

CSR Report (Highlights)

2014

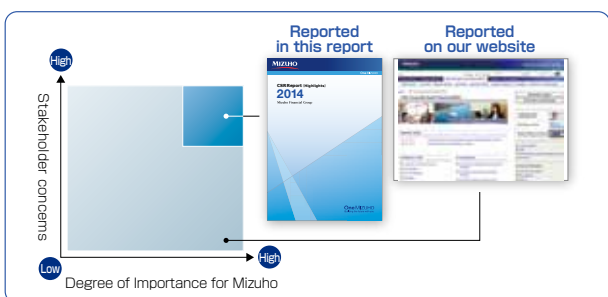
Mizuho Financial Group

Editorial

The report and website both concern the Group's activities in the area of corporate social responsibility (CSR). The objective is to improve communications with our stakeholders by reporting on the Group's thinking, policies, and initiatives based on plans in the area of CSR, and to provide further impetus for our CSR activities in the future.

The report contains information about Mizuho's CSR management ideas and systems as well as related activities implemented during fiscal 2013 selected based on consideration of both the level of importance to Mizuho and the level of interest among stakeholders.

The website systematically and exhaustively presents information on Mizuho's CSR efforts. The content of the report is the result of deliberations by the CSR Committee and final decisions by the President & CEO.



Scope of the Report

Unless otherwise stated, the report covers 11 companies referred to as "the Group" or "Mizuho" below.

Description

"The Group" or "Mizuho"

Mizuho Financial Group and its 10 core group companies in Japan: Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, Trust & Custody Services Bank, Mizuho Asset Management, DIAM, Mizuho Research Institute, Mizuho Information & Research Institute, Mizuho Financial Strategy, and Mizuho Private Wealth Management.

Mizuho Financial Group (MHFG)

Refers to Mizuho Financial Group, Inc. on a non-consolidated basis.

Period Covered

This report covers the period from April 1, 2013 to March 31, 2014. However, it also includes information on significant events since April 2014.

Publication Information

Date of issue: September 2014

Next scheduled publication date: September 2015

(Previous publication date: September 2013, frequency: annually)

Company Overview (As of March 31, 2014)

Trade name Mizuho Financial Group, Inc.

Domestic stock exchange securities code 8411

Date of establishment January 8, 2003

Location of head office 1-5-5 Otemachi, Chiyoda-ku, Tokyo 100-8176, Japan
Tel: 81-(0)3-5224-1111 (reception)

Capital ¥2,254,972 million

Representative Yasuhiro Sato
President & Group CEO
Member of the Board of Directors

(As of June 24, 2014)

Number of employees (Consolidated) 54,911

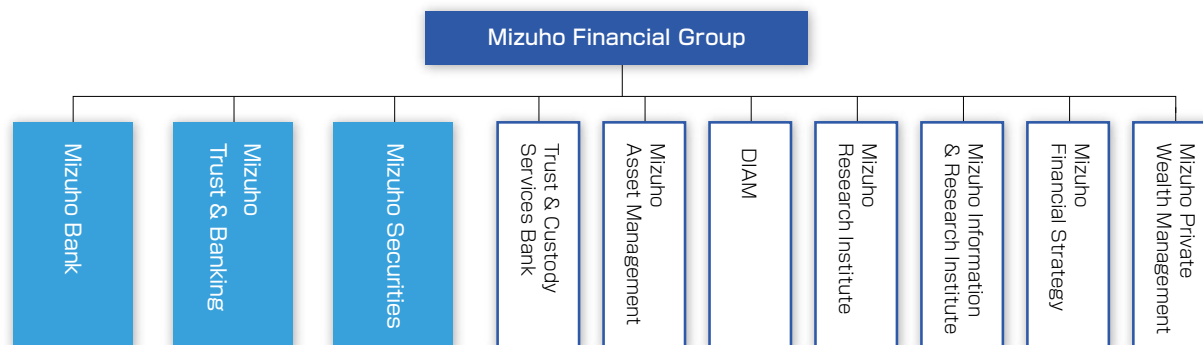
Business Activities

Mizuho Financial Group is a bank holding company which manages and engages in ancillary operations related to the management of its banks, long-term credit banks, specialized securities companies, and other companies which the Company may own by the Japanese Banking Act.

Outstanding Shares 25,178,637,187 shares
(Common: 24,263,885,187, Preferred: 914,752,000)

Stock listing Tokyo Stock Exchange (First section), New York Stock Exchange*

* American Depositary Receipts (ADR) listed on the New York Stock Exchange



Contents

Editorial/
Company Overview 1

Contents 2

A Message from the
President & Group CEO ... 3

Matters Related to Elimination of Transactions with Anti-Social Elements	6
Initiatives to Strengthen CSR Management	7
Measures for the Enhancement of Group Governance ...	12
Special Feature on Activities to Nurture Next-Generation Industries	14
Initiatives for Agriculture	15
Initiatives in Medical Care and the Senior Market	19
Overview of Initiatives in the Environmental and Energy Fields	22
Promoting Wider Utilization of Geothermal Power Generation in Japan	23
Initiatives for Geothermal Power Generation Construction Projects Overseas	26
Use of Trust Arrangements for Solar Power Generation Facilities	29
Initiatives for Environmental City Projects	30
Initiatives in the Asian Region	34
Initiatives for Supporting the Development of Social Entrepreneurs	37
Special Feature on Initiatives to Support the Recovery from the Great East Japan Earthquake	40
Support for Creating Businesses that Increase Employment	41
Initiatives toward the Creation of the "New Tohoku"	44
Social Contribution Activities in the Disaster-stricken Areas	46
Special Feature on Initiatives to Enhance Service Offerings	48
Product-Related Initiatives	49
Reverse Mortgages	49
Mizuho MyWing	51
Life Stage Support Plan	53
Responding to the Introduction of NISA	54
Delivery Channel Initiatives	56
Expanding Services for Mobile Terminals	56
Enhancing ATM Services	59
Initiatives to Enhance Financial Literacy	60
CS Improvement Initiatives	62
Special Feature on Social and Environmental Considerations Given in Our Business Activities	64
Initiatives for Equator Principles	65
Special Feature on Social Contribution Activities	69
Support for Financial Education	70
Community Contribution Activities	72
Stakeholder Dialogues	74

A Message from the President & Group CEO

We are working together for bringing fruitfulness for each customer and the economies and the societies in which we operate.

Yasuhiro Sato
President & Group CEO
Member of the Board of Directors
Mizuho Financial Group, Inc.



As President and Group CEO of the Mizuho Financial Group, I would like to express our sincerest thanks for your continued interest in and support of our Group.

First of all, I would like to take this opportunity to express our most sincere apologies to our stakeholders for the inconvenience and concern that we have caused in relation to the administrative order we received concerning certain captive loans. We have renewed our commitment to recovering the full trust of all stakeholders going forward and redoubling our initiatives to fulfill our social responsibilities as a financial institution.

Contributing to the Prosperity of the World, Asia and Japan

Mizuho's aim is "to contribute to the prosperity of the world, Asia, and Japan" and earn the reputation among our customers of being "the most trusted financial services group." In the spirit of One MIZUHO, we are implementing a strategy of providing innovative and sophisticated services to meet the diverse needs of all customers. These services integrate banking, trust banking, and securities services, and we are working to provide them ahead of other financial institutions.

For our individual customers, we are pioneering in the development of products and services that take account of changes in consumer behavior and the social structure, including the trends toward smaller families and demographic aging of the population as well as progress in telecommunications technology. Examples of products and services that meet emerging customer needs include the introduction of reverse mortgages and smartphone services. Looking ahead, Mizuho is strengthening its capabilities for offering services and is taking initiatives to provide new kinds of financial services for individuals.

Similarly, for our corporate customers, we are drawing on Mizuho's industrial knowledge to continue to provide a wide range of financial solutions to meet the diverse needs of customers. As part of these activities, we are taking initiatives to nurture new industries in the fields of agriculture, healthcare, energy, and other areas with the objective of contributing to the future growth of Japan, which is our home market. We are also engaging in activities that tap into our risk-taking capabilities. These include the establishment of a fund for supporting "Sixth Industry" initiatives in agriculture, forestry, and fisheries as well as another fund that provides support to promising growth companies and small and medium-sized companies entering other markets in Asia. We believe that these initiatives will open the way to new opportunities in the finance business in the medium-to-long term.

Giving Close Attention to Strengthening Corporate Governance and CSR Management

In order to enhance our corporate governance framework, MHFG transformed itself into a Company with Committees and strengthened the functions of the holding company.

Our decision to transform into a Company

with Committees was based on our recognition that the Company with Committees structure is highly in concert with a governance system that is globally required, such as one drawing more strongly on external perspectives. Transformation into a Company with Committees will increase the effectiveness of governance and make our decision-making processes more transparent and fair as well as realize expeditious corporate management. In addition, to promote a sense of unity in strategy implementation among Mizuho Group companies, we are strengthening the strategy formulation functions of our holding company and having it become the focus of strategic thinking for the Group.

To ensure the proper functioning of this governance structure, each and every employee must think independently, engage in extensive discussions, and take action with the realization of the extreme importance of "forming a strong common corporate culture throughout the Group." We are proceeding to establish such a corporate culture through having each division and branch create its own visions by holding discussions. To support initiatives to realize this vision, we are holding "Top Discussions" (with members of management present) in our Head Office and branches and other events to move toward the formation of a "One MIZUHO" culture.

From the perspective of CSR Management, we have established three medium- and long-term initiative policies this year. The first of these is "to strengthen efforts to promote businesses that contribute to the sustainable development of society (core business)." The second is "to reinforce the Group's foundations that underpin activities in line with society's expectations (foundation)." The third is "to promote social contributions activities that take into consideration the needs of local regions and society (social contributions)." To take more effective action based

on these policy initiatives, we have formulated a fiscal CSR initiative policy that is linked with our medium-term business plan. This policy sets forth the priority initiatives that Mizuho will undertake in fiscal 2014.

Mizuho's Aim of "Bringing Fruitfulness for Each Customer and the Economies and the Societies in which We Operate"

For us to fulfill our basic mission as a financial institution and "perform our functions as financial intermediaries" in a stable manner, we have to be one step ahead at all times, taking account of changes in society and the economy. Doing this, we will be able to continue to contribute to regional economies and the recovery of the Japanese economy, and the name "Mizuho" (as in Japanese) will symbolize the "bringing fruitfulness" that we can offer to our customers, the economy, and society. As the Group moves forward together in "bringing fruitfulness," it will continue to develop and increase its corporate value.

As Mizuho moves forward as a financial institution to fulfill its social mission, we ask for the ongoing support of all our stakeholders.

July 2014

Matters Related to Elimination of Transactions with Anti-Social Elements

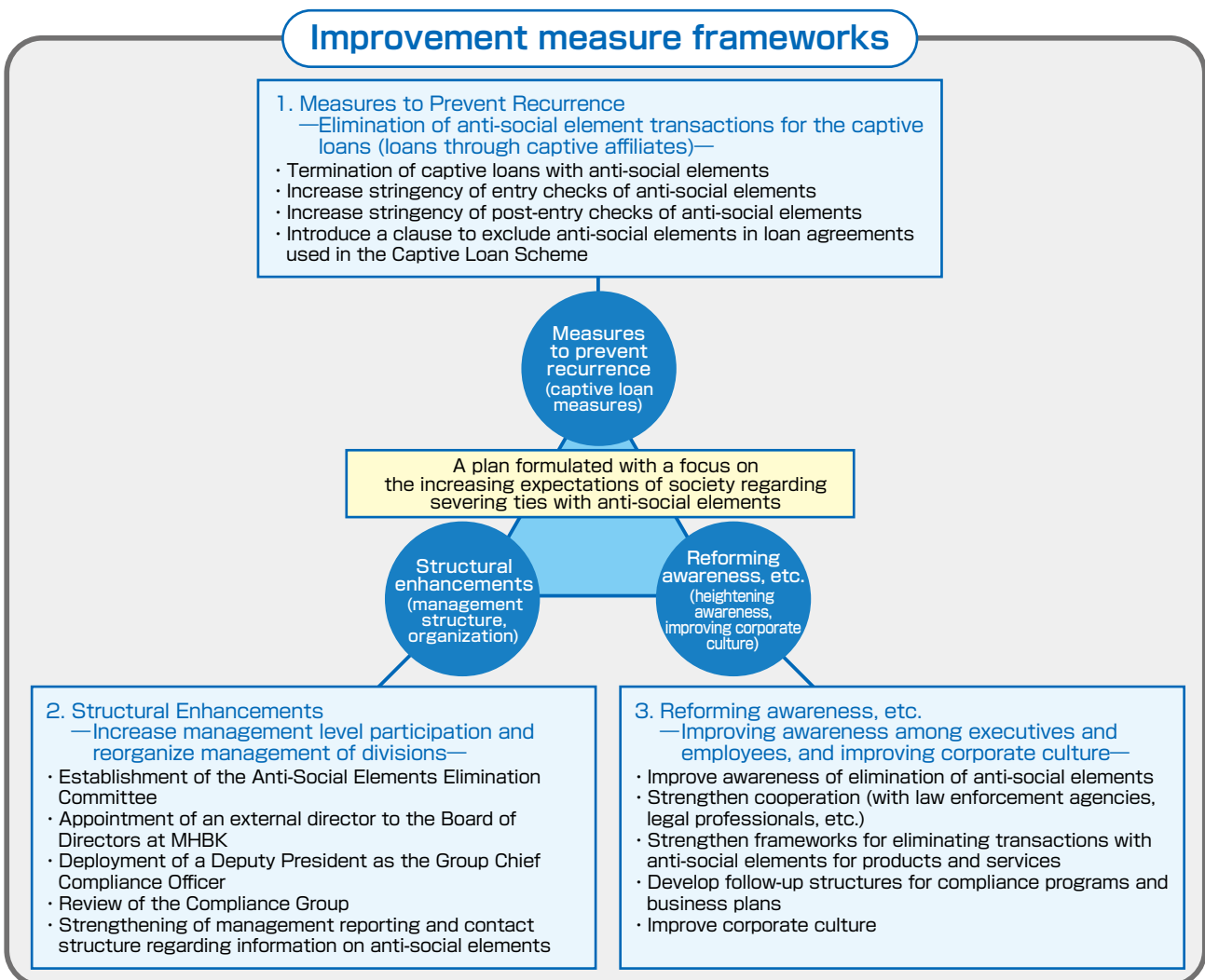
Regarding Administrative Orders from the FSA

MHBK received the business improvement order from the Financial Services Agency (FSA) with respect to transactions with anti-social elements in relation to certain captive loans on September 27, 2013, and MHFG and MHBK received the business improvement order (including MHBK to cease transaction of certain captive loans in part) from the FSA on December 26, 2013. Based on the business improvement order, MHFG and MHBK submitted business improvement plans to the FSA on October 28, 2013 and January 17, 2014, respectively.

MHFG has always positioned severing ties with anti-social elements as one of its most important management issues. We have been focusing on preventing and terminating such transactions as those with anti-social elements.

Nevertheless, we gravely accept the highly regrettable fact that our framework to prevent and sever relationships with anti-social elements was inadequate for certain captive loans.

We have steadily implemented improvement measures pursuant to the business improvement plan including further enhancement of frameworks to sever relations with anti-social elements and improvement of corporate culture. Our specific efforts are as follows.



Initiatives to Strengthen CSR Management

In April 2014, Mizuho prepared its Medium- and Long-Term CSR Initiative Policy, taking account of the new Mizuho's Corporate Identity established in February 2013 and changes in the external environment. In addition, through the preparation of its Fiscal CSR Initiative Policy, which is linked with its Medium-Term Business Plan, Mizuho is working to strengthen its CSR management.

Basic Approach toward CSR Initiatives

In its Basic Policy on CSR Initiatives, which takes into consideration the Mizuho's Corporate Identity, ISO 26000, and related standards, Mizuho updated its Definition of CSR Initiatives and its Basic Approach toward CSR Initiatives. Based on this fundamental approach, through initiatives of employees that reflect considerable sensitivity toward CSR in the conduct of their duties, Mizuho is implementing unified CSR initiatives with the objective of realizing Mizuho's Vision established in its Corporate Identity.

Mizuho's Vision

The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia, and Japan

The most trusted financial services group

To be our customer's most trusted partner with innovative thinking and the extensive financial experience and expertise accumulated from relationships with wide-ranging customers.

The best financial services provider

To continuously provide the best leading-edge financial services to each of our customers, the related economies and societies we serve, by anticipating changes on both the global and local stages.

The most cohesive financial services group

To maximize our extensive expertise and collective capabilities as experienced financial services professionals in order to meet the diversified and changing needs of our customers, economies and societies.

Definition of CSR Initiatives

CSR initiatives entail the practice of corporate activities that reflect an unwavering awareness toward the importance of Mizuho's social responsibilities and public mission as a global financial group, take into consideration the expectations of stakeholders, and thoroughly fulfill its responsibilities toward society, which provides the basis for its existence.

Basic Approach toward CSR Initiatives

Recognizing that CSR initiatives help contribute to the sustainable development of society and provide the platform for creating and advancing corporate value, Mizuho has positioned CSR initiatives as a pillar of its corporate conduct.

In fiscal 2013, Mizuho strengthened the implementation of its initiatives, taking account of its business strategy.

Since 2005, Mizuho has been implementing policies related to medium- to long-term CSR initiative items. These have been environmental initiatives, corporate governance, and support for financial education, but, in recent years, it has become apparent that more so than before Mizuho is being required to contribute to the sustainable development of society through its business activities.

To respond to this change in the operating environment, in fiscal 2013, Mizuho added to these three items two additional points of initiative focus (namely: finance to support the real economy and finance to meet new expectations) and is implementing these in its main business. In addition, through the new CSR Committee (Business Policy Committee) established in MHBK, MHTB, and MHSC, the core companies of the Group, each company is considering and strengthening CSR initiatives that take account of their respective business strategies.

■ Highlights of Initiatives in Fiscal 2013

In our main business, we have seriously reconsidered that our social role as a financial institution is to provide a smooth flow of financing. Accordingly, we have strengthened our capabilities for meeting the funding needs of corporate customers appropriately for the growth stages of their development and worked to provide financial solutions that address a broad range of issues, including business and financial strategy. We are

Reported on this report

	Reported on this report
CSR initiatives through core business activities 〈Points of Initiative Focus〉 <ul style="list-style-type: none"> · Finance to support the real economy · Finance to meet new expectations 	<ul style="list-style-type: none"> ■ Special feature on activities to nurture next-generation industries <ul style="list-style-type: none"> · Initiatives for agriculture, medical care, and the senior market, and the environmental and energy fields · Initiatives in the Asian region, Initiatives for supporting the development of social entrepreneurs ■ Special feature on initiatives to support the recovery from the Great East Japan Earthquake <ul style="list-style-type: none"> · Support for creating businesses that increase employment · Initiatives toward the creation of the “New Tohoku” · Social contribution activities in the disaster-stricken areas ■ Special feature on initiatives to enhance service offerings <ul style="list-style-type: none"> · Product-related initiatives, Delivery channel initiatives, Initiatives to enhance financial literacy
Environmental initiatives	<ul style="list-style-type: none"> ■ Special feature on social and environmental considerations given in our business activities <ul style="list-style-type: none"> · Initiatives for the Equator Principles
Corporate governance	<ul style="list-style-type: none"> ■ Matters related to elimination of transactions with anti-social elements ■ Measures for the enhancement of group governance
Support for financial education	<ul style="list-style-type: none"> ■ Special feature on social contribution activities <ul style="list-style-type: none"> · Support for financial education (lectures and courses at universities, activities in Myanmar, etc.)

*Including some initiatives realized in fiscal 2014

drawing on our expertise and know-how across the Group to develop and offer products and services that are expected of Mizuho as a comprehensive financial group for nurturing industries, supporting recovery from the Great East Japan Earthquake, and addressing issues related to changes in society.

In addition, we are accelerating the evolution of our business model and have taken steps to further strengthen our group governance, and strengthen our crisis management capabilities. Also in June 2014, we made the transition to a Company with Committees to further strengthen governance and realize faster and nimbler corporate management.

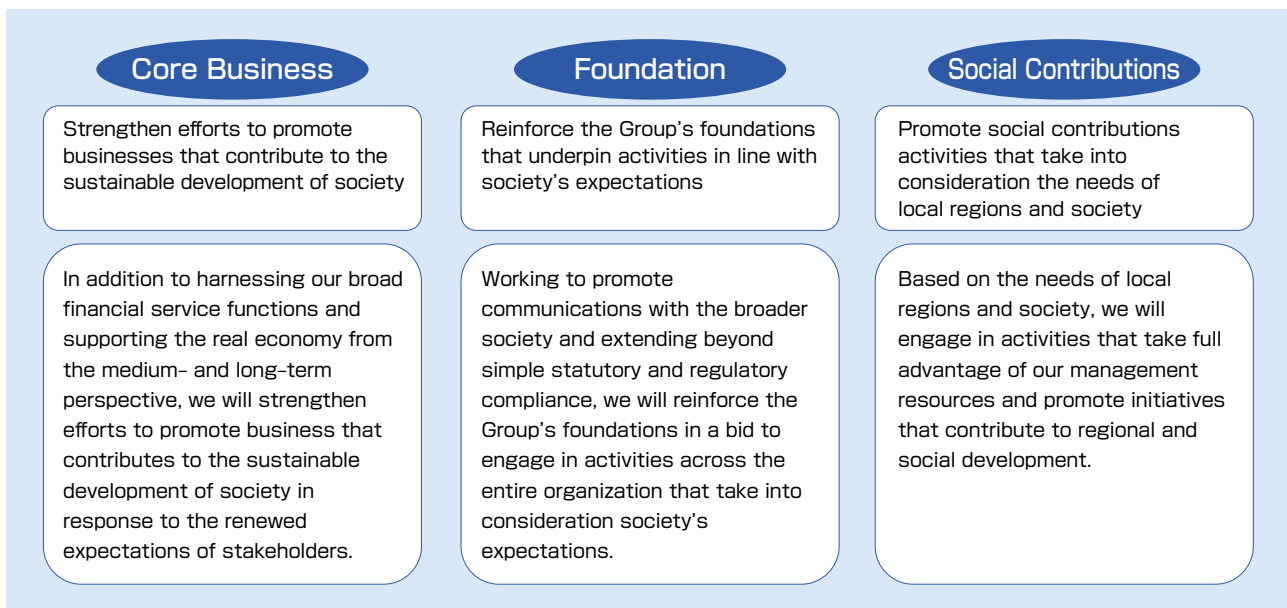
Among these initiatives, progress was reported in the above areas in fiscal 2013.

