

# Progress of the Business Improvement Plan

October 14, 2022

Mizuho Financial Group, Inc.  
Mizuho Bank, Ltd.

**MIZUHO**

The Mizuho logo consists of the word "MIZUHO" in a bold, white, sans-serif font, positioned above a thin, white, curved line that arches under the letters.

**Implemented all measures stipulated in the Business Improvement Plan by September 2022 as scheduled**

- Steadily improved personnel/organizations' response capabilities for customer support in the event of a system failure, as well as stable system operation

**Continue initiatives so that the measures would take root to keep providing stable customer services**

- Continued to implement initiatives so that the measures would take root, established a structure to continuously take actions, and implemented monitoring

Key actions taken by the end of September 2022

Prevention of system failures

Regarding important system devices, **completed inspection for material malfunction risks and preventive replacement**

Regarding **MINORI and settlement-related systems, completed inspection of operation in the event of a system failure and inspection of limit management**

Enhancement of system failure response capabilities

**Completed reconfirmation and training of the contingency plan for main settlement operations** and accelerated discussion for customer support

**Improved specifications to prevent bankbooks and ATM cards from being captured** so that we do not keep customers waiting in the event of ATM failures

Utilization of feedback from customers and frontline offices

Introduced VoC infrastructure\* and **started to enhance the aggregation and analysis of feedback from customers and frontline offices**

Improved the quality of products and services through **feedback trend analysis and communication with frontline offices and product developing departments**

\* System that aggregates, visualizes, and utilizes customer feedback collected through various channels (call center, SNS, etc.)

IT governance

**Secured personnel required for the maintenance and operation of systems** and continued business operations based on the on-site situation

Legal Compliance

**Inspected and improved AML compliance structure in case of system failure**

**Improved training on laws/regulations governing foreign exchange transactions and reviewed procedure frameworks** to further enhance legal compliance

Reforming Corporate Culture

Materialized and promoted various measures **based on employees' opinions**

- **Open discussion between employees' working groups and management / Digital infrastructure improvement**

Further enhancement of supervisory function

Steadily promoted various measures\*\* such as **enhancement of multifaceted information gathering capabilities** by outside directors

\*\*Please refer to Corporate Governance Report, Supplementary Principle [4.11.3], about details of evaluation of Board Effectiveness including these points.  
[https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/who-we-are/governance/governance/g\\_report/g\\_report.pdf](https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/who-we-are/governance/governance/g_report/g_report.pdf)

Continue initiatives so that the measures can take root

# Progress details 1 /Prevention of system failures

- Selected important systems and established a framework to inspect those systems from various angles to prevent troubles
- Completed inspection, prioritizing systems that have particularly large impact and risk in the event of a failure, by September 2022; this inspection will be continued regularly

## Key actions taken by the end of September 2022

Inspection of important infrastructure platforms	<p><b>Objective</b></p> <p>Ensure if there are no material failure risks of important systems</p> <p><b>Target</b></p> <p>Systems that support operations that need continuous service, even in an emergency such as a disaster or a system failure (120 systems)</p>	<p><b>Inspection details</b></p> <ol style="list-style-type: none"> <li><b>1. Maintenance deadline</b> – Inspected maintenance support expiration and developed a policy for the case of support expiration <b>Inspection completed</b>/120 systems</li> <li><b>2. Preventive maintenance</b> – Replaced before a failure or maintenance deadline by detecting signs of failures such as errors, etc. <b>Inspection completed</b>/87 systems</li> <li><b>3. Operation when a system failure occurs</b> – Inspected so as to find whether there is no problem or point to be improved on for back-up switching, etc. <b>43 systems having significant impact Inspection completed</b>*/95 systems * The inspection of 43 particularly important systems, including MINORI, foreign exchange settlement systems, and BOJ settlement systems, has been completed as scheduled.</li> </ol>	Continue regularly
Inspection of applications	<p><b>Objective</b></p> <p>Inspection of important systems to ensure stable operation</p> <p><b>Target</b></p> <p>Systems that support settlement operations which require the prompt activation of the contingency plan, assuming impact on an especially large number of customers, market transactions, etc. (17 systems)</p>	<p><b>Inspection details</b></p> <ol style="list-style-type: none"> <li><b>1. Re-examination of MINORI services that have not yet been put into use</b>– Inspected processability, using the latest data <b>Inspection completed</b>/195 services</li> <li><b>2. Limit management/operation volume &amp; processing deadlines, inspection based on changes in operations</b> <ul style="list-style-type: none"> <li>– Inspected changes in the operation volume and the threshold of the resource use rate, and appropriately controlled the risk of system processing time exceeding the operation deadlines</li> <li>– Regularly inspected the above, considering changes in the latest operation volume, etc., and shared the necessity of system renewal, the status of contingency plan preparation, etc., among IT and user departments.</li> </ul> </li> </ol> <p><b>Limit management Inspection completed</b>/17 systems</p> <p>➔ From October onward, the inspection will be continued considering changes in operations.</p>	Continue regularly

