Business Report for the 18th Fiscal Year

1. The current state of Mizuho Financial Group, Inc.

   (6) Employees

   (7) Principal offices

7. Matters regarding Independent Auditor

8. Structure for ensuring appropriate conduct of operations

9. Matters regarding specified wholly-owned subsidiary

Notes to the consolidated financial statements and notes to the non-consolidated financial statements

1. Notes to the consolidated financial statements

2. Notes to the non-consolidated financial statements

   (from April 1, 2019 to March 31, 2020)

Pursuant to laws and regulations, and the provision of Article 24 of the Articles of Incorporation, the items listed above are disclosed through postings on Mizuho Financial Group’s website (https://www.mizuho-fg.com/).

With respect to the Business Report, the item numbers are continued from the item numbers in the attachment to the Convocation Notice of the 18th Ordinary General Meeting of Shareholders.
### (6) Employees

<table>
<thead>
<tr>
<th>March 31, 2020</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mizuho Bank, Ltd. (consolidated)</td>
<td>36,863</td>
</tr>
<tr>
<td>Mizuho Trust &amp; Banking Co., Ltd. (consolidated)</td>
<td>4,988</td>
</tr>
<tr>
<td>Mizuho Securities Co., Ltd. (consolidated)</td>
<td>8,530</td>
</tr>
<tr>
<td>Other</td>
<td>6,883</td>
</tr>
<tr>
<td>Total</td>
<td>57,264</td>
</tr>
<tr>
<td>March 31, 2019</td>
<td></td>
</tr>
<tr>
<td>Mizuho Bank, Ltd. (consolidated)</td>
<td>37,786</td>
</tr>
<tr>
<td>Mizuho Trust &amp; Banking Co., Ltd. (consolidated)</td>
<td>5,076</td>
</tr>
<tr>
<td>Mizuho Securities Co., Ltd. (consolidated)</td>
<td>9,072</td>
</tr>
<tr>
<td>Other</td>
<td>7,198</td>
</tr>
<tr>
<td>Total</td>
<td>59,132</td>
</tr>
</tbody>
</table>

Notes:
1. The number of employees is the number of persons employed by Mizuho Financial Group and its consolidated subsidiaries.
2. The number of employees includes locally hired staff outside Japan and does not include temporary employees.
3. The number of employees of Mizuho Financial Group is included in “Other.”

Reference:
The following sets forth information regarding the employees of Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities, as well as Mizuho Financial Group (collectively, the “Four Companies”):

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>41,407</td>
<td>42,687</td>
</tr>
<tr>
<td>Average age</td>
<td>39 years, 0 month</td>
<td>38 years, 6 months</td>
</tr>
<tr>
<td>Average years of employment</td>
<td>14 years, 8 months</td>
<td>14 years, 2 months</td>
</tr>
<tr>
<td>Average monthly salary</td>
<td>JPY 489,000</td>
<td>JPY 480,000</td>
</tr>
</tbody>
</table>

Notes:
1. The number of employees is the number of persons employed by the Four Companies.
2. The number of employees is the aggregate total of employees of the Four Companies.
3. The average age, average years of employment and average monthly salary are the collective averages for the Four Companies.
4. The number of employees does not include temporary employees.
5. The calculations of average age, average years of employment and average monthly salary do not take into account seconded employees and locally hired staff outside Japan. Fractions are rounded down.
6. The average monthly salary is the average salary for the month of March, pre-tax, and does not include bonuses.
(7) Principal offices

a. Bank holding company
   Mizuho Financial Group: Head Office

b. Banking business
   Mizuho Bank

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of offices</th>
<th>Principal offices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2020</td>
<td>March 31, 2019</td>
</tr>
<tr>
<td>Kanto, Koshinetsu</td>
<td>385</td>
<td>385</td>
</tr>
<tr>
<td>Hokkaido, Tohoku</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Hokuriku, Tokai, Kinki</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Chugoku, Shikoku</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Kyushu, Okinawa</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Japan total</td>
<td>515</td>
<td>515</td>
</tr>
<tr>
<td>The Americas</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Europe and the Middle East</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Outside Japan total</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>558</td>
<td>557</td>
</tr>
</tbody>
</table>

Notes:
1. Offices include sub-branches, branches, offices for remittance purposes only, branches offering account transfer services only, ATM management branches (branches and offices to maintain shared ATMs only), pension plan advisory offices (pension plan advisory only offices) and internet branches.
2. In addition to the above, 166 banking agency offices (166 as of March 31, 2019), 55,941 non-branch ATMs (56,052 as of March 31, 2019) and 6 representative offices outside Japan (6 as of March 31, 2019) were in operation as of March 31, 2020.
3. In addition to the above, 3 sub-branches at Narita Airport (5 as of March 31, 2019), 5 sub-branches at Haneda Airport (4 as of March 31, 2019) and 1 sub-branch in Ginza, Tokyo (1 as of March 31, 2019), all mainly for foreign currency exchange, and 4 non-branch automated foreign currency exchange machines at Narita Airport (4 as of March 31, 2019) were in operation as of March 31, 2020. Among the non-branch automated foreign currency exchange machines listed as of March 31, 2019, 1 of said machines in Ginza, Tokyo and 2 of said machines at FamilyMart stores were permanently closed by March 31, 2020.
### Mizuho Trust & Banking

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of offices</th>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
<th>Principal offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kanto, Koshinetsu</td>
<td>42</td>
<td>42</td>
<td></td>
<td>Head Office, Yokohama Branch and other offices</td>
</tr>
<tr>
<td>Hokkaido, Tohoku</td>
<td>2</td>
<td>2</td>
<td></td>
<td>Sapporo Branch and Sendai Branch</td>
</tr>
<tr>
<td>Hokuriku, Tokai, Kinki</td>
<td>10</td>
<td>10</td>
<td></td>
<td>Osaka Branch, Nagoya Branch and other offices</td>
</tr>
<tr>
<td>Chugoku, Shikoku</td>
<td>3</td>
<td>3</td>
<td></td>
<td>Hiroshima Branch, Okayama Branch and other offices</td>
</tr>
<tr>
<td>Kyushu</td>
<td>3</td>
<td>3</td>
<td></td>
<td>Fukuoka Branch and other offices</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td></td>
<td><strong>60</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. Offices include 24 sub-branches (including Trust Lounges, Mizuho Trust & Banking’s offices that specialize in consultation and are mainly located within the same buildings as Mizuho Bank branches) (24 as of March 31, 2019).
2. In addition to the above, 66 trust agencies (61 as of March 31, 2019) were in operation as of March 31, 2020.

c. **Securities business**

### Mizuho Securities

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of offices</th>
<th>March 31, 2020</th>
<th>March 31, 2019</th>
<th>Principal offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kanto, Koshinetsu</td>
<td>46</td>
<td>46</td>
<td></td>
<td>Head Office, Shinjuku Sales Dept. I and other offices</td>
</tr>
<tr>
<td>Hokkaido, Tohoku</td>
<td>6</td>
<td>6</td>
<td></td>
<td>Sapporo Branch, Sendai Branch and other offices</td>
</tr>
<tr>
<td>Hokuriku, Tokai, Kinki</td>
<td>38</td>
<td>38</td>
<td></td>
<td>Osaka Sales Dept. I, Nagoya Branch and other offices</td>
</tr>
<tr>
<td>Chugoku, Shikoku</td>
<td>10</td>
<td>10</td>
<td></td>
<td>Hiroshima Branch, Takamatsu Branch and other offices</td>
</tr>
<tr>
<td>Kyushu</td>
<td>9</td>
<td>9</td>
<td></td>
<td>Fukuoka Branch, Kumamoto Branch and other offices</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>109</strong></td>
<td></td>
<td><strong>109</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. In addition to the above, 2 representative offices outside Japan (2 as of March 31, 2019) were in operation as of March 31, 2020.
2. In addition to the above, 147 Planet Booths (150 as of March 31, 2019) were in operation in the lobbies of Mizuho Bank branches for securities investment consultations as of March 31, 2020.

d. **Other business**

Mizuho Information & Research Institute, Inc.; Head Office and other offices
Reference:
In order to provide further enhanced, comprehensive financial services, the establishment of joint branches capable of offering banking, trust banking and securities services is being promoted for the offices stated in b. and c. above. The details are as follows:

<table>
<thead>
<tr>
<th>Joint branches (Japan)</th>
<th>Number of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2020</td>
<td></td>
</tr>
<tr>
<td>Joint branches offering banking, trust banking and securities services</td>
<td>40</td>
</tr>
<tr>
<td>Joint branches offering banking and securities services</td>
<td>152</td>
</tr>
<tr>
<td>Joint branches offering banking and trust banking services</td>
<td>4</td>
</tr>
<tr>
<td>Joint branches offering trust banking and securities services</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>197</strong></td>
</tr>
</tbody>
</table>

Note:
Mizuho Securities joint branches include Planet Booths, in addition to its offices.
## 7. Matters regarding Independent Auditor
### (1) Independent Auditor

| Name | Ernst & Young ShinNihon LLC  
| Designated Partners with Limited Liability  
| Ryuji Takagi, C.P.A.  
| Hiroshi Nishida, C.P.A.  
| Shinichi Hayashi, C.P.A.  
| Mitsuhiro Nagao, C.P.A. |
| Compensation, etc. for the fiscal year ended March 31, 2020 | JPY 49 million |

### Other

1. The Audit Committee reviewed, based on the performance of duties by the Independent Auditor in previous years pursuant to the auditing plan, whether (i) the items and structure of the auditing plan for the fiscal year ended March 31, 2020 were such that they appropriately corresponded to the risk assessments, and (ii) the estimate of the compensation for the audit had been prepared based on the auditing hours required to ensure effective, efficient and proper auditing quality. As a result thereof, the Audit Committee determined that the amount of compensation for the audit was reasonable, and the Audit Committee gave the consent set forth in Article 399, Paragraph 1 of the Companies Act.

2. Mizuho Financial Group paid consideration to the Independent Auditor for the advisory services and other services related to the U.S. GAAP, which are not included among the services set forth in Article 2, Paragraph 1 of the Certified Public Accountant Act (non-audit services).

### (Notes)

1. Fractions are rounded down.
2. The audit contract between Mizuho Financial Group and the Independent Auditor does not separate the compensation for the audit under the Companies Act from the compensation for the audit under the Financial Instruments and Exchange Act. Moreover, it is practically impossible to separate the two. Accordingly, the above amount is the total of such compensation.
3. The total amount of cash and other proprietary benefits to be paid to the Independent Auditor of Mizuho Financial Group by Mizuho Financial Group, its majority-owned consolidated subsidiaries and its other consolidated subsidiaries is JPY 4,080 million. If the amounts to be paid under the audit contract concluded with the Independent Auditor by Mizuho Financial Group, its majority-owned consolidated subsidiaries and its other consolidated subsidiaries have not yet been determined, approximate amounts are used for the calculations.
(2) Other matters regarding the Independent Auditor
a. Policy for determination of dismissal or non-reappointment of the Independent Auditor

Dismissal
1. The Audit Committee determines the content of proposals regarding the dismissal of an Independent Auditor to be submitted to the general meeting of shareholders in the case where it is expected that the audit of financial statements or other items may be seriously affected by that Independent Auditor’s actions; namely, where such Independent Auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and other matters that may affect the audit of financial statements or other items.

2. The Audit Committee dismisses an Independent Auditor upon the unanimous consent of all members of the Audit Committee in the case where such Independent Auditor is recognized to fall under any of the Items in Article 340, Paragraph 1 of the Companies Act and the Audit Committee decides that the Independent Auditor in question should be promptly dismissed. In such a case, the members of the Audit Committee designated by the Audit Committee will report the dismissal of the Independent Auditor in question and the reason for such dismissal at the first general meeting of shareholders called after such dismissal.

Non-reappointment
The Audit Committee determines the content of proposals regarding the non-reappointment of an Independent Auditor to be submitted to the general meeting of shareholders in the case where the Audit Committee decides that it is reasonable to change the Independent Auditor to another Independent Auditor who is more capable of being entrusted with the duties of an Independent Auditor of the group, even though the system or other such framework that ensures (i) the appropriate implementation of the method of the audit and the results thereof and (ii) the appropriate accomplishment of duties conducted by the Independent Auditors is maintained at a level generally recognized to be adequate.

b. Principal majority-owned subsidiaries and other subsidiaries audited by any certified public accountant or audit corporation other than the Independent Auditor of Mizuho Financial Group

Mizuho International plc and twelve (12) other companies among Mizuho Financial Group’s principal majority-owned subsidiaries and other subsidiaries are subject to audits (limited to the audits under the provisions of the Companies Act or the Financial Instruments and Exchange Act (including any foreign law equivalent to either of these laws)) by audit corporations (including entities with equivalent qualifications in the relevant foreign country) other than the Independent Auditor of Mizuho Financial Group.
8. Structure for ensuring appropriate conduct of operations

The Structure for Ensuring Appropriate Conduct of Operations resolved upon by the Board of Directors and the operational status of this structure are summarized below.

