

# MIZUHO IR Day 2022

June, 2022

Mizuho Financial Group

**MIZUHO**

## Agenda

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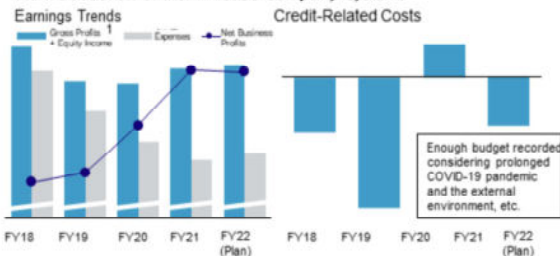
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Retail & Business Banking Company

## Key Strategies of Retail & Business Banking Company

### Business Environment / Strategy implementation

- Strengthened the Group unified capability to respond customer needs through reorganized branch network, despite the severe environment caused by system failures, and other.
- Net business profit increased, reaching historical high since the introduction of the in-house company system.



### Earnings Plan <sup>2</sup>

(JPY B)	FY18 Results	FY21 Results	FY22 Plan	YoY
Gross Profits <sup>1</sup>	725.3	720.9	724.0	+3.1
Expenses	-713.7	-623.7	-630.0	-6.3
Net Business Profits	11.2	95.0	92.0	-3.0
Net Income	19.4	90.3	24.0	-66.3
ROE <sup>3</sup>	-	4.5%	1.2%	-3.3%

<sup>1</sup> Equity in Income from investments in Affiliates, such as Orient Corporation, etc. <sup>2</sup> FY18 figures based on the old accounting rule (before impairment losses). FY21 and FY22 figures based on the FY22 accounting rules. <sup>3</sup> FY18 figure not disclosed since it is pre-Basel III basis.

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### Key Strategies for FY22

- Basic Approach**
- Under a stable business operations, strived to further strengthen and expand our stable revenue base for sustainable growth through the evolution of face-to-face business and acceleration of DX-originating growth
- Established stable business operations**
    - Improved multilayered system failure response capabilities
    - Sustainable growth through assessing customer trends and actual on-site conditions
  - Evolved face-to-face business (Expanding benefits from the reorganized branch network)**
    - Individuals: Established an evolved comprehensive asset management consulting
    - Corporations: Reinforced capability to respond to customer needs by improving origination and solution provision capabilities
  - Accelerated DX-originating growth (Digital business)**
    - Strengthened fundamental in-house services through digitization
    - Built new business through alliances

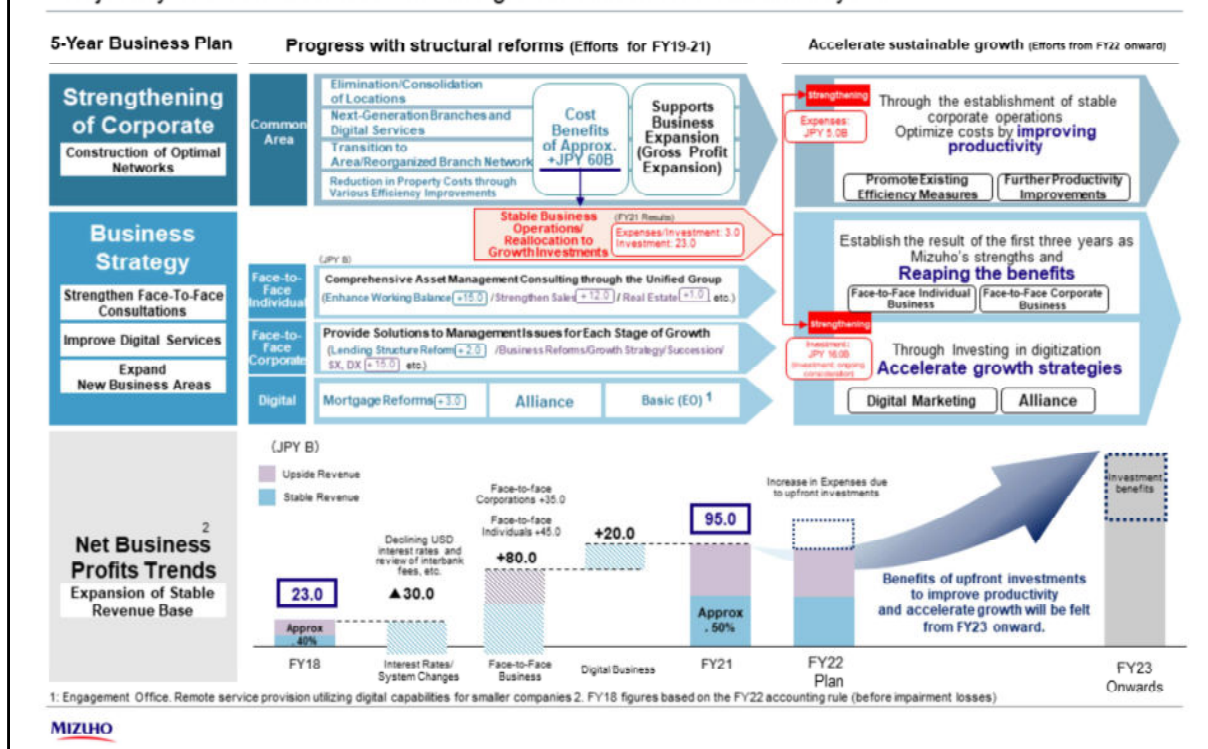
### Net Business Profits



- ✓ I am Otsuka, Head of Retail & Business Banking Company (RBC). Thank you very much for taking the time to view our Mizuho IR Day 2022 video. Mr. Fuke, Co-Head of RBC, and I would like to begin by explaining the Company's business strategy and the status of our initiatives.
- ✓ First, let me give you an overview of the strategy progress we have made. In FY2021, we faced a very difficult environment, including a series of system failures, but we achieved a shift to a new BK branch network, and worked to demonstrate a higher level of expertise and strengthen the Group-wide response to customers' needs.
- ✓ As a result, net business profits were the highest since the introduction of our in-house company system, and we were able to realize the effects of the strategies promoted in the 5-Year Plan. Even with the prolonged pandemic, we were able to appropriately control credit-related costs by thoroughly implementing basic actions to gain a deep and timely understanding of the actual status of our customers, and by proactively assisting the business improvement plan formulation for our clients and providing quasi-equity financing support, including cooperation with government-affiliated financial institutions.
- ✓ In the current fiscal year, we will focus on the following three points to further strengthen and expand our stable revenue base for sustainable growth.

- ✓ The first point is to build a stable business operation system based on the reflection on system failures, improving the ability to respond to failures, and understanding customer trends and the actual situation at the sales site. The second is to further evolve the face-to-face retail and corporate business by further strengthening the capability to respond to customer needs and expanding the effects of the transition to a new branch network. The third is to seize the irreversible tide of digitalization and strengthen our efforts to accelerate growth, starting with DX.
- ✓ Based on these key strategies, the planned net business profits for the current fiscal year are almost the same level as the previous fiscal year, as shown on the lower right. However, as I mentioned earlier, the plan includes stable business operations and up-front investments to accelerate growth, which we believe will serve as a stepping stone to sustainable growth in the future.

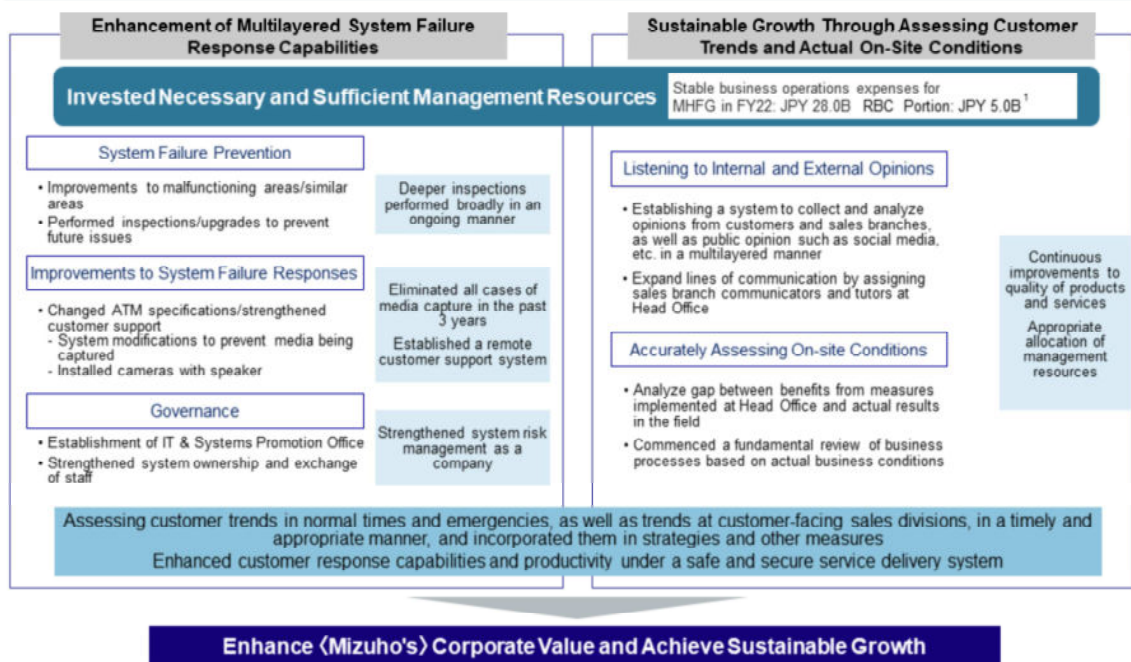
## Trajectory of 5-Year Business Plan and growth outlook for FY22 and beyond



- ✓ We will explain the trajectory of RBC's 5-year plan initiatives and our approach to growth prospects for FY22 and beyond. The left half of this page shows the trajectory of the past three years, and the right half shows the outlook.
- ✓ In order to strengthen the management foundation, various reforms, such as channel reforms to capture the acceleration of digitalization, have been implemented in response to customer trends and social changes after the pandemic, resulting in cost benefits of approximately JPY60.0 billion in the first three years of the 5-year plan. In FY21, we have already reallocated these funds to investments in growth and measures to build stable business operations, and we will further strengthen this reallocation in FY22.
- ✓ In terms of business strategy, over the first three years, we have focused on specializing sales channel to corporate and retail businesses and have demonstrated our expertise by organizing our staff into broad categories, while strengthening our group-wide solutions and consulting capabilities.
- ✓ We have steadily increased stable revenues by enhancing asset management balances in the face-to-face retail business, strengthening the reversal of loan spreads in the face-to-face corporate business, and reversing the amount of mortgage loans executed in the digital business. The effects of our strategy are also becoming evident in our M&A and real estate businesses through business restructuring, growth strategy support, and business succession support for corporate clients, sales of assets under management by strengthening comprehensive asset management consulting for individual clients, and the accumulation of upside earnings through the expansion of the asset succession business.

- ✓ Toward sustainable growth in the future, in addition to focusing on expanding the results of the retail and corporate businesses that we have been working on, we believe that the upfront investments we are making in FY21 and FY22 will help us optimize expenses by improving productivity and accelerate our growth strategy by investing resources in the digital domain, and that we will see the effects of these investments from FY23 onward.
- ✓ The details of each business will be explained in turn later, but first, we will explain the establishment and sustainable reinforcement of a stable business operation system, which is a prerequisite for business, on the next page.

## Establishment and Continuous Enhancement of Stable Business Operations



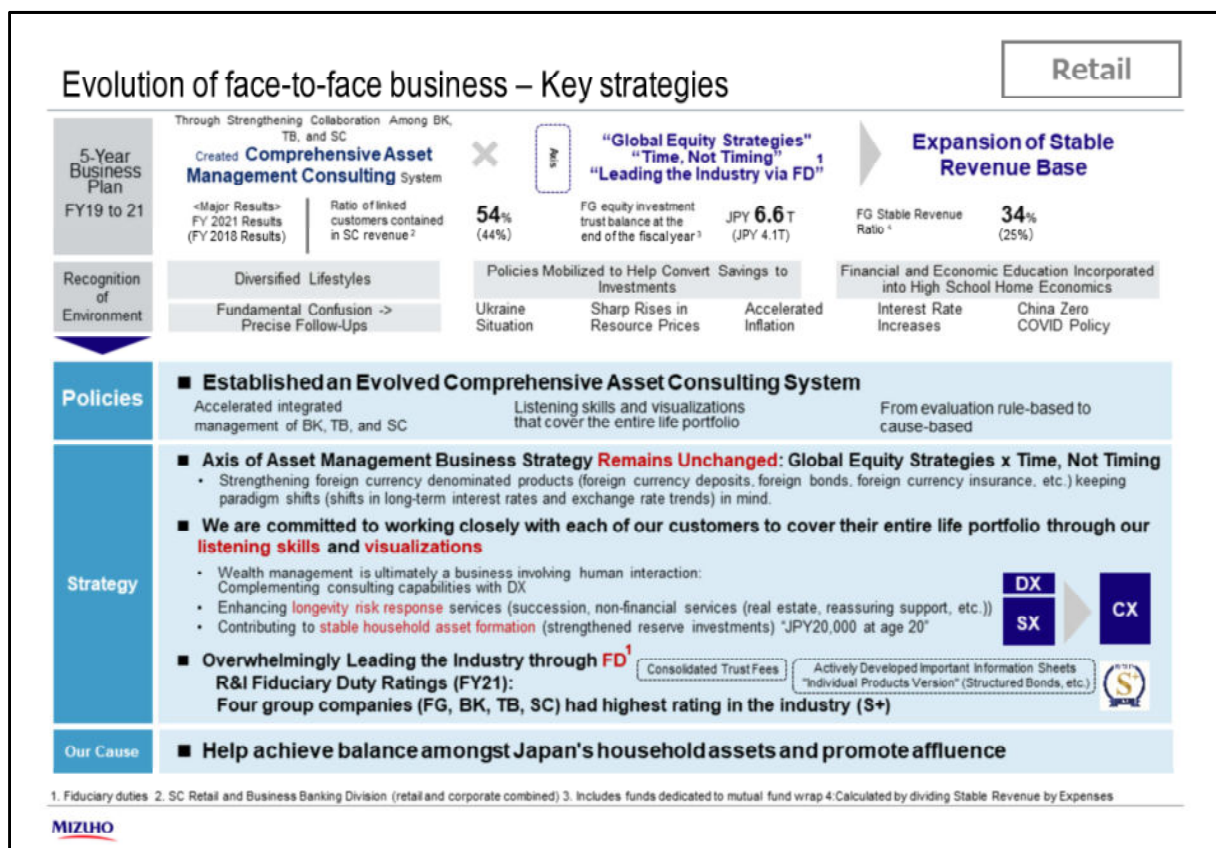
\*1. Excluding system-related expenses as MHFG.

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- ✓ Based on the reflections related to a series of system failures, we will build a stable business operation system based on the two axes of improving multilayered failure response capabilities and understanding the actual conditions of customers and on-sites.
- ✓ First, let's talk about improving our multilayered failure response capabilities. In order to prevent system failures, we will not only improve failed or similar areas, but also conduct in-depth inspections to prevent failures from occurring in the first place, which we have already completed for critical systems and will continue to conduct extensively and continuously.
- ✓ We are also working to minimize the impact on customers in the event of a failure. For example, with regard to the incident of bankbooks and cash cards being captured into the ATMs that occurred on February 28 last year, we have completed system modifications to prevent all cases of bankbooks and cash cards being captured over the past three years from occurring again.
- ✓ Next, sustainable growth based on the understanding of customer trends and the actual situation at the sales site. As a major point of reflection on the series of system failures, we recognized the possibility that we did not have a sufficient grasp of customer trends and the actual situation at the frontlines of our sales branches, and we therefore established a system to collect and analyze all customer and sales branch feedback within Mizuho, as well as criticism through social media and other means, including those who do not necessarily do business with Mizuho, on a multilayered basis.



