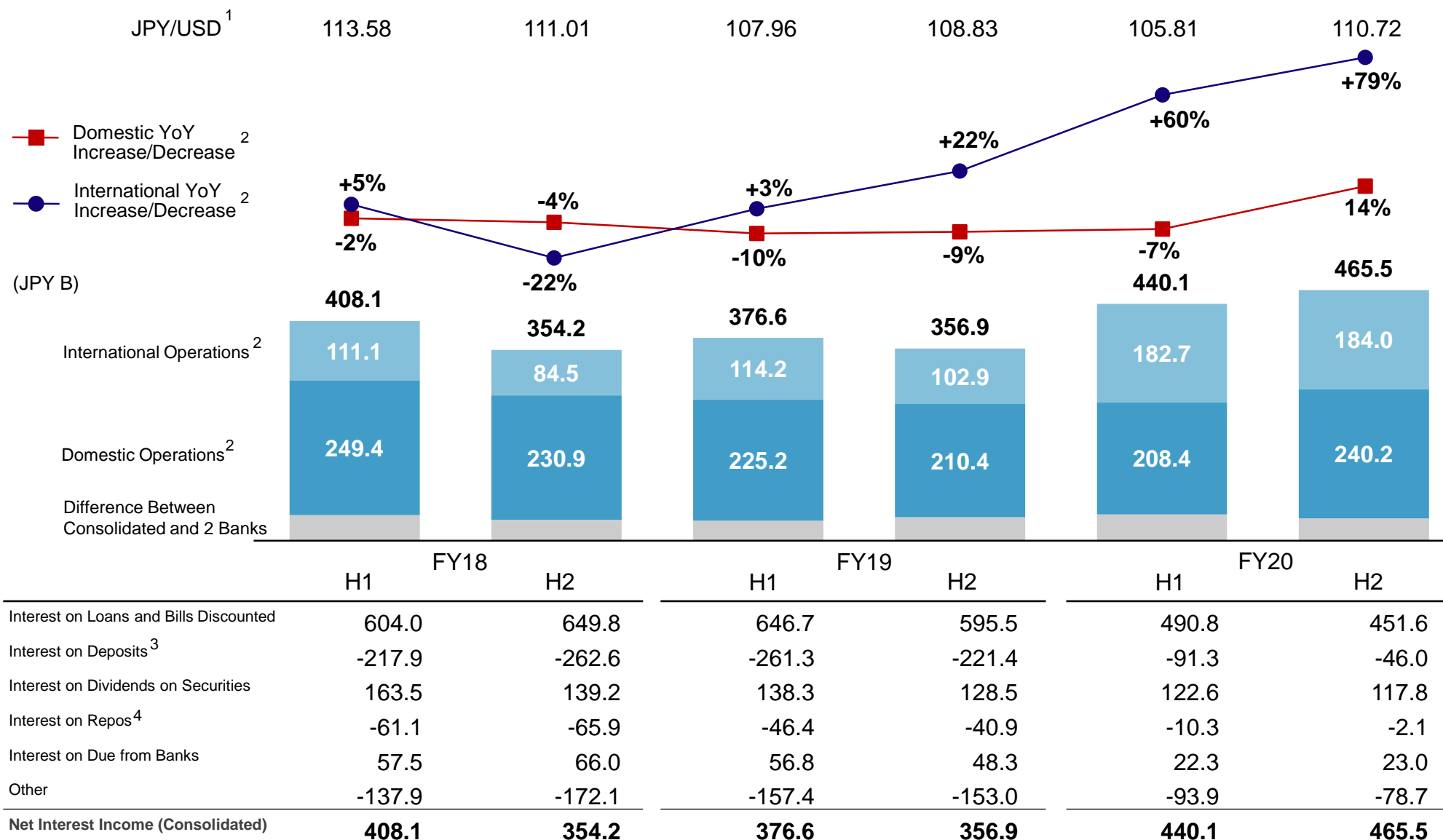


Reference: COVID-19 related loans



1. Management accounting basis, rounded figures. 2. Negotiable Certificates of Deposit. 3. Customer Deposits. 4. 2 Banks. 5. New management accounting rules were applied in FY20 (Figures from FY19 were recalculated based on the new rules). Including Non-JPY loans/customer deposits in Japan and subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico.

# Consolidated Gross Profits (Net Interest Income)



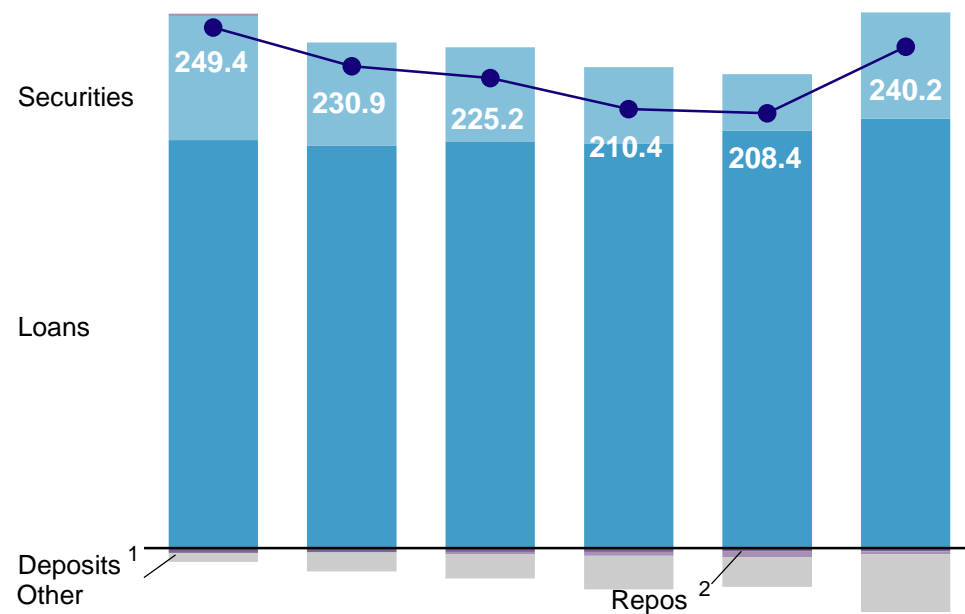
1. Foreign exchange rate (TTM) at the respective period end. 2. 2 Banks. 3. Excluding Interest on Negotiable Certificates of Deposit. 4. Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions.

# Net Interest Income (2 Banks)

## Domestic Operations

2 Banks

(JPY B) ● Net Interest Income

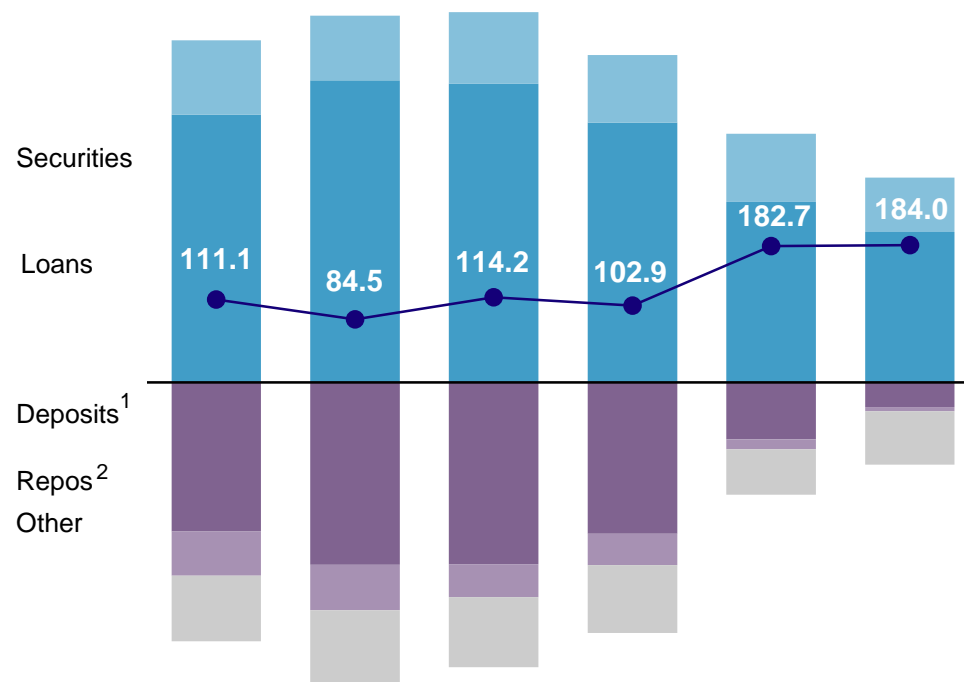


	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
Loans	195.5	192.7	194.9	193.6	200.1	205.7
Deposits	-2.3	-1.9	-1.8	-1.8	-1.7	-1.5
Securities	59.4	49.5	45.0	36.8	26.9	50.9
Repos	1.1	-0.2	-1.3	-1.9	-2.6	-1.4
Other <sup>3</sup>	-4.3	-9.1	-11.4	-16.1	-14.2	-13.4

## International Operations

2 Banks

(JPY B) ● Net Interest Income



	FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2
Loans	359.6	405.3	400.6	348.9	242.1	201.6
Deposits	-200.6	-245.2	-244.2	-203.6	-76.8	-33.1
Securities	99.4	87.0	96.2	90.6	91.7	73.1
Repos	-59.0	-60.7	-44.3	-41.9	-13.1	-5.6
Other <sup>3</sup>	-88.2	-101.8	-94.0	-91.2	-61.0	-51.9

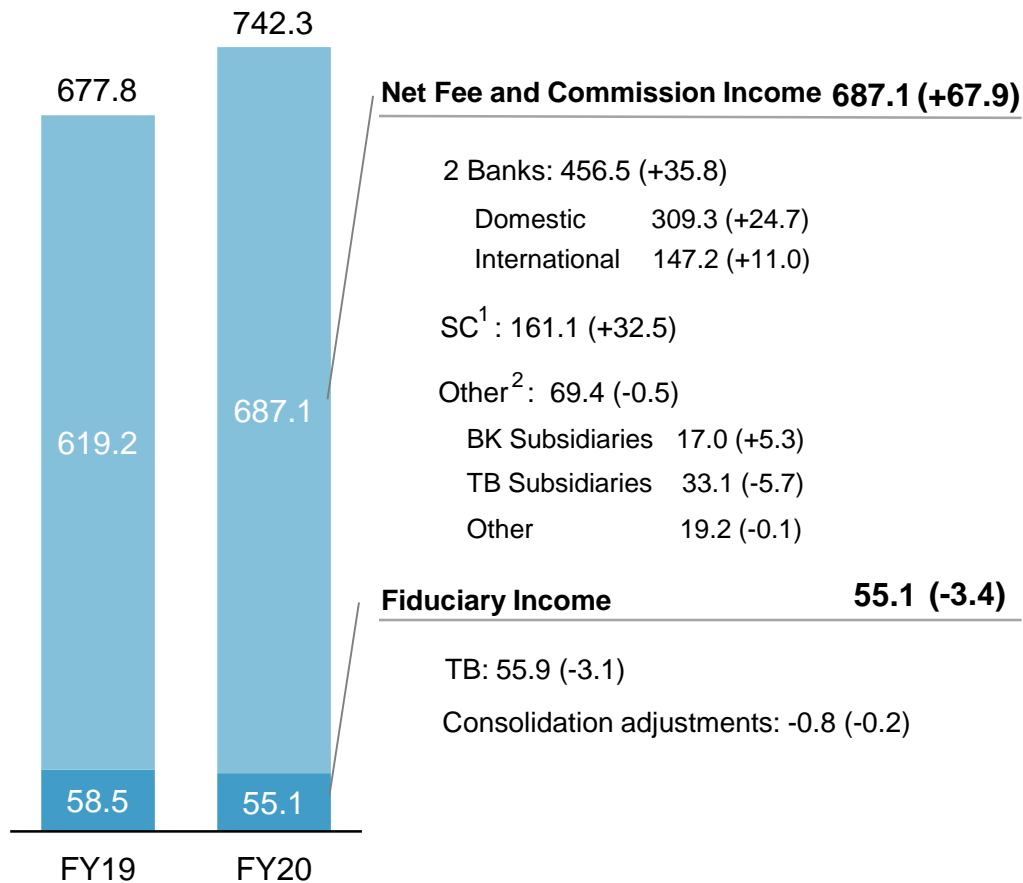
1. Excluding Interest on Negotiable Certificates of Deposit. 2. Interest/ expense of Receivables under Resale Agreements + Guarantee Deposits Paid under Securities Borrowing Transactions - Payables under Repurchase Agreements - Guarantee Deposits Received under Securities Lending Transactions. 3. Including Interest on Due from Banks

# Consolidated Gross Profits (excluding Net Interest Income)

## Net Fee and Commission Income/Fiduciary Income

(JPY B)

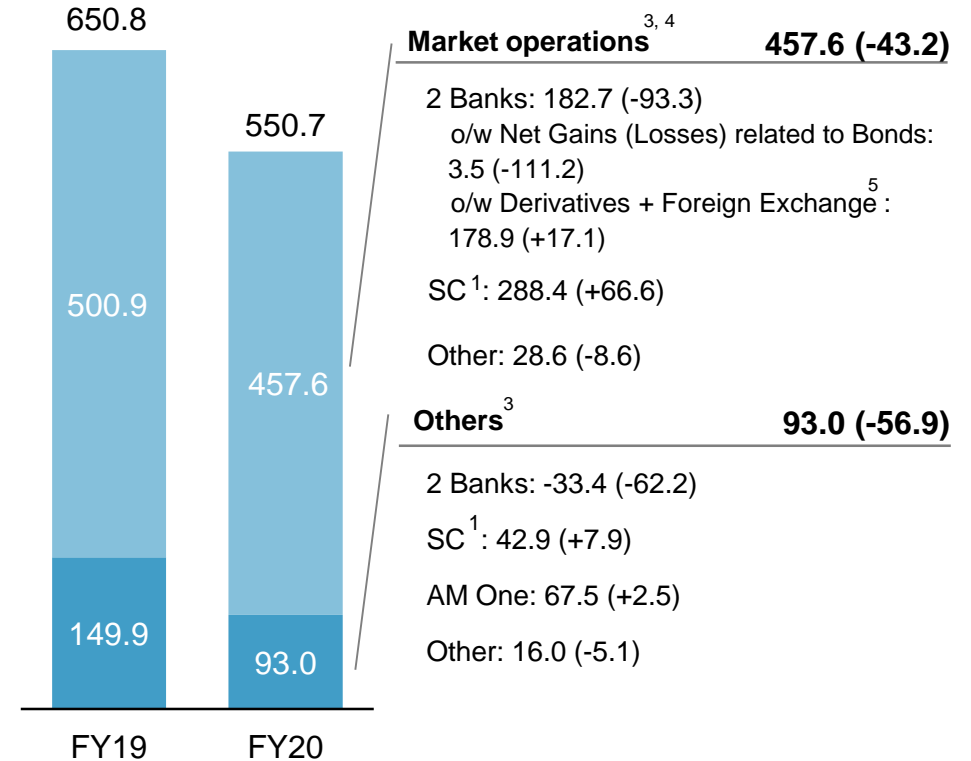
Consolidated, Figures in ( ) represent YoY



## Net Trading Income/Net Other Operating Income

(JPY B)

Consolidated, Figures in ( ) represent YoY



1. Including Mizuho Securities USA LLC 2. Including consolidation adjustments. 3. After consolidation adjustments, includes subsidiaries. 4. Net Trading Income - SC Underwriting and Selling Fees + Net Gains (Losses) related to Bonds + Net Gains (Losses) on Foreign Exchange Transactions 5. Net Gains (Losses) on Derivatives Trading Transactions + Net Gains (Losses) on Foreign Exchange Transactions.

# Loans

(JPY T)

Period-end balance, 2 Banks

JPY/USD<sup>1</sup>

113.58

111.01

107.96

108.83

105.81

110.72

Outside Japan

77.1

78.4

79.9

83.3

86.4

84.5

22.5

22.6

23.4

25.9

24.9

23.9

In Japan<sup>2</sup>

54.6

55.8

56.5

57.4

61.5

60.6

Sep-18

Mar-19

Sep-19

Mar-20

Sep-20

Mar-21

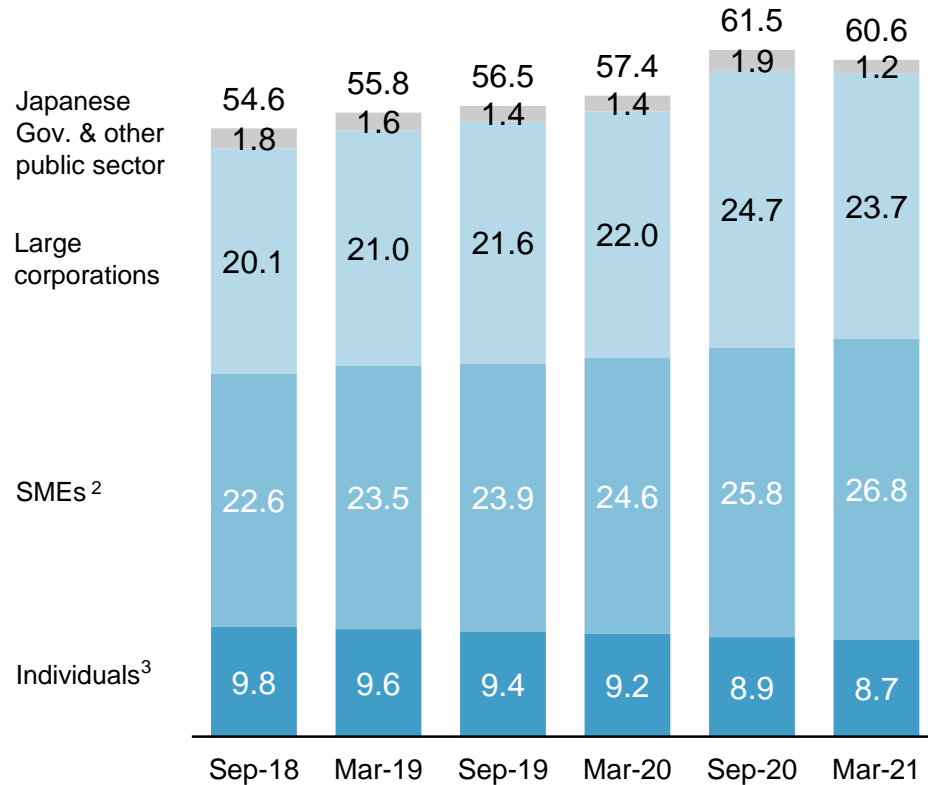
1. Foreign exchange rate (TTM) at the respective period ends. 2. Excluding loans to FG. Banking account.

# Loans in Japan

## Loan Balance<sup>1</sup> (Period-end Balance)

2 Banks

(JPY T)

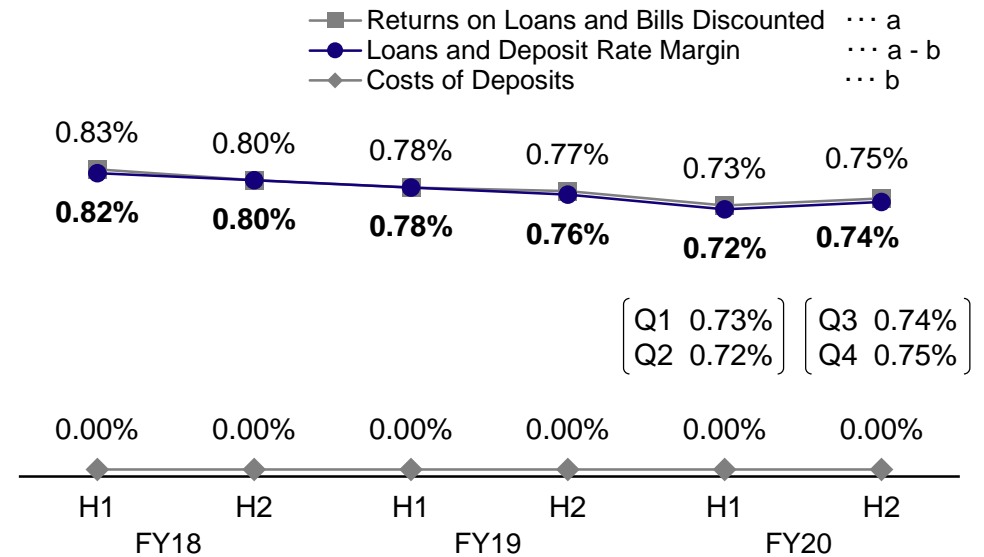


Average  
Balance

FY18		FY19		FY20	
H1	H2	H1	H2	H1	H2
53.8	55.0	56.0	56.4	61.0	60.8

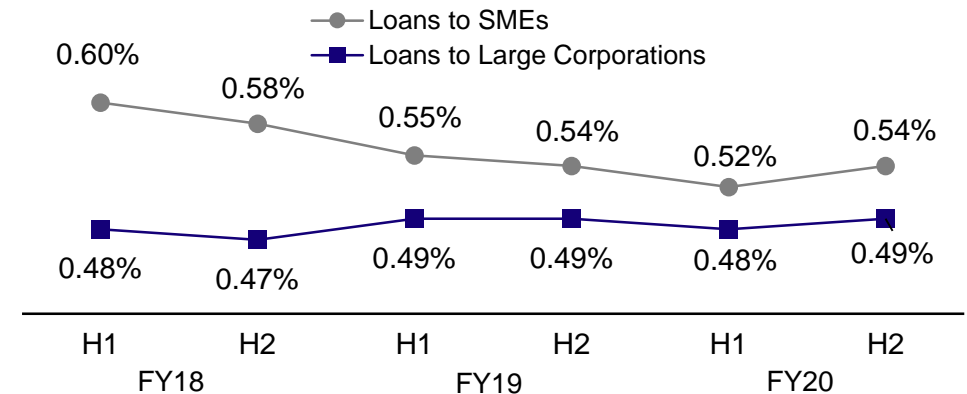
## Loan and Deposit Rate Margin<sup>4</sup>

2 Banks



## Loan Spread

BK, management accounting



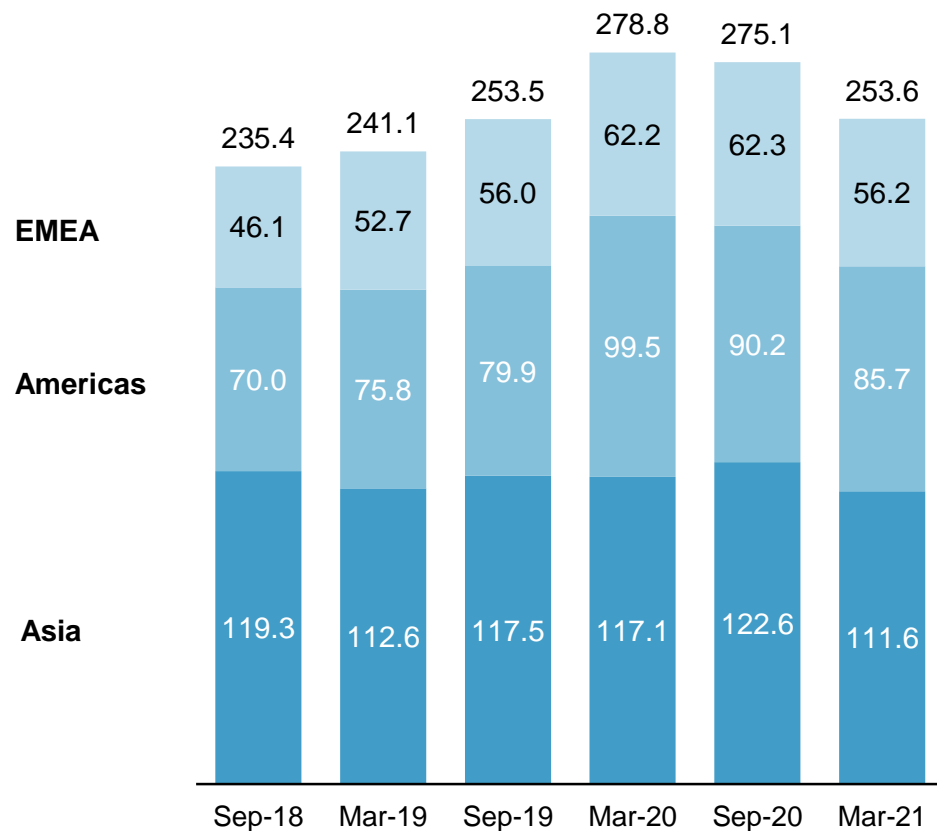
1. Excluding loans to FG. Banking account. 2. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers".

3. Consumer Loans. 4. Domestic Operations, excluding loans to financial institutions (including FG) and the Japanese Government & other public sector.

