



Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Mizuho is engaged in a wide range of businesses related to banking, trust, securities, asset management, research & consulting, and other areas. Mizuho operates in Japan, Asia, the Americas, Europe, and other regions.

In Japan, Mizuho's clients include individuals, small and medium size companies, large corporations, financial institutions, and public corporations in a wide range of sectors. Our clients outside of Japan are mainly Japanese companies of various sizes as well as large local corporations.

Links and references (incl. pages)

Integrated Report 2023
p.44

https://www.mizuho-group.com/binaries/content/assets/pdf/mizuho-global/investors/financial-information/annual-data2303/data2303_all_browsing.pdf

Mizuho BK Website:
Locations

<https://www.mizuho-group.com/bank/locations>

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

<input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: The Annual Securities Report (Japan) <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: The UK Modern Slavery Act 2015, The Australia Modern Slavery Act 2018 <input type="checkbox"/> None of the above	
<p><i>Response</i></p> <p>In identifying materiality as strategic priorities, we took into account as its relevance to the SDGs as well as the expectations and demands of various stakeholders including society, the importance and affinity of materiality in our own strategy, and its impact on our corporate value over the medium to long term.</p> <p>Mizuho supports the Paris Agreement's objective of "to strengthen the global response to the threat of climate change". In order to specifically address climate change, we are pursuing efforts to limit the temperature increase to 1.5°C and have formulated "Mizuho's Approach to Achieving Net Zero by 2050", which outlines our vision and actions to achieve a decarbonized society by 2050, and "Net Zero Transition Plan", which outlines the direction of our initiatives.</p>	<p><i>Links and references</i></p> <p>News Release: "Strengthening our sustainability action", p.2 https://www.mizuho-rp.com/binaries/content/assets/pdf/mizuho-global/news/2022/05/20220517release_eng.pdf</p>

 <p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	
<p>2.1 Impact Analysis (Key Step 1) Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:</p> <p>a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	
<p><i>Response</i></p> <p>We conducted an impact analysis on corporate loans in the banking business, which is the main business of the Group. Please note that loans to individual customers are not included in this analysis as they account for approximately only 10% of the total loan volume of the Group.</p>	<p><i>Links and references</i></p>

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

<p>The impact analysis was conducted on the Group's corporate loans in the top five countries in terms of the outstanding balance using the Portfolio Impact Analysis Tool prepared by the UNEP FI. The loans in the top five countries in the outstanding balance of corporate loans cover approximately 80% of the total balance of corporate loans.</p>	
<p>b) <u>Portfolio composition:</u> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition your portfolio globally and per geographical scope</p> <p>i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	
<p><i>Response</i></p> <p>The top five countries accounted for 78.8% of the corporate loan portfolio: 58.7% in Japan, 12.2% in the United States, 2.9% in China, 2.5% in Hong Kong, and another 2.5% in Australia. In Japan, the real estate leasing sector accounts for 15.9%, the electricity and gas sector for 6.0%, the goods leasing sector for 5.1%, the land transport sector for 4.2%, and the general wholesale trading sector for 4.0%.</p>	<p><i>Links and references</i></p>
<p>c) <u>Context:</u> What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p><i>Response</i></p> <p>An impact analysis was conducted using the UNEP FI Portfolio Impact Analysis tool for lending operations in the top five loan balance countries to derive the following potential impact areas.</p> <p>Areas of potential positive impact:</p> <ul style="list-style-type: none"> • Climate stability • Mobility • Resource intensity • Waste <p>Areas of potential negative impact:</p> <ul style="list-style-type: none"> • Resource intensity • Climate stability 	<p><i>Links and references</i></p>

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

- Waste
- Habitat

We concluded the results of this analysis to be appropriate in light of the opinions we obtained during our engagement with investors, the challenges faced by our customers, and external ESG assessments. Specifically, Mizuho supports its customers' efforts to achieve sustainability by developing and providing a variety of solutions that leverage its financial and non-financial functions starting with engagement and we actually see many examples of initiatives to solve ESG issues related to climate stability and resource intensity. In the course of the IR events and individual engagements with investors, we have received feedback that they expect us to demonstrate leadership in the structural transformation of industries toward a decarbonized society. Furthermore, as described below, the results of this analysis are consistent with the challenges and priorities in the countries and regions where we operate.

