

Progress of the Business Improvement Plan

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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.

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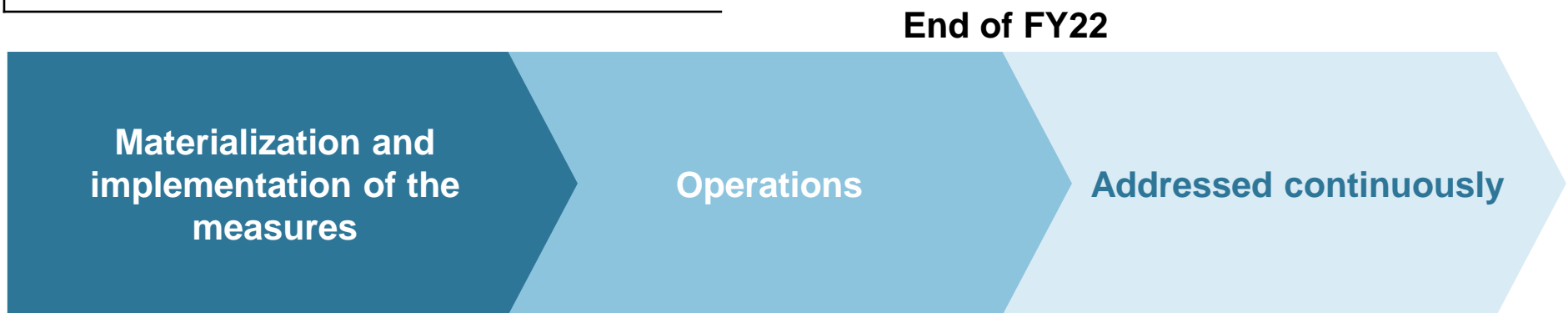
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Progress of the business improvement plan and achievements

- Regarding progress of the improvement plan, the materialization of measures (including various inspections) and the operations are almost completed, and it is confirmed that the structure for continued improvement process is established and it is autonomously started to take root.
- To ensure continued operations, initiatives will be taken to make them as institutional response and to maintain effectiveness.

Current status



- Establishing a structure for taking responsive actions, with operations to be completed by the end of FY22
 - Prevention of system failure (maintenance and inspection)
 - Enhancement of system failure response capabilities (prompt initial response), etc.
 - Prevention of large-scale system failures
- Initiatives to maintain effectiveness:
 - Awareness: Constant initiatives not to let memory fade away and autonomous operations
 - Knowledge: Organizational knowledge building and intelligent base expansion to each employee
 - Wisdom: Sustainable achievements of both effectiveness and efficiency

Prevention of system failures

- Inspections are being steadily implemented without delay and are planned to be completed by the end of FY22.
- The approach for planning and promoting measures based on an understanding of the actual situation of the frontlines and personnel management is also well recognized and managed.

System maintenance

IT governance

	Actions/points to be improved	Key points for continuous initiatives		Actions/points to be improved	Key points for continuous initiatives
Preventive maintenance	Prevention of system failures 200 additional preventive replacements*1	Continued inspections through effective and efficient approaches Continued improvement of inspection methods	Understanding the frontline situation/ Personnel management	Dissemination of personnel management Accumulation of employees' opinions and the full-scale implementation of the improvement cycle 1,200 staff interviews 40 management-frontline dialogues	Fostering a culture and an environment that promote continuous improvements in an autonomous manner based on environmental changes and technological progress
Operation verification	Prompt response for recovery Completed for major 81 systems*2		Governance supporting the above	Timely reflection in the allocation of management resources Enhancement of failure analysis	
Application inspection	System resource enhancement and monitoring improvement				

- Preventing large-scale failures through predictive management, resource enhancement, etc.
 - Realizing smooth failure detection and recovery measures in the inspected IT systems

*1 Preventive replacement of disc etc based on detected sign found through inspection *2 Inspection to find problems or things to be improved of system behavior at the time of switching to back-up

Enhancement of system failure response capabilities

- Establishment of structure for prompt, initial response and enhancement of failure response capabilities through a visualization of systems and operations
- Enhancement of ATM failure response capabilities
~installation of cameras with speakers at ATMs and improved specifications for capturing bankbooks and cards~