# Loans outside Japan

## Loan Balance<sup>1, 2</sup> (Period-end Balance) BK, management accounting

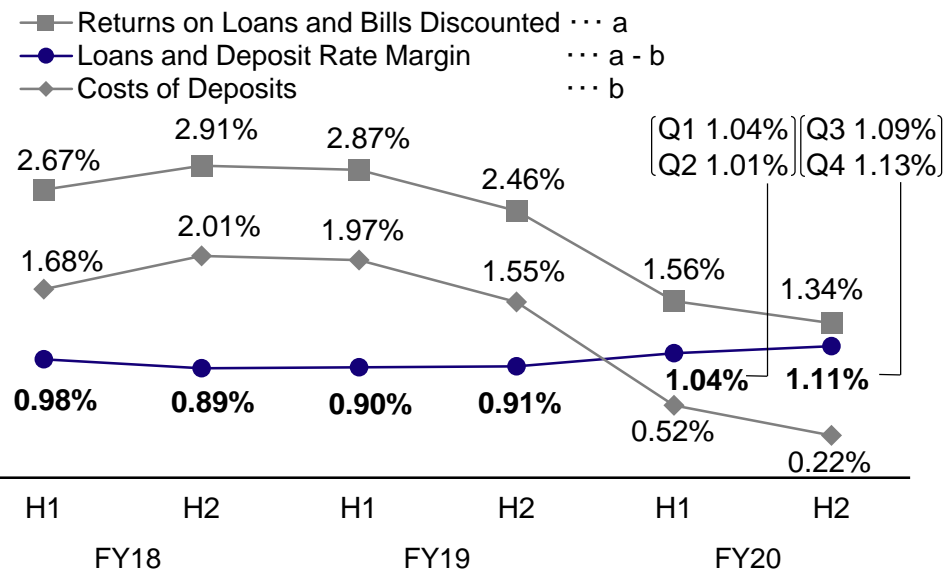
(USD B)



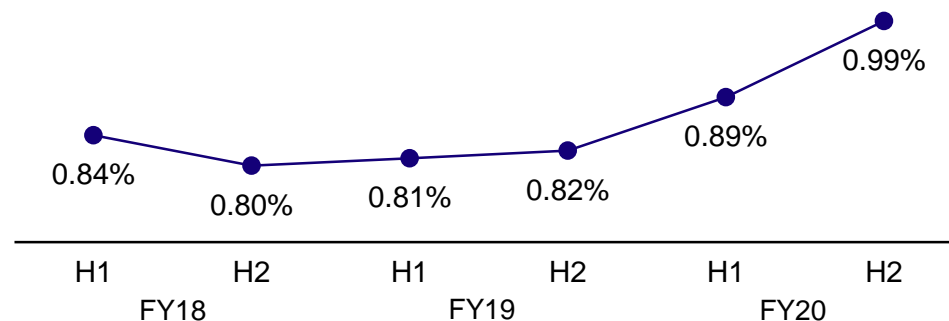
Average  
Balance

FY18		FY19		FY20	
H1	H2	H1	H2	H1	H2
227.6	244.0	248.5	260.0	286.8	264.0

## Loan and Deposit Rate Margin BK, Overseas offices



## Loan Spread<sup>1, 2</sup> BK, management accounting



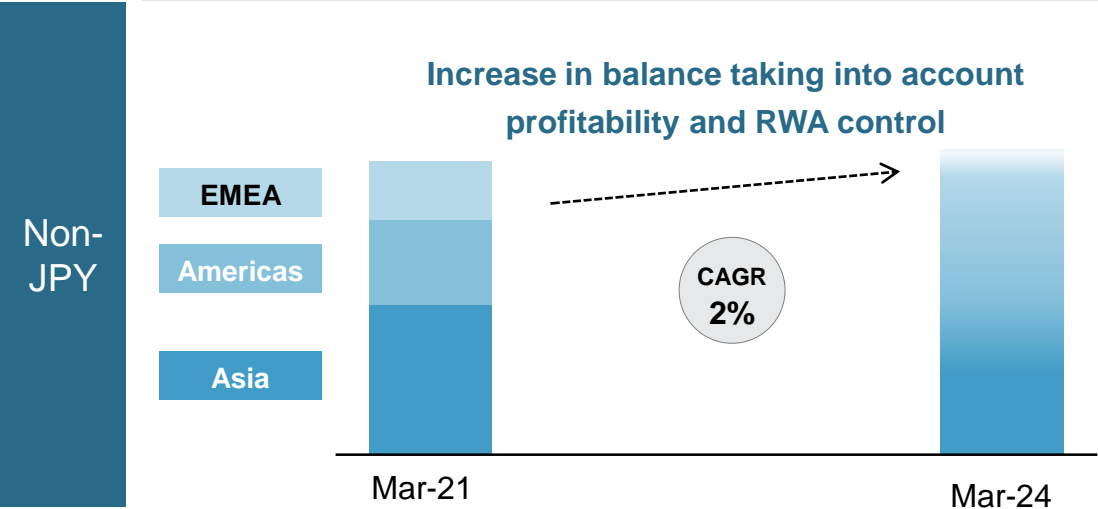
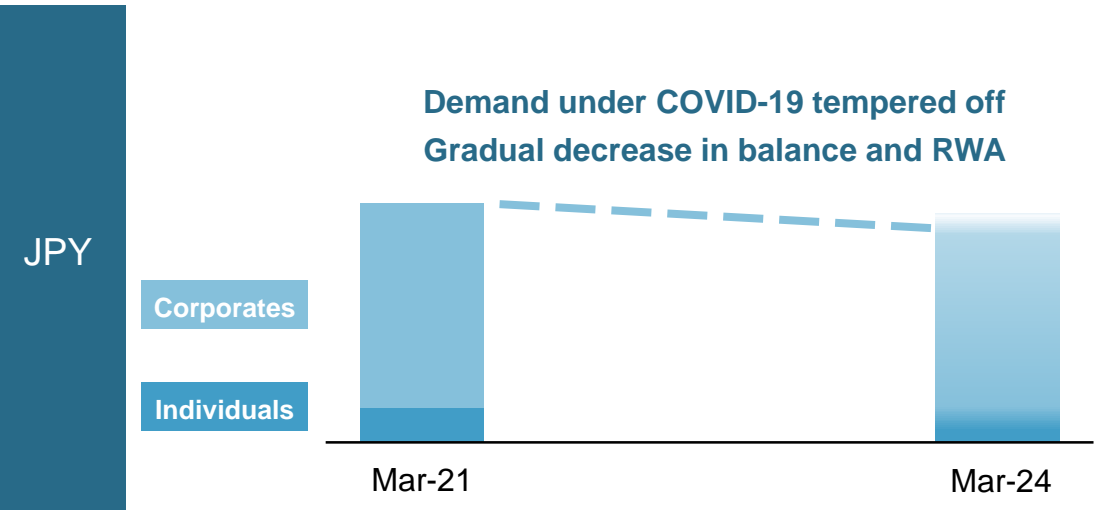
1. BK (including the subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico).

2. Figures including past figures are calculated based on the FY20 planned rate in USD.

# Reference: Outlook of Loans

## Loan Balance

(In-house company management accounting basis)



## Loan Spread

(In-house company management accounting basis)

	FY19 vs FY20	FY20 vs FY21	FY21 vs FY23
Large Corporations	➡	➡	➡
SMEs	➡	➡	➡
Individuals	➡	➡	➡

	FY19 vs FY20	FY20 vs FY21	FY21 vs FY23
EMEA	➡	➡	➡
Americas	➡	➡	➡
Asia	➡	➡	➡



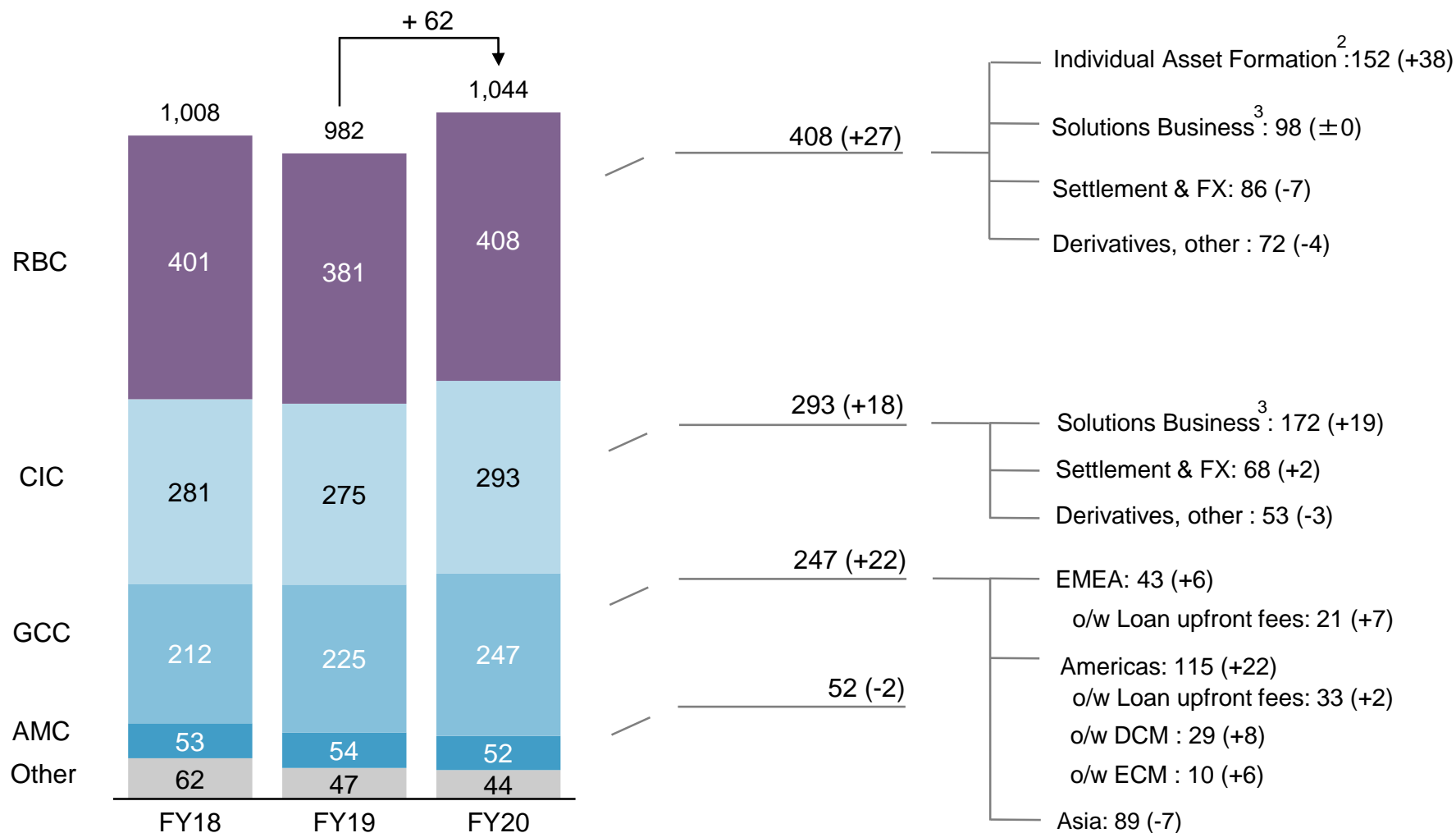
# Non-interest Income

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

(JPY B)

Group aggregate, management accounting, rounded figures

Figures in ( ) represent YoY



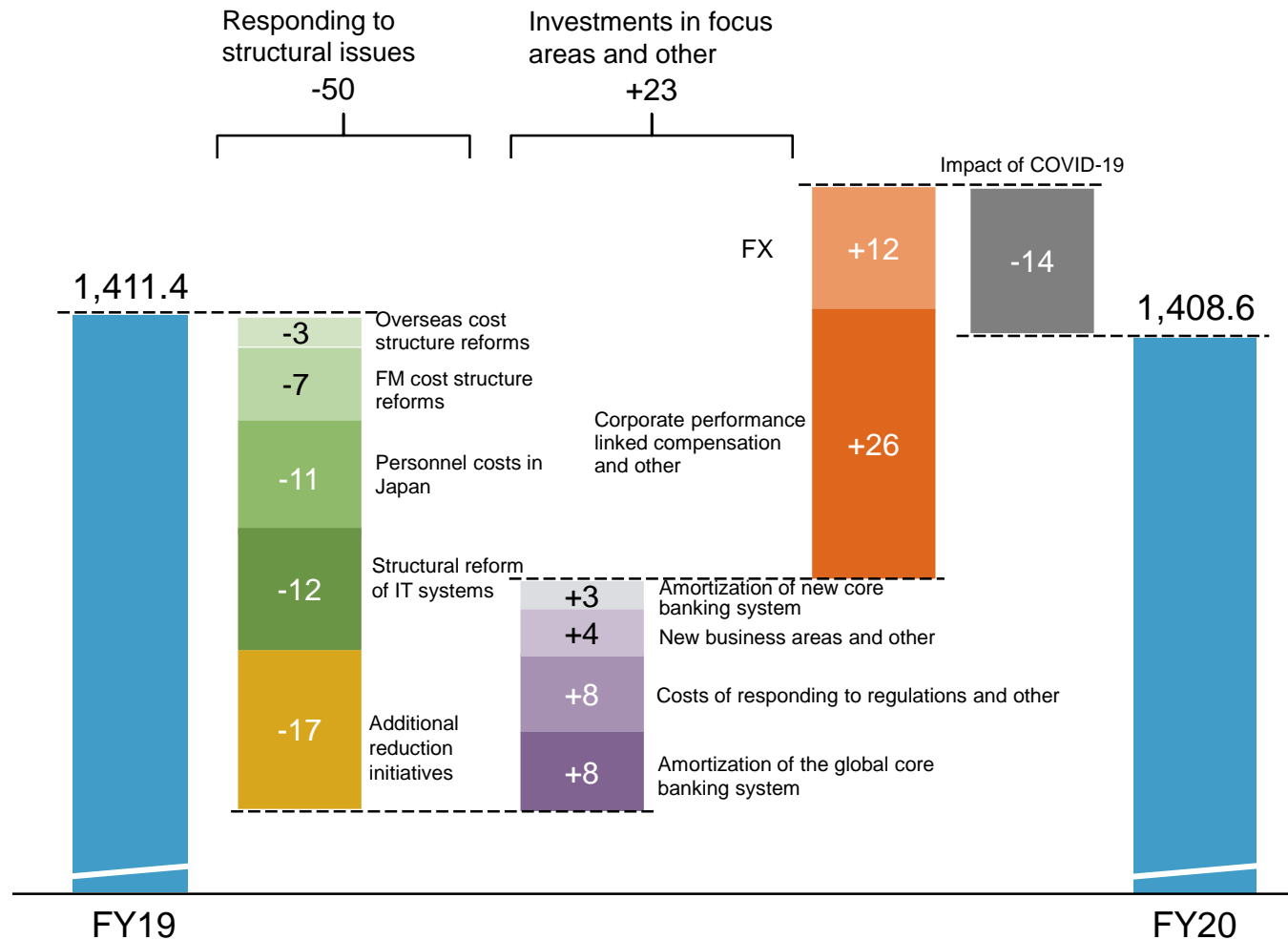
1. Recalculated past figures based on FY20 planned rate and other factors such as expansion and refinement of range of consolidated subsidiaries. The original figures before the recalculation were FY18 H1: JPY 1,007.0B and FY19: JPY 984.0B. 2. BK investment trusts, annuities + SC individual segment, PB segment. 3. Including fees related to investment banking business and real estate brokerage

# General and Administrative Expenses

## General and Administrative Expenses (excl. Non-recurring losses)<sup>1</sup>

Consolidated

(JPY B)



Reference	FY19	FY20
G&A Expenses (excl. Non-Recurring Losses)	1,411.4	1,408.6
<i>Personnel</i>	671.7	685.4
<i>Non-Personnel<sup>2</sup></i>	674.8	658.8
<i>Miscellaneous Taxes</i>	64.8	64.2

G&A Expenses	1,378.3	1,414.6
<i>Non-Recurring Losses</i>	-46.2	-6.2
<i>Amortization of Goodwill and other items</i>	13.2	12.2

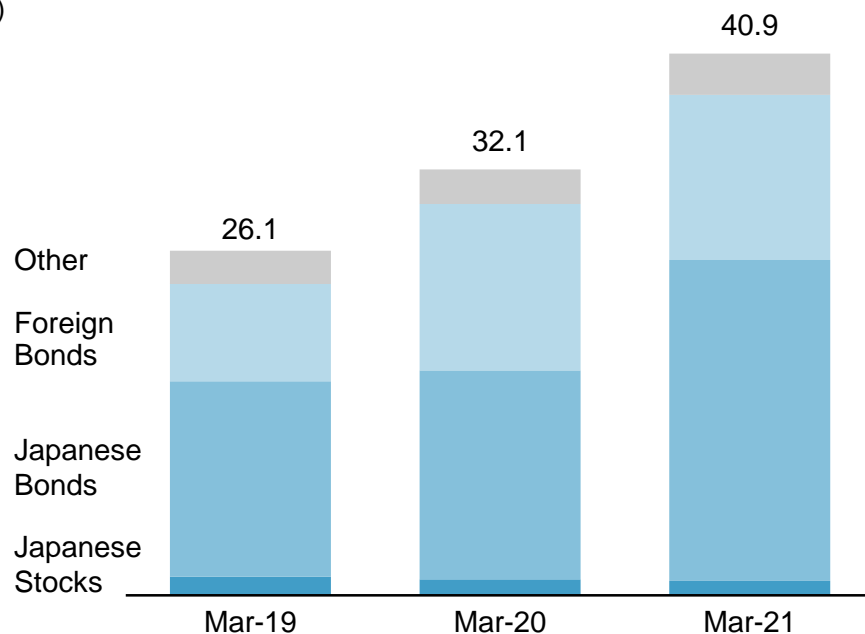
1. Rounded figures, management accounting basis. 2. Excluding Amortization of Goodwill and other items.

# Securities portfolio

## Balance of Other Securities<sup>1</sup>

Consolidated  
Acquisition cost basis

(JPY T)

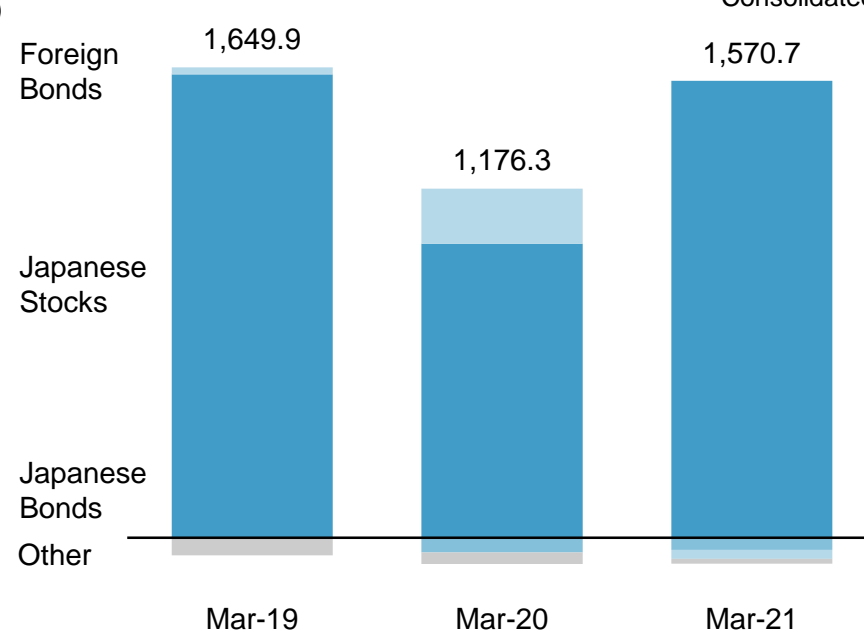


Japanese Stocks	1.4	1.2	1.1
Japanese Bonds	14.7	15.7	24.1
o/w JGB	11.8	12.6	20.9
Foreign Bonds	7.3	12.5	12.4
o/w Debt Securities issued in US <sup>2</sup>	2.1	8.0	8.3
Other	2.5	2.6	3.1
o/w bear funds <sup>3</sup>	-	0.8	0.6
o/w Investment Trusts and others	2.5	1.8	2.4

## Unrealized Gains/Losses on Other Securities<sup>1, 4</sup>

Consolidated

(JPY B)



Japanese Stocks	1,687.6	1,071.5	1,665.7
Japanese Bonds	5.2	-54.1	-44.9
o/w JGB	5.9	-44.0	-31.7
Foreign Bonds	21.7	200.9	-33.0
o/w Debt Securities issued in US <sup>2</sup>	5.1	234.4	-29.3
Other	-64.6	-42.0	-17.0
o/w bear funds <sup>3</sup>	-	86.2	-155.4
o/w Investment Trusts and others	-64.6	-128.2	138.4

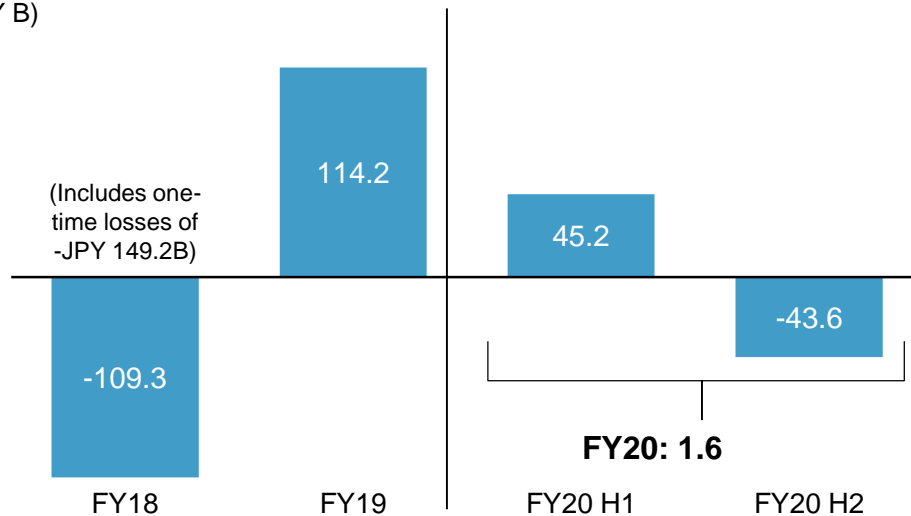
1. Other Securities which have readily determinable fair values. Excluding Investments in Partnership. 2 UST/GSE Bonds. 2 Banks. 3. Hedging transactions aiming to fix unrealized gains on Japanese stocks.  
4. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19, Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. Others are calculated based on the quoted market price if available, or other reasonable value, at the respective period end.

# Securities portfolio (Bonds)

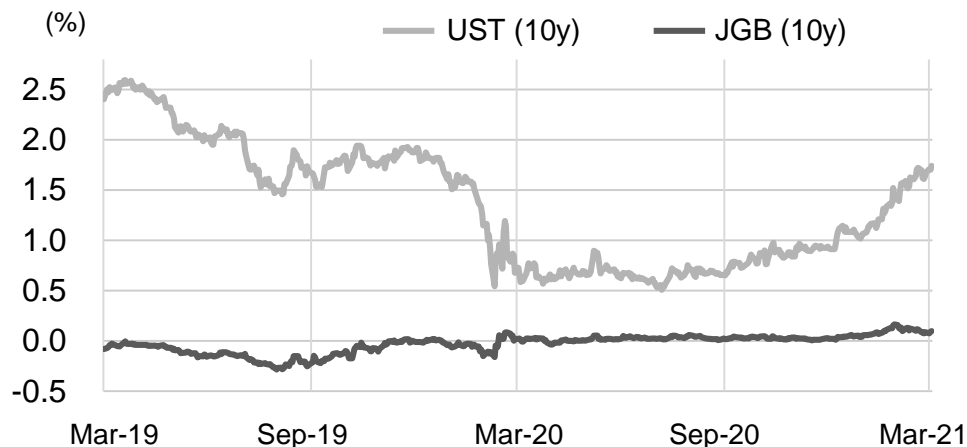
## Net Gains (Losses) related to Bonds

Consolidated

(JPY B)



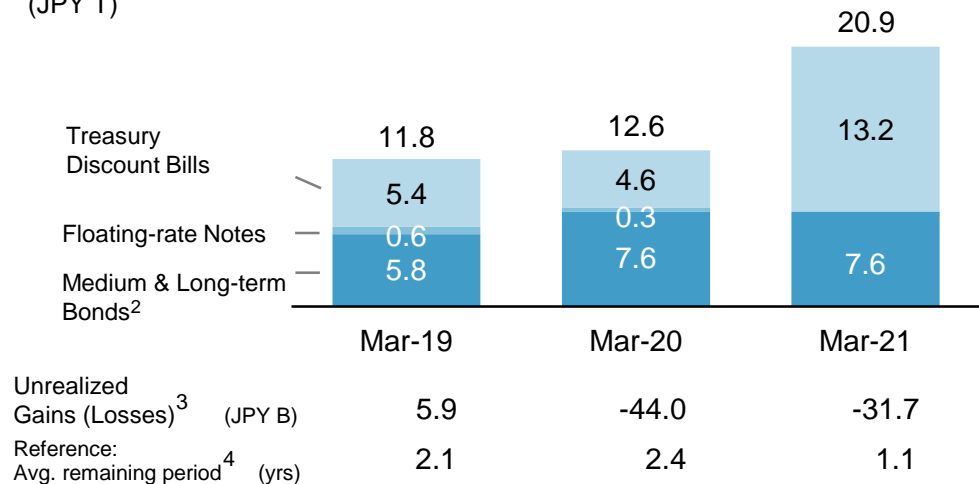
Reference: Interest Rate Trends in and outside Japan



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

2 Banks  
Acquisition cost basis

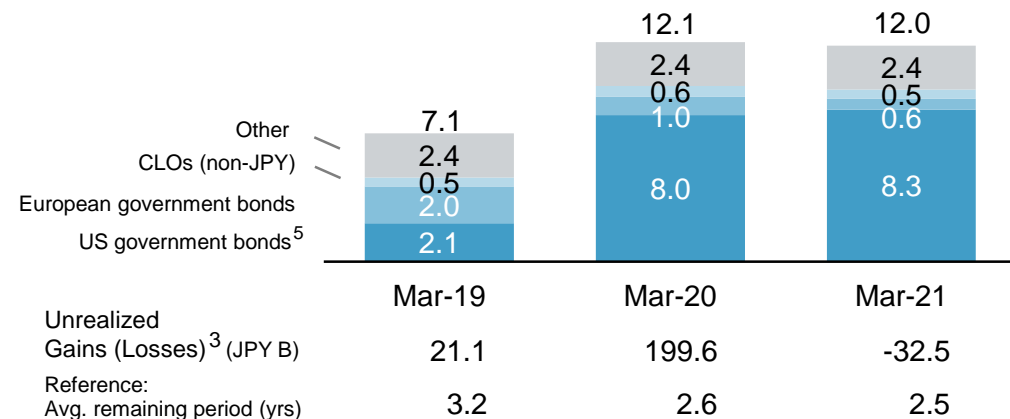
(JPY T)



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

2 Banks  
Acquisition cost basis

(JPY T)



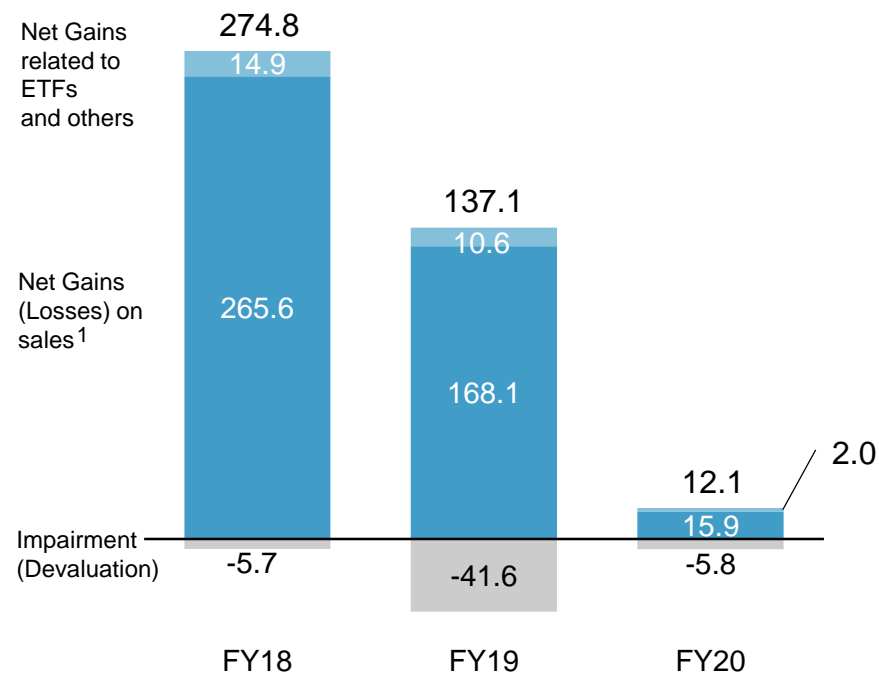
1. Other Securities which have readily determinable fair values. 2. Including bonds with remaining period of one year or less. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable value, at the respective period end. 4. Excluding floating-rate notes. 5. UST/GSE Bonds.