Regarding Mizuho Financial Group’s Internal Control System that was resolved upon at the Board of Directors meeting held on April 26, 2019, the system’s operational status and related matters were reviewed, and the nonexistence of structural or operational issues was confirmed. Thereafter, the Internal Control System was resolved upon at the Board of Directors meeting held on April 24, 2020.

Summary of the Structure for Ensuring Appropriate Conduct of Operations resolved on at the Board of Directors meeting

(1) Risk management structure

**Rules and other structures for managing risk of loss**

- **Comprehensive risk management**
  
  Mizuho Financial Group maintains basic policies with respect to comprehensive risk management of Mizuho Financial Group and entities administered by Mizuho Financial Group in the Basic Policy for Comprehensive Risk Management.

  Mizuho Financial Group sets forth, in the Basic Policy for Comprehensive Risk Management, definitions and classifications of risks as well as the departments and offices responsible for risk management and the management structure. Moreover, Mizuho Financial Group implements comprehensive risk management to control risk to a level acceptable from a management perspective by evaluating risks as a whole and appropriately responding to risks as necessary either prior or subsequent to their occurrence both qualitatively and quantitatively.

  The President & CEO is responsible for the comprehensive risk management of Mizuho Financial Group, while the Head of the Risk Management Group is in charge of matters relating to the planning and operation of comprehensive risk management pursuant to the Basic Policy for Comprehensive Risk Management. The Head of the Risk Management Group reports to the Board of Directors, the Risk Committee, the Executive Management Committee, and the President & CEO with respect to the status of comprehensive risk management and other related items, periodically and as necessary. Moreover, the Head of the Risk Management Group makes recommendations to each executive officer in charge of risk management from the perspective of comprehensive risk management, as necessary.

- **Business policy committees**

  Business policy committees, such as the Risk Management Committee, comprehensively discuss and coordinate various company-wide issues concerning different forms of risk such as market risk and liquidity risk.

<table>
<thead>
<tr>
<th>Business policy committees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business policy committees, such as the Risk Management Committee, comprehensively discuss and coordinate various company-wide issues concerning different forms of risk such as market risk and liquidity risk.</td>
<td></td>
</tr>
</tbody>
</table>
Business continuity management

In our Basic Policy for Business Continuity Management, Mizuho Financial Group sets forth response measures to be taken in the event of an emergency at Mizuho Financial Group and entities administered by Mizuho Financial Group and basic policies for business continuity management.

Mizuho Financial Group establishes appropriate and effective response measures as well as the framework of business continuity management and response measures in the event of an emergency in the Basic Policy for Business Continuity Management in ordinary times in order to identify risks of an emergency and swiftly implement measures, including risk reduction measures in the event of an emergency, and we aim to disseminate this information across the organization.

Mizuho Financial Group has a dedicated organization in charge of business continuity management.

Rules and other structures for managing risk of loss, including the above mentioned rules and structures, have been set forth in internal policies such as our Basic Policy for Comprehensive Risk Management, Basic Policy for Credit Risk Management, Basic Policy for Market Risk Management, Basic Policy for Liquidity Risk Management, Basic Policy for Operational Risk Management, and Basic Policy for Business Continuity Management.

Rules and other structures for managing risk of loss at Mizuho Financial Group’s subsidiaries

Basic policy relating to risk management

With respect to risk management at Mizuho Financial Group’s core group companies, Mizuho Financial Group develops and provides basic policies and other internal rules and receives reports periodically or as necessary on matters necessary for risk management, such as the risk status at the core group companies, and reports the comprehensive risk management status and other relevant information to the Board of Directors, the Risk Committee and other appropriate governance bodies. Mizuho Financial Group’s prior approval is required when adjustments to the basic policies, or other rules, developed by Mizuho Financial Group are necessary, or when Mizuho Financial Group provides instructions regarding these basic policies or other rules.

Mizuho Financial Group centrally oversees and manages the risk and business continuity management of the core group companies, and the risk and business continuity management of subsidiaries and affiliates other than the core group companies shall be overseen, in principle, through the core group companies.

The companies particularly designated by Mizuho Financial Group, among the core group companies, each set forth their basic policy for risk and business continuity management upon applying to Mizuho Financial Group, in accordance with the basic policy established by Mizuho Financial Group.

Rules and other structures for managing risk of loss of Mizuho Financial Group’s subsidiaries, including the above mentioned structures, have been set forth in internal policies such as our Group Management Administration
(2) Compliance structure

Structure to ensure that Executive Officers as defined in the Companies Act and employees execute their duties in compliance with laws, regulations and the Articles of Incorporation

■ Mizuho Code of Conduct

Mizuho Financial Group maintains the Mizuho Code of Conduct as an ethical standard that must be observed in line with our Corporate Identity, which serves as the concept that forms the basis of all activities conducted by Mizuho Financial Group. Mizuho Financial Group observes the Mizuho Code of Conduct in making all business and operational decisions.

■ Compliance

Mizuho Financial Group views complete compliance as a basic principle of management and maintains a compliance management structure and a Compliance Manual. Mizuho Financial Group, in principle, develops compliance programs each fiscal year for the implementation of specific plans for complete compliance and periodically follows up on the status of the implementation of such plans. Mizuho Financial Group also maintains a compliance hotline and hotlines relating to internal control and audits with respect to accounting and financial reports.

The President & CEO is responsible for compliance at Mizuho Financial Group, while the Head of the Compliance Group is in charge of planning, drafting and promoting matters related to compliance in general. The Head of the Compliance Group reports to the Board of Directors, the Audit Committee, the Executive Management Committee, and the President & CEO with respect to the status of compliance and other matters, periodically and as necessary.

■ Stance towards organized crime

Mizuho Financial Group’s stance towards organized crime is part of our compliance structure. Mizuho Financial Group is dedicated to preventing transactions with individuals or organizations associated with organized crime, which is viewed as an important group policy when designing and implementing the specific plans for complete compliance mentioned above.

■ Business policy committees

Business policy committees, such as the Compliance Committee, comprehensively discuss and coordinate issues concerning compliance and the handling of organized crime-related measures.

A structure to ensure that Executive Officers as defined in the Companies Act and employees execute their duties in compliance with laws, regulations and the Articles of Incorporation, including the above mentioned structures, has been set forth in internal policies including the Mizuho Code of Conduct, Basic Policy of Compliance and the Compliance Manual.
Structure to ensure that directors, employees, and other members of Mizuho Financial Group's subsidiaries execute their duties in compliance with laws, regulations and the Articles of Incorporation

■ Basic policy relating to compliance
With respect to the compliance management of the core group companies, Mizuho Financial Group develops and provides basic policies and other such rules, and receives reports periodically or as necessary on matters necessary for compliance management of the core group companies, and reports the status of compliance and other matters to the Board of Directors, the Audit Committee, and other appropriate governance bodies. Mizuho Financial Group’s prior approval is required when adjustments to the basic policies or other rules developed by Mizuho Financial Group are necessary, or when Mizuho Financial Group provides instructions regarding these basic policies or other rules.

Mizuho Financial Group maintains a system that centrally oversees and manages the status of compliance of the core group companies, and as for subsidiaries and affiliates, other than the core group companies, a compliance management system is established, in principle, through the core group companies.

The companies particularly designated by Mizuho Financial Group, among the core group companies, each set forth their basic policy on compliance upon applying to Mizuho Financial Group, in accordance with the basic policy established by Mizuho Financial Group.

A structure to ensure that directors, employees, and other members of Mizuho Financial Group’s subsidiaries execute their duties in compliance with laws, regulations and the Articles of Incorporation, including the above mentioned structures, has been set forth in internal policies such as the Group Management Administration Regulations and Basic Policy of Compliance.

(3) Execution of duties by Executive Officers as defined in the Companies Act

Structure for the safekeeping and management of information on the execution of duties by Executive Officers as defined in the Companies Act

■ Period of retention
Mizuho Financial Group fixes the period of retention for information, such as the minutes of the Executive Management Committee meetings and other various committee meetings and materials related thereto, as well as applications for approval and reports, and carries out other necessary matters relating to the safekeeping and management thereof.

■ Information management
The President & CEO is responsible for information management at Mizuho Financial Group, while the Head of the Compliance Group is in charge of matters relating to the planning and operation of information management. The Head of the Compliance Group reports to the Board of Directors, the Audit Committee, the Executive Management Committee, and the President
& CEO with respect to the status of information management and other matters, periodically and as necessary.

Mizuho Financial Group, in principle, establishes specific plans for thorough information management each fiscal year and periodically follows up on the status of the implementation thereof.

**Business policy committees**
Business policy committees, such as the Compliance Committee, comprehensively discuss and coordinate various company-wide measures concerning information management.

A structure for the safekeeping and management of information on the execution of duties by Executive Officers as defined in the Companies Act, including the above mentioned structures, has been set forth in internal policies including the Basic Approach for Group Business Management Concerning Information Management, Information Security Policy, Regulations of the Executive Management Committee, and Regulations of the Internal Audit Committee.

**Structure to ensure the efficient execution of duties by Executive Officers as defined in the Companies Act**

- **Delegation of authority**
  Mizuho Financial Group realizes expeditious corporate management that is capable of making swift and flexible decisions by delegating decisions on business execution to Executive Officers as defined in the Companies Act to the fullest extent.

- **In-house company system**
  Mizuho Financial Group maintains in-house companies and units under a management structure based on customer segments and, as the holding company that oversees the business management of the group, Mizuho Financial Group formulates group-wide strategies across banking, trust banking, securities, and other business areas.

- **Implementation of risk appetite framework**
  Mizuho Financial Group implements a risk appetite framework by establishing a group level risk appetite within the risk-bearing capacity of the group as a whole and, among other things, specifying risk appetite metrics for each in-house company and unit.

- **Assignment of business operations, decision-making authority**
  Mizuho Financial Group determines the criteria for matters to be resolved by or reported to the Board of Directors, assignment of business operations to each organization, decision-making authority depending on the importance of matters, etc. Mizuho Financial Group also maintains an Executive Management Committee and several business policy committees. Thus, Mizuho Financial Group ensures that Executive Officers as defined in the Companies Act execute their duties efficiently on a company-wide basis.

A structure to ensure the efficient execution of duties by Executive Officers as defined in the Companies Act, including the above mentioned structures, has been set forth in internal policies such as our Corporate Governance Guidelines, Regulations of the Board of Directors, Organization Regulations, Authorization Regulations, and Basic Policy Concerning the Operation of the
Risk Appetite Framework.

(4) Group management administration structure

Structure for ensuring appropriate conduct of operations within the corporate group consisting of Mizuho Financial Group and its subsidiaries

■ Mizuho Code of Conduct
Each group company has adopted the Mizuho Code of Conduct.

■ Group management administration
Mizuho Financial Group directly administers its core group companies as stipulated in our Group Management Administration Regulations, in order to play an active role as the holding company in the management of the group and act in a planning function with respect to group strategies and policies and a controlling function with respect to each group company as part of Mizuho Financial Group’s business management.

In accordance with the Standards for Management of Subsidiaries established by Mizuho Financial Group, the core group companies administer subsidiaries and affiliates other than the core group companies.

■ Reports to the Board of Directors and other governance bodies, by Directors, Executive Officers as defined in the Companies Act, employees, etc.
The Board of Directors, the Nominating Committee, the Compensation Committee, and the Audit Committee may, whenever necessary, have Directors, Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group (including directors, corporate auditors, or other persons equivalent thereto and employees of the Three Core Companies, and directors, corporate auditors, or other persons equivalent thereto and employees of Mizuho Financial Group’s subsidiaries and affiliates with respect to the meetings of the Board of Directors and the Audit Committee) attend meetings of the Board of Directors and such committees and request reports and opinions by those people. Directors, Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group (including directors, corporate auditors, or other persons equivalent thereto and employees of the Three Core Companies, and directors, corporate auditors, or other persons equivalent thereto and employees of Mizuho Financial Group’s subsidiaries and affiliates with respect to the meetings of the Board of Directors and the Audit Committee) shall, upon request, attend meetings of the Board of Directors and such committees and explain matters requested by the Board of Directors and such committees.

A structure for ensuring appropriate conduct of operations within the corporate group consisting of Mizuho Financial Group and its subsidiaries, including the above mentioned structures, has been set forth in internal policies such as the Corporate Governance Guidelines, Mizuho Code of Conduct, Regulations of the Board of Directors, Regulations of the In-House Company Strategy Conference, Group Management Administration Regulations, Standards for
Management of Subsidiaries, and Regulations for the Operation of the in-house company system.