- ✓ By reflecting the suggestions and others obtained from such collection and analysis in our strategies and measures and making continuous efforts to improve service quality for customers, including potential customers, we intend to contribute to the enhancement of Mizuho's corporate value and sustainable growth.
- ✓ Each business is then explained in detail in turn on the following pages. First, Mr. Fuke, Co-Head of RBC, will explain the face-to-face retail business.

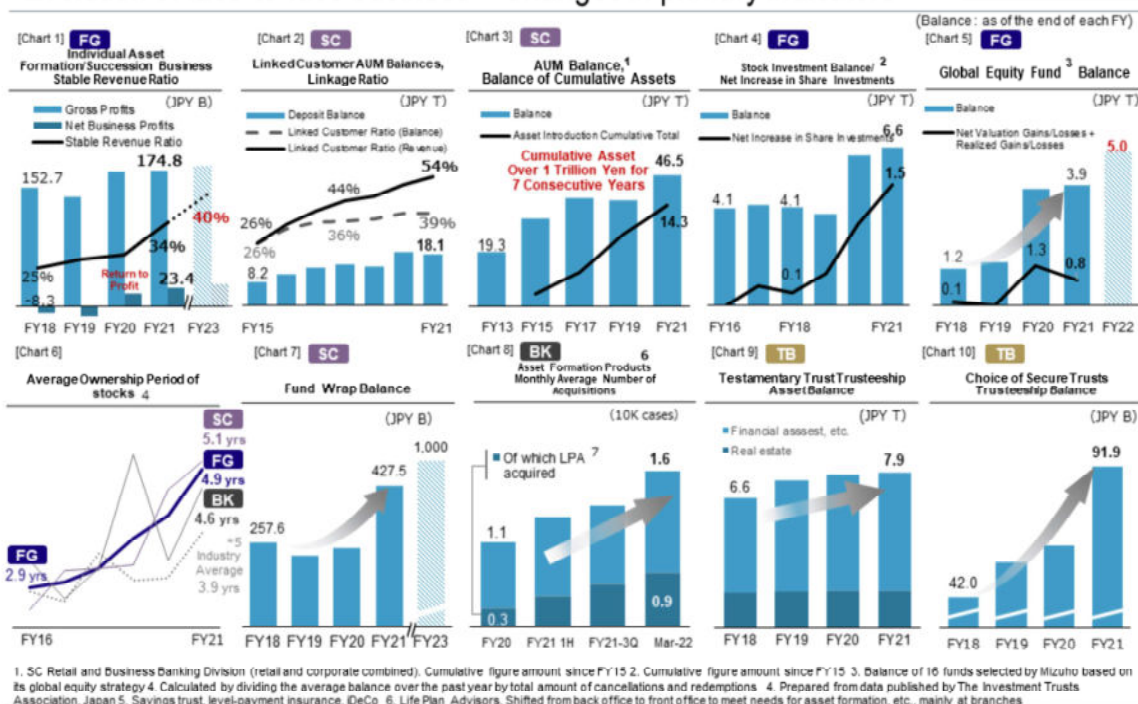


- ✓ Thank you all for joining us today. I am Fuke, Co-Head of RBC. I will explain face-to-face retail business. We are now halfway through the 5-year plan. In face-to-face retail business, most items are exceeding initial plans and targets. The first three years have been extremely successful. However, currently we are stalled. Financial markets have been modulated by the invasion of Ukraine and interest rate hikes, and uncertainty about the future has hit the investment business.
- ✓ But that's where we face-to-face advisors come in. You don't need a good sailor in calm waters. There are always ups and downs along the long road of long term, diversification, and continuous investment. We have to focus on follow-up to calmly respond to market turmoil and make time our ally to get through the unpredictable ups and downs.
- ✓ Past facts tell us that what is important in investment behavior is the ability to keep riding the bus with the big picture in mind and the patience not to jump off the bus in a hurry at the immediate movement. The axis of the proposal is "Time, Not Timing." However, the current rise in interest rates and the ongoing depreciation of the yen may be a paradigm shift from what has been underway for more than 30 years. Japan, a cheap country in global terms, is a prominent example. In order to protect the purchasing power of the Japanese people, we will expand financial products denominated in foreign currencies to capture the resurgence of interest rates, with a focus on global equity funds.

- ✓ On the other hand, macro trends are becoming stronger and stronger in the context of the 100-year life and declining birthrates. Expansion of financial services that help households build stable assets and address longevity risks will greatly contribute to the creation of a sustainable society. It is our social mission. The slogan is “JPY20,000 when you turn 20.” With the power of finance, we can sweep away growing anxiety about the future and open the way to Japan's future.
- ✓ By the way, Mizuho's retail business is a business of dialogue, with human power at its core, complemented by DX. With the diversification of lifestyles in mind, we will respond to important episodes through dialogue with each and every customer. Based on the customer's entire life portfolio, we will flexibly develop goals-based wealth management.
- ✓ Special emphasis will be placed on active listening skills. From collaboration to unity, we will deepen our contacts with customers in a multilayered manner through the integration of the BK, TB and SC segments, and capture, perceive, anticipate, clarify and create needs while utilizing the characteristics of each entity. This year, we will take on the challenge of establishing a comprehensive asset management consulting of a different dimension.
- ✓ A necessary condition for the execution of this strategy is a proactive approach to fiduciary duty. In FY21, FG, BK, TB, and SC all received the industry's highest rating of S+ from R&I customer-centric investment trust sales company evaluation for the second year straight. This year, we will continue to be strongly aware of the seven principles of customer-oriented business operations. We will review the FD action plan vertically, horizontally, and diagonally, and lean forward even more. Specifically, we will proactively rollout important information sheets for individual products edition. In April, ahead of our competitors, we introduced a combined cost disclosure that includes origination costs for structured notes offered for sale. We are also considering the early introduction of private placement structured bonds.
- ✓ Our aspiration that forms the basis of our business operations are clear. It is to contribute to the improvement of wealth by changing the bias of household assets. We just have to work through this cause.

## Evolution of face-to-face business – Changes in primary indicators

### Retail

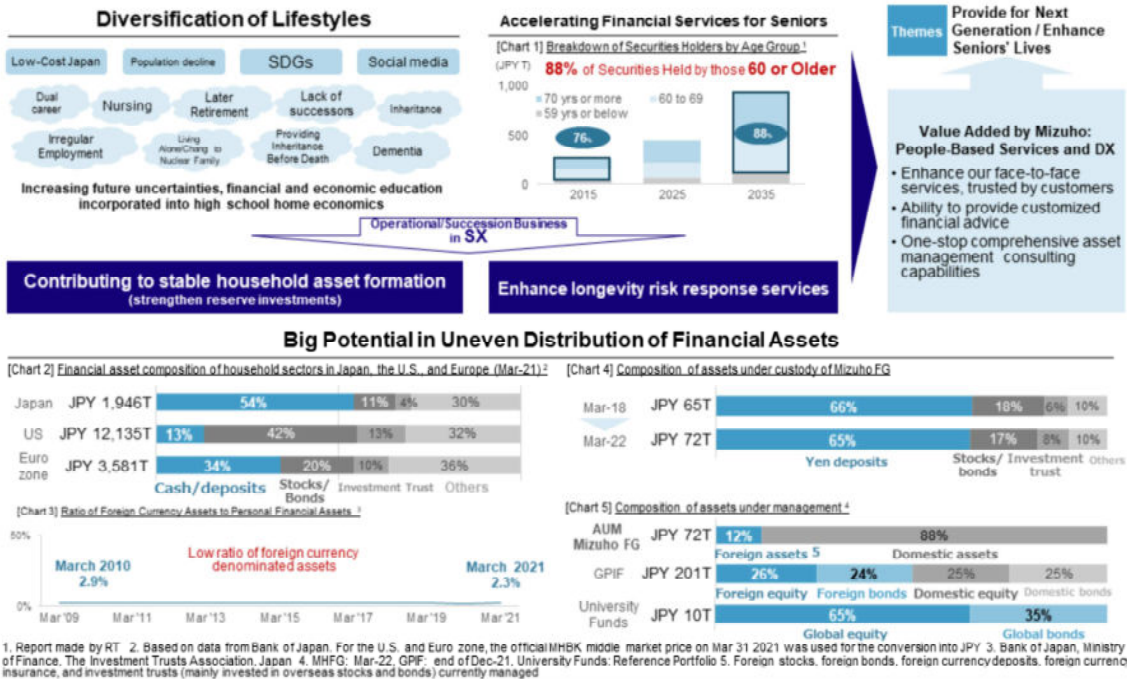


- ✓ These are main Indicators. All items in figures 1 through 10 are on the rise.
- ✓ Figure one shows the FG-based income and expenditures of face-to-face retail business. With stable revenue growth at the core, gross profit expanded, turning profitable one year ahead of plan and expanding the margin of profitability. Figure two shows the link ratio in SC. In FY21, the link ratio in SC revenue was 54%, and assets under custody of linked clients exceeded JPY 18T. The ratio of linked clients continues to expand in terms of both revenue and assets. The concrete results of these efforts are shown in figures three and four.
- ✓ Figure three shows the changes in assets under custody of Mizuho Securities' domestic sales division. It has rapidly expanded from JPY 19.3T in FY13 to JPY 46.5T, a 2.4-fold increase in eight years. It is a sign of one of the few growing industries in a shrinking Japan. New assets under custody exceeded JPY1 trillion for the seventh consecutive year, continuing to be among the best in the industry.
- ✓ Figure four shows FG-based changes in the balance of equity investment trusts. It has steadily expanded with a net increase of JPY 1.5T over the past five years, centered on global equity funds, which are at the core of our product strategy.

- ✓ Figure six shows the results of our efforts to promote long-term, diversified, and continuous investments, the high road of investment styles, under the slogan of unrealized profits sales to make the most of Japanese assets around the world. The equity investment trust average holding period has been lengthened. This is well above the 4.2-year holding period for investment trusts in the US, which is said to be the benchmark.
- ✓ Figures 7 through 10 show items for which we are aiming for breakthroughs this fiscal year. All three of the fund wrap, savings investment and succession business are on the rise, but they still start here.

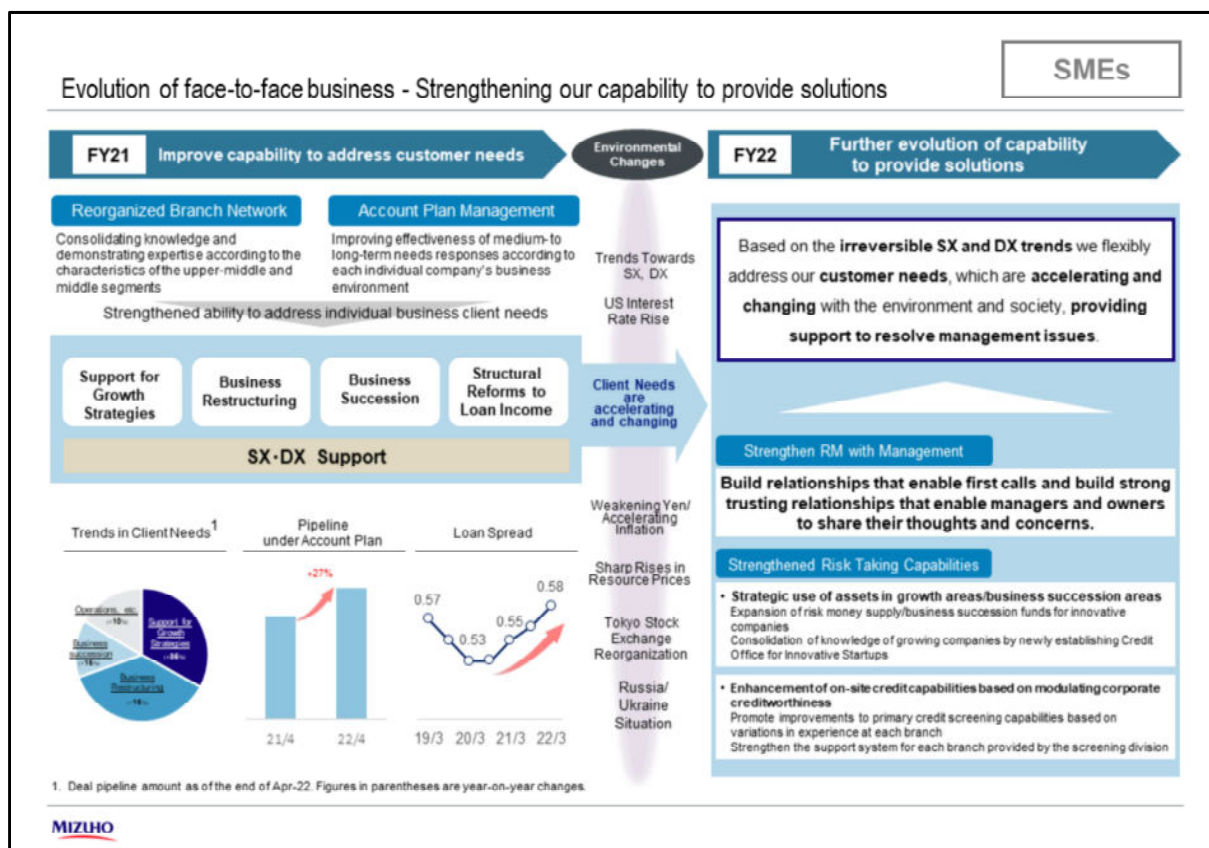
## Evolution of face-to-face business – Strategy background

### Retail



- ✓ This is the background of our retail business. In a speech in London, Prime Minister Kishida said he would make a bold shift from savings to investment. This is the background that supports the need for the doubling asset-based incomes plan. Here is a great business opportunity for the future.
- ✓ In this era of 100-year life expectancy, face-to-face consulting will become even more significant. In order to increase household budgets by capturing growth in the global economy and eliminate uncertainty about the future of an aging society, we are committed to contributing to the resolution of social issues in Japan. We value loving transactions. That is all.
- ✓ Now, again, Mr. Otsuka will explain about face-to-face corporate business.

