

# **Summary of Financial Results for Fiscal 2017 <Under Japanese GAAP>**

May 15, 2018

**One MIZUHO**  
Building the future with you

**Mizuho Financial Group**

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## Definitions

FG: Mizuho Financial Group, Inc. BK: Mizuho Bank, Ltd.  
TB: Mizuho Trust & Banking Co., Ltd. SC: Mizuho Securities Co., Ltd.

**2 Banks:** Aggregate figures for BK and TB on a non-consolidated basis  
**Group aggregate:** Aggregate figures for BK, TB, SC and other major subsidiaries on a non-consolidated basis

# Overview of Income Statement

## Summary of Financial Results

Reference: <Exchange rate (TTM)> Mar-18: USD 1 = JPY 106.27 (Mar-17: USD 1 = JPY 112.20)

- Net Income Attributable to FG<sup>1</sup> for FY2017 was JPY 576.5bn, achieved 104% against the earnings plan of JPY 550.0bn for FY2017
- Regarding Consolidated Net Business Profits, while Gross Profits in Customer Groups (2 Banks) maintained the same level as last FY supported by the improvement in Non-interest Income, Gross Profits in Trading & Others (2 Banks) decreased mainly due to the business environment inside and outside Japan
- Meanwhile, Reversal in Credit-related Costs and Net Gains related to Stocks due to disposal of ETFs and cross-shareholdings contributed to Net Income Attributable to FG

Consolidated	(JPY bn)	
	FY2017	Changes from FY2016
Consolidated Gross Profits	1,915.3	-177.3
<b>Consolidated Net Business Profits<sup>2</sup></b>	<b>457.8</b>	<b>-205.5</b>
Consolidated Net Business Profits + Net Gains related to ETFs and others <sup>3</sup>	<b>538.0</b>	<b>-161.8</b>
Credit-related Costs	156.3	203.8
Net Gains (Losses) related to Stocks	272.0	29.8
Net Gains (Losses) related to Stocks - Net Gains related to ETFs and others <sup>3</sup>	191.8	-13.8
Ordinary Profits	782.4	44.9
<b>Net Income Attributable to FG<sup>1</sup></b>	<b>576.5</b>	<b>-26.9</b>

1. Profit Attributable to Owners of Parent 2. Consolidated Gross Profits - G&A Expenses (excluding Non- Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments  
3. Net Gains related to ETFs of 2 Banks and Net gain (loss) on operating investment securities of SC Consolidated  
4. New management accounting rules were applied at the beginning of FY17. Figures for FY16 are recalculated based on the new rules

## 2 Banks (JPY bn)

	FY2017	Changes from FY2016
Gross Profits	1,293.3	-148.1
Customer Groups	1,169.9	0.6 <sup>4</sup>
Trading & Others	123.4	-148.6 <sup>4</sup>
G&A Expenses (excluding Non-Recurring Losses)	-964.7	-17.6
<b>Net Business Profits</b>	<b>328.5</b>	<b>-165.7</b>
Credit-related Costs	153.2	202.5
Net Gains (Losses) related to Stocks <sup>5</sup>	266.3	55.8
Ordinary Profits	616.5	93.6
<b>Net Income</b>	<b>493.1</b>	<b>105.1</b>

SC <sup>6</sup>		
Net Operating Revenues	306.0	-59.9
SG&A Expenses	-263.4	27.5
Ordinary Income	43.2 <sup>7</sup>	-32.5
<b>Net Income Attributable to SC</b>	<b>35.7</b>	<b>-152.8</b>

## Difference in Net Income b/w Consolidated and 2 Banks+SC

Asset Management One	15.6	9.2
Major Overseas Subsidiaries (BK)	36.2 <sup>8</sup>	12.1
Mizuho Credit Guarantee	12.9	-8.1
Other Subsidiaries & Consolidation Adj.	-17.0	7.6

5. Including Net Gains related to ETFs of JPY 70.1bn (+JPY 37.5bn YoY) 6. Mizuho Securities USA and Shinko Asset Management became unconsolidated from SC Consolidated since 2Q FY16 and 3Q FY16, respectively.  
7. Simple aggregate of Ordinary Profits of SC Consolidated (FY17) and Mizuho Securities USA (FY17) was JPY 60.2bn  
Reference: Simple aggregate of Ordinary Income of SC consolidated (FY16) - Shinko Asset Management (1H FY16) + Mizuho Securities USA (2Q-4Q FY16) was JPY 91.5bn  
8. Including Net Income of Mizuho Securities USA of JPY 9.3bn

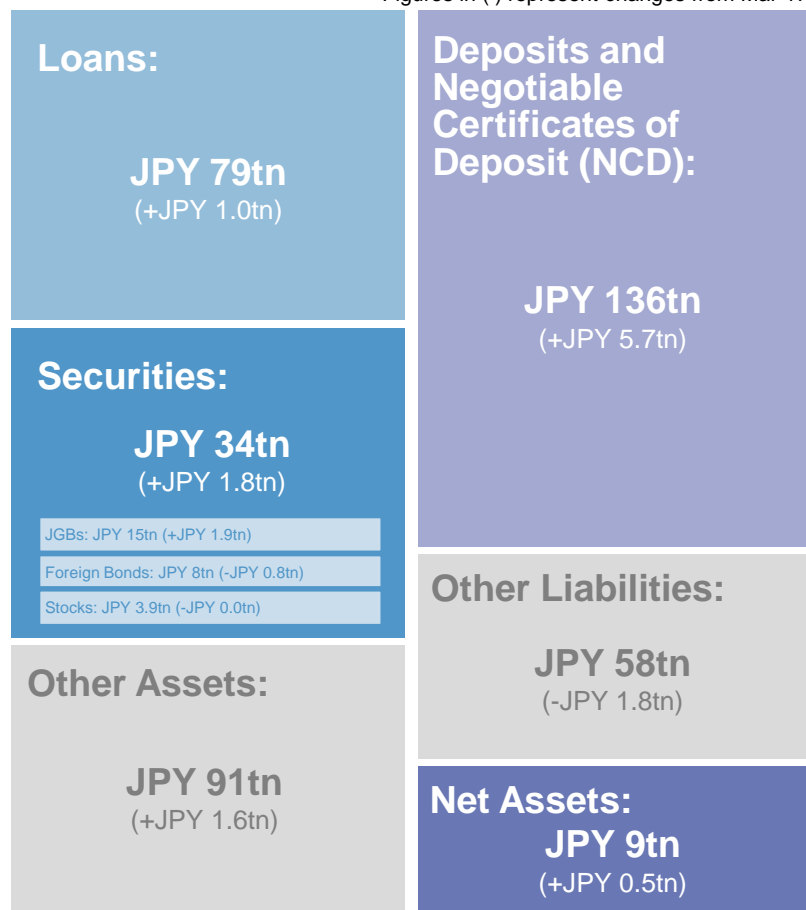
# Overview of Balance Sheet

## Balance Sheet (as of Mar-18)

Consolidated

Total Assets: JPY 205tn (+JPY 4.5tn)

