

Enhancing Collaboration with Orient Corporation (Enhancement of collaboration and increase in voting rights ratio)

Mizuho Financial Group, Inc. (President & CEO: Yasuhiro Sato) and Mizuho Bank, Ltd. (President & CEO: Nobuhide Hayashi) (“MHBK”) will further enhance collaboration with Orient Corporation (President: Masayuki Saito) (“Orico”), an equity method affiliate of Mizuho Financial Group, in order to meet diversified customer needs with group-wide comprehensive financial services.

In addition, Mizuho will increase the voting rights ratio in Orico associated with this enhancement of collaboration.

1. Purpose

After forming a comprehensive partnership with Orico in July 2004 and making Orico as an equity method affiliate in September 2010, Mizuho has realized synergy effects mainly in the non-secured loan business area with Orico. In addition, Mizuho has developed a strong relationship with Orico not only by providing banking transactions such as bank loan but also by providing support in diversifying Orico’s funding such as domestic and overseas asset securitization and bond issuing.

We aim to increase corporate value and develop profit opportunities for both Mizuho and Orico through this further enhanced collaboration as a group.

2. Further collaboration between Mizuho and Orico

In relation with the Japanese government policy to “improve convenience and efficiency of settlement by widespread cashless settlement on the occasion of the Tokyo 2020 Olympic and Paralympic Games”, and the substantial progress made in credit card settlement including e-commerce as well as innovations in technology such as FinTech and the utilization of big data, Mizuho and Orico will enhance collaboration in the settlement business area mainly in card business in addition to the existing business areas such as installment credit and bank loan guarantees.

By leveraging both strengths and features, Mizuho’s wide and strong customer base and Orico’s contactless IC settlement service and customers’ purchasing records, Mizuho and Orico will increase corporate value and develop profit opportunities with further reinforcement of diversified collaboration.

In particular, we will focus on the following four areas:

(1) Share customer base and big data between Mizuho and Orico

- Co-develop a credit card with high reward points and an integrated credit card with cash card function
- Co-utilize big data to promote cross-selling and increase credit card usage

(2) Strongly align issuing and acquiring businesses

- Promote collaborative sales and marketing between the issuing business held by Orico and acquiring business held by UC CARD Co. Ltd
- Promote credit-card acquiring business to installment credit merchants
- Enhance service promotion through Card-Linked-Offer*
*Card-Linked-Offer: one of the marketing methods to attract customers to merchants by offering customized one-to-one benefits by leveraging membership information and purchasing records

(3) Expand next-generation and global settlement service

- Provide contactless settlement service with smartphones, SNS settlement service, e-wallet settlement service and settlement service especially for foreign tourists

(4) Share channels and infrastructures

- Improve service and efficiency by sharing call center operations and credit management operations

3. Overview of increasing voting rights ratio in Orico

By converting MHBK's "First Series Class J Preferred Stock" of Orico into common stocks by the end of September 2015, Mizuho will increase the group wide voting rights ratio in Orico from approximately 22% currently to 49%. (Orico will remain as an equity method affiliate of Mizuho.)