# Securities portfolio (Stocks)

## Net Gains (Losses) related to Stocks

Consolidated

(JPY B)

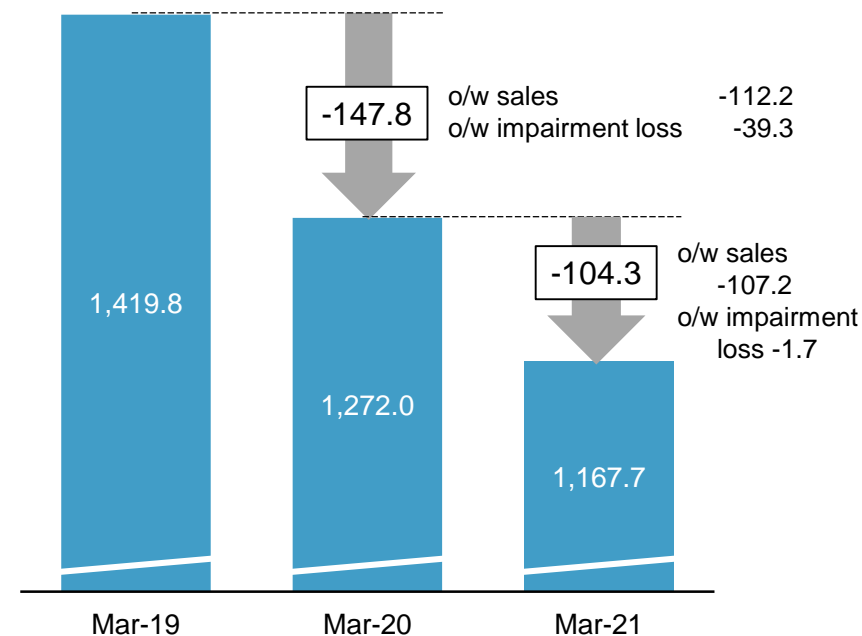


- Reversed impairment losses recorded in H1
- Took preventative measures against impairment risk to a certain extent
- Improved hedging price for bear funds

## Japanese stock portfolio<sup>2</sup>

Consolidated  
Acquisition basis

(JPY B)

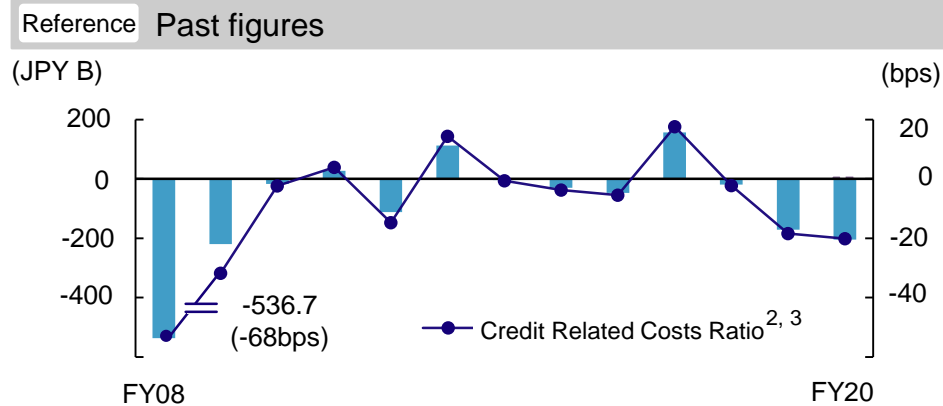
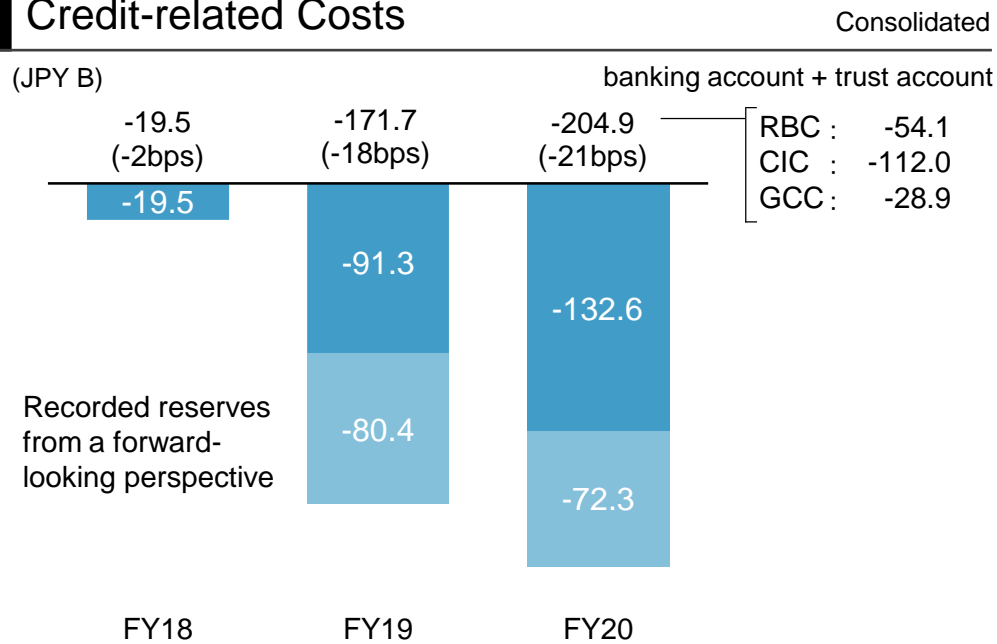


Unrealized Gains (Losses) <sup>3</sup>	1,687.6	1,071.5	1,665.7
o/w gains	1,748.9	1,174.4	1,773.7
o/w losses	-61.3	-102.9	-107.9
Reference: No. of stocks <sup>4</sup>	1,060	1,013	970

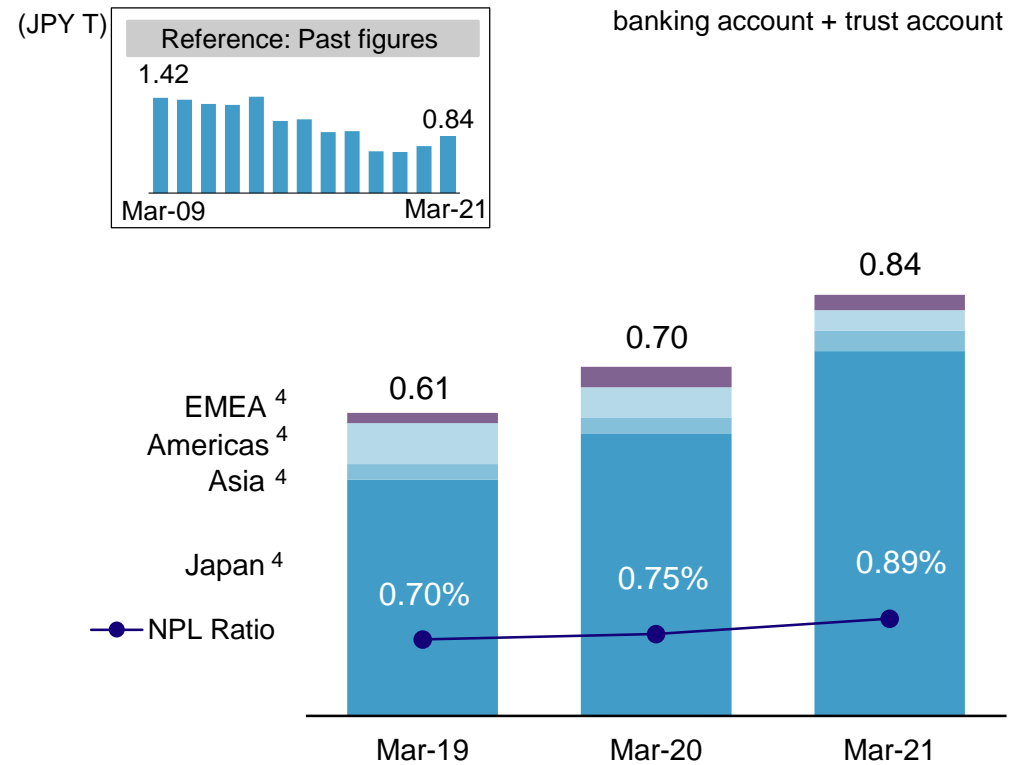
1. Net Gains related to ETFs (2 Banks) + Net Gain on Operating Investment Securities (SC Consolidated). 2. Other Securities which have readily determinable fair values. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Mar-19, Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. 4. BK only. Stocks listed in Japan.

# Asset quality

## Credit-related Costs



## Non Performing Loans based on the FRA<sup>1</sup> Consolidated



### Reference: Other Watch Obligors

	2 Banks, banking account		
Balance (JPY T)	1.3	1.6	1.7
Reserve Ratio	2.46%	4.91%	4.87%

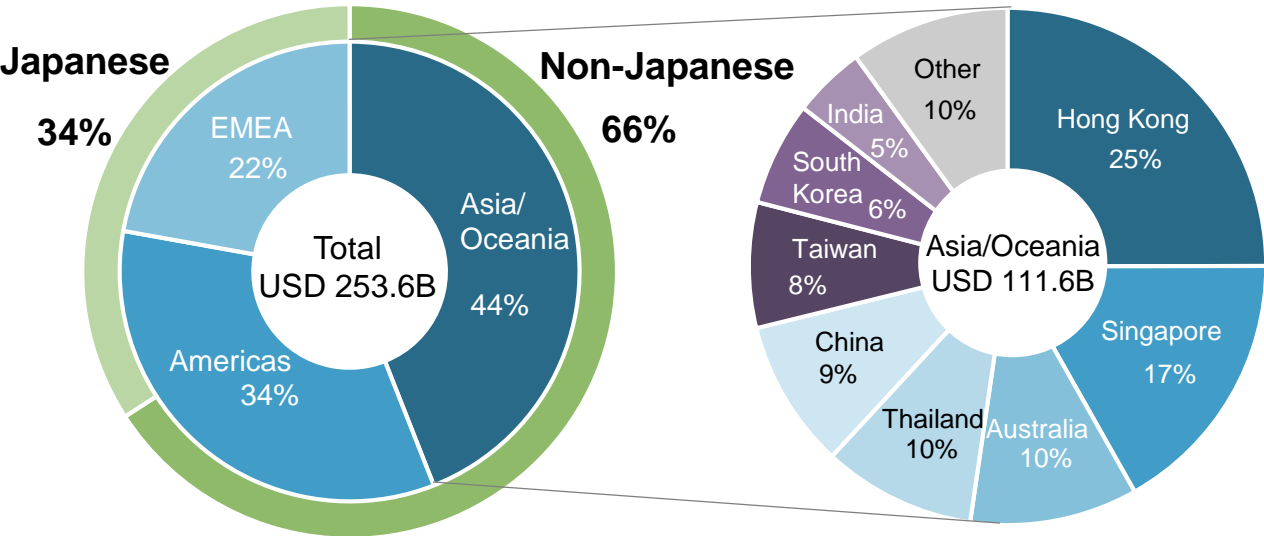
1. Financial Reconstruction Act 2. Ratio of Credit-related Costs against Total Claims (based on the FRA).

3. Figures before FY13 were calculated by using Total Claims of aggregate for 2 Banks. 4. Representative main branch basis.

# Loan portfolio outside Japan

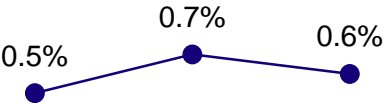
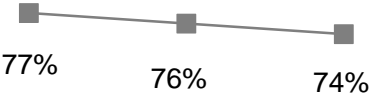
Loan portfolio outside Japan (Mar-21)

BK, GCC management accounting basis<sup>1</sup>



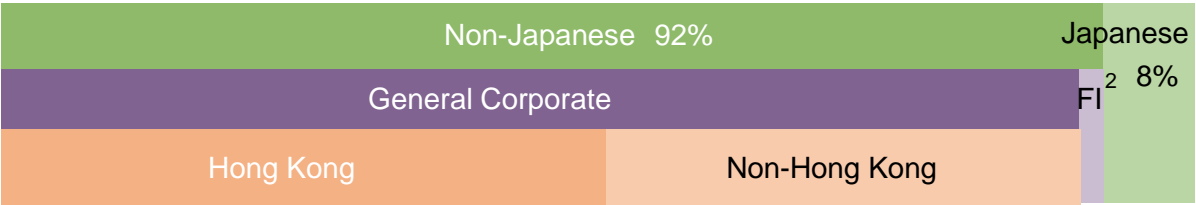
## Quality of loan portfolio

Investment Grade Level Ratio  
NPL Ratio

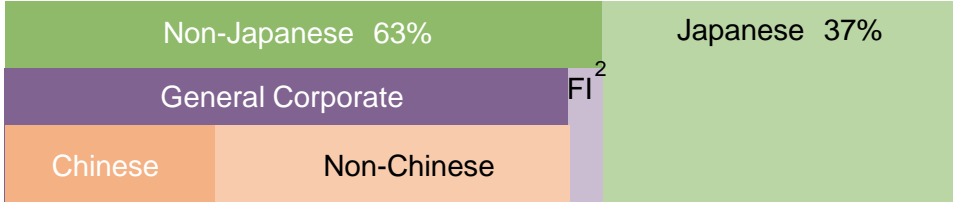


Mar-20      Sep-20      Mar-21

### Hong Kong: USD 27.9B



### China: USD 10.3B



1. Including banking subsidiaries outside Japan. 2. Financial Institutions.

# Exposure in specific sectors and products

## Resource sector<sup>1</sup>

BK  
management accounting basis

(JPY T)

	Mar-21	Investment grade and equivalent	
Non-JP	5.1	4.1	79%
Upstream	2.8	2.2	79%
Midstream	1.1	0.8	74%
Downstream	1.2	1.0	86%
JP	1.8	1.6	90%
Total	6.9	5.7	82%

- Exposure to the non-Japanese (JP) upstream sector, which is impacted the most by declines in crude oil prices, remains largely investment grade and equivalent (approx. 80%)
- Approx. JPY 0.3T in project finance transactions can be impacted by fluctuations in commodity prices

The above is our exposure in the resource sectors excluding mineral resources.  
Upstream: crude oil & natural gas mining etc. Midstream: storage and transportation.  
Downstream: petroleum refinery and product manufacturing and other.

## Aircraft / LBO Loans outside Japan

BK  
management accounting basis

(USD B)

	Mar-21	
Aircraft-related (Asset-based) <sup>1, 2</sup>	0.25	
	Mar-21	(Reference) Jun-07
LBO loans outside Japan <sup>1</sup>	U/W <sup>3</sup> 1.7	12.5
	Final Take	3.8 6.3

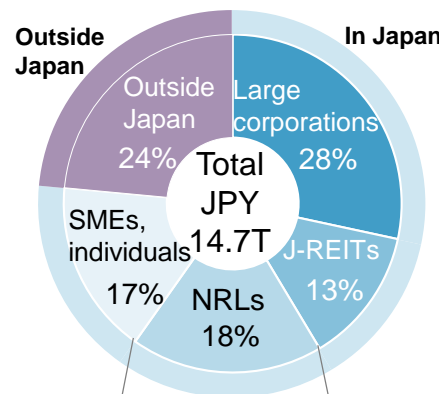
- Credit relying solely on cash flow from underlying aircraft assets is limited
- Cautious approach for industries vulnerable to economic fluctuations
- Controlling underwriting (U/W) risk by setting terms and conditions and strengthening management of underwriting positions

1. The sum of loans, foreign exchange, and unused committed lines of credit and other. 2. Credit where the lender is exposed to residual value risk of the asset. Exclusively warehouse facilities premised on takeouts by ABS and other securities. 3. Including those in which we have won mandates.

## Real estate sector<sup>1</sup>

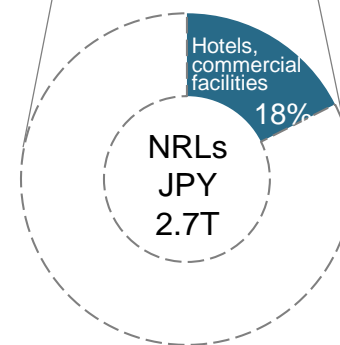
BK + TB  
Management accounting basis

Investment grade and equivalent : approx. 80%



NRLs: non-recourse loans  
SMEs: Small and medium-sized enterprises

- Large corporations, clients outside Japan  
Over 90% of exposure is to investment grade and equivalent
- SMEs and individuals, J-REITs, NRLs  
Selectively originating deals based on comprehensive evaluation, including loan-to-value ratio and cash flow under stress scenario



- Hotels and commercial facilities primarily consist of low LTV projects, while inbound trends require monitoring.

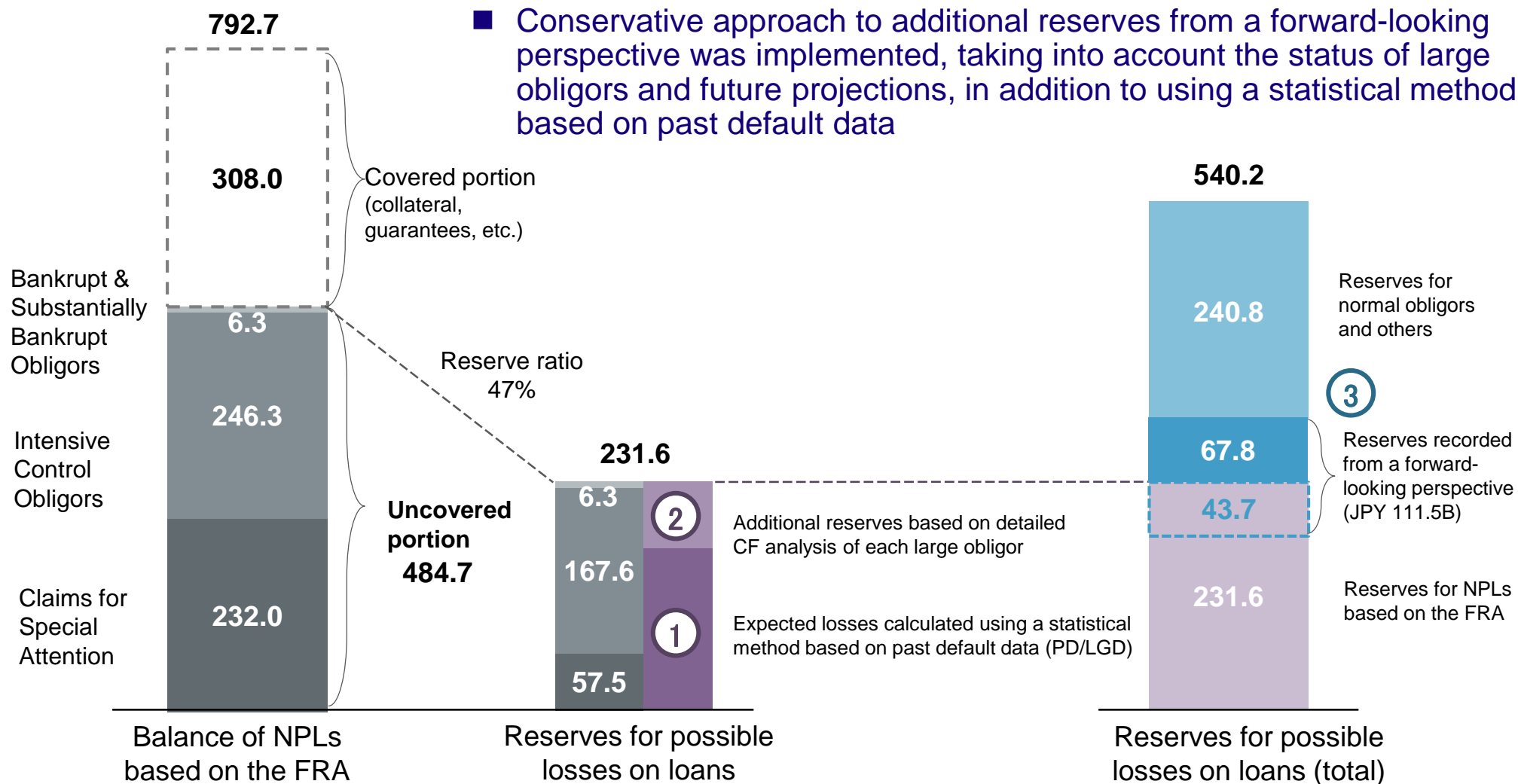


# Credit portfolio soundness

## Reserves for possible losses on loans against NPLs<sup>1</sup> based on the FRA<sup>2, 3</sup>

2 Banks

(JPY B)



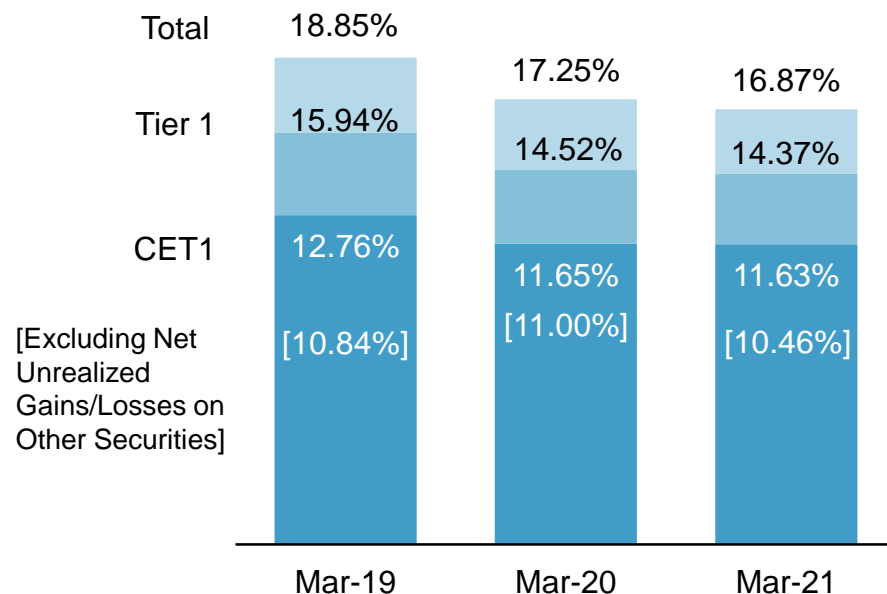
1. Non Performing Loans. 2. Financial Reconstruction Act. 3. Above figures represent net of partial direct write-offs.