Figures in ( ) represent changes from Mar-17

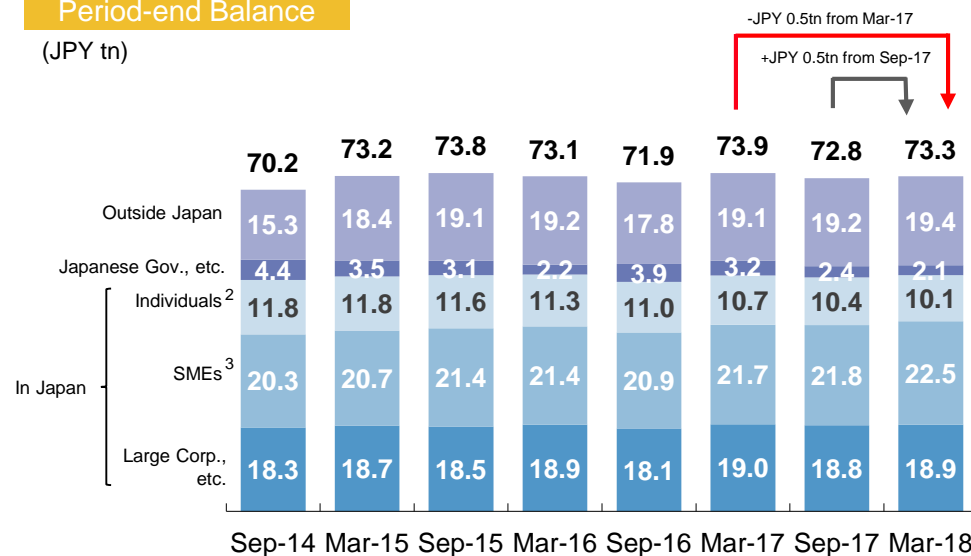


## Loan Balance <sup>1</sup>

2 Banks

### Period-end Balance

(JPY tn)

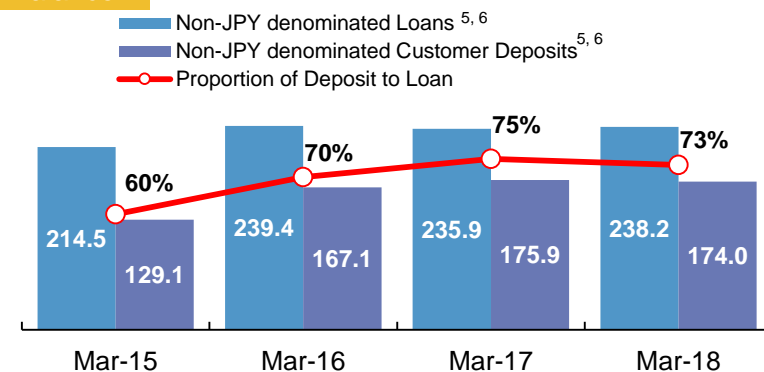


### Reference: Non-JPY denominated Loans and Deposits structure <sup>4</sup>

#### Period-end Balance

(USD bn)

BK, management account



1. Excluding loans to FG. Banking account

2. Housing and Consumer Loans

3. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers"

4. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, etc.)

5. Including Non-JPY loans and deposits in Japan

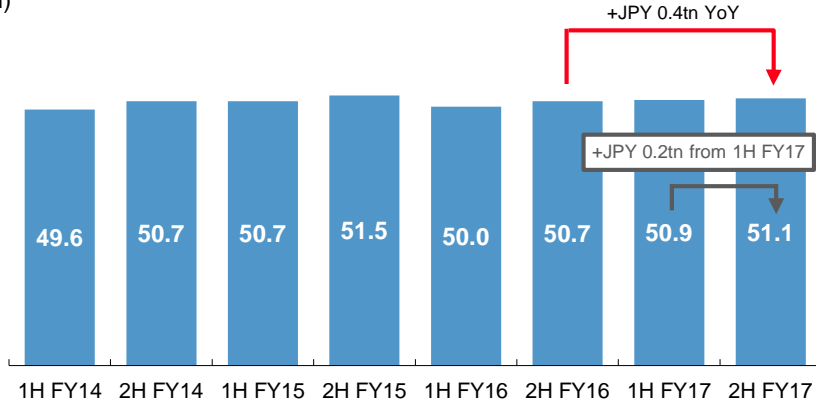
6. Changed in management account rules in FY17. Figures from Mar-15 to Mar-17 are recalculated based on the new rules

# Overview of Loans

## Loan Balance in Japan<sup>1</sup>

2 Banks

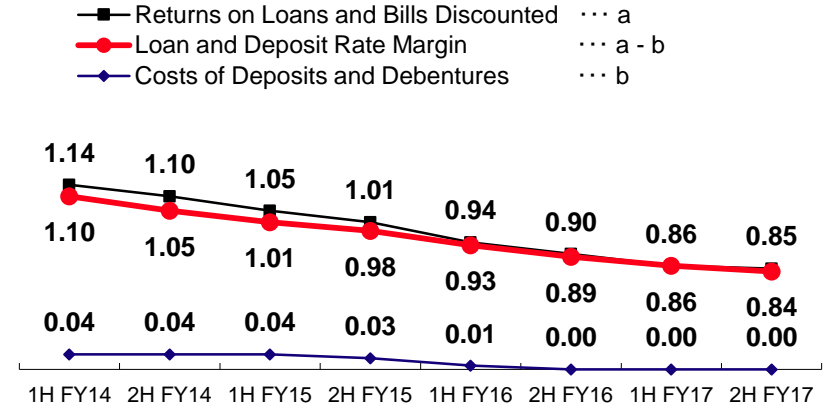
Average Balance  
(JPY tn)



