

## **Outside Director Session: Summary of Q&A**

Q: What is your honest assessment on the performances of the President and the Executive Officers?

A: First of all, we think the middle managers play important roles in the organization, as they need not only to take the executives' messages on their own, but also need to convey the messages and translate them into more concrete action for the team members. This is a still crucial task for us. Meanwhile, the communications among Executive Officers are becoming more active than before. Generally speaking, inside directors tend to be on the backfoot by receiving many questions from Outside Directors at the Board of Directors meetings, but at Mizuho, a wide range of opinions and questions are raised by the inside directors themselves with a more open discussion. I believe this is one of the changes in awareness to accelerate communications among the Executive Officers.

Q: What are the effects and background in introducing the new advisor system?

A: We reviewed the new advisor system from the perspective of "what role advisors should play" and "what contributions they can bring to our group", as well as "whether the new system is appropriate, considering the demands of the time". There were also concerns that having a large number of advisors might cause some obstacles when reviewing the Corporate Identity and launching the new Medium-term business plan. Taking all the situations into consideration, the new management team determined to revise the advisory system.

Q: In revisiting the business portfolio, I assume there have been various hurdles, but how does the management team overcome them, including criticisms within the company, and what is the Outside Directors' assessment on these performances?

A: We believe that the most challenging thing in revisiting our business portfolio is how to enhance its effectiveness, and in order to realize it, communication would be the key. Moreover, we think it important not only to revisit our Corporate Identity, but to continuously discuss, review and look back on a daily basis on "why we need to revisit our business portfolio" and "why we need to change our corporate culture", and furthermore to make good use of such discussions in the next initiatives. To accelerate more communication, the Outside Directors have been allowed to access to the management meetings using audio recording to verify its atmosphere and contents so that we could understand what the Executive Officers are discussing. The Audit Committee puts emphasis on verifying the linkage between how the Board of Directors makes decisions based on what discussions were made by the Executive Officers. We think there will still be various hurdles, but need to keep on carrying out such actions through communications.

Q: How is the status of promoting female managers?

A: Many Outside Directors are being quite critical about the slow appointment situation of female executives. We have been requesting the Executive Officers for various actions, such as having a firm plan to develop female employees and check on their progress. In addition, given the current low gender ratio of female managers, the company is not ready to immediately appoint a large number of female executives within the company, however; we have been also actively taking action to recruit talented women from outside the company as future candidates for executive positions, having already appointed Ms. Akita from outside Mizuho as Executive Officer. It is important to somehow expand the talent pool for the future.

Q: From an investor's point of view, it can be difficult to understand how in-house Companies and Entities function together. Are there specific discussions about whether to continue the in-house Company system or not?

A: At the beginning of my tenure, it was also difficult for me to understand the in-house Company system, but now I realize that the in-house Company system is functioning well, because I understand that there are occasions when the heads of the Entities or the heads of the Companies discuss together, and that there are quite a few officers and employees who serve as both Companies and Entities. However, I wonder why the heads of Entities, such as Mizuho Bank, not attending the Board of Directors meeting of Mizuho Financial Group, the holding company. Therefore, over the past two years, the heads of Entities are now attending the Board of Directors meetings on a regular basis, to report on the actual situation and issues, and to conduct active question-and-answer sessions to further deepen their understanding. We should reduce the gap between the holding company and the Entities by connecting their scope of responsibilities of “planning” and “executing”. We believe that lessening such gaps as much as possible would make Mizuho even stronger.

Q: Have there been any specific instances where active discussions with Outside Directors of subsidiaries of Mizuho Financial Group have led to your awareness and initiatives?

A: Outside Directors of Entities see issues firsthand, such as personal allocation issues and operational problems, those which the holding company could not oversee. Therefore, our discussions with those Outside Directors of each Entity help and complement each other. In response to the IT system failures, the holding company has set up a System Failure Response Evaluation committee, and Mizuho Bank has set up a similar committee to deepen discussions on countermeasures and challenges based on the actual situation.

Q: Regarding corporate culture transformation, what steps can be taken after strengthening communication?

A: I think there are two important points to consider when cultural transformation reaches a stage of permeation. One is brand strategy. I believe that by making public commitments, each and every employee will become more self-aware and take action on culture transformation. Another thing is education and training. For example, it is important for middle managers and team members to look back and communicate on their daily works on “whether their works are in line with the path to realize the Corporate Identity”. I think conducting appropriate trainings and referring to examples from other companies could provide chances to look back on daily performance, because it is sometimes difficult for middle managers and employees to do so. The role of middle management is important, and there is a risk that the corporate culture will backslide if the company keeps emphasis solely on daily performance. The Corporate Identity and Purpose are our centric ideas that encompass the direction of the company in case the company encountering any difficulties. We need to make steady efforts to share this idea with our employees, including the background behind creating the Corporate Identity.

Q: I think Chair of the Board at a megabank covers wide range of assignments, but how do you choose the appropriate agendas?

A: As Board Members, we must always keep emphasis on the medium- and long-term perspective, while we also need to look at the recent issues that arise at the same time. How to balance both agendas in limited time is a big challenge. One of the things that we are working on is to make effective use of the Committees, and we have them discuss extensively and deeply in the Audit Committee, the Risk Committee, and so on, and choose what we should discuss as the Board. While keeping eyes on external topics, we also try to pick up items that need to be discussed based on the conversations between Outside Directors, and items that may lead to enhancing corporate value or that may become challenges for the Board of Directors in the future.