



## Corporate culture transformation

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**Natsumi Akita (Group CCuO and Group CPO) and outside directors Takashi Tsukioka and Masami Yamamoto met to talk about corporate culture transformation at Mizuho, the discussions and initiatives to date, and the challenges going forward.**

**Impressions of Mizuho**

**Yamamoto** Natsumi, you joined Mizuho in May 2022. At that time, what were your impressions of Mizuho's corporate culture and employee sentiment, and where did you see room for improvement?

**Akita** Before I joined, I assumed that Mizuho was an organization where it was hard to instigate change. That was the impression I had

from media coverage of the organization. Actually, even after I joined, **there were times when I could sense that people at Mizuho tended to confine their interpersonal relationships to within the company, and it seemed like quite a few of them believed that the Mizuho way of doing things was simply the universal standard.** Granted, these issues are not unique to Mizuho; the same could be said of any large Japanese corporation. However, after speaking one-on-one with the people here, I came to understand that many of them are passionate about contributing to improving the company. I could see that they were interested in gaining insight into the varied experiences and perspectives of people like me, who have worked outside the company.

**Outside director perspectives on issues and challenges**

**Akita** How do you two, as outside directors, feel about the corporate culture at Mizuho? Since last year we have been discussing the revision of Mizuho's Corporate Identity. I would be interested to hear your thoughts on any challenges you have identified in that regard, also.

**Tsukioka** I became an outside director right in the middle of the turmoil caused by the IT system failures. Shortly after my appointment,



**I began to perceive that Mizuho was not functioning well due to its organizational approach: the holding company would consider and create strategy, and the group companies would simply carry out those predetermined strategies.** Further, when I considered the way anxiety was spreading among employees, I thought that it was the right time—a chance, even—to go back to basics, precisely because we had reached a crisis point. In my experience, **for employees to come together and move in the same direction, it is critical for them to learn about the origins and history of the company.** There is a painting by Paul Gauguin titled “Where Do We Come From? What Are We? Where Are We Going?” These are the very questions employees and executive management should consider together. I felt that Mizuho needed to do that.

**Yamamoto** Adding onto that, **I believe that for Mizuho to keep growing, we need human capital that can help us to break out of our shell and embrace innovation.** As part of the process of revising the Corporate Identity, we decided on Mizuho's Purpose: “Proactively innovate together with our clients for a prosperous and sustainable future”. Through setting this Purpose, we were able to clearly define Mizuho's role and direction going forward. **If we can build an environment where each employee can share a multitude of ideas and act on those ideas, I think we'll be on the right track.**

**Tsukioka** I agree. Recently, employee-led working groups formed and shared proposals for executive management. One of the great successes of these working groups has been to provide employees with an opportunity to proactively share their thoughts and views with the company. Also, regarding the revisions to the Corporate Identity, we were able to improve executive officer–employee communication by ensuring that executive management coming together with employees was a central part of the process.



## Initiatives by the Group CPO in fiscal 2022

**Yamamoto** What did you give particular attention to when you undertook initiatives in fiscal 2022?

**Akita** Since joining Mizuho and becoming Group CPO in May 2022, **the theme I have placed the most importance on is developing connections.** Take, for example, the organizational development initiative that we started last year. Until now, we have mainly prioritized the growth of individual employees, but through this initiative we began to work on interpersonal relationships as well through a focus on communication and teamwork. By creating connections between teams and the organization, we are aiming for improved performance across the organization. These kinds of initiatives have become even more important post-COVID. With regard to developing future female leaders, we introduced a mentoring program where executive officers act as mentors for female leadership candidates. We have also been using training sessions to create lateral connections between women working in management positions. Further, outside of our support for current employees, we are also putting emphasis on co-creation of connections between Mizuho and Mizuho alumni, and we are strengthening our cooperation with our Mizuho alumni network of approximately 1,000 members.

**Yamamoto** **In order for us, as an organization, to break out of our shell, we need a working environment where people share diverse opinions.** One issue especially pertinent to this is the advancement of women in the workplace, which is a topic of serious discussion at the Board of Directors. Right now, if you look at the executive officer makeup of the holding company, there are still only two positions filled by women—your position being one of them. In what ways are you looking to promote the advancement of women in the workplace?

**Akita** Women have a range of concerns, which relate to factors such as job role, office environment, and family circumstances. First things first, we are working hard to provide support that is truly helpful in alleviating these various concerns. Overall, as a company, I think we



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should be aware of the importance of listening. This is especially true for traditional Japanese companies, which tend to have a very top-down chain of command. **Many different kinds of people work at Mizuho but, unfortunately, we have not been making enough time to really hear what they have to say.**

**Yamamoto** I feel that, at Mizuho, communication still tends to revolve around male employees. One outside director who has observed offices outside Japan said that women are very active in those workplaces and that they actively participate in extremely energetic discussions. **In order for Mizuho to move in a positive direction, we need to create a working environment where it is the norm for anyone, including women, to be able to freely express their ideas and opinions.**

**Tsukioka** The promotion of women's advancement in the workplace is an issue at many Japanese companies. I would definitely like to see you, as a female executive officer who has come to Mizuho after working elsewhere, continue demonstrating your great leadership. This is certain to have an extremely large impact on Mizuho. We will do all we can to support you as outside directors.