<Climate stability>

Japan is working to achieve the goals of the Paris Agreement, with the goal of becoming carbon neutral by 2050 and reducing greenhouse gas emissions by 46% from the fiscal 2013 level by 2030. As much as JPY 150 trillion over the next 10 years is estimated to be required. The selection of "climate stability" as an area of high impact for Mizuho is consistent with the policy of the Japanese government.

<Resource intensity>

Resource intensity is becoming increasingly important from the perspective of decarbonization and economic security, in addition to supply constraints in response to ever-increasing global demand for resources. In addition, the global trend is shifting from a linear economy to a circular economy, which is estimated to have an economic impact of JPY 500 trillion. As such improving resource intensity will enhance the competitiveness of companies. In Japan, the Japan Resource Recycling Partnership (J4CE) was established in 2021 by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Japan Business Federation, of which Mizuho Bank is a member. Globally, various initiatives are also underway, including the launch of the UNEP FI-led "Financial Leadership Group on Plastics" in 2023. Mizuho's selection of "resource intensity" as an area of high impact from both positive and negative perspectives is consistent with the global trends and the risks and opportunities that companies are currently facing.

Taking these into account, we have identified "climate stability" and "resource intensity" as the areas of greatest impact. We believe these results are appropriate in light of opinions obtained through engagement with investors, challenges faced by our customers, external ESG assessments, and other factors.

<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.</p>	
<p><i>Response</i></p> <p>Based on the results of the above analysis, we have identified "climate stability" and "resource intensity" as the areas causing the most significant positive and negative impact and set the targets.</p>	<p><i>Links and references</i></p>
<p>d) For these (min. two prioritized impact areas): <i>Performance measurement:</i> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p><i>Response</i></p> <p>(1) Climate stability</p> <p>In order to shift to a portfolio consistent with the goals of the Paris Agreement, we measure our Scope 3 financed emissions for each sector and set reduction targets specifically for the electric power, oil and gas, and coal mining (thermal coal) sectors. In addition, we have set a target for reducing the outstanding credit balance of coal-fired power generation plants based on the "Environmental and Social Management Policy for Financing and Investment Activity".</p> <p>Furthermore, we are developing and providing both financial and non-financial solutions for the transition to a decarbonized society. In particular, on the financial side, we have set the target for environment and climate related finance amount to create the necessary money flow.</p> <p>(2) Resource intensity</p> <p>In order to improve resource intensity, we are developing and providing both financial and non-financial solutions. In particular, on the financial side, we have set the target for environment and climate related finance amount to create the necessary money flow.</p>	<p><i>Links and references</i></p> <p>TCFD Report 2023 p.9 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcf_d_report_2023.pdf</p>

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<p>Self-assessment summary:</p> <p>Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶</p> <ul style="list-style-type: none"> - Scope: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Portfolio composition: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Context: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> - Performance measurement: Yes <input checked="" type="checkbox"/>, In progress <input type="checkbox"/>, No <input type="checkbox"/> <p>Which most significant impact areas have you identified for your bank, as a result of the impact analysis?</p> <p>“Climate stability” and “resource intensity” were identified as the areas where Mizuho has the most significant positive and negative impacts.</p> <p>How recent is the data used for and disclosed in the impact analysis?</p> <p><input type="checkbox"/> Up to 6 months prior to publication <input type="checkbox"/> Up to 12 months prior to publication <input checked="" type="checkbox"/> Up to 18 months prior to publication <input type="checkbox"/> longer than 18 months prior to publication</p>	
<p>2.2 Target Setting (Key Step 2)</p> <p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p><i>You can build upon the context items under 2.1.</i></p>	
<p>Response</p> <p>The targets set for "climate stability" and "resource intensity", which are the areas of the most significant impact that we identified both from the positive and negative perspectives, are as follows;</p>	<p>Links and references</p> <p>TCFD Report 2023 p.9 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/</p>