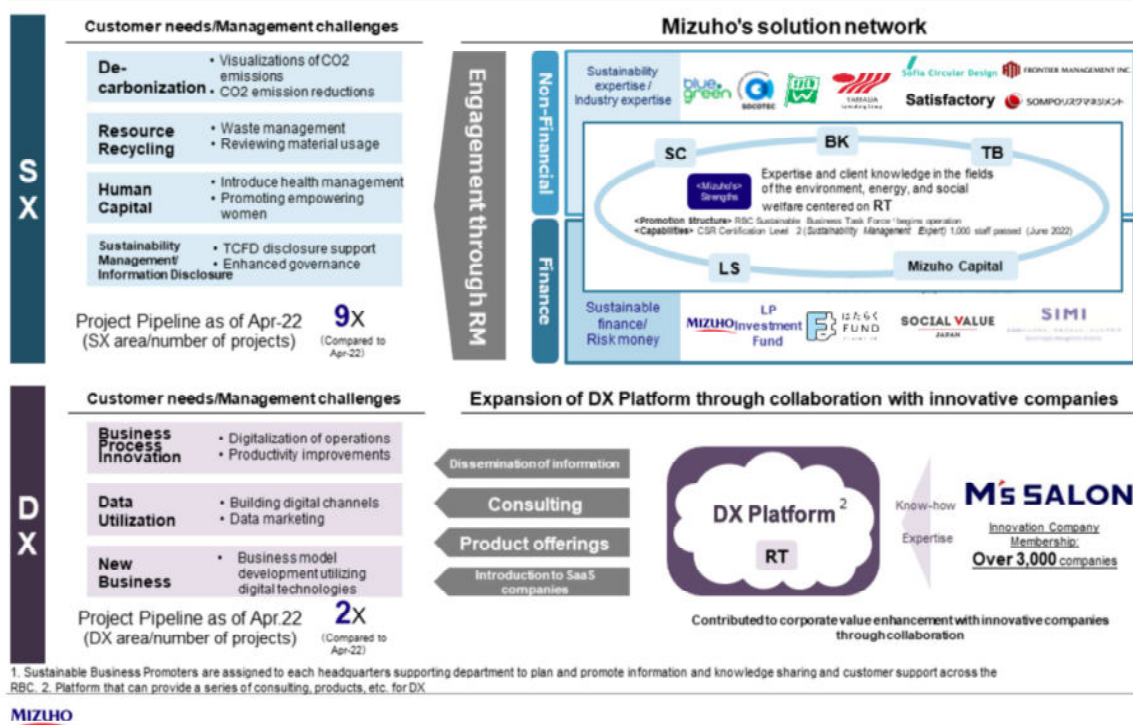




- ✓ I would like to explain our face-to-face corporate business initiatives. In FY21, under the new segment-based sales branch network, we strengthened our capability to respond to customer needs and dramatically improved our ability to find new projects through the operation of individual company account plans based on customer needs.
- ✓ The growth of M&A and real estate business through supports for growth strategies, business restructuring and business succession, and the expansion of the corporate investment business, which benefited from the success of the integrated strategy of the bank, trust & banking, and securities segment capturing the firm market trend until the end of the year, were the results of these efforts. In parallel with these efforts to service each individual company, we are also working honestly to revise the loan spread, which has been downtrend for many years, and are maintaining and expanding the spread reversal in FY20, thereby strengthening RBC's stable profit base.
- ✓ In the current fiscal year, in order to further strengthen these initiatives, first, we will focus on building relationships of trust with the top management of clients and strengthening RM. Second, in light of changes in the environment, including the expansion of sustainability initiatives to SMEs and the acceleration of digitalization, we will strengthen our ability to originate projects and provide solutions by fully utilizing our capabilities to meet the growing needs of individual companies for support for growth strategies, business restructuring and business succession.
- ✓ To support and enhance the effectiveness of these efforts, we will simultaneously strengthen our risk-taking capabilities by enabling flexible credit response by segment.

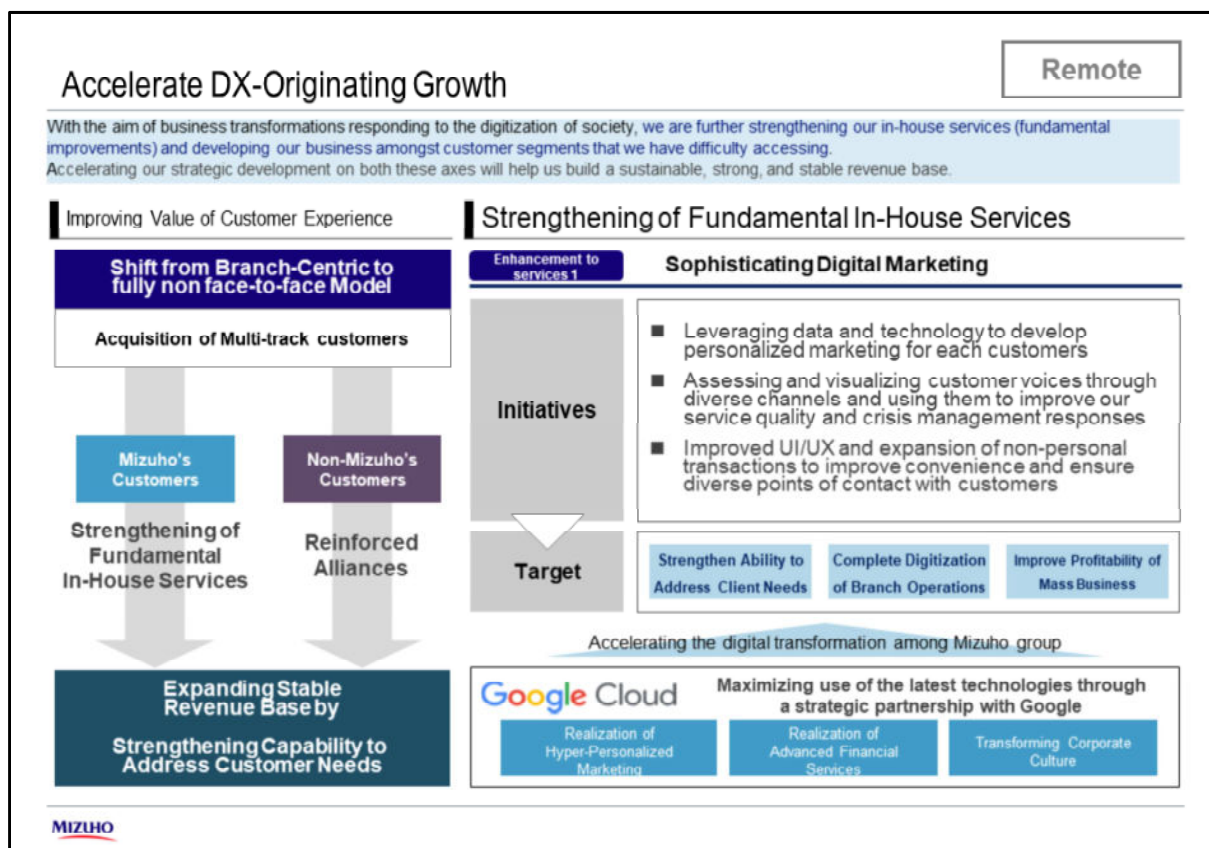
## Evolution of face-to-Face Business – Supporting SX/DX

SMEs



- ✓ As the irreversible trend of global SX/DX emphasis spreads to SMEs customers, we are encouraging both offensive and defensive efforts by our customers.
- ✓ With regard to SX, as the need for business structure changes targeting at decarbonization grows, we will respond with diverse solutions as a unified group, leveraging Mizuho Research & Technologies' expertise and knowledge cultivated over many years in handling projects.
- ✓ Regarding DX, we will respond to the DX needs of our clients by building a DX platform in collaboration with innovative companies, while at the same time contributing to the enhancement of the corporate value of innovative companies, amid anticipated needs for business process innovation, data utilization and others.
- ✓ As a result, currently the pipeline of SX/DX-related projects has increased several times compared to the previous fiscal year, and we are experiencing an accelerating increase in customer needs in this area. SX/DX is just one example, and through the provision of group-wide solutions and consulting proposals, we will continue to build relationships as a long-term partner with customers who repeatedly ask us for advice, thereby contributing to the continuous enhancement of our customers' corporate value.





- ✓ Next, I will explain our efforts to accelerate growth in the digital business, starting with DX.
- ✓ Customers' styles of using financial institutions are changing in line with the progress of digitization and the acceleration of lifestyle changes. By shifting our service offerings from branch-centric to smartphone-complete, we will get even closer to customers. In addition, under the high level of convenience and service quality, we will diversify clients of Mizuho customers and non-Mizuho customers that are out of Mizuho's reach and deepen our transactions with them. These are extremely important and fundamental concepts of our digital business strategy.
- ✓ First, let me explain the fundamental enhancement of in-house services for Mizuho customers. The first is an enhancement of digital marketing. By developing personalized marketing based on the analysis of customers' financial and behavioral data, we will improve the customer experience, enhance convenience by improving UI/UX in the channels we provide, strengthen our capability to respond to customers' needs, and achieve digital completion and substitution of OTC operations, thereby increasing the profitability of our mass business.
- ✓ We will also take full advantage of our strategic alliance with Google, which has the top global technology and scale in the DX field, to dramatically accelerate this effort.

## Accelerate DX-Originating Growth

Remote

### Strengthening of fundamental In-house services

#### Enhancement to services2 Fundamental improvements to UI/UX of Direct App

Complete by digital channel

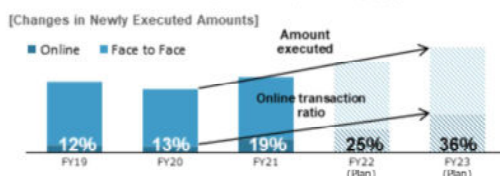
- ✓ App Store rating improved by drastic upgrading of UI/UX. By completing all transaction in a stress-free manner, the level of Direct App is now enhanced to become an alternative to in-person service at branch



#### Enhancement to services3 Mortgage loan Executed Amount Reversal

Maximization of stable revenue

- ✓ Further increase executed amounts and expansion of online transaction ratio by utilizing rate competitiveness acquired through long-term cost structure reforms years and by focusing on strategies for each market segment
- ✓ Steady progress in digitalization of business processes for improving efficiency
- ✓ New Product Introduction (Reverse 60) to developing growth market



1. As of Mar-22

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### Reinforcing alliances

#### Japan

Acquire customers through multiple channels

- LINE Credit and PayPay Securities have steadily expanded their business bases
- LINE Bank is preparing to establish in FY22

LINE Credit



PayPay 証券



#### Outside Japan

Global Expansion

- Strategic investment in two companies with growth potential, and launch of Value Up



- Invested in top-share e-wallet company in Vietnam
- Accelerating collaboration with Vietcombank and MoMo

tonik

- Invested in the first digital bank in the Philippine private sector
- Promoted collaboration with local Mizuho's local clients

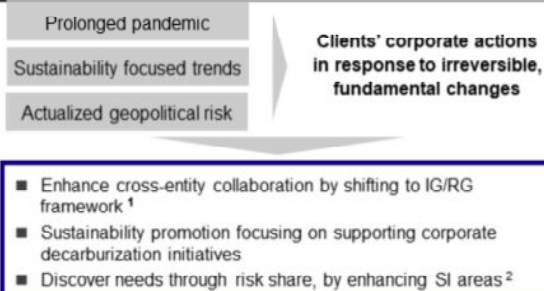
- ✓ Next is the enhancement of the Mizuho Direct app for digital completion. The app rating has improved significantly since the release of the UI/UX overhaul in February, and further enhancements are planned to make it a viable alternative for OTC transactions.
- ✓ Finally, we are strengthening our Internet mortgage, which we have been promoting since last fiscal year. Utilizing interest rate competitiveness acquired through years of fundamental cost reforms and under strategic pricing, in FY21 we achieved a reversal of the long-standing gradual decline in the amount of new executions, exceeding our annual plan.
- ✓ The alliance initiatives to attract non-Mizuho customers are shown on the right. In Japan, we are focusing on collaboration with LINE, Japan's largest communication platform, and PayPay, Japan's largest payment platform. LINE Credit and PayPay Securities, which have already started operations, are steadily expanding their business bases in terms of loan value and the number of point operation users. As for LINE Bank, preparations are underway to open the bank by the end of FY22.
- ✓ Overseas, in order to capture the growth of the ASEAN market, we made strategic investments in two companies, MoMo, the leading e-wallet company in Vietnam, and Tonik, the first digital bank in the Philippines. Through alliances with other companies, we will continue to work on strengthening our ability to acquire customers out of Mizuho's reach and diversifying our business portfolio.

- ✓ That's all I have to say. As I mentioned at the beginning of this presentation, the results of the RBC strategy are emerging, and we intend to continue to fulfill our role as stable revenue base by making up-front investments aimed at accelerating the strategy and steadily achieving stable business operations. We appreciate your continued understanding and support for Mizuho. Thank you for your attention.

Corporate & Institutional Company

## Key strategies of Corporate & Institutional Company

### Business environment /Strategy Implementation



### Earnings plan <sup>3</sup>

(JPY B)	FY18 results	FY21 results	FY22 Plan	YoY
Gross Profits	473.8	494.4	483.0	- 11.4
Expenses	- 198.1	- 201.4	- 204.0	- 2.6
Net Business Profits	276.1	296.7	285.0	- 11.7
Net Income	329.1	183.5	228.0	+ 44.5
ROE <sup>4</sup>	-	5.1%	6.7%	+ 1.6%

1. Industry Group + Regional Group framework for corporate banking in Japan. 2. Strategic Investment (mainly mezzanine investment / finance such as preferred stock and subordinated loan). 3. FY18 figures based on FY18 accounting rule (before impairment losses). FY21 and FY22 figures based on the FY22 accounting rules. 4. FY18 figure not disclosed since it is pre-Basel III basis. 5. RT: Mizuho Research & Technologies, FT: Mizuho-Cl, Financial Technology.

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### FY22 key strategies

#### Basic policy

Establish the brand image as "the most reliable wholesale bank", and demonstrate the value as "a partner for the co-creation of value" to support the clients' sustainable growth

#### Key strategies



- I am Take, Head of Corporate & Institutional Company (CIC). At this time, I would like to explain the status of the Company's key strategies for FY22. First, I would like to explain CIC's recognition of the current environment and the status of the Company's initiatives.
- The prolonged impact of COVID-19 pandemic, the trend toward greater emphasis on sustainability, and the emergence of geopolitical risks are causing irreversible structural shifts in various businesses. In this environment, corporate actions by our clients are accelerating, and Mizuho has been working on integrated group sales through the Industry/Regional Group (IG/RG) system based on business type, sustainability initiatives centered on supporting clients' decarbonization efforts, and business risk sharing with clients through mezzanine investments and loans.
- As a result, as shown in the chart below left, we were able to achieve the highest gross profits and net business profits results in FY21 since the introduction of the Company system. In FY22, we plan a slight decrease compared to FY21, as we anticipate a difficult business environment.
- On the right is the key strategies for FY22. This year, our major policy of contributing to the sustainable development of our clients as a value co-creation partner remains unchanged. The three key strategies are: further sophistication of the IG/RG system, deepening the value co-creation and risk-sharing business model, and portfolio replacement and risk preparedness.
- From the next page, I will explain each of the key strategies.

## Leveraging the new IG/RG framework

### Positive impacts

#### ■ Building on our new strengths

Industry-focused organization



IG/RG-based management



Cross BK-SC sales



Building industry sector insights	Approaching the C-Suite level	Enhancing BK-SC collaboration
Over JPY 0.5B profit <sup>1</sup> deals <b>1.2 x</b>	Strategic HR allocation Approx. <b>20</b> people	SC coverage profits <b>1.1 x</b>

#### E.g. of deals

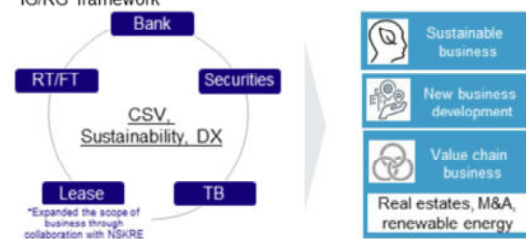
BK SC	BK SC	BK SC
<b>Global industry insight</b>	<b>Capability of C-suits proposal</b>	<b>Placement capability of SC</b>
Supported overseas expansion of a major JP tech company, utilizing local industry insight of US bankers, based on business strategy discussion.	Proposal to the C-suite level for business portfolio restructuring, by utilizing strategic staff, on the backdrop of chemical industry restructuring.	Business strategy support utilizing our start-up industry insights; placement leveraging our investor base both domestically and internationally.
Sole FA appointment for XBM&A	FA appointment for divestment	Top-left position for a global IPO

1. Non-interest income. 2. Global coordinator.

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### Developing value chains

- Establishing financial/non-financial value chain through BK+TB+SC+LS+RT/FT\* collaboration
- Leveraging the cross-entity resources to take a full advantage of the IG/RG framework



#### E.g. of deals

BK TB LS	BK TB SC
<b>Real estates value chain</b>	<b>M&amp;A value chain</b>
Direct proposal to the C-suite level focused on disposal of core office properties and affiliates.	Comprehensive proposal of growth strategy, roadmap making, and strategy execution, on the backdrop of business restructuring discussion.
One-stop solution covering asset disposal, financing, and equity support through LS, etc.	Sole GC <sup>2</sup> appointment for global offering, in addition to arranging acquisition finance and PMI

- ✓ First, the IG/RG system, the first of our priority strategies. In May last year, the 37 BK sales departments were reorganized into 21 and consolidated into five industry groups and two regional groups based on sector affinities and current trends. Simultaneously with the reorganization of the departments, the sales structure of BK and SC was completely mirrored, with BK sales representatives concurrently serving in SC in principle.
- ✓ In addition, TBs and regional sales departments were reorganized team-by-team on a sector axis, so that the benefits of the sector system can be enjoyed by the entire Group. As a result, results are already starting to show from the first year after the reorganization.
- ✓ On the left side, we present three main sales strengths. The first is the accumulation of industry knowledge by industry sector. At this time, organizational restructuring has activated discussions of hypothetical proposals based on industry knowledge, not only in cooperation with the industrial research department and other specialized departments, which was one of our previous strengths, but also within the sales frontlines. The second is the introduction of an autonomous management system in IG/RG.
- ✓ We have established a system to activate high-level management discussions by assigning approximately 20 advanced staff members for strategic proposals under the supervision of the IG Director. The third is to strengthen the sales structure across BK and SC segments. By completely mirroring the sales structure of BK and SC on the industry axis, a more seamless collaboration system has led to an increase in the number of proposals.