### Efforts to achieve corporate culture transformation, and how these efforts will be sustained

**Tsukioka** **Going forward, it will be crucial to track how firmly the Corporate Identity becomes established among employees.**



**“We need to create a working environment where it is the norm for anyone to be able to freely express their ideas and opinions”. (Yamamoto)**



**“How to instill ownership over the Corporate Identity in employees and inspire them to move forward with a positive mindset? Employee participation is key”. (Akita)**

When I learned that Mizuho was creating a Group CCuO role and a Corporate Culture Office in order to promote the Corporate Identity, I was able to see Group CEO Kihara's commitment. As Group CCuO, what initiatives will you prioritize going forward?

**Akita** **The other members of the Corporate Culture Office and I are making every effort to instill in our colleagues a sense of ownership over the Corporate Identity and make sure they can move forward with a positive mindset.** Of course, their participation is key. Progressing such a variety of initiatives requires that employees become proactively involved from the planning stage so that we can shape the initiatives together. Regardless of whether they will work out well or not, we will steadily try out ideas put forward by our colleagues. If, after trying it out, an idea doesn't work, we won't develop it any further. But if the idea has potential, we will go through the process of developing it to make it even better. In addition to continually carrying out employee-led initiatives in this way, it is also important for us to deepen awareness about these kinds of efforts. As such, we will enhance the sharing of related information both in and outside Japan.

**Yamamoto** **A very long road lies ahead when it comes to completing corporate culture transformation initiatives. For this reason, it is necessary to devise ways to keep it positioned as a key management issue.** What are your thoughts on this matter?

**Akita** For our new medium-term business plan KPIs, **we set quantitative targets for the engagement score and inclusion**



**score based on our staff surveys, and we communicated this management commitment both inside and outside Mizuho.**

**Yamamoto** We discussed this at the Compensation Committee, too. Taking on board Group CEO Kihara's clear sentiments on the matter, we have incorporated these metrics into the executive compensation system. We know that these are challenging targets, so we are asking all executive officers to demonstrate strong leadership to ensure that they can be met.

**Tsukioka** The staff survey results are just one indicator, and can be affected by situational circumstances during the period when the survey is held, which should be kept in mind. It may be helpful to also look at increasing employee contact points and listening to opinions which may go unvoiced in surveys.

## Signs of change

**Tsukioka** There is a saying in Japanese which roughly translates as "When you're at a dead end, something has to give. Once it gives, you'll be able to pass". As we discussed at the Board of Directors meetings, my perspective has been that if Mizuho doesn't change now, it won't be able to go on. However I do actually feel that, bit by bit, various things are beginning to change in a positive direction. What about you, Natsumi?

**Akita** Yes, I'm also seeing gradual change. For example, in Japan, Group CEO Kihara regularly holds sessions to talk directly with employees. The conversation flows easily during these sessions. I understand that other companies are doing similar things, but I suspect that, in the case of other companies, the employees are likely briefed about the course of discussion ahead of time. It is the lack of prior preparation and the fact that participants really are speaking from the heart that makes Mizuho's sessions so outstanding. This is just one example, but **we place great importance on this transition towards opening up more chances for communication, and at more frequent intervals. When it comes down to it, employees are the starting point of change. It is essential for us to listen closely, grasp what it is that lights a fire in their hearts, and take action based on that knowledge.**

**Yamamoto** When we do that, we should consider not only the holding company, but also give close attention to the group as a whole, including group companies. By looking at the circumstances of the individual group companies, we will be able to move forward initiatives that are appropriate in each instance. **Mizuho changing as a whole will create an even stronger group, and will be the source of future growth. I want all executive officers and employees to take that in.**

**Akita** We will, of course, make efforts as a unified group. Executive

officers, from CEOs of group companies to geographical area heads, have been proactively using the internal company social media networks and other communication tools. Internal communication has become livelier. I am excited for this kind of communication between executive officers and employees to lead to an even more vibrant working environment.

**Tsukioka** Fundamentally, all corporations exist for a common reason: to contribute to society and the countries where they do business. **If communications from executive management emphasize the chasing of short-term profit without providing a clear sense of the corporation's overarching goal, employees won't be able to reach customers, and the corporation won't be able to achieve sustainable growth as a company. To make sure that doesn't happen, Mizuho needs to use the Corporate Identity, and the Purpose in particular, to properly communicate our overarching goal to employees.**

**Yamamoto** I agree. **We, outside directors, would also like to have robust discussions with executive management at board meetings and in everyday communications to make sure that we don't lose sight of the overarching goal, and to ensure that executive management share the same views on this point.**

**Akita** Thank you. I felt a huge amount of confidence when I visited a branch recently and heard my colleagues there saying that Mizuho is already changing. Going forward, I will do all I can to increase the number of people who share this sentiment. Thank you for your time today.

**"It is important to use the Corporate Identity, and the Purpose in particular, to properly communicate Mizuho's overarching goal to employees". (Tsukioka)**