⁶ You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Areas of most significant impact	Targets	report/tcfcd_report_2023.pdf
Climate stability	<ul style="list-style-type: none"> ■ Scope 3 <ul style="list-style-type: none"> • Electric power sector: FY2030 - 138-232 kgCO2e/MWh • Oil and gas sector: FY2030 - Scope1,2: 4.2 gCO2e/MJ, Scope3: -12 to -29% (from a FY2019 baseline) • Coal mining (thermal coal) sector: absolute emissions – zero balance by FY2030 for OECD countries, zero balance by FY2040 for non-OECD countries ■ Outstanding credit balance of coal-fired power generation plants based on the “Environmental and Social Management Policy for Financing and Investment Activity”: Reduce to 50% of the FY2019 balance(JPY 299.5 billion) by FY2030, and achieve zero balance by FY2040 	
Resource intensity	<ul style="list-style-type: none"> ■ Environment and climate-related finance: JPY 50 trillion (cumulative total from FY2019 to FY2030) 	
<p>Mizuho is also a member of the Net Zero Banking Alliance and is working on the measurement of GHG emissions and medium- to long-term target-setting based on its policy of "contributing to a decarbonized society (net zero greenhouse gas emissions) by 2050" and "shifting to a portfolio consistent with the goals of the Paris Agreement". We will continue to work on target-setting in a sequential manner, starting with the important sectors, taking into account the sectors specified in the NZBA guidelines, transition risk assessment, financed emissions, and feasibility. In FY2023, we plan to set targets for the automotive, steel, maritime transportation, and real estate sectors.</p> <p>SDGs relating to the target: 7, 13</p> <p>With regard to resource intensity, we recognize that the global trend is shifting from a linear economy to a circular economy, and that financing toward a circular economy is important as working to improve resource efficiency will enhance the competitiveness of companies. To this end, we have set a target for environment and climate related finance.</p> <p>SDGs relating to the target: 12, 14, 15</p>		
<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. <i>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.</i></p>		

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table link below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate stability	A.1.1 Climate strategy	Mizuho clarifies in the Environmental Policy our awareness of environmental issues, our specific actions, and “our stance on addressing climate change” to achieve a decarbonized society, all of which form the basis of our environmental initiatives. In addition, we have developed "Mizuho's Approach to Achieving Net Zero by 2050" and "Net Zero Transition Plan" to clarify medium to long term strategies and initiatives, which outline the actions we take to achieve a decarbonized society by 2050 by pursuing efforts to limit the temperature increase within 1.5°C so as to put the above policy and stance into practice.
	A.1.2 Paris alignment target	In order to limit the temperature increase to 1.5°C, Mizuho aims to achieve carbon neutrality by 2030 for GHG emissions from its own business operations (Scope 1 and 2) and net zero by 2050 for its financing and investment portfolio (Scope 3). Our sector-level target setting is described in the ‘response’ section below.
	A.1.5 Business opportunities and financial products	We proactively provide environment and climate-related finance in order to create further money flow, which is a key to achieve a decarbonized society. Our target-setting is described in the ‘response’ section below.
	A.2.1 Client engagement process	We promote initiatives for structural transformation of the economy and industries and practical applications of new technologies to achieve a decarbonized society, starting from engagement with customers with a view to medium to long-term sustainable growth, enhancement of corporate value, and improvement of competitiveness of industries. We also strengthen our engagement from the perspective of risk management and responsible investment and financing.
	A.2.2 Absolute financed emissions	We calculated FY2021 financed emissions. The assets in scope include loans (corporate finance and project finance) and the sectors in scope are 19 sectors* based on the TCFD Recommendations and other sectors**. * Power utilities, coal, oil & gas, aviation, maritime transportation, rail transportation, automotive, metals and mining, steel, construction materials, cement, chemicals, capital goods, real estate, beverage, agriculture, packaged food and meats, papers and forest products, insurance ** Represents the total for sectors that do not fall under the 19 sectors, such as telecommunications, finance, retail, and services [Loan] Scope1,2: 116 MtCO ₂ e / Scope3: 356 MtCO ₂ e [Investment] Scope1,2: 7 MtCO ₂ e / Scope: 23 MtCO ₂ e
	A.2.3 Sector-specific	Targets for electric power and oil and gas sectors are set based on emission intensity. The details are described in the ‘response’ section below.

	emission intensity	
	A.3.2 Financial volume lent to / invested in carbon intensive sectors and activities and transition finance	Exposure to high-risk areas in the transition risk sectors (power utilities, oil and gas, coal, steel, and cement) is JPY 1.6 trillion as of March 31, 2023.
	A.4.1 Reduction of GHG emissions	The details are described in the 'response' section below.