# Basel Regulatory Disclosures (1)

## Capital Ratio

Consolidated

(JPY B)



CET1 Capital <sup>1</sup>	7,390.0	7,244.7	7,849.9
AT1 Capital <sup>2</sup>	1,842.1	1,779.6	1,851.9
Tier 1 Capital	9,232.1	9,024.4	9,701.9
Tier 2 Capital	1,685.3	1,697.8	1,683.4
Total Capital	10,917.5	10,722.2	11,385.3
Risk Weighted Assets	57,899.5	62,141.2	67,481.9

## Other Regulatory Ratios

Consolidated

(JPY B)

	Mar-19	Mar-20	Mar-21
Leverage Ratio <sup>3</sup>	4.42%	4.08%	4.83%
Tier 1 Capital	9,232.1	9,024.4	9,701.9
Total Exposures <sup>3</sup>	208,557.4	220,977.5	200,546.6

	FY18 Q4	FY19 Q4	FY20 Q4
Liquidity Coverage Ratio (LCR)	144.3%	137.3%	135.8%
Total HQLA	59,797.1	60,112.7	72,792.2
Net Cash Outflows	41,447.8	43,816.7	53,607.0

Reference: Basel III finalization basis

	Mar-19	Mar-20	Mar-21
CET1 Capital Ratio	9.5%	9.3%	10.0%
(excl. Net Unrealized Gains (Losses) on Other Securities)	8.2%	8.8%	9.1%

1. Common Equity Tier 1 Capital. 2. Additional Tier 1 Capital. 3. Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure since Mar. 2021. (before exclusion: Mar-21: 4.03%)

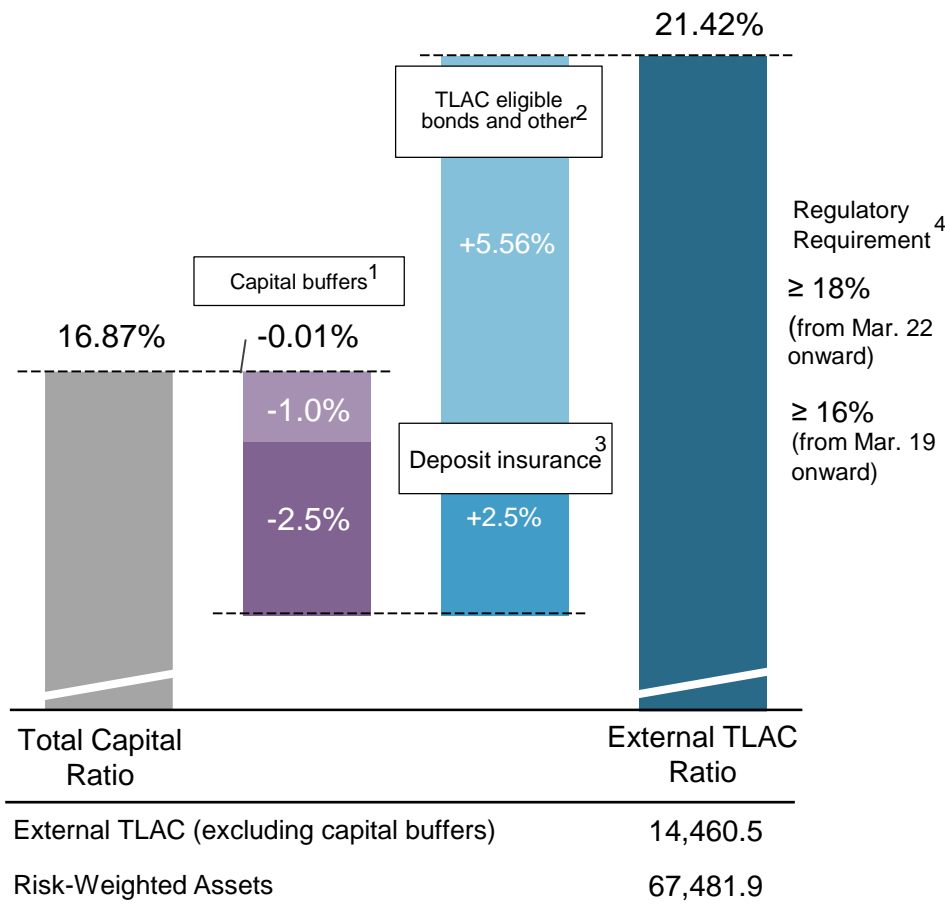
# Basel Regulatory Disclosures (2)

## External TLAC Ratio (Mar-21)

Consolidated

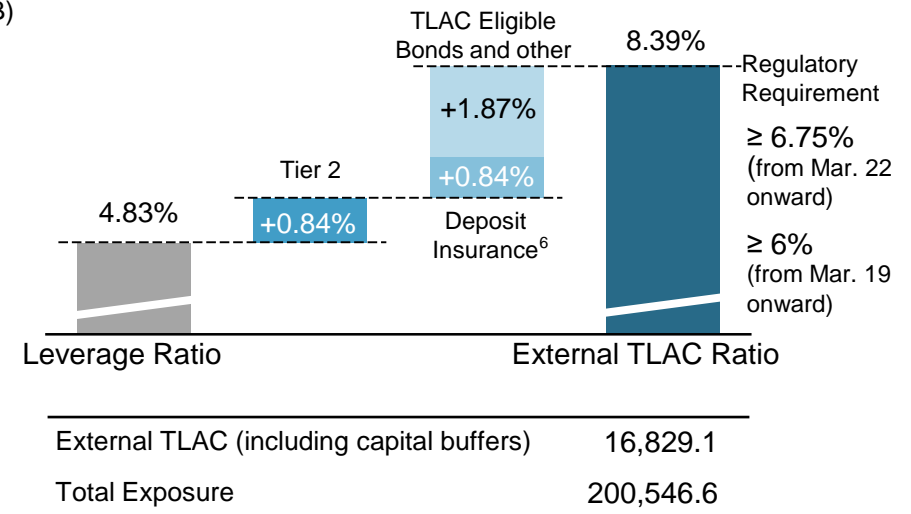
### Risk Weighted Assets Basis

(JPY B)



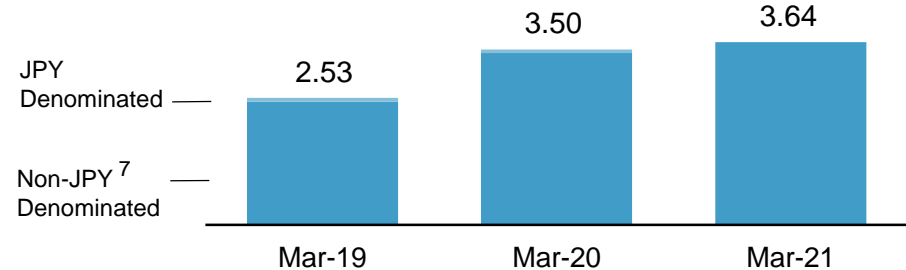
### Total Exposure Basis<sup>5</sup>

(JPY B)



### TLAC Eligible Senior Bonds (Outstanding Balance)

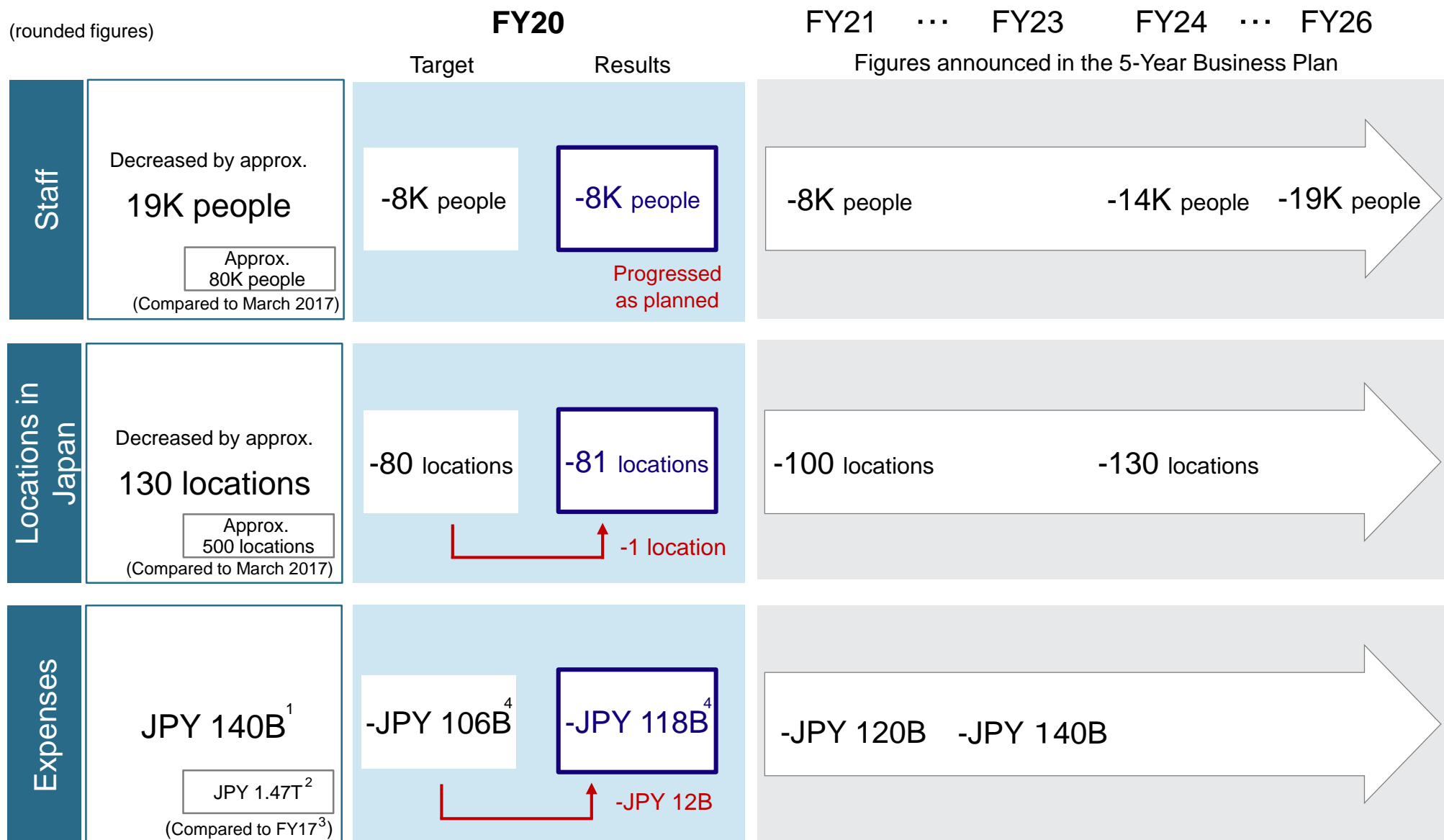
(JPY T)



- Capital Buffer = Capital Conservation Buffer (2.5%) + G-SIBs Capital Buffer (1.0%) + Countercyclical Capital Buffer (0.01%).
- TLAC Eligible Senior Bonds including other adjustments.
- Deposit insurance fund reserve is allowed to count towards Japanese G-SIBs' external TLAC 3.5% of RWA from Mar. 22.
- Minimum TLAC requirement based on FSB's final TLAC standard as of Nov. 9, 2015. Our required minimum TLAC as of Mar. 21 is 16.0%.
- Due to the amendment of the notification of Japan FSA, deposits to BoJ have been excluded from Total Exposure. (Before exclusion: Leverage Ratio: 4.03%, External TLAC Ratio: 6.99%.)
- Deposit insurance fund reserve equivalent amount on total exposure basis calculated based on RWA basis of 2.5%.
- Foreign exchange rate (TTM) at the respective period end.

# Progress against Fundamental Structural Reform Plan

(rounded figures)



1. Reduction excluding depreciation cost related to new core banking system.

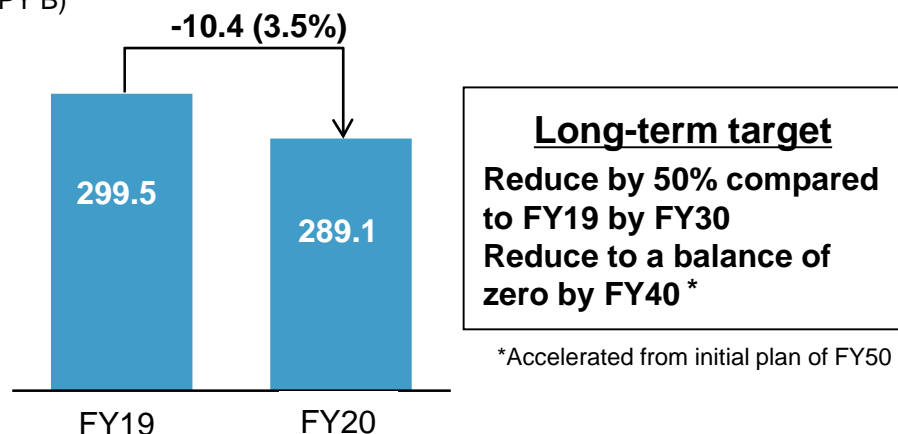
2. Group Aggregate. New management accounting rules were applied in FY19. The original figures before the recalculation was JPY 1.45T.

3. Compared to the estimate for FY17 as of November 2017 when Fundamental Structural Reforms were announced. 4. Excluding effects of foreign exchange.

# Progress on sustainability KPIs/targets

## Reduction of outstanding credit balance for coal-fired power generation <sup>1</sup>

(JPY B)



### Approach to reduction

We do not provide financing which will be used for new construction of coal-fired power plants\*

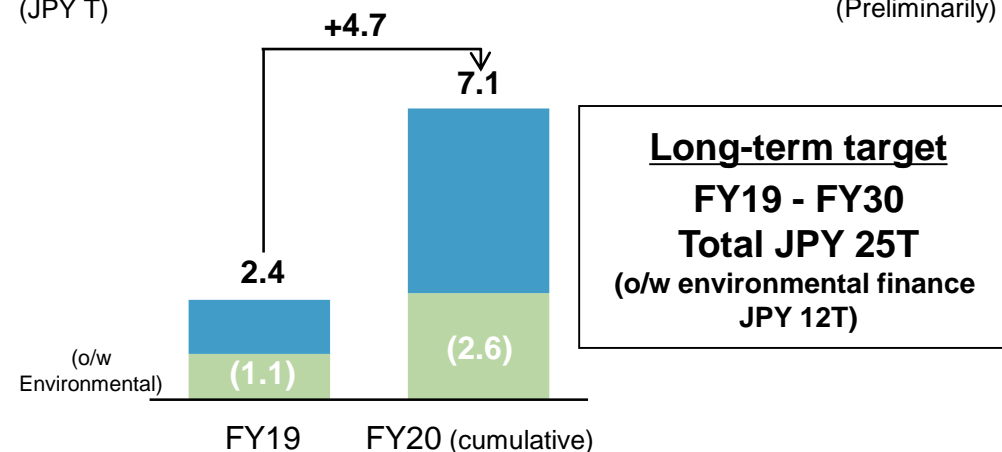
\* including the expansion of existing power plants

- However, when a proposed coal-fired power plant is essential to the relevant country's stable energy supply and will contribute to reduction of greenhouse gas emissions by replacing an existing power plant, we may provide financing or investment for the project, based on careful consideration.
- We will also continue to support development of innovative, clean, and efficient next-generation technology that will contribute to the expansion of sustainable energy, as well as other initiatives for the transition to a low-carbon society.

## Sustainable finance performance <sup>2</sup>

(JPY T)

(Preliminarily)



## Diversity & Inclusion

	Target	Achieve by	Most recent
Management positions filled by women <sup>3</sup> (General Manager and Manager equivalent)	20%	July 2024	16.6% <sup>5</sup>

	Level to be maintained continuously	Most recent
Management positions filled by employees hired outside Japan <sup>4</sup>	65%	64.1% <sup>5</sup>
Percentage of new graduates hired for management track jobs who are female <sup>3</sup>	30%	37.2% <sup>6</sup>
Paid annual leave taken by employees <sup>3</sup>	70%	71.3% <sup>7</sup>
Eligible male employees who take childcare leave <sup>3</sup>	100%	97.5% <sup>7</sup>

1.Reduction target based on Environmental and Social Management Policy for Financing and Investment Activity. 2. i) Finance for clients where the intended use of funds is environmental and/or social projects. ii) Financing to support and facilitate clients' response to ESG/SDG-related areas, including financing requiring clients to meet certain related conditions, and providing consulting and assessment of clients' response to ESG/SDG-related areas. 3. Total for Japan (FG, BK, TB, SC). 4. Total for outside Japan (BK, TB, SC). 5. As of the end of March 2021. 6. New hires starting April 1, 2021. 7. FY2020.

# Management policy for FY2021

# Management policy for FY2021

Steadily fulfill our social mission as a financial institution through stable operations and executing our financial intermediary functions amidst the COVID-19 pandemic

Build partnerships with clients and markets based on changes in the structure of the economy and society amidst and after the COVID-19 pandemic as well as global trends focused on sustainability

Enhance smooth communication among all members of Mizuho and further deepen structural reforms aimed at transitioning to the next generation of financial services

## Financial management

- Achieve steady growth in core operations, solidify defenses against downside risk, and transition to the capital utilization phase
- Take action regarding shareholdings

## Business strategy

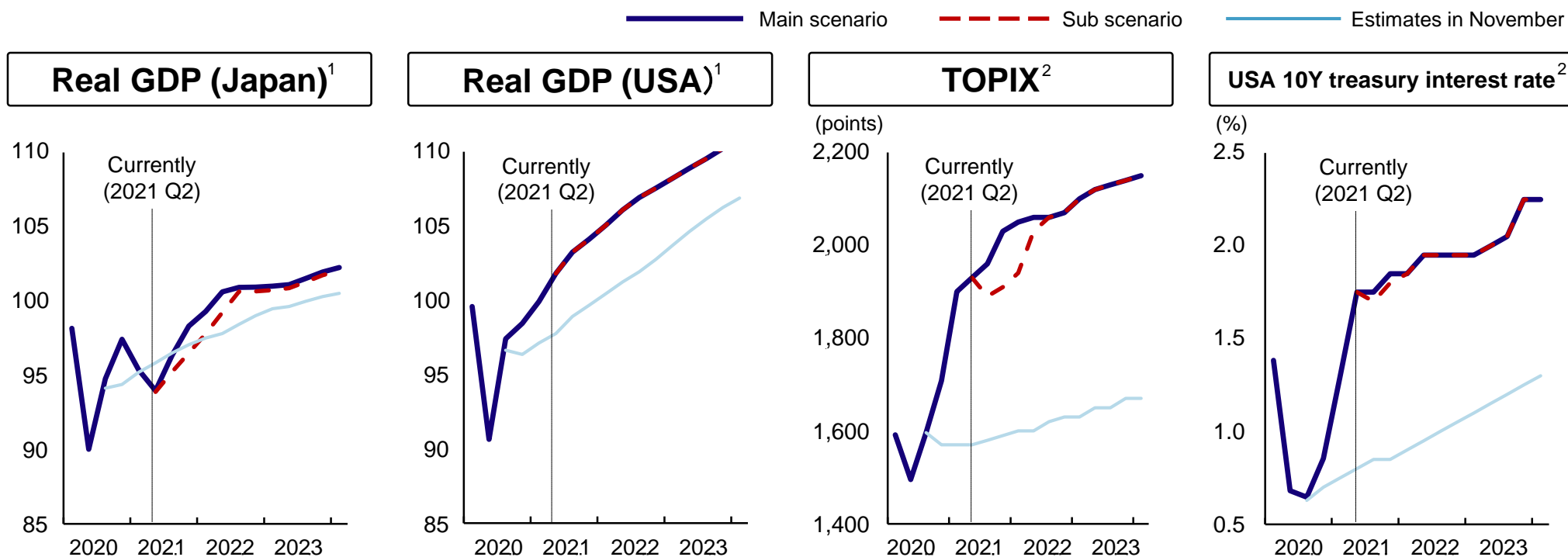
- Advance engagement with clients based on sustainability and changes to social structures and behaviors under COVID-19
- Change business promotion framework to create business opportunities

## Corporate foundations reforms

- HR strategy based on “Passionate & Professional” action principle
- Strengthen Sustainability action
- RT as an anchor for Mizuho’s non-financial business areas

# Economic outlook

- Japan: Despite downward pressure on the economy from factors such as restrictions on consumption of services due to the delayed vaccine roll-out and declarations of a state of emergency, a moderate recovery is expected from the second half of 2021 as mobility recovers. From the Jan-Mar quarter of 2022 onward, the economy is expected to recover to pre-COVID-19 levels (Oct-Dec 2019). In the sub-scenario, the spread of highly transmissible virus variants leads to a more modest recovery of the domestic economy.
- US: Solid growth is anticipated as a result of the early vaccine roll-out and proactive fiscal measures. Long-term interest rates are expected to continue to rise moderately.





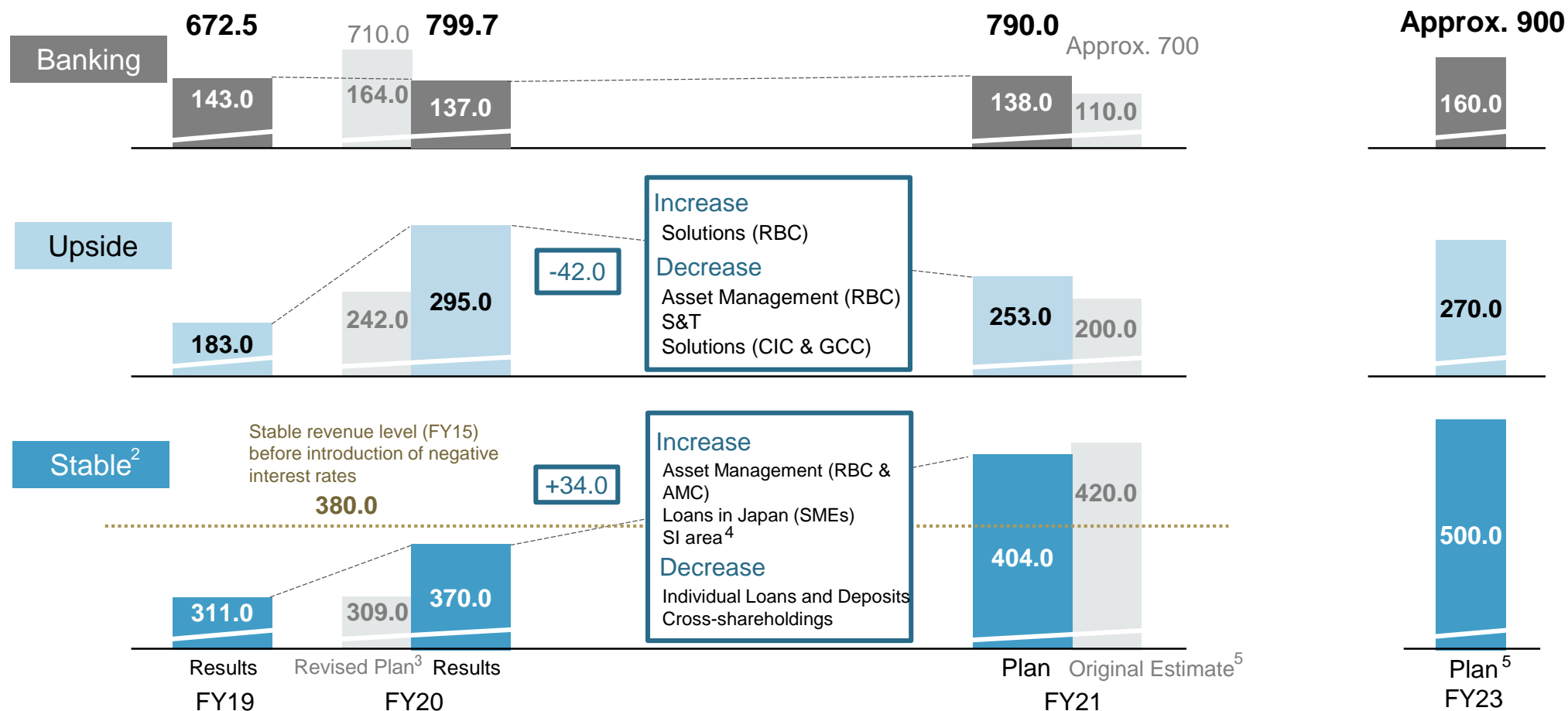
# Consolidated Net Business Profits

Financial  
management

(JPY B, rounded figures)

Group aggregate, management accounting

- Banking account revenue: Revenue in the banking account excluding ALM revenue<sup>1</sup>
- Upside revenue: Non-recurring customer-related revenue + trading-related revenue
- Stable revenue: Recurring customer-related revenue + ALM revenue<sup>1</sup>



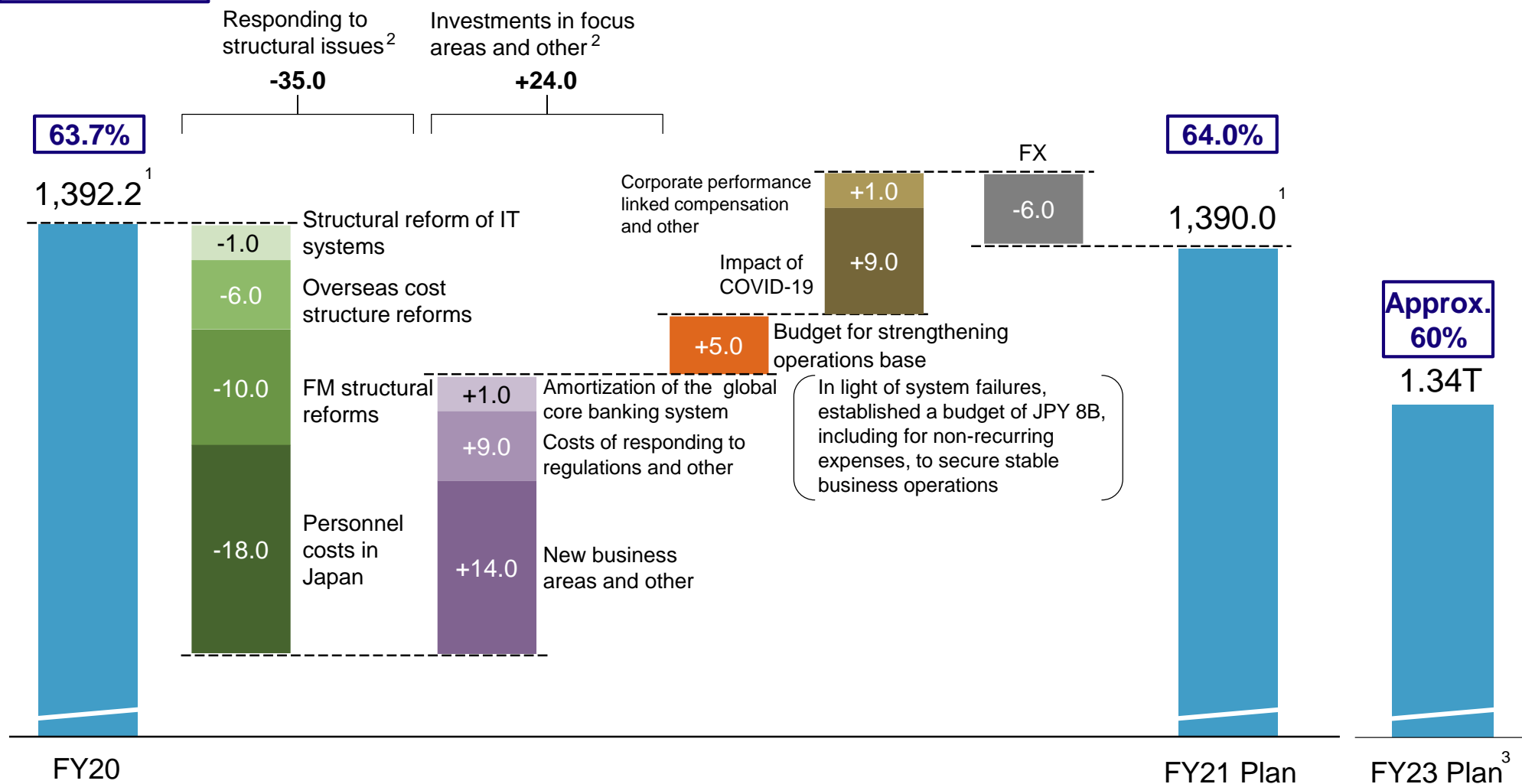
1. Revenue from comprehensive management of assets and liabilities in the banking account. 2. Excluding special factors such as one-time gains. The aggregate figures of stable, upside and banking do not match consolidated net business profits in the same period. 3. Figures announced in the revised plan for FY20. 4. Strategic investment (SI) area, including the equity/mezzanine business.