## Loan and Deposit Rate Margin in Japan<sup>2</sup>

2 Banks

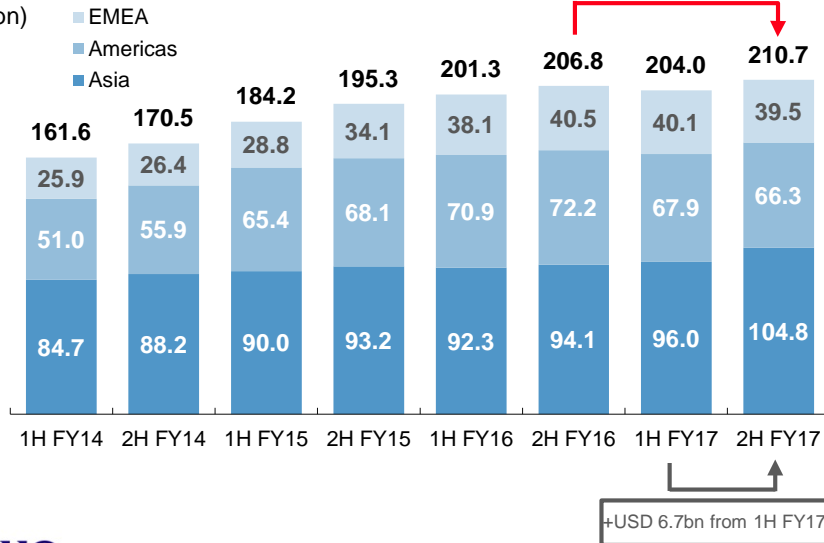
(%)



## Loan Balance outside Japan<sup>3, 4</sup>

BK, management account

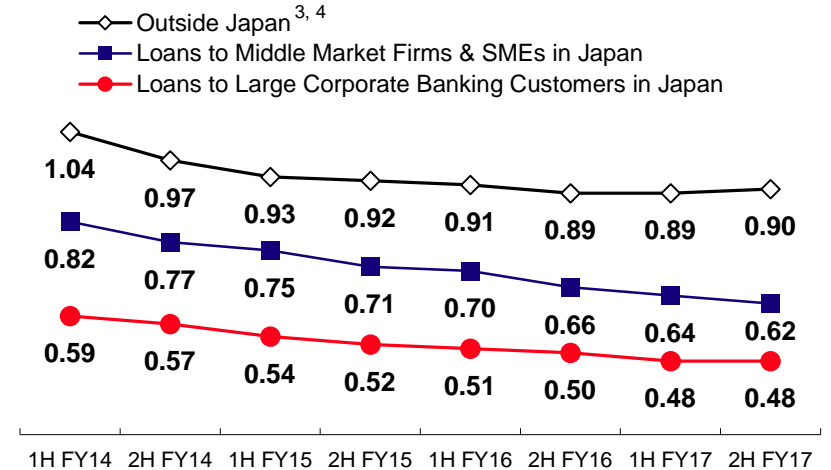
Average Balance  
(USD bn)



## Loan Spread

BK, management account

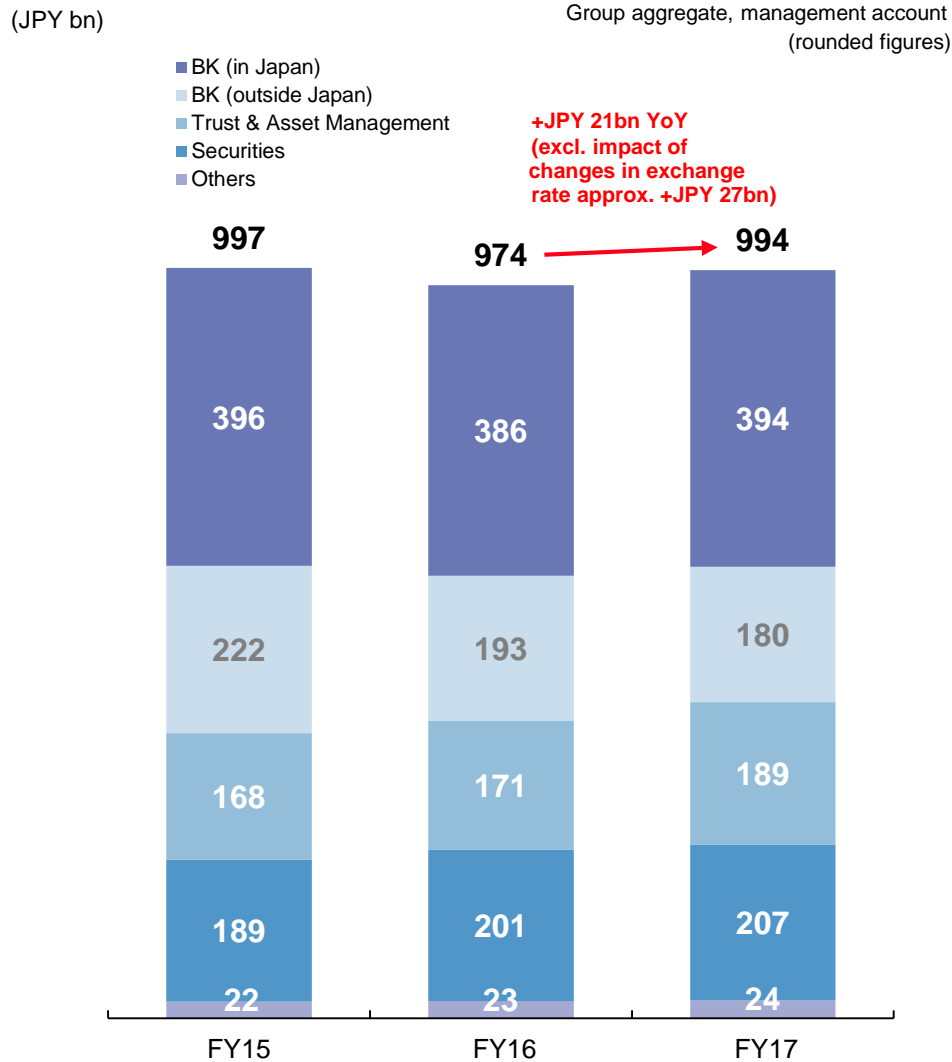
(%)