- Selected important settlement operations, inspected the contingency plan in collaboration among system and operation departments, and established a training framework
- Completed inspection and training for 30 main settlement-related operations by September 2022; the inspection and training will be continued regularly
- Specifications designed to prevent ATM cards and bankbooks from being captured in case of ATM trouble have been released. Continuous efforts will be made to improve convenience, such as the installment of speakers

## Key actions taken by the end of September 2022

Customer support in which system and business contingency plans are working in conjunction	<p><b>Objective</b></p> <p>IT and user departments working in collaboration to ensure prompt customer support in the event of failure</p> <p><b>Target</b></p> <p>Settlement operations that require the prompt activation of the contingency plan, assuming impact on customers and market transactions, etc. (30 main operations)</p>	Actions	<ol style="list-style-type: none"> <li><b>1. Visualized the system configuration and operation flows and reconfirmed the impact of system failures on customers</b></li> <li><b>2. Confirmed the contingency plan, considering service provision deadlines</b></li> <li><b>3. Ensured prompt customer support in the event of a failure through the above and via training in collaboration between IT and user departments</b> <ul style="list-style-type: none"> <li>– Also confirmed the internal communication structure in the event of a system failure being detected, data and procedures required when a contingency plan is activated, and the methods of informing customers</li> </ul> </li> </ol> <p><b>Inspection and training for main settlement operations completed/30 operations</b></p>	Continue regularly
ATM specification change and the enhancement of customer support capability	<p><b>Objective</b></p> <p>Developing functions and structures that enable us to promptly provide guidance and support to customers, without keeping them waiting, in the event of an ATM system failure, etc.</p> <p><b>Target</b></p> <p>Mizuho Bank ATM (1,809 offices) *As of end of Sep-22</p>	Actions	<ol style="list-style-type: none"> <li><b>1. Introduced specifications that do not keep customers waiting</b> <ul style="list-style-type: none"> <li>– Changed specifications to prevent ATM cards and bankbooks from being captured in case of trouble</li> <li>– Introduce specifications to display guidance to customers on the ATM screen and in statements</li> </ul> <p><b>Specifications designed to prevent ATM cards and bankbooks from being captured and guidance display have been released</b></p> </li> <li><b>2. Installed cameras with speakers in ATM booths so as to promptly provide customer support in case of trouble</b> <p><b>1,318 booths*/1,809 booths</b> * <b>Cameras with speakers will be installed at all ATM booths by March 2023</b></p> </li> </ol>	Continue efforts to improve the convenience

- Started to apply the frameworks established in each item from April 2022; completed infrastructure development and framework enhancement by September 2022
- From FY22 H2, by deeply understanding the actual situation and discussing measures with both the frontline office and the head office, various measures would take root in each workplace