Preparation of a New Medium- and Long-Term CSR Initiative Policy

During fiscal 2014, we reviewed our Medium- to Long-Term CSR Initiative items. This was because, in view of the growing sophistication and diversity of expectations regarding the activities of corporations as well as the clarification of “social responsibilities of organizations” under ISO 26000, we felt it was necessary to indicate a broader range of initiatives for the CSR activities of the Group as a whole, including placing additional emphasis on initiatives that take account of business strategy.

Based on this awareness and taking full account of the points of initiative focus established in fiscal 2013 and various requirements as typified by ISO 26000, we prepared a new Medium- and Long-Term CSR Initiative Policy, comprising the following initiatives: “strengthening efforts to promote businesses that contribute to the sustainable development of society,” “reinforcing the Group’s foundations that underpin activities in line with society’s expectations,” “promoting social contributions activities that take into consideration the needs of local regions and society.”

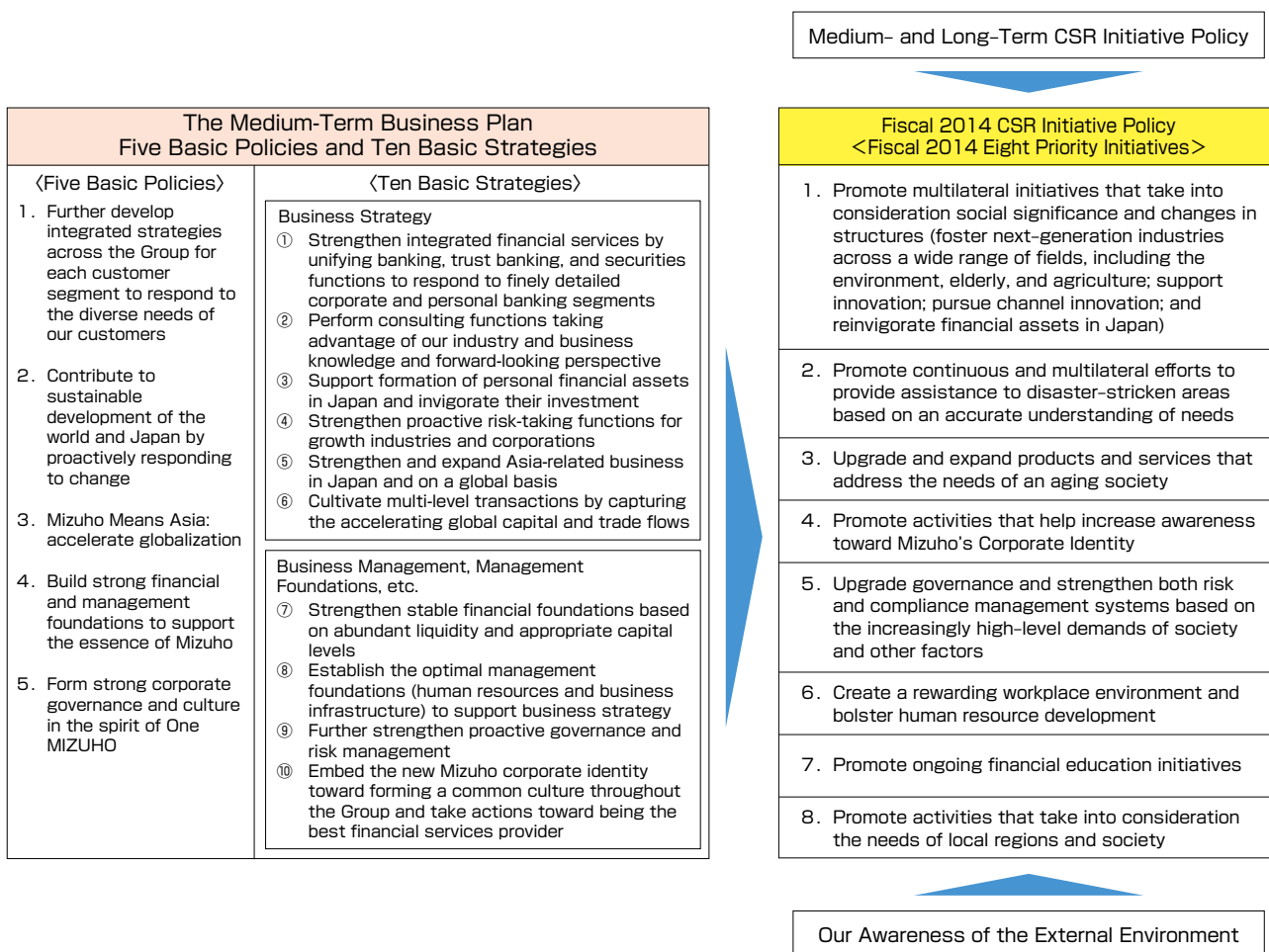
Medium- and Long-Term CSR Initiative Policy



Preparation of the Fiscal 2014 CSR Initiative Policy Linked to the Medium-Term Business Plan

In fiscal 2014, we looked 10 years ahead, and taking account of the Medium-Term Business Plan, which was formulated based on a group strategy of aiming for the “new frontier” of finance and our awareness of the external environment, we prepared a policy for eight initiatives that we are implementing now.

Fiscal 2014 CSR Initiative Policy Linked to the Medium-Term Business Plan



Implementing Initiatives to Realize the “New Frontier” of Finance over the Coming 10 Years

From a more medium- to long-term perspective of 10 years, we will aim to contribute to revitalization and the sustainable growth as well as the development of the Japanese economy in tandem with the other economies of Asia. To this end, in April 2013, we have newly formed four project teams, namely: “next-generation retail banking,” “next-generation industry development,” “next-generation Asia-related business,” and “invigoration of domestic financial assets,” thus, implementing consideration and initiatives for the realization of the “new frontier” of finance.

Overview of Four Project Teams

Four Project Teams	Summaries
Next-generation retail banking	Under the assumption that the retail banking business will undergo change along with developments in the external environment, the project team will pursue the creation of a business model that goes beyond extrapolations from current business activities and trends. In April 2014, Mizuho created an Incubation Department with the objective of working with the project team to create new businesses flexibly in response to changes in the domestic and international environments.
Next-generation industry development	Because of changes in the industrial structure, this project team will endeavor to contribute to Mizuho's growth strategy by nurturing "new industries that will be necessary" and "industries that have growth potential," with a view especially to restoring and revitalizing the Japanese economy.
Next-generation Asia-related business	To respond to the strong demand for funds that will be needed along with the high growth and increases in infrastructure investments in Asia, Mizuho will create and build new businesses in Asia by drawing on the know-how regarding financial markets and financial services it has accumulated in Japan.
Invigoration of domestic financial assets	With an eye to rejuvenating the power of the ¥ 1,600 trillion in financial assets in Japan, this project team will consider such themes as how to encourage the transition, especially among worker households, "from savings to long-term, tax-exempt investments," the creation of frameworks for transferring the wealth of senior citizens to working-age people, and creating broader options for pension management. These themes will be considered from perspectives that will include "marketing channels," "consulting services," and "financial products."

Mizuho will work steadily to fulfill its mission as a financial institution and its role as a part of the social infrastructure. Also, from a medium- to long-term perspective, Mizuho will continue its initiatives to realize a "new frontier" of finance and thereby work to continue to create lasting value in any era that may come. Mizuho will also endeavor to realize "bringing fruitfulness" to its customers, to the economy, and to society as it continues to develop and increase its corporate value.

Measures for the Enhancement of Group Governance

In order to fulfill our social responsibilities as a member of the global financial community, we will exert efforts to further enhance our group governance and strengthen our crisis management capabilities, in addition to our efforts to further facilitate the progress of our business model. Furthermore, the Group will continuously make efforts to establish a strong corporate culture that supports strong group governance.

Strengthening Governance through Transforming into a Company with Committees

As part of efforts to further enhance our group governance, in June 2014, the Group transformed itself into a Company with Committees. Through such measures, the Group will thoroughly separate the supervisory functions from the execution of business in order to strengthen the supervisory functions by the Board of Directors over the execution of business and ensure the effectiveness of governance. At the same time, by delegating the Board of Directors' decision-making authority concerning the execution of business to the Executive Officers to the maximum extent permitted by laws and regulations, the Group will realize the swift and flexible decision making that makes company management with a sense of speed possible.

In addition, the Group will secure the transparency and fairness of its supervision process by actively introducing the perspective of outside persons in the Nominating Committee, Compensation Committee, and Audit Committee. Furthermore, the Group will actively adopt the global trends concerning governance through such measures as appointment of the Chairperson of the Board of Directors from among, in principle, Outside Directors.

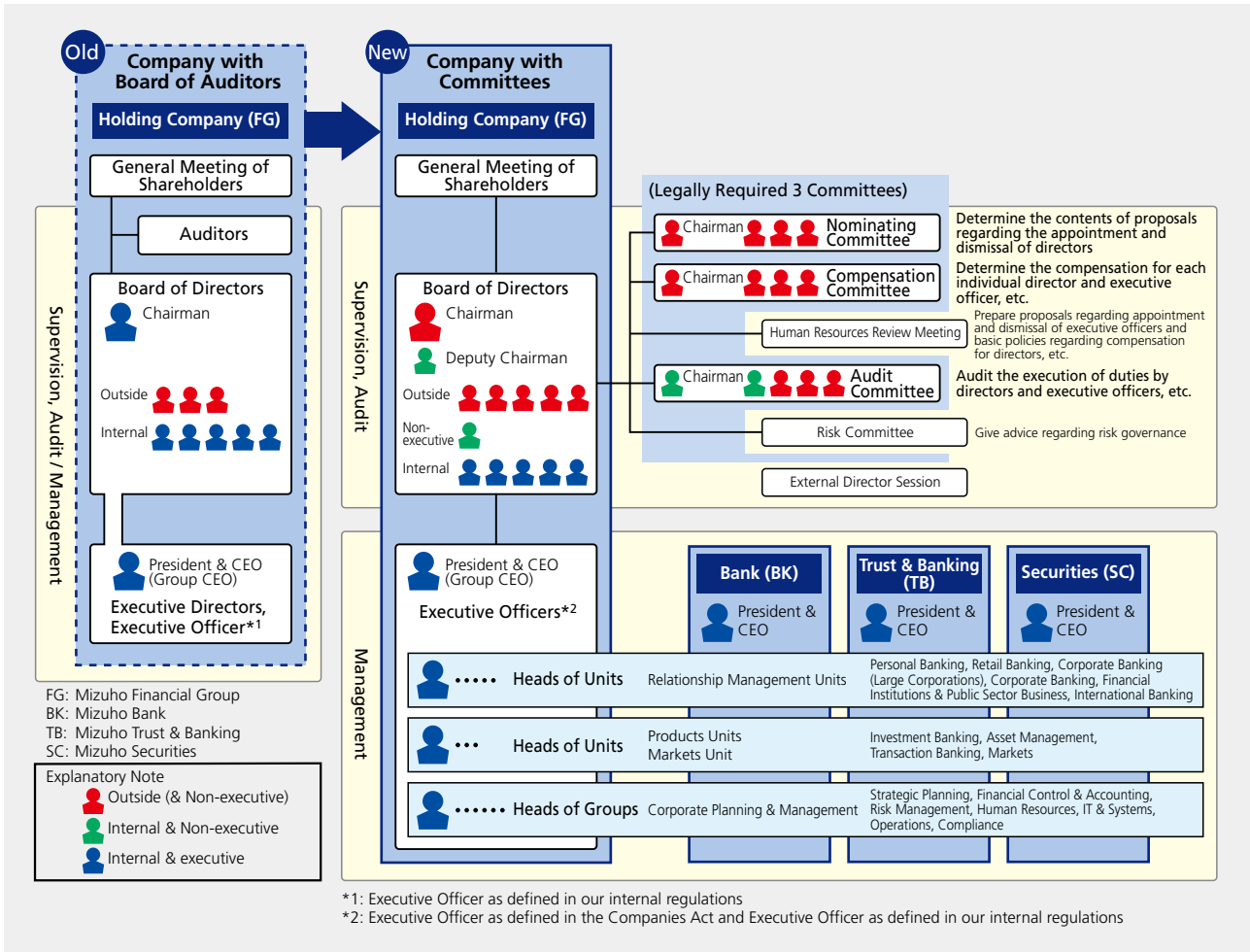
As for the strengthening of the Group's crisis management capabilities, through the newly established designated organizations, the Group will continue to establish systems that will respond appropriately to crises by accurately detecting signs and indicators of crises in advance, in addition to its effort to strengthen the ability to respond to emergency situations or events of emergency.

Measures to Form a Common Culture throughout the Group

To form a common culture throughout the Group, each and every employee will take a flexible approach to changes in society and proactively step up to the challenges they face. Mizuho will also promote further strengthening the One MIZUHO Promotion Project Team in Japan and overseas by integrating the banking, trust banking, and securities functions from the perspective of driving the self-starting actions of each and every employee.

Specifically, it will further strengthen continued actions related to each initiative that was started in the first year of the medium-term business plan, by having each division and branch create its own visions by holding discussions and supporting the initiatives towards realizing these visions, commencing discussion sessions with senior management at all head office and marketing offices, and off-site meetings for general managers of head office divisions and marketing offices at major group companies.

Strengthening Governance through transforming into a Company with Committees



Special Feature on Activities to Nurture Next-Generation Industries

As a financial institution based in Japan, Mizuho aims to contribute to the development of Japan's economy and society and strengthen the competitiveness of Japanese industries. Active initiatives include "participation in creating the systems and frameworks through making policy recommendations and other activities," "providing support for structuring business models, business matching, industry and business realignments, and other assistance," and "supplying risk money and demonstrating risk-taking capabilities." Mizuho has positioned agriculture, medical care, the senior market, the environment, and energy as growth industries. With the Next-Generation Industry Development Project Team as the focal point, Mizuho is aiming to support the nurturing of industries and develop opportunities for its own business activities. Mizuho is proceeding with these activities from a medium- to long-term perspective and on a group-wide basis.

In fiscal 2013, Mizuho concentrated on a number of initiatives that were based on the strategies contained in its New Medium-Term Business Plan. These are "to perform consulting functions taking advantage of our industry and business knowledge and forwarded-looking perspective" and "to strengthen risk-taking functions for growth industries and corporations." Thus, drawing on its strengths in knowledge of industries and sectors and in collaboration with both the public and private sectors, Mizuho focused especially on strengthening the competitiveness of agriculture, developing and upgrading industries to support the advanced aging society along with environmental improvements, broadening the use of renewable energy, and exporting Japan's environment-related technology.

CONTENTS

Initiatives for Agriculture	15
Initiatives in Medical Care and the Senior Market	19
Overview of Initiatives in the Environmental and Energy Fields	22
Promoting Wider Utilization of Geothermal Power Generation in Japan	23
Initiatives for Geothermal Power Generation Construction Projects Overseas	26
Use of Trust Arrangements for Solar Power Generation Facilities	29
Initiatives for Environmental City Projects	30
Initiatives in the Asian Region	34
Initiatives for Supporting the Development of Social Entrepreneurs	37

Initiatives for Agriculture

Providing Support as a Financial Institution to Make Japan's Agriculture a Competitive Industry

Japan's agriculture, forestry, and fisheries industries have a number of strengths. These include a well-developed production infrastructure, high-level technology capabilities, abundant production materials, and a wide range of agricultural products as a result of a bountiful climate and land resources. In addition, as the increase in population and incomes worldwide continues, demand for Japan's safe, high-quality agricultural and fishery products is strong, and the latent potential of Japan's agricultural, forestry, and fisheries industries as export industries is high. However, these sectors are beset by problems that include a small scale of operations and the status of practitioners, who are often part-time with second jobs. In addition, other serious issues include the rising average age of agricultural professionals and a shortage of successors. These various factors make it difficult for Japan's agriculture, forestry, and fisheries industries to become competitive as independent sectors.

In view of these issues, Mizuho has established a basic policy of "taking active initiatives as a private-sector financial institution to 'make Japan's agriculture a competitive industry.'" These initiatives include the creation of a "Sixth Industry Initiative Support Desk," "supplying risk money," "structuring frameworks that will strengthen competitiveness," and "policy suggestions that make use of Mizuho's knowledge and insight regarding various industries."

■ Supplying Risk Money through Investments in the Agriculture, Forestry, and Fisheries Sixth Industry Fund

The Fund for the Conversion of Agriculture, Forestry, and Fisheries Sixth Industry into Growth

Industries (hereinafter, the fund) is providing growth capital and management support to support Sixth Industry initiatives*. Investors in the fund include the Agriculture, Forestry, and Fisheries Fund Corporation for Innovation, Value-chain and Expansion Japan (hereinafter, the organization) as well as financial institutions and local governments and their entities. The fund is organized by regions and related themes.

Mizuho believes that this fund is an effective means for helping to make Japan's agriculture, forestry, and fisheries industries growth industries and is active in establishing sub-funds in collaboration with regional financial institutions and the organization.

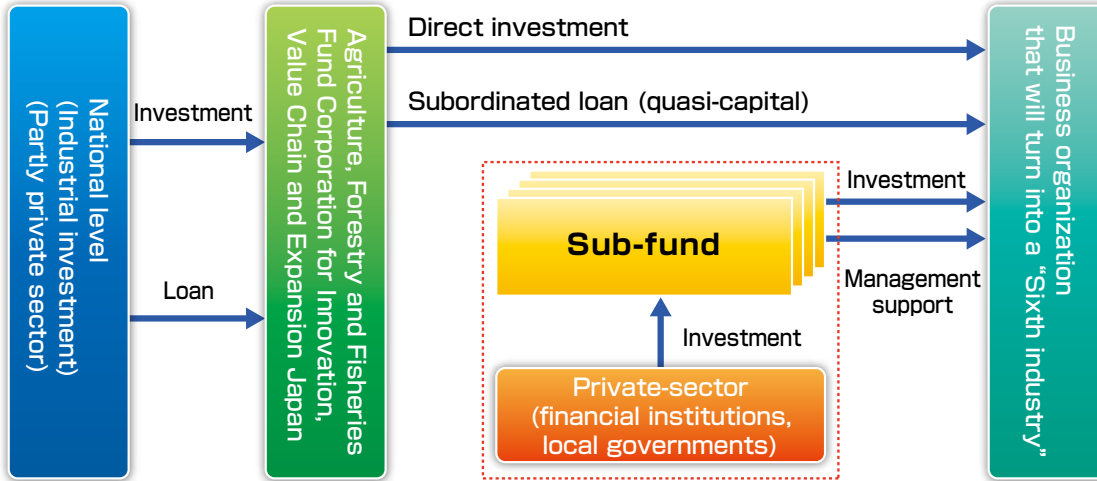
As of May 2014, there were 43 sub-funds, either organized or in the process of being organized, and these had decided on making investments in 23 projects. Among these, MHBK had invested in 10 of the sub-funds, and they have made the decision to invest in three projects.

In management of these sub-funds, MHBK is drawing on its broad customer base and knowledge of industries, collaborating with joint sub-fund investors, including regional financial institutions, local governments and their entities, and the organization, to play the roles of business matching at the global level for technology and sales channels. In addition, Mizuho Capital Co., Ltd., which is funding some venture businesses and has abundant experience in providing management support, is taking part in the management of some of the sub-funds.