1. Excluding loans to FG and the Japanese Government, etc. Banking account
2. Domestic operations, excluding loans to financial institutions (including FG) and the Japanese Government, etc.
3. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico)
4. Changes in management account rules in 1Q FY17. Figures from 1H FY14 to 2H FY16 are recalculated based on the new rules

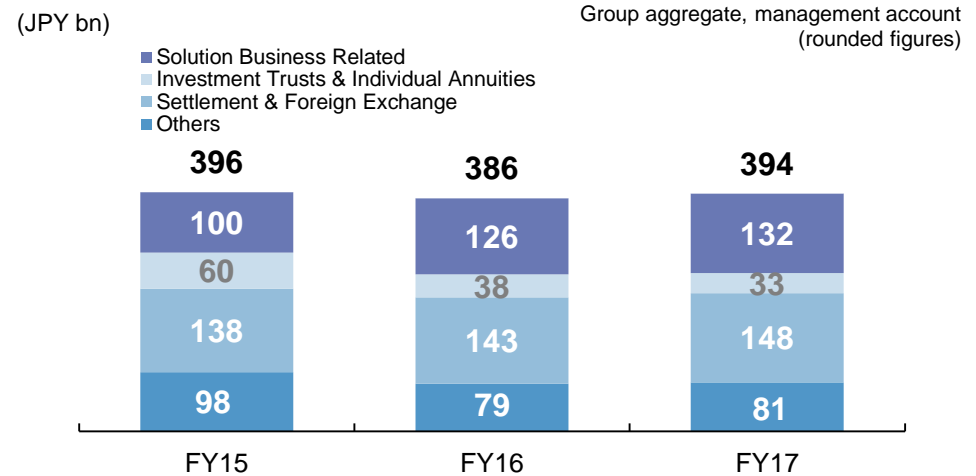
# Non-interest Income

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

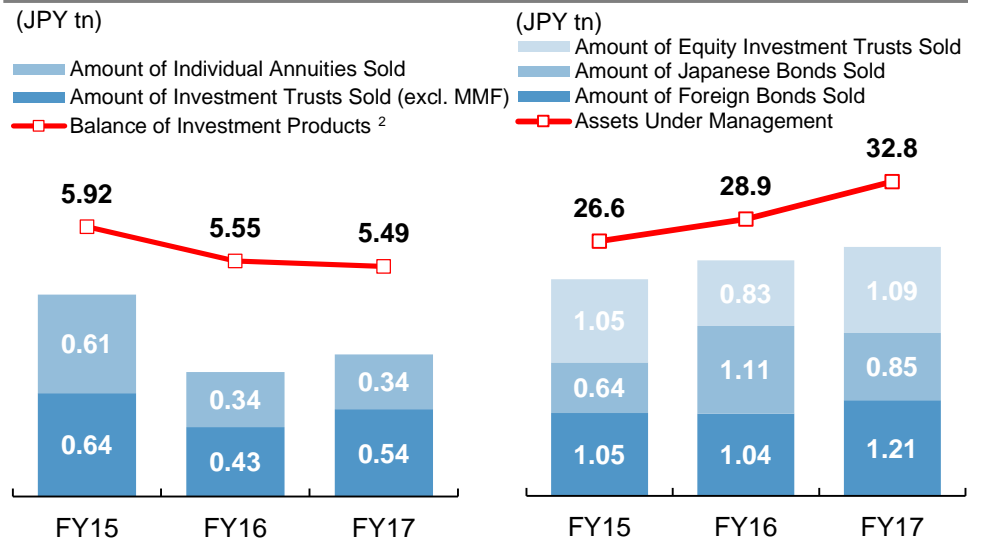


1. Changes in management account rules in 1Q FY17. The original figures before the recalculation were FY15: JPY 888bn and FY16: JPY 865bn

## Reference: Breakdown of BK (Japan) Non-interest Income



## Reference: Investment Products



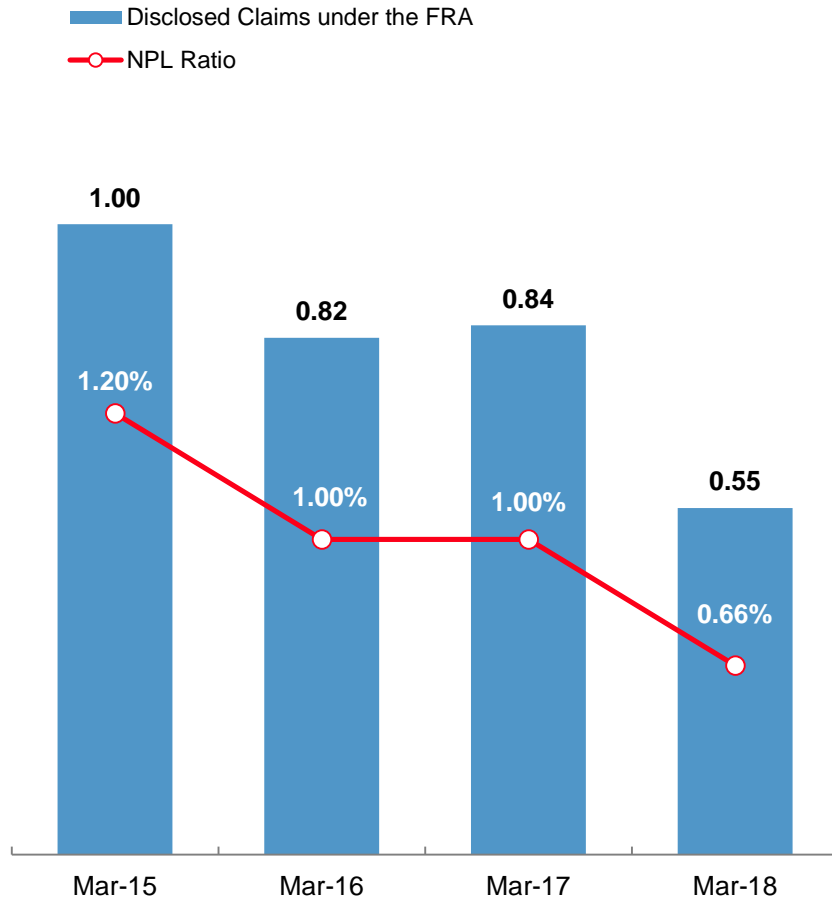
2. Total of Individual Annuities, Investment Trusts (excl. MMF) and non-JPY deposits

