

Message from the Group CFO



Looking ahead to a new growth stage, we will maintain disciplined financial management and accelerate our initiatives to maximize our corporate value.

Takefumi Yonezawa

Takefumi Yonezawa
Member of the Board of Directors
Senior Executive Officer
Group Chief Financial Officer (Group CFO)

Looking back on the first year of the medium-term business plan

Since my appointment as Group CFO in April 2023, I have actively engaged in dialogue with our shareholders and investors. One key takeaway has been the importance of Mizuho showing continuous and sustainable growth to our investors, especially by strengthening our unique competitive advantages.

Fiscal 2023 saw our executive team and our outside directors sharing a common direction in this regard. Through our discussions, we have refined our strategies and been taking consistent steps toward our target business model.

Our fiscal 2023 financial results benefitted from steady business growth in both our customer and markets divisions, as well as a favorable market environment. Consolidated Net Business Profits reached ¥1 trillion, setting a record for the highest level since the formation of Mizuho in 2002. Moreover, our customer divisions set another new record for their highest profits since the introduction of the in-house company system in fiscal 2016, and our Consolidated ROE has improved to 7.6%, on track towards our medium-term business plan target of over 8.0%. In the past few years, we have been undertaking initiatives to diversify our revenue, maintain

disciplined financial management, and improve our expense ratio and capital efficiency, in order to compensate for the decline in domestic interest income that followed the Bank of Japan's introduction of negative interest rates. We are confident that those initiatives are bearing fruit. Fiscal 2023 would have been the final year of our previous 5-Year Business Plan, which we concluded one year early, and we have successfully achieved all of the financial targets we had put forth in that plan.

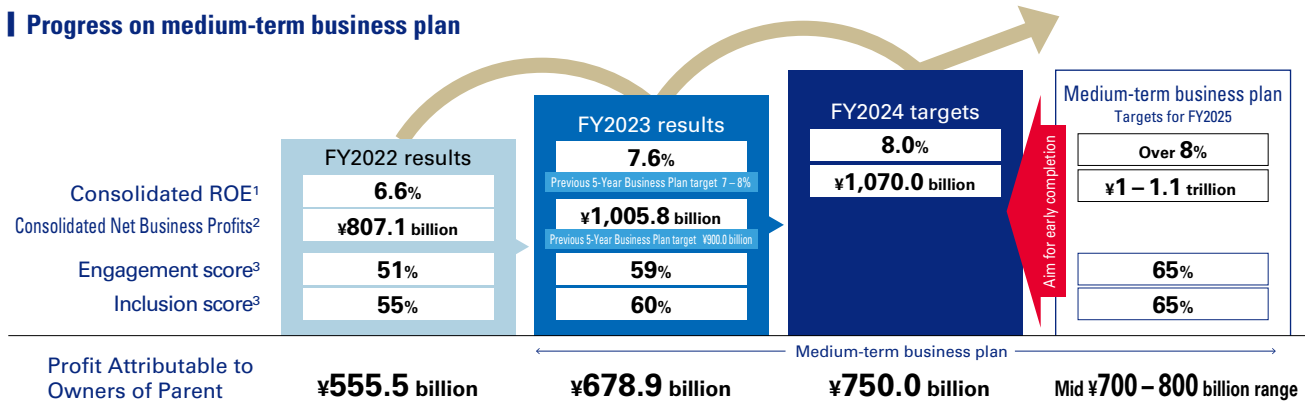
▶ P. 103 Review and analysis for fiscal 2023

Financial management policy and fiscal 2024 plan for stepping up growth

With the Bank of Japan ending its negative interest rate policy in March 2024, Japan is on the cusp of returning to an era defined by positive interest rates. At the same time, the business environment continues to be uncertain, due to factors such as geopolitical tension from the Russia-Ukraine and Middle East situations, high inflation in Europe and the US, and other key political events, including the upcoming US presidential election.