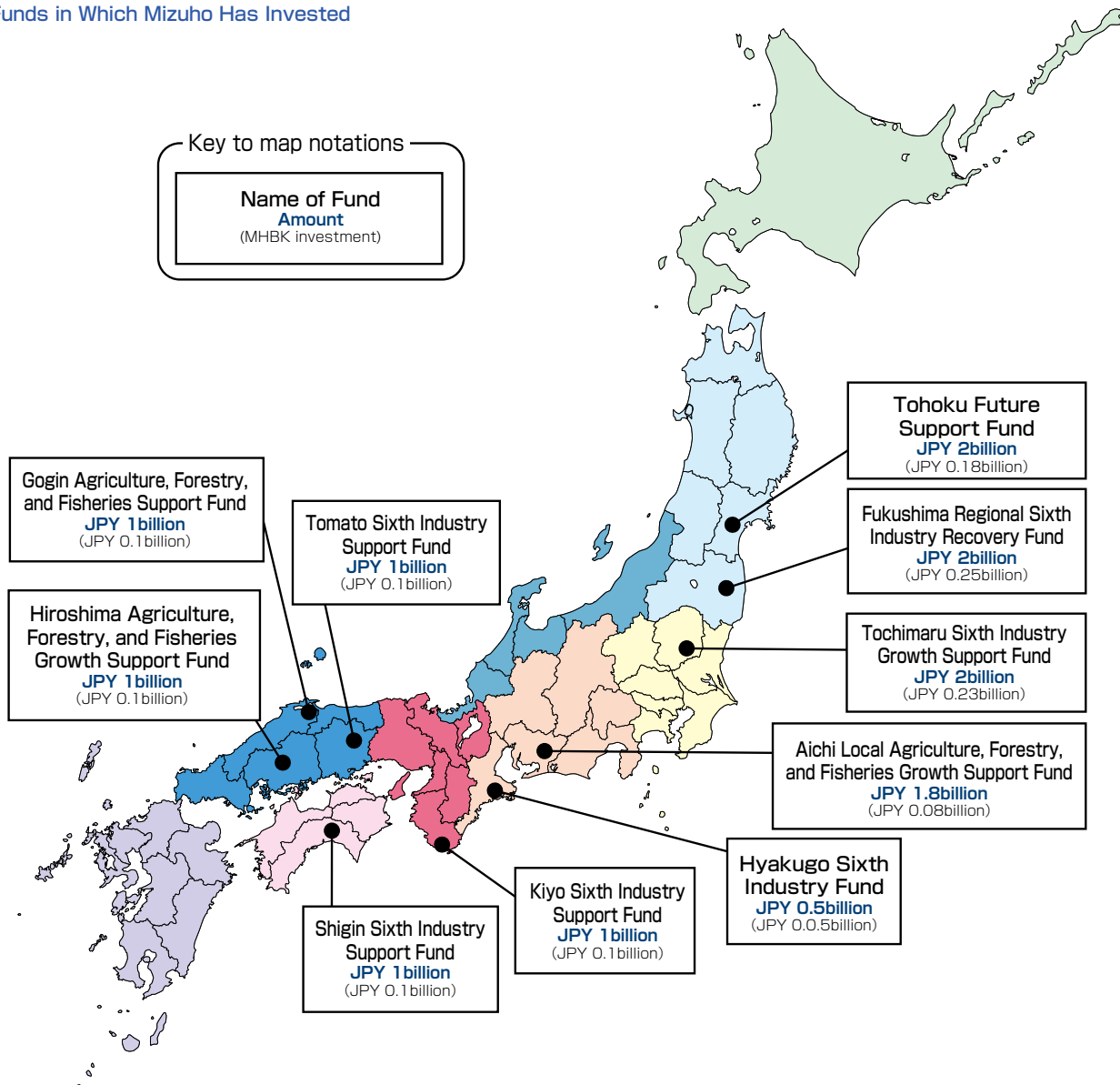
* Sixth Industry initiatives : This is a drive to promote stable growth and development of the agriculture, forestry, and fisheries industries and promote revival of the regions' economies by increasing added value in the agriculture, forestry, and fisheries industries through the integration of their production, processing, and logistical operations under a model in which their practitioners (primary sector workers) not only supply the raw materials, but also take a core, comprehensive role in the secondary sector (manufacturing and processing), and the tertiary sector (wholesale, retail, and tourism) activities.

Initiatives for Agriculture

Scheme of the Agriculture, Forestry, and Fisheries Sixth Industry Fund



Funds in Which Mizuho Has Invested



Initiatives for Agriculture

Realizing Investments from Sub-funds Aimed at Regional and Economic Revitalization through Development of the “Maguro” (Tuna) Brand

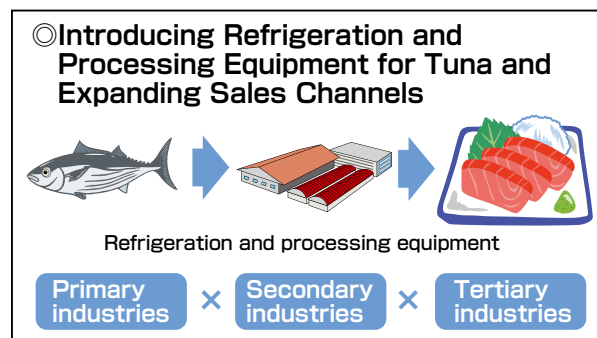
Among the sub-funds with Mizuho involvement, the first investment was in Aomori Kaisan Co., Ltd., through the Tohoku Future Support Fund, which was set up jointly by the organization, four regional banks in the Tohoku area, MHBK and Mizuho Capital.

Fukaura Town in Aomori Prefecture, where Aomori Kaisan is located, boasts the largest catch of tuna in the prefecture. However, because there were not sufficient refrigeration facilities in Fukaura Town, shipments are only made during the summer, which is the best season for fishing, because the systems were not in place to provide for stable, year-round shipments. To deal with this situation, consideration was given to branding the tuna catch of Fukaura Town as a whole as “Fukaura *Maguro*” and to expand distribution channels as well as provide for year-round shipments by installing the necessary refrigeration facilities.

To provide financial assistance for the installation of this equipment, the Tohoku Future Support Fund evaluated the prospects for revitalizing this industry and rejuvenating the region as major, and in January 2014 made the decision to invest ¥100 million in Aomori Kaisan. In addition, as a Sixth Industry partner, AP Company Co., Ltd., which operates a restaurant chain, made an investment in Aomori Kaisan.

Going forward, Aomori Kaisan will make use of the new facilities and expand its direct sales channels to the Tokyo metropolitan and other areas, where there are concentrations of consumer spending as well as network sales systems. Efforts will also be made to promote tourism in connection with the Fukaura *Maguro* Brand.

Examples of Agriculture, Forestry, and Fisheries Sixth Industries



Collaboration and Discussions with Middle Eastern Government Investment Companies Aimed at Promoting Growth of Agricultural, Forestry, and Fisheries Exports

As part of activities to create frameworks for strengthening competitiveness, Mizuho is taking initiatives to promote exports of agricultural, forestry, and fisheries products.

One of the promising export destinations will be the member countries of the Gulf Coordination Council (hereinafter, GCC*) of the Middle East. The member countries of GCC are importing many agricultural and fisheries products and, since they have strong economic power as oil-producing countries, demand there for reliable, safe, and healthy food products of high quality is growing. For this reason, agricultural and fisheries products and processed foods from Japan, which have a good reputation, are thought likely to be competitive in the local areas.

In addition, since it is also necessary to make supplies of desalinated seawater available for farming activities in the area, another problem is providing for high levels of energy consumption and dealing with the resulting high costs. Furthermore, to reduce the strong dependence on the petroleum industry, another important issue is nurturing new industries, such as agriculture and food processing. Regarding these issues also, there is a possibility that contributions can be made by introducing

Initiatives for Agriculture

Japan's agricultural and food processing technology.

To respond to these needs of the GCC countries, in August 2013, MHBK and the six GCC countries established the Gulf Investment Corporation (hereinafter GIC) and signed a memorandum of understanding for business cooperation. The objectives of the GIC memorandum include promoting exports of Japan's food and agricultural products and introducing Japan's agriculture-related technology. Looking ahead, efforts will be made to develop schemes for collaboration while continuing discussions with GIC.

* GCC : Consists of six countries: the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, and Kuwait

Mizuho will offer policy suggestions based on its industrial knowledge, and, together with regional financial institutions, government organizations, and others, will work to contribute to the creation of jobs and revitalization of the economy through making Japan's agriculture, forestry, and fisheries industries growth and export sectors.

TOPICS

Participation in Research Groups of the National Federation of Agricultural Cooperative Associations and the Norinchukin Bank for "Strengthening Competitiveness in Food and Agriculture"

The National Federation of Agricultural Cooperative Associations and the Norinchukin Bank in August 2013 formed a research group with the objective of strengthening the competitiveness of Japan's agriculture and food related industries. As a result of the favorable evaluation of MHBK's record of financing in the agricultural, forestry, and fisheries fields and the support it has provided for a broad range of industries within the food-related sector, MHBK was also invited to join this study group. From August 2013 onward, the group met seven times and participants actively exchanged views regarding a range of topics that include the issues facing Japan's agricultural sector, awareness of the business environment, latent capabilities and possibilities, themes related to measures for strengthening competitiveness, and examples of successful initiatives. As the next step, the group will move forward to implement specific policies.

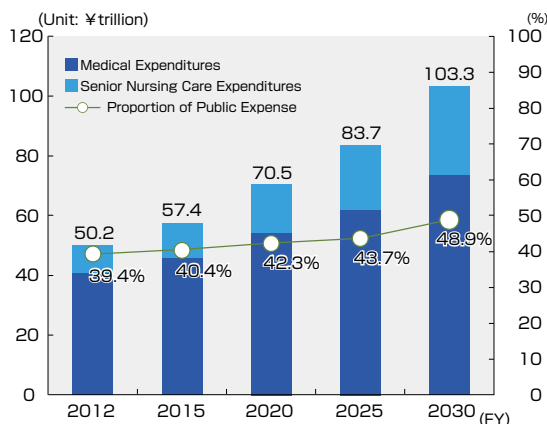
Initiatives in Medical Care and the Senior Market

Nurturing Industries and Environments to Actively Support the Super-aged Society in Cooperation with a Broad Range of Interested Groups

■ Drawing on the Group's Comprehensive Resources to Focus on Finding Solutions for the Super-aged Society

As its population ages rapidly, Japan is fast becoming a super-aged society and is confronting expanding needs for medical and nursing care and accompanying medical and nursing expenditures. In fiscal 2011, national medical costs rose to ¥38.6 trillion, and they are expected to continue to rise.

Forecasts for Japan's Medical and Senior Nursing Care Expenditures



Source: Prepared by MHBK Industry Research Division based on data compiled by Japan's Ministry of Health, Labour and Welfare (estimates are as of March 2012)

To deal with these issues, provision of good quality medical and nursing care will be needed together with implementation of measures to lengthen people's healthy lifespans through nurturing related services industries, including preventive health and nursing care. Mizuho believes that further progress will be needed in providing for housing for community nursing care along with measures to restrain social welfare expenditures, and promote the development of medical care and the senior market as growth industries.

To contribute to finding solutions for these social issues, Mizuho is drawing on the Group's

comprehensive capabilities. These include the broad industrial knowledge and know-how as well as the network of MHBK, combined with the research and consulting capabilities of MHRI and MHIR. Using these resources, Mizuho is providing information, including provision of policy proposals; working to develop industries; and implementing initiatives in collaboration with a broad range of private- and public-sector interests.

■ Establishment of a Medical Device Incubation Fund to Improve Competitiveness of Japan's Medical Devices Industry

The world market for medical devices is on a rising trend, and, against a background of demographic aging of the population in Japan and expansion in requirements for sophisticated diagnosis and treatment needs, the market is growing. Japan's medical device market is promising and in 2011 was ¥2.4 trillion in size, thus ranking second in the world after that of the United States. However,

TOPICS

Participation in the "Next-Generation Healthcare Industry Council" Aimed at Lengthening Healthy Lifespans

The Ministry of Economy, Trade and Industry is aiming to nurture new healthcare industries, including effective disease prevention and wellness maintenance, without dependence on public insurance systems and life support services. To this end, the ministry formed the Next-Generation Healthcare Industry Council in December 2013 with the participation of specialists and interested parties from many fields. Discussions in the council have included such topics as making improvements in the business environment to facilitate the creation of new health-related businesses, ways of evaluating the quality of related services and products, and policies for promoting investment in the health of companies and individuals.

MHBK participated as a council member in these discussions and engaged in active exchanges of opinions. Looking forward, Mizuho will devote efforts to providing proposals and suggestions for realizing longer healthy lifespans through the development of new healthcare industries.

Initiatives in Medical Care and the Senior Market

much of the market in Japan is accounted for by European and U.S. medical device companies, and in 2012 Japan imported about ¥700 billion more in medical devices than it exported, thus showing a major deficit in this account.

In the United States, it is established practice for venture businesses to draw on the ideas and technologies in universities and research institutes and, with the support of investors, commercialize these technologies and then sell these businesses to large medical equipment manufacturers. On the other hand, in Japan, there are very few managers who are in a position to select these projects at an early date, taking account of clinical and market needs, and shepherd these through the development processes. Moreover, there is a shortage of funds to finance such venture development. As a result, even when there are excellent “technological seeds” of promising new medical device businesses, there are cases where development is cut short because clinical and market needs are not identified and venture business cannot commercialize them as funds are lacking in the critical early stages. Thus, there is a stage gap between universities and research institutes where ideas are born and the medical device needs that medical device manufacturers would like to see met.

To achieve breakthroughs in this area, in November 2013, MHBK and the government’s Innovation Network Corporation of Japan (hereinafter, INCJ) jointly established the Medical Device Incubation* Fund (hereinafter, the fund), which is Japan’s first investment fund specializing in medical devices, with total resources of ¥6.0 billion.

This fund selects development projects with an eye to commercialization from among ideas and technological seeds coming out of universities, hospitals, private companies, and elsewhere. The fund then establishes special-purpose vehicles

(SPVs) for each project and invests development capital.

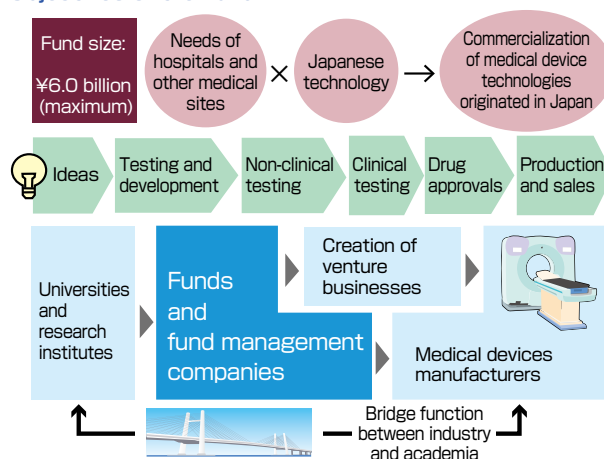
At the same time, INCJ and MHBK establish a fund management company, employing staff and professionals with experience as doctors and in the medical device business that is responsible for project management, including design of the commercialization process.

Thus, the fund gives strong support for funding and in the areas of personnel and know-how and acts as a bridge between the stage of technical seeds coming from universities to the stage where medical device manufacturers will want to commercialize the technologies. In the short term, the fund is focusing on developing a commercial success model for medical device technologies that are born in Japan. In the medium term, the fund will work to improve the incubation environment for medical devices in Japan, and, in the long term, it plans to contribute to the development of an industry foundation for medical devices in Japan.

Through this fund, MHBK will supply risk money for the development of medical devices and work to contribute to the nurturing of the medical device industry.

* Incubation : Providing management technology, funding, personnel, and other requirements of companies that have just been established

Objectives of the Fund



Initiatives in Medical Care and the Senior Market

■ Seminars Held Jointly with the Tokyo Government and Others to Encourage Development of Serviced Residences for Seniors

With an eye to 2025, when Japan's baby boom generation will reach 75 years of age or older, the Ministry of Health, Labour and Welfare is working to create "comprehensive community care systems" that will enable seniors to continue to live in communities they are familiar with, even after they require nursing care. These systems are envisioned to provide not only places to live but also medical care, nursing care, preventive care, and life support. As part of the infrastructure that is indispensable for these comprehensive community care systems, the Ministry of Land, Transport, Infrastructure, Transportation and Tourism and the Ministry of Health, Labour and Welfare are working to make available serviced residences for seniors.

The concept of serviced residences for seniors was established with the passage of a revision of Japan's Law Regarding Securing Stable Residences for Elderly Persons in October 2011, and it refers to the provision of housing with functions and services that will enable seniors to live with peace of mind. Such residences would satisfy requirements that include a certain size, necessary equipment and appliances, and such physical attributes as barrier-free design. These residences would provide other services, such as periodic safety checks and advice on living as well as provide for periodic visits by medical institution staff, all of which would give the elderly residents greater peace of mind.

To make comprehensive community care systems a reality, it will be necessary to prepare housing for seniors that comes complete with high-quality services. To this end, in February 2014, in collaboration with the Tokyo metropolitan government and the Tokyo Metropolitan Foundation for Social Welfare and Public Health, Mizuho held a seminar entitled "Serviced Housing for Seniors,"

for medical and social welfare corporations with know-how in medical care and nursing. About 60 persons, mainly from medical and social welfare corporations, attended. Topics explained at the seminar included the registration system for serviced residences for seniors and the national government subsidy system as well as presentations on the subsidies provided by the Tokyo metropolitan government to secure serviced medical care and senior nursing care housing and neighborhood living promotion housing.

MHBK will continue to provide support for the development of high-quality serviced residences for seniors by offering support going forward through providing information to related businesses and funding for residence construction, etc.

TOPICS

"Business Matching Forum in Kansai"

MHBK engages actively in providing business matching services. These involve introducing its customers and suppliers to potential new customers for their services and products, helping to find partners in the development of new products and entry into new businesses, and other business partners that will be best for helping to meet customers' business needs.

In September 2013, MHBK held its first joint business matching forum outside of the Tokyo area, with the title "Business Matching Forum in Kansai," and one of the themes covered the two areas of health care and the senior market. Representatives of about 100 companies, mainly SMEs, attended the event. About 30 companies displayed their products and technology, and about 150 business discussions were held. These activities help to support the expansion of sales channels for SMEs that have advanced technology and unique business models.



Participants at the Business Matching Forum

Overview of Initiatives in the Environmental and Energy Fields

To attain sustained growth of the economy and society, initiatives to preserve the global environment will be needed on a worldwide basis. In all countries, the issue will be to secure the safety of energy supplies first, and then provide stable and economical supplies of energy that respond to environmental requirements.

Mizuho, through its main business of providing financial products and services and based on the concept that, as a financial institution, its responsibility to society as a whole is to promote consideration for the environment, is taking initiatives in the environmental and energy fields. Both of these are growth sectors where Japanese companies can demonstrate their competitiveness based on their advanced technologies.

The Group companies are undertaking environment-related activities in their respective business areas. Group companies are also aiming to contribute to nurturing environment- and energy-related industries and expand exports of infrastructure packages that embody Japan's advanced technologies by drawing fully on the Group's knowledge and its network, while collaborating with many other interests in the public and private sectors. Specific examples include Mizuho's active implementation of many projects that have thus far been regarded as difficult to undertake, such as geothermal, offshore floating wind farm, and biomass power generation projects. Other initiatives include environmentally friendly city development projects and creating bilateral offset credit arrangements.

Moreover, because of the strong recognition following the Great East Japan Earthquake of the importance of the renewable energy field within Japan's energy policy, Mizuho Bank formed an organization-wide Renewable Energy Task Force in August 2011 to act as the central coordinating point for the cross-divisional sharing of information. Drawing on its extensive experience in financing many projects using renewable energy in Europe, which is a region playing a pioneering role in this field, Mizuho is providing broad support for companies newly entering the renewable energy power generation business and making use of the feed-in tariff system for electric power.

In fiscal 2013, MHBK supported a domestic geothermal power generation project, which is regarded as the key to future expansion in geothermal power projects. In addition, MHTB became the first trust and banking company to develop trust arrangements for a megasolar power generation project. In addition, in the field of environmentally friendly city development projects, MHBK and MHIR participated in a smart community test project in the United Kingdom.

Overview of Initiatives in the Environmental and Energy Fields

Promoting Wider Utilization of Geothermal Power Generation in Japan

First Use of JOGMEC Liability Guarantee to Promote Utilization of Geothermal Power Generation in Japan

■ Expected to Be a Stable and Low-Cost Energy Source

Geothermal energy is a renewable source of energy that provides stable, long-term power supplies, unaffected by the weather or other factors. Japan ranks third in the world in terms of the potential for geothermal power (having a total potential of about 23.4 million KW). Three Japanese manufacturing companies have a share of approximately 70% in the world market (on an accumulated basis through 2010) for turbines for geothermal power plants. These strengths give Japan a strong competitive position in terms of natural resources and technological capabilities in the geothermal power business.

Geothermal power generation features low running costs yet requires considerable investments of time and money at the development stage, including surveys of geothermal energy resources, collection of steam and hot water, and construction of facilities. In addition, there are issues unique in Japan, such as restrictions under Japan's Natural Park Law and necessary adjustments with hot spring businesses. Hence, no new geothermal power plants have been

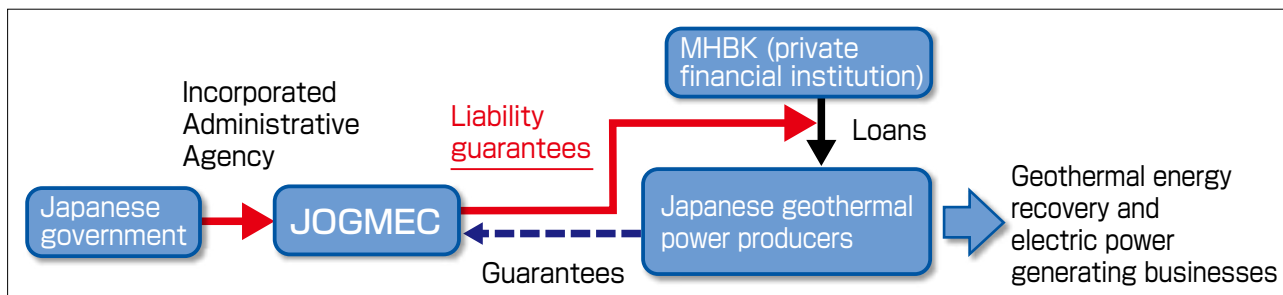
constructed since 2000, with an only exception of the construction of a small-scale geothermal power plant in 2006. At the end of 2012, there were 17 geothermal power plants in Japan, with a generating capacity of 520,000 KW, which consists of only 0.3% of Japan's total power generated.