<p><i>Response</i></p> <p>We are generally making good progress against our targets.</p> <ul style="list-style-type: none"> • Scope3 		<p><i>Links and references</i></p> <p>TCFD Report 2023 pp.9, 37, 40, 42 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf</p>												
	<table border="1"> <thead> <tr> <th>Sector</th> <th>Target</th> <th>Recent results</th> </tr> </thead> <tbody> <tr> <td>Electric power</td> <td>FY2030: 138 to 232 kgCO₂e/MWh (156 to 250 kgCO₂e/MWh of reduction over 10 years from FY2020 to FY2030)</td> <td>FY2021: 353 kgCO₂e/MWh (35 kgCO₂e/MWh of reduction from the FY2020 level)</td> </tr> <tr> <td>Oil & gas</td> <td>FY2030 Scope 1,2: 4.2 gCO₂e/MJ (2.4gCO₂e/MJ of reduction over 11 years from FY2019 to FY2030) Scope 3: -12 to -29% (from a FY2019 baseline) (12% to 29% reduction over 11 years from FY2019 to FY2030)</td> <td>FY2021 Scope 1 and 2: 6.5 gCO₂e/MJ (0.1gCO₂e/MJ of reduction from the FY2019 level) Scope 3: 43.2 MtCO₂e (29% of reduction from the FY2019 level)</td> </tr> <tr> <td>Coal mining (thermal coal)</td> <td>OECD countries: Zero by FY2030 Non-OECD countries: Zero by FY2040</td> <td>FY2021: 1.7 MtCO₂e (3.4 MtCO₂e of reduction against the FY2020 level)</td> </tr> </tbody> </table>	Sector	Target	Recent results	Electric power	FY2030: 138 to 232 kgCO ₂ e/MWh (156 to 250 kgCO ₂ e/MWh of reduction over 10 years from FY2020 to FY2030)	FY2021: 353 kgCO ₂ e/MWh (35 kgCO ₂ e/MWh of reduction from the FY2020 level)	Oil & gas	FY2030 Scope 1,2: 4.2 gCO ₂ e/MJ (2.4gCO ₂ e/MJ of reduction over 11 years from FY2019 to FY2030) Scope 3: -12 to -29% (from a FY2019 baseline) (12% to 29% reduction over 11 years from FY2019 to FY2030)	FY2021 Scope 1 and 2: 6.5 gCO ₂ e/MJ (0.1gCO ₂ e/MJ of reduction from the FY2019 level) Scope 3: 43.2 MtCO ₂ e (29% of reduction from the FY2019 level)	Coal mining (thermal coal)	OECD countries: Zero by FY2030 Non-OECD countries: Zero by FY2040	FY2021: 1.7 MtCO ₂ e (3.4 MtCO ₂ e of reduction against the FY2020 level)	
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<ul style="list-style-type: none"> • The outstanding credit balance of coal-fired power generation plants based on the Environmental and Social Management Policy for Financing and Investment Activity: <ul style="list-style-type: none"> - JPY 235.5 billion as of 31 March 2023 with 21.4% reduction from 31 March 2020 where the target is set as 50% reduction from the FY2019 level by FY2030 and zero balance by FY2040 • Environment and climate-related finance: <ul style="list-style-type: none"> - Cumulative total of JPY 8.1 trillion from FY2019 to FY2022 where the target is set as JPY 50 trillion from FY2019 to FY2030 														