5. Revised Plan announced in the 5-Year Business Plan

# Expenses

(JPY B, rounded figures)

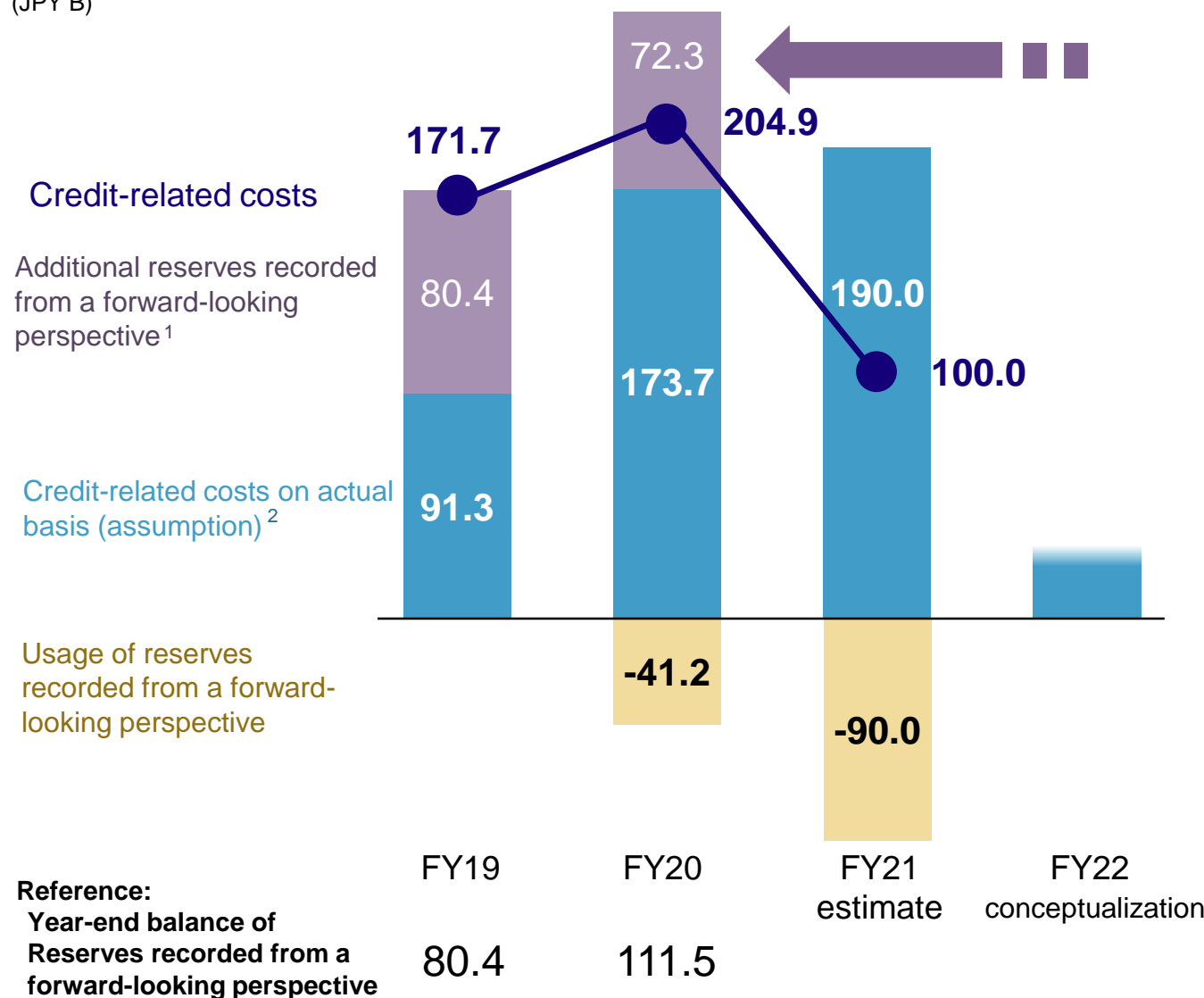
## Expense ratio



1. Group aggregate, management accounting basis. 2. Internal management accounting basis. 3. Figures announced in the 5-Year Business Plan.

# Credit-related costs

(JPY B)



- Credit-related costs on actual basis likely to remain high due to prolonged impact of the COVID-19 pandemic

## Financial management for FY2020

- **Respond with a forward-looking perspective to credit risk which may manifest from FY2021 and onward, pushing forward the peak of costs recording to FY20**
- Aim to prevent new Credit-related Costs from occurring by continuing to strengthen management of individual companies, supporting clients' business structure reforms, and other efforts

1. Additional reserves recorded preventatively in regard to specific domestic portfolios and certain companies. Expanded the range in light of the prolongation of the COVID-19 pandemic.  
2. Assumptions in the case that forward-looking responses were not carried out.

## Steady reduction of cross-shareholdings

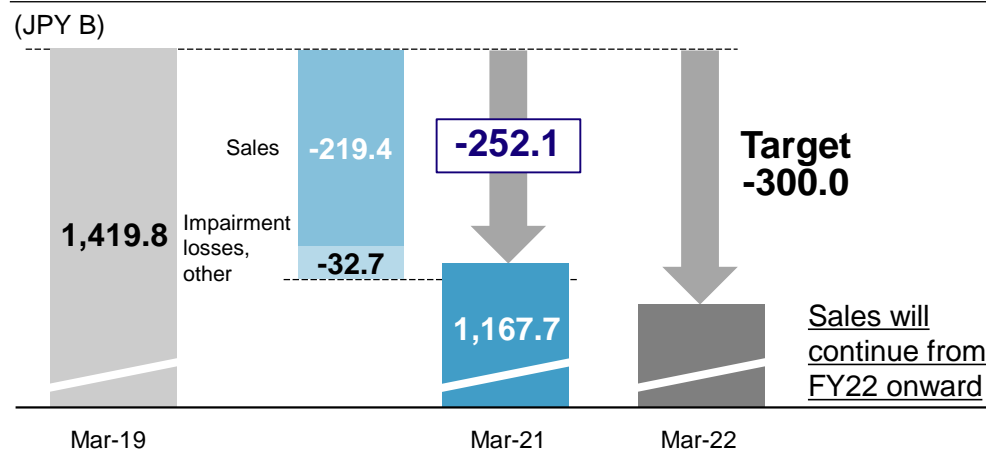
- Basic policy**
- We will not hold the shares unless we consider the holdings to be meaningful, in light of the potential impact on our financial position associated with stock price volatility.
  - Even though we consider the holdings to be meaningful, we will also reduce them through dialogue with the issuing companies.

**Reduction plan**

By Mar-22	Progress of reduction (progress rate)	<b>-JPY 252.1B (84%)</b>
<b>-JPY 300B</b> (compared to Mar-19)		Sales only: - JPY 219.4B (73%)

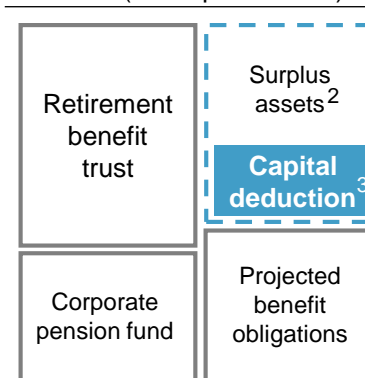
### Reduction performance <sup>1</sup>

Consolidated, acquisition cost basis, total for FY2019-2020



## Reduction of stocks in the retirement benefit trust

Retirement benefit balance sheet (conceptualization)



### Issues

- Deduction from CET1 capital due to surplus assets: -0.6%<sup>4</sup>
- P/L volatility due to fluctuations in the fair value of pension assets (shares)

- Policy**
- Right-size the surplus assets by reverting some retirement benefit trust assets  
→ Improve CET1 capital ratio (Basel III finalization basis)
  - Sell off shares from the retirement benefit trust to the fullest extent possible through engagement with clients (not included in the reduction target for cross-shareholdings)

**FY20 results: CET1 capital ratio (Basel III finalization basis) +0.1%<sup>4</sup>**

**Potential future improvement: +0.2 - 0.3%<sup>4</sup>**

1. Other Securities which have readily determinable fair values. 2. Net, including underfunded amount. 3. Deduction of the amount equivalent to prepaid pension costs.

4. Effect on CET1 capital ratio (Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities).

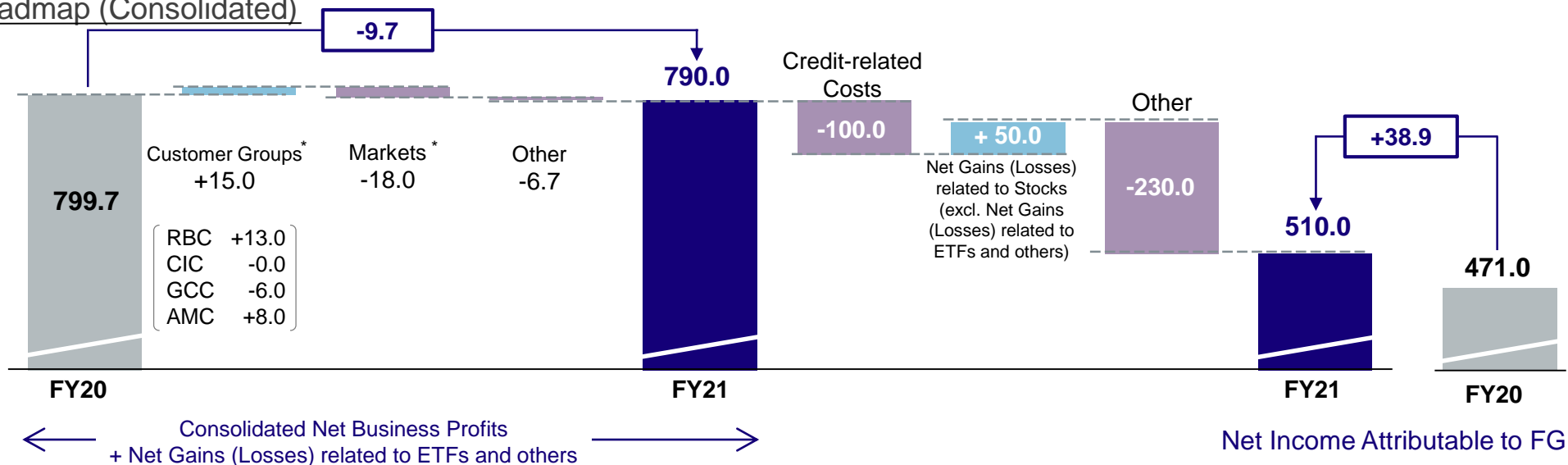
# Earnings Plan

Financial  
management

Consolidated	FY20 Results	FY21 Plan	YoY
(JPY B)			
Consolidated Net Business Profits (+Net Gains (Losses) related to ETFs and others)	799.7	790.0	-9.7
Credit-related Costs	-204.9	-100.0	+104.9
Net Gains (Losses) related to Stocks (-Net Gains (Losses) related to ETFs and others)	10.0	50.0	+39.9
Ordinary Profits	536.3	720.0	+183.6
Net Income Attributable to FG	471.0	510.0	+38.9

2 Banks	FY20 Results	FY21 Plan	YoY
(JPY B)			
Consolidated Net Business Profits (+Net Gains (Losses) related to ETFs)	578.9	590.0	+11.0
Credit-related Costs	-201.5	-90.0	+111.5
Net Gains (Losses) related to Stocks (-Net Gains (Losses) related to ETFs)	-11.0	50.0	+61.0
Ordinary Profits	321.9	540.0	+218.0
Net Income Attributable to FG	311.7	375.0	+63.2

## Roadmap (Consolidated)



\*Assumptions under the Earnings Plan: JGB (10-yr) 0.10%, UST bonds (10-yr) 1.80%, Nikkei 225 JPY 29,700, USD/JPY JPY 108

# In-house Company Plan

Financial  
management

(JPY B)

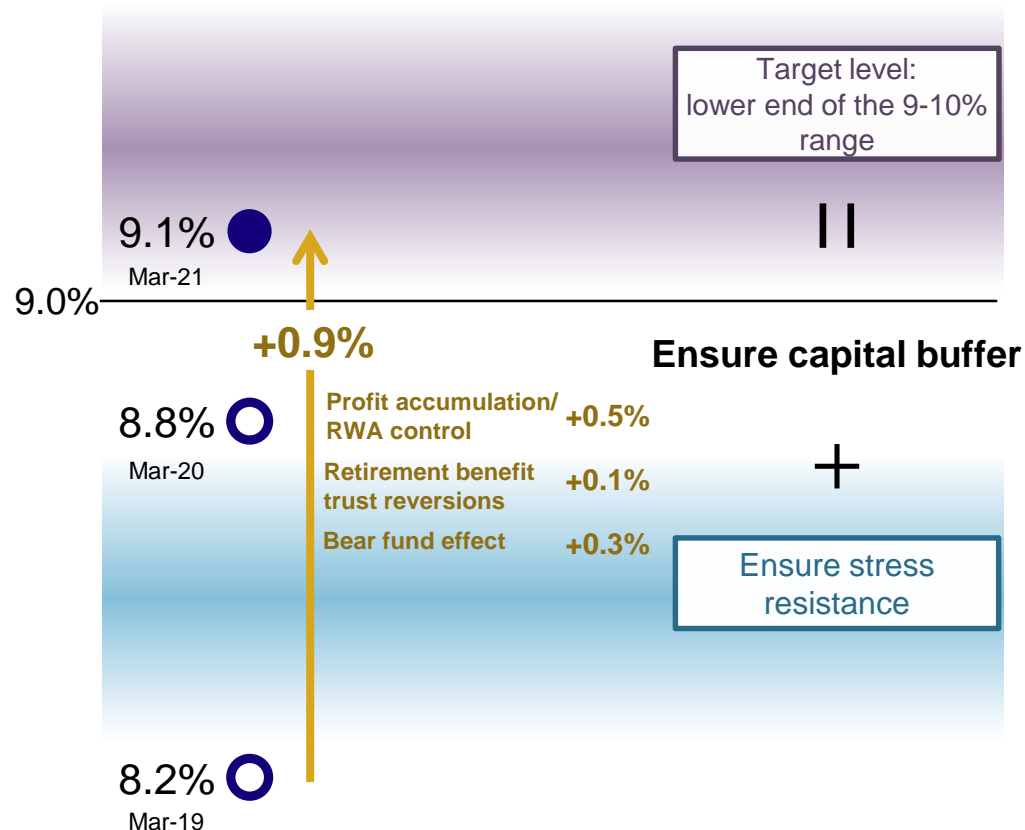
Group aggregate, management accounting, rounded figures

	Net Business Profits <sup>1, 2</sup>			Net Income <sup>1, 3</sup>			ROE <sup>1, 4</sup>	
	FY20	FY21		FY20	FY21		FY21	
	Results	Plan	YoY	Results	Plan	YoY	Plan	YoY
Retail & Business Banking	61.0	75.0	+13.0	20.0	10.0	-10.0	0.5%	-0.4%
Corporate & Institutional	270.0	270.0	±0	221.0	283.0	+62.0	7.6%	+1.8%
Global Corporate	207.0	202.0	-6.0	109.0	118.0	+9.0	4.8%	+0.4%
Global Markets	272.0	253.0	-18.0	176.0	169.0	-7.0	8.6%	-2.5%
Asset Management	11.0	19.0	+8.0	5.0	7.0	+2.0	6.6%	+2.5%
In-house Company Total	822.0	819.0	-3.0	530.0	587.0	+57.0		
FG Consolidated	799.7	790.0	-9.7	471.0	510.0	+38.9	6.1%	+0.2%

1. New management accounting rules were applied in FY21. Including impact of the changes to the in-house company in charge due to reorganization of branches (FY20 Net Business Profits: RBC +15B, CIC -15B). GMC includes Net Gains (Losses) related to ETFs (2 Banks). 2. FG Consolidated figures are Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.
3. FG Consolidated figures are Net Income Attributable to FG. 4. Each in-house company's ROE is on a management accounting basis. Calculated by dividing Net Income by internal risk capital. From FY21, internal risk capital of RBC, CIC, GCC are revised from Basel III current requirements to finalization fully-effective basis.

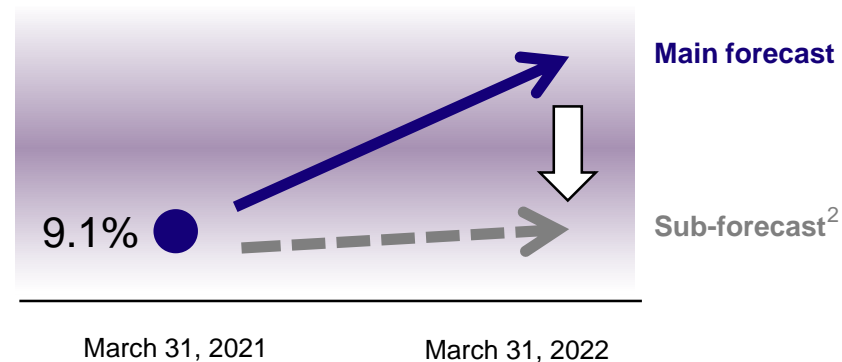
# Current CET1 capital ratio and future outlook

## Current CET1 capital ratio (Basel III finalization basis)<sup>1</sup>



Reached the target level of CET1 ratio, set at the lower end of the 9-10% range, through steady profit accumulation and RWA control.

## Future outlook (conceptualization)



- Maintain stable returns to shareholders by further strengthening our stable profit base, hedging stock price fluctuation risk with bear funds, RWA control, etc.
- Even in the sub-forecast, where downward pressure on Net Income Attributable to FG is assumed, ensure that the CET1 capital ratio is stably maintained at the targeted level.

1. Excluding Net Unrealized Gains (Losses) on Other Securities. 2. Takes into account Credit-related Costs and Net Gains (Losses) on Stocks based on the sub-scenario of the economic outlook (pg. 39) and downside risks for Net Business Profits.

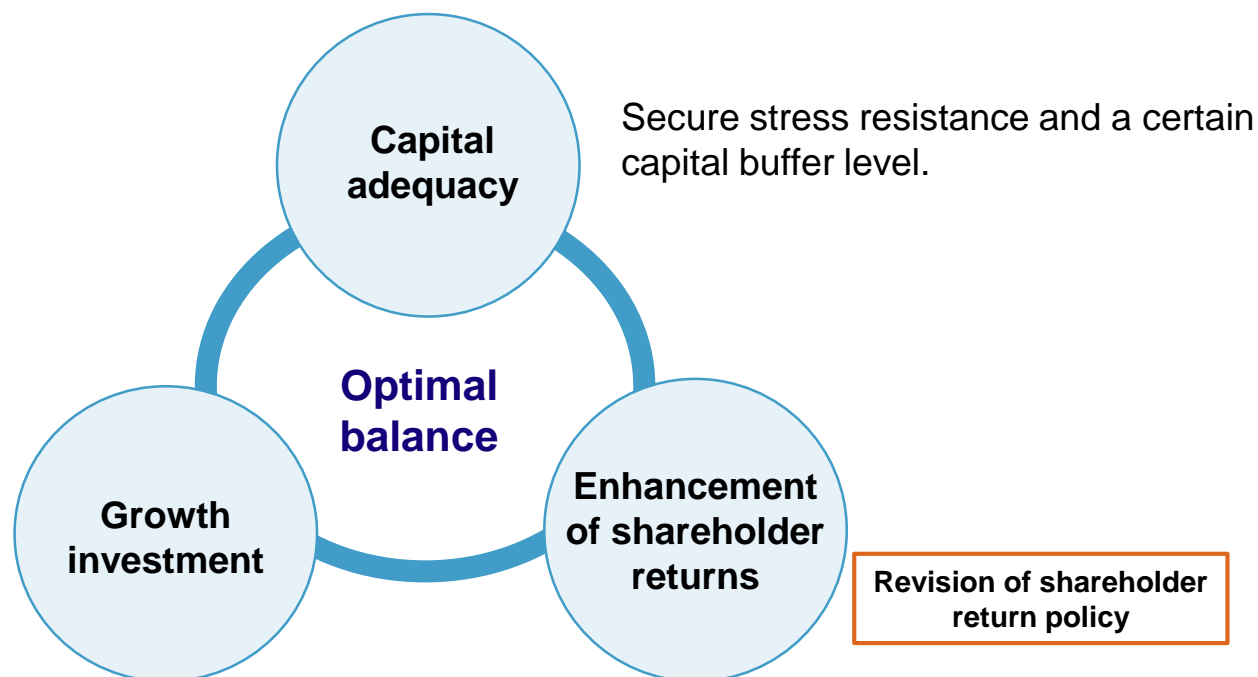
# Revision of the basic policy on capital strategy

## Prior to revision

Pursue the optimum balance between strengthening our stable capital base and steady returns to shareholders

## Capital Policy

Pursue the optimum balance between capital adequacy, growth investment and enhancement of shareholder returns



Make investments that will strengthen the profit base of existing business areas.

Evaluate each inorganic investment opportunity by its consistency with our strategy, the appropriateness of its cost, and its risk vs. return.



# Revision of the shareholder return policy

## Prior to revision

We are maintaining the current level of dividends for the time being while aiming to strengthen our capital base further to enhance returns to shareholders at an early stage

## Shareholder return policy

Progressive dividends being our principle approach while executing flexible and intermittent share buybacks

- ✓ As for the dividends, we will decide based on the steady growth of our stable earnings base, taking 40% of the dividend payout ratio as a guide into consideration
- ✓ As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution

### Cash dividend per share

<b>FY2021 (estimate):</b>	<b>JPY 75.00</b>
Interim cash dividend (estimate):	JPY 37.50
Fiscal year-end cash dividend (estimate):	JPY 37.50

Reference: Earnings plan for FY21

Net Income Attributable to FG: JPY 510 B

(Payout ratio: 37%)

### FY21 approach:

- Maintain the dividend estimates as of now based on the prolonged uncertainty in the business environment under the COVID-19 pandemic
- Adjust FY21 dividend estimates as and when appropriate, closely monitoring the likelihood of this fiscal year's target being reached
- Share buybacks in accordance with the shareholder return policy

## Current situation

**FY2020 financial results were positive for both Customer Groups and Markets, reaching the targets set forth in our 5-Year Business Plan ahead of schedule in the midst of the COVID-19 pandemic.**

**Since sustainability is an irreversible structural change, sustainability initiatives are a significant challenge for our clients.**

## Sustainability strategy

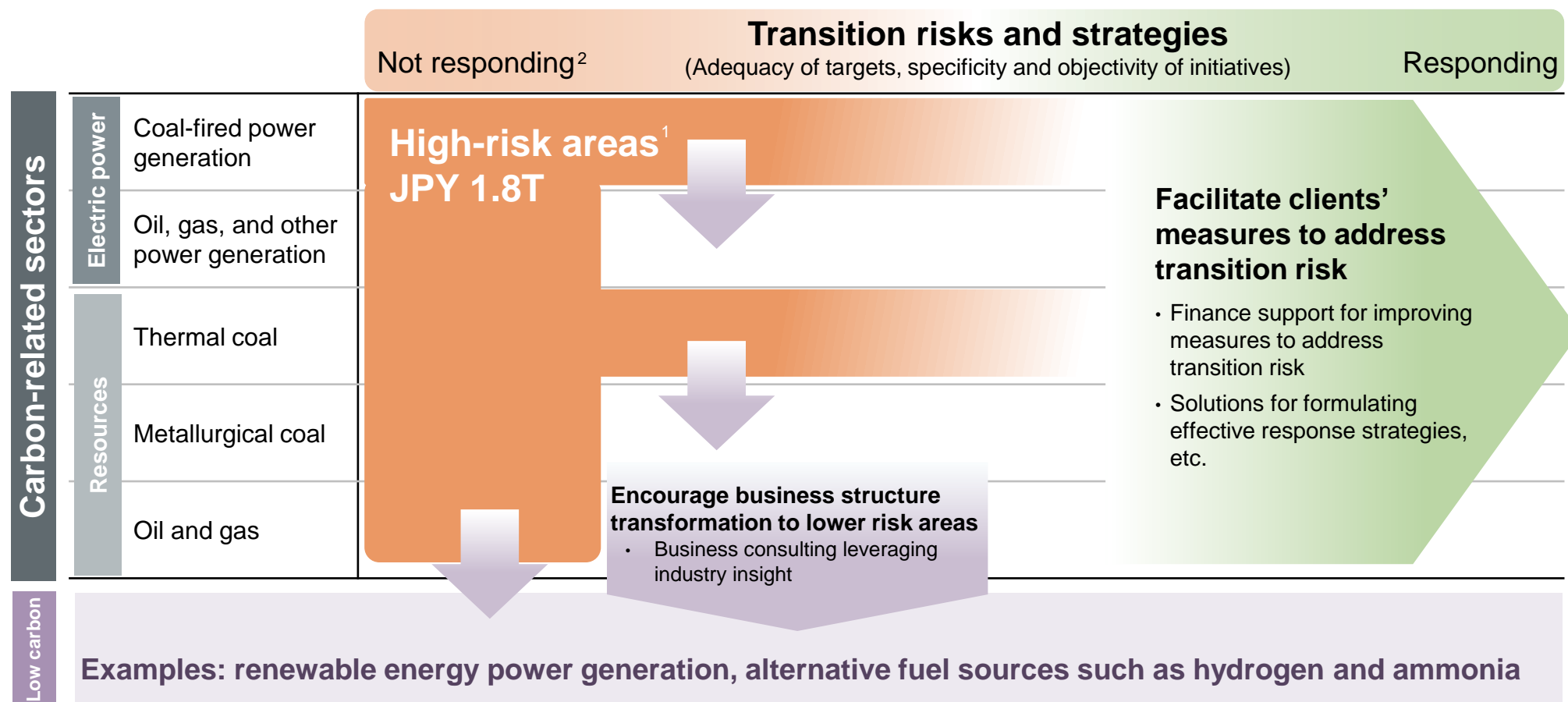
**We will create business by assessing sustainability-related opportunities and climate change and other risks, and enhancing engagement with our clients.**

**Through our sustainable growth, we will positively contribute to the sustainable development and prosperity of the economy, industry, and society both in Japan and around the world and to environmental conservation, thus contributing to the achievement of the SDGs.**

# Creating business and strengthening risk management through engagement

- Through engagement with clients to encourage initiatives to address transition risks and to transform their business structure, we are identifying financial and solutions needs that could lead to business opportunities
- Strengthened our climate change risk management system with an aim to reduce our exposure in high risk areas<sup>1</sup> over the medium to long term.