# Financial Soundness (1)

## Disclosed Claims under the FRA<sup>1,2</sup>

2 Banks

(JPY tn)

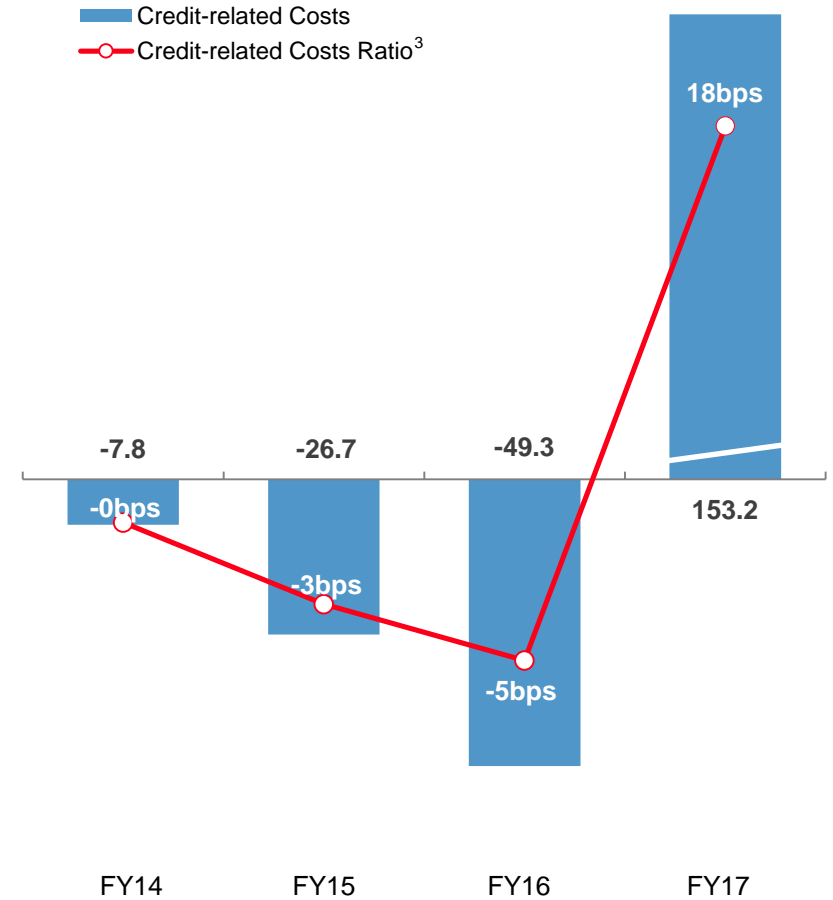


1. Financial Reconstruction Act  
2. Banking account + Trust account

## Credit-related Costs<sup>2</sup>

2 Banks

(JPY bn)



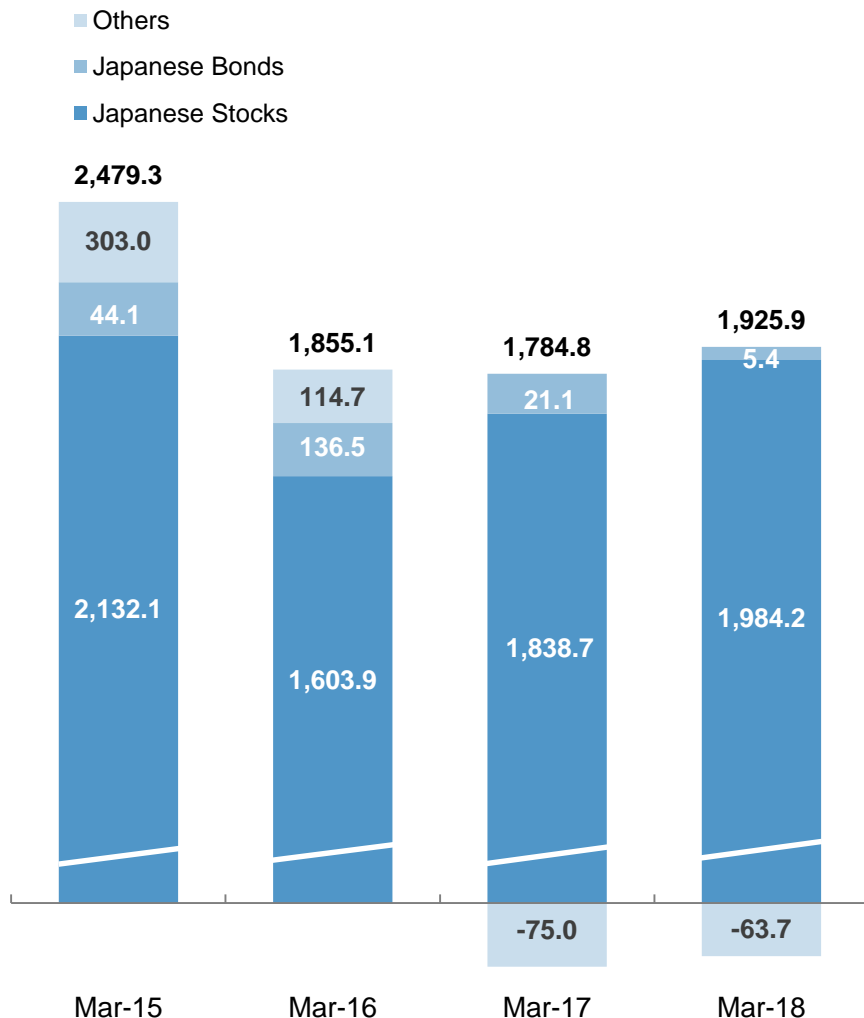
3. Ratio of Credit-related Costs against total claims

# Financial Soundness (2)

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

(JPY bn)

