

Message from the Group CEO

Proactively innovate together with our clients for a prosperous and sustainable future.

Introduction

What is the responsibility of a CEO?

The world is now in an era of major change. Geopolitical tensions and the reshaping of globalization are driving prolonged inflation and higher interest rates, causing instability in the economic environment. Disparity between high-net-worth and low-income individuals is becoming an increasingly serious social issue. Rapid evolution of technology, though opening new possibilities, is also giving rise to unknown risks. On the other hand, Japan's economy has finally escaped its long deflationary era, and Japanese companies are putting their resources towards investment and wage increases, creating a positive cycle of growth and distribution. With this as a backdrop, Japanese households are also increasingly showing an interest in shifting from saving to investment. In combination, these global and local changes constitute a significant turning point.

In this era of material change, financial institutions have an outsize role to play. My responsibility as the CEO of a financial institution is to envision the course Mizuho will follow during times of change and, in doing so, continue creating social value and enhancing corporate value for all of our stakeholders. Keeping this in mind, over the last year I have led three initiatives.

The first was to determine Mizuho's role and reason for being in the current era: our corporate Purpose. By defining our Purpose, we can share our goals and values with our stakeholders.

- Purpose: "Proactively innovate together with our clients for a prosperous and sustainable future."

To facilitate innovation in times of change and make our own innovations at the same time. We felt this was central to our Purpose.

The second was to clarify our strategy for achieving our Purpose. How do we reach a prosperous and sustainable future? What are the strengths we can apply there, in light of our history and the corporate DNA we have carried forward from our founders, who were capitalists and entrepreneurs of early modern Japan? We identified our five business focus areas from these two perspectives.



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Member of the Board of Directors
President & Group CEO
Mizuho Financial Group

The last was to foster a healthy corporate culture. The execution of our strategy depends on our people. If they are not able to experience success and feel passionate about their work, we will never be able to turn our strategies into reality. To provide our people with just those sorts of opportunities, we are transforming our organization into a place that encourages creative thought and action, where everyone can take on challenges on their own initiative and engage in constructive discussion. This will be a catalyst for innovation and enable us to achieve our Purpose.

By uniting our Purpose, strategy, and healthy corporate culture in a virtuous cycle, we will be able to fulfill our commitment to grow together with our stakeholders.