## Mapping of engagement in carbon-related sectors



1. Classified high-risk areas by assessing risk along two axes—our clients' sectors and our clients' measures to address transition risk—using Mizuho's own standards (JPY 1.8T figure includes project finance).

2. Clients whose responses to transition risks are at a low level (who have not been confirmed to have effective strategies for addressing transition risks)

# In-house company strategies: Retrospect

## Summary

Steady progress from the first fiscal year for strategies aimed at the transition to the next generation of financial services

Exceeded initial expectations as a result of accelerating strategies under the unexpected changes in the business environment brought about by COVID-19

Appropriately responded to changing client needs while steadily implementing structural reforms toward sustainable growth

## Key strategies & evaluation

Retail & Business Banking	Retail	Focused on core customers and greatly expanded asset management business	Global equity fund balance	Clients w/ business succession needs
	SMEs	Increased pipeline by approaching business succession needs as a starting point. Transitioned to monetization phase	JPY 3.5T (+2.1T) <sup>2, 3</sup>	18,200 (+5,000) <sup>4</sup>
	Digital services	Strengthened alliances in order to expand access to customers		
Corporate & Institutional	Strategic investment area <sup>1</sup>	Through a successful approach to clients' C-Suite: - Increased new types of partnerships to replace cross-shareholding	Strategic investment (executed amount) Approx. JPY 0.8T <sup>4</sup> (+0.6T)	SDG bonds league table 1 <sup>st</sup> in share <sup>4, 5</sup> (26.8%)
	Sustainability transformation	- Established a strong advantage in financing from a sustainability transformation angle		
Global Corporate	Capital markets	Accelerated the Global 300 strategy and steadily captured opportunities in the brisk market environment	USA DCM league table	FX/trade finance revenue
	Transaction banking	Solidified our business base, primarily in Asia, and aimed to capture future money flows	9 <sup>th</sup> 4.7% (+1.3%) <sup>4, 6</sup>	USD 530M (+20M) <sup>4</sup>
Global Markets	Banking	Responded flexibly to market changes and established a stable profit base	Carry income ratio <sup>7</sup>	Derivatives trading volume (Tokyo) <sup>7</sup>
	S&T	Captured transaction flows via deepening cross-BK-SC collaboration framework	60% (Approx. +20%) <sup>4</sup>	Approx. +25% <sup>4</sup>
Asset Management	Publicly-offered investment trusts	Provided products aligned to asset management needs in order to greatly increase AUM	Publicly-offered equity investment trusts <sup>8</sup>	
	Pensions, other	Enhanced our ability to provide solutions and our comprehensive pension consulting capabilities	2 <sup>nd</sup> JPY 8.6T (+2.7T) <sup>2</sup>	

1. Quasi-equity financing. 2. Year-end balance for FY19 and FY20. 3. SC. 4. Comparison between FY19 and FY20. 5. Source: Capital Eye. 6. Bonds issued by investment grade corporations. Bookrunner basis. Source: Dealogic. 7. In-house company management accounting basis. Carry income excludes one-time extraordinary factors. 8. AM One. Based on publicly available data from the Investment Trusts Association of Japan. Publicly-offered equity investment trusts (excluding ETFs).

## FY2021 in-house company strategies

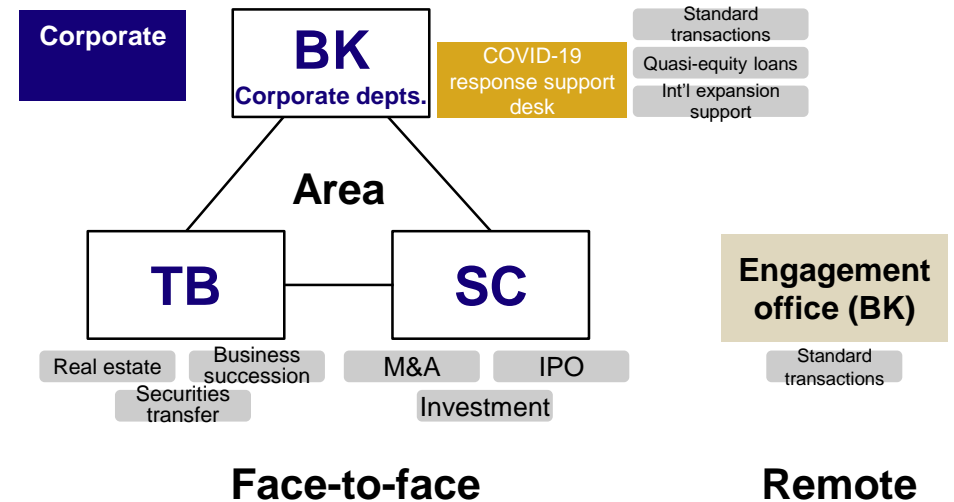
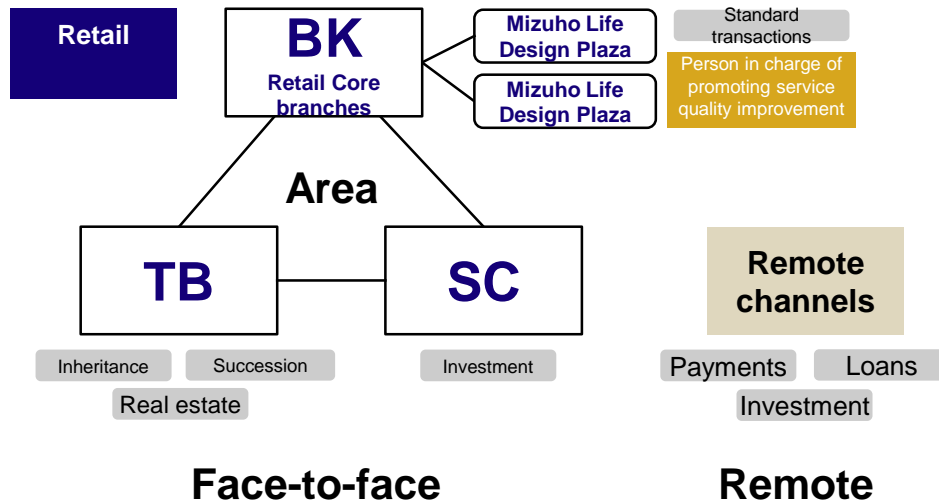
## Create business opportunities by deepening engagement with clients toward sustainable growth

Retail & Business Banking	Branch network reorganization	Individual clients: Further enhance comprehensive asset consulting capabilities and provide services tailored to diverse needs Corporate clients: Promote business based on client needs through detailed segmentation
	Digital services	Improve the convenience of digital services and monetize them
Corporate & Institutional	IG framework	Started the Industry Groups (IG) framework towards strengthening our cross-sector deal origination
	Capital reallocation	Strengthen risk-taking capabilities by utilizing capital released by reducing cross-shareholdings
Global Corporate	Capital markets	Advance capital markets business through multi-layer transactions with Global 300 and expanding the client base
	Transaction banking	Enhance transaction banking business earnings base in Asia in light of changes in the business environment
Global Markets	Banking	Continue focusing on the balance between realized gains and the accumulation of unrealized gains
	S&T	Strengthen S&T operations through the “One Responsibility” framework
Asset Management	Publicly-offered investment trusts	Enhance profitability through product strategies suited for asset formation and long-term investment initiatives
	Pensions, other	Secure further competitiveness in providing solutions and in comprehensive pension consulting

# Strengthen segment-based approach by reorganizing our branch network

- Enhance collaborative BK-TB-SC comprehensive asset management consulting through unified area-wide management for responses to diverse client needs

- In addition to continuing financial support during the COVID-19 pandemic, respond to wide-ranging needs through close BK, TB, and SC collaboration by carrying out detailed segmentation



Demographic

## Focus areas

Customers with complex consulting needs (investment, inheritance, succession, etc.)

Customers prioritizing convenience (online/mobile)

## Focus areas

Family-owned businesses (Large & middle market)

Family-owned businesses (SMEs)

Family-owned businesses (Small)

Listed companies

Private companies

Small business owners

Strategy

- Branches transform from a place to complete procedures to a consulting space
- BK, TB, and SC work together to provide accessible consulting, including responding to asset formation needs arising in this age of longevity

- Utilize alliances to capture more customers



- Respond to needs including for business succession and business structure reform under close BK, TB, and SC collaboration
- Specialist departments respond to the needs of startup companies, non-Japanese companies, etc.

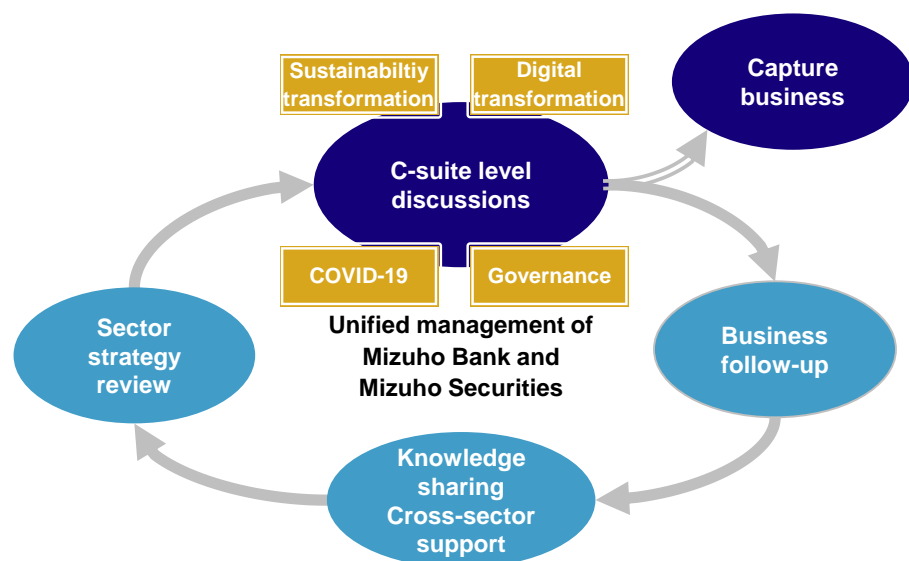
- Deepen relationships using financing support as an opening
- Expand client base through development assistance for growth stage companies

- Respond to remote transaction needs
- Remote RM framework

# Making cross-sector deals by promoting the Industry Groups framework

## Implementation of the Industry Groups (IG) framework

- Implement the multi-sector IG framework across BK and SC
- Offer robust support for clients' business structure transformations in light of industry structure post COVID-19 and sustainability transformation



HR management with a focus on sector and product insights



## Strategies tailored to IGs

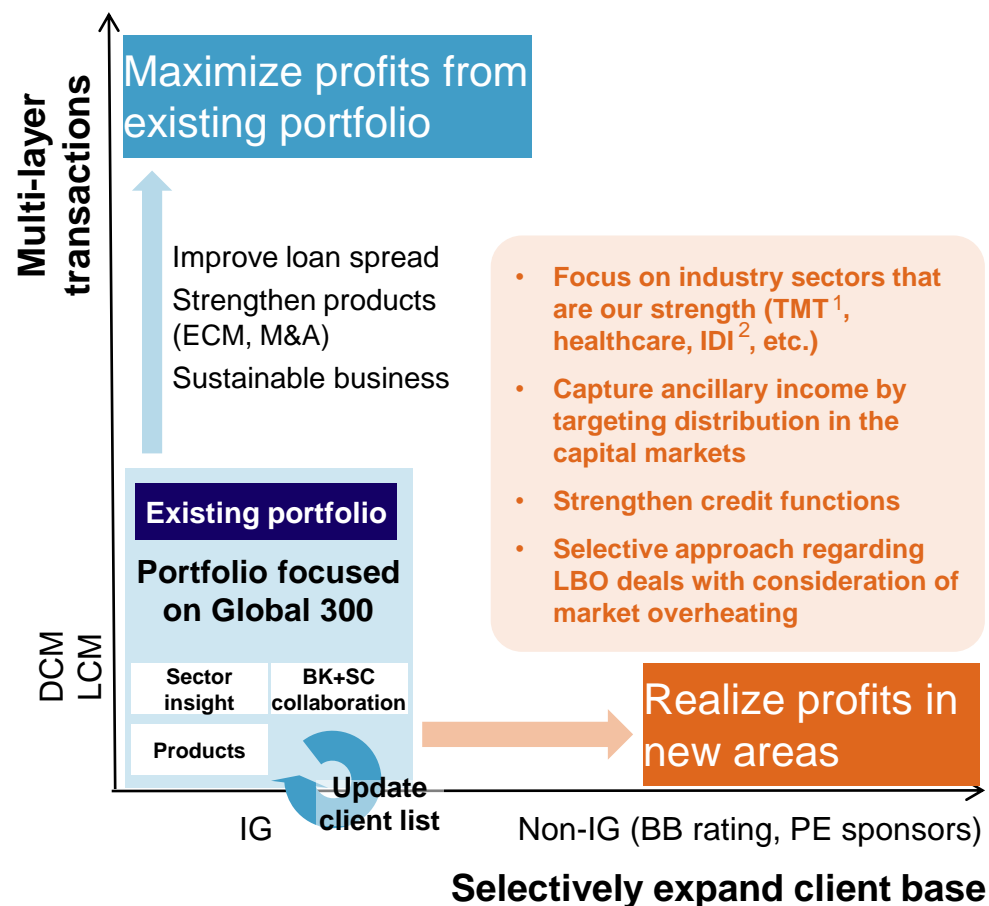
Analyze changes in trends such as sustainability and utilize our strengths in solutions and other services to support our clients' overall business strategies

IG	Business strategies (examples)	Expected business
<u>Automobiles / technology</u>	Enhancing global competitiveness Mobility revolution Sustainability transformation Digital transformation	<ul style="list-style-type: none"> <li>• M&amp;A</li> <li>• Supplier restructuring</li> </ul>
<u>ICT / retail</u>	Support for new lifestyles Global expansion COVID-19 Digital transformation	<ul style="list-style-type: none"> <li>• M&amp;A</li> <li>• Real estate (e.g. sale of storefronts)</li> <li>• Global retail strategy support</li> </ul>
<u>Resources and materials</u>	Shift to clean energy Production system restructuring Sustainability transformation Digital transformation	<ul style="list-style-type: none"> <li>• Support for large-scale capital expenditures</li> <li>• M&amp;A</li> </ul>
<u>Social / industrial foundations</u>	Shift to digitalization Governance, industry restructuring Digital transformation Governance	<ul style="list-style-type: none"> <li>• Consulting</li> <li>• Capital raising for regulatory compliance</li> </ul>
<u>Trading, real estate, financial sponsorship</u>	Business portfolio review Logistics / infrastructure fund support Sustainability transformation COVID-19	<ul style="list-style-type: none"> <li>• Global investment support, business restructuring</li> <li>• M&amp;A</li> </ul>

# Capital market and transaction banking businesses

## Enhancing capital markets business

- While maintaining the Global 300 as a stable base, strengthen earnings base through multi-layer transactions and selective expansion of our client base by drawing on accumulated strengths



1. Telecom, Media & Technology 2. Industrial & Diversified Industries

## Enhancing profit base for transaction banking business

- Capture changes in trade flows and finance flows resulting from COVID-19 with an eye to future interest rate hikes and recovery in trade flows
  - Steadily capture FX and trade finance opportunities
  - Increased liquid deposits by acquiring new settlement accounts
- Capture inbound transactions from multinational corporates by strengthening regional collaboration among EMEA, Americas and Asia
  - Capital facilitation within and outside the corporate group, hedging emerging market currencies, capital remittances, etc.



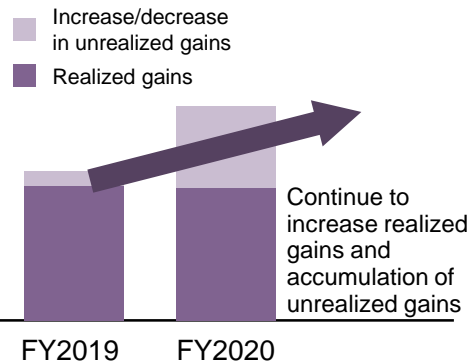


# Strengthen market operations

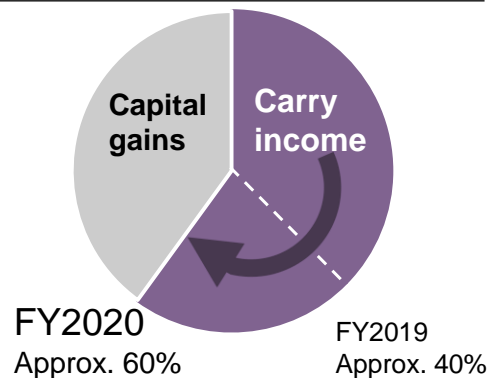
## Banking: Focus on the balance between realized gains and unrealized gains

- Control funding costs through **enhanced globally unified asset and liability management operations**
  - Manage B/S in a globally integrated manner with the introduction of a new IT system
  - Improve the flexibility of non-JPY loans and deposits management
- Expand mark-to-market P/L<sup>1</sup>** by increasing carry income and through flexible position adjustments
  - Improve fundamental profitability by increasing carry income
  - Strengthening forecast analysis and hedging methods, flexibly shifting allocation

### Mark-to-market P/L trend (conceptualization)

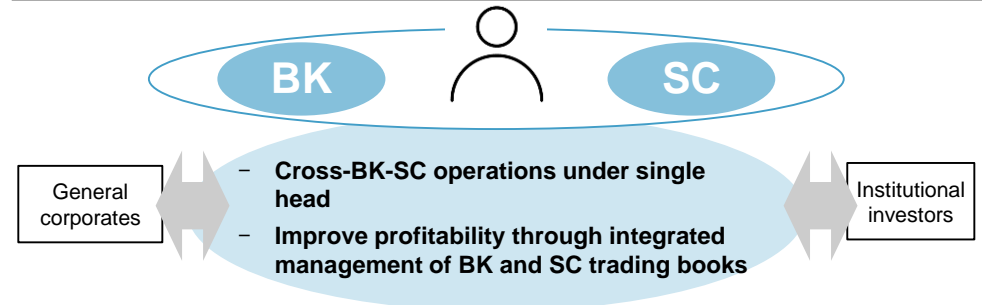


### Ratio of carry income in our banking income<sup>2</sup>



## S&T: Deepening cross-BK-SC integrated operations

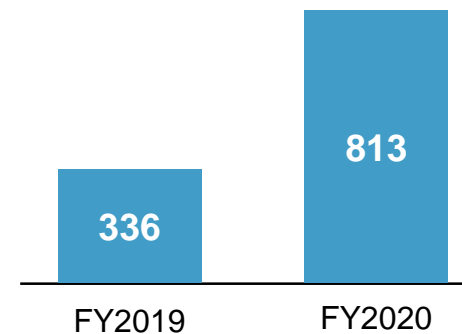
### Enhancement through “One Responsibility” framework (conceptualization)



- Establish “One Responsibility” framework in each region and create a framework that can steadily monetize revenue opportunities
- Avoid tail risk through appropriate monitoring

### SC Global Markets Division ordinary income

US-based entities aggregated basis<sup>3</sup>



#### Until FY2020

Framework building for Americas/Europe nearly complete

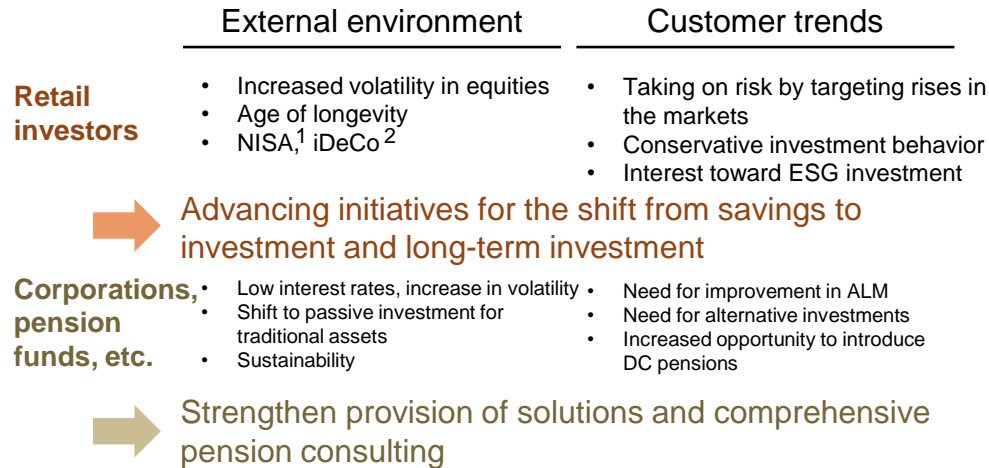
**FY2021**  
Full execution of the integrated BK/SC operations in Japan

**FY2022 onward**  
Expand into Asian regions outside Japan

1. Increase/decrease in realized gains and unrealized gains/losses 2. Company management basis excluding one-time extraordinary factors 3. Simple aggregation of ordinary income for SC consolidated P/L and the ordinary income (management accounting basis) of non-consolidated USA-based entities, including Mizuho Securities USA

# Asset management business

## Current status & primary initiatives



## Initiatives as a responsible institutional investor

- Promote the sustainability and enhanced corporate value of our investment recipients via engagement



Only initial signatory in Japan

In Dec 2020 AM One became one of the initial signatories of the Net Zero Asset Managers initiative,<sup>3</sup> an initiative formed by an international group of asset managers

## Publically-offered investment trust business

- Focus on products which contribute to asset formation and long-term investment

### Prioritizes return

#### Global equities funds

##### "Future World" series

#### Future World (ESG)<sup>4</sup>

FY20 net assets flows  
1<sup>st</sup> in industry  
(JPY +920 B)

### Prioritizes stability

#### Balanced Funds

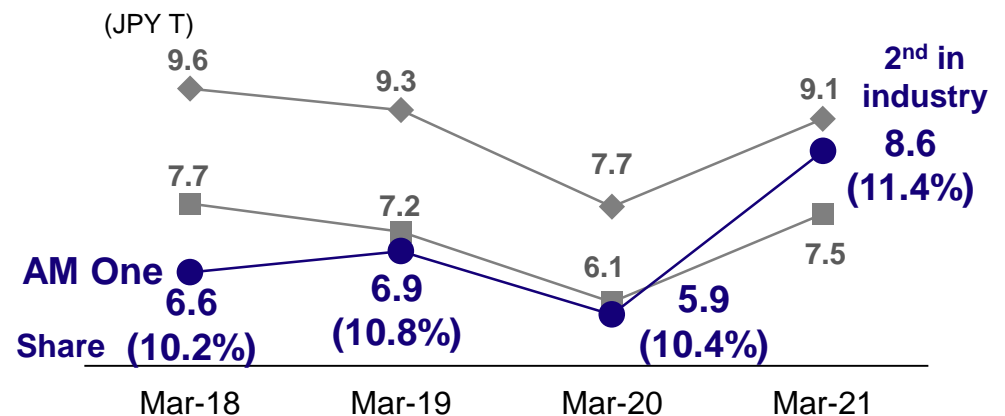
##### Investment Sommelier

First step toward  
happiness<sup>5</sup>

#### Investment Sommelier

FY20 net assets flows  
1<sup>st</sup> in balanced funds  
(JPY +300 B)

## Publically-offered equities investment trusts AUM<sup>6</sup>

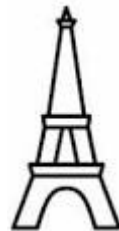


1. Nippon Individual Savings Account. 2. Individual-type Defined Contribution Pension Plan. 3. An international group of asset managers committed to supporting investing aligned with net zero emissions by 2050 or sooner. Composed of 30 global signatories at the time of founding. 4. Global ESG High-Quality Growth Equity Fund (Currency Unhedged) 5. World 8 Assets Balanced Fund (Risk Mitigated)

6. Based on publically available data from the Investment Trusts Association of Japan. Excluding ETFs.

## Clarifying our support of the Paris Agreement

- **Supporting the Paris Agreement goals**
- **Clarified our contribution to transitioning to a low carbon society by 2050 and our transformation to a portfolio aligned with the targets in the Paris Agreement**



Revised Environmental Policy (pg. 70)

## Enhanced response to transition risk

- **Identified high-risk areas based on response to transition risk (pg. 50)**
- **Enhancing engagement with clients in high-risk areas**
  - Encourage clients to formulate effective response strategies and disclose their progress
  - Encourage business structure transformation towards lower risk sectors



## Responding to environmental/social factors in the value chain

Revised Environmental and Social Management Policy for Financing and Investment Activity (pg. 72)

- Strengthened response from the perspective of climate change, biodiversity, and human rights.



Established Procurement Policy (pg. 73)

- Clarified Mizuho's basic approach to procurement and requirements for suppliers from the perspective of environmental considerations, human rights, compliance, and information management.