The circumstances require us to flexibly align our financial management to the business environment: for example, controlling our expenses and risk-weighted

Progress on medium-term business plan



[Assumed financial indicators for medium-term business plan] JGB (10-yr): 0.95%, Nikkei 225: 30,000, USD/JPY: ¥120 (FY2025)

1. Excluding Net Unrealized Gains (Losses) on Other Securities.

2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.

3. Based on positive response rate (selection of 4 or 5 on a scale from 1 to 5) for four Staff Survey questions related to engagement and inclusion.

▶ P.45 For our progress on our engagement score and inclusion score, please refer to the “Human capital management” section.

assets. We also need to keep our revenue and capital resilient to risk, able to withstand any potential large shocks to the financial markets and global economy.

At Mizuho, we track the state of profits, losses, expenses, investments, and risk-weighted assets by each in-house company on a daily basis. The executive team regularly shares information on trends so as to be able to swiftly respond to any concerns as they arise.

In order to minimize profit volatility, we are moving forward on building our business portfolio, in line with our strategies. As we continue to diversify our revenue and enhance our complementary revenue streams, we will control our expense ratio and reduce our fixed costs by improving efficiency and productivity. Alongside this, we will dynamically scale back in the business areas where we have less of a competitive advantage. In these ways, we will be able to secure profits and maintain adequate capital even when facing a challenging business environment.

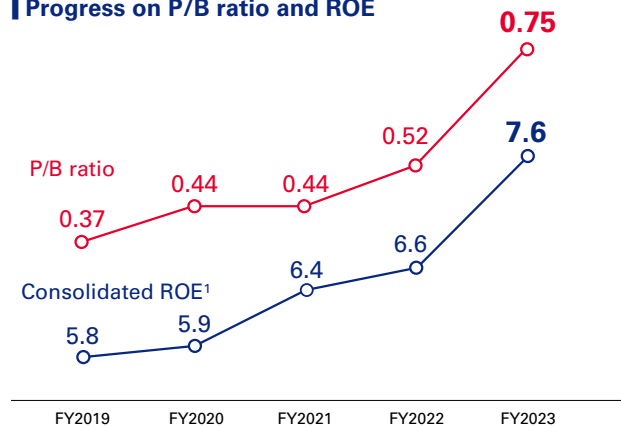
For fiscal 2024, we have a plan to attain our medium-term business plan’s final year targets—Consolidated ROE of 8% and Consolidated Net Business Profits of ¥1,070 billion—ahead of schedule. While the end of negative interest rates will buoy revenue, we are determined to expand our core business by steadily implementing our strategies. We will do our utmost to carry forward our steady growth momentum and improve corporate value at a rapid pace.

▶ P. 71 Business portfolio (Business strategies by in-house company)

Progress of initiatives to improve the P/B ratio

Mizuho’s price-to-book (P/B) ratio has been trending upwards, supported by improvements in ROE and expectations for sustainable growth, but it has still not reached a value of 1. Bringing our P/B ratio above 1 is one of the top priorities of executive management. We take the current situation very seriously and are committed to returning our P/B ratio above 1 as quickly as possible.