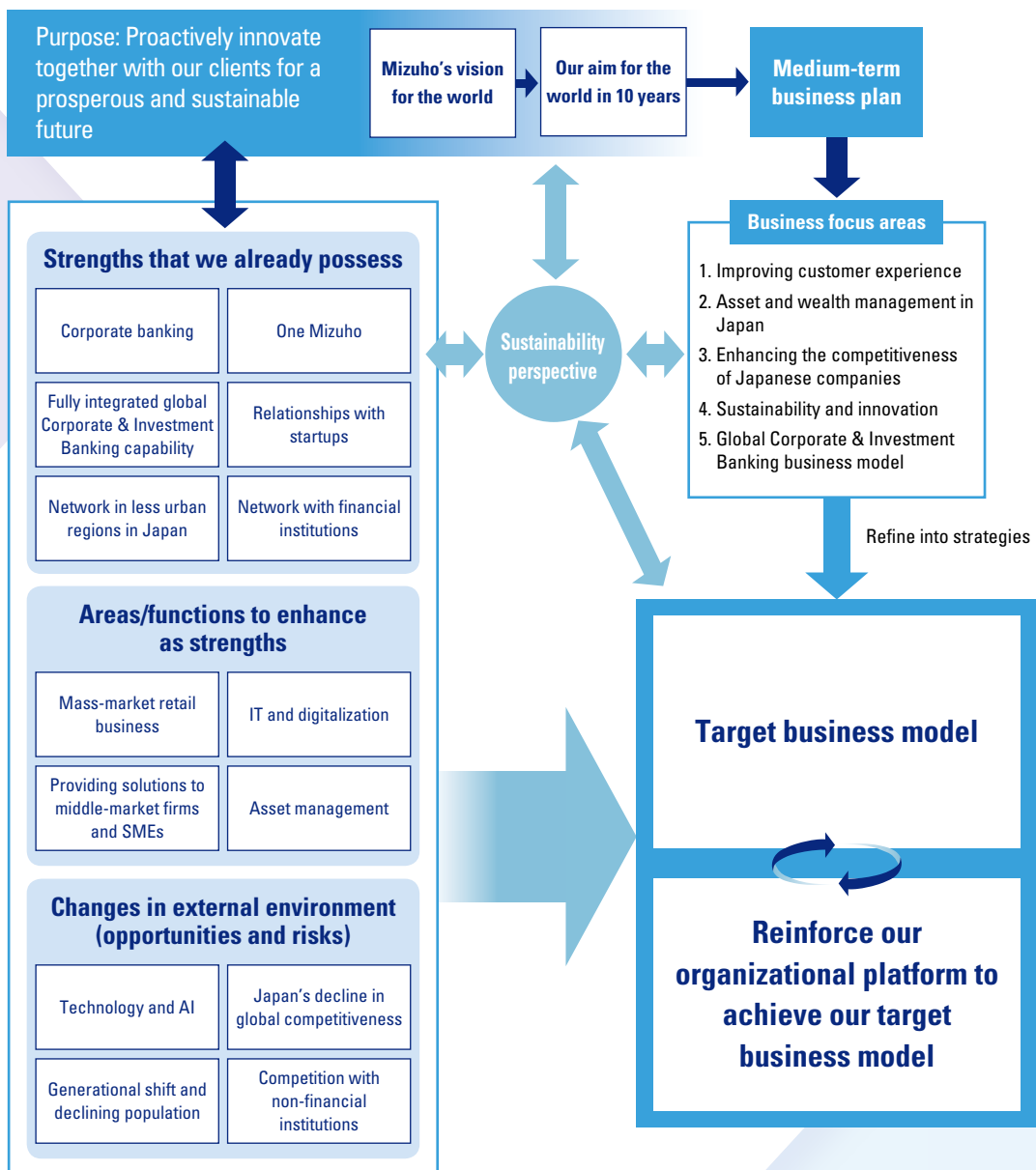
From here, I will outline our progress and challenges on the five business focus areas that form the core of our strategy.

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Developing a unique competitive edge

We have defined medium-term goals for each business focus area and formulated detailed strategies for achieving these goals. None of the business focus areas exist independently of one another. Instead, they interconnect to bring out Mizuho’s strengths. By enhancing and integrating these strengths, we will develop our own unique competitive edge.

Direction of business strategy, starting with our Purpose and strengths



1. Improving customer experience

For our retail customers in Japan, we have been continually improving the user interface (UI) and user experience (UX) of our Mizuho digital banking app as well as our Mizuho Wallet app, which consolidates payment functions. Most of our customers are now able to complete regular, repetitive transactions almost entirely online. We are also gradually converting our branches to be more comfortable and streamlined spaces suited to face-to-face consulting on asset management. To expand our remote services, which stand in between our online services and physical services, we are setting up an AI-assisted next-generation call center and are augmenting our systems to provide more useful advice to customers.

Going forward, we will further improve the UI and UX of our digital, branch, and call center services. We will seamlessly connect these three channels and incorporate digital marketing methods so that we can offer our customers the most convenient and trustworthy services. By constantly improving our customer's experiences, we will enhance the attractiveness of our deposit accounts, which comprise our base for extending the credit required for economic growth.

2. Asset and wealth management in Japan

We are keeping pace with the Japanese government's policy plan to promote Japan as a leading asset management center. We have accelerated our efforts to broaden our customer base in our asset management business by promoting the new Nippon Individual Savings Accounts, as well as enhancing our strategic alliances with Rakuten Securities, Inc. and PayPay Securities Corporation, aimed toward establishing integrated online and face-to-face services. Also, Mizuho Securities eliminated individual sales targets for employees in fiscal 2023 and is implementing a thorough transition to more customer-oriented business operations.

Going forward, we will tenaciously fortify our consulting capabilities and further elevate both our employees' business literacy and our customer-oriented business approach. In order to provide various investment opportunities to our customers, we will enhance Asset Management One's investment and product





offering capabilities and also expand alliances with leading asset managers outside Japan.