However, following the Great East Japan Earthquake in March 2011, the situation has changed substantially. Beginning in July 2012, the renewable energy feed-in tariff system was introduced that make it easier for power producers to calculate the return of their investments. Together with the deregulation of utilization of geothermal energy resources in national parks, policies for the usage of geothermal resources have become more supportive. In addition, in the Japanese government's Basic Energy Plan, which was announced in April 2014, geothermal energy has been specified as one of "baseload power" (which is defined as a power that can be generated constantly day and night at low cost), and policies for accelerating the development of geothermal power generation has been set forth.

■ With the Aim of Facilitating Financing for Geothermal Power Generation, Mizuho Contributed to Establish the JOGMEC's Liability Guarantee Program for Geothermal Power Generation

Japan Oil, Gas and Metals National Corporation (hereinafter, JOGMEC), which provides a wide

Liability Guarantee Program for Development of Geothermal Power Generation



Overview of Initiatives in the Environmental and Energy Fields

variety of support for natural resource and energy businesses in Japan and overseas, is pursuing a policy of encouraging the development of geothermal energy resources. To this end, in September 2012, JOGMEC set up a new internal department for geothermal energy matters and has begun to provide assistance grants for initial geothermal resource surveys, equity capital for exploration of geothermal resources, and liability guarantees for the Japanese geothermal power producers' loans from private financial institutions to finance the cost of geothermal power plant construction.

Under the liability guarantee arrangements, JOGMEC applies its specialized knowledge to evaluate the risks of geothermal developments that would be difficult for financial institutions to evaluate on their own, and guarantees up to 80% of the loans, in order to smoothen the financing of geothermal power generation.

MHBK, drawing its experience and know-how accumulated in providing finance for renewable energy businesses and structured financing, has worked with JOGMEC from the early planning stages and exchanged opinions with them. In view of the special nature of the geothermal power producers, MHBK offers specific proposals regarding operation of these facilities from the perspective of a private financial institution, including advice on how to minimize the risks that financial institutions concern. Through these activities, MHBK has fully cooperated with JOGMEC in implementing the guarantee program.

■ Financing Provided for the Largest Binary Power Generation Business in Japan

MHBK, not only cooperated in structuring the JOGMEC liability guarantee program for geothermal power, but also conducted a business risk analysis and made loans in March 2014 for the Sugawara Binary Power Generation Project (hereinafter, the

project), which is the first time in Japan for such financing to be provided under JOGMEC liability guarantees.

The project is located in Sugawara in the Kokonoe Town Kusu Country area of Oita Prefecture, and is being undertaken by Nishi Nippon Environmental Energy Co., Inc. (which was renamed Kyushu Mirai Energy Co., Ltd. in July 2014), a subsidiary of Kyushu Electric Power Co., Inc. The project makes use of an existing geothermal well owned by Kokonoe Town, and will be the largest binary* power generating facility in Japan with an output of 5,000KW. (Work on the facility commenced in March 2014, and it is scheduled to go into operation in March 2015.)

* Binary power generation: Uses a heat transfer medium with a lower boiling point than water (e.g., pentane) to heat steam and hot water, and the steam generated is used to rotate the turbine and generate electricity. Binary generators can also be equipped and operated as temperature adjustment facilities using waste heat from existing hot springs.

■ Public and Private Cooperation to Promote Expansion of Geothermal Power Generation

In the case of small to medium-sized binary power plants, the time necessary from surveys to full operation is shorter than that of large binary plants, thus, at lower costs. Therefore, not only power utilities and large companies but also hot springs cooperative associations and small to medium-sized businesses can enter the geothermal power business relatively easily.

JOGMEC's liability guarantee program substantially lowers the risk for power producers engaging in development of binary and other geothermal facilities. As such, it plays an important role in encouraging new entrants into the field. After the announcement of this first project, JOGMEC has received inquiries from many businesses.

MHBK, collaborating with JOGMEC, will draw fully on its strengths, which include the information-

Overview of Initiatives in the Environmental and Energy Fields

gathering capabilities of its branches and offices, a broad range of knowledge in the resources and energy businesses, and extensive know-how of finance to provide support for wider utilization of geothermal power.

Voices of Interested Parties

JOGMEC is continuing its activities to secure stable supplies of natural resources and energy, in line with the resource and energy policies of the Japanese government. Even as renewable energy sources are attracting more attention, while Japan ranks third in the world in terms of potential power generation from geothermal sources, these sources are still not being used effectively.

Amid these conditions, JOGMEC was able to provide its first liability guarantees, with MHBK making loans, for the first domestic geothermal power plant.

With this project as a beginning, we will continue to revitalize Japan's geothermal power business and look forward to MHBK's dedicated support to our mission for the future of Japan.



Hidefumi Nakashima
Director General, Member
of the Board
Geothermal Resource
Development Department
Japan Oil, Gas and Metals
National Corporation
(JOGMEC)



Steam output test (Source: Kyushu Electric Power Co., Inc., materials)

Overview of Initiatives in the Environmental and Energy Fields

Initiatives for Geothermal Power Generation Construction Projects Overseas

Major Geothermal Power Project Begins after Overcoming Many Difficulties

Indonesia, which has the world's largest geothermal resources, is planning to increase its power generation capacity to meet rising demand. As part of these activities, Indonesia is focusing on attaining a goal for geothermal power generation, but progress in this area is lagging behind plans. In view of this situation, in April 2013, construction of the largest-scale geothermal power facility in the world, with a total generating capacity of 321MW (hereinafter, the project), began in the Sarulla region of North Sumatra. This project is expected to eliminate power shortages in the region and to promote wider utilization of geothermal power.

Planning for this project began in the first half of the 1990s, but the project developer withdrew because of the impact of the Asian currency crisis, difficulties in fund-raising, and other factors. Thereafter, in 2006 Itochu Corporation, Kyushu Electric Power Co., Inc., Indonesian power company PT Medco Power Indonesia, and U.S. geothermal company Ormat Technologies, Inc. formed a consortium, purchased the development rights for the project, and began to consider going forward with the project. With the collaboration of the consortium members, the governments of Indonesia and Japan, and many other stakeholders, the project began to move forward. The experience and know-how of MHBK in the geothermal field was highly evaluated, and it was appointed financial advisor to the project in 2007. After conducting an economic feasibility analysis of the project, MHBK has played a broad range of roles, from providing support for contract negotiations to consideration of financial schemes.

Provided Assistance for the Analysis of the Economic Viability of the Project and for Negotiations Regarding Revision of the Terms of the Contract

As part of this project, a 30-year contract was signed with the national electric power company of Indonesia and the construction and operation of the geothermal power plant, which makes use of Japanese technology, will be consummated. MHBK prepared its own cash flow model that takes into account the many risks inherent in geothermal power plant businesses. MHBK also analyzed the economic viability of the plant in detail, ranging from estimates of the cost of development, construction, and operation, to preparation of forecasts of electric power output. As a result, however, many conditions changed from the time the original contract was concluded, including increases in construction costs, and negotiations were needed to review contract conditions, including the price of electric power sold.

MHBK calculated the power price necessary to be profitable and assisted the consortium in negotiations with the Indonesian government. However, reaching agreement with the Indonesian government, which wanted to restrain increases in electricity prices, was not easy. Although difficulties were experienced, we negotiated persistently, together with the consortium. As a result, and with some backup from the Japanese government, which wants to promote infrastructure-related exports from Japan, we finally reached agreement on the price of electric power in April 2010. Moreover, we continued negotiations on numerous conditions to reduce the risk related to the geothermal power business, thereafter. In April 2013, we concluded a long-term power supply agreement with the Indonesian national power company (Perusahaan Listrik Negara Persoro:

Overview of Initiatives in the Environmental and Energy Fields

PLN), and the same contract secured a guarantee from the Indonesian government for payments to be made by PLN under the contract.

The World's First Project Finance Arrangement for a Major Geothermal Power Facility

Geothermal power projects require considerable time to develop and complete. Also, in comparison with other methods of generating electricity, assessing the volume of energy resources has higher inherent risks. For this reason, when funds are raised, they are usually raised on the basis of the overall credit of the corporate borrower, meaning that corporate financing approaches are applied. In contrast, project finance focuses solely on the profitability of the project itself and the flows of its earnings are the source of repayment. In this scheme, many of the participants, in the project, including banks, share the risk. Therefore, to encourage the development of geothermal power sources, MHBK proposed the use of the project finance approach to limit the risk borne by the participating companies.

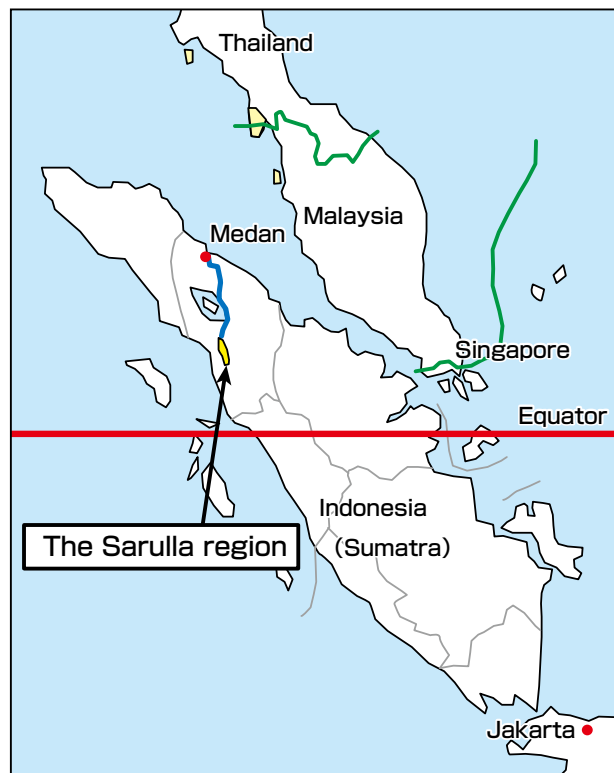
To syndicate the finance for the project, the emphasis is on making it easier for the financial institutions, with the financial advisory and lead arranger in the lead, to provide funds for the project. Specifically, based on analyses of the volume of energy resources and economic feasibility, proposals were made regarding the structure of the project that took into account of the risk of exhaustion of geothermal resources, ways of reducing risk over the long time to completion of the project, and other risks. In addition, the Indonesian government provided guarantees for PLN's payment obligations and the Japan Bank for International Cooperation provided guarantees for the exposure of private banks on the basis of the guarantees provided by the Indonesia government.

After various adjustments were made between the financial institutions and the consortium members, in March 2014, a co-financing agreement was signed to provide a total of USD1,170 million with the participation of the Japan Bank for International Cooperation, the Asian Development Bank, and a syndicate of six private banks, including MHBK. In June 2014, the first loan was made under the agreement.

Going forward, Japanese companies that manufacture equipment for geothermal plants plan to construct more power plants, one of which is scheduled to go into operation in 2016.

The project is believed to have contributed in a number of ways, including the improving of electric power shortages in Indonesia, broadening the range of fund-raising options for geothermal power plants, and contributing to infrastructure-related exports from Japan, which is one of Japan's important growth strategies. By continuing to be involved in the project through being the Agent Bank, and the

Scheduled site for a power generation facility



Overview of Initiatives in the Environmental and Energy Fields

know-how and experience accumulated during the course of the project, Mizuho seeks to contribute actively from the financial side to the development of renewable energy projects in Japan and overseas as well as to contribute to the promotion of infrastructure-related exports.

Voices of Employees

A quite long period of six- and a-half years passed from the time Mizuho was appointed financial advisor through to the consummation of the related project finance. During this period, we faced a number of difficulties to overcome, including prolonged negotiations with the Indonesian government and the collapse of Lehman Brothers, etc. However, each time, we came up with ways of overcoming the difficulties with project sponsors and finally realized our objectives. When we heard the words of gratitude from the project sponsors at the end, we had feelings of relief and deep satisfaction. As a result of this project, we were thankful for being able to meet and work with such irreplaceable people from many industries and companies. Looking ahead, we want to draw fully on the know-how and experience we have gained, and in our work on a day-to-day basis, we want to promote the wider utilization of geothermal and other forms of renewable energy and contribute to economic and social development from the financial side.



Hiroaki Kanazawa
Senior Vice President,
Asia Department, Global
Project Finance Division,
Mizuho Bank

Overview of Initiatives in the Environmental and Energy Fields

Use of Trust Arrangements for Solar Power Generation Facilities

MHTB has become the first among the trust and banking companies to provide trust arrangements for solar power generation facilities. In May 2013, MHTB concluded arrangements with Ideal Solar LLC (hereinafter, the company) for the real estate portion of the first such project, namely, the megasolar power generation project of Takakuma-cho, Kanoya-shi, Kagoshima Prefecture.

The company is a special-purpose company formed jointly for investments in renewable energy sources in Japan by Interaction Co., Ltd., which engages in the development and manufacturing of solar power related equipment, and the DAQO Group, a Chinese electric machinery manufacturer. This company is aiming to install power generation facilities with an output capacity equivalent to 200MW (in Japan).

Under this project, MHTB will purchase land in Kanoya-shi, Kagoshima Prefecture and develop

and operate a 1.5MW solar power facility. As the trustee, MHTB will be the owner of the land and the facility and will also be responsible for applying for equipment permits from Japan's Ministry of Economy, Trade and Industry, making arrangements for connecting to the power grids of electric power utilities, and other related matters. In addition, MHTB will develop the facilities of solar power generation and supply electric power to electric power utilities and other companies during the period of power purchase based on the Special Measures Law Regarding Purchase of Electricity Generated by Power Producers from Renewable Energy Sources.

Under this scheme, MHTB will provide long-term, stable asset management and administrative functions for companies planning to enter the renewable energy power producer business. In addition, since the trust arrangements will make it possible to buy and sell rights to the income generated by the project, in the future MHTB will consider these trust arrangements as a way of offering a wider diversity of investment instruments.



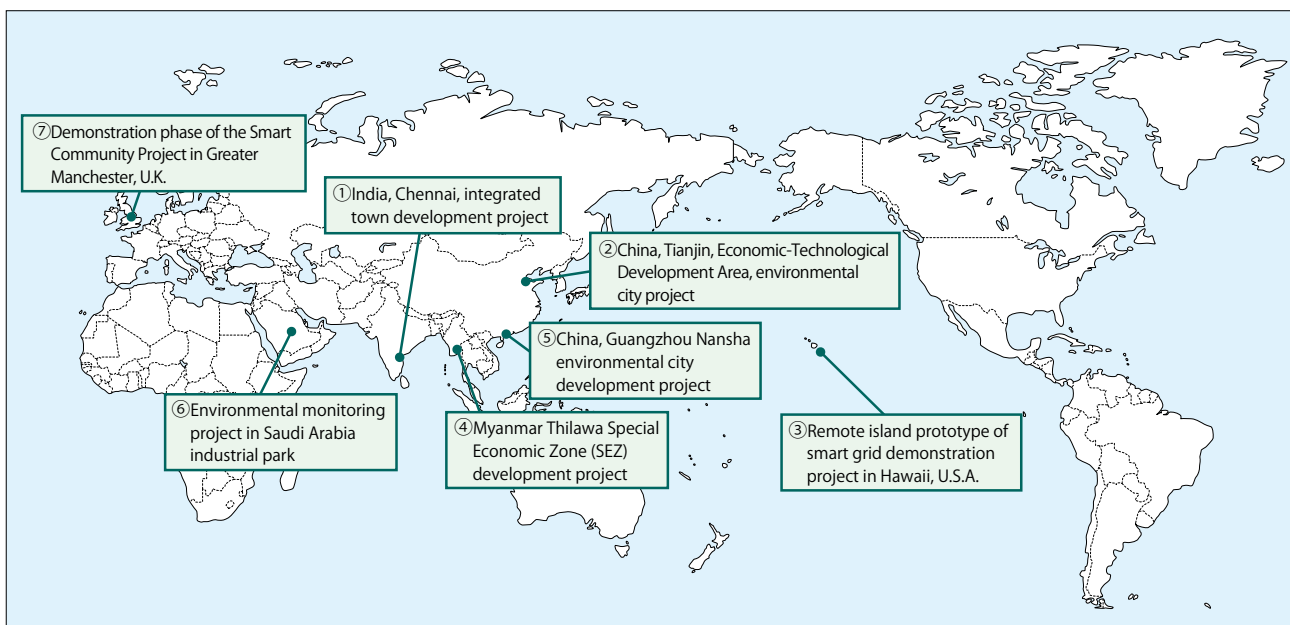
The solar power generation facility to be operated by the project

Overview of Initiatives in the Environmental and Energy Fields

Initiatives for Environmental City Projects

In cooperation with its customers, Mizuho has been actively involved in environmental city projects led by the initiatives of Japanese companies, beginning from the development stages. These projects are enabling Mizuho to accumulate experience regarding planning, development, implementation, and management as well as consider and move forward with new financing structures. In each projects, Mizuho has been involved primarily in making assessments of economic evaluation and building business models, while also considering financial arrangements. In addition, Mizuho is performing the role of applying the experience gained from these projects in the newly emerging countries. Through structuring these “Japan-originated” environmental city projects, Mizuho aims to support the growth strategies of Japanese industries overall from a financial standpoint.

Environmental City Projects Mizuho Involved in



Number	Project Name	Outline
①	India, Chennai, integrated town development project	<ul style="list-style-type: none"> · Integrated town development centered around an industrial park
②	China, Tianjin, Economic-Technological Development Area, environmental city project	<ul style="list-style-type: none"> · Developing energy conservation businesses · Creating “smart” urban and industrial area · Transition to gas cogeneration on coal-fired boiler (electric power supply system)
③	Remote island prototype of smart grid demonstration project in Hawaii, U.S.A.	<ul style="list-style-type: none"> · Demonstration of smart grid on a remote island · Commercialization of infrastructure for charging electric vehicle
④	Myanmar Thilawa Special Economic Zone (SEZ) development project	<ul style="list-style-type: none"> · Integrated town development centered around an industrial park

Overview of Initiatives in the Environmental and Energy Fields

Number	Project Name	Outline
⑤	China, Guangzhou Nansha environmental city development project	<ul style="list-style-type: none"> · Development of an environmental city
⑥	Environmental monitoring project in Saudi Arabia industrial park	<ul style="list-style-type: none"> · Introduction of environmental monitoring system to the industrial park · Development of businesses related to improving the atmospheric, water, and other environments
⑦	Demonstration phase of the Smart Community Project in Greater Manchester, U.K.	<ul style="list-style-type: none"> · Introduction of aggregation technologies and systems that remotely monitor and control the operation of residential heat pumps and establishment of a business model

Participation in Smart Community Demonstration Project in the United Kingdom with the Aim of Structuring a Business Model Based on Japanese Technologies

Due to a global warming issue and the rapid rise in demand of energy resources, the wider use of renewable energy sources and improvements in energy usage efficiency have become urgent issues in the world. Amid these developments, the U.K. government has set goals of “raising the ratio of renewable energy usage to 15% by 2020” and “increasing the use of heat pumps for residential heating purposes to 30% by 2030.” With these goals, efforts are being made to reduce CO₂ emissions and shift a source of energy from gas to electricity.

As part of these activities, emphasis is being placed on promoting the use of renewable energy in each house. The U.K. Business Innovation and Skills Ministry, the U.K. Energy and Climate Change Ministry, the city of Manchester (Greater Manchester), and Japan’s New Energy and Industrial Technology Development Organization (NEDO) are collaborating in the Smart Community Project in Greater Manchester, U.K. (hereinafter, the project). The objective of this project is to make use of eminent heat pump technology and ICT-related technology in Japan to promote the energy

shift.

In February 2013, NEDO asked for bids from commercial businesses for a feasibility study to be followed by a demonstration project, and the consortium organized by Hitachi, Ltd. (Hitachi), Daikin Industries, Ltd. (Daikin), MHBK, and MHRI was selected. Reasons for the selection of this consortium included the high levels of technology of Hitachi and Daikin as well as Mizuho’s accumulated experience in smart community demonstration projects. The consortium’s proposal suggested the consideration of a business model that would benefit local governments, consortium participants, and other stakeholders, and this led to its positive evaluation and selection.

Balancing Electric Power Demand through Remote Control of Heat Pumps

The objective of this project is, first, to demonstrate the technologies and systems for aggregating the coordinated electrical power and to investigate the capacity for balancing the power supply-demand dynamics of residential power users, and, second, to establish a business model based on these technologies and systems.

Specifically, about 600 social housing properties will be equipped with heat pumps for heating and hot water to be provided by Daikin and Hitachi. These will replace the gas-fired water heaters

Overview of Initiatives in the Environmental and Energy Fields

these homes use currently, and they will use electric power to collect heat in the atmosphere as a heat source. Since electric powered heat pumps are about three times more energy efficient than gas-fired boilers, they are expected to make possible a substantial reduction in CO₂ emissions. Also, the systems to be structured and operated by Hitachi and Daikin enable to remotely monitor and control a group of residential heat pumps. For example, these systems have a demand-response function that “enables the system to activate the residential heat pumps remotely before electric power demand rises and warm the rooms of the house, and then, as power demand rises to its peak, the heat pumps are turned off or temperature settings are turned down.” In this project, the capabilities of the technologies and systems to keep homes comfortable and balance the supply and demand of electric power are demonstrated.