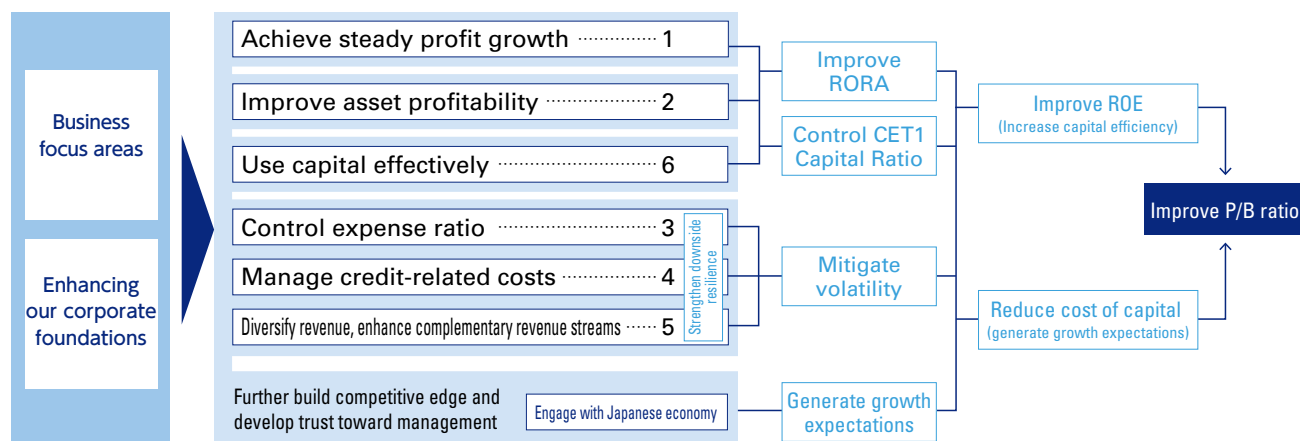
Progress on P/B ratio and ROE



1. Excluding Net Unrealized Gains (Losses) on Other Securities.

We are aiming to do this by further improving ROE and reducing the cost of capital. Towards achieving these two aims, we are improving return on risk-weighted assets (RORA), controlling the Common Equity Tier 1 (CET1) Capital Ratio, mitigating volatility, and taking steps to generate growth expectations. I will detail the six initiatives we are undertaking in these areas in the following pages. Through such initiatives, we will

Initiatives to improve the P/B ratio



continue producing results and gain greater trust in our management from shareholders and investors.

1. Achieve steady profit growth (improve RORA, generate growth expectations)

Within the five business focus areas of our medium-term business plan, asset and wealth management, corporate business in Japan, and the global Corporate & Investment Banking (CIB) business are our priority areas, and over the three years beginning from fiscal 2023 we are aiming to grow our Net Business Profits by approximately ¥170 billion. In fiscal 2023, we implemented strategies to enhance our competitiveness in these areas and extended our Net Business Profits by ¥46 billion.

For fiscal 2024, we plan to bring Net Business Profits up to ¥87 billion above fiscal 2022, while also making upfront investments in corporate resources, including in enhancement of human capital for future growth.

Net Business Profits in priority areas

(¥ billion)	FY2023 (vs. FY2022)	FY2024 (vs. FY2022)
Asset & wealth management	+9.0	+18.0
Corporate business in Japan	+25.0	+40.0
Global CIB business ¹	+12.0	+29.0
Total in priority areas	+46.0	+87.0

1. Global Corporate & Investment Banking Company + Global Markets Company's Sales & Trading (S&T) outside of Japan.

2. Improve asset profitability (improve RORA)

Towards improving our ROE, we are shifting corporate resources to business areas with higher capital efficiency. Specifically, we are focusing more on M&A, real estate, and other types of finance in which we can expect various ancillary business. In tandem, we are reducing mortgage loans, for which the market is extremely competitive, and other low-profit business globally. Such initiatives are steadily improving our RORA.

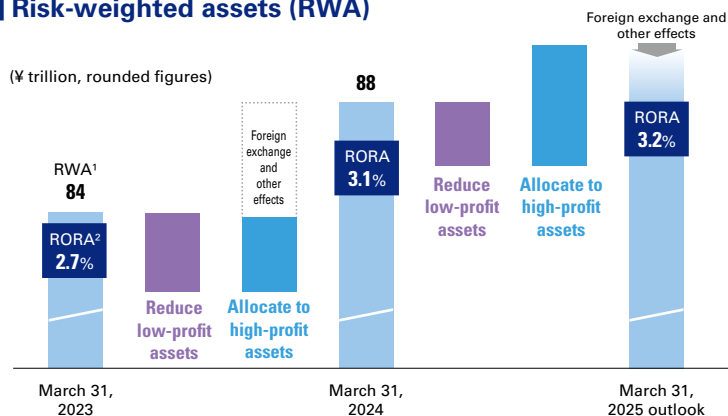
We are also continuing to reduce our cross-shareholdings, which have a high risk of market value fluctuation and low capital efficiency. The book value of our cross-shareholdings, which stood at approximately ¥2 trillion at the beginning of fiscal 2015, was down to just below ¥1 trillion by the beginning of fiscal 2023. The additional reduction target we have set for the current medium-term business plan is ¥300 billion. During fiscal 2023, the first year of the plan, our reductions came to ¥82.1 billion. However, when including unsold shares for which we have obtained client consent to sale, these reductions came to ¥117.1 billion.