<table>
<thead>
<tr>
<th>Structure concerning reports to Mizuho Financial Group on matters related to the execution of duties by the directors of Mizuho Financial Group’s subsidiaries and other persons equivalent thereto</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application for approval and reports from the core group companies</strong></td>
</tr>
<tr>
<td>Pursuant to the Group Management Administration Regulations, Mizuho Financial Group receives applications for approval from the core group companies on material matters concerning the entire group and receives reports on matters relevant thereto.</td>
</tr>
<tr>
<td>With respect to risk management, compliance management, and internal audits, Mizuho Financial Group receives reports periodically or as necessary regarding necessary matters in accordance with the basic policies and other such internal regulations. In addition, the core group companies are required to submit an application for approval or complete other such procedures when adjustments are required to such basic policies or other internal regulations or when instructed to do so by Mizuho Financial Group.</td>
</tr>
</tbody>
</table>

A structure concerning reports to Mizuho Financial Group on matters related to the execution of duties by the directors of Mizuho Financial Group’s subsidiaries and other persons equivalent thereto, including the above mentioned structures, has been set forth in the internal policies such as our Group Management Administration Regulations, Basic Policy for Comprehensive Risk Management, Basic Policy of Compliance, and Basic Policy on Internal Audit.

<table>
<thead>
<tr>
<th>Structure to ensure the efficient execution of duties of the directors of Mizuho Financial Group’s subsidiaries and other persons equivalent thereto</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development and presentation of management policies and other directives</strong></td>
</tr>
<tr>
<td>Pursuant to the Group Management Administration Regulations, Mizuho Financial Group develops basic policies and other such internal policies on matters concerning the development of management policy and business strategy, and presents them to the core group companies.</td>
</tr>
</tbody>
</table>

A structure to ensure the efficient execution of duties of the directors of Mizuho Financial Group’s subsidiaries and other persons equivalent thereto, including the above mentioned structures, has been set forth in internal policies including our Group Management Administration Regulations and Organization Regulations.

(5) Execution of duties by the Audit Committee

<table>
<thead>
<tr>
<th>Matters concerning employees designated as assistants for the Audit Committee’s duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishment of the Audit Committee Office</strong></td>
</tr>
<tr>
<td>Mizuho Financial Group designates the Audit Committee Office as the office in charge of matters concerning assistance in the performance of the Audit Committee’s duties and matters concerning the secretariat for the Audit Committee, and the General Manager of the Audit Committee Office</td>
</tr>
</tbody>
</table>
manages the office’s business under the instructions of members of the Audit Committee.

The above stipulations have been set forth in internal policies such as our Regulations of the Audit Committee and Organization Regulations.

### Matters concerning measures for ensuring that employees assisting the Audit Committee’s duties remain independent from Executive Officers as defined in the Companies Act and the effectiveness of the instructions to such employees

**Prior consent of the Audit Committee**

Prior consent of the Audit Committee shall be obtained with respect to the establishment of the budget of the Audit Committee Office in charge of matters concerning assistance in the performance of the Audit Committee’s duties, reorganization thereof, and personnel changes or other such matters concerning employees assigned thereto.

**Ensuring sufficiency and independence of structure**

The Audit Committee, from the perspective of ensuring the effectiveness of audits, takes into consideration whether the sufficiency of the structure of assistant employees and other persons equivalent thereto, and the independence of assistant employees and other persons equivalent thereto, from Executive Officers as defined in the Companies Act or other persons performing an executive role, are ensured.

The above stipulations have been set forth in internal policies such as our Regulations of the Audit Committee and Auditing Standards of the Audit Committee.

### The structure under which Directors (excluding Directors who are members of the Audit Committee), Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group report to the Audit Committee

**Attendance at meetings of the Audit Committee by Directors, Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group**

The Audit Committee may, whenever necessary, have Directors, Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group attend meetings of the Audit Committee and request reports and opinions by such persons. Directors, Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group shall, upon request by the Audit Committee, attend meetings of the Audit Committee and explain matters requested by the Audit Committee.

The Audit Committee receives reports from internal organizations such as the Compliance Group, the Risk Management Group, the Strategic Planning Group, and the Financial Control & Accounting Group on matters concerning the internal control system, and, whenever necessary, requests investigation of relevant matters.

**Coordination with the Internal Audit Group**

The Audit Committee coordinates with the Internal Audit Group regularly and flexibly; for example, the Audit Committee receives reports on topics including auditing plans and audit results from the Internal Audit Group, and,
whenever necessary, requests investigation of relevant matters or gives specific instructions to the Internal Audit Group, and the Internal Audit Group conducts such investigations and takes such specific instructions.

A structure under which Directors (excluding Directors who are members of the Audit Committee), Executive Officers as defined in the Companies Act, and employees of Mizuho Financial Group report to the Audit Committee, including the above mentioned matters, has been set forth in internal policies such as our Corporate Governance Guidelines, Regulations of the Audit Committee, Auditing Standards of the Audit Committee, and Regulations of the Internal Audit Committee.

The structure under which directors, corporate auditors, or other persons equivalent thereto, and employees of Mizuho Financial Group’s subsidiaries or persons who receive reports from such persons report to the Audit Committee

■ Attendance at meetings of the Audit Committee by directors, corporate auditors, executive officers, employees of subsidiaries, etc.

The Audit Committee may, whenever necessary, have directors, corporate auditors, or other persons equivalent thereto, and employees of Mizuho Financial Group’s subsidiaries and affiliates attend meetings of the Audit Committee and request reports and opinions by such persons. Directors, corporate auditors, or other persons equivalent thereto, and employees of Mizuho Financial Group’s subsidiaries and affiliates shall, upon request by the Audit Committee, attend meetings of the Audit Committee and explain matters requested by the Audit Committee.

■ Reports of the status of management of subsidiaries and affiliates

The Audit Committee and members of the Audit Committee receive reports or explanations concerning the status of management of subsidiaries and affiliates from Executive Officers as defined in the Companies Act and employees, and inspect relevant documents. The Audit Committee and members of the Audit Committee shall, whenever necessary in order to audit the circumstances regarding the execution of duties by Directors and Executive Officers as defined in the Companies Act, request subsidiaries and affiliates to provide reports regarding their businesses or investigate the status of their operations and properties.

A structure under which directors, corporate auditors, or other persons equivalent thereto, and employees of Mizuho Financial Group’s subsidiaries or persons who receive reports from such persons report to the Audit Committee of Mizuho Financial Group, including the above mentioned matters, has been set forth in internal policies such as our Corporate Governance Guidelines, Regulations of the Audit Committee, and Auditing Standards of the Audit Committee.

The structure to ensure that persons who report to the Audit Committee are not treated disadvantageously due to such a report

■ Prohibition of disadvantageous treatment

Mizuho Financial Group maintains a compliance hotline where employees and other individuals may file a report when they find any problems concerning compliance, such as a violation of laws or a violation of office
regulations. The compliance hotline is implemented through policies such as, with respect to informing or reporting the relevant matters to ensure confidentiality; not to disclose the personal information of those who report to any third party without their consent; to give consideration not to identify those who report as part of a factual investigation; and not to disadvantageously treat those who report, for example disadvantageous treatment in job assignment or any other personnel matters or any other aspects due to such a report.

Persons who report to the Audit Committee shall not be treated disadvantageously due to such a report.

A structure to ensure that persons who report to the Audit Committee are not treated disadvantageously due to such a report, including the above mentioned matters, has been set forth in internal policies such as our Basic Policy of Compliance.

Matters concerning policies for the procedures for prepayment or reimbursement of the expenses incurred for the execution of duties by members of the Audit Committee (limited to the execution of duties for the Audit Committee) or treatment of other expenses or liabilities incurred for the execution of such duties

■ Burden of Expenses
The Audit Committee or members appointed by the Audit Committee, whenever necessary, may utilize attorneys-at-law, certified public accountants or other experts, and are authorized to pay such expenses and request Mizuho Financial Group to reimburse such expenses deemed necessary for the execution of duties. Mizuho Financial Group shall bear such expenses.

The above mentioned matters have been set forth in internal policies such as our Regulations of the Audit Committee and Auditing Standards of the Audit Committee.

Other structures to ensure the effectiveness of audits by the Audit Committee

■ Appointment of members of the Audit Committee
Given that, as a financial institution, it is essential for Mizuho Financial Group to ensure the effectiveness of the activities of the Audit Committee and that it is necessary for the Audit Committee to gather information through internal directors who are familiar with financial businesses and regulations, share information among the Audit Committee and to have sufficient coordination with internal control departments, Mizuho Financial Group in principle appoints one or two Non-Executive Directors who are internal directors as full-time members of the Audit Committee.

■ Coordination with the Internal Audit Group and other organizations
The Audit Committee executes its duties through effective coordination with the Internal Audit Group, based on the establishment and management of internal control systems at Mizuho Financial Group and its subsidiaries.
■ Attendance of Independent Auditors, outside experts, etc., at the Audit Committee
The Audit Committee may, whenever necessary, have Independent Auditors, outside experts, etc., attend meetings of the Audit Committee and request reports and opinions by those people. Independent Auditors shall, upon request by the Audit Committee, attend meetings of the Audit Committee and explain matters requested by the Audit Committee.

■ Coordination with Corporate Auditors of subsidiaries and affiliates as well as Independent Auditors
The Audit Committee and members of the Audit Committee maintain close coordination with Independent Auditors in order to implement effective auditing, and whenever necessary, maintain close coordination with the Corporate Auditors of subsidiaries and affiliates.

Other structures to ensure the effectiveness of audits by the Audit Committee, including the above mentioned structures, have been set forth in internal policies such as our Corporate Governance Guidelines, Regulations of the Audit Committee, and Auditing Standards of the Audit Committee.
Summary of the operational status of our Structure for Ensuring Appropriate Conduct of Operations (Internal Control System)

(1) Risk management structure

- Mizuho Financial Group ensures the soundness of its capital by allocating risk capital to its subsidiaries and affiliates to control risk within the limits set for each company. In addition, Mizuho Financial Group regularly monitors the manner in which risk capital is used and reports to the Board of Directors and other governance bodies.

- Business Policy Committees, such as the Risk Management Committee, comprehensively coordinate and conduct discussions, and report to the Board of Directors and other governance bodies periodically and as necessary.

- A Crisis Management Office has been established within the Strategic Planning Group as a section specializing in the supervision of business continuity management. In addition, for the purposes of uniform maintenance and improvement of the group’s business continuity management system, the group’s development policies and plan are formulated each fiscal year taking into account the social environment, changes in risk, and other factors. The Executive Management Committee periodically follows up on the progress of the development plan and reports to the Board of Directors and other governance bodies. In addition, the group continuously implements joint training, drills, etc. and through such training and drills, works to improve the effectiveness of the business continuity management system of the entire group.

- Moreover, in consideration of its vital role within the social infrastructure as a financial institution, a specialized section is planning and conducting cybersecurity risk management, which has increasingly been gaining importance.

- In addition, Mizuho Financial Group has decided to establish “Group Chief Information Security Officer” as the officer in charge of cybersecurity taking into account the increase in global cyberattack risks.

- In conjunction with the introduction of the in-house company system, Mizuho Financial Group has strengthened autonomous control, which is one of the “three lines of defense,” and has established and operated a structure in which risk monitoring and compliance associated with business operations is managed and integrated with its businesses by each in-house company, unit, etc.

- Mizuho Financial Group centrally oversees and manages the status of risk and business continuity management of the core group companies by receiving reports on this status and other matters from the core group companies and informing the Board of Directors, the Audit Committee, and other governance bodies of such reports. The risk and business continuity management of subsidiaries and affiliates other than the core group companies, is managed through the core group companies.
(2) Compliance structure

- Every year, Mizuho Financial Group develops and implements compliance programs, including various arrangements, training and checks, etc., related to compliance for the implementation of specific plans for complete compliance and additionally, manages the progress of and makes necessary amendments to such plans.

- Mizuho Financial Group’s preventative measures concerning organized crime are conducted as part of our compliance structure. We are dedicated to preventing transactions with individuals or organizations associated with organized crime as an important group policy of when designing and implementing the specific plans for complete compliance mentioned above.

- The Compliance Committee and other internal organizations discuss and coordinate issues concerning compliance, including compliance programs, and report to the Board of Directors and other governance bodies periodically and as necessary.

- Mizuho Financial Group centrally oversees and manages the compliance status of the core group companies by receiving reports on the status of compliance management and other matters from the core group companies and informing the Board of Directors, the Audit Committee, etc., of such reports. The compliance status of subsidiaries and affiliates other than the core group companies, is managed through the core group companies.

(3) Execution of duties by Executive Officers as defined in the Companies Act

- Mizuho Financial Group carries out the safekeeping and management of material documents, such as the minutes of the Executive Management Committee meetings and other various committee meetings and materials related thereto, as well as applications for approval and reports, pursuant to certain rules. Mizuho Financial Group establishes and follows up on specific plans for information management, including training and checks, and reports to the Board of Directors and other governance bodies with respect to the status of information management and other such matters.

- Mizuho Financial Group has adopted a Company with Three Committees structure for the purpose of securing the effectiveness of corporate governance and supervision of the management, and enabling the management to make swift and flexible decisions and to realize expeditious corporate management by the Board of Directors’ delegating decisions on business execution.

- Mizuho Financial Group has introduced the in-house company system, which is a management structure based on customer segments that enables us to effectively conduct banking, trust banking, securities, asset management, think tank and other group functions.

- With the aim of balancing our risk-return through the integrated group-wide operation of business strategies, financial strategies, and risk controls, we introduced a risk appetite framework, under which, the group determines business strategies and measures as well as resource allocation and earnings plans based on Mizuho’s risk appetite that is defined as the level and type of
risk management the group is willing to assume in order to realize our business and financial strategies, and we monitor the operation status of this framework.