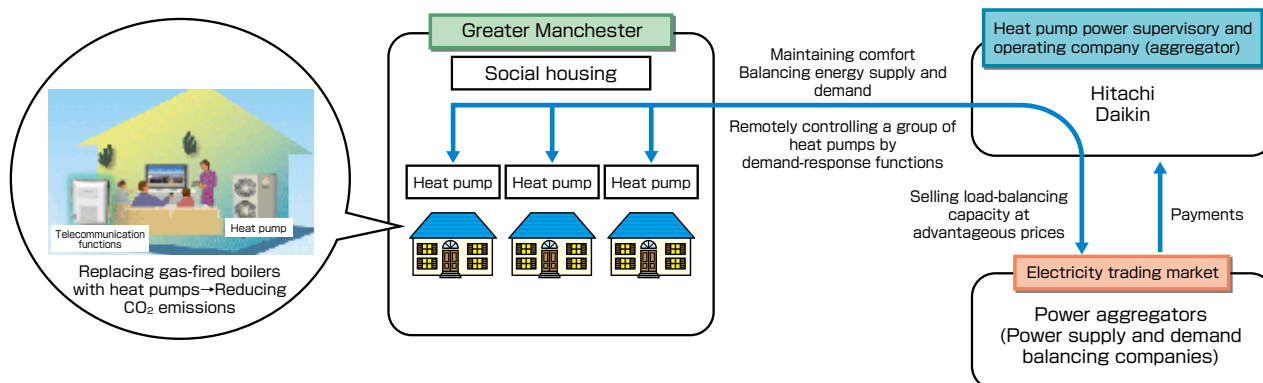
Structuring a Business Model that Will Generate Stable Earnings by Trading Load Balancing Capacity in the Market

The demand-response function that balances the supply and demand of electric power have been put into operation in many smart community projects, but the special feature of the project is that it is verifying a business model that sells the residential

load-balancing capacity of the system into the electric power market. In the United Kingdom, which has been a pioneer in the electricity deregulation and separation of power generation from distribution and transmission, many market participants, including power generators, power distributors, and power aggregators (that balance the supply and demand for power), are able to sell a wide range of power trading products, varying by term and volume and ranging from medium- to long-term wholesale power to short-term transactions that enable covering power shortages with only 30 minutes notice as well as dealing with frequency change. In this project, it is assumed to restrain power consumption within a range that preserves home comfort and to sell load balancing capacity at advantageous prices. This business model is expected to be able to generate stable earnings.

In the feasibility study conducted from June 2013, MHBK and MHIR were in charge of structuring a business model, including consideration of financing schemes, and combining the know-how they have accumulated in smart community demonstration projects with their industry knowledge to assess the economic viability of the project. Beginning in April 2014, over a three-year period, the research and analysis on the acceptability of heat pumps to U.K. households and the policies to promote the use of heat pumps

Outline of the Business Model



Overview of Initiatives in the Environmental and Energy Fields

will be conducted. Also, the evaluation of the profitability of the power aggregation business that may encourage the participation of households in demand response will be conducted. In addition, the investigation (on the electric power market and power supply companies) will be conducted, and the policy recommendation to the U.K. government will be intended. Finally, the commercial feasibility of the system for balancing power supply and demand through the remote control of aggregated heat pumps will be evaluated.

If a sustainable business model can be developed in this project that helps to promote the energy shift and transition to a low-carbon society in consideration of energy policy requirements, it is expected that this system will be applicable to other areas in the United Kingdom.

Looking ahead, Mizuho will continue to participate actively in smart community projects both in Japan and overseas, and, applying Japan's top-level technology, this will contribute to maintaining comfortable living conditions as well as help to reduce CO₂ emissions and bring about the low-carbon society.

Initiatives in the Asian Region

The Asian region has drawn attention as a driver of growth for the world economy. Factors accounting for this have been entry of companies from overseas into the Asian markets, private capital investment by local companies, high levels of infrastructure investment, and expansion in consumer spending along with economic development.

Mizuho has established a vision in its Medium-Term Management Plan. Its vision is to be “The most trusted financial services group with a global presence and a broad customer base, contributing to the prosperity of the world, Asia, and Japan.” Mizuho has positioned Asia as its priority strategic region. Drawing on its knowledge and know-how as a comprehensive financial group, Mizuho is working to contribute to the further development of the economy and societies of Asia by supporting the development of financial and capital markets, the entry of both Japanese and foreign companies into Asia, and the growth of companies based in the region.

Supporting the Entry of Japanese Companies into the ASEAN Markets through Fund Investments

■ Giving Impetus to the Entry of Japanese Companies into the ASEAN Region through Financial and Management Support Services

The Association of Southeast Asian Nations (ASEAN), which has 10 member states, has shown rapid economic growth over the past 10 years. The demand for funding to support the growth of locally based companies and alliances with companies that have know-how is very strong. ASEAN is also a region where Japanese companies have a strong desire to enter. Among small and medium-sized enterprises (SMEs), there are instances whereby entry is not possible because the burden of looking for local partners, making investments, and then operating local enterprises is too great.

To provide support for the entry of Japanese companies, including SMEs, into these markets amid this operating environment, MHBK has established the Mizuho ASEAN PE Fund (hereinafter, the fund), a private equity fund that supports locally based companies in the ASEAN region (including joint venture companies with Japanese enterprises) in March 2013. The fund is scheduled to have a maximum size of USD200 million, with a maximum of USD125 million

provided by MHBK. In addition, the Japan Bank for International Cooperation has committed its maximum amount of USD25 million to the fund, and The Dai-ichi Life Insurance Company, Limited has decided to commit USD30 million to the fund.

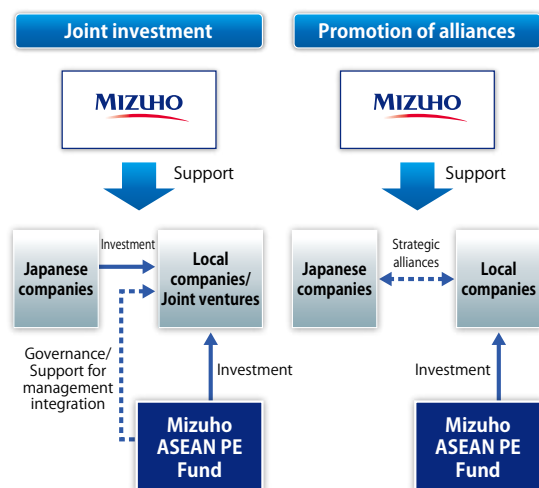
The investments in locally based companies in the region will create an environment whereby Japanese companies can invest and conclude alliances locally, and the fund aims to promote the structuring of alliances among Japanese-affiliated companies and locally based companies. For example, by making investments in local companies jointly with Japanese companies, this fund can lower initial investment costs for Japanese companies and help to alleviate the burden of the investment process beginning with the conduct of due diligence, and provide support for local companies as a joint investment partner. In addition, the fund can make prior investments in local companies that can receive investments from Japanese companies, thus making it easier for Japanese companies to become familiar with conditions in companies they are considering as alliance partners.

Usually, private equity funds seek to make majority investments (51% or higher ownership) to obtain management control, or buy out investments, and then appoint new management and conduct necessary restructuring. However, this

Initiatives in the Asian Region

fund mainly takes minority positions in investee companies, and then provides new growth capital investments to enable the investee business to grow and increase its corporate value.

Schematic Representation of the Fund



■ Considering Many Potential Investments Drawing on the Skills of Experienced Fund Managers

This fund is managed by Mizuho Asia Partners Pte. Ltd. (hereinafter, MAP) which is a wholly owned subsidiary of MHBK (Singapore). In making its investments, MAP draws on the skills of highly experienced fund managers in Indonesia, Malaysia, Singapore, and other ASEAN member countries. These MAP fund managers draw on their experience and network to identify the needs of potential investee companies in detail. As a result, about one year after the fund began its operations, 200 potential investments were identified. After the screening process, MAP consummated three investments-in the restaurant chain, fitness club, and other industries. In addition, there are more than 90 cases whereby the potential investee company under consideration wants to be introduced to a potential Japanese partner, and MAP will match these companies with companies in Japan.

Within MHBK, through the Asia Department of the Industry Research Division, which is located in Singapore, MAP received support carefully tailored to its needs. In addition, within Japan, MAP partners with the Strategic Project Department of the Industry Research Division, industry specific teams, the corporate customer planning divisions, and branches/offices engaged in marketing to identify Japanese companies that are planning to enter ASEAN markets. Customers with these plans are introduced to ASEAN-based companies, and MHBK offers support for concluding business alliances, setting up joint ventures, and concluding M&A deals.

■ The fund has invested in a restaurant chain in Indonesia, and, by drawing on the know-how of Japanese-affiliated companies, supported business expansion through the development of a new brand.

Asia Culinary Inc. Pte. Ltd. (hereinafter, the company) is a Chinese restaurant chain that operates “The Duck King” and 20 premium dining establishments located in the principal cities of Indonesia, targeting middle- to upper-income customers. To accelerate the development of the company’s restaurant chain in the suburbs, it is planning to develop a chain with a new brand featuring a revised price structure. Specifically, the company is considering the addition of Japanese restaurants to its strategic business portfolio because Japanese food is becoming increasingly popular in Indonesia. In view of these plans for expansion and the company’s consideration of external funding, a number of funds have submitted investment proposals. MAP proposed changing the existing composition of shareholders and introducing growth capital to create a better environment for alliances with Japanese companies. The company decided the MAP proposal met its needs, and the fund invested

Initiatives in the Asian Region

USD16.7 million in the company.

In January 2014, the company announced a tie-up with Ten Corporation, a member of Japan's Royal restaurant group, which specializes in serving *tendon* and *tempura* dishes in its Tenya restaurant chain in Japan. Going forward, the company plans to create a franchise chain using the Tenya brand in Indonesia, drawing on Ten Corporation's know-how. This arrangement provided the opportunity for Ten Corporation to enter the Indonesian market for the first time.

MHBK and MAP will continue to respond to the needs of both locally based and Japanese companies, and using the resources of the fund, support the entry of Japanese companies into the ASEAN region and provide active support for the growth of ASEAN-based companies that want to strengthen ties with Japanese companies.



The Duck King

Voices of Employees

This fund aims to invest in companies based in the ASEAN region and is consulting with companies in a wide range of industries drawing on the fund's local network.

In this, the first investment made by the fund, MAP acted as intermediary between the Indonesian company and the Japanese enterprise,

held specific discussions regarding collaboration, participated in negotiations, and offered support to make the alliance a reality.

Going forward, by holding more in-depth talks with ASEAN-based companies, we want to respond to the needs of these local companies. Also, by making use of the functions of the fund, working together with various divisions in the Group, we want to build a track record for as many investments as possible where we act as a bridge between local companies and Japanese companies that want to enter the ASEAN markets.



Yoichi Ejima
Mizuho Asia Partners
Pte. Ltd.

Initiatives for Supporting the Development of Social Entrepreneurs

Providing Continuing Support for Ashoka's Activities in Japan

To offer solutions to such serious and urgent issues as those relating to human rights, education, healthcare, and the natural environment, social businesses that incorporate these into

sustainable businesses and aim to bring about change in society are attracting attention around the world. In Japan as well, which has a range of issues to deal with, such as the implications of the declining birthrate and demographic aging of the population, rising demand for social welfare as well as energy and regional revitalization, expectations of what social businesses can do are rising. However, compared with Europe and the United States, awareness of "social entrepreneurship" in Japan is low, and the business environment for encouraging social businesses is still insufficient in Japan because of the shortage of management know-how and lack of funding and qualified personnel.

To respond to these issues and move forward with the development of social businesses in Japan, Mizuho has provided support for the activities of Ashoka Japan since its founding in 2011. Ashoka Japan is affiliated with Ashoka, an international organization providing support for social entrepreneurs. In addition, Mizuho has accumulated knowledge and know-how into social businesses and is giving consideration to how financial institutions should become involved in these activities.

Message from Mr. Bill Drayton

On behalf of Ashoka, I would like to express our deep gratitude for Mizuho's continuous support of Ashoka as an investment in building towards a better Japan. It is with great pleasure that we embark on the next part of our journey together.



Bill Drayton
Founder and CEO
Ashoka-Innovators
for the Public

Since 2011, Ashoka Japan has been able to:

- Bring eight prominent Ashoka Fellows, leading social entrepreneurs, to speak to audiences across Japan. They have acted as inspirers, role models, and helped pave the way for citizen changemakers to flourish in Japan.
- Build a community of 150 young changemakers ("Youth Venturers"), young people generating new solutions for a better future. A Youth Venturer was quoted as saying, *"Many of my friends are critical about how society is and some are even angry about the contradictions they see. However, hardly anyone takes any action. Ashoka is a place for doers to gather. We feel isolated, but at Ashoka we have a community to belong to and compatriots who can advise us. So when we do something, our friends will say "wow" and start to do something themselves."* It is through the experience of seeing a problem, giving oneself permission to seek a solution, and experiencing changemaking firsthand, that social entrepreneurs are built.
- Elect our first three Ashoka Fellows in East Asia, as exemplars of social innovation globally. While we have reviewed and interviewed hundreds of candidates, we have chosen a select few entrepreneurs who demonstrate a system changing new idea with the potential for national and global scale impact.

Thanks to Mizuho's initial investment in Ashoka, we have built a strong foundation for our work over the past three years. We look forward to accelerating our collective impact going forward.

■ Ashoka Japan is actively implementing initiatives aimed at furthering the development of social businesses.

To realize a society where "Everyone-Is-A-Change-Maker" can be a reality, Ashoka Japan provides support for encouraging innovation in the public interest in Japan through funding and business support for social entrepreneurs, who institute new frameworks and through "youth ventures," which are initiatives that nurture future innovation. Ashoka Japan also holds "lectures from fellows," and conducts other activities to work to encourage innovation.

Initiatives for Supporting the Development of Social Entrepreneurs

Support for Social Entrepreneurs

In fiscal 2013, social entrepreneur Takashi Kawazoe was appointed as an Ashoka Fellow, bringing the total of Ashoka Fellows in Japan to three.

Newly Appointed Fellow in Japan and His Activities

Offering Innovative Services in the Fields of Household Medical Treatment and Preventive Medical Care to Respond to the Issues Posed by the Super-Aged Society

Mr. Kawazoe is representative director of Carepro, Inc. This company has completely reconsidered the work of nurses and home healthcare, and, by giving inexperienced nurses proper training, has been able to realize a home nursing service that operates 24 hour a day, 365 days a year. In addition, to deal with issues related to preventive medical care arising from the aging of the population in Japan, the company has established a self-check station to enable individuals to monitor their own health through self-health check services based on inexpensive, quick blood tests.



Takashi Kawazoe



Review Meeting of the Youth Venture Panel in Progress

Lectures by Fellows (Empathy Campaign)

Ashoka Japan has invited Ashoka Fellows from around the world who have innovative ideas about how to address social issues and held lecture meetings to introduce their initiatives with the aim of raising the awareness of generating interest in social businesses. These meetings have been well-attended each time. Beginning in fiscal 2013, to promote the development of social businesses and develop the "empathy" that is more and more important in present-day society, fellows who have generated important results related to these themes have been invited, and lecture meetings and dialogues have been held related to empathy. Looking ahead to 2017, many initiatives will begin related to the importance of heightening the understanding of education of the heart in Japan and enhancing capabilities for empathy in Japan.

Youth Ventures

"Youth Ventures" provide the opportunities and environment for young people who have decided to become active in setting up projects and develop ideas for solving and alleviating contradictions in society. These initiatives thereby nurture "changemaker" spirits and help to develop related skills. Ashoka Japan is working to support 750 participants in 150 groups by the end of fiscal 2016, and, as of the end of fiscal 2013, it has supported the activities of 170 participants in 34 groups. In addition, for young people who would like to contribute to the future of Tohoku, Ashoka Japan is implementing its "Ashoka Tohoku Youth Venture program."

Lecturers : Mary Gordon, Founder and President of the Roots of Empathy

Lecture Contents

The importance of empathy in child rearing and education in the 21st century



Initiatives for Supporting the Development of Social Entrepreneurs

Lecturers : Jill Violette, CEO and Founder of Play works
<p>Lecture Contents "Let's take bold steps to turn the lunch hour time, when the dangers of bullying and violence lurk in the background, into a happy time."</p> 

Continuing to Consider How Financial Institutions Should Be Involved in Promoting Social Businesses

Through its support of Ashoka Japan, Mizuho is accumulating knowledge about social businesses and is supporting the Ashoka Fellow initiatives from a financial perspective.

In addition, Mizuho has instigated a research group related to social businesses as well as conducted research on the business environment and on specific social businesses in Europe and the United States. Going forward, Mizuho will give consideration to what contribution financial institutions should make in promoting social businesses in Japan and in providing support to entrepreneurs.

Voices of Ashoka Fellows

As a result of your appointing me as an Ashoka Senior Fellow, I have been able to increase the awareness of our activities beyond Japan and to the rest of the world. Viewing this appointment as an opportunity, I have been selected for the Social Entrepreneur 2014 award, which is supported by the Swabb Foundation for Social Entrepreneurship.



Masue Katayama
 Senior Managing Director of
 Social Welfare Foundation
 SHINKO FUKUSHIKAI
 Director of the Kanto
 Visit Medical-Examination
 Network
 Representative Director of
 Nozomi Co., Ltd.
 (Selected as Ashoka Fellow
 in March 2012)

I have been able to have exchanges with persons who have done excellent work in solving a wide range of problems around the world, and, by sharing information, I have been able to learn more from a broad perspective.

MHBK has provided assistance in financing to provide high-quality services to more people through the Social Welfare Foundation SHINKO FUKUSHIKAI, which operates welfare businesses, as well as the Kanto Visit Medical-Examination Network and Nozomi Co., Ltd., which operate medical services businesses. Looking ahead, to respond to the needs of society in the areas of nursing care, childcare, and medical care, we continue to look to you for your support, including proposals related to information about what we can learn from competing companies and M&A.

Special Feature on Initiatives to Support the Recovery from the Great East Japan Earthquake

Based on its recognition of its essential responsibilities and missions as a financial institution, Mizuho is concertedly marshaling its resources to help restore the lifestyles, industries, and economy of the regions affected by the Great East Japan Earthquake, focusing especially on areas that were directly impacted by the disaster. Having established the Tohoku Reconstruction Desk at its headquarters and its Industry and Regional Community Recovery Support Project Team, Mizuho is proactively engaging in information exchange and liaison activities with companies, financial institutions, and local government units in disaster-stricken areas as well as related central government units to maintain an accurate and timely grasp of needs and explore the most effective ways that Mizuho can contribute to reconstruction and recovery.

Three years have passed now since the earthquake disaster. Steady progress is being made in restoring the infrastructure and housing in the affected areas, but is lagging behind the initial plans, and full restoration will take additional time. Labor markets in the region are firm, but this may be temporary and due in part to temporary public-sector demand. In addition, populations in the region have decreased, and the number of volunteers aiding in the recovery effort has diminished. Mizuho believes that the issues that must be confronted going forward include strengthening the industrial infrastructure with an eye to the future, revitalizing new cities and towns after restoration of the infrastructure and housing, and communicating information on current conditions in the region.

Based on this perspective, Mizuho is placing emphasis on “job creation” by making the most of its broad range of capabilities—including those for industrial research, public-private partnership financing schemes, and other diverse financing methods, trust banking functions, and consulting—to provide support for industrial and regional revitalization. The Group is also engaging in various kinds of social contribution activities aimed at helping to promote the recovery of disaster-stricken areas. In addition, Mizuho is communicating information on its initiatives both internally and externally and is working to create a shared awareness of conditions in these areas.

CONTENTS

Support for Creating Businesses that Increase Employment	41
Initiatives toward the Creation of the “New Tohoku”	44
Social Contribution Activities in the Disaster-Stricken Areas	46

Support for Creating Businesses that Increase Employment

Securing employment needed as the basis for the livelihood of persons living in the areas affected by the earthquake disaster is still a high-priority issue. Mizuho is taking initiatives not only to revitalize businesses by providing support for fund-raising for companies in the stricken areas but also for the creation of new businesses and industries that will offer new job opportunities.

Supporting the Transformation of Agriculture, Forestry, and Fisheries into Growth Industries through Collaboration with Regional Financial Institutions

Mizuho believes that increasing the competitiveness of the agriculture, forestry, and fisheries industries, which are key industrial sectors in the Tohoku region, will lead to the creation of jobs and regional revitalization. Mizuho has, therefore, teamed up with regional financial institutions and invested in two funds. In April



Announcement of the Establishment of the Tohoku Future Support Fund



Announcement of the Establishment of the Fukushima Regional Sixth Industry Recovery Fund

2013, Mizuho invested in the Tohoku Future Support Fund, and, in June 2013, in the Fukushima Regional Sixth Industry Recovery Fund.

The Tohoku Future Support Fund decided to provide its first financing, amounting to ¥100 million, in January 2014 to Aomori Kaisan Co., Ltd., which is a marine products processing company located in Fukaura Town in Aomori Prefecture. Then, in March 2014, the second financing, amounting to ¥13 million, was provided to Oono Milk Workshop, a milk and dairy products manufacturing company located in Hirono Town in Iwate Prefecture.