### Disclosure schedule

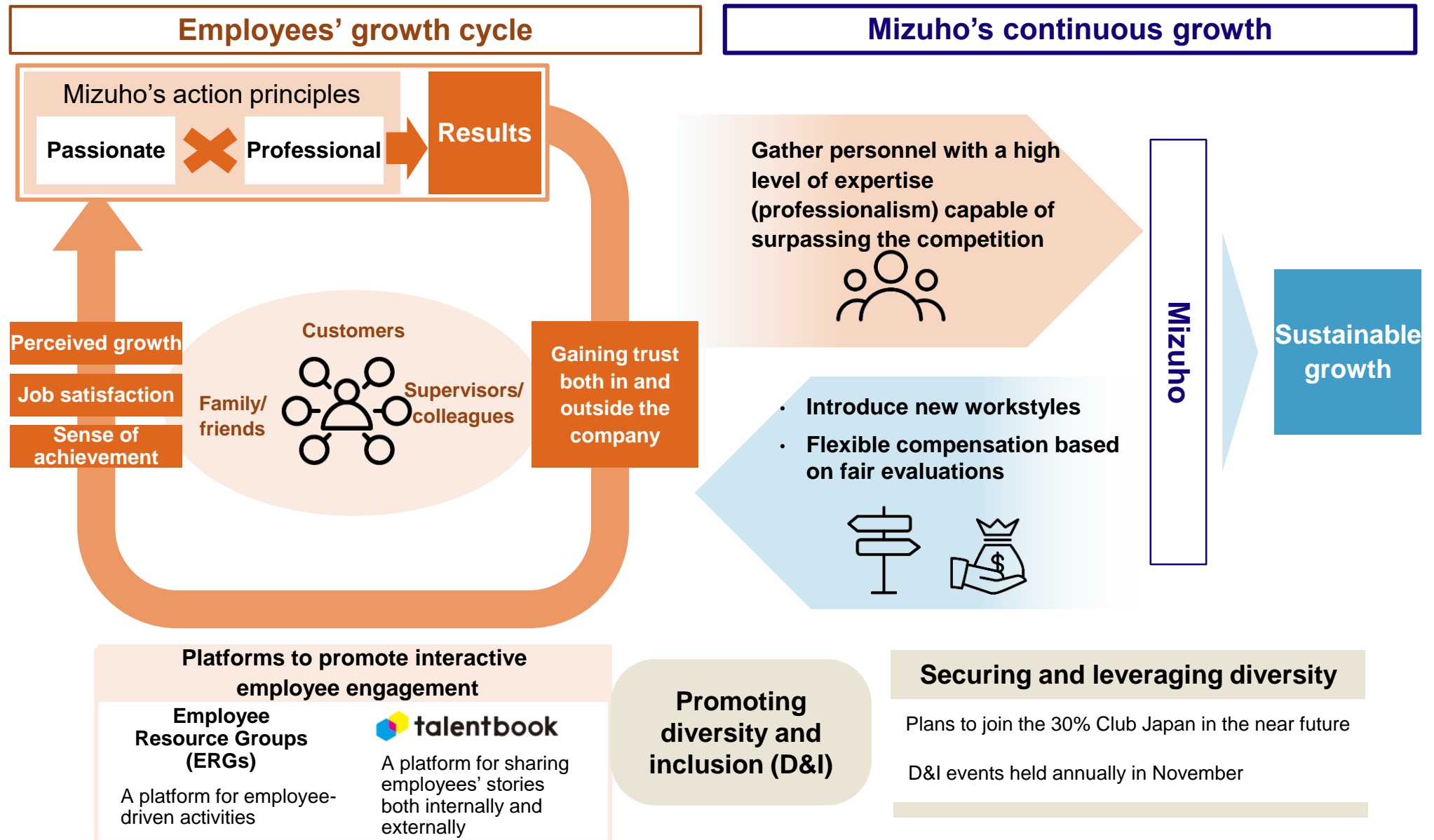
June	TCFD Report
July	Integrated Report
August	ESG Data Book
September	SASB Index



### Net Zero Asset Managers initiative

One of the initial signatories and the only Japanese investment firm signatory

# Employee engagement leading to Mizuho's sustainable growth

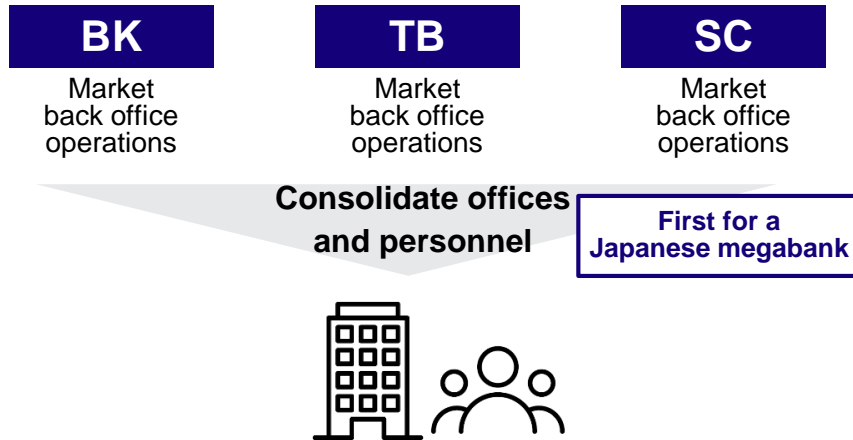


# Operations framework enhancements in line with in-house company strategies

## Unified group management of back office market operations

Build an operations framework capable of responding quickly to structural changes in market business

Completed in FY20



### Key points of the consolidation

**Standardize and diversify organizations and personnel through concurrent assignments at the three companies**

- On a group-wide and global basis pursue the optimization of operational flows
- Promote the improvement of each individual employee's expertise and the efficiency of organizational management

## Consolidated front office operations

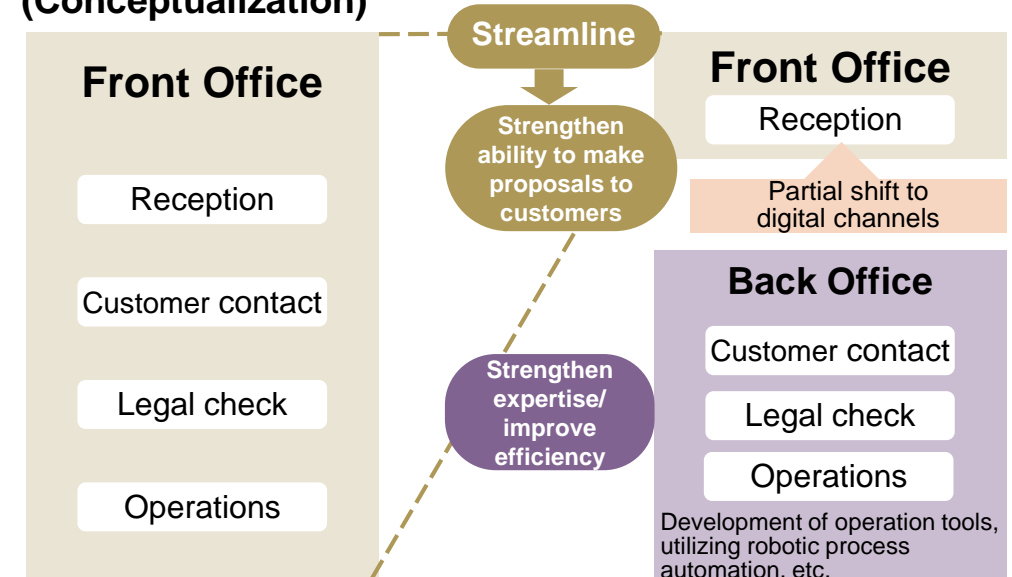
### Front Office

Streamline operations to free up resources for strengthening the ability to make proposals to customers

### Back Office

Strengthen expertise by accumulating knowledge and pursue improved efficiency through digitalization.

### (Conceptualization)



**FY20**

Deposit and remittance operations

**Total of 180 branches**

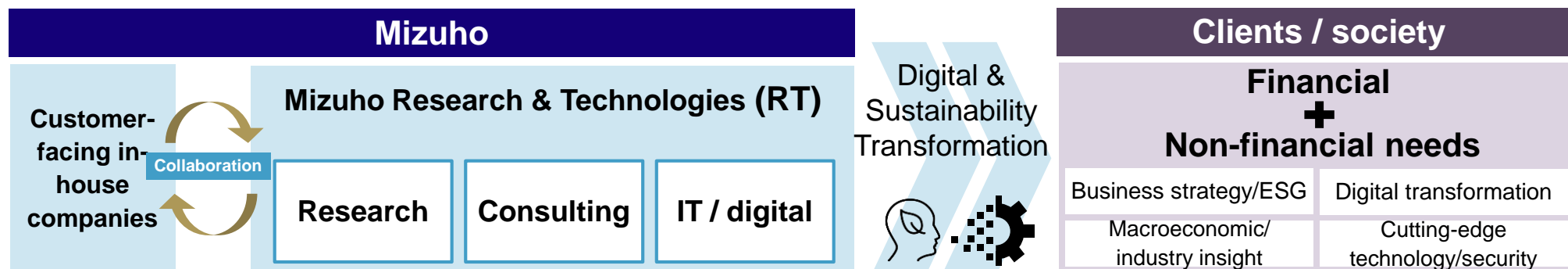
Expected to be completed in FY 23

Foreign currency exchange operations

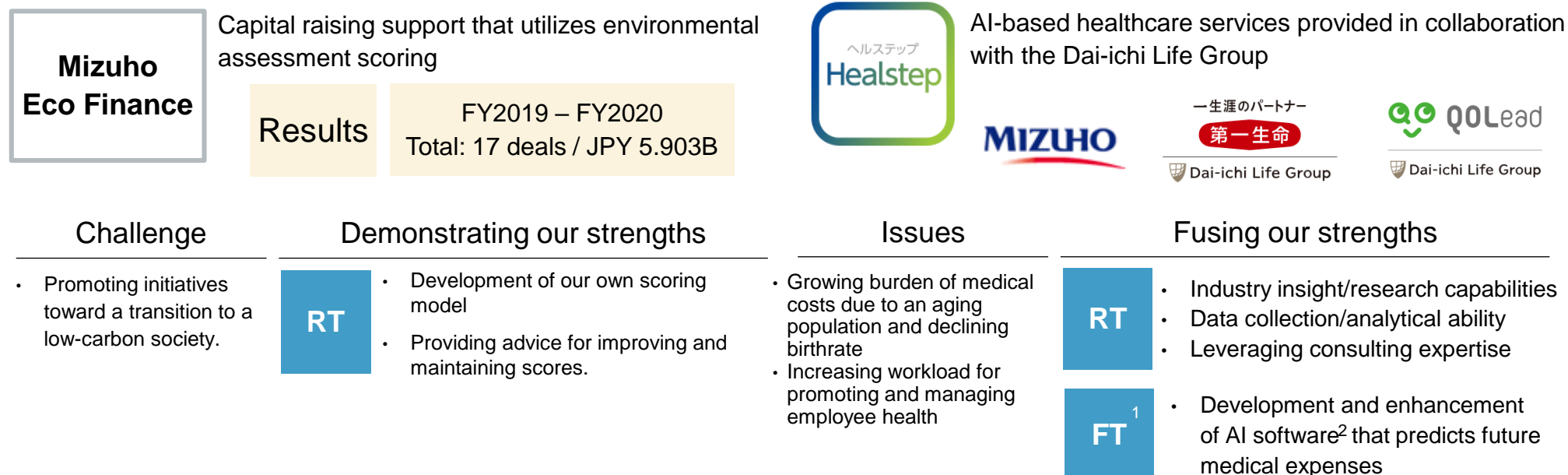
**Completed consolidation of operations**

# Merging strengths in non-financial business areas

- Providing new added value to clients and society through the provision of services and solutions that meet client and societal needs, and through improving technology and the capacity to adopt IT



## Providing high-added-value services that leverage our strengths



1. Mizuho-DL Financial Technology 2. AI software jointly developed by Dai-ichi Life Group and Mizuho

# Appendix

# Diverse HR programs and shared corporate culture

## Supporting employee growth and promoting new workstyles

### ■ Career design support

Many employees use our HR programs to pursue their individual career goals

		Participants
Job Change Program	FY2020	299
Internal dual-hat assignments		198
External dual assignments	Cumulative total from program launch onward (FY2019)	7
Part-time		298
Professional development leave		9

### ■ New workstyles to support employees

- Remote work
- Flextime
- Staggered working hours
- Three- or four-day work weeks

#### Employee survey

Approximately half of respondents answered that initiatives to promote flexible workstyles in terms of where and when employees work are improving

- Increased number of new opportunities for communication
- Improved productivity and operational efficiency
- Many respondents felt communication and operations speed have not changed since before the systems were introduced

## Raising employee engagement

### ■ Employee Resource Groups (ERGs)

Employee-led networks that contribute toward the growth of both employees and Mizuho through self-development opportunities to achieve goals



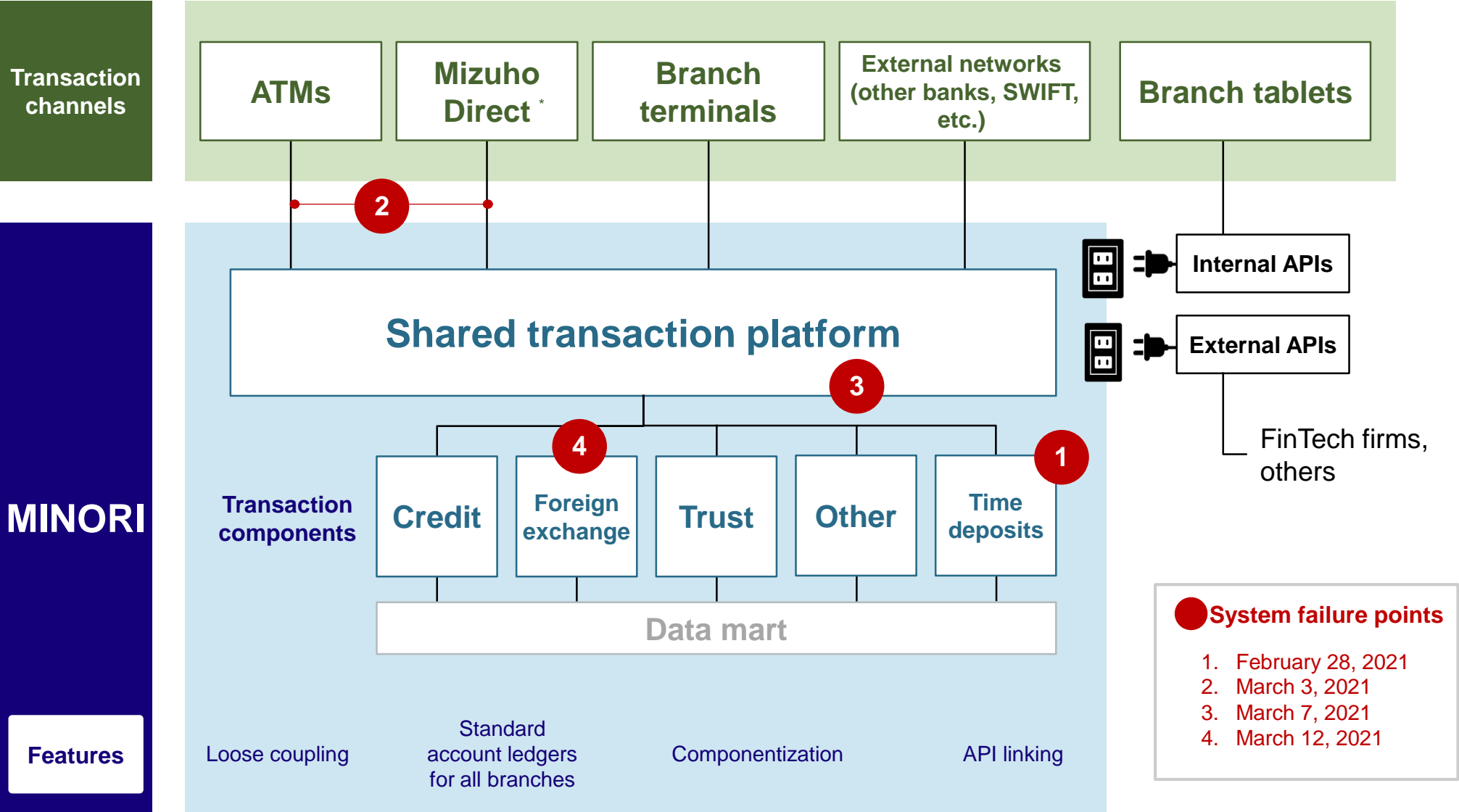
### ■ talentbook

Online media platform that takes an employee-driven approach to building Mizuho's brand together collaboratively





# MINORI (new core banking system) structure overview



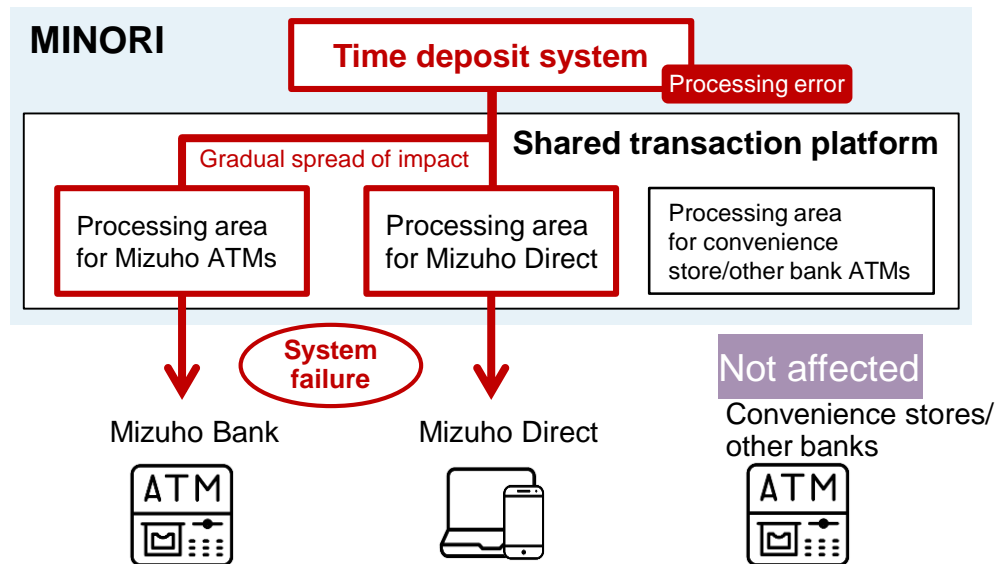
\* Internet Banking system

# System failure outline (1)

## February 28, 2021 Incident

### System failure events

- Memory shortage occurred in the time deposit system during batch processing.
- The accumulation of processing errors led to a shutdown of the processing areas for Mizuho Bank ATMs and Mizuho Direct.

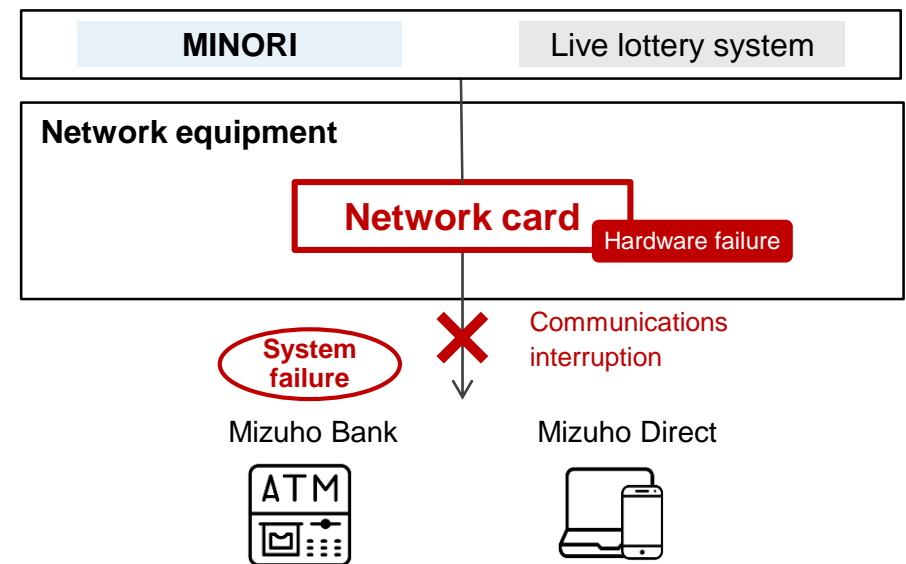


- Suspended ATMs: 4,318 (at peak)
- No. of bank cards and bank books captured: 5,244

## March 3, 2021 Incident

### System failure events

- Network communications became unstable due to network equipment failure.
- Communications were restored after an automatic switch to an alternative network approximately 3 minutes later.



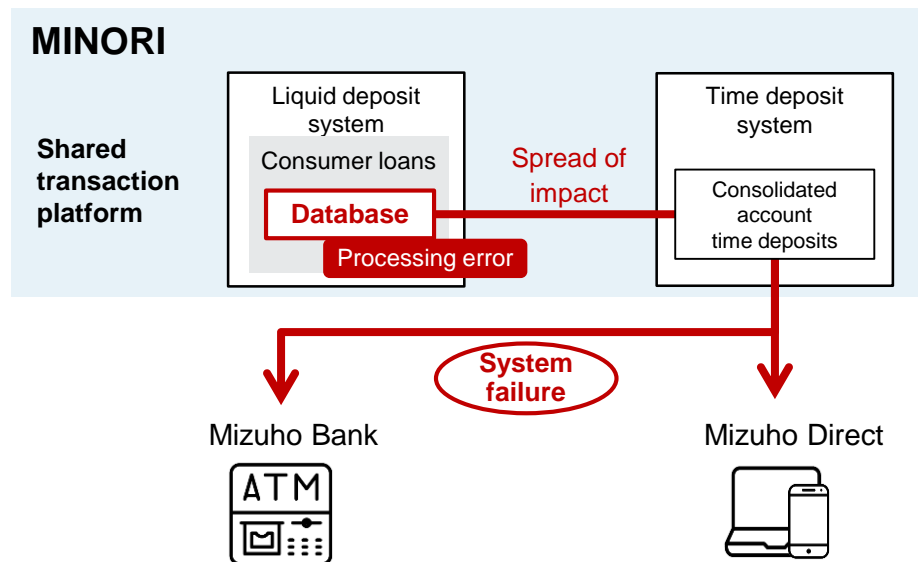
- Suspended ATMs: 29
- No. of failed lottery purchase transactions: 7

# System failure outline (2)

## March 7, 2021 Incident

### System failure events

- An error occurred during a consumer loan program update, impacting time deposit batch processing.
- Time deposit services for Mizuho Bank ATMs and Mizuho Direct were temporarily suspended.

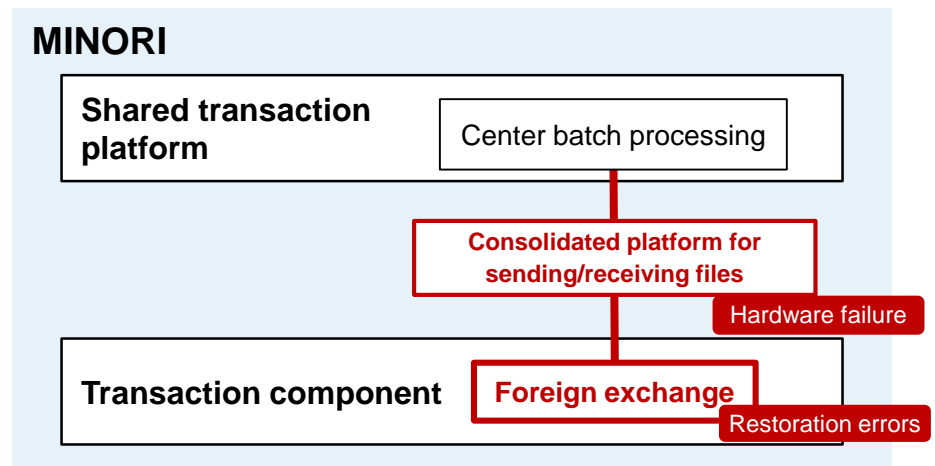


Failed Mizuho Direct time deposit transactions:  
9 customers

## March 12, 2021 Incident

### System failure events

- A hardware failure occurred in the consolidated platform for sending and receiving files and batch processing data. The automatic switch to the backup also failed to activate.
- Procedural errors during restoration of the foreign exchange system contributed to delayed transaction processing.



- Delayed processing for outgoing foreign exchange remittances to other Japanese banks in Japan: 263 incidents
- Unable to provide same-day notification for incoming foreign exchange remittances: 761 incidents
- Delays also affected certain other services outside foreign exchange transactions

# System failures – Prevention of further incidents and response going forward

Excerpt from the  
April 5, 2021 press release

## Issues recognized regarding the series of system failures

### 1 ATM specifications

Designed to capture bank cards and bank books with ATMs when transactions are unable to be completed successfully.

### 2 Hardware (equipment) failure

Equipment failure resulted in multiple system failures occurring in a short period of time.

### 3 System development/operations

- Decisions regarding the appropriateness of the release date (end-of-month system release).
- Advanced confirmations were insufficient during the development process.
- Insufficient recognition and understanding of how system failures structurally affect settlement systems and impact customers.
- Inadequate monitoring and contingency plans for system operations.

### 4 Response during system failures

#### System related

- Prolonged system restoration/resumption
- Procedural failure during system restoration

#### Non-system related

- Early recognition of system failure impacts on customers and internal dissemination were insufficient.
- Failure to provide important information in a timely manner.

## Measures to prevent further incidents / response going forward

### System measures

Improve the organization-wide ability to respond by strengthening system functions and increasing the number of responsible personnel in order to secure stable operations of the entire system.

### Business measures

Establish a multifaceted system as an entire organization to detect system failures and gather information in order to quickly recognize and minimize the impact on customers and provide information in a timely manner.

## Initiatives toward organization-wide improvements

### Improving multilayered system failure responses

- Construct a framework of robust multilayered safeguards both in and across IT system and business segments, maintaining a customer perspective.

### Fundamentally strengthen the organization and its employees

- Fundamentally strengthen both HR management, which develops the organization and its people, and our crisis management framework.

# Remote/digital business

Collaborating with companies from other industries and other financial institutions in order to effectively acquire customers through multiple channels

## Payments



- A payments & money transfer app backed by banks available to the customer bases of over 90 financial institutions
- Corporate services such as reimbursement of expenses also available

## Unsecured loans



Shareholders: SoftBank, BK

- Convenient and fast loans based on AI scoring
- Services also available to PayPay users



Shareholders: Line Financial, BK, Orient Corporation

- Unsecured consumer loan service utilizing Line Score platform
- Line has 88 million active monthly users in Japan

## Securities



Shareholders; SoftBank\*, SC

- Easy-to-use service for first-time investors and beginners interested in asset formation
- Access to PayPay's approx. 38 million users

## Banking

Line Bank Preparatory Company

Shareholders: Line Financial, BK

- Shareholders made an additional investment in and changes to the management structure of the company in February 2021
- Aim to establish a new bank within FY2022 dependent on the approval of relevant authorities and other factors

\*Including indirect holdings through Z Holdings Corporation

# Sustainable finance - examples

## Transition loan



- Arranged a transition loan to build a next-generation environmentally friendly car carrier ship fueled by LNG as part of efforts to transition to a low-carbon society
- This loan applies the Climate Transition Finance Handbook (ICMA<sup>1</sup>) and the Green Loan Principles (LMA<sup>2</sup>)

First in  
Japan

## Social hybrid bond



- Arranged a social hybrid bond through engagement with the client, aiming to resolve social issues (ESG, strengthening financial base)
- Includes funding for the purpose of preventing the spread of COVID-19
- The first hybrid bond in Japan to receive the “social” label

First in  
Japan

## Green bond



- Arranged a green bond aimed at addressing/mitigating climate change
- This bond applies the Green Bond Principles (ICMA<sup>1</sup>) and the Japan Ministry of the Environment's Green Bond Guidelines

First in  
Japan

## Sustainability-linked loan (SLL)



- Arranged an SLL focused on reducing green house gases and aquatic resource conservation
- KPIs include strengthening traceability management related to procurement of aquatic resources



- Arranged an SLL aimed at achieving targets under the non-financial KPI\* in the client's medium-term business plan

First in  
construction industry

\*Reduction rate of CO<sub>2</sub> emissions in the construction business

## Sustainability-linked bond (SLB)



- Arranged an SLB aimed at achieving the client's SPTs<sup>3</sup>
- This bond applies the SLB Principles (ICMA<sup>1</sup>)
- Certified by Japan's Ministry of the Environment as the first model case

First in  
Japan

1. International Capital Market Association. 2. Loan Market Association. 3. Sustainability Performance Targets.

Revised the Environmental Policy to clarify our stance on positively contributing to a net zero society and alignment with the Paris Agreement.