- Mizuho Financial Group has determined the matters to be resolved by or reported to the Board of Directors, assignment of each organization, decision-making authority, etc. In addition, the Executive Management Committee and the Business Policy Committees were established and thus, Mizuho Financial Group ensures that Executive Officers as defined in the Companies Act execute their duties efficiently on a company-wide basis.

(4) Group management administration structure
- The tenets of Mizuho’s Corporate Identity are shared throughout the group, and integrated group management is ensured by the direct administration of the core group companies by Mizuho Financial Group and of subsidiaries and affiliates other than the core group companies by the core group companies.
- Pursuant to the Group Management Administration Regulations, Mizuho Financial Group received applications for approval from the core group companies on material matters concerning the entire group and received reports on matters equivalent thereto.
- With respect to risk management, compliance management, and internal audit, Mizuho Financial Group received reports periodically and as necessary, and reported such reports to the Board of Directors and other governance bodies. Mizuho Financial Group also gave appropriate instructions with respect to the risk management, compliance management, and internal audit.
- Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities adopted a Company with Audit and Supervisory Committees structure to establish a strong group governance structure.

(5) Execution of duties by Audit Committee
- The Audit Committee consists of two Internal Non-Executive Directors and three Outside Directors, and the two Internal Non-Executive Directors are appointed as full-time members of the Audit Committee. The full-time members of the Audit Committee strive to ensure the effectiveness of the Audit Committee’s activities by attendance at important meetings, inspection of relevant documents, and collection of reports from Directors, Executive Officers as defined in the Companies Act and employees of Mizuho Financial Group as well as directors, corporate auditors, or other persons equivalent thereto and employees of Mizuho Financial Group’s subsidiaries and affiliates.
- The Audit Committee periodically receives reports from Executive Officers as defined in the Companies Act and other individuals on, among other things, the status of the execution of duties, including administration of group companies, and takes the opportunity to exchange opinions and information, mainly from an internal control perspective. The Audit Committee, after confirming the effectiveness of the internal control system, consented to the submission of a proposal to the Board of Directors concerning annual modification of the internal control system.
- Above all, with respect to internal audits, the Audit Committee has the Head of the Internal Audit Group attend the meetings of the Audit Committee to receive
reports periodically on, among other things, the status of internal audits, including those of group companies, and request investigations and/or give specific instructions whenever necessary. Further, the consent of the Audit Committee is required with respect to basic internal auditing plans, the budget of the Internal Audit Group, the commission of the Head of the Internal Audit Group and the appointment of the General Manager of the Internal Audit Group.

• Furthermore, in order to seek close coordination with the audit and supervisory committee members and the corporate auditors of subsidiaries and affiliates, the Audit Committee and members of the Audit Committee periodically and as necessary take the opportunity to exchange opinions and information.

• The Audit Committee has Independent Auditors periodically attend the meetings of the Audit Committee to receive reports on auditing plans, the status of audits, audit results, etc., and to discuss risk assessments and other topics.

• Through in-house training and by distributing information on the intranet, Mizuho Financial Group ensures that all members of the organization are well informed that those who identify any problems concerning compliance and contact the compliance hotline or report to the full-time members of the Audit Committee, shall not be treated disadvantageously due to any such contact or report.

• Mizuho Financial Group has established the Audit Committee Office as a division responsible for assisting in the duties of the Audit Committee and has assigned thereto employees who are not subject to the chain of command structure of Executive Officers as defined in the Companies Act. In order to ensure the independence of the employees assigned to the Audit Committee Office from Executive Officers as defined in the Companies Act, the prior consent of the Audit Committee is obtained with respect to personnel changes relating to employees assigned to and the budget of the Audit Committee Office and other roles.
9. Matters regarding specified wholly-owned subsidiary

Name and address of specified wholly-owned subsidiary
Mizuho Bank, Ltd.
5-5, Otemachi 1-chome, Chiyoda–ku, Tokyo

Total book value of stock of specified wholly-owned subsidiary held by Mizuho Financial Group and its wholly-owned subsidiary, etc. as of March 31, 2020
5,015,233 million yen

Total amount of assets recognized in the balance sheet of Mizuho Financial Group for this fiscal year
12,823,777 million yen
[NOTES TO CONSOLIDATED FINANCIAL STATEMENTS]

Amounts less than one million yen are rounded down.

BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

1. Definitions of majority-owned subsidiary, other subsidiary and affiliate conform to Article 2, Paragraph 8 of the Banking Law and Article 4-2 of the Banking Law Enforcement Ordinance.

2. Scope of Consolidation
   (1) Number of majority-owned consolidated subsidiaries and other consolidated subsidiaries: 126
       Names of principal companies:
       Mizuho Bank, Ltd.
       Mizuho Trust & Banking Co., Ltd.
       Mizuho Securities Co., Ltd.
       During the period, Mizuho Markets Americas LLC and 19 other companies were newly included in the scope of consolidation as a result of establishment.
       During the period, Mizuho Delivery Service Co., Ltd. and 10 other companies were excluded from the scope of consolidation as a result of merger and other factors.

   (2) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries: 0

3. Application of the Equity Method
   (1) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries under the equity method: 0

   (2) Number of affiliates under the equity method: 26
       Names of principal companies:
       JTC Holdings, Ltd.
       Orient Corporation
       Mizuho Leasing Company, Limited
       During the period, LINE Credit Corporation and 4 other companies were newly included in the scope of the equity method as a result of increasing the shares and other factors.
       During the period, Qubitous Co., Ltd. was excluded from the scope of the equity method as a result of decreasing the shares.

   (3) Number of majority-owned non-consolidated subsidiaries and other non-consolidated subsidiaries not under the equity method: 0

   (4) Affiliates not under the equity method:
       Pec International Leasing Co., Ltd.
       Affiliates not under the equity method are excluded from the scope of the equity method since such exclusion has no material effect on MHFG’s consolidated financial statements in terms of Net Income (Loss) (amount corresponding to MHFG’s equity position), Retained Earnings (amount corresponding to MHFG’s equity position), Accumulated Other Comprehensive Income (amount corresponding to MHFG’s equity position) and others.
4. Fiscal Years of Majority-owned Consolidated Subsidiaries and Other Consolidated Subsidiaries
   (1) Balance sheet dates of majority-owned consolidated subsidiaries and other consolidated subsidiaries are as follows:
   - July 31: 1 company
   - December 31: 43 companies
   - March 31: 82 companies
   From the fiscal year ended March 31, 2020, Mizuho Capital Markets LLC has changed its balance sheet date from December 31 to March 31. Accounting period in the current fiscal year has been 15 months from January 1, 2019 to March 31, 2020.

   (2) The majority-owned consolidated subsidiary with the balance sheet date of July 31 was consolidated based on its tentative financial statements as of and for the period ended the consolidated balance sheet date. Other majority-owned consolidated subsidiaries and other consolidated subsidiaries were consolidated based on their financial statements as of and for the period ended their respective balance sheet dates.
   The necessary adjustments have been made to the financial statements for any significant transactions that took place between their respective balance sheet dates and the date of the consolidated financial statements.

5. Amortization Method of Goodwill
   Goodwill is amortized over an appropriate period not to exceed 20 years under the straight-line method. The full amount of Goodwill that has no material impact is expensed as incurred.

6. Standards of Accounting Method
   (1) Credited Loans pursuant to Trading Securities and Trading Income & Expenses
   Credited loans held for the purpose of trading are, in line with trading securities, recognized on a trade date basis and recorded in Other Debt Purchased on the consolidated balance sheet. Other Debt Purchased related to the relevant credited loans is stated at fair value at the consolidated balance sheet date.
   Interest received and the gains or losses on the sale of the relevant credited loans during this fiscal year, including the gains or losses resulting from any change in the value between the beginning and the end of this fiscal year, are recognized in Other Operating Income and Other Operating Expenses on the consolidated statements of income.

   (2) Trading Assets & Liabilities and Trading Income & Expenses
   Trading transactions intended to take advantage of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a trade date basis and recorded in Trading Assets or Trading Liabilities on the consolidated balance sheet. Income or expenses generated on the relevant trading transactions are recorded in Trading Income or Trading Expenses on the consolidated statement of income.
   Securities and other monetary claims held for trading purposes are stated at fair value at the consolidated balance sheet date. Derivative financial products, such as swaps, futures and option transactions, are stated at fair value, assuming that such transactions are terminated and settled at the consolidated balance sheet date.
   Trading Income and Trading Expenses include the interest received and the interest paid during this fiscal year, the gains or losses resulting from any change in the value of securities and other monetary claims between the beginning and the end of this fiscal year, and the gains or losses resulting from any change in the value of financial derivatives between the beginning and the end of this fiscal year, assuming they were settled at the end of this fiscal year.
(3) Securities
(i) Bonds held to maturity are stated at amortized cost (straight-line method) and determined by the moving average method. Investments in affiliates not under the equity method are stated at acquisition cost and determined by the moving average method. As to Other Securities, in principle, fair value of Japanese stocks is determined based on the average quoted market price over the month preceding the consolidated balance sheet date. Fair value of securities other than Japanese stocks is determined at the quoted market price if available, or other reasonable value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method). Other Securities, the fair values of which are extremely difficult to determine, are stated at acquisition cost or amortized cost and determined by the moving average method.

The net unrealized gains (losses) on Other Securities are included directly in Net Assets, net of applicable income taxes after excluding gains and losses as a result of the fair-value hedge method.

(ii) Securities which are held as trust assets in Money Held in Trust accounts are valued in the same way as given in (i) above.

(4) Derivative Transactions
Derivative transactions (other than transactions for trading purposes) are valued at fair value.

(5) Depreciation of Fixed Assets
① Tangible Fixed Assets (Except for Lease Assets)
Depreciation of buildings is computed mainly by the straight-line method, and that of others is computed mainly by the declining-balance method. The range of useful lives is as follows:

Buildings:...... 3 years to 50 years
Others: .......... 2 years to 20 years

② Intangible Fixed Assets (Except for Lease Assets)
Amortization of Intangible Fixed Assets is computed by the straight-line method. Development costs for internally-used software are capitalized and amortized over their estimated useful lives of mainly from five to ten years as determined by MHFG and majority-owned consolidated subsidiaries.

③ Lease Assets
Depreciation of lease assets booked in Tangible Fixed Assets and Intangible Fixed Assets which are concerned with finance lease transactions that do not transfer ownership is mainly computed by the same method as the one applied to fixed assets owned by us.

(6) Deferred Assets
Bond issuance costs are expensed as incurred.

(7) Reserves for Possible Losses on Loans
Reserves for Possible Losses on Loans of major domestic majority-owned consolidated subsidiaries and other consolidated subsidiaries are maintained in accordance with internally established standards for write-offs and reserve provisions.
For claims extended to obligors that are legally bankrupt under the Bankruptcy Law, Special Liquidation under the Company Law or other similar laws ("Bankrupt Obligors"), and to obligors that are effectively in similar conditions ("Substantially Bankrupt Obligors"), reserves are maintained at the amounts of claims net of direct write-offs described below and the expected amounts recoverable from the disposition of collateral and the amounts recoverable under guarantees. For claims
extended to obligors that are not yet legally or formally bankrupt but are likely to be
bankrupt ("Intensive Control Obligors"), reserves are maintained at the amounts
deemed necessary based on overall solvency analyses of the amounts of claims net
of expected amounts recoverable from the disposition of collateral and the amounts
recoverable under guarantees
For claims extended to Intensive Control Obligors and Obligors with Restructured
Loans and others, if the exposure to an obligor exceeds a certain specific amount,
reserves are provided as follows: (i) if future cash flows of the principal and interest
can be reasonably estimated, the discounted cash flow method is applied, under
which the reserve is determined as the difference between the book value of the loan
and its present value of future cash flows discounted using the contractual interest
rate before the loan was classified as a Restructured Loan, and (ii) if future cash
flows of the principal and interest cannot be reasonably estimated, reserves are
provided for the losses estimated for each individual loan.
For claims extended to other obligors, reserves for the next one year or three years
are maintained at rates derived from historical credit loss experience or historical
bankruptcy experience for one or three years and making necessary adjustments
such as future prospects and others. Reserve for Possible Losses on Loans to
Restructuring Countries is maintained in order to cover possible losses based on
analyses of the political and economic climates of the countries.
All claims are assessed by each claim origination department in accordance with the
internally established "Self-assessment Standard," and the results of the
assessments are verified and examined by the independent examination
departments.
In the case of claims to Bankrupt Obligors and Substantially Bankrupt Obligors, which
are collateralized or guaranteed by a third party, the amounts deemed uncollectible
(calculated by deducting the anticipated proceeds from the sale of collateral pledged
against the claims and amounts that are expected to be recovered from guarantors
of the claims) are written off against the respective claims balances. The total directly
written-off amount was ¥89,216 million.
Other majority-owned consolidated subsidiaries and other consolidated subsidiaries
provide the amount necessary to cover the loan losses based upon past experience
and other factors for general claims and the assessment for each individual loan for
other claims.
(Additional Information)
In light of the principles set forth in the report entitled “JFSA’s supervisory
approaches to lending business and loan loss provisioning” published by the
Japanese Financial Services Agency in December 18, 2019, we have reflected the
potential impact of the COVID-19 on Reserves for Possible Losses on Loans for
some credit. More specifically, we have identified certain industries and certain
obligors that are expected to be significantly impacted by the COVID-19. For these
identified industries and obligors we have updated the estimated expected loss
amount by incorporating certain assumptions such as the future recovery periods
and the forecasted GDP growth rate in Japan.
(8) Reserve for Possible Losses on Investments
Reserve for Possible Losses on Investments is maintained to provide against
possible losses on investments in securities, after taking into consideration the
financial condition and other factors concerning the investee company.
(9) Reserve for Bonus Payments
Reserve for Bonus Payments, which is provided for future bonus payments to
employees, is maintained at the amount accrued at the end of this fiscal year, based
on the estimated future payments.
(10) Reserve for Variable Compensation
To prepare for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors and executive officers of Mizuho Financial Group, Inc., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and Mizuho Securities Co., Ltd., the estimated payment based on the standard amount regarding variable compensation of this fiscal year is provided.