Support for Renewable Energy Power Generation Businesses

Since the earthquake disaster, awareness of energy-related issues has risen throughout Japan, and activities to make use of renewable energy sources in the stricken areas have attracted attention.

Mizuho has been active in projects related to renewable energy for some time, and has a broad record of accomplishments in providing business support from consulting to fund-raising initiatives. Drawing on its accumulated know-how, Mizuho is providing its support to promote the wider use of renewable energy sources in the Tohoku region.

Support for Creating Businesses that Increase Employment

■ Fukushima Floating Offshore Wind-farm Demonstration Project Began: Prospect for Creating Offshore Wind Power Related Industries

The Vision for Revitalization in Fukushima Prefecture points the way to recovery in the prefecture, and accumulating renewable energy related industries in Fukushima is considered an issue. The concept of floating offshore wind power generation is one of the key projects that would offer solutions, as wind power generators require many cutting-edge technologies like automobiles; many parts manufacturers are expected to locate their businesses near the wind farms, and thus it is expected to give rise to new industries and new jobs. Furthermore, floating offshore wind power generation facilities, which are surrounded by deep nearby seawaters, have drawn strong interest in Japan as they have a potential to provide stable supplies of renewable electric power in the country.

MHIR, which has a record of research accomplishments in the field of advanced energies as well as abundance of knowledge and insight into related matters, joined in a consortium with 10 domestic companies and the University of Tokyo: The Fukushima Floating Offshore Wind Farm Research and Testing Group (hereinafter, the project). In the consortium, MHIR is responsible for preparing the necessary information base for the project. The project will gather and analyze meteorological and oceanographic data and information on operation of wind generators. It will move forward with initiatives to secure the safety and reliability of floating offshore wind power generation facilities as well as assessment of their economic viability and the establishment of operating and management methods. In November 2013, the first two-megawatt downwind type offshore wind turbines were installed, and the demonstration is ongoing at a location about 20 kilometers offshore Fukushima Prefecture.

This project has the objectives of “creating a floating offshore wind power generation related industries, including manufacturing facilities” and “promoting the development of floating offshore wind power generation facilities as a main export industry.” In addition, one of the major themes of the project, which ought to be addressed in cooperation with fisheries industry interests, will be “coexistence of the fisheries industry and floating offshore wind farms.”



Floating Offshore Wind Power Generation Facilities

■ Providing Broad Support for Commercialization of Chicken Manure Biomass Power Generation

“Chicken Manure Biomass Power Generation” means using chicken feces, which thus far has been thrown away, as an energy source for power generation. It also represents an important breakthrough because the ashes remaining after the burning of the biomass material will be used as a material for fertilizer. Although there have been a few examples of this kind of project in Japan, it has drawn attention in recent years because it is a clean renewable energy that is environmentally friendly and an effective means of recycling resources.

MHBK has been involved in these chicken manure biomass power generation initiatives from the conceptual development stage to assist poultry farmers in Iwate Prefecture associated with the Jumonji Chicken Company, Ltd. (hereinafter, the company), who were adversely impacted by the

Support for Creating Businesses that Increase Employment

earthquake disaster. Information provided to the company by Mizuho included details of the feed-in tariff scheme for renewable energy, which ensures a market for power generated from renewable and certain other sources, and introductions to related consulting companies. At the same time, MHBK has mobilized the comprehensive capabilities of the Mizuho Group to offer support, including providing in-depth advice and consultation on electric power plants. As a result, the decision was made to commercialize this enterprise, and, with the collaboration of MHBK and regional financial institutions, loans were made available for the construction of the related plant facilities. The company's biomass energy project will provide a clean, environmentally friendly electric power source. It is also expected not only to provide jobs in each of its related processes but also be useful in bringing recovery to poultry farming, which is one of Tohoku's main industries. Accordingly, interest in this project in the region is running high.

Initiatives toward the Creation of the “New Tohoku”

Participation in the Public- and Private-Sector Cooperation Committee of the Reconstruction Agency

Mizuho is working in close collaboration with the Reconstruction Agency to support reconstruction and recovery in the Tohoku region. In December 2013, MHBK participated as a founding member in the establishment of the Public- and Private-Sector Cooperation Committee “New Tohoku” (hereinafter, the committee), which was instigated by the Reconstruction Agency. MHRI was selected to act as the secretariat for the committee. In addition, the preparation and operation of the website of the committee are being conducted by MHIR.

The missions of the committee are to deal with issues facing the region along with reconstruction and recovery efforts, which include the decline in population, the demographic aging of the population, and the hollowing out of industries, and the realization of a “New Tohoku” which will be a model for a “land of creation and possibilities.” To fulfill these missions, the committee was formed as a venue for exchanging information among government organizations, corporations, universities, NPOs, and a wide range of other interests. A total of more than 700 organizations are participating in the committee. Mizuho has provided assistance in creating a website for sharing information related to reconstruction and recovery. Also, through support for interchange meetings among groups that are members of the committee, Mizuho is working to provide opportunities for collaboration among a wide range of interests.



Meeting of Members of the Public- and Private-Sector Cooperation Committee “New Tohoku”

Personnel Support for the Disaster-Stricken Areas: Collaboration with Local Government Entities and Others

To provide assistance for the overborrowing problems of corporations and individuals, immediately following the earthquake disaster, Mizuho has seconded more than nine of its employees on a continuing basis to the industrial recovery consultation centers of Iwate, Miyagi, and Fukushima prefectures and to the Great East Japan Earthquake Business Revitalization Support Organization. In addition, Mizuho has also seconded employees to local governments and their organizations.

Initiatives toward the Creation of the “New Tohoku”

Employee Voices

I was seconded from Mizuho to the Great East Japan Earthquake Business Revitalization Support Organization, which was established for the purpose of supporting the revitalization of the businesses of owners who have taken on excessive amounts of debt as a result of the earthquake disaster. This organization provides support for preparation of revitalization plans by business owners



Takao Ogino
Manager
Corporate Planning Division
Mizuho Bank
(Currently, seconded to the
Great East Japan Earthquake
Business Revitalization
Support Organization)

affected by the disaster. We also work to support the revitalization of businesses and their owners by helping to make adjustments with their financial institutions, buy up the existing debts of these business owners, and provide other assistance. There are many difficulties to be overcome, such as the fact that, in many cases, data and materials necessary for preparing business plans were washed away by the tsunami. However, most businesspeople who come to confer with us are working feverishly to revitalize their businesses. We are also working together to achieve the goals of “reconstruction and recovery,” and are making use of the knowledge we have accumulated to date to do our jobs on a daily basis.

Social Contribution Activities in the Disaster-stricken Areas

Besides making use of its specialized knowledge and networks and drawing on the overall strengths of Mizuho to promote recovery from the Great East Japan Earthquake disaster, Mizuho is also contributing by providing employee volunteers, offering information to persons who have fled from the stricken areas, organizing financial education programs, and engaging in other social contribution activities in a sustained manner.

The Mizuho Forest Project

To reforest coastal land in Iwaki City, Fukushima Prefecture, Mizuho entered into an agreement with Fukushima Prefecture, Iwaki City, and coastal forest owners. Based on this agreement, in April 2013, Mizuho began implementing the "Mizuho Forest Project," which entails the planting and maintenance of trees in a portion of the coastal disaster prevention forest area, to be named the "Mizuho Forest."

The project is being implemented in the "Shinmaiko Coastal Forest," a coastal disaster prevention forest extending approximately seven kilometers on a north-south axis along Iwaki City's Pacific Ocean coastline. The forest was devastated by the tsunami that followed the Great East Japan Earthquake disaster. Besides alleviating the damage caused by tsunamis, coastal disaster prevention forests help protect residences and farmland from flying sand and wind damage.

Therefore, restoring such forests is an essential preliminary measure toward enabling people to live and resume farming activities along the coast.

After Fukushima Prefecture has completed the construction of protective seawalls and embankments in the area, beginning in November 2014, Mizuho will plant about 20,000 Japanese black pines over about a year and a half in a two-hectare area located in the Shinmaiko Coastal Forest, which will be named "Mizuho Forest." After planting of the trees, Mizuho will also nurture them for three years, and Mizuho employees will travel to the area to act as volunteers in the forest care activities.

Prior to the tree planting stage, in October 2013, Mizuho sent in volunteers to help clean up parks in the area. On the day of the cleanup, Mizuho employees participated, working together in a community effort with local government staff and residents of the area to support recovery in the disaster-stricken areas.



The Mizuho Forest Project area



Mizuho employees assisting as volunteers

Activities to Communicate Information about the Affected Areas and Provide Continued Support

Three years have passed since the earthquake disaster, but recovery efforts are still in progress. In the affected areas where continued support is needed, one issue is to transmit information on the status of recovery activities on a continuing basis.

With this in mind, Mizuho is providing opportunities for its employees to maintain ties with the local areas. The MIZUHO in-house newsletter, for example, ran a special feature on developments over the three years since the

Social Contribution Activities in the Disaster-stricken Areas

earthquake and prepared a video on activities thus far entitled “Our Support for the Earthquake Recovery Activities.” These communications activities provided an update on the current state of the affected areas, the progress toward recovery, and Mizuho’s initiatives.

In addition, since the summer of 2011, through fiscal 2013, Mizuho has called for “Disaster Area Volunteers” from among its employees who want to play a more-active role in the recovery efforts. From 2011 through fiscal 2013, a cumulative total of 345 employees have participated in this initiative.

Among other activities, since the disaster, to provide a support venue that makes it easy for employees to participate, Mizuho is continuing to hold fairs that display and offer for sale products of the stricken areas. (Eight of these were held in fiscal 2013, bringing the cumulative total to 19.) A considerable number of Mizuho employees participate in these activities, and we have received words of gratitude from vendors whose products suffered from damage to their reputations after the disaster.



From the video “Our Support for the Earthquake Recovery Activities”



A fair held by Mizuho to display and offer products of the affected areas for sale

Special Feature on Initiatives to Enhance Service Offerings

Mizuho has adopted being “the best financial services provider” as Mizuho’s Vision of its Medium-Term Business Plan. To reaffirm its commitment to realizing this vision and to raise customer satisfaction, Mizuho has established its Mizuho Service Spirit (MSS) and is working to put MSS into practice.

Also, in the personal banking unit, Mizuho is aiming to be a financial group that continues to be chosen by customers by improving ability to provide services. Mizuho offers a wide range of financial products that meet the needs of customers at various stages in their life cycles. Mizuho also is working to create next-generation financial services that are advanced and sophisticated while also being simple and convenient, as well as easy to understand and use.

In fiscal 2013, Mizuho began to offer reverse mortgages, and, with an eye to introduction of the Nippon Individual Savings Account (NISA), a tax exemption scheme for investment by individuals, expanded its lineup of investment trust products. Along with this, Mizuho is also expanding its offerings of services accessible via smartphones and is making these more and more convenient to use.

Along with these initiatives, Mizuho has also formed a project team for “invigoration of domestic financial assets” and another project team for “next-generation retail banking” in the medium- to long-term. The missions of these teams include looking ahead 10 years to envision what financial services will be like at that time, encouraging the transition from savings to long-term investments, creating frameworks for transferring the wealth of senior citizens to working-age people and considering new retail financial services.

CONTENTS

Product-Related Initiatives	49
Reverse Mortgages	49
Mizuho MyWing	51
Life Stage Support Plan	53
Responding to the Introduction of NISA	54
Delivery Channel Initiatives	56
Expanding Services for Mobile Terminals	56
Enhancing ATM Services	59
Initiatives to Enhance Financial Literacy	60
CS Improvement Initiatives	62

Product-Related Initiatives

Reverse Mortgages

Mizuho has begun to offer reverse mortgages that open the door for customers to draw on the asset value of their homes and enter a more-affluent next stage in their lives.

As the average lifespan of the Japanese people lengthens, concerns in society about funds for the elderly have become greater. Mizuho is aware that the role of financial institutions in helping seniors live with peace of mind is becoming more important. Based on this awareness, MHBK is working to develop and offer attractive financial products and services that meet customer needs in their later years.

One of these products is Mizuho Reverse Mortgages (which are nicknamed “Mizuho Prime Age”) (hereinafter, this loan product). Under reverse mortgage arrangements, which Mizuho introduced in July 2013, elderly customers use their homes (their own residences) as collateral and use this loan product to draw down borrowings within a specified limit. Customers are free to use the proceeds of the loan in any way they wish. For example, they may use the loan to pay expenses related to living a more-fulfilling second life, including expenditures on hobbies and travel as well as renovating their current home or to pay the costs of entering a retirement home. In addition, since repayments are made in a lump sum after the customer has passed away and their residences have been sold; in principle, it is unnecessary for customers to repay their loans or pay interest during the term of the loan.

In the United States, supported in part by contributions from government measures, the risks private financial institutions bear under these

arrangements, related to the possibility that the value of homes put up as collateral may decline and risks related to loan securitization arrangement, are reduced, and reverse mortgages are in wide use. However, in Japan, frameworks to lessen risk had not been sufficient, and only a few financial institutions offered this product.

However, in recent years, as a result of discussions in the Public-Private Financial Roundtable* and in other venues, regarding related topics, including the proper nature of financial products and services to meet the needs of the elderly and methods of promoting the development of and making greater use of the market for used housing, reverse mortgages have been recognized as a promising financial product. In view of these background developments, MHBK gave full consideration to the risks that customers who make use of this loan product and banks are exposed to and became the first of Japan’s megabanks to offer this loan product. Going forward, in collaboration with MHTB, making use of this loan product, MHBK will respond to the broad range of needs of elderly customers through helping them to make use of the asset value of their homes and the sale of their residences.

In addition, MHBK is working to raise awareness of this loan product through collaboration with other companies providing related products and services. These have included a tie-up with Benesse Style Care Co., Ltd., which is Japan’s largest operator of paid homes for the elderly in October 2013. This was followed in April 2014 by a tie-up with Alsok Co., Ltd., which is a leading real estate administration and management company, and then in June 2014 by an alliance with Taisei-Yuraku Real Estate Sales Co., Ltd., which is one of Japan’s major real estate agents. Through offering these loan products and peripheral services through tie-up partner companies, MHBK is working proactively to meet the increasingly diverse needs

Product-Related Initiatives

of its customers.

- * Public-Private Financial Roundtable : Following the issuance of a report of *The Japanese Financial Industry: Desirable State in the Medium- and Long-Term (Present State and Future Outlook)* published by the Working Group on the Medium- and Long-Term Modalities of the Japanese Financial Industry, which was created in the Financial System Council, interests in the public and private sectors set up this roundtable as a sub-committee with the aim of improving and revitalizing Japan's financial services industry on an ongoing basis.



Poster of Mizuho Prime Age

Product-Related Initiatives

Mizuho MyWing

MHBK has begun to offer the “Mizuho MyWing” product that provides support for working women to realize their dreams and greater day-to-day affluence.

MHBK, after analyzing many kinds of market data and customer surveys, concluded that working women in their 20s and 30s are avid consumers and have latent borrowing needs that include obtaining funds for earning various official qualifications and studying abroad. On the other hand, however, women tend to use loan products less frequently than men.

MHBK decided to take steps to lower the barriers to the use of loan products and encourage the use of these products to help customers realize their dreams. To do this, MHBK developed a package of seven services, called “Mizuho MyWing,” that have a positive image as new loan products and are suited to the needs and lifestyles of working women, based on the concepts of

“security,” “convenience,” and “good value.” MHBK began to offer this new service package in February 2014.

Mizuho MyWing addresses one of the important issues that stand in the way of customers who may wish to use loan financing, which is uncertainty about making repayments. To address this, MHBK included in the package two PC/mobile applications; namely, “*Osaifu* (billfold) Application,” and “Repayment Simulation Service” application that enable day-to-day household financial management, and “Money Consul-Phone” or money consultation services via telephone. MHBK also increased the convenience of its services by adding a cash card for customers’ demand deposits with a loan function. In addition, the Mizuho MyWing service provides presents for customers and useful information via seminar events. As this suggests, considerable thought went into the development of this new product to offer customers high-value-added services.

Through the continuing development of these convenient products, MHBK is working to provide financial products and services that help customers “realize their dreams.”

The seven services included in Mizuho MyWing

Security	<i>Osaifu</i> (billfold) Application	A smartphone application that makes household financial management pleasant and simple. When customers input monthly income and expenses, the character “Hello Kitty” provides them with advice.
	Repayment Simulation Application	A service that simulates repayments of <i>Watashi Oen</i> (My Support) Loans on PCs and smartphones
	Money Consul-Phone Service	Telephone service that allows customers to receive advice on money matters that concern them related to household finances, savings, and asset management
Convenience	<i>Watashi Oen</i> Loan (My Support Loan)	A loan product that provide support for financing customers’ dreams. This service includes a cash card loan function linked to customers’ demand deposit accounts. Customers can enjoy convenience without an additional card.
Good value	<i>Kokoro Kirameku</i> (Cheer up) Presents	Service that offers drawings for presents, with the value linked to the customer’s balance of <i>Watashi Oen</i> Loans
	<i>Otoku Info</i> (Good Value Information)	Service that offers a website filled with valuable information and an e-mail magazine
	Self-Improvement Seminars	Service that keeps customers informed about useful seminars and other events that make their lifestyles more affluent

Product-Related Initiatives



Poster of Mizuho MyWing

Voices of Employees

MHBK has many loan products, but women tend to use card loans less frequently than men, and my feeling was that these loans might not be answering sufficiently to the needs of women.

Therefore, based on conducting market surveys and questionnaires, we developed the Mizuho MyWing as a loan product that is differentiated by its positive image. We developed this new product with the idea of "supporting women who want to take further steps toward realizing their dreams." In posters and pamphlets, we took care to use the color pink to give a positive and future-oriented image.

Looking ahead, to respond to the various needs of our customers, we are taking the initiative in expanding our product and service lineup.



Atsuko Oono
Manager, Loan Business Development Division, Mizuho Bank

Although there are latent needs, we have experienced difficulty in attracting the interest of women in making use of loan products. But by combining the *OsaiFu* (billfold) Application and the *Kokoro Kirameku* (Cheer Up) Present, and *Watashi Oen* Loan (My Support Loans) into one package, we drew the attention of female customers. We were able to create a future-oriented image among customers for Mizuho MyWing, and, mainly among customers who are working women, they are using it to realize their dreams, including studying abroad.



Keiko Oyama
Personal Banking Section, Hamamatsucho Branch, Mizuho Bank

Product-Related Initiatives

Life Stage Support Plan

Mizuho has begun to offer its Life Stage Support Plan (for adjustments in loan repayment amounts) that makes it possible for customers to change their housing loan repayments flexibly to meet the cash needs of various stages in their lives.

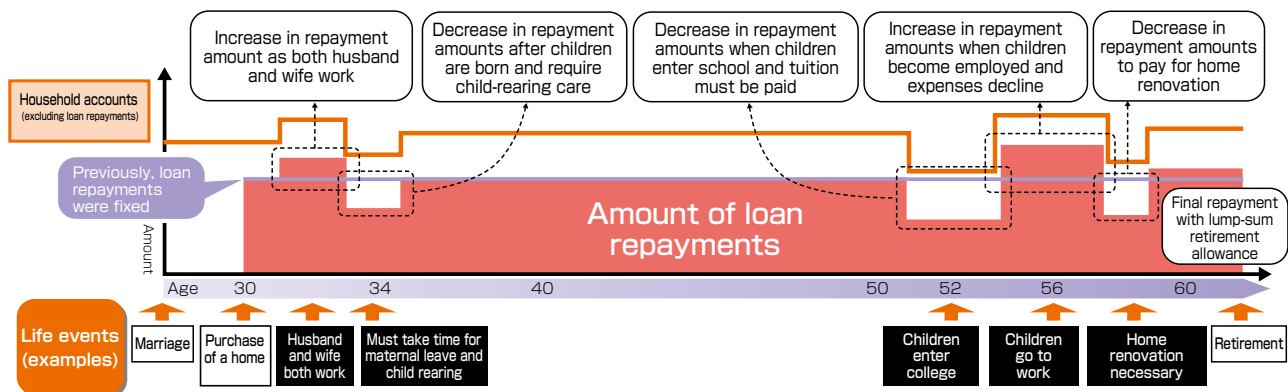
In general, housing loans are made for terms of several decades, but, over that period, household income and expenses may not remain the same. For example, there are possibilities that customers may marry and have children, change jobs, have to pay for the education of their children, or encounter other major events in their lives. Even with such changes that have an influence on household accounts, housing loan repayments are usually

fixed. That is why many housing loan borrowers say, “When incomes decrease or expenditures rise, it would be useful to make temporary adjustments in housing loan repayments.”

In response to these needs of customers and to differentiate MHBK’s products and services, MHBK has developed and introduced a new service that provides for increasing or decreasing housing loan repayments when customers find that various events that may occur in their lives alter their household finances. MHBK has named this service the Life Stage Support Plan (hereinafter, the plan) and began to offer it in August 2013. Customers who make use of the plan have assessed it as follows: “When necessary, I can consult with MHBK and that gives me peace of mind.”

MHBK will continue to provide support for enabling customers to enjoy security and affluent lifestyles at the various stages in their lives through the use of the plan.