## Environmental Policy (excerpt)

### 7. Efforts to address climate change:

#### ■ Attitude toward climate change

We recognize climate change as one of the most crucial global issues with the potential to impact the stability of financial markets, representing a threat to the environment, society, people's lifestyles and businesses.

At the same time, we believe there are new business opportunities arising from the need to transition to a low-carbon society, such as the field of renewable energy and other businesses and innovations which contribute to mitigating and adapting to the impact of climate change.

Mizuho supports the Paris Agreement's objective to "strengthen the global response to the threat of climate change".

In light of this, we have included responding to climate change as a key pillar of our business strategy and will take the following actions in order to proactively fulfill our role as a financial services group in the effort to achieve a low-carbon society (achieve net zero greenhouse gas emissions) and to develop a climate change resilient society by 2050.

- We are directing finance flows towards achievement of the Paris Agreement targets to limit average global temperature rise, and we are undertaking phased transformation to a finance portfolio aligned with said targets.
- We will engage in proactive, constructive dialogue in response to our clients' individual concerns and needs, and in support of their efforts to introduce climate change countermeasures and transition to a low-carbon society in both the medium and long term.
- We will proactively develop and offer financial products and services designed to support clients' efforts to introduce climate change countermeasures and transition to a low-carbon society.
- We understand the importance of climate-related financial disclosures and we utilize the framework under the Recommendations of the TCFD in order to leverage growth opportunities and strengthen risk management as well as disclose information in a transparent manner regarding our progress.

# Enhancing our response to the TCFD Recommendations

April 2021 revisions  
in red.

Through engagement, we are supporting our clients' low carbon transitions and business structure transformation while also facilitating setting of targets aligned with the Paris Agreement and implementation of concrete initiatives.

<b>Government</b>	<ul style="list-style-type: none"> <li>• <u>Revised Environmental Policy. Clarified support for Paris Agreement and targets, along with other changes.</u></li> <li>• Board of Directors supervised initiatives to address climate change</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• With our FY2020 scenario analysis results, <u>we reaffirmed the importance of engagement, and we are improving our practices to engage with more clients and to better ascertain their measures to address transition risk.</u></li> <li>• <u>Expanded the scope of this fiscal year's scenario analysis.</u> <ul style="list-style-type: none"> <li>- Transition risk: <u>Added automobile sector and began covering electric utilities and oil, gas, and coal sectors worldwide.</u></li> <li>- Physical risk: <u>Analyzed chronic risks (risk of increase in heat stroke and infectious disease).</u></li> </ul> </li> <li>• <u>Further enhanced our structure for promoting sustainable business group-wide</u> in order to capture expanding business opportunities.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>• Positioned climate change risks as <u>"top risks"</u> and regularly monitored related indicators.</li> <li>• <u>Formulated risk assessment-linked control policy for transition risk in carbon-related sectors.</u></li> <li>• <u>Revised</u> Environmental and Social Management Policy for Financing and Investment Activity.</li> </ul>
<b>Indicators and targets</b>	<ul style="list-style-type: none"> <li>• Monitoring indicators :           <ul style="list-style-type: none"> <li>- <u>Exposure in high-risk areas</u></li> </ul> </li> <li>• <u>Risk and opportunity targets:</u> <ul style="list-style-type: none"> <li>- <u>Established target to reduce our own environmental footprint (Scope 1 and 2).</u></li> <li>- <u>Moved up our target date on reducing our outstanding credit balance for coal-fired power generation facilities to 2040.</u></li> <li>- Sustainable/environmental finance amounts.</li> </ul> </li> </ul>



## Transactions which are prohibited or require additional due diligence regardless of sector

### Prohibited

- Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention or on UNESCO World Heritage sites <sup>1</sup>
- Projects violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention) <sup>2</sup>
- Projects involving child labor or forced labor

### Additional due diligence

- Projects with adverse impacts on indigenous people's local communities
- Projects involving land expropriation that causes forced relocation of residents

## **Established new transition risk sectors (excerpt)**

### **coal-fired, oil-fired, and gas-fired power generation; coal mining; and oil and gas**

We undertake engagement for responding to transition risks. If the client does not make progress on addressing transition risks even after a certain period of time, we carefully consider our financing and investment transactions with the client

## **Policies on Specific Industrial Sectors (excerpt)**

<b>Weapons</b>	Avoid providing financing or investment for antipersonnel landmines and biochemical weapons, in addition to cluster munitions
<b>Coal-fired power generation</b>	Do not provide financing or investment which will be used for new construction of coal-fired power plants* * Including expansion of existing facilities
<b><u>Thermal coal mining</u></b>	<u>We do not provide financing or investment which will be used for new thermal coal mining projects.</u>
<b><u>Oil and gas</u></b>	<u>Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.</u>
<b><u>Large-scale hydropower</u></b>	<u>Our decisions involve a thorough examination of the impacts on the environment and of the potential for conflicts with indigenous peoples or local communities.</u>
<b><u>Large-scale agriculture (soybeans and similar)</u></b>	<u>Our decisions involve a thorough examination of the client's measures to address environmental and social issues.</u>
<b><u>Palm oil and lumber</u></b>	<u>Our business decisions involve a thorough examination of whether there are any potential conflicts involving indigenous peoples or local communities, and we take into consideration whether the client/project has received international certifications such as those for the production of sustainable palm oil.</u>

1. Excluding projects that have received prior consent from the relevant national government and UNESCO. 2. Excluding cases permitted under any country's reservation(s) to the convention.

# Procurement Policy

By applying our new Procurement Policy to our own procurement and also encouraging our suppliers to pursue ESG initiatives in their business operations, we are enhancing ESG risk management throughout the supply chain.

## Basic approach to procurement operations

Fair and impartial decisions on suppliers	<ul style="list-style-type: none"><li>• We will make fair and impartial decisions on suppliers, taking into account factors such as quality, ease of use of services, price, reliability, compliance with laws and regulations, information management frameworks, respect for human rights, and environmentally friendly initiatives.</li></ul>
Compliance with laws and regulations and social norms	<ul style="list-style-type: none"><li>• We will fully comply with all laws, rules, and regulations; always adhere to social norms; and exercise strong self-discipline in our procurement operations.</li><li>• With our suppliers, we will maintain healthy and transparent relationships. To ensure this, we will not accept gifts or entertainment from suppliers when these are against social norms.</li></ul>
Respect for human rights and consideration for the environment	<ul style="list-style-type: none"><li>• In our procurement operations, we will endeavor to respect human rights and reduce our environmental footprint.</li><li>• We will also encourage our suppliers to respect human rights and give consideration to the environment in their business operations.</li></ul>

## Requirements for suppliers

Compliance with laws and regulations and social norms	<ul style="list-style-type: none"><li>• Fully comply with all laws, rules, and regulations, adhere to social norms, and conduct corporate activities fairly and in good faith.</li></ul>
Information management	<ul style="list-style-type: none"><li>• Manage information gathered through business operations with due care, in compliance with laws on the protection of personal information and any related laws.</li></ul>
Respect for human rights	<ul style="list-style-type: none"><li>• Be aware of the ways in which business operations have the potential to impact human rights and endeavor to respect human rights while carrying out corporate activities.</li></ul>
Consideration for the environment	<ul style="list-style-type: none"><li>• Work to reduce the environmental impact of business operations through use of sustainable energy and resources, pollution prevention, green procurement, and other measures.</li></ul>

# Sustainability KPIs and targets

## Business

### Industrial development & innovation, environmental considerations, sound economic growth

- Arrangement of sustainable finance / environmental finance  
**JPY 25T in cumulative total from FY2019 to FY2030**  
**(of which, JPY 12T in environmental finance)**
- Credit balance for coal-fired power generation providers based on our Environmental and Social Management Policy for Financing and Investment Activity  
**Reduce by 50% compared to FY2019 by FY2030,**  
**Reduce to a balance of zero by FY2040** **Accelerated**
- High risk area exposure** in transition risk sectors **New**

### Declining birthrate and aging population, plus good health and lengthening lifespans

- Asset formation to prepare for the future
  - Net increase in investment products (Individual investors)
  - Number of investment products purchasers (individual investors)
- Net increase in publicly offered investment trust assets under management

### Industrial development & innovation

- Smooth business succession
  - Number of clients provided with consulting
- Acceleration of innovation and industry transformation
  - Number of IPOs as lead underwriter / rank in terms of underwriting amount

## Corporate foundations

### Diversity & Inclusion

Item	Target	Achieve by
Management positions filled by women (General Manager and Manager equivalent) <sup>1</sup>	20%	July 2024
Item	Level to be maintained continuously	
Management positions filled by employees hired outside Japan <sup>2</sup>	65%	
Percentage of new graduates hired for management track jobs who are female <sup>1</sup>	30%	
Paid annual leave taken by employees <sup>1</sup>	70%	
Eligible male employees who take childcare leave <sup>1</sup>	100%	

### Environmental Footprint




















Worldwide greenhouse gas emissions (Scope 1 and 2, 8 group companies)		<b>New</b>
Achieve a reduction of 35% compared to FY2019 levels by FY2030		
Aim to become carbon neutral by FY2050		
Paper use in Japan	Reduce by 1% compared to previous fiscal year (7 group companies)	<b>New</b>
Paper recycling ratio target	at least 85% (7 group companies)	

### Financial Education

Total financial education participants	60,000 or more from FY19 to FY23
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1. Total of FG, BK, TB, SC in Japan 2. Total of BK, TB, SC outside Japan

# Reference: Key sustainability areas

Business	<b>Declining birthrate and aging population, plus good health and lengthening lifespans</b>	<ul style="list-style-type: none"> <li>■ Asset formation in preparation for the future</li> <li>■ Expand services that respond to a society with a declining birthrate and aging population</li> <li>■ Convenient services in line with diversifying lifestyles</li> </ul>	  
	<b>Industry development &amp; innovation</b>	<ul style="list-style-type: none"> <li>■ Smooth business succession</li> <li>■ Industry structure transformation</li> <li>■ Acceleration of innovation</li> <li>■ Growth in Asian economic zones</li> <li>■ Creating resilient social infrastructure</li> </ul>	   
	<b>Sound economic growth</b>	<ul style="list-style-type: none"> <li>■ Strengthening capital markets functions</li> <li>■ Transition to a cashless society</li> <li>■ Environmentally conscious social programs</li> </ul>	
	<b>Environmental considerations</b>	<ul style="list-style-type: none"> <li>■ Promoting action to address climate change and supporting the transition to a low carbon society</li> </ul>	 
Corporate foundations	<b>Governance</b>	<ul style="list-style-type: none"> <li>■ Enhancing corporate governance</li> <li>■ Risk management/strengthening of IT infrastructure, and compliance</li> <li>■ Disclosure of information in a fair, timely, and appropriate manner, and holding dialogue with stakeholders</li> </ul>	 
	<b>Personnel</b>	<ul style="list-style-type: none"> <li>■ Personnel development and creating workplaces that give employees a sense of purpose</li> </ul>	 
	<b>Environment &amp; society</b>	<ul style="list-style-type: none"> <li>■ Environmental and human rights considerations for investment and lending</li> <li>■ Addressing climate change</li> <li>■ Improving financial and economic literacy and promoting activities that contribute to addressing the needs of society and local communities</li> </ul>	   
Open partnerships and collaboration with a diverse range of stakeholders			

# ESG-related recognition and awards

## Third-party evaluation

### ESG Finance Awards Japan

FG **GOLD**



SC **BRONZE**



### Health & Productivity Stock Selection 2020



### Markets Choice 2021

Mizuho Americas LLC received the  
“**Positive Change Award for Diversity, Inclusion & Belonging**”

### ESG score

	Mizuho	MUFG	SMFG
<b>S&amp;P SAM</b> <sup>1</sup>	81	75	75
<b>FTSE</b> <sup>2</sup>	4.1	3.4	3.6
<b>SUSTAINALYTICS</b> ESG Risk Rating <sup>3</sup>	20.9	20.5	26.9
<b>MSCI</b> <sup>4</sup>	A	BBB	A

1. S&P SAM: Percentile ranking. Those near 100 are evaluated highly. Source: Bloomberg (as of May 14, 2021). 2. FTSE Overall ESG Score (as of Jun. 2020): Maximum score of 5.

3. Sustainalystic ESG Ranking compares ESG risk with peers in the same industry. The lower the score, the higher the evaluation. (as of May 12, 2021) 4. CCC-AAA 7-grade rating (as of May 7, 2021)

5. As of May 2021. 6. <https://www.mizuhogroup.com/sustainability/mizuhocsr/rating>

## Incorporation in social responsibility indices<sup>5</sup>

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Dow Jones Sustainability Index Asia Pacific



STOXX Global ESG Leaders Index



MSCI ESG Leaders Indexes<sup>6</sup>



EURONEXT Vigeo World 120



FTSE4Good Index Series



Bloomberg Gender-Equality Index

### GPIF selected ESG indices

General Index



FTSE Blossom Japan Index

Themed Index

2020 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

MSCI Japan Empowering Women Index (WIN)

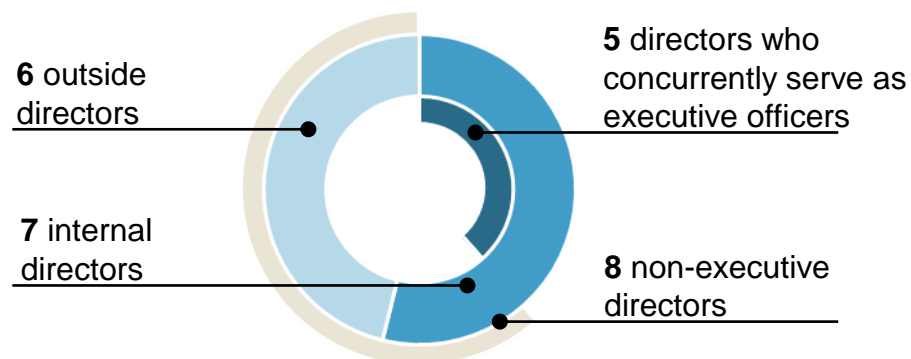


S&P/JPX Carbon Efficient Index

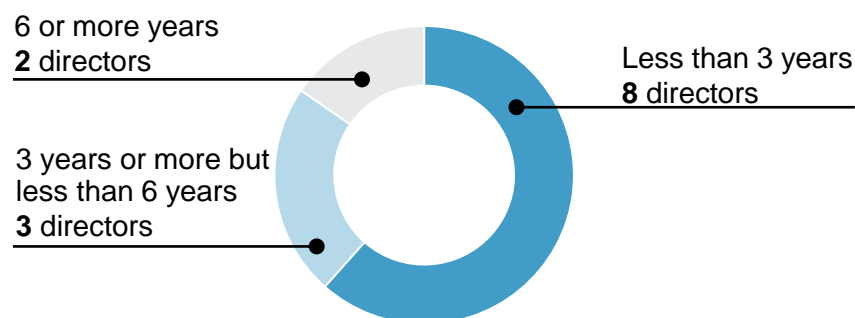
# Corporate governance - Highlights

## Composition of the Board of Directors<sup>1</sup>

As of  
Mar 31, 2021



## Tenure of directors<sup>1</sup>



## Main initiatives for improving the effectiveness of the Board of Directors (FY2020)

- 9 times** **Offsite meetings on management issues**  
Outside directors and the business execution line share information and exchange opinions thereby deepening mutual understanding
- 1 times** **Outside Director Sessions**  
Meetings attended only by outside directors, at which discussions on future initiatives are held after reflecting on past activities and sharing issues

## Director training

**Continually provide and facilitate opportunities to acquire and improve knowledge**

### All directors

- Individual sessions, training, etc. by executives or guest speakers

### Outside directors

- Ensuring the prior explanation and follow-up of proposals to the Board of Directors
- Visits to domestic branches, etc.

## Evaluating the effectiveness of the Board of Directors

Perform an analysis and evaluation of the effectiveness of the Board of Directors each year and disclose a summary of the results

### **FY2019<sup>2</sup> assessment:**

The Board of Directors are performing their functions to realize our corporate governance objectives, and their performance is sufficiently effective


1. Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future. 2. Jul 2019 – Jun 2020.

# Board of Directors (as of Mar 31)

## Internal directors (7 people)<sup>1</sup>

Name	Position/Responsibility
Tatsufumi Sakai	Representative Executive Officer President & Group CEO
Satoshi Ishii	Senior Managing Executive Officer CDIO, Group CIO, Group COO
Motonori Wakabayashi	Senior Managing Executive Officer Group CRO
Makoto Umemiya	Senior Managing Executive Officer Group CFO
Hiroaki Ehara	Managing Executive Officer Group CHRO
Yasuhiro Sato	Chairman
Hisaaki Hiram	Non-executive Audit Risk

## Outside directors (6 people)<sup>1</sup>

 Chairperson

Name	Position/ Responsibility	Fields where directors are especially expected to contribute <sup>2</sup>				
		Corporate Management	Legal	Financial Accounting	Finance	Technology
Tetsuo Seki	Nominating Compensation Audit	●		●	●	
Tatsuo Kainaka	Nominating Compensation Audit		●			
Yoshimitsu Kobayashi	Nominating	●				●
Ryoji Sato	Audit			●		
Masami Yamamoto	Nominating Compensation	●				●
Izumi Kobayashi	Chairman Nominating Risk	●			●	

1. Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future

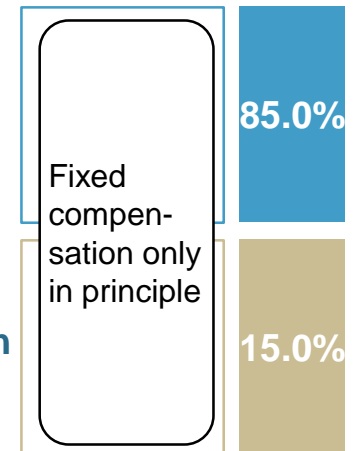
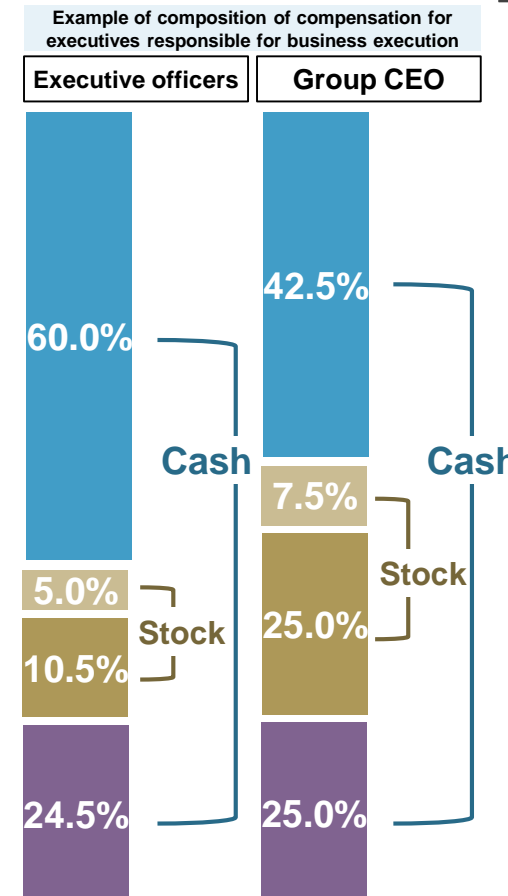
2. The fields in the chart above are not representative of all of the areas of expertise the directors possess.

## Executives responsible for business execution<sup>\*</sup>

Fixed compensation	Base Salary	A standard amount based on position, with additions based on each executive's role and duties	Paid monthly	
	Stock Compensation I	Payment based on position	Paid upon retirement	
Variable compensation	Stock Compensation II	Factors including progress on achievement of the 5-Year Business Plan and the results of organizations (e.g. in-house company/ unit) that each executive is in charge of are reflected to a base amount based on position	Deferred payment over 3 years	Compensation may be reduced or forfeited Depending on performance
	Performance Payments		Deferred payment over 3 years for the portion above a certain amount	

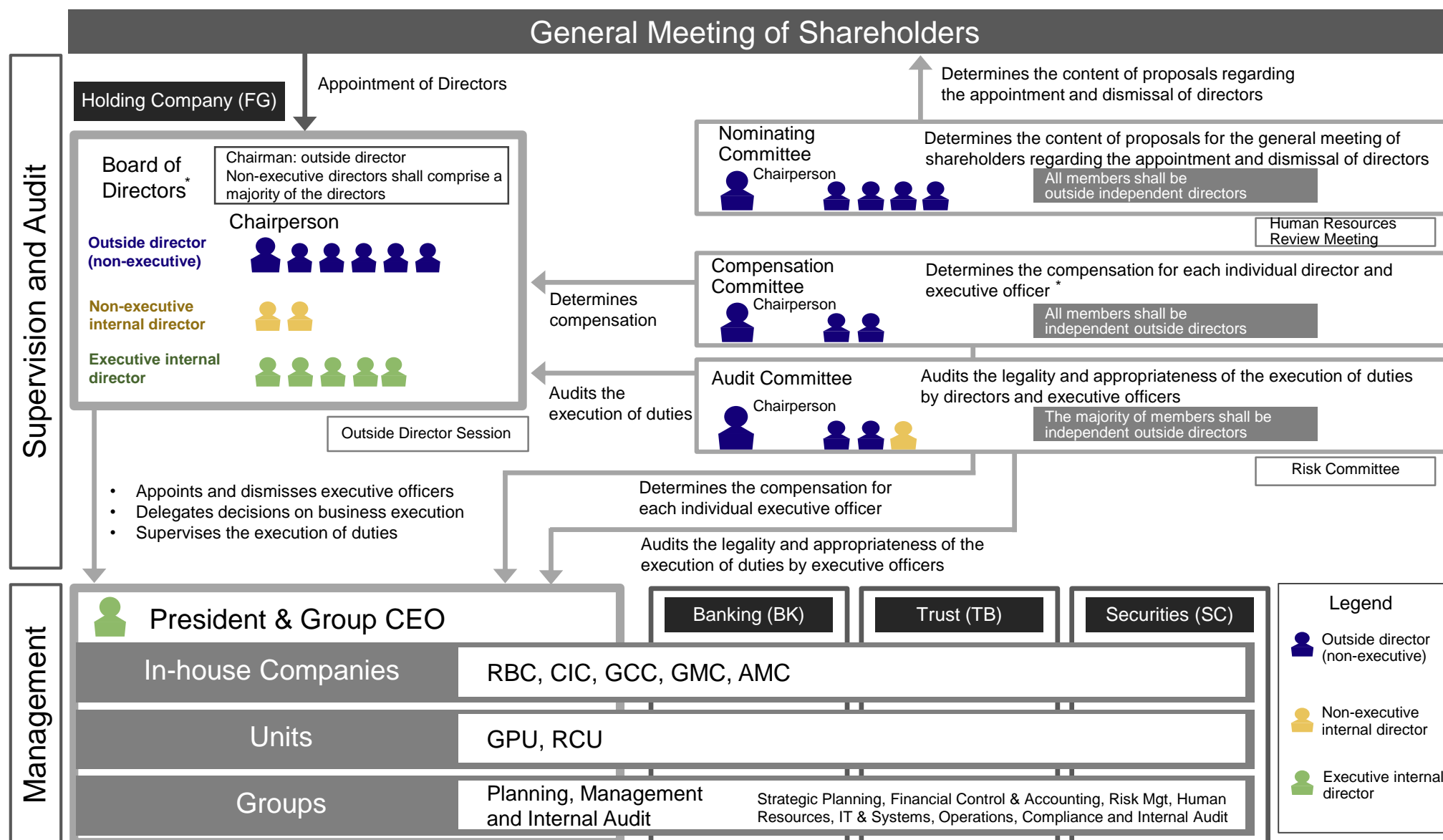
\* In principle, compensation for executives responsible for business execution (directors, executive officers as defined in the Companies Act, and executive officers as defined in our internal regulations of FG, BK, TB and SC) consists of Base Salary, Stock Compensation, and Performance Payments. The ratio of fixed compensation to variable compensation varies depending on each executive's role and duties. For the Group CEO, the ratio of fixed compensation has been set at the minimum.

**Example of composition of compensation for executives responsible for supervision of management**





# Corporate governance structure



\* Candidates for directors at the 19<sup>th</sup> Ordinary General Meeting of Shareholders will be disclosed in the future.

\* As of Mar 31, 2021

## Abbreviations

**FG** : Mizuho Financial Group, Inc.  
**BK** : Mizuho Bank, Ltd.  
**TB** : Mizuho Trust & Banking Co., Ltd.  
**SC** : Mizuho Securities Co., Ltd.  
**AM One** : Asset Management One Co., Ltd  
**RT** : Mizuho Research & Technologies, Ltd.

**RBC** : Retail & Business Banking Company  
**CIC** : Corporate & Institutional Company  
**GCC** : Global Corporate Company  
**GMC** : Global Markets Company  
**AMC** : Asset Management Company  
**GPU** : Global Products Unit  
**RCU** : Research & Consulting Unit

## Foreign exchange rate

TTM at the respective period end	Mar-20	Mar-21
USD/JPY	108.83	110.72
EUR/JPY	119.65	129.76
Management accounting	FY20 Planned rate	
USD/JPY	108.00	
EUR/JPY	118.80	

## Definitions

### Financial accounting

- 2 Banks : BK + TB on a non-consolidated basis (financial accounting)
- 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 (excluding Net Unrealized Gains (Losses) on Other Securities))
- 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 + CIC + GCC + 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
- ROE by In-house Company : Calculated dividing Net Income by each company's internal risk capital

## 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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