(11) Reserve for Director and Corporate Auditor Retirement Benefits
Reserve for Director and Corporate Auditor Retirement Benefits, which is provided for future retirement benefit payments to directors, corporate auditors, and executive officers, is recognized at the amount accrued by the end of this fiscal year, based on the internally established standards.

(12) Reserve for Possible Losses on Sales of Loans
Reserve for Possible Losses on Sales of Loans is provided for possible future losses on sales of loans at the amount deemed necessary based on a reasonable estimate of possible future losses.

(13) Reserve for Contingencies
Reserve for Contingencies is maintained to provide against possible losses from contingencies which are not covered by other specific reserves. The balance is an estimate of possible future losses considered to require a reserve.

(14) Reserve for Reimbursement of Deposits
Reserve for Reimbursement of Deposits is provided against the losses for the deposits derecognized from liabilities at the estimated amount of future claims for withdrawal by depositors.

(15) Reserve for Reimbursement of Debentures
Reserve for Reimbursement of Debentures is provided for the debentures derecognized from liabilities at the estimated amount for future claims.

(16) Reserve under Special Laws
Reserve under Special Laws is Reserve for Contingent Liabilities from Financial Instruments and Exchange. This is the reserve pursuant to Article 46-5 of the Financial Instruments and Exchange Law and Article 175 of the Cabinet Office Ordinance regarding Financial Instruments Business, etc. to indemnify the losses incurred from accidents in the purchase and sale of securities, other transactions or derivative transactions.

(17) Accounting Method for Retirement Benefits
In calculating retirement benefit obligations, a benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Unrecognized prior service cost and unrecognized actuarial differences are recognized as follows:

- **Unrecognized prior service cost:** Recognized mainly as income or expenses in the period of occurrence.
- **Unrecognized actuarial difference:** Recognized as income or expenses from the following fiscal year under the straight-line method over a certain term within the average remaining service period of the employees (mainly 10 years) of the respective fiscal years.

Certain consolidated subsidiaries apply the simplified method that assumes the amount required for voluntary resignation at the end of the term to be retirement benefit obligations in computing net defined benefit liability and retirement benefit expenses.
(18) Assets and Liabilities denominated in foreign currencies
Assets and Liabilities denominated in foreign currencies and accounts of overseas branches of domestic majority-owned consolidated banking subsidiaries and a domestic majority-owned consolidated trust banking subsidiary are translated into Japanese yen primarily at the exchange rates in effect at the consolidated balance sheet date, with the exception of the investments in affiliates not under the equity method, which are translated at historical exchange rates.
Assets and Liabilities denominated in foreign currencies of the majority-owned consolidated subsidiaries and other consolidated subsidiaries, except for the transactions mentioned above, are translated into Japanese yen primarily at the exchange rates in effect at the respective balance sheet dates.

(19) Hedge Accounting
(a) Interest Rate Risk
The deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied as hedge accounting methods.
The portfolio hedge transaction for a large volume of small-value monetary claims and liabilities of domestic majority-owned consolidated banking subsidiaries and domestic majority-owned consolidated trust banking subsidiaries is accounted for in accordance with the method stipulated in the “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Financial Instruments for Banks” (JICPA Industry Audit Committee Report No.24, February 13, 2002).
The effectiveness of hedging activities for the portfolio hedge transaction for a large volume of small-value monetary claims and liabilities is assessed as follows:
(i) as for hedging activities to offset market fluctuation risks, the effectiveness is assessed by bracketing both the hedged instruments, such as deposits and loans, and the hedging instruments, such as interest-rate swaps, in the same maturity bucket.
(ii) as for hedging activities to fix the cash flows, the effectiveness is assessed based on the correlation between a base interest rate index of the hedged instrument and that of the hedging instrument.
The effectiveness of the individual hedge is assessed based on the comparison of the fluctuation in the market or of cash flows of the hedged instruments with that of the hedging instruments.

(b) Foreign Exchange Risk
Domestic majority-owned consolidated banking subsidiaries and domestic majority-owned consolidated trust banking subsidiaries apply the deferred method of hedge accounting to hedge foreign exchange risks associated with various financial assets and liabilities denominated in foreign currencies as stipulated in the “Accounting and Auditing Treatment relating to Adoption of Accounting Standards for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No.25, July 29, 2002). The effectiveness of the hedge is assessed by confirming that the amount of the foreign currency position of the hedged monetary claims and liabilities is equal to or larger than that of currency-swap transactions, exchange swap transactions, and similar transactions designated as the hedging instruments of the foreign exchange risk.
In addition to the above methods, these majority-owned subsidiaries apply the deferred method or the fair-value hedge method to portfolio hedges of the foreign exchange risks associated with investments in majority-owned subsidiaries, other consolidated subsidiaries and affiliates in foreign currency and Other Securities in foreign currency (except for bonds) identified as hedged items in advance, as long as the amount of foreign currency payables of spot
and forward foreign exchange contracts exceeds the amount of acquisition cost of the hedged foreign securities in foreign currency.

(c) Inter-company Transactions
Inter-company interest rate swaps, currency swaps and similar derivatives among consolidated companies or between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the statement of income or deferred under hedge accounting, because these inter-company derivatives are executed according to the criteria for appropriate outside third-party cover operations which are treated as hedge transactions objectively in accordance with JICPA Industry Audit Committee Reports No. 24 and 25. As for certain assets and liabilities of MHFG and its majority-owned consolidated subsidiaries and other consolidated subsidiaries, the deferred method, the fair-value hedge method or the exceptional accrual method for interest rate swaps are applied.

(20) Consumption Taxes and other
With respect to MHFG and its domestic majority-owned consolidated subsidiaries and other consolidated subsidiaries, Japanese consumption taxes and local consumption taxes are excluded from transaction amounts.
Changes in Accounting Policies

(Application of “Leases” (IFRS 16 and ASU 2016-02))
MHFG has applied “Leases” (IFRS 16 and ASU 2016-02) at some consolidated subsidiaries from the consolidated fiscal year ended March 31, 2020. Accordingly, lessees recognize assets and liabilities for all leases as a general rule.
In accordance with transitional treatment, MHFG has recognized the impact of adoption of this accounting standard cumulatively as of the date of adoption for balances at the beginning of the consolidated fiscal year ended March 31, 2020.
The impact on the consolidated financial statements for the consolidated fiscal year ended March 31, 2020 is immaterial.

(Changes in Hedge Accounting)
Previously, deferred method or the fair-value hedge method have been applied as hedge accounting methods.
From the consolidated fiscal year ended March 31, 2020, hedge accounting methods of some items were changed from fair-value method to deferred method.
Based on current market trends, MHFG reconsidered its risk management activities from the consolidated fiscal year ended March 31, 2020, in order to provide more transparent disclosure in the financial statements.
This change has no impact on the gains and losses.

ADDITIONAL INFORMATION
(The Board Benefit Trust (“BBT”) Program)
Since MHFG operates its business to contribute to the creation of value for diverse stakeholders and realize improved corporate value through the continuous and stable growth of MHFG group pursuant to MHFG’s basic management policy defined under the Mizuho Financial Group’s Corporate Identity, MHFG has introduced a stock compensation program using a trust (the “Program”) that functions as an incentive for each Director, Executive Officer, and Specialist Officer to exert maximum effort in performing his or her duties, and also as consideration for such exertion of effort.

(1) Outline of the Program
The Program has adopted the Board Benefit Trust (“BBT”) framework. MHFG's shares on the stock market will be acquired through a trust established based on the underlying funds contributed by MHFG, and MHFG's shares will be distributed to Directors, Executive Officers, and Specialist Officers of MHFG, Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and Mizuho Securities Co., Ltd. (the “Company Group”) in accordance with the Rules on Distribution of Shares to be prescribed in advance. The framework consists of the stock compensation program based on the Company Group Officer's position in their respective company (“Stock Compensation I”) and the stock compensation program based on the performance evaluation of the Company Group (“Stock Compensation II”).
Stock Compensation I will be paid at the time of retirement in the form of shares of MHFG calculated based on their position. A system is adopted which enables a decrease or forfeiture of the amount depending on the performance of the company or the individual.
Stock Compensation II will be paid in the form of shares of MHFG and will be deferred over three years, which is calculated based on the status of achieving our Five-Year Business Plan. A system is adopted which enables a decrease or forfeiture of the amount depending on the performance of the company or the individual.
Upon the payment of stock compensation under the Program, MHFG may, for a certain portion, pay a monetary amount equivalent to the market value of its stock in lieu of stock compensation in accordance with the Rules on Distribution of Shares.
Voting rights related to MHFG’s shares belonging to the trust assets under the trust shall not be exercised.

(2) MHFG’s Shares Outstanding in the Trust
MHFG’s shares outstanding in the trust are recognized as Treasury Stock under Net Assets at the carrying amount (excluding the amount of incidental expenses) in the trust. The carrying amount of such Treasury Stock as of March 31, 2020 was ¥3,485 million for 19,636 thousand shares.

(Application of tax-effect accounting to the Transition from the Consolidated Taxation System to the Group Aggregation System)
Some domestic consolidated subsidiaries of the Group record amounts of deferred tax assets and deferred tax liabilities based on the provisions of tax laws prior to amendment under the treatment in Paragraph 3 of "Treatment of the application of the tax-effect accounting in relation to the transition from the consolidated tax system to the aggregate group system" (Practical Solutions No.39 March 31, 2020), without applying the provisions of Paragraph 44 of "Guidance on Accounting Standard for tax-effect accounting" (Implementation Guidance No.28 February 16, 2018), regarding the tax items for which review of the non-consolidated Tax Payment System was implemented in accordance with the transition to the aggregated group system established under the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 8 of 2020) and the transition to the aggregated group system.
NOTES

(NOTES TO CONSOLIDATED BALANCE SHEET)

1. The total amount of shares and investments in affiliates (excluding shares and investments in the majority-owned consolidated subsidiaries and other consolidated subsidiaries) is ¥332,389 million.

2. Unsecured loaned securities which the borrowers have the right to sell or repledge amounted to ¥80,056 million and are included in Japanese Government Bonds under Securities. MHFG has the right to sell or repledge some of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral. Among them, the total of securities repledged was ¥19,960,803 million and securities neither repledged nor re-loaned was ¥1,998,251 million.

3. Loans and Bills Discounted include Loans to Bankrupt Obligors of ¥15,938 million and Non-Accrual Delinquent Loans of ¥401,016 million.

4. Balance of Loans Past Due for Three Months or More: ¥1,468 million

5. Balance of Restructured Loans: ¥256,429 million

6. Total balance of Loans to Bankrupt Obligors, Non-Accrual Delinquent Loans, Loans Past Due for Three Months or More, and Restructured Loans: ¥674,853 million

7. In accordance with JICPA Industry Audit Committee Report No. 24, bills discounted are accounted for as financing transactions. The majority-owned banking subsidiaries have rights to sell or pledge these commercial bills, foreign exchange bills purchased and others. The face value of these bills amounted to ¥1,341,367 million.
8. The following assets were pledged as collateral:

Trading Assets: ¥1,281,698 million
Securities: ¥5,551,273 million
Loans and Bills Discounted: ¥3,584,065 million

The following liabilities were collateralized by the above assets:

Deposits: ¥1,057,282 million
Payables under Repurchase Agreements: ¥5,479,619 million
Guarantee Deposits Received under Securities Lending Transactions: ¥778,766 million
Borrowed Money: ¥4,073,507 million

In addition to the above, the settlement accounts of foreign and domestic exchange transactions or derivatives transactions and others were collateralized, and margins for futures transactions were substituted by Cash and Due from Banks of ¥65,745 million, Trading Assets of ¥124,676 million, Securities of ¥2,454,991 million, and Loans and Bills Discounted of ¥142,757 million.

Other Assets includes margins for futures transactions of ¥500,066 million, guarantee deposits of ¥113,053 million, and collateral pledged for financial instruments and others of ¥1,925,993 million.