How Customers Use the Life Stage Support Plan



Product-Related Initiatives

Responding to the Introduction of NISA

Contributing to Customers' Asset Formation and the Revitalization of the Japanese Economy through a Proactive Response to Nippon Individual Savings Account (NISA)

Households in Japan hold about ¥1,500 trillion in monetary assets, and the majority of these assets is held in deposit accounts. To enable households to achieve stable expansion in their asset portfolios and expand the supply of funds necessary for economic growth, it is believed that promoting the shift from deposits to securities investments will be necessary.

Accordingly, in January 2014, NISA, which is a tax exemption scheme for investment by individuals, was introduced. Under the NISA system, individuals can invest a maximum of ¥1 million each year in new investments, and the dividends and capital gains from these accounts are tax-exempt for a maximum of five years. As this system comes into wider use by individuals, it is expected that this will provide the opportunity for persons with relatively little investment experience, especially younger people, to become interested in investing and take the initiative in building their assets.

As a financial institution, Mizuho is responding

actively to the introduction of the NISA system and is, thereby, seeking to contribute to customers' asset formation and the revitalization of the Japanese economy.

Initiatives to Broaden the Customer Base for NISA through Collaboration with Banks and Securities Companies to Widen the Lineup of Products and Services

To bring NISA into wider use, Mizuho believes that efforts will be needed to increase interest among customers in these accounts and respond to a wider range of customer needs for financial products and services. MHBK and MHSC moved ahead early on with expanding their lineup of financial products, reducing the burden of related procedures, and conducting promotional campaigns.

From a product perspective, in August 2013, Mizuho introduced the "i-mizuho Index Series" (hereinafter, the series) which comprised 22 types of investment funds based on the concepts of "simple and low cost." The objective of launching the series was to help expand the base of individual investors among younger people, persons with less experience in investing, and other groups. By adopting an index fund management approach and making the series available only over the Internet, Mizuho was able to restrain costs. Mizuho also designed the series with clear indications of the



i-mizuho
インデックスシリーズ

Product-Related Initiatives

investments to be made as well as the hedging of foreign currency risk. In addition, in May 2014, Mizuho began to offer its Mizuho Index Investment Strategy Fund (nicknamed, i-Puzzle), which adapts to changes in the investment environment by diversifying its investment into funds in the series, with investment decisions and changes in portfolio composition decided flexibly by an asset management company.

From the perspective of customers' convenience, Mizuho is working to offer easy-to-use, innovative services. For example, since opening NISA requires customers to provide a certificate of residence, to make opening of these accounts easier, Mizuho provides a proxy service to obtain these for customers. In addition, in response to requests from companies who want to assist their employees in their asset formation activities, Mizuho became the first in Japan to provide arrangements to make periodic deposits in investment trust accounts by having a portion of employee salaries transferred to a NISA. In addition, to promote use of the NISA system, Mizuho also offers a "cash back" plan linked to the purchase value of investment trusts. Also, MHBK and MHSC are actively collaborating in offering seminars and advisory meetings within companies for their employees. Through the end of March 2014, such sessions had been held more than 1,000 times with the participation of many customers. As a result of these initiatives, as of March 31, 2014, MHBK and MHSC had accepted a total of about 500,000 applications for opening NISA.

MHBK and MHSC are actively expanding their offerings of products and services to create an environment that offers investment opportunities to meet a wide range of needs and is taking initiatives to provide information that will broaden the investor base for NISA.

Delivery Channel Initiatives

Expanding Services for Mobile Terminals

A New Teller Window for Banking Services

In recent years, smartphones and tablet computers with a diversity of sophisticated functions have come into wide use and brought major changes in the lifestyles of customers. Mizuho believes that, just as the spread of Internet usage brought rapid growth in Internet banking, mobile terminals will become a new channel, or teller window, for banking services.

In view of these trends, MHBK led the industry in beginning to offer banking services for smartphones from the time they first began to come into wider use in Japan. MHBK has accumulated technology and know-how regarding the effective use of mobile terminals, and based on opinions and requests of customers obtained through call centers, application download sites, and other sources of information, MHBK has expanded functions available on mobile terminals and worked to make them easier to use. As a result of these initiatives, users of smartphone banking services have now exceeded one million persons.

MHBK is expanding its services with the concepts of “developing applications that are easy to read and use” and “collaboration between remote channels (mobile terminals) and real channels (branches)” with the aim of providing financial services that customers can use “anytime,” “anywhere,” “conveniently,” and “enjoyably.” Through these activities, MHBK is working to become “the best smartphone financial services provider.”

Developing Applications that Are Easy to Read and Easy to Use

MHBK is developing applications that reflect particular concern for ease of reading, through the use of larger type and clearer images, and ease of use, through the inclusion of smartphone functions, with the aim of providing optimum benefits to customers.

For example, the “Mizuho Bank Application” that was developed for smartphones and provides a diversity of services at the touch of a finger incorporates a range of features that include being easy-to-read letter size, even on a small screen, improved menu layout, and access to a voice-activated FAQ function. In addition, MHBK’s “ATM and branch office search application,” which was developed jointly with NTT DOCOMO, makes use of augmented reality (AR) technology to provide a service that makes it easy to locate the nearest branch office.

For tablet computers, MHBK has developed and is offering “Mizuho Bank Application for Tablets,” which enables users to confirm and use a wide range of information through the use of its image sliding function on a large easy-to-read screen.

In addition in fiscal 2013, the “Mizuho Bank *Kantan* (Simple) Account Opening Application” was newly developed. This application makes use of the smartphone camera functions to take photographs of driver’s licenses for identification confirmation, and, by inputting and sending the necessary items, this service enables the opening of bank accounts without filling in and sending formal applications, and all new account procedures, from written application to mailing of passbooks, can be completed at the



Mizuho Bank applications

Delivery Channel Initiatives

quickest in four business days. This service has been appraised as the first*1 simple and convenient account opening services among the Japanese megabanks.

*1 : According to research conducted by MHBK (as of January 28, 2014)

Collaboration between Remote Channels (Mobile Terminals) and Real Channels (Branches)

When expanding services, MHBK applies the concept of collaboration between remote channels (mobile terminals) and real channels (branches). Mobile terminals offer the convenience of being able to use services anywhere and at any time. On the other hand, branches offer the advantages to customers of receiving an in-depth response to their needs and the peace of mind of talking face to face with Bank personnel. MHBK is working to provide services that fuse these two channels and draw on the best features of each to meet the needs of customers in various situations.

Specifically, in fiscal 2013, to enable customers to complete their business at branches pleasantly, use their waiting time effectively, and, thereby, increase convenience, MHBK added new functions to the branch information and navigation functions of its "ATM and branch office search application"

that provide information on the level of customer traffic and inform customers by sounding an automatic alarm when their service numbers come up. In addition, MHBK has introduced contactless IC terminals in almost all branches that allow customers to download "Mizuho Bank Application" by pointing their smartphones at the contactless IC terminals.



ATM and branch office search application

These "smart reception system that use a mobile device," has been highly appraised, and MHBK has been recognized as one of the companies and associations that is generating outstanding results through the use of mobile computing and has become the first company among companies in all industries to receive a special encouragement award of the MCPC Award*2 for the fourth consecutive year.

MHBK is continuing to take active initiatives to develop new services that make banking services an ever-more integral part of customers' lives.

*2 : The Mobile Computing Promotion Consortium (MCPC) was founded in 1997 to encourage the wider use of mobile computing across all industries.



Alarm sounds automatically when customer's service number comes up



Contactless IC terminals



Receiving the MCPC award 2014

Delivery Channel Initiatives

Outline of the initiatives MHBK is taking to expand services via mobile terminals (from June 2010 to April 2014)

June 2010	Began to provide smartphone services via the MHBK website
November 2010	Introduced the first smartphone banking services (excluding those specializing in net banking)
December 2010	Began to offer the "Ouchi no Okane" (Household Money) application for household financial management using augmented reality (AR) technology to provide support for "two living together"
May 2011	Began to offer the "ATM and branch office search application" using AR
September 2011	Began to accept card loan applications via smartphones
December 2011	"ATM and branch office search application" expanded to include convenience store ATMs
March 2012	Began to offer the "Mizuho Bank Application" for smartphones
February 2013	Began to offer the "Mizuho Bank Application for Tablets," an application for use with tablet computers
November 2013	Added functions to the "ATM and branch office search application" to provide information on the level of customer traffic and inform customers by sounding an automatic alarm when their service numbers come up
January 2014	Began to offer "Mizuho Bank Kantan (Simple) Account Opening Application" for smartphones
February 2014	Introduced contactless IC terminals for smartphones in almost all branches
February 2014	Began to handle "Internet Account Balance" service that enables customers to easily access information on their balances and inflows into and from their deposit accounts via smartphones and PCs
February 2014	Began to handle "Osaiifu (billfold) Application" that enable day-to-day household financial management for use on smartphones
March 2014	Began to offer a "Debit Card Application" for use on smartphones
March 2014	Began to handle "Mizuho Direct Application" for use on smartphones

Delivery Channel Initiatives

Enhancing ATM Services

To make services more convenient for customers, MHBK has begun offering services through AEON Bank ATMs.

ATMs make financial services more readily available to customers, and, while they are part of the financial infrastructure offered by banks, they are also an important point of interface with customers. With this in mind, MHBK continues to take initiatives to enhance customers' convenience by expanding its ATM network and broadening the lineup of ATM services.

To strengthen these initiatives, MHBK has concluded a strategic alliance with AEON Bank, Ltd. Beginning in December 2013, MHBK customers can use the ATMs of AEON Bank and pay the same fees as they would for MHBK's ATMs. This alliance represents a convenient arrangement for customers, since MHBK and AEON Bank ATM networks are mutually complementary,

with MHBK's ATMs located mainly in the Kanto area and principally in front of or inside railway stations and retail commercial facilities and AEON Bank ATMs installed nationwide in Japan mainly in large-scale shopping centers, supermarkets, convenience stores, and elsewhere.

As a result of this alliance, MHBK now offers the largest ATM network of Japan's megabanks, with about 1,800 MHBK ATMs and about 4,200 AEON Bank ATMs, for a grand total of about 6,000 (as of February 2014). Making use of this network, customers can access their accounts over a much wider geographical area and a considerably broader range of life scenes.

In addition, beginning in March 2014, the operating hours of approximately 600 MHBK ATMs located in front of railway stations have been extended to a maximum of 6am to 2am the next day.

MHBK is taking initiatives to match its service offerings to the diverse lifestyles of its customers, and, by providing substantially enhanced ATM-related offerings, is continuing to offer more convenient services to customers.

Outline of the expansion in MHBK's ATM network



Delivery Channel Initiatives

Initiatives to Enhance Financial Literacy

Dissemination of Information to Enhance Financial Literacy among its Customers through MHBK's "Ouchi no Okane" Website and Seminars

■ Responding to the Household Financial Management Needs of the Younger Generations

In today's society, we have opportunities to use a wide range of financial products appropriate for the various stages of our lives. These include savings deposits, asset management, and housing loans. On the other hand, we hear about various financially related social problems, including over borrowing by some people and households without any savings. For the younger generations, accumulating assets through the proper selection and use of financial products based on improved knowledge and judgmental capabilities, or, in other words, through improved financial literacy, will be increasingly important. This will involve avoiding unplanned expenditures and improvement of household cash flows and acquiring the habits necessary to plan and make preparations for various life events.

Along with increasing diversity in lifestyles and values that are accompanying changes in social conditions and the rise in the number of households where both husband and wife hold jobs, members of the younger generations have a number of concerns. These include how working couples should manage their income and expenses, respectively, and what they should do to prepare for future life events.

In December 2010, MHBK launched its "Ouchi no Okane" website, which is designed to provide assistance to couples by enhancing their financial literacy and provide support for their lives

through offering financial products and services. This website presents information on household financial management and how to prepare for major life events, along with information and guidance on how to obtain the necessary knowledge and judgment capabilities to use and select the proper financial products. This site was prepared under the editorial supervision of Ms. Yoshiko Nakamura, a financial planner, and presents basic information on money, including managing household finances, saving money, and accomplishing other related objectives, taking account of future plans. The website presents a proposal for using Mizuho's *Ouchi* Account, which enables couples to manage their cash flow easily, and, by offering a range of other content, makes it possible for couples to learn how to manage their finances enjoyably, while also getting to know financial products and services and use them to meet their needs.

Since the launching of this website, MHBK has improved and expanded its content based on opinions and requests of other, user surveys, and analyses of access logs. In fiscal 2013, MHBK added several new sections related to key life events entitled "Soon We Will Be Married," "The Children's Money," and "We Want to Buy a Home." In addition, the website was fully redesigned to offer a greater diversity of information in easily understandable forms.

Delivery Channel Initiatives

■ Presentation of *Ouchi no Okane* Seminars

To provide this information to more people, MHBK is holding seminars for employees of its corporate clients. MHBK prepares materials for these seminars that are customized to audience needs, and the content is drawn mainly from *Ouchi no Okane*. Speakers at the seminars are mainly MHBK employees, and they provide useful information on household financial management.

In addition, Mizuho has invited Ms. Yoshiko Nakamura, who is editor-in-chief of *Ouchi no Okane*, to speak at *Ouchi no Okane* seminars. At these seminars, she addresses such topics as how to approach planning for the future and the secrets a couple should know to help them increase their savings. If customers request it, she is also available for individual consultations after the seminars. All of these seminars held so far have been very well received by participants.

MHBK will continue to offer support and encouragement to couples embarking on a new married life and to those who want to prepare for major events in their lives and realize their dreams.



Ouchi no Okane seminar in progress

Voices of Seminar Participants

- I have an interest, but the fact that I had not thought about it specifically made me realize I should think about it again (30-year-old woman).
- I gained an understanding of what and how to save as well as an idea of how much (30-year-old man).
- I learned how to keep records of household finances and the two of us decided to cooperate with one another (20-year-old woman).
- I have a vague idea of how to accumulate savings, but your information gave me a more specific awareness (30-year-old man).

Voices of Interested Persons

As money matters become increasingly complicated, becoming more financially literate is necessary, but there is almost nowhere one can go to learn more. MHBK's *Ouchi no Okane* is an excellent platform for helping couples who have just gotten married and had children because it gives them information and knowledge as well as hints and tools that they can put into practice and used right away. In the part titled, "Let's look inside your billfold," they were able to hear the actual comments of married couples with financial worries, including advice they received. This two-way communication was well received.



Yoshiko Nakamura
Representative Director
(Financial Planner)
Alpha & Associates LLC
Photography by
Hideaki Isaka

The products and services of banks are expanding in number and improving in quality year by year. The needs of consumers that banks could not respond to in the past are increasingly within the scope of services they can provide. I am looking forward to having MHBK take their perspective and, with *Ouchi no Okane* as one interface point, offer products and services they need.

CS Improvement Initiatives

Preparation of Group-Wide Understanding regarding Customer Satisfaction

To further improve customer satisfaction (CS), which is an important factor in enabling Mizuho to become “the best financial services provider,” in July 2012, Mizuho formed its project team entitled “One MIZUHO: Building the future with you.” In the project teams, members from the Group companies who raised their hands and participated to show their interest in improving customer satisfaction, considered seriously the question “for our customers, what is the best service?” and engaged in active discussions. Then, in March 2013, we prepared our “Mizuho Service Spirit” (MSS).

Our MSS is the “Group’s common approach” to improving customer satisfaction to become “the best financial services provider,” which is one of the goals in Mizuho’s Corporate Identity and Vision. At Mizuho, to delight our customers, each and every employee, whether he or she interfaces with customers directly or not, must be aware at all times that the work of every one of us is connected to the customers in the end. Within the customer interaction behavior cycle, we improve customer satisfaction by maintaining the MSS.

Customer Interaction Behavior Cycle



Implementing MSS Autonomously and Spontaneously in Small Meetings

At Mizuho, to take Groupwide initiatives to improve customer satisfaction based on the MSS, in the first half of fiscal 2013, we had employees engaged in the same work tasks at our branches and offices form teams and hold small discussion meetings. Before the meetings, employees saw videos and read materials to deepen their understanding of the MSS. We then had each of them discuss the issues related to customer satisfaction, prepare action plans on specific themes, and then put them into practice.

In addition, to significantly revitalize these activities based on MSS, we made available within the Group, through showing videos and the in-house newsletter, information on excellent initiatives related to customer satisfaction, specific actions based on the MSS, and customer comments. Through these activities, we are focusing efforts on accumulating and sharing knowledge and know-how. Moreover, we give awards to recognize employees whose activities can serve as a model for improving customer satisfaction and provide “good job cards” for employees who are recognized by their fellow workers as taking the customers’ perspective. These activities are aimed at increasing awareness of employee initiatives.

Mizuho will continue to work toward being “the best financial services provider” through initiatives for improving customer satisfaction based on the MSS.

CS Improvement Initiatives

Example

Improving Each Individual's Customer Satisfaction Awareness through the Introduction of the MSS Self-evaluation System (Ikebukuro Branch of MHBK)

At the Ikebukuro Branch of MHBK, the number of customers visiting daily is one of the highest in the country (about 7,000 a day) and the staff members total more than a force that is 160 persons strong. At this branch, to have everyone work together effectively to improve customer satisfaction, beginning in July 2013, we introduced the MSS Self-Evaluation System. We set specific activity goals in line with the MSS at the small meeting level, and, at the end of each month, individuals evaluated themselves on four levels.

By giving everyone the opportunity to look back and reflect on their activities, customer satisfaction improves, and we see many cases where customer cards printed with phrases such as "very good service with a smile that made me feel satisfied" and "explanations were really easy to understand."



Small meeting in progress

Example

Effective Role Playing by Career Path and Areas of Responsibility (Hibarigaoka Branch of MHTB)

At the Hibarigaoka Branch of MHTB, in part because of the increase in the number of new employees and young personnel, an issue has been strengthening and bringing asset management advisory capabilities to a higher level with the objective of improving customer satisfaction. To address this issue, the branch issued a proclamation based on the MSS—"Let's polish our skills and respond with a smile!" This has improved our initiatives to improve customer satisfaction mainly through role playing, which is held periodically each week. At first, we were not sure exactly what to do, but by setting themes that varied according to the number of years of experience and work content, such categories as "young employees," "employees in charge of testamentary matters," and "counter personnel," participants became more enthusiastic and training became more effective. As a result of these initiatives, employees gained greater confidence, and they began to propose asset management products to customers proactively, and this brought steady improvements in results.



Training session

Special Feature on Social and Environmental Considerations Given in Our Business Activities

Mizuho recognizes its social responsibility as a global financial group to contribute to the sustainable development of society. Specifically, Mizuho aims to take a comprehensive approach to the development of its business activities that factors in economic, environmental, and social considerations. In order to advance these efforts given the specialized nature of the financial industry, Mizuho is an active participant in initiatives, such as “The United Nations Environmental Programme Finance Initiative (UNEP FI) ”and “Principles for Financial Action towards a Sustainable Society.”

When participating in loan operations for large-scale development and construction projects, MHBK has sought to ensure both environmental protection and economic development through financing operations that are based on The Equator Principles, which were adopted by the company in 2003 and provide a framework to ensure full consideration of the social and environmental impacts of such projects. In May 2014, MHBK became the first bank based in Asia to become chair bank of the Equator Principles Association.

In investment activities as well, MHTB and Group asset management company DIAM, are signatories to the UN Principles for Responsible Investment (PRI), which ensure that institutional investors incorporate environmental, social, and corporate governance issues into their decision-making processes. Based on the purpose of PRI, MHTB and DIAM have incorporated considerations related to the environment, society, and corporate governance as indicators into some of their funds, and take these into consideration when exercising their voting rights.

In considering environmental and social concerns in their activities, MHBK, MHTB, and MHSC have been promoting their “Heartful Project,” which aims to make branches easier to use for all customers, regardless of age, gender, or disability, through the adoption of barrier-free layouts and universal design principles. In addition, these Group financial institutions have created a system for assessing the impact of product and service development as well as advertising and promotion activities on human rights. To reduce the environmental burden of its business activities, MHFG as a whole is promoting electric power conservation and initiatives to bring about a recycling-based society.

CONTENTS

Initiatives for Equator Principles	65
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Initiatives for Equator Principles

The Equator Principles provide a framework for confirming whether sufficient attention has been given to the environmental and social impact of large-scale development and construction projects that are financed by private financial institutions. Specifically, the financing institutions are required to follow the International Finance Corporation's (IFC), a member of the World Bank group, environmental and social guidelines (the IFC Performance Standards) and the World Bank Group Environmental, Health, and Safety Guidelines. Under Equator Principles, Equator Principles affiliated financial institutions are required to assess the environmental and social impacts from large-scale projects, and incorporate compliance measures to meet the guidelines as a requirement of funding.

As of the end of June 2014, 80 financial institutions had adopted the Equator Principles, which has become the de facto international standard in this field.

MHBK continues to act on its initiative and engages with a diversity of stakeholders to attain sustainable development.

■ MHBK and Development of the Equator Principles

With the rising awareness of environmental issues, large-scale development and construction projects that cause environmental damage and harm local communities have come under strong criticism both in Japan and overseas. In the 1980s, a dam construction project being financed by the World Bank and the Official Development Assistance of the Japanese government was aborted due to NGO appeals. As a result, in the 1990s, the World Bank, international development financial institutions, and government export credit agencies implemented their own environmental and social guidelines. Because of these movements, there was pressure for private financial institutions to develop their own environmental and social guidelines; European and U.S. financial institutions, working with IFC, took the lead and developed the Equator Principles. In June 2003, 10 private financial institutions adopted these principles.

