

Compliance

Basic approach

One of our core business principles is the strict observance of all laws and regulations and the pursuit of fair and honest corporate activities that conform to socially accepted norms, and as such we have established a compliance framework befitting a global financial group.



We are committed to implementing a compliance framework to practice fair and honest corporate activities in order to live up to the trust of our customers and society, and we are constantly aware of the weight of our social responsibility and public mission as a provider of economic and social infrastructure.

- We are committed to enhancing our compliance framework in light of changes in the environment and increasing demands globally. This includes the prevention of money laundering and other financial crimes, the severance of relationships with organized crime, and the response to stricter global regulations regarding market transactions and personal information management.
- We will strive to create a culture, through messages from management and training, in which each and every employee practices compliance autonomously.

Makoto Matsubara

Senior Executive Officer
Group Chief Compliance Officer (Group CCO)

Compliance structure

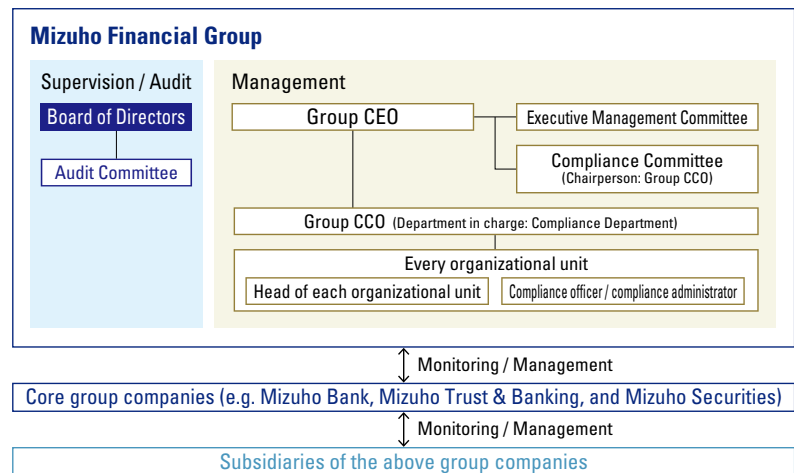
Mizuho Financial Group and its core group companies discuss important matters concerning compliance at each company's Compliance Committee (chaired by their respective CCOs), and promote compliance under the leadership of the Group Chief Compliance Officer (CCO) and the companies' respective CCOs.

At each organizational unit (such as branches and departments) in each company, the general manager, as the head of the organizational unit, is responsible for guidance and implementation related to compliance matters, and the compliance officer or compliance administrator at each organizational unit reviews the status of compliance.

Compliance practices

We have established the Mizuho Code of Conduct which sets forth standards of behavior to be followed by all executive officers and employees when implementing the precepts of our Corporate Identity. We have also prepared the Conduct Guidelines for Compliance setting out the model of conduct we are required to follow. Mizuho ensures that all executive officers and employees are fully acquainted with both the Code of Conduct and the Conduct Guidelines for Compliance through ongoing training and messages from management.

We monitor the status of compliance levels through self-assessments by each department and monitoring conducted by the compliance department of each company. In addition, every fiscal year, each of our group companies formulates a compliance program which is a concrete, practical plan for enhancing the compliance framework, conducting training, checks, and the like in light of changes in the global market transaction environment and increasing demands such as for prevention of money laundering and protection and management of personal information on a global basis. Progress on the compliance program is monitored every six months.



Addressing financial crime

Financial crimes are becoming more diverse and sophisticated, and acts of terrorism continue to occur around the world. In light of these trends, measures for anti-money laundering (AML), combating the financing of terrorism (CFT), and counter-proliferation financing (CPF) are extremely important. Against this backdrop, the key challenge for financial institutions is the strengthening of their AML/CFT/CPF measures. Mizuho considers money laundering / financing of terrorism to be one of our top risks, and we have formulated a framework to ensure compliance with the related laws and regulations in each jurisdiction. We are also continually enhancing our AML/CFT/CPF measures through discussions at the AML Enhancement Working Group and compliance inspections.

We ensure that everyone at Mizuho is trained to be aware of the importance of AML/CFT/CPF measures and their roles. By preventing the transfer of criminal proceeds and cutting off the supply of funds to terrorist organizations through these efforts, we contribute to the protection of our customers, the security of the international community, and the sound development of economic activities.

We have recently been working to prevent and contain damage due to special fraud and investment fraud, both of which are on the rise in Japan, by improving customer awareness, monitoring transactions, and suspending transactions where necessary.

Recognizing the social importance of preventing bribery, corruption, and corrupt practices, Mizuho has formulated a Policy for Anti-Bribery and Corruption and put in place a framework to prevent bribery and other corrupt practices at all group companies.

Our stance towards organized crime

In order to prevent organized crime from being involved in our business activities and to prevent any harm caused by organized crime, the Mizuho Code of Conduct includes an economic and social policy covering our zero-tolerance stance on business relationships with individuals or organizations that are in any way associated with organized crime and therefore threaten the order and safety of civil society.

We have also formed an Anti-Organized Crime Committee which includes external experts in industry-specific, in-depth discussions on this subject, in addition to other initiatives we are implementing on a group-wide basis to ensure that we have no direct or indirect associations with organized crime. Moreover, drawing on the discussions in this committee, these matters are also discussed and reported on at meetings of the compliance committees of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking, and Mizuho Securities.

Furthermore, core group companies have established departments dedicated to responding to organized crimes, appointed officers responsible for responding to unreasonable demands, formulated a manual on how to manage such issues, and established a framework for conducting training. If required, we consult with third-party experts and authorities on the handling of specific cases.

Measures for ensuring compliance

Education and training

At Mizuho, compliance-related education and training are key measures for ensuring appropriate compliance.

During fiscal 2023, Mizuho provided effective training tailored to a broad range of roles within the organization. We conducted e-learning training sessions on specific compliance topics for all employees and role-specific training for each class of positions such as executive officers, general managers, and compliance officers.

In addition to understanding the rules and procedures, the all-hands training is designed to deepen understanding and to provide points to note regarding responding to compliance risks in a timely manner. We will continue to improve this content going forward with the objective that all staff should be able to understand the principles of compliance based on the purpose and background of the law, and be prepared to take action proactively.

We are also dedicated to detecting potential compliance issues at the earliest stage possible and taking appropriate action. Therefore, each group company has established an internal reporting system through which executive officers and employees can directly get in touch with dedicated persons in their company's compliance department, an external law office or an external company specialized in internal reporting.

Internal reporting system (Compliance hotline)

We have a group-wide internal reporting system that is available 24 hours a day, every day of the year that connects to external contact points. The system also offers service in English and accepts anonymous reports. In order to ensure that executive officers and employees are fully acquainted with it, we provide in-house training to all staff, and hotline numbers and other relevant information is included on posters within each workplace and distributed to all executive officers and employees on wallet-sized cards. We are working to further improve the effectiveness of the system by regularly disseminating information such as past internal reports without specifying the case, and by taking thorough measures to protect staff who file reports. In fiscal 2023, we received a total of 175 reports through our hotlines via the internal and external contact points, with the response status reported to members of our Audit Committee.



Hotline for accounting and auditing

We have a hotline connecting to an external law office specifically for reporting inappropriate matters pertaining to the internal control and auditing of accounting and financial reports, which is also available to external personnel.