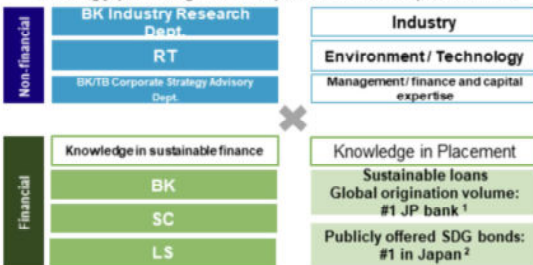
- ✓ Through these efforts, the number of large deals and SC coverage revenue increased in the last fiscal year, as noted. As an example, we would like to share with you a cross-border M&A deal on the left side, in which we obtained a sole FA. This case supported overseas M&A by Mizuho's industry knowledge and collaboration with the US. We have been working with Japanese tech company A as their main bank for many years at the C-suite level, and BK and SC have had ongoing discussions on business strategy in Japan.
- ✓ In this environment, we began working with the tech industry-savvy coverage team at Mizuho Securities USA, as we were in an industry where the pace of technological innovation was rapid and maintaining a technological edge was a major challenge. By providing information based on our industry knowledge in North America and making proposals regarding business and acquisition strategies from the standpoint of solving our management issues, we were able to build a relationship of trust and contribute to the realization of our strategy.
- ✓ In this acquisition, we were highly evaluated for our long history of global and smooth BK and SC cooperation, as well as our acquisition strategy, valuation, and negotiation tactics proposals with the target company based on our local knowledge in the US. We were appointed as the sole FA for cross-border M&A at Mizuho, which was not the lead managing brokerage firm.
- ✓ Next, see right side of the page. The effect of the introduction of the IG/RG system has been to establish and upgrade not only financial but also non-financial value chains by expanding the circle of collaboration to include group companies such as RT, FT and MHLS, in addition to BK, TB and SC cooperation.
- ✓ On the bottom right is another example of an M&A value chain. In this case, we conducted a series of C-suite discussions with a major chemical company, E, fully leveraging our industry knowledge, including industry restructuring trends, access to the management level of each major company, and understanding of each company's stance on non-core businesses.
- ✓ As a result, our inorganic growth strategy, roadmap creation, and strategy implementation proposals were highly evaluated, and we were appointed as the FA for a large-scale M&A. In addition, subsequent acquisition financing and PMI were handled by the entire Group of BK, TB, and SC as a one-stop service. In addition, SC has been appointed as the sole global coordinator of the global PO as a post-acquisition growth financing.



## Deepening Value/Risk-sharing business model: 1. Sustainability

### Mizuho's strengths

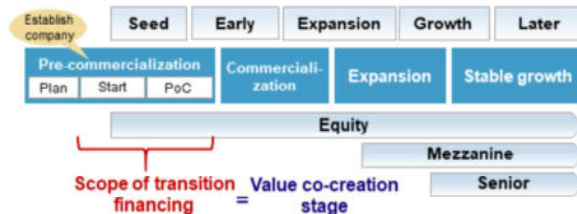
- Integrated offering to support client's sustainability strategy planning and corporate value improvement



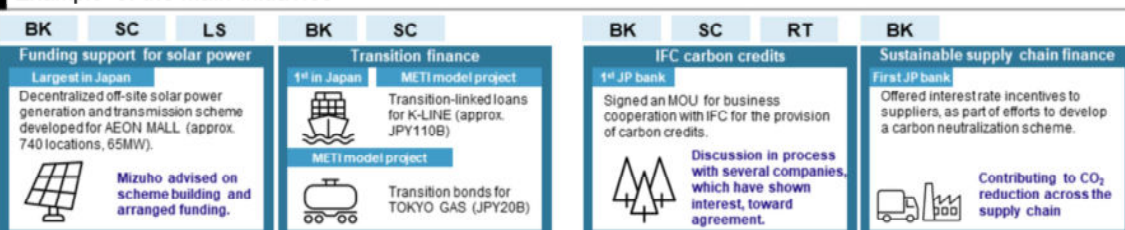
### Transition finance framework

- Realize value co-creation through risk sharing

- Secured a fund for investing in decarbonization projects at a pre-commercialization stage (planning over JPY50B total investment).
- Consulting the IRD and RT upon investment decisions



### Example of the main initiatives



1. Apr-21-Mar-22. data. Source: Prepared by BK based on data published by Refinitiv. 2. Apr-21-Mar-22. Source: Refinitiv.

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- ✓ From this page, we will explain the second priority strategy, deepening the value co-creation and risk-sharing business model. First, our approach to sustainability.
- ✓ See left side. Mizuho's strength in sustainability is that we are able to support our clients in improving their corporate value from both non-financial and financial perspectives by providing support from the strategy formulation stage as a unified group. In the non-financial area, we engage with our clients by leveraging the industrial knowledge of industrial research department in BK, the environmental and technical knowledge of RT, and the management and financial capital expertise of corporate strategy advisory department in BK and TB.
- ✓ In the area of finance, we are leveraging our strengths in the development of sustainable finance frameworks and our investor network cultivated through syndication to achieve remarkable results, ranking first among Japanese banks in global sustainable loan origination volume and first in Japan in public-offered SDGs bonds.
- ✓ See right side. Mizuho established a new transition investment facility in April. The total amount of money is expected to be over JPY 50.0B. This project aims to proactively address social issues by value co-creation with clients through risk sharing in early-stage decarbonization-related projects, which have been difficult for financial institutions to handle in the past. In general, projects in the early stage are extremely difficult to make investment decisions for, but we will make the most of the environmental and technical knowledge we have accumulated in the industrial research department and RT to select projects.



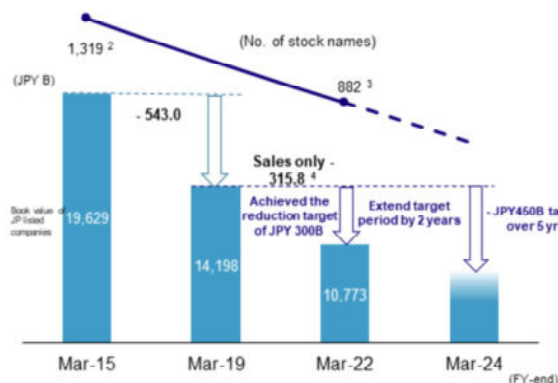
- ✓ We have received many inquiries since the start of operations in April, and we are seeing a high demand for projects in Japan as well as overseas. We are also receiving inquiries about participation in projects outside of the areas we had originally envisioned, such as hydrogen and CCUS.
- ✓ On the lower left are some examples of renewable energy solar procurement assistance. This is a project in which BK, SC, and MHLS worked together as a group to support the client's sustainability-related issues from both non-financial and financial perspectives.
- ✓ Mizuho advised and arranged financing for the construction of Japan's largest low-voltage distributed solar power generation network using a self-dispatch system for the AEON Group. In addition to Mizuho's accumulated strengths, such as environmental and technological knowledge that foresee a shift in the main role of solar power generation from mega solar to low-voltage distributed generation, bridge fund and structuring know-how, and knowledge of lease accounting, we understand that the key to this project is that Mizuho has taken the lead in establishing a cooperative framework among the three companies: the AEON Group's nationwide development experience, a leading EPC provider in the field with its unique power generation forecasting technology, and Mizuho.
- ✓ This project has been highly acclaimed not only as a way to support the decarbonization of our clients, but also as an effort to simultaneously resolve the social issue of the utilization of abandoned farmland and the lack of suitable land for power generation in Japan.
- ✓ Next, as a future initiative, I would like to introduce a case study of the first sustainable supply chain finance by a Japanese bank shown in the lower right box. In recent years, companies have become increasingly aware of the indirect CO2 emissions in their supply chains. By extending the scope of ESG-related third-party assessments to the supply chain, we strongly support our customers and suppliers in achieving their goals for decarbonization and CO2 emissions reduction.
- ✓ Interest in carbon reduction in the supply chain is very high, and we have been consulted by leading suppliers in the automotive, electronics, retail, and other industries on the establishment of schemes and other matters. The question is how we can provide our clients with a variety of solutions to address decarbonization.
- ✓ As Japanese industry as a whole is under pressure to respond to climate change, we will firmly play the role required of us as a financial institution to capture the significant business opportunities related to the transitions in the future.

## Deepening Value/Risk-sharing business model: 2. CSV

### Cross-shareholdings portfolio

- Achieved the 5-yr reduction target. Will continue working for further reduction.
- Managed to shrink the stock portfolio incorporated in the retirement benefit trust.

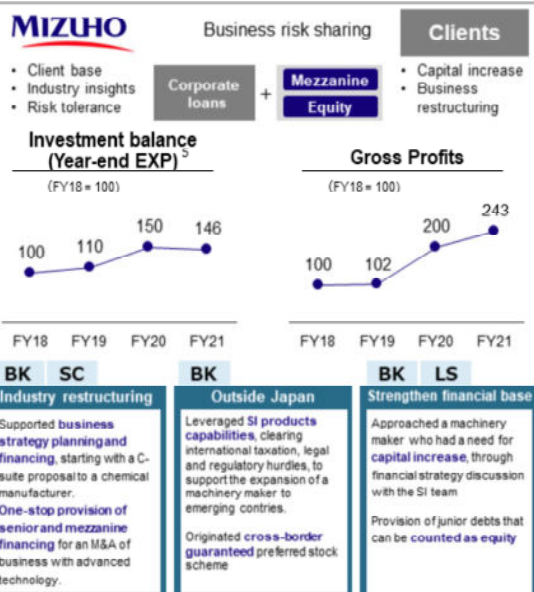
From Mar-20 to Mar-22 Reduction: - JPY425.7B  
Outlook of Mar-22 to Mar-24 Reduction: - JPY170.0B<sup>1</sup>



<sup>1</sup> Outlook based on the market value and market conditions as of Mar-22 and will fluctuate depending on future trends in market value. <sup>2</sup> BK, stock listed in Japan. <sup>3</sup> About half the cross-sharing of 882 companies are partially reduced during Mar-15 to Mar-21. <sup>4</sup> Decrease in book value from Mar-15 to Mar-22: -JPY 342.0B (or sales: -JPY 315.8B, or impairment loss: -JPY42.4B, temporal increase due to reverted stocks from the Employee Retirement Benefit Trust: -JPY 12.0B). -6: Significant

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### Initiatives in the SI field

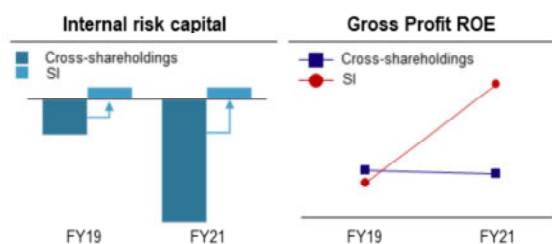


- ✓ Next, the shift to value co-creation. In light of changes in the environment surrounding the Corporate Governance Code and the fact that stock price fluctuation risk can have a significant impact on financial conditions, CIC has shifted its engagement methods with clients from policy shareholdings to risk sharing and value co-creation, while taking into consideration the impact on the market and other circumstances to be considered.
- ✓ As shown in the chart on the left, the amount of book value sales exceeded the book value reduction target of JPY 300.0B by the end of March 2022, amounting to JPY315.8B. In addition, we aim to sell JPY450.0B in book value by the end of March 2024, the period of the management plan that includes the next 2 years. Concurrent with the plan to reduce policy shareholdings, we are also working in parallel to reduce the number of shares held in retirement benefit trusts. Over the two-year period ending March 2022, we have reduced the amount by JPY425.7B on a market value basis.
- ✓ This corresponds to an improvement effect of about positive 0.3% on a CET1 ratio, new regulation basis. In addition, we plan to further reduce by approximately JPY170.0B on a market value basis by the end of the next two years, equivalent to an improvement of approximately positive 0.1% in the CET1 ratio. While it is a precondition that we proceed with this matter with the understanding of our clients, we will make our utmost efforts to achieve this goal as far ahead of schedule as possible.

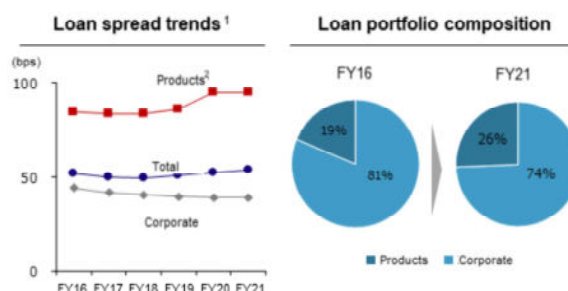
- ✓ See right side. Capital generated by the reduction of cross-shareholdings will be shifted to the SI field. With the acceleration of industrial structural transformation, there has been an increase in capital reinforcement and business portfolio restructuring. In response to these changes, Mizuho has been utilizing the SI field ahead of its competitors and sharing business risks with its clients. As shown in the middle graph, the investment balance has remained flat, partly due to the exit of existing projects, but the current pipeline has built up to about 1.8 times YoY, although there are variations for each project.
- ✓ As shown in the graph to the right, the amount of revenue itself has grown significantly, which indicates that Mizuho's SI strategy as a leading player is bearing fruit.
- ✓ On the right side are some examples of industry restructuring that were highly evaluated by our clients in the last fiscal year. In this case, we assisted a major chemical company A, in both the implementation of its business acquisition strategy and the financing of the acquisition.
- ✓ Through repeated discussions on business portfolio restructuring strategies at the C-suite level, we were able to create acquisition deals. We formed an investor consortium that included Mizuho and provided one-stop services from senior and mezzanine financing. We believe that our strategy of value co-creation through strategic discussions and business risk sharing with our clients has been well received by them.

## Portfolio reshuffling / Risk hedging

### Shift to the profitable SI portfolio



### Enhancing products capability

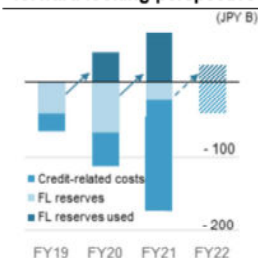


1. BK CI Division internal accounting basis, excluding loans to the public sector 2. Real estate finance, acquisition finance, project finance, securitization, ship finance, and mezzanine.

### Enhanced credit management

- Approx. 90% of the lending portfolio are Investment-Grade (IG). Applying enhanced monitoring for Non-IG clients.
- Used reserves recorded from a forward-looking (FL) perspective to absorb the impacts such as the COVID-19 pandemic and supply chain disruption.
- The credit examination section has also been reorganized into a sector-aligned structure. Additional people have been allocated to look for financially distressed clients.
- A framework for enhanced monitoring is being developed at the management level.