9. Overdraft protection on current accounts and contracts of the commitment line for loans are contracts by which majority-owned banking subsidiaries are bound to extend loans up to the prearranged amount, at the request of customers, unless the customer is in breach of contract conditions. The unutilized balance of these contracts amounted to ¥90,835,753 million. Of this amount, ¥68,937,304 million relates to contracts of which the original contractual maturity is one year or less, or which are unconditionally cancelable at any time.

Since many of these contracts expire without being exercised, the unutilized balance itself does not necessarily affect future cash flows. A provision is included in many of these contracts that entitles the majority-owned banking subsidiaries to refuse the execution of loans, or reduce the maximum amount under contracts when there is a change in the financial situation, necessity to preserve a claim or other similar reasons. The majority-owned banking subsidiaries require collateral such as real estate and securities when deemed necessary at the time the contract is entered into. In addition, they periodically monitor customers’ business conditions in accordance with internally established standards and take necessary measures to manage credit risks such as amendments to contracts.

10. In accordance with the Land Revaluation Law (Proclamation No.34 dated March 31, 1998), land used for business operations of domestic majority-owned consolidated banking subsidiaries was revalued. The applicable income taxes on the entire excess of revaluation are included in Deferred Tax Liabilities for Revaluation Reserve for Land under Liabilities, and the remainder, net of applicable income taxes, is stated as Revaluation Reserve for Land included in Net Assets.

Revaluation date: March 31, 1998
Revaluation method as stated in Article 3, Paragraph 3 of the above law: Land used for business operations was revalued by calculating the value on the basis of the valuation by road rating stipulated in Article 2, Paragraph 4 of the Enforcement Ordinance relating to the Land Revaluation Law (Government Ordinance No.119 promulgated on March 31, 1998) with reasonable adjustments to compensate for sites with long depth and other factors, and also on the basis of the appraisal valuation stipulated in Paragraph 5.

The difference at the consolidated balance sheet date between the total fair value of land for business operation purposes, which has been revalued in accordance with Article 10 of the above-mentioned law, and the total book value of the land after such revaluation was ¥47,148 million.
11. Accumulated Depreciation of Tangible Fixed Assets amounted to ¥894,792 million.

12. The book value of Tangible Fixed Assets adjusted for gains on sales of replaced assets and others amounted to ¥33,155 million.

13. Borrowed Money includes subordinated borrowed money of ¥168,000 million with a covenant that performance of the obligation is subordinated to that of other obligations.


15. The principal amounts of money trusts with contracts indemnifying the principal amounts, which are entrusted to domestic majority-owned consolidated trust banking subsidiaries, are ¥883,781 million.

16. Liabilities for guarantees on corporate bonds included in Securities, which were issued by private placement (Article 2, Paragraph 3 of the Financial Instruments and Exchange Law) amounted to ¥1,548,136 million.

(Notes to Consolidated Statement of Income)

1. Other Ordinary Income includes gains on sales of stocks of ¥226,005 million.

2. Other Ordinary Expenses includes losses on sales of stocks of ¥72,258 million and Impairment Losses of Stocks of ¥41,691 million.
(NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS)

1. Types and number of issued shares and of treasury stock are as follows:

<table>
<thead>
<tr>
<th></th>
<th>As of April 1, 2019</th>
<th>Increase during the fiscal year</th>
<th>Decrease during the fiscal year</th>
<th>As of March 31, 2020</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>25,392,498</td>
<td>-</td>
<td>-</td>
<td>25,392,498</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>25,392,498</td>
<td>-</td>
<td>-</td>
<td>25,392,498</td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>33,962</td>
<td>12,149</td>
<td>14,004</td>
<td>32,106</td>
<td>*</td>
</tr>
<tr>
<td>Total</td>
<td>33,962</td>
<td>12,149</td>
<td>14,004</td>
<td>32,106</td>
<td></td>
</tr>
</tbody>
</table>

* Increases are due to acquisition of treasury stock by BBT trust account (9,030 thousand shares) and repurchase of shares constituting less than one unit and other factors (3,119 thousand shares). Decreases are due to distribution and sale of treasury stock through BBT trust account (8,311 thousand shares), exercise of stock acquisition rights (stock options) (2,968 thousand shares), and repurchase of shares constituting less than one unit and other factors (2,725 thousand shares). The number of shares as of March 31, 2020 includes the number of treasury stock held by BBT trust account (19,636 thousand shares).

2. Stock acquisition rights and treasury stock acquisition rights are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Breakdown of stock acquisition rights</th>
<th>Number of shares to be issued or transferred upon exercise of stock acquisition rights (Shares)</th>
<th>Balance as of March 31, 2020 (Millions of yen)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As of April 1, 2019</td>
<td>Increase during the fiscal year</td>
<td>Decrease during the fiscal year</td>
<td>As of March 31, 2020</td>
</tr>
<tr>
<td>MHFG Stock acquisition rights (Treasury stock acquisition rights)</td>
<td>-</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
</tr>
<tr>
<td>Stock acquisition rights as stock option</td>
<td>-</td>
<td></td>
<td></td>
<td>213</td>
</tr>
<tr>
<td>Majority-owned consolidated subsidiaries and other consolidated subsidiaries (Treasury stock acquisition rights)</td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td></td>
<td></td>
<td>213</td>
</tr>
</tbody>
</table>
3. Cash dividends distributed by MHFG are as follows:

(1) Cash dividends paid during the fiscal year ended March 31, 2020

<table>
<thead>
<tr>
<th>Resolution Date</th>
<th>Type</th>
<th>Cash Dividends (Millions of yen)</th>
<th>Cash Dividends per Share (Yen)</th>
<th>Record Date</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 15, 2019</td>
<td>Common Stock</td>
<td>95,197</td>
<td>3.75</td>
<td>March 31, 2019</td>
<td>June 4, 2019</td>
</tr>
<tr>
<td>(The Board of Directors)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

November 14, 2019

<table>
<thead>
<tr>
<th>Resolution Date</th>
<th>Type</th>
<th>Cash Dividends (Millions of yen)</th>
<th>Cash Dividends per Share (Yen)</th>
<th>Record Date</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 14, 2019</td>
<td>Common Stock</td>
<td>95,208</td>
<td>3.75</td>
<td>September 30, 2019</td>
<td>December 6, 2019</td>
</tr>
<tr>
<td>(The Board of Directors)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Total 190,405

Notes: 1. Cash Dividends based on the resolution of the Board of Directors held on May 15, 2019 include ¥70 million of cash dividends on treasury stock held by BBT trust account.

2. Cash Dividends based on the resolution of the Board of Directors held on November 14, 2019 include ¥73 million of cash dividends on treasury stock held by BBT trust account.

(2) Cash dividends with record dates falling in the fiscal year ended March 31, 2020 and effective dates coming after the end of the fiscal year

<table>
<thead>
<tr>
<th>Resolution Date</th>
<th>Type</th>
<th>Cash Dividends (Millions of yen)</th>
<th>Resource of Dividends</th>
<th>Cash Dividends per Share (Yen)</th>
<th>Record Date</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 15, 2020</td>
<td>Common Stock</td>
<td>95,208</td>
<td>Retained Earnings</td>
<td>3.75</td>
<td>March 31, 2020</td>
<td>June 8, 2020</td>
</tr>
<tr>
<td>(The Board of Directors)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Cash Dividends based on the resolution of the Board of Directors held on May 15, 2020 include ¥73 million of cash dividends on treasury stock held by BBT trust account.
1. Matters relating to the conditions of financial instruments

(1) Policy on financial instruments

Mizuho Financial Group (MHFG), which primarily engages in banking business, incurs financial liabilities such as customer deposits and market deposits on the funding side while holding financial assets such as customer loans, stocks and bonds on the investment side, and also engages in trading business for certain financial products. Some majority-owned consolidated subsidiaries and other subsidiaries conduct securities business and other financial business.

For above funding and investment business, MHFG appropriately manages risks of each financial instrument and carefully watches term-gaps and other risk factors.

(2) Contents and Risk of Financial Products

The main financial assets of the Mizuho group consist of loans to customers, government bonds and stocks. These financial assets are subject to various types of risk that may cause the Group to incur losses due to a decline in, or total loss of, the value of assets, as a result of deterioration in a counterparty’s and/or an issuer’s financial position (“credit risk”), or due to a decline in the value of assets caused by fluctuations in interest rates, stock prices and foreign exchange rates and so on (“market risk”). The Group may also be exposed to the risk of incurring losses when it becomes impossible to execute transactions in the market because of market confusion or losses arising from transactions at prices that are significantly less favorable than usual (“market liquidity risk”).

The main financing source of the Mizuho group is a stable source of deposits from its customers in addition to direct funding from the financial market. These financing sources are subject to the risk of losses (“liquidity risk”) arising from funding difficulties due to market disruption or a deterioration in our financial position that makes it difficult for us to raise the necessary funds or that forces us to raise funds at significantly higher interest rates than usual.

In addition, the Mizuho group uses derivative financial products to control the interest rate risk related to the assets and liabilities of the Group, as part of our asset and liability management (“ALM”). The Group primarily utilizes the portfolio hedge by grouping numerous financial assets and liabilities such as loans and deposits into similar interest risk units in accordance with risk management policies. Some derivative products like interest rate swaps are used as hedging methods for cash-flow hedges or fair value hedges. The Group applies hedge accounting to the majority of these products, treating them as deferred hedges. The effectiveness of the hedges is assessed periodically by regression analysis and other methods to ensure whether the derivative financial products effectively work in order to offset the exposure to changes in fair value and variable cash flows from hedged items. It should be noted that the Mizuho Group uses derivative financial products for trading purposes and so on as well.

(3) Risk Management for Financial Products

① Commitment to Risk Management

We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures.

We maintain basic policies for risk management established by our Board of Directors that are applicable to the entire Mizuho group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of
risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system.

② General Concept of Risk Management
We classify our risk exposures according to the various kinds of risk, including credit risk, market risk, liquidity risk and operational risk, and manage each type of risk according to its characteristics. In addition to managing each type of risk individually, we have established a risk management structure to identify and evaluate overall risk and, where necessary, to devise appropriate responses to keep risk within limits that are managerially acceptable in both qualitative and quantitative terms. More specifically, we allocate risk capital to core group companies, including their respective subsidiaries, to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed the Group’s financial strength. To ensure the ongoing financial health of Mizuho Financial Group, we regularly monitor the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees of each company.

③ Credit Risk Management
The Board of Directors of Mizuho Financial Group determines basic matters pertaining to credit risk management. In addition, we have established the Risk Management Committee, as one of its Business Policy Committees. This committee broadly discusses and coordinates basic policy in connection with credit risk management, matters in connection with overall credit portfolio management and credit risk monitoring for the Mizuho group. Under the control of the Chief Risk Officer of Mizuho Financial Group, the Credit Risk Management Department and the Risk Management Department jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.
We have adopted two different but mutually complementary approaches in credit risk management. The first approach is “credit management,” in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is “credit portfolio management,” in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risk and respond appropriately.
We use statistical methods to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon ("expected loss") and the maximum loss within a certain confidence interval ("credit VAR"). The difference between expected loss and credit VAR is measured as the credit risk amount ("unexpected loss"). Our principal banking subsidiaries have established guidelines to manage “credit concentration risk,” which stems from granting excessive credit to certain corporate groups.
The Board of Directors of each of our principal banking subsidiaries and other core group companies determines key matters pertaining to credit risk management by establishing their respective basic policies in line with the basic policies for credit risk management set forth by Mizuho Financial Group. Their respective Business Policy Committees are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors.
The Chief Risk Officer of each principal banking subsidiary and core group company is responsible for matters relating to planning and implementing credit risk management. Departments in charge of credit risk management are responsible for planning and administering credit risk management and conducting credit risk measuring and monitoring. Credit Departments determine policies and approves/disapproves individual transactions regarding review and management of and collection from customers in accordance with the lines of authority set forth by each principal banking subsidiary. In addition, each of our principal banking subsidiaries has also established internal audit groups that are independent of the business departments in order to ensure appropriate credit risk management.

Market Risk Management

The Board of Directors of Mizuho Financial Group determines basic matters pertaining to market risk management policies. In addition, we have established the Risk Management Committee, as one of its Business Policy Committees. The committee broadly discusses and coordinates matters concerning basic policy and operations in connection with market risk management and market risk monitoring, and proposes measures to be taken in emergencies such as sudden market changes. The Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to market risk management planning and operations. The Risk Management Department of Mizuho Financial Group is responsible for monitoring market risk, reports and analyses, proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management. In addition, the department assesses and manages the overall market risk of the Mizuho group as a whole and keeps track of the market risk situation of our principal banking subsidiaries and other core group companies. The department also submits reports to the President & CEO on a daily basis and to our Board of Directors and the executive management committee of Mizuho Financial Group on a regular basis.

To manage market risk, we set limits that correspond to risk capital allocations. The amount of risk capital allocated to market risk corresponds to VAR and additional costs that may arise in order to close relevant positions. For trading and banking activities, we set limits for VAR and for losses. For banking activities, we set position limits based on interest rate sensitivity as needed.