▶ P. 88 Policy Regarding Mizuho Financial Group's Cross-shareholdings of Other Listed Companies

3. Control expense ratio (mitigate volatility)

Regarding cost control, the factors driving increases in investment and expenses are too numerous to list—tighter financial regulations worldwide, broader cybersecurity measures, inflation in the US and Europe,

Risk-weighted assets (RWA)



1. RWA calculated on a management accounting basis. Includes interest rate risk in banking book.
 2. Gross Profit RORA. Excluding the impact of realizing losses on non-Japanese bonds in FY2022. RORA as of March 2023 was 2.8%.
 3. Hybrid financing, equity and mezzanine, etc.

the weakening yen, and so on. While allocating necessary investment to maintain stable operations and generate sustainable growth, we will improve our efficiency and productivity by dynamically scaling back business in which we have less of a competitive advantage. We will also reduce our fixed costs and keep our expense ratio within the lower end of the 60 to 70% range.

4. Manage credit related costs (mitigate volatility)

The return of positive interest rates in Japan could cause concern about a potential rise in credit-related costs. We will continue our predictive risk management in order to minimize our credit-related costs and also provide support for clients who are reviewing their business structures in response to financial difficulties. Furthermore, we will carry out thorough preventative measures, facilitated by our forward-looking reserves.

5. Diversify revenue, enhance complementary revenue streams (mitigate volatility)

When the Bank of Japan introduced negative interest rates in 2016, it led to a significant drop in interest income in Japan. Accordingly, we reinforced our Japan non-interest business and our global Corporate & Investment Banking (CIB) business, diversified our revenue sources, and enhanced our complementary revenue streams. In the midst of a challenging business environment, these

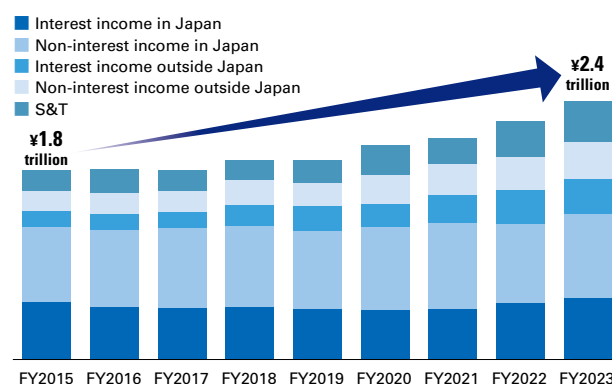
Reduction	Three-year medium-term business plan period	FY2023
	-¥6 – 7 trillion	-¥2.1 trillion
<ul style="list-style-type: none"> Residential mortgages Cross-shareholdings Low-profit assets 	<ul style="list-style-type: none"> Residential mortgages: Selective approach based on customers' income and transaction history Cross-shareholdings: Reducing holdings in line with the reduction target (¥300.0 billion over three years) Low-profit assets: Reducing assets mainly in global business and retail business 	
Allocation	Three-year medium-term business plan period	FY2023
	+¥12 – 13 trillion	+¥2.0 trillion
<ul style="list-style-type: none"> Corporate business in Japan Global CIB business 	<ul style="list-style-type: none"> Corporate business in Japan: Allocating to areas with higher profitability such as M&A finance and strategic investments³ Global CIB business: Allocating to mainly non-Japanese clients in the Americas and APAC 	

initiatives enabled us to maintain stable profit growth.