<p>c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	
<p><i>Response</i></p> <p>The following targets are set relating to climate stability and resource intensity;</p> <ul style="list-style-type: none"> ✓ Scope3 (electric power, oil & gas, coal mining (thermal coal)); ✓ Outstanding credit balance of coal-fired power generation plants based on the Environmental and Social Management Policy for Financing and Investment Activity; and ✓ Environment and climate-related finance. <p>The specific target values are described in 2.2b) Baseline section.</p>	<p><i>Links and references</i></p> <p>TCFD Report 2023 p.9 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf</p>
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><i>Response</i></p> <p>In order to achieve the targets set, we work on the following measures. The milestones are described in 2.2b) Baseline section.</p> <ul style="list-style-type: none"> ■ Outstanding credit balance of coal-fired power generation plants based on the Environmental and Social Management Policy for Financing and Investment Activity <ul style="list-style-type: none"> ✓ We do not provide financing and investment which will be used for the construction of new coal-fired power generation plants and the expansion of existing coal-fired power generation plants ■ Scope3 <ul style="list-style-type: none"> ✓ We support our clients make progress in addressing their decarbonization efforts and transition risks through engagement and the provision of financial and non-financial solutions. ■ Environment and climate-related finance <ul style="list-style-type: none"> ✓ We proactively provide green and transition financing and risk money for the practical applications of new technology to our clients who are working together to decarbonization. 	<p><i>Links and references</i></p> <p>TCFD Report 2023 pp.29, 35-44, 65, 68 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf</p> <p>Mizuho FG Website: “Mizuho’s Approach to Achieving Net Zero by 2050” https://www.mizuho-group.com/sustainability/environment/policy/2050approach</p>

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Mizuho pursues efforts to limit the temperature increase to 1.5°C. We recognize that abrupt, disorderly changes can have severe economic and societal impacts. Accordingly, at Mizuho, we are aiming for an orderly, just transition.

At Mizuho, we recognize the importance of the role financial institutions play in achieving a net-zero real economy. Financial institutions should support clients' climate change countermeasures and the transition to a low-carbon society. This support should be grounded in an understanding that the transition process will differ by location and industry type. In order for us to fulfil our role as a financial institution, Mizuho conducts engagement with clients and requests that they share their transition strategies. Through this client engagement, we confirm the status of our clients' transition strategies and provide clients with support that facilitates the execution of said strategies. If a client shows no progress towards strategy execution despite multiple efforts to engage them to do so, we carefully consider whether or not to continue our business with them.

The transition path to net zero will vary by business location and industry type. Strong national leadership with effective policies and the establishment of next-generation technology are essential in speeding up the transition towards net-zero emissions. At present, there is a gap between, on the one hand, current commitments, government policy, and technology, and on the other hand, the transition path to limiting the global temperature increase to 1.5°C. At Mizuho, we believe we must work together with stakeholders to bridge this gap. Mizuho supports government policy aimed at an orderly transition in the jurisdictions where we operate. We do this through our business activities across regions and economies, industry groups, and initiatives. We also proactively support the development and application of innovative, clean, next-generation technology.

Further, Mizuho is continually enhancing our climate risk management for the purpose of stabilizing financial markets. In these ways, we are contributing to the achievement of a low-carbon society and the development of a climate change-resilient society by 2050.

We are considering obtaining a third party assurance on the results of the metrics with target-setting in the future although we have not done so.

Self-assessment summary			
	... first area of most significant impact: <i>Climate stability</i>	... second area of most significant impact: <i>Resource intensity</i>	
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

The following actions were taken to achieve the targets set. Our progress since the previous report to achieve the targets set is described in 2.2b) Baseline section.

- Outstanding credit balance of coal-fired power generation plants based on the Environmental and Social Management Policy for Financing and Investment Activity

- ✓ We do not provide financing and investment which will be used for the construction of new coal-fired power generation plants and the expansion of existing coal-fired power generation plants.