### Usage of reserves from a forward-looking perspective



### Building an effective monitoring framework



- See top left, gross profit ROE graph. In terms of profitability in the SI field, we are replacing projects by rigorously managing investment profitability for exits and strictly enforcing criteria for taking up projects. As a result, the SI field is now approximately three times more profitable than the policy-holding stocks.
- The lower left chart shows changes in loan spreads. The low interest rate environment in Japan has not changed, and corporate loan spreads have remained low, but we continue to maintain certain spreads on product loans, including highly profitable acquisition finance and mezzanine loans. Mizuho is focusing on product loans by strengthening its product capability, and its balance has grown 1.8 times compared to FY16, increasing its share to about 26% in FY21. The portfolio strategy of increasing the ratio of profitable product loans has been successful, and as shown in the graph on the left, the overall CIC spread has continued its improvement trend.
- Finally, we will explain credit management on the right side of the page. The percentage of investment grade equivalent in the loan asset portfolio remained high at approximately 90%. For the remaining approximately 10%, or non-investment grade equivalent counterparties, we have expanded the scope of monitoring in the face of increasing uncertainty.

- As shown in the left graph on the lower right, we will continue to monitor credit-related costs closely due to the prolonged impact of COVID-19 pandemic and the emergence of geopolitical risks and will also utilize forward-looking provisions as appropriate. In addition, the screening section was also reorganized to be consistent with the IG system, allowing us to utilize our industry knowledge in credit management together with the front office more than ever before.
- Moreover, we are strengthening our response capability by increasing the number of personnel in specialized departments that implement intensive responses to clients with deteriorating business performance. Taking the opportunity of the IG/RG system, we are working on further upgrading credit management by establishing a framework to strengthen autonomous monitoring by the head of IG/RG.
- As I have explained so far, we will continue to demonstrate our value as a partner in value co-creation by working together with our clients to address the various risks they face in this uncertain environment. In particular, the very solutions to our clients' management issues, such as addressing sustainability, are a source of growth and a great opportunity for Mizuho.
- Looking in the same direction as our clients, we will continue to contribute to the development of Japanese industry, which will lead to the growth of Mizuho. That's all from the Corporate & Institutional Company. Thank you for your attention.

Global Corporate Company

## Key strategies of Global Corporate Company

### Business environment

-  Transition phase anticipating normalization of economic and market environment; volatile market given the interest rate hikes, etc.
-  Increasing geopolitical risk given the US-China tension and instability in Europe, etc.
-  Spread of sustainability-related finance and products in the market.
-  Accelerating digital transformation (DX), such as digital technology usage, driven by the COVID-19 crisis.

### Earnings plan<sup>1</sup>

(JPY B)	FY18 results	FY21 results	FY22 Plan	YoY
Gross Profits	416.1	592.8	607.0	+ 14.2
G&A xpenses	- 251.9	- 300.0	- 319.0	- 19.0
Net Business Profits	171.2	308.4	305.0	- 3.4
Net Income	91.5	147.8	191.0	+ 43.2
ROE <sup>2</sup>	-	5.6%	7.0%	+1.4%

1: FY18 figures based on FY18 accounting rules (before recording one-time losses). FY21 and FY22 figures based on the FY22 accounting rules. 2: FY18 figure not disclosed since it is pre-Base I III basis. 3: FY22 accounting rules.

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### Earnings trends<sup>3</sup>

- Achieved the 5-Year Net Business Profit target ahead of FY23, through Non-JPY Loan/Debt management, initiatives toward growth fields, and initiatives toward structural issues.



### Key strategies for FY22

- In tandem with the 5-Year Business Plan, started the following initiatives for a next Business Plan.



- ✓ I am Take, Head of Global Corporate Company, Mizuho Financial Group. At this time, I would like to explain the status of the Company's key strategies for FY22.
- ✓ First, the perception of the current business environment. The impact of COVID-19 pandemic is gradually easing, and a volatile market environment is expected due to interest rate hikes and other factors during the transitional period when the economic and market environment is moving toward normalization. In addition, geopolitical risks, such as the normalization of the US-China conflict and the destabilization of Europe, are on the rise, making this year even more difficult to manage than last year.
- ✓ We intend to further upgrade our risk management, raise our standards, and respond to the situation. Outside of the financial markets, sustainability efforts by governments and private companies are becoming more active every day, and fundraising is increasing. We also see this year as one in which digital transformation will further accelerate, with COVID-19 as a catalyst.
- ✓ See the graph on the upper right regarding the performance aspect. In FY21, we have already achieved our net business profit target for the final year of the current 5-Year Business Plan ahead of schedule, with record profits for the fourth consecutive fiscal year, thanks to an increase in the loan balance and the promotion of non-IG business in the US capital markets. Net business profit for FY22 is expected to decrease slightly YoY due to downward pressure on loan spreads caused by increased competition, a swing back to the booming IG DCM market, and an increase in expenses due to inflationary effects.

- ✓ Below right are the key strategies for the current fiscal year. In addition to the three initiatives in line with the concept of the current 5-Year Business Plan: foreign currency deposit and loan operations, initiatives in growth areas, and ongoing efforts to address structural issues, the plan also focuses on initiatives for further growth with a view to the next management plan.
- ✓ We intend to address the structural challenges of the Global Corporate Company business model and accelerate the transition to a sustainable growth model while maintaining stable business operations. I will now explain in detail on the next page in accordance with the four key strategies.



## Non-JPY loan/deposit management

### Loan income

- Balance and spread are both growing, driving profits.

(USD B, period-end balance)



#### Loan balance

Captured the growing cash demand



#### Loan spread

Built up high-spread product pipelines

### Balance sheet management

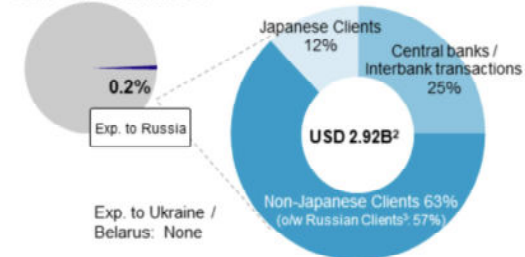
- Optimizing balance sheet from three directions, including loans, deposits, and market funding.



### Credit-related costs

- Proportion of Russia-related exposure is very small compared to the total exposure.

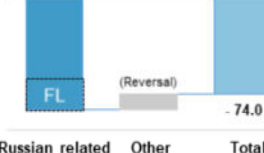
Total EXP as of Mar-22<sup>2</sup>



- Applied forward-looking (FL) reserves from a forward-looking perspectives to address the Russian country risk, including additional sanctions.

(JPY B)

FY21 GCC Credit-related costs



- Complying with various regulations and international economic sanctions
- Paying attention to indirect impacts, such as commodity price hikes
- Reversal of credit-related costs recorded in the areas not related to Russia

1: Loan balance outside Japan (management accounting basis). Loan spread: monthly averages. In-house company management basis.

2: B/K consolidated + T/B consolidated. Inclusive of loans, commitment lines, guarantees transactions, derivatives related credits, etc. Balance after guarantee at country of risk. 3: Inclusive of project finance transactions.

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- ✓ The top left of this page shows changes in loan balances and spreads. In FY21, both the balance and spread are growing, and the loan balance is increasing. This can be said to be the result of steadily capturing working capital demand, which expanded with the rise in commodity prices, and accumulating structured products with favorable spreads, mainly in the Americas.
- ✓ However, as the line graph shows, the pace of spread expansion has slowed, and the environment is uncertain for FY22, with the reversal of accommodative monetary policy. In the face of downward pressure on spreads, our policy is to operate with an emphasis on both balances and spreads.
- ✓ Below left is about balance sheet management. We operate a cross-company, multifaceted balance sheet control operation based not only on the balance of overseas loans and deposits, but also on market funding, domestic deposits, and other movements.
- ✓ In addition, we are continuously working to improve the quality of deposits. We are strengthening our operations to achieve both deposit stability and cost by building up liquid deposits, which are stable and expected to increase earnings after interest rate hikes, while controlling the volume of time deposits, which are relatively high cost.

- ✓ Next, credit-related costs. As shown in the figure above right, Mizuho's Russia-related exposure is USD2.92 billion, a limited percentage of its total exposure. In addition to complying with various regulations and sanctions of various countries, we will closely monitor the indirect effects of surging resource prices and other factors.
- ✓ As shown in the figure below right, we have made substantial provisions for our Russia-related exposures against the risks currently anticipated by utilizing forward-looking provisions to prepare for additional sanctions and others in the future. As a result, the Company as a whole recorded JPY 74.0B in credit-related costs, while a gain on reversal was recorded outside of Russia. We will focus on controlling credit-related costs by enhancing our monitoring of the impact on the economy due to rising interest rates, inflation, geopolitical risks and other factors.

## Focus on growing business fields: 1. US Capital Markets business

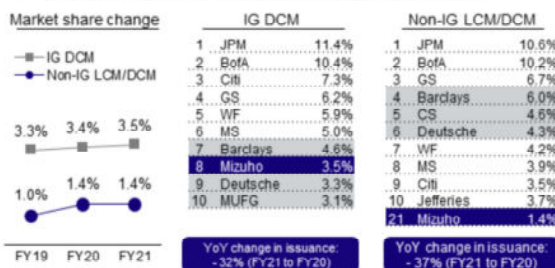
### Gross Profit trends

- Approaching sponsor clients to build on the stable profit base supported by IG-Corp clients.



### League tables<sup>1</sup>

- Maintaining the share and rankings in IG DCM.



1. Source: Dealogic, fee basis, FY21 results. Non-US banks highlighted in grey. 2. Offering advisory as well as arrangement services, such as inviting LP investors, for the launch or expansion of funds by sponsors.

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### Initiatives towards further growth

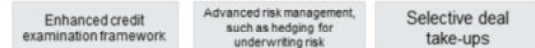
- Leveraging strengths developed in the IG-Corp. segment in expanding our business fields.



- Additional offering in the sponsor business value chain.



- Enhancing internal control and operational capabilities responding to the market environment change.



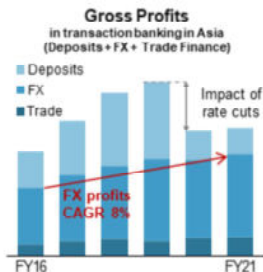
- From this page, we will explain our efforts in growth areas. First, I will explain the US capital markets. The upper left-hand corner shows the transition of fees related to capital markets. In FY21, the strategy of expanding transactions, especially with sponsor clients, was successful and led to strong results amid financing associated with mergers and acquisitions, which became active during the economic recovery process from the coronavirus crisis, and a booming ECM market supported by high stock prices.
- The bottom left is Mizuho's position in the market. Although the overall market declined YoY, IG DCM improved in market share and league table rankings, maintaining a top-tier presence outside of US banks. Particularly in the non-IG area, we maintained the market share we raised in the previous year and captured a number of transactions that became more active, while the overall market volume expanded significantly. This has been a major factor in our earnings growth.
- For the top right, there is no change in our strategy to expand our customer base and product functions by leveraging Mizuho's strengths, which we have cultivated over the years. In the sponsor-related business, we will deepen relationships with carefully selected sponsors and provide them with the right products for each event to move up the business value chain. The Capstone acquisition, announced in January 2022, is a step forward in this strategy. By leveraging the Company's investor base and private placement capabilities, we will grow Mizuho's US capital markets business to a higher stage as we provide higher value-added solutions.

- ✓ On the other hand, the capital market business, which is based on underwriting and sales and is expected to have high asset efficiency and non-interest income, has a nature that makes its performance susceptible to changes in market conditions. In order to sustainably increase profitability in such businesses, we are strengthening not only the business promotion function in the front office, but also the check-and-balance function.
- ✓ Specifically, we are continuing to upgrade our operational infrastructure by establishing a dedicated LBO review team, hiring experienced credit risk heads, and introducing tools to hedge our underwriting portfolio. In selecting individual projects, we have established our own selective selection criteria, and we examine risks and take selective action based on a careful assessment of the Company's ability to repay the loan and market trends.

## Initiatives towards growing business fields: 2. Transaction Banking in Asia

### Earnings trends

- FX is the major profit driver, while deposit balance is also growing in anticipation of interest rate hikes.

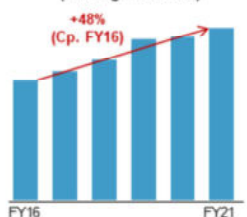


- FX profits are growing, more than offsetting the impact of rate cuts.

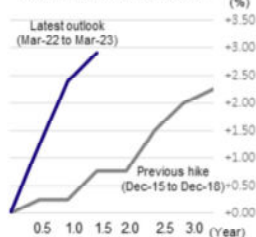
#### Gross Profit change

	FY21	YoY
Deposits	+1%	
FX	+12%	
Trade	+3%	
<b>TOTAL</b>	<b>+8%</b>	

#### Liquid deposit balance in Asia (average balance)



#### Pace of USD rate hikes\*\* (%)



\*1: Source: Bloomberg. \*2: Mizuho Global Services India (est. March 2020).

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### Further building up liquid deposits balance

#### Increasing transactions

##### By client approach

- JP Corp. overseas**
  - Capturing settlement cash flows
- Multinationals**
  - Cross-regional approach to local subsidiaries in Asia
- Local market leaders outside Japan**
  - Enhanced approach to target groups

#### Strengthening sales function

##### By product approach

- Enhanced cash management**
  - Enhanced e-banking and pooling function
- Enhanced marketing**
  - Introduced new front-office support tools
- Streamlining operations**
  - Consolidation into a global services center in India<sup>2</sup>

#### Building up sticky liquid deposits

#### Awards

- Won high-profile international awards



Besttrade finance bank in Asia

- ✓ This page is about transaction banking in Asia. We will explain the trends of deposit income, forex income, and trade income, which make up Asia transaction banking revenue.
- ✓ Although deposit income decreased in FY20 due to the impact of interest rate cuts, as shown in the graph below left, we believe that we can expect further increases in income when interest rates rise in the future due to the steady accumulation of liquid deposit balances in Asia. The latest interest rate hike in the US is expected to be earlier than the rate hike at the time of 2015, and in an environment where deposit earnings are expected to increase, we will work to continue to grow our deposit balance levels.
- ✓ Forex revenues have averaged 8% growth over the past five years and increased by 12% YoY due to proposals based on quantitative analysis of foreign exchange risk and proactive commercial intake. Although the amount of revenue itself is not large, trade revenue grew 3% YoY, accurately capturing the external environment of high resource prices and contributing to overall growth.
- ✓ As shown in the upper right-hand corner, in consideration of the interest rate hike in the future, we will work to further increase the balance of liquid deposits by taking two approaches: a client-specific approach, such as capturing commercial distribution and expanding transactions, and a product-specific approach, such as strengthening sales functions.

- ✓ In terms of the client-specific approach, we are working to expand transactions not only with Japanese companies overseas, but also with Asian subsidiaries of European and US multinationals by taking advantage of regional cooperation. For example, we have a track record of providing cash management services to Chinese subsidiaries of Western companies. We are also strengthening our approach to local business partners by utilizing our extensive network in the Asian region to tap into the ASEAN investment capital of local Asian companies.
- ✓ From a products perspective, in addition to investment development in upgrading the functionality of e-banking and pooling systems and the introduction of sales support marketing tools that utilize transaction data, the strengthening of the trade deal acceptance system through the use of an office consolidation subsidiary in India has contributed to the acquisition of highly adhesive liquid deposits.
- ✓ As a result of these efforts, Mizuho's transaction banking has been highly evaluated in Asia, winning the best trade finance bank in Asia five times in Global Trade Review's Leaders in Trade, in recognition of its development of products in specialized journals and provision of solutions utilizing our network.