We will develop our initiatives further going forward to build a robust business portfolio resilient to changes in the external environment. In particular, for our global CIB business centered on the US, we will further pursue synergies between our lending, investment banking, and markets businesses, with a focus on highly credit-worthy, leading global clients, so as to further strengthen our business against the impacts of financial market volatility.

By appropriately controlling our Japanese yen and foreign currency banking portfolio, we will ensure that the revenue streams from our customer and markets divisions complement one another to an even greater extent, allowing us to mitigate revenue fluctuations from interest rate changes.

Stable growth in Gross Profits (customer divisions + S&T)



Message from the Group CFO

6. Use capital effectively (control CET1 Capital Ratio, generate growth expectations)

As part of complying with the finalized, fully effective Basel III regulatory framework, for many years Mizuho has been placing emphasis on capital accumulation. We have allocated the Profit Attributable to Owners of Parent that we have recorded over the last 10 years (¥5.2 trillion) primarily to capital adequacy (¥2.7 trillion) and shareholder returns (¥2 trillion), devoting only ¥0.5 trillion to growth investment.

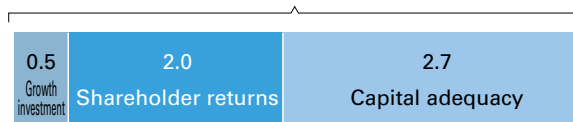
Nevertheless, we still managed to leverage investment opportunities. Our North America CIB business is a good example. Recently, looking ahead to a digital shift in our retail business in Japan, we have been investing in asset and wealth management, including making an additional investment in Rakuten Securities, Inc.

Given the steady growth of our stable revenue base, we are estimating our total dividends for fiscal 2024 to be ¥115 per share (up ¥10 year-on-year), which will mark four consecutive fiscal years of increases.

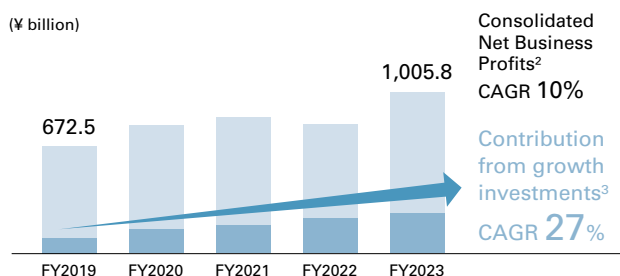
Track record

Allocation track record

Allocation of Profit Attributable to Owners of Parent
(¥ trillion) **¥5.2 trillion** (past 10 years)

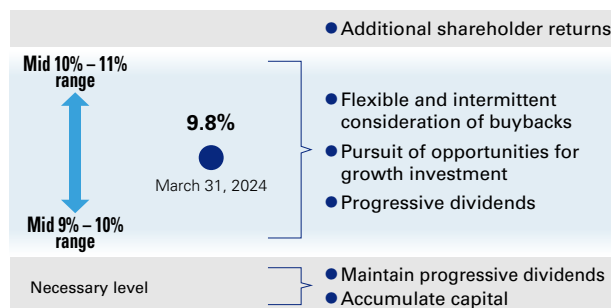


Growth investments



1. Basel III finalization fully effective basis. Excluding Net Unrealized Gains (Losses) on Other Securities.
2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.
3. Total of Equity in Income from Investments in Affiliates and Net Business Profits from North America CIB business.
4. Reflects the effect of the share consolidation conducted in October 2020.