- GHG emissions reduction in electric power sector

- ✓ We support our clients make progress in addressing their decarbonization efforts and transition risks through engagement and the provision of financial and non-financial solutions

Links and references

TCFD Report 2023
pp.29, 36, 37, 38,
40, 41, 42, 65
https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf

<ul style="list-style-type: none"> ✓ We support the development of renewable energy and technological innovation in and outside of Japan utilizing our extensive knowledge in the electric power business and experiences in project finance. ✓ We support companies in this sector secure funds for stable medium to long-term transition and maintain and strengthen their financial foundation as they need to make ongoing investments for their transition. <p>■ GHG emissions reduction in oil and gas sector</p> <ul style="list-style-type: none"> ✓ We confirm the status of client responses to transition risk and build common understanding between us and the client about the client’s business environment and challenges through engagement. In this way, we are working to contribute to promoting decarbonization initiatives. ✓ In addition to GHG emission reduction, we support efforts to decarbonize and transform their business structures, including business diversification such as development of decarbonized fuels and renewable energy supply. ✓ We set stricter criteria for financing and investment that is used for projects of new oil and gas extraction. <p>■ GHG emissions reduction in coal mining (thermal coal) sector</p> <ul style="list-style-type: none"> ✓ We take the following actions based on the Environmental and Social Management Policy for Financing and Investment Activity <ul style="list-style-type: none"> - We do not provide financing and investment which will be used for the development of new coal mine and the expansion of existing coal mine. - We do not provide financing and investment to companies with no existing financing and investment transactions and whose primary business is coal mining. - We do not provide financing and investment for infrastructure linked with coal mining. <p>■ Environment and climate-related finance</p> <ul style="list-style-type: none"> ✓ We focus on providing risk money for green and transition funding and practical applications of new technologies. ✓ We raised the target from the previous one of JPY 12 trillion to JPY 50 trillion in order to create additional money flows that are key to achieving a decarbonized society. <p>We are committed to achieving our targets and contributing to the realization of a decarbonized society by 2050.</p>	
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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

- Yes
- In progress
- No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- Yes
- In progress
- No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

Mizuho established the Environmental and Social Management Policy for Financing and Investment Activity, for the purpose of preventing and mitigating adverse impacts on the environment and society resulting from our financing and investment activity, which stipulates our front office are to conduct engagement (constructive dialogue) with our clients in the specific sectors at least once a year. We engaged with approximately 1,100 clients in FY2022.

In addition, Mizuho engages with customers to promote initiatives toward structural transformations in the economy and industry and practical applications of new technologies. We engaged with approximately 1,700 clients (around 1,000 of which were climate-related) in FY2022.

Links and references

Mizuho FG Website: Responsible financing and investment
<https://www.mizuho-group.com/sustainability/business-activities/investment>

TCFD Report 2023 p.31
<https://www.mizuho-group.com/binaries/content/assets/pdf/mizuho-global/sustainability/overview/report/tcdf-report-2023.pdf>

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

Mizuho is working to support clients address the critical and urgent issues of decarbonization and to capture the business opportunities from the following five perspectives; creating (i) structural transformation of industry and businesses and (ii) practical application of new technologies with clients, (iii) spreading these to Asia, outside of Japan, (iv) spreading this domestically to SMEs. We also (v) provide funds required for transitions in cooperation with the public and private sectors.

Support for structural transformation of industry and businesses starting from engagement (the above perspective (i))

Mizuho engages with customers to promote initiatives toward structural transformations in the economy and industry and practical applications of new technologies.

The number of engagements: approximately 1,700 clients (around 1,000 of which were climate-related), of which;

- approximately 800 for discussions related to business and financial strategies;
- approximately 400 for provision of advisory services; and
- approximately 500 for construction and provision of finance solutions

Transition Equity Investment Facility (the above perspectives (ii) and (v))

We invest in client-operated projects and companies in transition areas that are in the development or incubation stages, such as the seed and early stages.

The number of consultations: approximately 190, The number of cases: 3

Support for establishment of technologies and business models (the above perspectives (i) and (ii))

Mizuho is involved in providing support for development of technologies for decarbonization and business models such as hydrogen, offshore wind farms, CCS, and biomass.

Contribution to just transitions in Asia (the above perspective (iii))

We participate in the GFANZ's (Glasgow Financial Alliance for Net Zero) working group by private financial institutions that supports Viet Nam JTEP(Just Energy Transition Partnership).