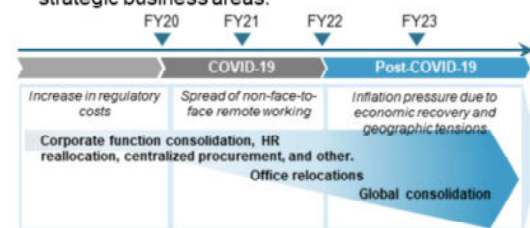
## Continued initiatives to responding to structural issues

### Cost control

- Achieved the 5-Year Business Plan target for Expense Ratio ahead of FY23.



- Controlling expenses in tandem with investment in strategic business areas.

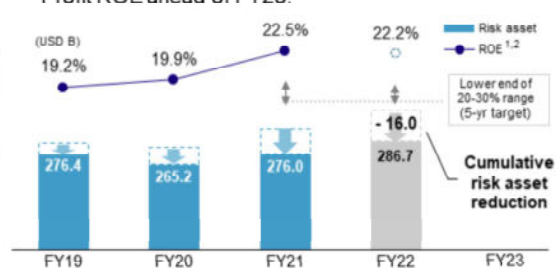


1: FY22 management accounting rules, company management based. 2: Basel III finalization basis, ROE: Gross Profits ROE

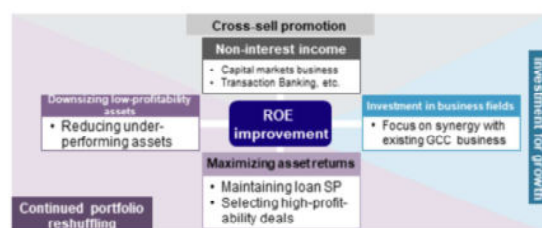
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### Improving capital returns

- Achieved the 5-Year Business Plan target for Gross Profit ROE ahead of FY23.



- Improving ROE through multidimensional approaches.



- ✓ This page explains our approach to structural issues. First, in terms of cost control, in FY21, the cost to income ratio declined to 51% as a result of the increase in gross business profit, which was achieved through measures such as office space reduction and personnel optimization in response to changes in work styles, in order to contain the increasing pressure of inflation and regulatory compliance costs. In the current fiscal year, the expense ratio is expected to increase slightly from the previous year, as global inflation continues to rise and the pressure to increase expenses increases further.
- ✓ Efforts to improve expenses have been developed with an awareness of the external environment. Please look at the bottom left. Specifically, in response to the increasing trend in expenses due to regulatory compliance and other factors, since FY17, the Company has been taking steps such as consolidation of corporate functions and centralized purchasing, and since FY20, the Company has been reviewing office space in response to the development of non-face-to-face and remote work, which was triggered by COVID-19 pandemic.
- ✓ However, even if the external environment changes, the underlying concept is to appropriately control expenses while investing management resources in strategic business areas. From the current fiscal year onward, amidst the expected economic recovery and inflationary pressures due to the emergence of geopolitical risks, we will invest management resources in strategic business areas and business stabilization while implementing cost reduction measures such as global consolidation, etc., with a benchmark expense ratio in the mid 50% range, lower than the low 60% range in the current five-year business plan.



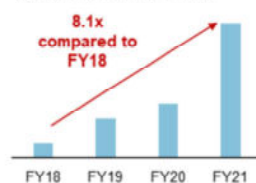
- ✓ The next step is to improve capital returns. As shown in the upper right graph, the various measures that we have been implementing with an eye to the full application of the new Basel regime are bearing fruit, and we have already achieved a level of ROE that exceeds the target set at the time the current five-year management plan was formulated. To further improve gross operating income ROE, we will continue to implement measures such as reducing underperforming assets, maximizing asset returns, and enhancing non-interest income and expenses.
- ✓ In the area of reducing unprofitable assets, we have also established profitability standards on a Basel fully applied basis and are working to reduce such assets. Reductions are well underway, and we expect a cumulative USD16 billion reduction in risk-weighted assets from FY19 through FY22 on a fully-applied basis. Maximizing asset returns and enhancing non-interest income and expenses have been explained so far in the section on foreign currency deposit and loan operations and efforts in growth areas. In addition, while keeping an eye on the external environment, we will continue to invest in business domain expansion, focusing on synergies with our existing Company business, with the aim of further improving ROE.

## Initiatives towards further growth

### Sustainability business

- Building up track records through the global ESG champion scheme and engagement with clients.

Sustainable finance originated by Mizuho outside Japan



FY21 Sustainable finance (Loans) origination<sup>1</sup>

Global ranking **4<sup>th</sup>**  
(No. 1 among Japanese banks)

FY21 Sustainable bonds Origination<sup>2</sup>

Global ranking **14<sup>th</sup>**  
(No. 1 among Japanese banks)

### Leveraging industry insights and Asia/Japan-edge



Supported business strategy development for a JP-Corp. client based on discussion and proposal, through collaboration with RCU in and outside Japan.  
**>> One-stop solution for ESG finance deals**



Leveraged our investor base in Asia to invite investors in Japan to join a deal for a real estates giant in Singapore.  
**>> First sustainability-linked cross-border syndicated loans for a Singapore company by a Japanese bank**

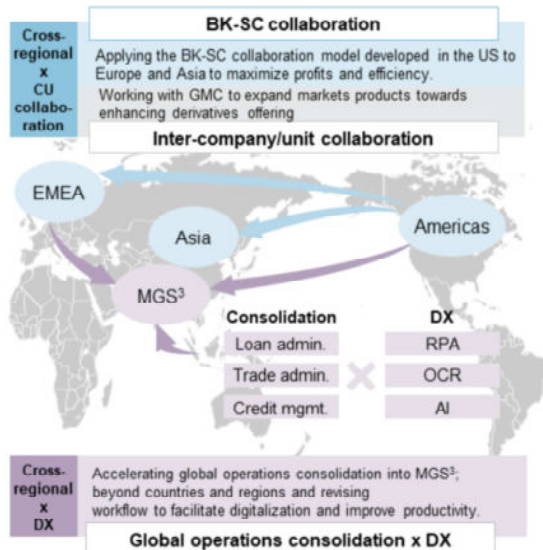
1: Source: Refinitiv, global based.

2: Source: Dealogic (IG, USD250M or above, denominated in USD or EUR, excluding FIs and public sector). 3: Mizuho Global Services India (established March 2020).

MIZUHO

### Accelerating cross-regional collaboration

- Pursuing value creation for further growth through cross-regional / In-house company and unit collaboration.



- ✓ On this page, we explain our initiatives for further growth. First, regarding our sustainability efforts, as shown in the graph, we have significantly increased the amount of sustainable finance originated this fiscal year as well, growing 8.1 times compared to FY18. This is also reflected in our league table, where we ranked 4th globally in sustainable loan origination in FY2021, and 14th globally in overseas sustainable bond origination in FY21, both ranking first among Japanese banks.
- ✓ We do not merely provide finance, but also practice engagement that leverages Mizuho's strengths in the Asia-Japan edge, such as the industry knowledge of our research & consulting unit and our investor base in Asia and Japan. We sincerely address the business challenges of our business partners and provide support by offering the best solutions.
- ✓ Finally, I would like to discuss the acceleration of cross-regional business development in the future. We transplant the successful case of integration of investment and retail banking management in the US capital market, which I explained today, to Europe. In Asia, we will work with our global market companies to capture derivatives trading flows through the integration of corporate and investment banking, and we will work to maximize earnings and create value in both our primary and secondary businesses.
- ✓ In addition, we will pursue productivity improvements across countries, regions, and companies, including the ongoing consolidation of office operations in India, which is not a mere consolidation but rather a streamlining of operations in a cross-country manner through the use of digital technology.

- ✓ As I have explained above, the Company is progressing at a very good pace in the first 3 years of the current 5-Year Business Plan. Looking ahead to the next management plan, we will strive for further growth as the main engine of the Mizuho Group's development. That concludes the explanation from Global Corporate Company. Thank you for your attention.

Global Markets Company

## Key strategies of the Global Markets Company

### Business environment/Strategy implementation

#### Banking

- The highly uncertain and volatile market environment continues due to the rapid US monetary policy tightening arising from the acceleration of inflation and also due to increasing geopolitical risks and other.
- Operation focused both on stable and effective liquidity risk control and on maximizing the revenue and protecting the performance of portfolios

#### Sales & trading

- Even in the context of the continuing unstable market environment, investor activity is expected to recover gradually
- Further promotion of the integrated banking and securities business management and strengthening of growth areas

### Revenue Plan <sup>1</sup>

(JPY B)	FY18 results	FY21 results	FY22	
			Plan	YoY
Gross Profits	341.3	388.1	434.0	+45.9
Expenses	-203.3	-234.6	-254.0	-19.4
Net Business Profits	135.6	152.6	179.0	+26.4
Net Income	92.3	97.2	117.0	+19.8
ROE <sup>2</sup>	-	5.7%	5.8%	+0.0%

1. FY18 figures based on the old accounting rule (before impairment losses). FY21 and FY22 figures based on the FY22 accounting rules. 2. FY18 figure not disclosed since it is pre-Basel III basis

MIZUHO

### Key strategies of FY22

#### Banking

- Stable and effective ALM management adopting to the market environmental changes
  - Enhancing global ALM management and other.
- Maximize and protect performances under flexible risk control
  - Prompt decision making and flexible portfolio allocation based on an accurate market analysis and unique early warning management for the market movement

#### S&T

- Integrated banking and securities management take into the account the easing of Japanese Firewall regulations, and enhancement of the solutions approach that is tailored to customer needs
- Diversification of the business portfolio by focusing on the areas with ample revenue opportunities such as the U.S. business, etc.

#### DX strategy

- Promotion of the futurization of GMC business based on the infrastructure building and DX human resources development

#### SX strategy

- The expansion of product line-ups, focusing on customer needs, and exercising of market intermediary functions

- ✓ I am Koshimizu, Senior Executive Officer, Co-Head of Global Markets Company. Thank you very much for watching the video of the Mizuho IR Day 2022. At this time, I would like to take this opportunity to update you on the status of the Company's business and, in particular, on the progress of our banking strategies, such as asset and liability management and portfolio management.
- ✓ First, I would like to present the Company's overall earnings plan for the current fiscal year. Please look at the left of the document. Gross business profit is expected to be JPY434.0B, an increase of JPY45.9B from the previous year, mainly from the sales and trading business, where profitability has improved markedly due to the promotion of integrated banking and securities operations. On the other hand, we plan expenses of JPY25.04B and net business profit of JPY179.0B, an increase of JPY26.4Bn from the previous year.
- ✓ We will now focus our discussion on banking operations. Please look to the right of the document. There are two main strategies for banking operations this fiscal year.
- ✓ As the first point, we will further deepen stable and effective ALM management that responds promptly to changes in the market environment. We will leverage our organizational strengths to strengthen our strategic attempts to integrate yen and foreign currency ALM operations. The second point is to defend performance and maximize returns through flexible risk control in portfolio management. We will achieve this through flexible and agile allocation by utilizing precise market analysis and abundant risk reduction measures, while further upgrading the predictive management that Mizuho has independently developed over the past 20 years.

- ✓ In portfolio management, we have focused on maximizing earnings and defending performance amid a volatile market environment caused by rapid monetary tightening in the US due to accelerating inflation and heightened geopolitical risks. Since the start of the five-year plan in FY19, we have been accumulating revenues through flexible operations such as US treasury bonds and Japanese equities, with carry revenues as a stable revenue source, but under the historical market environment, we will above all concentrate on flexible risk control.

## Banking: Stable and effective ALM management adopting to the market environmental changes

### Enhancement of global ALM management

- Pursue stable and effective funding and portfolio investment globally through integrated management
- Contribute to the stabilization and optimization of the foreign currency businesses of customers



### Initiatives for accurate ALM control

- Implement preventive and flexible funding based on the estimation of loan businesses
- Build a stable funding structure based on the highly adhesive customer deposits, etc. In addition to deposits, utilize flexible market funding options, etc.

#### [Foreign currency B/S]



#### [JPY B/S]



#### Foreign currency: stable and effective funding

US Dollar/yen currency basis (3Y)



- For the purpose of preparation for rising geopolitical risks and taking into account the US monetary policy normalization, we executed currency swaps for foreign currency funding in advance in FY21.

- Strengthened the stability of foreign currency funding with controlling costs

#### JPY: diversification of investment tools

- Diversified the investment tools to improve fund efficiency under the negative interest rates environment

MIZUHO

- ✓ I would now like to explain in some detail about stable and effective ALM management that responds immediately to changes in the market environment.
- ✓ Please see the left of the page. In the midst of major fluctuations in the global financial markets, which incorporate the monetary tightening in the US at a speed rarely seen in history, we will conduct liquidity risk management by closely monitoring each region and currency with different characteristics, while utilizing our global network of ALM operations. Since 2017, all of Mizuho Bank's treasury functions in each region have been under the direct control of the Global Markets Company, and we have significantly strengthened our structure to prepare for fluctuations in the dollar and other currencies, and we believe that the volatile market environment expected in the future will provide an opportunity to take advantage of this strength.
- ✓ In addition, we will further promote the integrated management of JPY and foreign currencies from the viewpoint of stable and effective financing, such as by utilizing ample JPY assets for stable procurement of foreign currencies.
- ✓ Please see the right of the page. I would like to discuss specific initiatives. Foreign currency funding operations are generally covered by deposits from customers with high levels of adhesion and stable medium- to long-term funding from the market to meet customers' needs for foreign currency funding. On top of this, the Company operates to maintain a sufficient liquidity buffer with inexpensive short-term funding from the market. In light of changes in the foreign currency liquidity environment, we will continuously pursue the best balance of short-, medium-, and long-term funding from customers' deposits and from the market for the purpose of reducing funding costs while meeting customers' needs in a stable manner.



- ✓ Amid such circumstances, the Company has additionally procured medium- to long-term funding from the market through currency swaps and other means, taking advantage of the historically low cost of medium- to long-term funding from the market in the previous fiscal year, and with an eye on the future deterioration of the funding environment due to the normalization of US monetary policy. Increasing medium- to long-term procurement improves the certainty of procurement but has the disadvantage of increasing procurement costs.
- ✓ We believe this is a good example of how we were able to capture market fluctuations and flexibly increase medium- to long-term procurement at very low prices, thereby improving solidity and minimizing costs. On the other hand, with respect to yen balance sheet management, surplus fund management has become a theme under the current monetary policy, and we are striving to improve fund efficiency by diversifying investment instruments. In this way, we will continue to contribute to our customers' businesses through stable and effective ALM management, even in a volatile market environment.

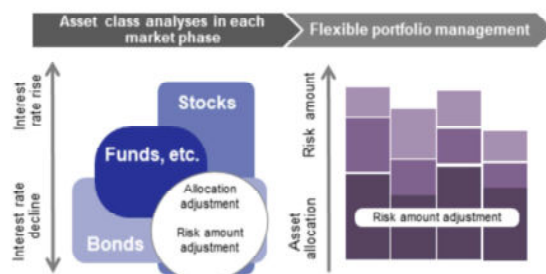
## Banking: Flexible and Appropriate risk control

### Portfolio and ALM management approach

- Tactical asset allocation to ensure optimal investment diversification for interest rates, stocks, and credit
- Keep focusing on the balance between realized gains and unrealized gains/losses

Analyses, discussions and rapid decision-making for performance defense and medium-term revenue maximization

Revenue/risk position    Market conditions/ indicators    Risk appetite  
Scenario simulations    Benchmark comparisons



1. Range of change in gains and losses against certain changes in interest rate, including effects from Non-JPY ALM. 2. Company management basis. 3. FG Consolidated. After applying Net deferred gains/losses of deferred hedging accounting among the various hedging instruments for foreign bonds. (net total of the revaluation profit/loss of foreign bonds and the profit/loss of derivatives that are hedging instruments).