The Board of Directors of each of our principal banking subsidiaries and other core group companies determine key matters pertaining to market risk by establishing their respective basic policies in line with the basic policies for market risk management set forth by Mizuho Financial Group. Based on a common Mizuho Group risk capital allocation framework, the above-mentioned companies manage market risk by setting limits according to the risk capital allocated to market risk by Mizuho Financial Group. They have the same market risk management structure as the Mizuho Financial Group, such as their Business Policy Committees being responsible for overall discussion and coordination of the market risk management.

In addition, they have established middle offices specializing in risk management that are independent of their front offices, which engage in market transactions, and their back offices, which are responsible for book entries and settlements. This system enables them to achieve mutual checks and control over market operations.

When VAR is not adequate to control risk, the middle offices manage risk using additional risk indices such as 10 BPV (Basis Point Value), carry out stress tests and set stop loss limits as needed.
Situation of Market Risk

i. Banking business

The following table shows the VAR figures relating to our banking activities for the fiscal year indicated:

(Billions of yen)

<table>
<thead>
<tr>
<th>Fiscal year ended March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of fiscal year end</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

【Definition of Banking business】
The following transactions are categorized as banking business, with trading business and cross-shareholdings being categorized separately.
(1) Deposits and loans as well as related funding activities, and hedge against interest rate risk.
(2) Equity (excluding cross-shareholdings), bonds, investment trusts, etc. and hedges against related market risk.
The core deposit of liquid deposits is to be specified and incorporated into the measurement of market risk.
Banking business VAR used to calculate Market Risk Equivalent is based on the following:
• VAR: historical simulation method;
• confidence interval: one-tailed 99%;
• holding period of one month; and
• historical observation period of three years.

ii. Trading business

The following table shows VAR figures of our trading activities for the fiscal year indicated:

(Billions of yen)

<table>
<thead>
<tr>
<th>Fiscal year ended March 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of fiscal year end</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

【Definition of Trading business】
(1) Transactions held for the purpose of short-term resale.
(2) Transactions held for the purpose of making a profit from price fluctuations over a short period as well as fixing a profit from arbitrage activities.
(3) Deals that have both aspects of (1) and (2) above.
(4) Deals held for broking business or market making business. Trading business VAR used to calculate Market Risk Equivalent is based on the following:
• VAR: historical simulation method;
• confidence interval: one-tailed 99%;
• holding period of one trading day; and
• historical observation period of three years.

iii. Cross-shareholdings
For cross-shareholdings, we take the same market risk management approach as that for Banking and Trading businesses with the use of VAR and risk indices. The risk index for the cross-shareholdings (sensitivity of the portfolio to a 1% change in the equity index of TOPIX) for the fiscal year ended March 31, 2020 is ¥13.9 billion.

iv. Risk management using VAR
VAR is a commonly used market risk management technique with statistical assumptions to measure maximum possible loss in the market, which will be incurred to the holding portfolio in a certain period with some probability. It should be noted that in general VAR model has the following shortcomings:
• VAR estimates could differ by assumptions of holding period, confidence interval level and approaches for the measurement.
• VAR which is calculated based on historical data does not necessarily indicate an accurate future possible maximum loss.
• VAR might underestimate the probability of extreme market movements when the market gets inactive as VAR assumes sales of holding portfolio and hedges in the market during the holding period for the calculation.
• The use of a 99% confidence level neither takes account of, nor makes any statement about, any losses that might occur beyond this confidence level.

The historical simulation method used as the measurement technique of VAR assumes that change in a market movement follows an empirical distribution. Therefore, the model might underestimate the risk under the circumstance that the market is likely to move extremely beyond the assumption. We check the validity of the market risk measurement made by VAR approach periodically by the back-test which compares VAR with actual profit and loss. In addition to VAR, we make a wide variety of management and controls such as risk indices monitoring, implementation of stress tests, loss limit monitoring in order to make strict risk management by capturing carefully all risks, including what VAR approach is not able to cover.

⑥ Liquidity Risk Management
Our liquidity risk management structure is generally the same as the market risk management structure described above ("Item ④ Market Risk Management"). However, the head of the Financial Control & Accounting Group of Mizuho Financial Group is additionally responsible for matters relating to planning and running cash flow management operations, while the Financial Planning Department is responsible for monitoring and adjusting the cash flow management situation and for planning and implementing cash flow management. Reports on the cash flow situation are submitted to the Risk Management Committee, the Balance Sheet
Management Committee, the executive management committee and the President & CEO.

We measure liquidity risk using indices pertaining to cash flow, such as limits on funds raised in the market. Limits on liquidity risk are discussed and coordinated by the Risk Management Committee, discussed further by the executive management committee and determined by the President & CEO. We have established classifications for the cash flow conditions affecting the Group, ranging from "normal" to "anxious" and "crisis," and have established procedures for dealing with cases which are deemed to fall into the "anxious" or "crisis" categories. In addition, we have constructed a system under which we will be able to respond smoothly in the event of emergency situations that affect our funding by establishing action plans.

(4) Supplementary explanation of matters relating to fair value of financial instruments and others

Fair values of financial instruments include the values based on market prices, and the values deemed as market prices obtained by the reasonable estimate when the financial instruments do not have market prices. Since certain assumptions and others are adopted for calculating such values, they may differ when adopting different assumptions and others.
2. Matters relating to fair value of financial instruments and others

The following are the consolidated balance sheet amounts, fair values and differences between them as of March 31, 2020. Unlisted stocks and others, the fair values of which are extremely difficult to determine, are excluded from the table below (see (Note 2)).

(Millions of yen)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Balance Sheet Amount</th>
<th>Fair Value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cash and Due from Banks (*1)</td>
<td>41,068,809</td>
<td>41,068,809</td>
<td>—</td>
</tr>
<tr>
<td>(2) Call Loans and Bills Purchased (*1)</td>
<td>583,747</td>
<td>583,747</td>
<td>—</td>
</tr>
<tr>
<td>(3) Receivables under Resale Agreements</td>
<td>18,581,488</td>
<td>18,581,488</td>
<td>—</td>
</tr>
<tr>
<td>(4) Guarantee Deposits Paid under Securities Borrowing Transactions</td>
<td>2,243,161</td>
<td>2,243,161</td>
<td>—</td>
</tr>
<tr>
<td>(5) Other Debt Purchased (*1)</td>
<td>2,688,031</td>
<td>2,688,141</td>
<td>109</td>
</tr>
<tr>
<td>(6) Trading Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading Securities</td>
<td>5,377,182</td>
<td>5,377,182</td>
<td>—</td>
</tr>
<tr>
<td>(7) Money Held in Trust (*1)</td>
<td>409,524</td>
<td>409,524</td>
<td>—</td>
</tr>
<tr>
<td>(8) Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Held to Maturity</td>
<td>860,233</td>
<td>875,329</td>
<td>15,096</td>
</tr>
<tr>
<td>Other Securities</td>
<td>33,118,544</td>
<td>33,118,544</td>
<td>—</td>
</tr>
<tr>
<td>(9) Loans and Bills Discounted</td>
<td>83,468,185</td>
<td>84,254,484</td>
<td>1,172,985</td>
</tr>
<tr>
<td>Reserves for Possible Losses on Loans (*1)</td>
<td>(386,686)</td>
<td>(386,686)</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>188,012,223</td>
<td>189,200,415</td>
<td>1,188,191</td>
</tr>
<tr>
<td>(1) Deposits</td>
<td>131,189,673</td>
<td>131,196,960</td>
<td>7,287</td>
</tr>
<tr>
<td>(2) Negotiable Certificates of Deposit</td>
<td>13,282,561</td>
<td>13,281,929</td>
<td>(632)</td>
</tr>
<tr>
<td>(3) Call Money and Bills Sold</td>
<td>2,263,076</td>
<td>2,263,076</td>
<td>—</td>
</tr>
<tr>
<td>(4) Payables under Repurchase Agreements</td>
<td>17,971,098</td>
<td>17,971,098</td>
<td>—</td>
</tr>
<tr>
<td>(5) Guarantee Deposits Received under Securities Lending Transactions</td>
<td>1,108,255</td>
<td>1,108,255</td>
<td>—</td>
</tr>
<tr>
<td>(6) Trading Liabilities Securities Sold, Not yet Purchased</td>
<td>2,213,074</td>
<td>2,213,074</td>
<td>—</td>
</tr>
<tr>
<td>(7) Borrowed Money</td>
<td>5,209,947</td>
<td>5,148,053</td>
<td>(61,894)</td>
</tr>
<tr>
<td>(8) Bonds and Notes</td>
<td>8,906,432</td>
<td>8,847,784</td>
<td>(58,647)</td>
</tr>
<tr>
<td>(9) Due to Trust Accounts</td>
<td>1,055,510</td>
<td>1,055,510</td>
<td>—</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>183,199,631</td>
<td>183,085,743</td>
<td>(113,887)</td>
</tr>
<tr>
<td>Derivative Transactions (*2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative Transactions not Qualifying for Hedge Accounting</td>
<td>367,402</td>
<td>367,402</td>
<td>—</td>
</tr>
<tr>
<td>Derivative Transactions Qualifying for Hedge Accounting</td>
<td>357,953</td>
<td>357,953</td>
<td>—</td>
</tr>
<tr>
<td>Total Derivative Transactions</td>
<td>725,356</td>
<td>725,356</td>
<td>—</td>
</tr>
</tbody>
</table>

(*1) General and specific reserves for possible losses on loans relevant to Loans and Bills Discounted are excluded. Reserves for Cash and Due from Banks, Call Loans and Bills Purchased, Other Debt Purchased, Money Held in Trust and others are directly written off against the consolidated balance sheet amount due to immateriality.
(*2) Derivative Transactions recorded in Trading Assets, Trading Liabilities, Derivatives other than for Trading Assets, Derivatives other than for Trading Liabilities, and others are presented as a lump sum. Net claims and debts that arose from derivative transactions are presented on a net basis, and the item that is net debts in total is presented in brackets.

(Note 1) Calculation method of fair value of financial instruments

**Assets**

(1) Cash and Due from Banks
   For Due from Banks which have no maturity, since fair values of these items approximate book values, we deem the book values to be fair values. For Due from Banks which have maturity, since contractual terms of these items are mainly short (i.e., within six months) and fair values of these items approximate book values, we deem the book values to be fair values.

(2) Call Loans and Bills Purchased, (3) Receivables under Resale Agreements and (4) Guarantee Deposits Paid under Securities Borrowing Transactions
   Since contractual terms of these items are mainly short (i.e., within six months) and fair values of these items approximate book values, we deem the book values to be fair values.

(5) Other Debt Purchased
   Fair values of Other Debt Purchased are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from brokers and financial information vendors.

(6) Trading Assets
   Fair values of securities held for trading, such as bonds held for trading, are based on the market prices and others.

(7) Money Held in Trust
   As to securities managed as trust assets in a directed money trust for separate investment with the management of securities as its primary purpose, fair values of these items are calculated using the method stated in (8). For other Money Held in Trust, since fair values of these items approximate book values, we deem the book values to be fair values.

(8) Securities
   Fair values of stocks are based on the prices on securities exchanges, and those of bonds and others are based on the market prices, valuations obtained from brokers and information vendors and others. Fair values of investment trusts are based on the disclosed net asset value and others. Fair values of private placement bonds are calculated by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the internal ratings and terms.
   Fair values of securitized products are based on valuations obtained from brokers and others, and reasonably calculated prices based on the reasonable estimates of our management. In deriving reasonably calculated prices based on the reasonable estimates of our management mentioned above, we used the discounted cash flow method. The price decision variables include default rates, recovery rates, pre-payment rates, and discount rates.
   Fair values of Floating-rate Japanese Government Bonds, according to our determination that current market prices may not reflect the fair value, are based on the
reasonably calculated prices as book value at the end of the current fiscal year. In deriving the reasonably calculated prices, we used the discount cash flow method as well as other methods. The price decision variables include the yield of 10-year Japanese Government Bonds and the volatilities of interest rate swap options for 10-year Japanese Government Bonds as underlying assets.

(9) Loans and Bills Discounted
Fair values of Loans and Bills Discounted are calculated by the total amount of principal and interest and others at interest rates based on the discount rate reflecting expected loss and various risk factors by categories according to the types, internal ratings and terms of the Loans and Bills Discounted. In addition, as to claims against bankrupt obligors, substantially bankrupt obligors and intensive control obligors, since the estimated amount of bad debts is calculated based on the present value of the expected future cash flows or the estimated amounts that we would be able to collect from collateral and guarantees, fair values approximate the amount of Debentures and others minus the amount of Reserves for Possible Losses on Loans in the consolidated balance sheet as of the consolidated balance sheet date and we thus deem such amount to be fair values.

Of the Loans and Bills Discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, we deem book values to be fair values since fair values are expected to approximate book values based on the estimated loan periods, interest rates and other conditions.