MHBK believes that managing environmental and social risks of large-scale projects is indispensable for attaining sustainable development and that the Equator Principles will become the international standard of business

activities. Therefore, in October 2003, MHBK became the first Asian bank to adopt these principles. Since its adoption, MHBK has acted as a key member of the group of financial institutions adopting the Equator Principles (currently, the Equator Principles Association (EPA)) and has been involved in operation and planning of the association.

■ Implementation of the Equator Principles II

In April 2006, the IFC developed the Performance Standards as a revision of the former Environmental and Social Safeguard Policies. With this movement, the Equator Principles were revised, and Equator Principles II was released in July 2006. The key points of the revision were that it reflected the IFC Performance Standards, lowered the threshold of projects cost to which the principles are applicable from US\$50 million to US\$10 million, expanded its scope to advisory services provided by financial institutions, and added Principle 10: Reporting and Transparency.

Not only was MHBK actively involved in these discussions with stakeholders as a member of the steering committee, but also from November 2006 to July 2008, acted as the secretariat bank, assuming the roles of facilitating communication and adjustments among member banks and managing the website. MHBK's performance of these roles was highly appreciated, and in June

Initiatives for Equator Principles

2007, MHBK received the Chairman's Sustainable Banking Award 2007, sponsored by the U.K. *Financial Times* and IFC.

In July 2010, the EPA was established, and MHBK participated in various working groups of the association,



Receiving the Chairman's Award of "Sustainable Banking Award 2007"

including biodiversity, outreach, climate change, and social risks. Through these activities, MHBK continued to work with a diversity of stakeholders in Japan and overseas. In March 2010, MHBK became the first private financial institution to join the Business and Biodiversity Offsets Program (BBOP), actively participating in its discussions by expressing opinions from the perspective of financial institutions. In February 2013, the EPA set up the Cross Sector Biodiversity Initiative (CSBI) in cooperation with the International Council on Mining and Metals (IMMC) and IPIECA. CSBI was established to provide a forum for discussion of biodiversity offsetting on a cross-industry basis, and as a member of the biodiversity working group, MHBK took an active role in establishing CSBI.

■ Implementation of Equator Principles III

With the commencement of the IFC Performance Standards revision in September 2009, the EPA, collaborating with external specialists, conducted a strategic review of the Equator Principles in October 2010, and began revising the principles in July 2011. After about two years of internal discussions at the association and talks with various stakeholders, the Equator Principles III became effective in June 2013. The third version was a major revision, reflecting the content of the IFC Performance Standards, which were revised in January 2012, expanding the scope to certain

corporate loans, and increasing the requirement for transparency, including disclosing emissions of greenhouse gases, and environmental impact assessment report.

MHBK, not only heavily contributed to the revision of the principles by actively participating in these discussions as a member of various task forces established on different themes, such as scope expansion, information disclosure, and climate change, but also took a leadership role in planning decision making.

■ Highly Praised for MHBK's Initiative of Outreaching Equator Principles in Asia

As one of its activities in Asia, MHBK focuses on outreaching to Asian banks to adopt the Equator Principles. In August 2010, MHBK assumed the position of the Asia Outreach working group lead and since then, has engaged in a number of activities, such as holding seminars. As a result, in China, the Industrial Bank Co., Ltd., of China, and, in India, IDFC became the first to adopt the principles in their respective countries. This was highly praised in China and MHBK was presented with the "Green Banking 2008 Contribution Award" at the



Received the "Green Banking 2008 Contribution Award"



Trainees accepted from the Industrial Bank Co., Ltd., of China

Initiatives for Equator Principles

“2009 International Forum on China Environmental Investment” held by Tsinghua University. MHBK continues to provide banks with support such as accepting trainees from the Industrial Bank Co., Ltd., of China.

MHBK became the first Asian bank to hold the position of Chair of the Equator Principles Association.

In February 2014, MHBK was encouraged to become a candidate for the next chair of the EPA by ING Bank, which had been chair since 2012. MHBK decided to accept this challenge because it would allow MHBK to even more actively fulfill its social responsibilities as a financial institution supporting both economic development and environmental and social sustainability.

During the election, MHBK was highly recognized for its contributions to the Equator Principles Association and received favorable votes from all voting members and became the first Asian chair in May 2014.

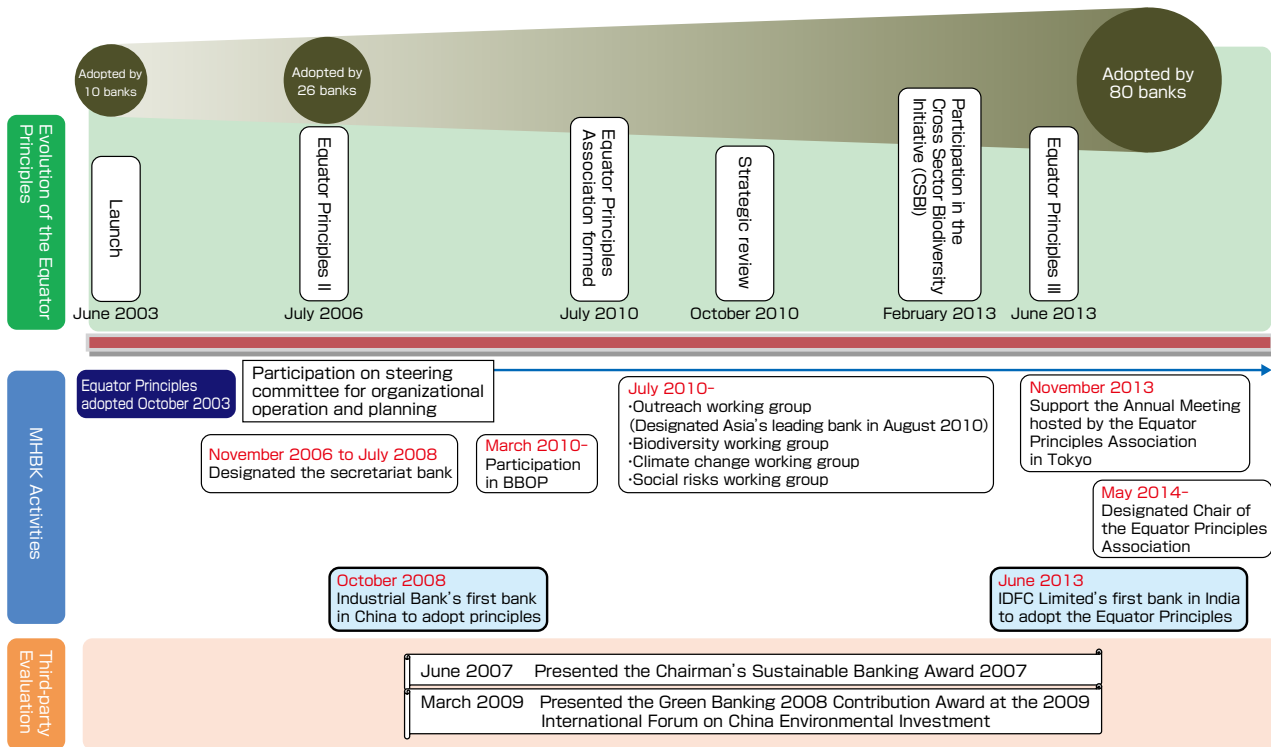
As the current chair, MHBK endeavors to increase familiarization of Equator Principle III to stakeholders, expand the number of banks adopting Equator Principles, to increase the transparency of Equator Principle implementation, by cooperating with many stakeholders. The point that MHBK focuses most when syndicating project finance is to create an environment, in which financial institutions find it easier to lend by reducing business risk to the lowest level possible. Therefore, it is important to provide support not only for profitability and security of projects but also for environmental and social risk management to create “sustainable projects.” The Equator Principles is a tool for proper management of environmental and social risk in such projects, and MHBK has provided assistance for preparation of action plans based on these principles that reduce

the impact on the environment and society in various projects.

MHBK will continue to accumulate its knowledge of environmental and social risk management and provide to its clients not only financial advice but a comprehensive solution. MHBK, as the chair of the Equator Principles Association, will continue to promote environmentally and socially responsible initiatives through its financing activities.

Initiatives for Equator Principles

Evolution of the Equator Principles and MHBK Activities



Voices of Interested Persons



Mercedes Sotoca
Global Head of Environmental and Social Risk Management
ING Bank (former Chair of the Equator Principles Steering Committee)

On behalf of ING Bank, I would like to congratulate Mizuho Bank Ltd. for the appointment as new Chair of the Equator Principles Steering Committee, taking this role over from ING Bank in the Netherlands. Mizuho's contribution to Equator Principles (EP) during the past 10 years has been outstanding, and we are delighted to leave the EP Steering Committee in such good hands. Over the past 10 years, the EP have emerged as the industry "golden standards" for financial institutions to determine, assess, and manage environmental and social risk associated with industrial and large infrastructure projects. ING chaired the EP Steering Committee during

an intense time for the association. Our chairing term has been consumed by drafting EPIII and its public commenting process, managing Working Groups to consider numerous challenging issues, the launch of the EPIII, and the celebration of the 10th anniversary of EP. We expect the challenges and opportunities that Mizuho will face during its chairing term to be different but not less interesting or free of commitment and dedication.

The success and widespread adoption of the Equator Principles has largely been due to the association's highly collaborative and pragmatic approach, and it is fundamentally important that the Principles continue to evolve in pace with the realities of the association's members and stakeholders. We have full trust that Mizuho will further strengthen its leading role in supporting and promoting the Equator Principles in this landscape. Today, we can conclude that the EP does make a difference, and so we look forward to Mizuho taking the Chair position and leading the EP Association in its fascinating journey.

Special Feature on Social Contribution Activities

Taking the needs of regional societies into consideration, Mizuho is continuing to engage in many activities that contribute to the development of society, including providing support for financial education, activities that draw on its management resources, and promotion of “Good Corporate Citizenship” activities.

CONTENTS

■ Support for Financial Education	70
■ Community Contribution Activities	72

Support for Financial Education

Mizuho has drawn on its wide range of practical knowledge and know-how about finance nurturing through the provision of comprehensive financial services to move ahead with the provision of support for financial education at two levels—the elementary and secondary level and the higher education level.

In the area of elementary and secondary education, based on the results of a joint research project on financial education with Tokyo Gakugei University, Mizuho employees visit schools and teach finance-related classes. Mizuho also cooperates with a “workplace experience” program by providing opportunities at its branches nationwide for elementary and middle school students to experience actual work and thereby directly learn about the significance of work. In fiscal 2013, Mizuho employees taught classes as guest lecturers on 23 occasions, and students were invited to experience work environments at branches 112 times. Since 2006, the accumulated number of students who had participated in Mizuho guest lectures and had work experiences surpassed 25,000.

In the field of higher education, Mizuho has donated lectures and courses in six departments of five universities. Attention in these courses is focused on practical themes related to recent financial conditions and financial industry issues.

In addition, along with these activities in Japan, Mizuho is implementing a wide range of initiatives overseas based on the needs it has identified in individual countries.

Publication of Educational Materials Based on Mizuho-donated Courses at the University of Tokyo Faculty of Law

Mizuho’s activities in the higher education fields have included the establishment of a donated course at the University of Tokyo faculty of law entitled “Financial Law” in 2007. Mizuho employees with practical experience and knowledge act as lecturers in these meetings, and are continuing to provide support for legal education as it relates to finance. In December 2013, “Lectures on Financial Law” was recreated in published form, as the joint effort of the University of Tokyo professors Hideki Kanda and Hiroyuki Kansaku, who are leading persons in this field, and Mizuho.

These published lectures provide easy-to-understand explanations of financial legal topics, including not only traditional banking business but also advanced financial products. Moreover, the lectures take up the legal framework and issues surrounding finance, recent examples of court cases, and trends in practical applications.

Mizuho will continue to work to advance

education and research related to finance and its financial education activities that will contribute to the development of personnel who will work in financial institutions in the years to come.



Activities in Myanmar

In view of the economic growth potential of Myanmar in the years ahead, MHBK established a representative office in Yangon in April 2012 and has subsequently worked to strengthen its operations in the local market, including expanding the range of business activities handled by upgrading its Yangon representative office to sub-branch status in January 2013, with the goal of strengthening its capabilities for supporting its customers in Myanmar. At the same time, as the expectations of the roles that finance can play have risen, Mizuho, as a financial institution providing a diversity of financial services, is giving

Support for Financial Education

consideration to how it can best contribute to Myanmar society, in view of the shortage of personnel with specialist skills and knowledge in finance, and expand the scope of human resource education and training.

Based on this viewpoint, after entering the Myanmar market, Mizuho held various seminars, including a finance seminar jointly with the central bank with guests invited from the central bank, government banks, and private-sector banks. In 2014, Mizuho began to hold "Mizuho Donated Lectures" at Yangon Institute of Economics and the Myanmar Banks Association, to broaden the range of human resources familiar with financial matters.

Among these lectures, talks have been held on four occasions since January 2014 at Yangon Institute of Economics where MHBK personnel with extensive experience in practical operations spoke on a range of subjects, including the macroeconomy, international financial markets, financial analysis, and foreign trade settlements. The lectures were attended not only by university students but also by persons interested in working in the finance industry and persons working in the industry currently. A total of 340 persons attended the lectures, and there was clearly strong interest in obtaining knowledge of finance.

Moreover, beginning in fiscal 2014, the Charitable Trust Mizuho Asian Fund, began to provide scholarships to students who are well-qualified intellectually but are having difficulty continuing their education for economic reasons. Moreover, the year 2014 marked the 60th anniversary of the establishment of diplomatic relations between Japan and Myanmar, and these lectures and scholarships were recognized as "60th Anniversary Memorial Projects" by the Embassy of Japan in Myanmar. This designation helped to strengthen bilateral public and private sector exchanges between the two countries.

MHBK will continue to take active initiatives to train and broaden the base of financial professionals in Myanmar.



Financial education lectures at Yangon Institute of Economics



Signing of a memorandum of understanding for providing scholarship funds

Voices of Employees

The people of Myanmar are very conscientious and enthusiastic about education. Even in the countryside, the number of schools is amazing. However, the history of even the oldest private-sector banks only goes back about 20 years, and the country has only about two years of experience in foreign exchange operations. Also, because banks here were cut off from financial transactions



Tetsuro Nonaka
General Manager
Yangon sub-branch
Singapore Corporate
Banking Division
Mizuho Bank

with banks in industrialized countries, they had no opportunities for learning about advanced financial matters, and training of financial personnel and expanding the number of people with knowledge in this area is an urgent requirement for stable economic growth. When we watch how seriously participants in the courses donated by Mizuho take notes and eagerly ask questions, we have a sense that this country has future potential. If Mizuho's activities can be of assistance in any way to the economy of Myanmar, nothing could make people working here any happier.

Community Contribution Activities

Fiftieth Anniversary of Offering Yellow Badges

Mizuho presents first graders nationwide with Yellow Badges with the earnest hope that they will not meet with traffic accidents and commute to school safely every day. These Yellow Badges signify traffic accident insurance coverage and are given out each year. These activities began as a traffic safety movement as a result of the publication of a newspaper article relating how a mother who had lost a child in a traffic accident sent a letter in 1965 to the Prime Minister appealing for the elimination of traffic accidents. This Yellow Badge movement has now marked its 50th year, and the total number of badges distributed has climbed to 61.11 million. (Other companies participating in the Yellow Badge movement are Sompo Japan Nipponkoa Insurance Inc., Meiji Yasuda Life Insurance Company, and The Dai-ichi Life Insurance Company, Limited.)



Traffic safety class in progress

“Mizuho Volunteer Day” Held at Offices in Japan and Overseas

As an integral member of the communities it serves, Mizuho believes it is important to contribute to the community in many ways. With this idea in mind, the Group as a whole collaborates with regional governments and their organizations,

NPOs, and others to conduct activities that contribute to the community.

As part of these activities, since fiscal 2006, a period has been designated each year for “Mizuho Volunteer Day,” and group management and staff join together in activities that are closely linked with the local communities and societies. The eighth of these events was held in fiscal 2013, and during the period set aside, from August through November, employees and their families at a total of 62 offices in Japan and overseas, numbering about 4,100 persons, conducted various activities closely linked with the community. These included cleanup campaigns, tree planting, participation in events sponsored by local governments, and welfare activities on behalf of senior citizens.



Activities under way at offices in Japan



Activities under way at overseas offices

Community Contribution Activities

Contributing to the Development of Human Resources in Asia through Special Fund

In Asia, there are many children who cannot receive sufficient education due to poverty or other reasons; therefore, continuing support for education is necessary. For this reason, Mizuho established the Charitable Trust Mizuho Asian Fund (hereinafter, the fund) in 1998 with the objective of contributing to the development of human resources that will lead the development of the Asian region in the years to come. The fund engages in a wide range of activities.

The Bangkok Office of MHBK provides scholarships each year to students of four universities in Thailand through the fund. (From 1999 through 2013, scholarships were provided to a total of 860 students.) Other activities include providing elementary school textbooks and sports gear. (From 1999 through 2013, donations of such items were made to 471 schools. From 2002 onward, each year “Mizuho Games” sports events have been held with MHBK and operating support with the cooperation of education committees and elementary schools in the region.

These various activities have been highly evaluated in the local areas, and, at a meeting held by the education minister of Thailand with Mr. Akira Suehiro of the University of Tokyo, who is chairperson of the committee for the activities of the fund, a report on the activities over the past 15 years was presented and the Thai minister expressed his thanks.

Voices of Employees

I found out about the scholarships provided by the Charitable Trust Mizuho Asian Fund at my university. My friends, who were already receiving scholarships, encouraged me to apply. The scholarship I received helped me very much not only in my life as a student, but it also provided the opportunity for me to work at MHBK. I am very grateful for Mizuho’s support.



Patsuda Saechueng
Business Promotion No. 1,
Bangkok Branch,
Mizuho Bank

At present, I am working on accounts with Japanese-affiliated companies, and, with the kind support of my colleagues, I am learning a lot every day. These scholarships provide opportunities for Thai students to attend universities, and I believe they will assist Thailand in the years ahead. I hope strongly that Mizuho will be able to continue them going forward.



“Mizuho Games 2013” in progress



Presentation of scholarships to Thai students

What is expected of Mizuho's CSR?



Dialogue Participants

Knowledgeable persons



Takashi Nawa
Professor, Hitotsubashi University Graduate School of International Corporate Strategy



Sachiko Kishimoto
Executive Director, Center for Public Resources Foundation



Yoichi Mori
Certified Public Accountant and Member of the Subcommittee on Technology of the International Integrated Reporting Council (IIRC)



Tomohiko Yamaguchi
Cre-en Inc.

Participants from Mizuho



Koji Fujiwara
Managing Executive Officer (Group Chief Strategy Officer (Group CSO))



Misao Yoneyama
General Manager, Corporate Communications Division



Kenji Tojo
Head of CSR Promotion Department, Corporate Communications Division

What is expected of Mizuho's CSR?

Mizuho was highly appraised for the various aspects of its CSR initiatives. These included the direction of CSR initiatives through Mizuho's main business as set forth in its medium- and long-term CSR initiative policy that was prepared in April 2014, Mizuho's initiatives are to strengthen its corporate governance system through the transition to a Company with Committees, and promoting the proactive initiatives of each of its employees in putting Mizuho Corporate Identity into practice. In addition, some opinions were voiced that Mizuho should substantially strengthen its initiatives to contribute to society through its main business. Among the areas where the most was expected of Mizuho were the following.

- Indicate management directions and strategies related to the roles Mizuho should play in the financial industry and its responses to social needs
- From the perspective of providing value for society through its main business, think of a sense of values that would distinguish Mizuho as a Japanese company and differentiate it from other companies
- Recommend that employees develop a sense of being members of society and citizens through reflecting assessment criteria and supporting a good work/life balance

As measures to promote these items, some important pieces of advice were the following.

- Mizuho management should provide a venue for discussion regarding what social value it should offer and show its commitment to doing so.
- Establish an indicator of membership in and contribution to society in corporate strategy
- Hold dialogues with and strengthen engagement with a broad range of stakeholders

In addition, suggestions for specific business initiatives where expectations were high were the following.

- Develop and show a model form of future middle-market, small, and medium-sized companies
- Encourage financial businesses that will transfer assets to the next generation, including donations

Taking account of these opinions, Mizuho will move its CSR initiatives forward in the overall management of its activities.



What is expected of Mizuho's CSR?

Area	What is expected of Mizuho
Management Strategy	<ul style="list-style-type: none"> · Management strategies that take account of Mizuho's financial roles and the needs of society · Consider a sense of values that distinguishes Mizuho as a Japanese company and differentiate it from other companies
Employees	<ul style="list-style-type: none"> · Recommend that employees develop a sense of being members of society through reflecting assessment criteria and supporting a good work/life balance
Promotion Policies	<ul style="list-style-type: none"> · Mizuho management should hold discussions, show their commitment to offering value to society, and establish an indicator of membership in and contribution to society in corporate strategy. · Hold dialogues with and strengthen engagement with stakeholders · Manage risk from a long-term perspective
Specific Business Initiatives	<ul style="list-style-type: none"> · Develop and show a model form of future, small, and medium-sized companies · Encourage financial businesses that will transfer assets to the next generation, including donation · Show leadership in responsible investing and other areas to contribute the creation of long-term value and train human resources with this orientation



Comments and inquiries regarding this report should be directed to:

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