Actions

Key actions taken by the end of September 2022

Utilization of feedback from customers and frontline offices	<ul style="list-style-type: none"> <li>• Development of a framework to continually collect feedback from customers and frontline offices</li> <li>• Utilization of such feedback and external information so as to improve the quality of products and services</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Introduced VoC infrastructure* and began to enhance the aggregation/analysis of feedback from customers and sales departments</b></li> <li>2. <b>Enhanced the quality of products and services through feedback trend analysis and communication between sales departments and product planning departments</b>  <b>Held monthly session between sales departments and the head office on various products and services</b> </li> </ol> <p><small>* System that aggregates, visualizes, and utilizes customer feedback collected through various channels (call center, SNS, etc.)</small></p>
IT governance	<ul style="list-style-type: none"> <li>• Visualization of the operations and personnel required for the maintenance and operation phases and allocated necessary personnel appropriately</li> <li>• Improvement of management items for appropriate comprehension and analysis of system risks, along with in-depth discussions on measures</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Calculated the number of IT personnel required for the maintenance, operation, and development of systems; established a framework for procurement and operation; and secured necessary personnel on a monthly basis</b></li> <li>2. <b>Comprehended the actual situation of IT departments' operations to improve business operations</b>  <b>A total of 23 GCIO sessions, interview with ITG personnel</b></li> <li>3. <b>Materialized the discussion theme (IT strategy, risk response situation, etc.) and discussion frequency</b>  <b>Reported on the situation of multi-layered monitoring to the management-level committee</b></li> </ol>
Legal Compliance	<ul style="list-style-type: none"> <li>• Development of procedures and structures related to foreign exchange laws and regulations</li> <li>• Implementation and improvement of management and employees training to further strengthen legal compliance framework</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Developed procedures and structures related to foreign exchange laws and regulations</b>                      Inspected/improved AML/CFT compliance in case of system failure through cooperation among IT, compliance, and operations departments                      Improved the monitoring structure, including walkthrough inspection of FX operations, on-site inspection by the compliance and operations departments in high-risk fields</li> <li>2. <b>Reviewed monthly compliance training and keep it updated with the new training content</b></li> <li>3. <b>Conducted training for management personnel for the essential understanding of the importance of AML/CFT</b></li> </ol>
Reforming Corporate Culture	<ul style="list-style-type: none"> <li>• Improvement of business operations and communication in company-wide and securing of the sustainability of the Business Improvement Plan</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Promoted various measures based on employees' opinions</b>  <b>Proposal made by employees' working groups to the management.</b> (The discussions were made open to all employees.)                      Actions to continuously enhance productivity (More than 200 internal operations have been abolished or improved.)</li> <li>2. <b>Improved digital infrastructure</b>                      Provided additional devices, increased online meeting functions, and developed communication enhancement tools including internal SNS</li> </ol>

Worked to comprehend the actual situation of frontline offices and to make actions take root

### Working Group on Values/Action Principles

- **Redefinition of corporate philosophy, vision, and the Mizuho Values**
- **Redefinition and penetration through company-wide, continuous activities and united commitment involving the top management**

Development process

- Process disclosure, dialogue for all employees, etc.

Measures/schemes for penetration

- Continuous message delivery, fixed-point engagement observation, etc.

### Working Group on Communication Transformation

#### ■ **“Vertical” improvement**

- Communication skill training
- Visualization of workplace engagement surveys, etc.

#### ■ **“Horizontal” improvement**

- Communication tools to send appreciation, praise, etc., to one another
- Introduction of internal SNS, employee list with profiles, etc.

#### ■ **Appointment/establishment of a dedicated management personnel and specialized department**

### Working Group on Business Style Transformation

#### ■ **Raising inner reflection awareness and a scheme to encounter various opinions**

- Organization that supports inner reflection
- Reverse mentor system, etc.

#### ■ **Action to change “task for inward-purpose”**

- Set awareness month to uncover non-urgent, useless operations
- Development of an environment for principle-based approaches
- Visualization of the busyness of supervisors, etc.

### Working Group on Support in Proactive Actions

#### ■ **Skill improvement of middle management**

- Middle management training
- Review/revision of personnel assessment, etc.

#### ■ **Recognition of proactive actions and motivation enhancement**

- Empathy, support, and evaluation for proactive actions, etc.

#### ■ **Sharing successful samples and knowledge**

#### ■ **Management being role models for employees.**