3. Enhancing the competitiveness of Japanese companies

We have been extending growth support for corporate clients in Japan, primarily middle-market firms struggling with issues such as stagnating corporate value or price-to-book ratios short of 1. Our support has enabled these clients to explore options and take actions such as business restructuring, delisting, and others. Also, we are increasingly being asked for advice about succession of family businesses and wealth, built up through many generations, to the next generation.

Going forward, we will bring together our consulting capabilities with the financial technology of Mizuho group companies, such as Mizuho Trust & Banking and Mizuho Securities, to further advance our provision of comprehensive solutions. At the same time, in order to sustainably grow together with our clients, we will optimally balance our corporate resources with consideration to regions and customer segments.

4. Sustainability and innovation

On innovation, we are looking to take part in the creation and incubation of companies that will be able to compete on a global scale, solve social issues, and contribute to industrial development. Our focus here is on providing funding for their growth. As part of that, we have launched a venture debt fund in collaboration with the startup company Upsider, Inc. and have also been making capital investments on our own, supporting the innovation of ambitious entrepreneurs. Going forward, we will become more involved in supporting the incubation of Japanese unicorns in the deep tech field.

Sustainability presents both business opportunities and risks for financial institutions. On the business side, we are making efforts to connect public and private initiatives to formulate a “grand design” for transition. We are also extending sustainable and transition finance and co-investing with our clients in projects that will promote sustainability. For risk management, we are continually developing our framework for managing exposure in carbon-related sectors, pursuing an ideal balance between opportunity and risk.

Going forward, we will continue to leverage our cutting-edge financial technology and information sourced from our global network. Also, in order to dramatically change the current chicken-and-egg situation in which inadequate supply is holding back demand and inadequate demand is holding back supply, we will devote resources to three areas: promoting efforts to create a supply of and demand chain for hydrogen; developing the carbon credit market; and promoting impact

finance. Through these, we will be able to proactively and positively contribute to the achievement of a carbon neutral society and circular economy.

5. Global Corporate & Investment Banking (CIB) business model

We have been steadily refreshing our assets to more effectively utilize capital and constructing a stable and highly profitable CIB business model. In the US, the world's largest financial market, we have placed in the higher ranks of the CIB league tables, and in Asia, where interest rates have been on the rise, we have further enhanced our transaction banking business. On top of this, we acquired US-based M&A advisory firm Greenhill to further our M&A and equity capabilities, adding to our existing strengths in bonds and loan arrangement. Such moves are helping us develop a unique edge in supporting corporate activities that bridge Japan and the rest of the world. In addition to our business growth, we will meticulously enhance our control and governance structure in each of the regions we operate.

As we gain greater competitiveness in our five business focus areas, we are also linking our strengths across areas to produce new added value. This is our target business model.

Enhancing our corporate foundations

Turning our five business focus areas into a unique competitive edge will require a corporate culture that encourages our people, the driving force behind the implementation of our strategy, to connect across business areas, engage in constructive discussions, and take on even greater challenges. Our Purpose is the cornerstone of this. To communicate it throughout the organization, I have been visiting our offices around the world and holding extensive discussions with my colleagues. I believe these discussions have been beneficial in bridging the gap between executive management and employees. The proposals raised during such discussions have also been vital in improving our operations.

Our transformation to a more innovative corporate culture is already bearing fruit. My colleagues have been launching and participating in new initiatives one after another. Some examples include the Mizuho Group CEO Challenge internal business idea competition, adoption of best practices among offices, and a collaborative operational framework between two branches in the same, less urban area.

Fairly evaluating such innovative initiatives alongside other contributions to the organization is crucial, as is supporting our people in proactively developing their careers. Accordingly, we are completely overhauling our human resources framework in Japan as well as stepping up efforts to make Mizuho a welcoming and supportive environment for talent from a variety of backgrounds. On the latter, we have been further prioritizing women's participation and advancement in the workplace and expanding our "alumni" network of former Mizuho colleagues, broadening our attractiveness as a place where diverse professionals come together and inspire one another.