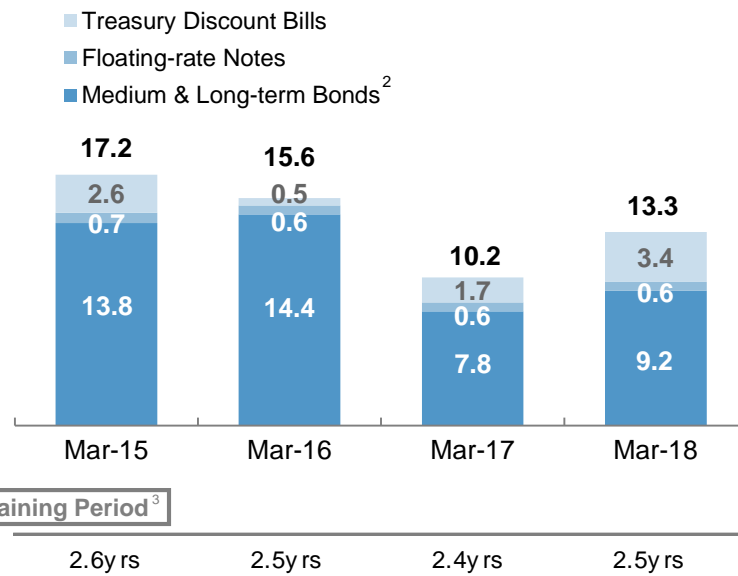
Consolidated



## JGB Portfolio<sup>1</sup>

2 Banks, acquisition cost basis

(JPY tn)



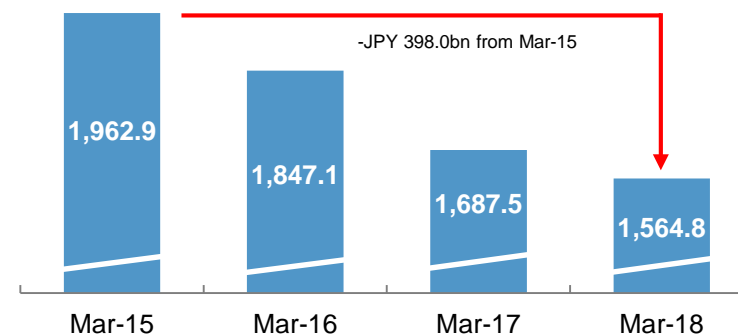
Ave. Remaining Period<sup>3</sup>

2.6y rs      2.5y rs      2.4y rs      2.5y rs

## Japanese Stock Portfolio<sup>1</sup>

Consolidated, acquisition cost basis

(JPY bn)



1. Other Securities which have readily determinable fair values
2. Including bonds with remaining period of one year or less
3. Excluding floating-rate notes
4. The base amount to be recorded directly to Net Assets after tax and other necessary adjustments



# BIS Capital Ratio

## Overview of BIS Capital Ratio

Consolidated

(JPY bn)

	Mar-17	Mar-18
<b>(1) Common Equity Tier 1 (CET1) Capital</b>	<b>7,001.6</b>	<b>7,437.0</b>
Capital, Stock Surplus and Retained Earnings	7,000.6	7,387.8
<b>(2) Additional Tier 1 Capital</b>	<b>1,209.8</b>	<b>1,755.1</b>
Additional Tier 1 capital instruments	760.0	1,220.0
Eligible Tier 1 capital instruments subject to phase-out arrangements	577.5	577.5
<b>(3) Tier 2 Capital</b>	<b>1,839.4</b>	<b>1,668.1</b>
Tier 2 capital instruments	852.4	988.1
Eligible Tier 2 capital instruments subject to phase-out arrangements	842.1	674.8
<b>(4) Total Capital (1)+(2)+(3)</b>	<b>10,050.9</b>	<b>10,860.4</b>
<b>(5) Risk weighted Assets</b>	<b>61,717.1</b>	<b>59,528.9</b>
Credit Risk Assets	56,060.0	53,647.3
Market Risk Equivalent Assets	2,282.8	2,470.3
Operational Risk Equivalent Assets	3,374.2	3,411.2
<b>(6) Total Capital Ratio</b>	<b>16.28%</b>	<b>18.24%</b>
<b>Tier 1 Capital Ratio</b>	<b>13.30%</b>	<b>15.44%</b>
<b>CET1 Capital Ratio</b>	<b>11.34%</b>	<b>12.49%</b>
<b>CET1 Capital Ratio</b> (fully-effective basis) <sup>1</sup>	<b>11.37%</b>	<b>12.49%</b>
<b>CET1 Capital Ratio</b> (fully-effective basis, excl. Net Unrealized Gains on Other Securities) <sup>1</sup>	<b>9.27%</b>	<b>10.15%</b>
<b>(7) Capital Buffer Ratio<sup>2</sup></b>	<b>6.84%</b>	<b>7.99%</b>
<b>(8) Leverage Ratio</b>	<b>3.95%</b>	<b>4.28%</b>

## CET1 Capital Ratio

- Steadily strengthened the CET1 Capital
  - CET1 Capital Ratio as of Mar-18: 12.49%
  - CET1 Capital Ratio  
(excluding Net Unrealized Gains on Other Securities)<sup>1</sup>: 10.15%
- Adequate level of Additional Tier 1 and Tier 2 Capital
  - Tier 1 Capital Ratio as of Mar-18: 15.44%
  - Total Capital Ratio: 18.24%
  - Capital Buffer Ratio<sup>2</sup>: 7.99%

## Leverage Ratio

- Leverage Ratio as of Mar-18 : 4.28%

1. Calculated by Mizuho based on fully-effective Basel III Rule as of March 2019, deducting total amount of regulatory adjustments

2. CET1 available after meeting the bank's minimum capital requirements

	Mar-17	Mar-18
Total of bank CET1 specific buffer requirements	1.75%	2.635%
o/w Capital Conservation Buffer	1.25%	1.875%
Countercyclical Capital Buffer	0%	0.01%
G-SIBs Capital Buffer	0.5%	0.75%

# Earnings Plan for FY2018

## Earnings Plan for FY2018 and Cash Dividends

Consolidated (JPY bn)

	FY2018 (Plan)	Changes from FY2017
Consolidated Net Business Profits <sup>1</sup> +Net Gains related to ETFs and others	700.0	161.9
Credit-related Costs	-20.0	-176.3
Net Gains (Losses) related to Stocks -Net Gains related to ETFs and others	190.0	-1.8
Ordinary Profits	830.0	47.5
<b>Net Income Attributable to FG<sup>2</sup></b>	<b>570.0</b>	<b>-6.5</b>