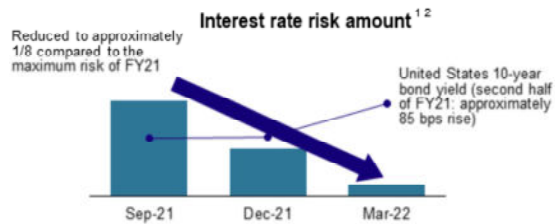
MIZUHO

### Non-JPY banking operations in the rapidly rising US interest rates environment

- Historical changes in the market environment



- Proactively lowered the amount of interest rate risks in Non-JPY Banking as a whole



- Limit the spread of unrealized loss through integrated bond portfolio / ALM management
- Change in unrealized profit/loss in FY21 4Q

Foreign bonds (after considering hedges)<sup>3</sup>  
+ foreign currency ALM<sup>2</sup>: **Approximately – JPY 20B**

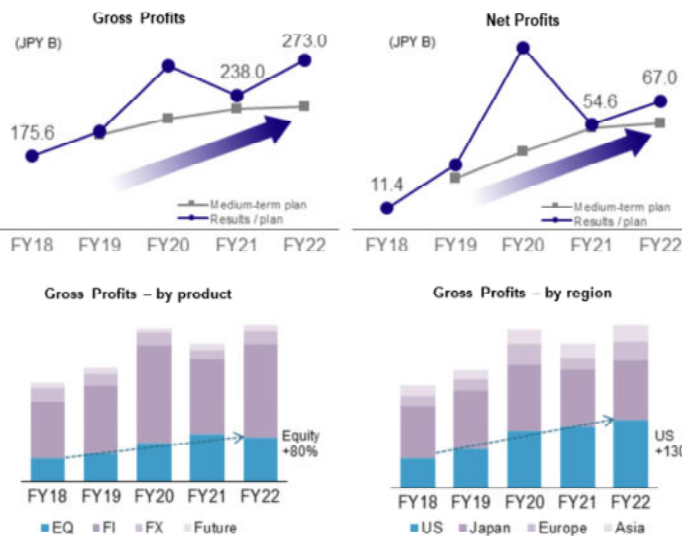
- ✓ In this section, we would like to explain our flexible risk control under historical market volatility. Please see the upper left-hand corner of the page. Our basic approach is to optimally diversify investments in bonds, equities, and funds based on market conditions, to ensure flexible asset allocation, and to emphasize the balance between realized and unrealized gains/losses. We also recognize that under the current historical market volatility, what is most important is analysis, discussion, and rapid decision-making for performance defense and mid-term profit maximization.
- ✓ As I have mentioned before, in order to put these ideas into practice, it is extremely important for each and every one of us to face the market earnestly every day, obtain information using various networks inside and outside the Company, analyze all the factors that move the market, and share our own opinions and engage in free and vigorous discussions across all departments, including executive officers. For example, every evening for about an hour, dozens of executives and other staff members gather to share information and engage in high-level discussions about market prices and position management, including situation analysis using AI.
- ✓ We also believe it is necessary to improve the quality of discussions on many fronts by adding the constraining factors such as revenue plans and position quotas, the results of analysis of predictive management systems using advanced technology, and scenario simulations to our means. And we intend to repeat this process honestly, refine our market view as an organization, constantly assess the changing market conditions, and flexibly change our qualified asset allocation of bonds, stocks, funds, and other assets. By continuing these operations, we hope to improve the medium-term performance of our portfolio.

- ✓ Please see the right of the page. From January to March of this year, the US two-year/five-year interest rate has risen historically, with the largest increase since 1980. However, as US interest rates have been rising since last fall, we have already reduced the amount of risk significantly by selling cash and hedging derivatives, and we believe that we have been able to protect our assets to a reasonable degree. We have reaffirmed the importance of increasing or decreasing the amount of risk in a flexible manner.
- ✓ Now, at the end of this explanation, I would like to touch on a global market environment that is not included in the materials but is important for the future management of our portfolio.
- ✓ The most recently observed structural changes, including social changes such as widening inequality, political changes such as the rise of populism, geopolitical changes such as wars and sanctions, growing concern about food and environmental issues and net zero, the end of hyper-globalization, and demographic changes, are all medium to long-term inflationary factors. On the other hand, if central banks rush to raise interest rates and reduce assets, there is a reasonable risk of a recession, especially in the US and Europe, as potential growth rates are already declining globally. This year will be the most unpredictable year for at least the past 20 years, with several different and, to go further, quite opposite scenarios having a reasonable probability of occurring.
- ✓ In this environment, we will strive to maximize results by leveraging our strengths. That concludes our explanation of Global Markets Company's banking operations. Thank you for your attention.

## S&T: Enhancement of profitability through the promotion of BK-SC integrated operation

### ■ Earnings has grown at a higher pace than in the initial 5-Year Business Plan

#### Trends <sup>1</sup>



#### Initiatives and results



1. Company management basis. 2. CIB (Corporate & Investment Banking) refers to a business model with integrated management of banking and securities, and of primary (banking) and secondary (markets).

MIZUHO

- ✓ I'm Shibata, Co-Head of Global Markets Company. Thank you. I will discuss the current status of our sales and trading operations and our future strategy.
- ✓ First, here is the revenue situation for FY21. Please look at the bar chart on the top left. In FY20, the previous year, there was an upturn in earnings due to a significant tailwind from monetary easing, and in FY21, the plan was for a YoY decrease. In addition, the flow business was relatively weak in the last fiscal year due to the lack of movement in the interest rate and foreign exchange markets until the third quarter of the last fiscal year, which made the business environment for FICC's flow-related businesses difficult.
- ✓ On the other hand, we have expanded our product lines, mainly in Japan and the US, including derivatives, for which we have been integrating banking and securities functions over the past few years, and we have secured higher-than-planned levels of equity operations in both Japan and the US. Overall, we were able to reasonably offset the weakness in flow business.
- ✓ Finally, although sales and trading revenues in FY21 were slightly below the initial plan, both gross business profit and net business profit exceeded the levels assumed in the initial mid-term plan. In FY22, we will continue our efforts to enhance profitability through various measures, which will be explained later, aiming to increase gross profit by about 15% and net business profit by more than 20%. In addition, we will aim to achieve sustainable growth throughout the medium-term management plan period at a level well above the planned level.

- ✓ See the two graphs on the lower left. This page shows the gross profit trend from FY18, the year before the current mid-term plan, to the current fiscal year. First, the graph on the left side is by product line, and you can see that while fixed income continues to drive the overall growth, equity operations, primarily in Japan and the US, have grown by about 80% compared to FY18.
- ✓ In addition, the graph on the right shows revenue trends by region, with the scale of revenue in the United States showing significant growth, more than doubling in the three years from FY218. The breakdown shows approximately two times for Americas fixed income and three times for Americas equity. In FY21, the scale of revenue in the Americas exceeded that of Japan for the first time, and we expect this trend to continue. We believe that these recent achievements are the result of the various initiatives shown on the right side of this page.
- ✓ One of the reasons for the growth of our Americas operations is the integrated management of corporate and investment banking business and the development of our CIB structure. The CIB system is a business model that integrates banking and securities operations, and primary and secondary operations. In the US, we believe that the establishment of this CIB system, including not only the front office but also internal control and governance, has been a major engine for growth.
- ✓ In the equity business in Japan and the US, we have made decisive structural reforms in response to changes in the business environment, made appropriate investments in human resources and infrastructure, and strengthened the derivatives business jointly between Japan and the US. As a result, the business has made significant progress in profitability since FY20.
- ✓ In Japan as well, we are proceeding with the integration of corporate and investment banking within the scope of regulations, such as the integration of banking and securities with interest rate exchange derivative functions. Through these various efforts, we will not only grow our overall sales and trading business, but also diversify our product lines and stabilize our business portfolio.

## S&T: Initiatives towards further growth

### Growth strategy based on BK-SC integrated operation

Region	Results and Assessments	Next Action	Global strategy		
Japan	<ul style="list-style-type: none"><li>■ Strengthening customer flows through the integration of interest rate derivatives</li><li>■ Progress in the structural reforms for equity and strengthening of profitability</li></ul>	<ul style="list-style-type: none"><li>■ Strengthen the solutions provision approaches across entities and products</li><li>■ Strengthen integrated business through the easing of Japanese Firewall regulations</li></ul>	Centralization of the foreign exchange risk into global books	Japan-US equity collaboration	Strengthening of global management
US	<ul style="list-style-type: none"><li>■ Establishment of the CIB model and strengthening of the customer basis</li><li>■ Product expansion such as equity derivatives, municipal bonds and other.</li></ul>	<ul style="list-style-type: none"><li>■ Capture further growth opportunities such as ECM, derivatives and financing business and other.</li></ul>			
Europe	<ul style="list-style-type: none"><li>■ Completion of banking and securities integration focusing on interest rate derivatives</li></ul>	<ul style="list-style-type: none"><li>■ Strengthen the CIB structure, diversify the products</li></ul>			
Asia	<ul style="list-style-type: none"><li>■ Growth of the foreign exchange business through the strengthening of transaction banking, and establishment of a credit business integrated with DCM</li></ul>	<ul style="list-style-type: none"><li>■ Aim for large growth by enhancing the product line through integration of banking and securities businesses</li></ul>			
DX			Human resources development		
<ul style="list-style-type: none"><li>• Promotion of futurization and digitalization</li><li>• Operation reform and productivity improvement</li></ul>			<ul style="list-style-type: none"><li>• Human resources exchanges across entities</li><li>• Development of market experts</li></ul>		
Taking on new businesses			ESG-related products, carbon credits		

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- ✓ This is the future strategy for the sales & trading business. As shown on this page, we basically intend to proceed along both the horizontal axis of regional strategies, which are tailored to the characteristics of each global region, and the vertical axis of global strategies. This section describes the key strategies for each region.
- ✓ In Japan, we will further advance the integration of corporate and investment banking that is currently underway. In particular, through this, we hope to strengthen our ability to provide market solutions across entities and products. We believe that the deregulation of firewalls scheduled for this year and the new cross-group human resource framework being considered by the Mizuho Group will support such a move.
- ✓ In the US, we will further extend the business that has been established to date. In particular, we believe there is room for further growth in corporate derivatives and financing businesses that are integrated with ECM, and we will consider investing additional balance sheet and other resources in the US, if necessary.

- ✓ In Europe, FICC has already completed the integration of FICC into the corporate and investment banking system, and we intend to capture growth opportunities by strengthening the regional CIB structure in unison with the banking side. In Asia, we have been focusing on the foreign exchange business integrated with the strengthening of transaction banking and the credit business integrated with DCM in Hong Kong, but in addition to these efforts, we intend to promote the integration of corporate and investment banking in the Asian region and to significantly increase our top line over the next few years while investing in infrastructure and improving our systems.
- ✓ In addition, as a group-based initiative, we will continue to promote the DX business transformation of the market division, which is being promoted under the title of futurization, and in conjunction with discussions on a new group human resource framework, we will continue to utilize human resources across entities, strengthen professional human resource development, and take on the challenge of new market businesses. That's all for my explanation about our sales and trading operations. Thank you very much.



Asset Management Company

## Key Strategies of Asset Management Company

### Business Environment/ Strategy Implementation

#### Business environment

- Customers' asset management needs have significantly changed and expanded, due to the structural changes in society and economy, triggered by the COVID-19 pandemic
- Volatile market continues due to the reversal of loose monetary policy and increasing geopolitical risks

#### Strategy implementation

- Stable accumulation of Gross Profits, mainly in publicly offered investment trusts business
- Steady progress on structural reform initiatives, such as consolidation resources in pension business, enhancement of investment capabilities through selection and focus, and improving investment efficiency

### Earning Plan <sup>1</sup>

(JPY B)	FY18 results	FY21 results	FY22	
			Plan	YoY
Gross Profits	497	595	630	+35
G&A xpenses	△272	△334	△370	△36
Net Business Profits	157	204	200	△4
Net Income	52 <sup>2</sup>	84	80	△4
ROE <sup>3</sup>	-	7.8%	7.5%	△0.3%

<sup>1</sup> FY18 figures based on FY18 accounting rules (before recording one-time losses). FY21 and FY22 figures based on the FY22 accounting rules. <sup>2</sup> Actual base excluding one-time profits besides of Net Business Profits. <sup>3</sup> FY18 figure not disclosed since it is pre-Basel III basis.

MIZUHO

### Outline of initiatives

#### What AMC aims for

- Contributing to "Revitalization of domestic financial assets" and "Realization of a sustainable economy and society" through asset management business
- Expanding asset management business, which is stable and highly profitable

### Key Strategies for FY 22

#### Topline growth in core businesses

**Publicly offered investment trust**  
Providing products and investment capabilities responding to asset formation needs

**Pension and institutional investors**  
Providing solutions that make full use of group functions



#### Additional strategies to accelerate growth

Domestic online business

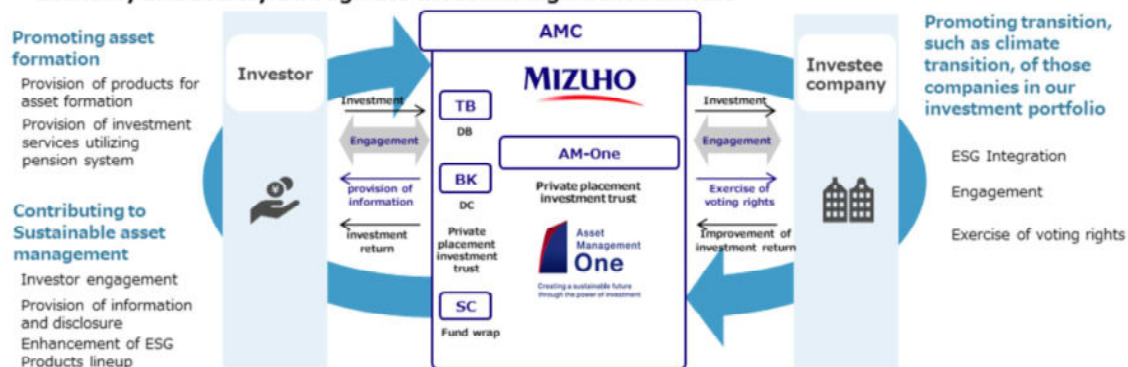
Inorganic strategy

- ✓ My name is Ishikawa, Head of Asset Management Company. Thank you very much for watching the video of the Mizuho IR Day 2022. Let me begin my explanation with the Asset Management Company's key strategies.
- ✓ To begin with, in the current business environment, we recognize that customers' asset management needs are expanding while undergoing significant transformation in the wake of the COVID-19 pandemic, amid changes in individual values and accelerating structural changes in the social economy.
- ✓ In addition, the market environment remains unstable due to the swing back to accommodative monetary policy and heightened geopolitical risks. In this environment, we have made steady progress over the past three years in building up our top line, mainly in publicly offered investment trusts, and in implementing structural reforms, including a review of our pension business structure to provide integrated solutions for defined benefit and defined contribution pension plans, selection and concentration to strengthen the investment capabilities of our main products, and more effective use of management resources to improve the efficiency of our funds.
- ✓ In terms of recent earnings results, last fiscal year we achieved Gross Profits of JPY59.5 billion and Net Business Profits of JPY20.4 billion, the highest profits since the introduction of the company system. In the current fiscal year, we plan to increase the top line, while the bottom line will be generally the same level as the previous year due to increased expenses related to stable business operations and investments for future growth.

