

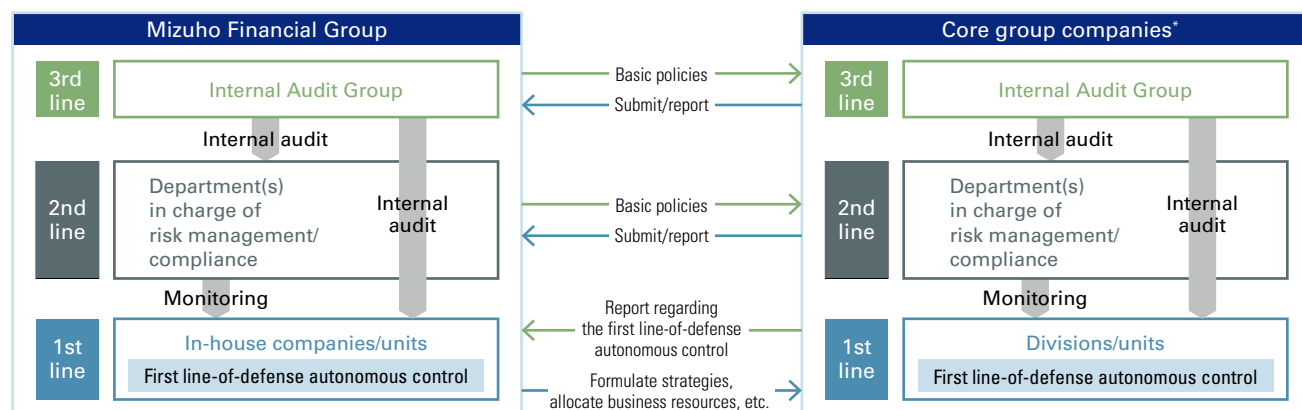
# Three lines of defense

In accordance with the “three lines of defense” approach in the Corporate Governance Principles for Banks released by the Basel Committee on Banking Supervision and the definitions and roles outlined below, we ensure appropriate and effective risk governance through autonomous controls (first line; business lines) and a check-and-balance system (second line; Department(s) in charge of risk management/compliance), along with an independent third line of internal auditing (Internal Audit Group). In addition, Mizuho Financial Group (holding company) sets group strategies and allocates resources, monitoring the autonomous controls in the first line at core group companies\* in order to strengthen the system providing appropriate responses.

## Our definition of the three lines of defense and their roles

First line	<p><b>Autonomous control function</b></p> <p>The first line-of-defense involves daily operations based on the rules, procedures, and risk appetite, and has a primary responsibility for risks and compliance matters accompanying the conduct of business as a risk owner, and for performing autonomous control activities (to identify, assess, and manage/control risks and compliance matters).</p>
Second line	<p><b>Risk management and compliance function</b></p> <p>The second line-of-defense oversees (monitors), measures, and assesses the first line’s autonomous control activities, and is responsible for establishing and implementing basic policies for risk management and compliance.</p>
Third line	<p><b>Internal audit function</b></p> <p>The third line-of-defense is independent of the first and second lines and involves assessment and examination of the operations of the first and second lines, and is responsible for providing advice and guidance to settle issues.</p>

## Our risk management and compliance framework



\* Of the core group companies, Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities, Mizuho Americas, and Mizuho Research & Technologies conduct risk management and compliance based on the “three lines of defense” concept.