Active development of support measures to SMEs' decarbonization (the above perspective (iv))

Links and references

Integrated Report 2023 p.65
https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/annual/data2303/data2303_all_browsing.pdf

<p>We support our clients' efforts for decarbonization from various phases like identification of business challenges, strategy development / implementations, and disclosures with external partners who offers calculation of GHG emissions and consulting services.</p> <p>Furthermore, Mizuho develops and provides a variety of financing in line with the international principles including our original products (Mizuho Eco Finance, Mizuho Positive Impact Finance, Mizuho Positive Impact Finance PRO, SDGs Promotion Support Finance, Mizuho Sustainability Linked Loan PRO).</p>	
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 <p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	
<p>4.1 Stakeholder identification and consultation <i>Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?</i></p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	
<p><i>Response</i> Mizuho defines its stakeholders as follows; Customers, shareholders, employees, regional / local communities, suppliers, competitors, and government authorities.</p> <ul style="list-style-type: none"> • Customers: Our initiatives listed in the Sections 3.1 and 3.2 led to progress on the targets in the Section 2.2. • Shareholders: We deepened mutual understanding through dialogue on our initiatives toward environment and society at the Annual General Meeting, the Investors Day, and online meetings with our investors in and outside of Japan. • Employees: Based on the recognition that it is important for each and every employee to have sufficient knowledge about 	<p><i>Links and references</i> Mizuho FG Website: Mizuho's Stakeholders https://www.mizuhogroup.com/sustainability/communication/mizuho</p> <p>TCFD Report 2023 p.34 https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/</p>

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

<p>sustainability in general and to think of sustainability from their own perspectives, we have strengthened training and awareness-raising activities for executives and employees. Specifically, we conducted sustainability training for all employees, sent messages from the Group Chief Executive Officer and Group Chief Sustainability Officer (CSuO), disseminated information via company intranet and SNS, initiated CSuO dialogues (opinion exchange meeting by department) and held events inviting outside speakers.</p> <ul style="list-style-type: none"> • Suppliers: We seek understanding and cooperation from our suppliers in terms of environmental friendliness and respect for human rights based on the Procurement Policy. • Competitors, government authorities: We have strengthened our responses to environment and climate change through the various partnerships. We support policies for just transition by governments through activities in the regions where we operate, economic and industry associations and various initiatives. 	<p>report/tcf report 2023.pdf</p>
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 <p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>	
<p>5.1 Governance Structure for Implementation of the Principles <i>Does your bank have a governance system in place that incorporates the PRB?</i></p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> - which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), - details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as - remuneration practices linked to sustainability targets. 	
<p><i>Response</i> Various sustainability-related initiatives are discussed by the execution line at the Sustainability Promotion Committee, the Executive Management Committee, and the others and then supervised by the Board of Directors.</p>	<p><i>Links and references</i></p>

<p>The Board of Directors is responsible for making decisions on the basic policies and other matters related to sustainability initiatives and supervising the execution of duties by directors and executive officers. The Executive Management Committee deliberated on important matters related to sustainability-related business execution. In addition, the Business Policy Committee and other Committees comprehensively deliberate and coordinate group-wide issues related to sustainability and important matters related to the business strategies of the Group. Furthermore, the Sustainability Promotion Committee, chaired by the President & Group CEO, deliberates and coordinates the Group's efforts to address climate change, environmental and social issues and others. The status of PRB implementation is reported once a year to the Executive Management Committee and the Board of Directors. Sustainability metrics such as sustainable finance amount, climate-related initiatives and assessment by ESG rating agencies, are used as performance indicators for executive compensation.</p>	<p>Form 20-F (Financial year ending March 2023) pp.27-29 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/investors/financial-information/sec/20f_2023_03.pdf</p> <p>TCFD Report 2023 pp.18, 19 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf</p>
<p>5.2 Promoting a culture of responsible banking: Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p><i>Response</i> Mizuho is promoting understanding and penetration of sustainability within the Group through training for all Group executives and employees, internal communication tools, an award system, and study and briefing sessions for all the relevant departments including subsidiaries.</p>	<p><i>Links and references</i> Mizuho FG Website: Organizational Framework https://www.mizuho-group.com/sustainability/mizuhocsr/management/system</p>
<p>5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.</p> <p>Please describe what due diligence processes your banks has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition</p>	