- ✓ Next, I will explain the framework of the Asset Management Company's initiatives. The Asset Management Company aims to contribute to the revitalization of domestic financial assets and the realization of a sustainable economy and society, and to achieve further expansion and growth of stable and profitable businesses, and with this in mind, we have defined our key strategies for this fiscal year.
- ✓ First, to strengthen profitability, in the publicly offered investment trust business, we will provide products and management capabilities that meet the asset building needs of individual customers, and in the pension and institutional investor business, we will strengthen the top line in our core business by providing solutions that fully utilize Group functions. In addition, as a new initiative to accelerate growth in domestic and overseas markets, we will also promote domestic non-face-to-face business initiatives and in-organic strategies.
- ✓ Each of these specific initiatives will be explained on the next and subsequent pages.

## Role to be played by AMC

- Encourage the revitalization of domestic financial assets and the transition to a sustainable economy and society through the asset management business



\* Net Zero Asset Managers initiative

MIZUHO

- ✓ First, as I mentioned earlier, the Asset Management Company has a role to play in revitalizing domestic financial assets and realizing the transition toward a sustainable economy and society through the asset management business. The Group will promote asset building from savings to asset formation by providing asset building products such as mutual funds and fund wraps, defined benefit pension plans, corporate defined contribution pension plans, iDeCo, and other product services utilizing pension plans to investor customers in a group-wide manner.
- ✓ In addition, we will contribute to our customers' sustainable asset management through dialogue with asset owner customers, active provision and disclosure of information through investment reports and seminars, and enhancement of ESG products.
- ✓ We manage the funds entrusted to us by our investors, and through ESG integration, which involves evaluating companies' ESG initiatives and using them in investment decisions, engagement with portfolio companies, and the exercise of voting rights, we facilitate the transition of portfolio companies, including climate transitions, and promote the enhancement of corporate value of portfolio companies.
- ✓ By creating a virtuous cycle in the investment chain, which leads to improved investment returns for our investor clients and further acceleration of investment, we will pursue both stable asset formation for households and sustainable economic growth, thereby contributing to the realization of a sustainable economy and society.

- ✓ Asset Management One, the core asset management company of the Asset Management Company, has been strengthening its sustainability initiatives, upgrading its stewardship activities and focusing on implementing sustainability transformation in its own company. Last year, we published a sustainability report that comprehensively introduces these efforts, greatly expanding on the content of the stewardship report that we had been publishing continuously in the past.
- ✓ Asset Management One is the only Japanese founding member of the Net Zero Asset Managers-initiative, which aims to achieve net zero greenhouse gas emissions by 2050. As part of this initiative, we have set an interim target of 53% of assets under management as of 2030 to achieve net zero GHG emissions. This translates to about JPY30 trillion in terms of assets under management. We will fulfill our fiduciary responsibility to our clients by working closely with them and other related institutions to promote the transition to net-zero emissions as a Japanese asset management company.

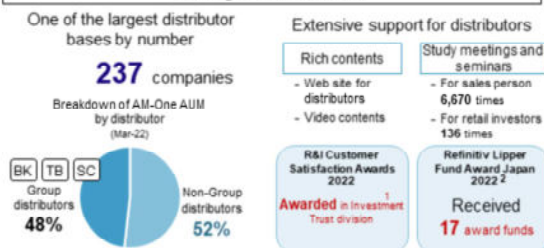
## Publicly Offered Investment Trust Business

Providing products and asset management capabilities to meet asset formation needs

### Strengthen Top-Line by AUM accumulation

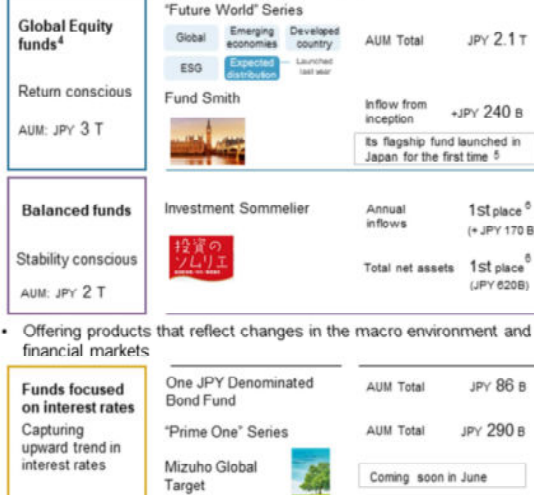


### Strong customer base



### Product strategies for asset formation needs<sup>3</sup>

#### Increase AUM of core competitive products



1. AM-One, Source: R&I "Newsletter on Funds & Money, No. 3742, AM-One, Source: Refinitiv (<https://www.refinitiv.com/ja/jp/2022>) 13. AUM and other figures as Mar-22  
4. Global equity fund excluding index funds, Source: QUICK 5. Publicly offered funds with the same investment strategy as Fund Smith Equity Fund (UK) made its debut in Japan 6. Among Balanced funds

- ✓ Next, I would like to explain about the public investment trust business. The public investment trust business is a growth driver for the Asset Management Company, and we will continue to grow our top line through further accumulation of AUM. Here are two strategies to achieve this goal.
- ✓ The first is a focus on product strategies that address asset formation needs. In addition to increasing the balance of core competitive products, we will also offer products that take into account changes in the macro environment and financial markets. Specifically, first, we offer global equity funds that meet the return-oriented need to enjoy the growth of the global economy. In the future world series, which focuses on growth-focused investments, we have expanded the lineup and broadened the range of funds offered to meet the diverse needs of our customers, including the introduction of the first Fund Smith in Japan to hold ultra-long-term blue-chip stocks with relatively low stock price volatility.
- ✓ We also focus on providing balanced funds that meet stable investment needs over the medium to long term in an uncertain market. The leading Investment Sommelier has been highly praised for its management capabilities and ranked first in the industry among balanced funds in terms of inflows in the last fiscal year. We will continue to focus on providing products that meet the asset-building needs of our customers by making constant efforts to strengthen our investment capabilities.

- ✓ In addition to those, we will introduce products in a flexible manner in response to the rising interest rates amidst the persistent need for yield-type products. So far, we have offered products such as One JPY Denominated Bond Fund and “Prime One”. In June of this year, we will launch a new fund, Mizuho Global Target, which is expected to enjoy stable yields by holding foreign bonds until maturity and controlling the impact of currency fluctuations.
- ✓ Second, we are expanding support for our strong customer base. Asset Management One has the largest number of distributors of publicly offered investment trusts in the industry, and on an AUM basis, the balance ratio of distributors within and outside the Group is approximately 50% each. In order to provide solid support to this wide range of distributors, even in the midst of the COVID-19 pandemic, we are also actively engaged in providing a website for distributors and a wealth of video content, as well as conducting study sessions for sales staff and online study sessions for individual investors in cooperation with distributors.
- ✓ We have received numerous awards from external organizations as an indication of the high level of satisfaction from distributors and their evaluation of our products, which is also the source of such satisfaction.



## Pension and Institutional Business

### Optimising comprehensive pension consulting

- Provide solutions in accord with changing environment, working together as a group

Customer Issues Responding to changes in retirement benefits

#### Promotion of asset management consulting

DB

Provision of investment solutions based on analysis of system, accounting, and portfolio

#### Promotion of consulting on retirement benefit

DB DC

Review pension system for employees to continue working from a long-term perspective in a safe and secure way

Support for introducing a stock benefit plan as an incentive plan in accordance with diverse customer needs, such as improving well-being and achieving sustainable goals

Number of companies introduced **No. 1** (387 companies) J-ESOP BBT

Customer Issues Asset formation to live autonomously without worries for a long time

#### Accelerating the shift from savings to asset formation of the individuals, who form one of the largest customer bases

Number of individuals enrolled in DC 1 **1.66** M

Further promotion of enrollment by taking advantage of opportunities to expand the target population through the revision of the law

- May-22: Expansion to elderly of eligibility for DeCo
- Oct-22 (Planned): Relaxation of requirements for eligibility of DeCo
- Dec-24 (Planned): Raise the maximum limits of the contribution amount to DeCo

Providing information in close contact with customers (promoting DX)

- DC Subscriber eLearning
- Robot Advisor "SMART FOLIO + DC+"
- Life plan Simulation "100 years Designer"

DB DC DeCo

1. Total number of participants and deferred members (individuals making instruction of investment without contribution)

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### Providing solutions for regional banks

- Support for strengthening the management with comprehensive solutions, facing to customers' material issues

#### Issues on the asset side

- Decreasing financial margin due to prolonged low interest rate
- Sophisticated investment and risk management
- Large inflows to the central bank deposit, stem from increasing excess cash due to the accumulation of customer deposits

#### Issues on the debt side

- Increasing interest expenses generated by the accumulation of customer deposits

#### Needs of regional banks

- Efficient securities investments
- Securing human resources for investment and risk management
- Controlling the increase in customer deposits

#### Mizuho's solutions

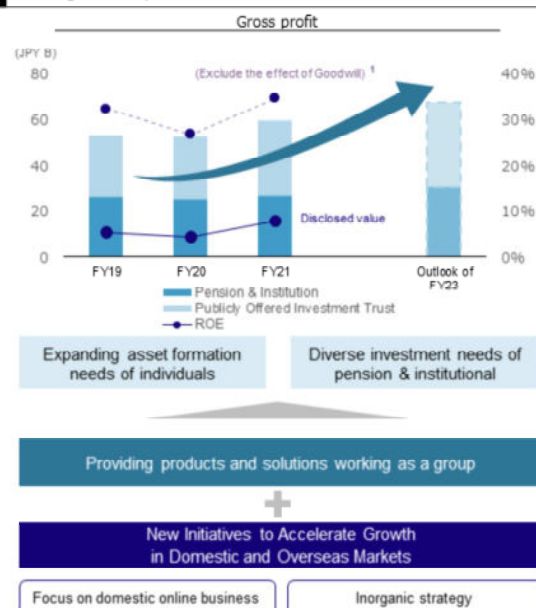
- ✓ Portfolio analysis and risk management utilizing the Group wide consulting capabilities
- ✓ Taylor-made multi-asset strategy
- ✓ Support of human resources development in investment and risk management
- ✓ Provision of Publicly offered investment trust which will substitute customer deposits

- ✓ Next, I will explain our efforts in the pension and institutional investor business.
- ✓ First, in the pension business, we will work to enhance the sophistication of our comprehensive pension consulting services. In the environment surrounding retirement benefit plans, in addition to the existing trends of low interest rates, longevity and extended retirement ages, there are also social structural changes such as employment mobility. Accordingly, there is a need to provide a group-wide solution that gives a bird's-eye view of the entire retirement benefit system of our customers. In the area of asset management consulting, we are strengthening our asset management consulting services by providing financial, accounting, and portfolio analysis-based investment solutions to address issues such as the manifestation of portfolio risk and the impact on customers' finances due to the return of easing financial markets and the rise in market volatility caused by heightened geopolitical risk.
- ✓ On the institutional side, we propose a sustainable retirement benefit plan design with an eye to the future as a response to the gap between the time the plan was designed and the current environment. Specifically, the revision of corporate pension plans to accommodate the extension of retirement ages and the shift from a defined benefit plan to a defined contribution plan.

- ✓ Furthermore, in considering the system as a whole, we will also provide customers with added value that goes beyond pensions. Specifically, we support the introduction of equity benefit plans as incentive plans to meet the diverse needs of our customers, such as improving the wellbeing of executives and employees and achieving sustainability goals. Mizuho is the number one in the industry for the number of introductions.
- ✓ To address the issue of asset building to live independently and with peace of mind for a long time, we will accelerate the shift from savings to asset building for customers who are members of defined contribution pension plans, which are the largest in the industry. We will seize the opportunity afforded by the legal revision to expand the number of eligible customers to further promote enrollment, and at the same time, we will provide information that is tailored to our customers, utilizing digital media as well.
- ✓ For regional bank customers, Mizuho Bank is working to support the strengthening of regional bank customers' business management by providing integrated solutions, while taking advantage of Asset Management One's expertise in asset management to address their business challenges. The management issues of regional bank customers include declining interest income due to the prolonged low interest rate environment, increasingly sophisticated investment and risk management, large inflows of surplus funds into deposits with the Bank of Japan due to the accumulation of customer deposits, and interest and cost burdens on deposits. After sharing with customers the challenges they face, we provide comprehensive solutions from both asset and liability perspectives.
- ✓ To contribute to the efficient management of securities, we provide portfolio analysis, risk management, and tailor-made multi-asset strategies based on a bird's eye view of the client's balance sheet, and also support the development of human resources with expertise in investment and risk management and the accumulation of know-how.
- ✓ We will also offer publicly offered investment trusts as a substitute for increasing customer deposits, not only to control profit pressures, but also to help create profit opportunities and customer relationship building opportunities for regional bank customers.

## Enhancement of profitability and additional strategies to accelerate growth

### Strengthen top line



1. Simplified calculation excluding the effect of goodwill both from net income and from AMC's internal risk capital

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### Domestic online business

- In a rapidly expanding online market, expand customer base and enhance development of new products and services utilizing DX
- A new company, AM-One TERRACE is established by extracting business development functions from AM-One



### Inorganic strategy

- Aim to expanding business portfolio, growth potential, and improvement of capital efficiency by taking in asset-management business outside Japan



- ✓ Finally, I will explain our efforts to strengthen profitability and further accelerate growth. Asset Management Company has been growing its top line with publicly offered investment trusts as a growth driver and as reported in the opening page, has posted its highest profit since the introduction of the Company system.
- ✓ The asset management business is characterized by asset-light, capital-efficient, and stable stock business, and we will continue to aim for sustainable growth by providing group-wide products and solutions to retail, pension, and institutional clients by providing products and solutions to individual customers, pension funds, and institutional investors through the initiatives I have described so far.
- ✓ In addition, additional initiatives will be implemented to further accelerate growth. First, in the non-face-to-face market, which is rapidly increasing its presence in Japan, we will expand our customer base and strengthen our ability to develop new products and services by also utilizing DX.
- ✓ As one of these efforts, we established a new company, Asset Management One TERRACE, in January of this year, which is a separate business development function from Asset Management One. While utilizing this new company, we will accelerate research and development of products and services that meet the changing needs of our customers.

- ✓ In addition to this organic growth, we aim to improve growth and capital efficiency by expanding our business portfolio through an inorganic strategy. We will work to capture growth in overseas markets by expanding client access and acquire high value-added management capabilities and products in high-growth areas such as sustainability and alternative investment. In our consideration, we will also take into account, as a financial group, the provision of added value to customers in a variety of fields.
- ✓ Through these efforts, the Asset Management Company will achieve medium- and long-term growth and continue to contribute to the revitalization of domestic financial assets and the realization of a sustainable society.

## Abbreviations

FG	: Mizuho Financial Group, Inc.	RBC	: Retail & Business Banking Company
BK	: Mizuho Bank, Ltd.	CIC	: Corporate & Institutional Company
TB	: Mizuho Trust & Banking Co., Ltd.	GCC	: Global Corporate Company
SC	: Mizuho Securities Co., Ltd.	GMC	: Global Markets Company
AM-One	: Asset Management One Co., Ltd.	AMC	: Asset Management Company
RT	: Mizuho Research & Technologies, Ltd.	GPU	: Global Products Unit
FT	: Mizuho-DL Financial Technology Co., Ltd.	RCU	: Research & Consulting Unit
LS	: Mizuho Leasing Company, Limited		

## Foreigntaxchange rate

TTM at the respective period end	Mar-20	Mar-21	Mar-22
USD/JPY	108.83	110.72	122.41
EUR/JPY	119.65	129.76	136.77
Management accounting	FY22 Plan rate		
USD/JPY	127.00		
EUR/JPY	140.97		

## Definitions

### Management accounting

- 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. As for Net Business Profits, expenses are calculated based on the expenses allocation based on initial plan
- Stable revenue : Recurring customer related revenue + ALM revenue (comprehensive management of assets and liabilities in the banking account)
- Upside : Non-recurring customer related revenue + trading related revenue
- 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. Internal risk capital of RBC, CIC, GCC are calculated from Basel III finalization fully-effective basis, and GMC, AMC are calculated from Basel current basis.

#### 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 8-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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