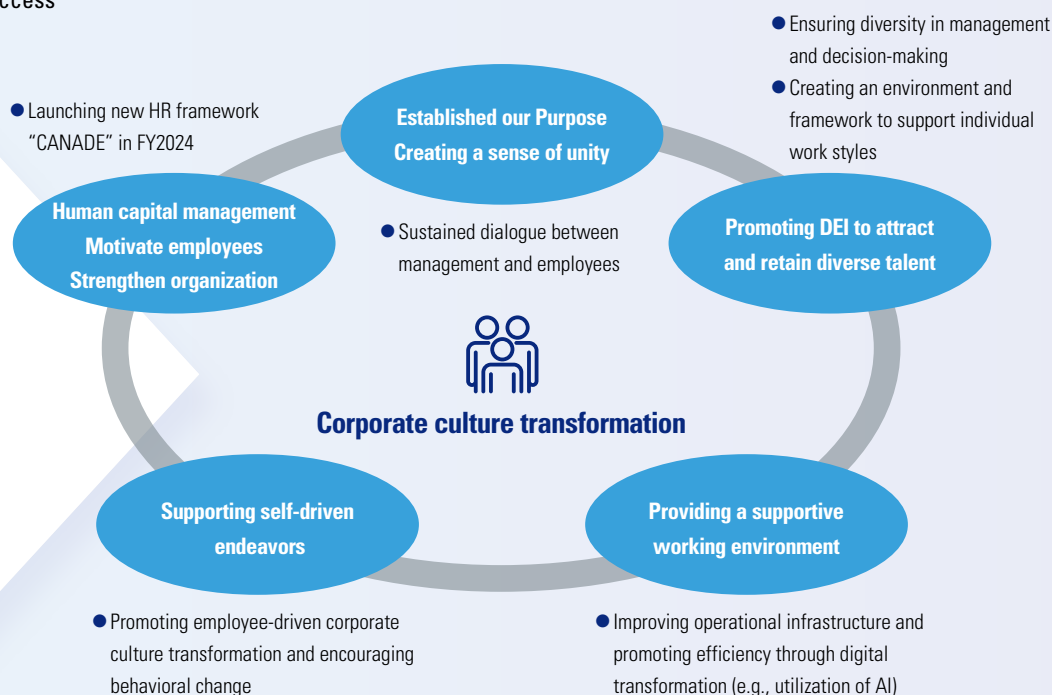
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In addition to this, we are improving operational infrastructure and promoting efficiency through digital transformation, so that everyone at Mizuho can enjoy not only better frameworks but also smoother workdays.

Advancing these wide-ranging initiatives side by side is one way in which we are supporting and motivating our people, enhancing the human capital that is a prerequisite for implementing our strategy, and coming closer to the goal of Mizuho and our people growing together.

Further transformation of corporate culture and enhancement of human capital

Improve employee engagement/inclusion so that our people can fully realize their capabilities and achieve success



Initiatives in fiscal 2024

We have been making considerable progress. Fiscal 2023 Consolidated Net Business Profits were the highest since the formation of Mizuho. Our diversification of revenue sources during the challenging era of negative interest rates in Japan has steadily improved our ability to generate stable revenue. As well, our replacement of low-profit assets and selling off of cross-shareholdings, among other initiatives, have improved our capital efficiency and our price-to-book (P/B) ratio. We now have a structure in place for proactively utilizing capital towards further accelerating growth while also enhancing shareholder returns.

In fiscal 2024, as we continue to brush up our business model, we will look to achieve our fiscal 2025 revenue targets, those for the final year of the medium-term business plan, one year ahead of schedule. One of our overarching goals is to put our capital from shareholders and our human capital from society towards even greater added value. Quickly bringing our Consolidated ROE over 8% and our P/B ratio above 1 will be key in that regard.

Complementing this, we will redouble our efforts to transform our organization and people, the foundations of our growth. I will continue engaging with my colleagues as I have the last couple years. More broadly, we will proactively refresh our businesses and services and create mechanisms to keep our strategy and resources in harmony and oriented towards the future. This will allow us to continue providing sustainable services suited to the changing needs of society and customers.

Right now, I feel there are definite signs of change within Mizuho. On the other hand, our initiatives have only just begun. We will continue to transform ourselves and innovate together with our clients and society. By doing so, we will put our Purpose into action and help society and the communities where we do business benefit from the enormous changes happening in the world.

Turning signs of change into robust forward momentum—this is a key focus for us going forward.

I will be at the front, assisting our people's innovations as I do everything I can to lead the way.

July 2024

M. Kihara