Prompt initial response

Enhancement of ATM failure response capabilities

	Actions/points to be improved*1	Key points for continuous initiatives		Actions/points to be improved*1	Key points for continuous initiatives
Initial alert from the detection of system failures	Generally, within 30 minutes Target range: Within 1 hour	Visualization of system configuration and operation flows	Number of ATMs out of service	24 units at maximum*2 Feb 28, 2021: 4,318 units	Improvement of ATM functions - Installation of cameras with speakers at all ATM sites - Improvement of cash capturing specifications
Number of system failures that caused transactions to be processed on the next day*3	2 transactions Feb 28, 2021~FY21: 7 transactions	Making deliverables organizational knowledge and the enhancement of frontline capabilities	Number of cases of bankbooks/cards being captured	0 cases Feb 28, 2021: 5,244 cases	

*1 Actual result of Apr-Dec FY22 *2 Nov 30, 2022: Impact of external line network failure; restored within 14 minutes after the line switchover *3 Number of domestic system failures that resulted in transactions that should have been processed on the current day but that were processed on the following day in part, including transactions in progress, etc. Number of affected transactions is decreased from few thousands to less than hundred.

Utilization of feedback from customers and employee's voices, and the reformation of corporate culture

- Started the operation to make good use of feedback/opinions from customers and employees. Feedback/opinions from the frontlines are increasing, which shows improvement in the head office initiatives.
- Promoting abolition of internal operations, exchange of opinions with management, enhancement of tools, etc., improving the Staff Survey results.

Actions of using feedback/opinions

Reformation of corporate culture

	Actions/points to be improved	Key points for continuous initiatives		Actions/points to be improved	Key points for continuous initiatives
Listening of feedback and opinions	Establishment of infrastructure Rollout of Visualization Engines*1 at all branches Promoting communication between the front offices and the head office Enhancement of Mirai Conference*2	Installing the sense of ownership Improvement of operational efficiency	Initiatives	More than 300 internal operations abolished/improved Consideration of re-definition of Corporate identity, Installation of a Chief Culture Officer Introduction of internal SNS	Nurturing perceived changes of each employee
Utilization of feedback and opinions	Web posting of examples of improvements based on customer feedback*3 Reduction of operation workload based on feedback/opinions as a starting point Improvement of tablet functions at branches, etc.	Steady achievement of improvement measures	Staff Survey	Improvement trends mainly in perceived changes and trust in management	Continuous monitoring and steady improvements

*1 Infrastructure for visualization such as insights/recommendation of branches *2 Dialogue between branches and the head office with a future-oriented approach to business operations

*3 <https://www.mizuhobank.co.jp/company/activity/cs/case.html> (in Japanese)

Governance

Legal compliance structure

- **Establishment and high awareness of procedures/structures related to foreign exchange laws and regulations; multi-layered initiatives to promote/ensure the penetration of essential understanding**, including message transmission and workshops
 - Clarifying the basic approach and action guidelines and communicating these to all employees as a message from the president; head of divisions and general managers also transmitting messages in response to the actual situation of the front lines
 - Inspection activities by the front lines and the head office, with workshops at each branch
- **Reinforcement of the autonomous actions** of the frontlines and head office by reviewing training programs based on the level of understanding and changes in behavior, along with expanding inspections beyond the scope of foreign exchange-related laws

*1 Mizuho Research & Technologies, Ltd.

*2 Corporate Governance Report, Supplementary Principle [4.11.3]

https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/who-we-are/governance/governance/g_report/g_report.pdf

Enhancement of supervisory function

- **Enhancement of multifaceted information-gathering capabilities by outside directors**
 - Close exchange of opinions with the top management of major group companies
 - Visits to front offices, MHRT*¹ offices, etc., with communication with management and employees
 - Strengthening of cooperation between the Audit Committee and the Internal Audit Group
- **Continued autonomous improvement activities based on the evaluation process of the effectiveness*² of the Board of Directors** for the enhancement of supervisory functions