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.	
<p><i>Response</i></p> <p>We have established the Environmental and Social Management Policy for Financing and Investment Activity for the purpose of preventing and mitigating adverse impacts on the environment and society resulting from our financing and investment activity. This Policy identifies businesses and sectors that have a high likelihood of contributing to adverse impacts on the environment and society</p>	<p><i>Links and references</i></p> <p>TCFD Report 2023 pp.66-68 https://www.mizuho-group.com/binaries/content/assets/pdf/mizuhoglobal/sustainability/overview/report/tcfdrpt_2023.pdf</p>

Self-assessment summary	
<p>Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p>	

 <p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.</p>	
<p>6.1 Assurance</p> <p><i>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</i></p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> Partially <input type="checkbox"/> No</p> <p>If applicable, please include the link or description of the assurance statement.</p>	
<p><i>Response</i></p> <p>Ernst & Young ShinNihon LLC.</p>	<p><i>Links and references</i></p>

<p>6.2 Reporting on other frameworks</p> <p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> <p><input checked="" type="checkbox"/> GRI</p> <p><input checked="" type="checkbox"/> SASB</p> <p><input checked="" type="checkbox"/> CDP</p> <p><input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published)</p> <p><input checked="" type="checkbox"/> TCFD</p> <p><input type="checkbox"/> Other:</p>	
<p><i>Response</i></p> <p><u>GRI</u> We refer to the GRI Standards in preparing our Integrated Report and our website “Sustainability”.</p> <p><u>SASB</u> We work on sophistication of our initiatives and disclosures referring to SASB Standards.</p> <p><u>CDP</u> We have been participating in the project in which CDP works with institutional investors to request companies to disclose their climate strategies and GHG emissions since 2005. We have also been participating in the project that requests companies to disclose their water-related information since FY2010.</p> <p><u>TCFD</u> We adopt the recommendations for the TCFD and are working to our initiatives and disclosures based on the TCFD framework.</p>	<p><i>Links and references</i></p> <p>GRI: https://www.mizuho-group.com/sustainability/mizuho-csr-report/gri</p> <p>SASB: https://www.mizuho-group.com/sustainability/mizuho-csr-report/sasb</p> <p>CDP: https://www.mizuho-group.com/sustainability/mizuho-csr-management/initiative#anc02</p> <p>TCFD: https://www.mizuho-group.com/sustainability/mizuho-csr-management/initiative#tcfd</p>
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p><i>Response</i></p> <p>We will make steady efforts and progress to achieve the targets.</p>	<p><i>Links and references</i></p>

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months.

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally
- Other: ...

September 29, 2023

TO:

Mr. Masahiro Kihara
President & Group CEO
Mizuho Financial Group, Inc.

We, Ernst & Young ShinNihon LLC., have been commissioned by Mizuho Financial Group, Inc. (hereafter the "Company") and has carried out a limited assurance engagement on the four sections which are Principles 2.1 through 2.3 and 5.1 included in the FY2022 UNEP FI PRB Reporting and self-assessment template (hereafter the "Report"). Our objective was to evaluate if the Company's description of processes, activities and their outcomes sufficiently reflects actions taken by the Company, rather than evaluating the applied approach itself. This individual assessment of whether the Company is aligned with the requirements of the Principles of Responsible Banking and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat (the Review Expert).

1. The Company's Responsibilities

The Company is responsible for preparing the Report in accordance with the reporting requirements described in the UNEP FI PRB Reporting and self-assessment template.

2. Our Independence and Quality Control

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior.

In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Management (ISQM) 1 issued by the International Auditing and Assurance Standards Board.

3. Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000") (Revised), issued by the International Auditing and Assurance Standards Board.

The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and the Report, and the following:

- Evaluating the suitability of the criteria used which is the reporting requirements described in the UNEP FI PRB Reporting and self-assessment template;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Report, and inquiring of personnel responsible thereof at the headquarter,
- Performing analytical procedures concerning the Report at the headquarter;
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarter,
- Performing analytical procedures of the Report regarding plausibility and consistency with the references made to the Company's relevant sustainability reports.

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

4. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report have not been measured and reported in accordance with the UNEPFI, reporting in the self-assessment template and self-assessment requirements.




Takefumi Kawasaki
Takahiro Fujimoto
Engagement Partner
Ernst & Young ShinNihon LLC
Tokyo, Japan