1. Consolidated Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments

2. Profit Attributable to Owners of Parent

2 Banks (JPY bn)

	FY2018 (Plan)	Changes from FY2017
Net Business Profits +Net Gains related to ETFs	530.0	131.3
Credit-related Costs	-20.0	-173.2
Net Gains (Losses) related to Stocks +Net Gains related to ETFs	185.0	-11.2
Ordinary Profits	635.0	18.4
Net Income	455.0	-38.1

■ FY2018 Net Income Attributable to FG<sup>2</sup> is estimated to be JPY 570.0bn, approximately the same level as that of FY2017

■ Annual Cash Dividend per Share of Common Stock for FY2018 is estimated to be JPY 7.5 (unchanged from FY2017)

■ Continue the “steady dividend payout” policy with a “dividend payout ratio on a consolidated basis of approx. 30%” as a guide for our consideration

### Cash Dividend per Share of Common Stock

	FY 2018	Changes from FY2017
<b>Annual Cash Dividends (Estimate)</b>	<b>JPY 7.5</b>	<b>unchanged</b>

### Transition of Cash Dividends

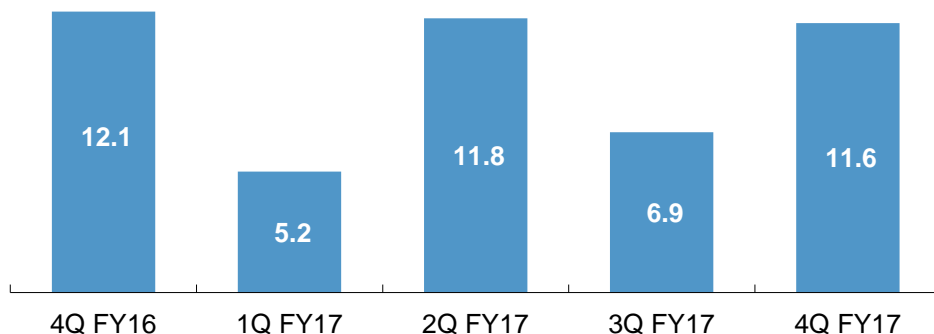
	FY2015	FY2016	FY2017	FY2018 (Estimate)
<b>Annual Cash Dividends</b>	<b>JPY 7.5</b>	<b>JPY 7.5</b>	<b>JPY 7.5</b>	<b>JPY 7.5</b>
<b>(Dividend payout ratio)</b>	<b>(27.8%)</b>	<b>(31.4%)</b>	<b>(33.0%)</b>	<b>(33.3%)</b>

# Reference: Mizuho Securities

## Net Income Attributable to SC<sup>1</sup>

SC Consolidated

(JPY bn)



1. Quarterly Profit Attributable to Owners of Parent

## Overview of Net Operating Revenues

SC Consolidated

(JPY bn)

	FY16	Reference FY16 <sup>3</sup> (Incl. MSUSA excl. Shinko)	FY17	Changes from FY16	Reference FY17 <sup>4</sup> (Incl. MSUSA excl. Shinko)
Commissions	197.5	228.1	168.4	-29.1	228.6
Net gain on trading	154.1	152.7	124.2	-29.9	119.2
Net gain (loss) on operating investment securities	3.8	3.8	10.0	6.2	10.0
Net financial income	10.4	34.2	3.3	-7.0	35.5
<b>Net Operating Revenues</b>	<b>365.9</b>	<b>419.0</b>	<b>306.0</b>	<b>-59.9</b>	<b>393.5</b>

3. Simple deduction of Shinko Asset Management (Shinko) (1H FY16) from SC Consolidated (FY16) and a simple aggregate of Mizuho SC USA (MSUSA) (2Q-4Q FY16)

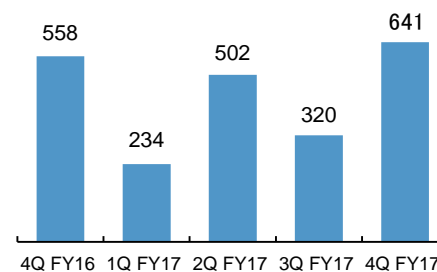
4. Simple aggregate of SC Consolidated (FY17) and Mizuho SC USA (MSUSA) (FY17)

## Retail Related Results

### Net Inflow of Client Assets

(JPY bn)

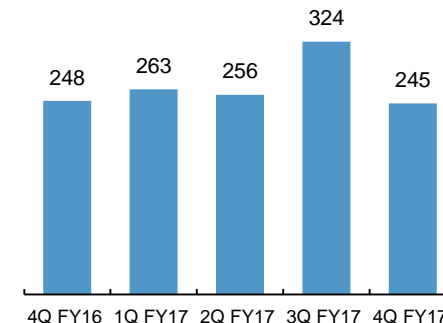
(rounded figures)



### Sales of Equity Investment Trusts<sup>2</sup>

(JPY bn)

(rounded figures)



2. Domestic sales (including privately placed investment trusts, but excluding reinvested dividends)

## League Tables

Apr. 1, 2017–Mar. 31, 2018

M&A Advisory for Announced Deals <sup>5</sup>	2 <sup>nd</sup>	218 Deals
Deals Total Equity Underwriting Worldwide <sup>6</sup>	4 <sup>th</sup>	12.7% Market Share
Total Japan Publicly Offered Bonds <sup>7</sup>	2 <sup>nd</sup>	18.9% Market Share
ABS Lead Manager <sup>8</sup>	1 <sup>st</sup>	33.0% Market Share
Americas DCM <sup>9</sup>	10 <sup>th</sup>	3.6% Market Share

5. Number of deals basis. Any Japanese involvement, excluding real estate deals. Source: Thomson Reuters

6. Underwriting amount basis, pricing date basis. Deals including initial public offering, public offering and convertible bonds, including REITs. Source: Thomson Reuters

7. Underwriting amount basis, pricing date basis. Deals including straight bonds, investment corporation bonds, Zaito agency bonds, municipal bonds (lead manager method only), Samurai bonds and preferred securities, and excluding self-led bonds. Source: I-N Information Systems