Approach to capital management: CET1 Capital Ratio¹

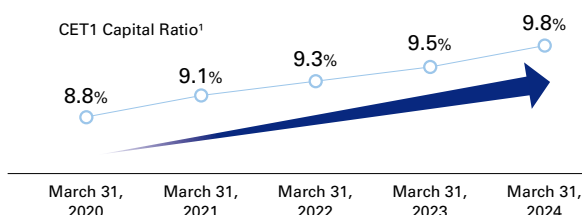


1. Basel III finalization fully effective basis. Excluding Net Unrealized Gains (Losses) on Other Securities.

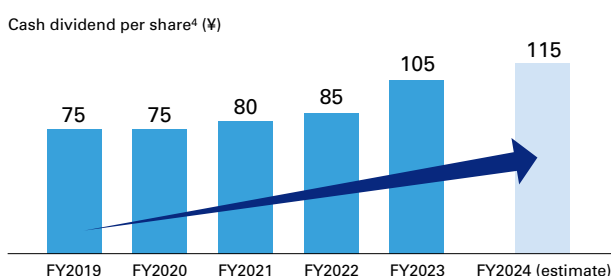
For our capital management policy, we will continue to pursue the optimal balance between capital adequacy, growth investment, and enhancement of shareholder returns. We will keep our CET1 Capital Ratio between the mid 9 – 10% and mid 10 – 11% ranges in order to build resilience to changes in the business environment and secure capacity for growth investment. As of March 2024, our CET1 Capital Ratio was strong at 9.8%, which will enable us to put more weight towards shareholder returns and growth investment going forward.

Our shareholder return policy remains unchanged. We

Capital adequacy



Shareholder returns



will maintain progressive dividends (40% dividend payout ratio as a guide) and explore share buybacks in a flexible manner. Capital adequacy, stock price, revenue trends, and growth investment opportunities will all be taken into consideration.

On growth investment, we categorize this into two types. The first is investment that will contribute to strengthening our business focus areas. We carefully look into opportunities and conduct multifaceted and in-depth examinations of factors such as adequacy of investment returns, effectiveness of governance, and compatibility of corporate cultures. The second is investment that could contribute to our future growth opportunities, such as investment in digital finance in Asia. We will implement disciplined management of these investments, thoroughly monitoring them after we make them and quickly exiting from any that do not produce the expected return within a certain time period.

Stakeholder communication

In my message for fiscal 2023, I mentioned that we would further strengthen engagement with our stakeholders

and improve our disclosures.

We have been vigorously rolling out IR activities to expand our opportunities for dialogue with investors both in and outside Japan. This has entailed not only considerably increasing the number of meetings with investors, but also improving our disclosures, such as detailing our initiatives for raising our P/B ratio. Aside from these, we held an IR Select event with Mizuho Americas, and an event to attract individual investors. In addition, we have had a number of in-depth meetings directly in English with our global investors, which have been constructive for both sides.

We receive many insightful suggestions from investors and are diligent about incorporating them into our strategies for sustainable growth. One example has been our initiatives to improve our disclosures. In fiscal 2023, we released our annual securities report prior to the General Meeting of Shareholders, and we also began to disclose our historical financial data on a quarterly basis.

We appreciate your candid views on Mizuho’s ongoing development.

Meetings with institutional investors

FY2023	770 (incl. 460 outside Japan)	+250 year-on-year
● By executive officers:	320 (incl. 150 outside Japan)	+130 year-on-year
● By IR Dept.:	450 (incl. 310 outside Japan)	+120 year-on-year



IR Select

In an online presentation from New York, the Mizuho Americas executive team explained the North America CIB business, one area of particular competitive advantage for Mizuho.



IR Select

Briefing for individual investors

Connecting through Rakuten Securities’ platform, Group CFO Yonezawa gave a presentation to individual—mainly younger—investors, providing information while also enhancing Mizuho’s brand image.



Cover of fiscal 2023 financial results presentation

Collaboration with Tokyo University of the Arts

Beginning from the investor presentation for the first half of fiscal 2023, our financial results presentations have featured students’ artwork on the covers.