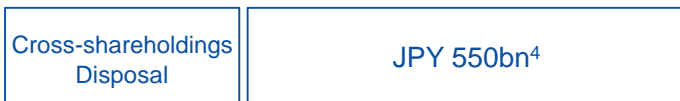
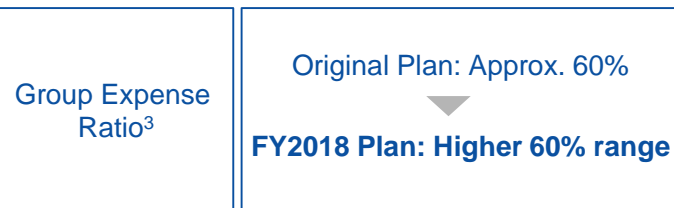
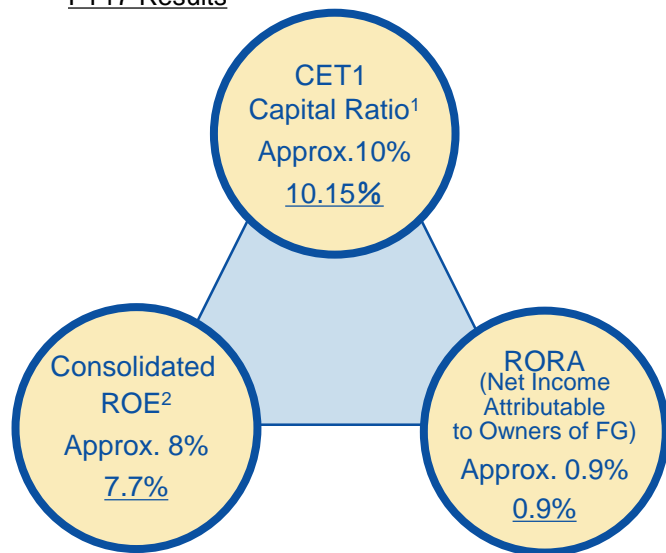
8. Transaction amount basis, settlement date basis. Source: Thomson Reuters

9. Bonds with issuance amount of USD 250mm and above issued by investment grade corporations in the Americas. Source: Dealogic

# Reference: Progress of the Medium-term Business Plan

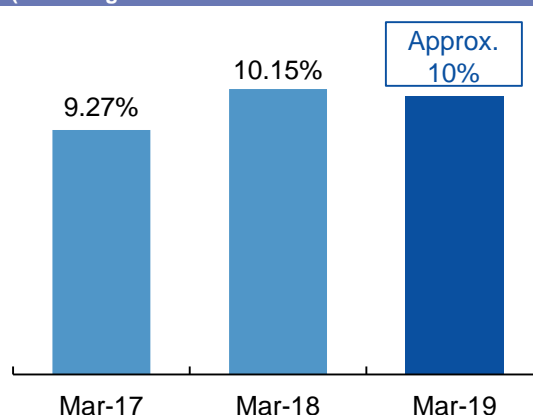
## Financial Targets for FY2018

### FY17 Results

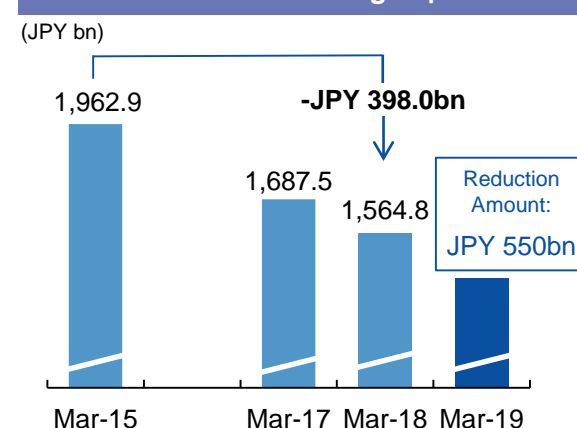


## Progress Against the Major Financial Targets

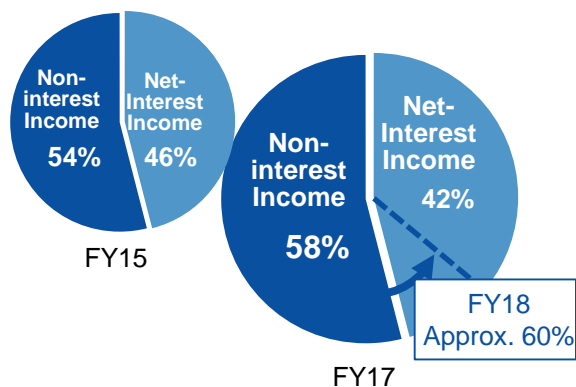
### CET1 Capital Ratio (excluding Net Unrealized Gains on Other Securities)



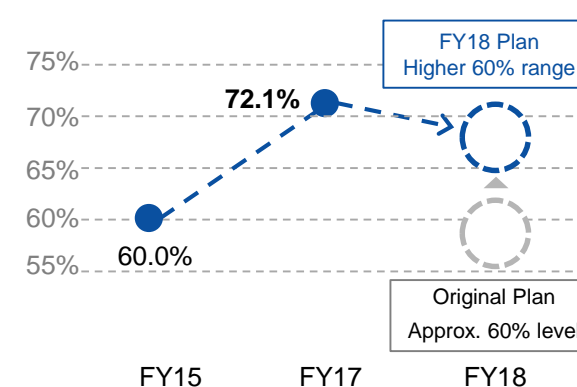
### Cross-shareholding Disposal (JPY bn)



### Proportion of Non-interest Income<sup>5</sup>



### Expense Ratio<sup>5</sup>



1. Basel III fully-effective basis (based on current regulations), excluding Net Unrealized Gains on Other Securities 2. Excluding Net Unrealized Gains on Other Securities

3. Group aggregated 4. Shares listed on Japanese stock market, acquisition cost basis, cumulative amount from FY15 to FY18

5. The range of management account companies has been changed since 1Q FY17

This immediate release contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance.

In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; decrease in the market liquidity of our assets; revised assumptions or other changes related to our pension plans; a decline in our deferred tax assets; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our Medium-term Business Plan, realize the synergy effects of "One MIZUHO," and implement other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; and changes to applicable laws and regulations.

Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information—Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”) and our report on Form 6-K furnished to the SEC on December 28, 2017, both of which are available in the Financial Information section of our web page at [www.mizuho-fg.com/index.html](http://www.mizuho-fg.com/index.html) and also at the SEC’s web site at [www.sec.gov](http://www.sec.gov).

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.

MHFG is a specified business company under "Cabinet Office Ordinance on Disclosure of Corporate Information, etc." Article 17-15 clause 2 and prepares the interim consolidated financial statements in the second quarter.