Liabilities
(1) Deposits
For demand deposits, we deem the payment amounts required on the consolidated balance sheet date (i.e., book values) to be fair values. In addition, fair values of fixed deposits and negotiable certificates of deposits are calculated by classifying them based on their terms and by discounting the future cash flows. The discount rates used in such calculations are the interest rates. Since fair values of those whose deposit terms are short (i.e., within six months) approximate book values, we mainly deem the book values to be fair values.

(3) Call Money and Bills Sold, (4) Payables under Repurchase Agreements and (5) Guarantee Deposits
Received under Securities Lending Transactions
Since contractual terms of these financial instruments are mainly short (i.e., within six months) and fair values approximate book values, we deem the book values to be fair values.

(6) Trading Liabilities
Fair values of Securities Sold, Not yet Purchased in Trading Liabilities are based on the market prices and others.

(7) Borrowed Money
Fair values of Borrowed Money are calculated mainly by discounting the total amount of the principal and interest of such Borrowed Money classified by certain period at the interest rates considered to be applicable to similar loans.

(8) Bonds and Notes
Fair values of Bonds and Notes issued by MHFG, its majority-owned consolidated subsidiaries and other consolidated subsidiaries are based on the market prices for Bonds and Notes which have market prices, and calculated by discounting the total amount of principal and interest by the interest rates considered to be applicable to similar Bonds and Notes for those which do not have market prices.
(9) Due to Trust Accounts

Due to Trust Accounts of majority-owned consolidated trust banking subsidiaries is used for transactions in which majority-owned trust banking subsidiaries manage fund entrusted to them in bank accounts of majority-owned consolidated trust banking subsidiaries.

As the purpose is considered to approximate demand deposit, we deem the book values to be fair values.

Derivative Transactions

Derivative transactions include interest rate-related transactions (futures, options, swaps and others), currency-related transactions (futures, options, swaps and others), bond-related transactions (futures, futures options and others), and are based on the prices on securities exchanges, discounted value of future cash flows, option pricing models and others.

(Note 2) Consolidated balance sheet amounts of financial instruments whose fair values are deemed to be extremely difficult to determine are indicated below, and are not included in “Assets (7) Money Held in Trust” and “Assets (8) Other Securities” in fair value information of financial instruments.

<table>
<thead>
<tr>
<th>Category</th>
<th>Consolidated Balance Sheet Amount (Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Unlisted Stocks (*1)</td>
<td>223,633</td>
</tr>
<tr>
<td>② Investments in Partnerships and others (*2)</td>
<td>372,400</td>
</tr>
<tr>
<td>③ Other</td>
<td>2,356</td>
</tr>
<tr>
<td>Total (*3)</td>
<td>598,390</td>
</tr>
</tbody>
</table>

(*1) We do not treat Unlisted Stocks as being subject to disclosure of fair values as there are no market prices and they are deemed extremely difficult to determine fair values.

(*2) Of the Investments in Partnerships and others, we do not treat those whose assets consist of unlisted stocks and other financial instruments that are deemed extremely difficult to determine fair values as being subject to disclosure of fair values.

(*3) During the fiscal year ended March 31, 2020, the amount of impairment (devaluation) was ¥2,221 million on a consolidated basis.

(PER SHARE INFORMATION)

| Net Assets per Share of Common Stock | ¥337.29 |
| Profit Attributable to Owners of Parent per Share of Common Stock | ¥17.68 |
| Diluted Profit Attributable to Owners of Parent per Share of Common Stock | ¥17.68 |

(Note) In the calculation of Net Assets per Share of Common Stock, MHFG shares outstanding in BBT trust account that were recognized as Treasury Stock in Shareholders’ Equity are included in Treasury Stock shares deducted from the number of issued shares as of March 31, 2020. The number of such Treasury Stock shares deducted during the period is 19,636 thousand.

In the calculation of Net Income per Share of Common Stock and Diluted Net Income per Share of Common Stock, such Treasury Stock shares are included in Treasury Stock shares deducted in the calculation of the Average Outstanding Shares of Common Stock during the period. The average number of such Treasury Stock shares deducted during the period is 19,255 thousand.
(Subsequent Events)

The Board of Directors of the MHFG resolved in a meeting held on May 15, 2020 to include the following share consolidation in the agenda for the 18th Ordinary General Meeting of Shareholders to be held in June 2020 (the “Ordinary General Meeting of Shareholders”).

(1) Purpose of the share consolidation

MHFG’s current share price is significantly below the desirable Trading Unit range of 50,000 yen to 500,000 yen designated by the Securities Listing Regulations of the Tokyo Stock Exchange.

In order to address this situation, we resolved to include the following share consolidation of common stock on the basis of one post-consolidation share per ten pre-consolidation shares in the agenda for the Ordinary General Meeting of Shareholders.

(2) Details of the share consolidation

i. Class of shares to be consolidated
   Common Stock

ii. Consolidation rate
   One post-consolidation share per ten pre-consolidation shares based on the shares owned by the shareholders recorded in the shareholder register as of September 30, 2020.

iii. Effective date
   October 1, 2020

iv. Total number of Authorized Shares
   5,130,000,000 shares
   To be changed on the effective date of the share consolidation pursuant to Article 182, Paragraph 2 of Japan's Companies Act.

v. Number of shares to be reduced by the consolidation (Number of shares to be reduced could be changed)

<table>
<thead>
<tr>
<th>Total number of issued shares before the consolidation as of March 31 2020</th>
<th>25,392,498,945</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares to be reduced by the consolidation</td>
<td>22,853,249,051</td>
</tr>
<tr>
<td>Total number of issued shares after the consolidation</td>
<td>2,539,249,894</td>
</tr>
</tbody>
</table>

(Note) “Number of shares to be reduced by the consolidation” and “Total number of the issued shares after the consolidation” are theoretical figures based on the total number of the issued shares before the consolidation and the consolidation rate.

(3) Effect on per share information

Per share information would be as follows under the assumption that the share consolidation had taken place at the beginning of the fiscal year ended March 31, 2020.

<table>
<thead>
<tr>
<th>Net Assets per Share of Common Stock</th>
<th>¥3,372.96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Attributable to Owners of Parent per Share of Common Stock</td>
<td>¥176.87</td>
</tr>
<tr>
<td>Diluted Profit Attributable to Owners of Parent per Share of Common Stock</td>
<td>¥176.86</td>
</tr>
</tbody>
</table>
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

BASIS FOR PRESENTATION AND PRINCIPLES OF PREPARATION OF NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Valuation of Securities
   Investments in subsidiaries and affiliates are stated at acquisition cost and determined by the moving average method, and Other Securities (excluding domestic securities) are stated, in principle, at fair value based on the quoted market price as of the balance sheet date. Other Securities for which it is deemed to be extremely difficult to determine the fair value are stated at acquisition cost and determined by the moving average method. Unrealized Gains and Losses on Other Securities are recorded directly to Net Assets.

2. Depreciation and Amortization of Fixed Assets
   (1) Tangible Fixed Assets
       Depreciation of Buildings is computed by the straight-line method, and that of Equipment is computed by the declining-balance method with the following range of useful lives.
       Buildings: 6 years to 50 years
       Equipment: 2 years to 15 years
   (2) Intangible Fixed Assets
       Trademarks are amortized under the straight-line method over ten years. Development costs for internally-used software are capitalized and amortized under the straight-line method over their estimated useful lives of five years.

3. Deferred Assets
   Bond issuance costs are expensed as incurred.

4. Reserves
   (1) Reserve for Bonus Payments
       Reserve for Bonus Payments, which is provided for future bonus payments to employees, is maintained at the amount accrued at the end of the fiscal year, based on the estimated future payments.
   (2) Reserve for Variable Compensation
       To prepare for the payments of performance payments and stock compensation to be paid as variable compensation within compensation for directors and executive officers of Mizuho Financial Group, Inc., the estimated payment based on the standard amount regarding variable compensation of this fiscal year is provided.
   (3) Reserve for Employee Retirement Benefits
       Reserve for Employee Retirement Benefits, which is provided for future benefit payments to employees, is recorded as the required amount, based on the projected benefit obligation and the estimated plan asset amounts at the end of the fiscal year. In calculating retirement benefit obligations, a benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Unrecognized prior service cost and unrecognized actuarial differences are recognized as follows:
       Unrecognized prior service cost: Recognized as expenses in the period of occurrence.
       Unrecognized actuarial differences: Recognized as income or expenses from the following fiscal year under the straight-line method over a certain term (ten years) within the average remaining service period of the employees of the respective fiscal years.
5. Fundamental and Important Matters for the Preparation of Non-Consolidated Financial Statements

(1) Accounting Method for Retirement Benefits
The accounting method for unrecognized actuarial differences of Retirement Benefits differs from that applied in the consolidated financial statements.

(2) Consumption Taxes and Local Consumption Taxes
Consumption taxes and local consumption taxes are excluded from transaction amounts.

NOTES TO NON-CONSOLIDATED BALANCE SHEET

1. Amounts less than one million yen are rounded down.
2. Assets pledged as collateral accounted for ¥19,305 million of Investments.
3. Accumulated depreciation of Tangible Fixed Assets amounted to ¥4,369 million.
   Accumulated amortization of Intangible Fixed Assets amounted to ¥10,956 million.
4. Bonds and Notes includes ¥2,908,622 million of subordinated bonds.
5. Long-term Borrowings consists of subordinated borrowings with a covenant that performance of the obligation is subordinated to that of other obligations.
6. Contingent liability
   (1) MHFG has guaranteed the senior bond denominated in U.S. dollars issued by Mizuho Bank, Ltd., a subsidiary of MHFG. The amount of the guarantee is ¥439,141 million.
   (2) MHFG has guaranteed on a subordinated basis the principal of and interest on the subordinated notes issued by Mizuho Financial Group (Cayman) 2 Limited and Mizuho Financial Group (Cayman) 3 Limited that are MHFG’s subsidiaries.
      Mizuho Financial Group (Cayman) 2 Limited ¥164,570 million
      Mizuho Financial Group (Cayman) 3 Limited ¥163,324 million
   (3) Based upon the regulations of the German Deposit Protection Fund, MHFG has submitted to the Association of German Banks a letter of indemnity to recompense the Association regarding deposits of the German branches of Mizuho Bank, Ltd. that is MHFG’s subsidiary if necessary.
      Mizuho Bank, Ltd. ¥46,070 million
   (4) Regarding Joint Euro Medium Term Notes Programme with Mizuho Securities Co., Ltd., Mizuho International plc, and Mizuho Securities USA LLC that are MHFG’s subsidiaries, MHFG has concluded a keepwell agreement with each company jointly with Mizuho Bank, Ltd. that is MHFG’s subsidiary. The Bonds based on keepwell agreements on this programme amounted to ¥954,402 million.
   (5) MHFG has guaranteed the bond trading transaction conducted by Mizuho Securities, Co., Ltd. that is MHFG’s subsidiary. The amount of the guarantee is ¥3,000 million.
7. Short-term monetary claims against subsidiaries and affiliates amounted to ¥74,288 million.
   Short-term monetary liabilities against subsidiaries and affiliates amounted to ¥862,754 million.
   Long-term monetary claims against subsidiaries and affiliates amounted to ¥6,540,056 million.
   Long-term monetary liabilities against subsidiaries and affiliates amounted to ¥18,176 million.

NOTES TO NON-CONSOLIDATED STATEMENT OF INCOME

1. Amounts less than one million yen are rounded down.
2. Transactions with subsidiaries and affiliates
   Operating transactions
   Operating Income ¥75,424 million
   Operating Expenses ¥4,930 million
   Other than operating transactions ¥141,289 million

3. Other Extraordinary Losses consists of losses on disposal of fixed assets.

NOTES TO NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. Amounts less than one million yen are rounded down.
2. Types and number of treasury stock are as follows:

<table>
<thead>
<tr>
<th>Types of Shares</th>
<th>As of April 1, 2019</th>
<th>Increase during the fiscal year</th>
<th>Decrease during the fiscal year</th>
<th>As of March 31, 2020</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>25,437</td>
<td>9,103</td>
<td>11,281</td>
<td>23,259</td>
<td>Note</td>
</tr>
<tr>
<td>Total</td>
<td>25,437</td>
<td>9,103</td>
<td>11,281</td>
<td>23,259</td>
<td></td>
</tr>
</tbody>
</table>

Note: Increases are due to acquisition of treasury stock by BBT trust account (9,030 thousand shares) and repurchase of shares constituting less than one unit (73 thousand shares). Decreases are due to distribution and sale of treasury stock through BBT trust account (8,311 thousand shares), exercise of stock acquisition rights (stock options) (2,968 thousand shares), and repurchase of shares constituting less than one unit (2 thousand shares). The number of shares as of March 31, 2020 includes the number of treasury stock held by BBT trust account (19,636 thousand shares).
NOTES TO DEFERRED TAXES

Breakdown of Deferred Tax Assets/Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Assets</td>
<td></td>
</tr>
<tr>
<td>Investments in Subsidiaries and Affiliates</td>
<td>¥345,178</td>
</tr>
<tr>
<td>Other</td>
<td>13,174</td>
</tr>
<tr>
<td>Sub-total of Deferred Tax Assets</td>
<td>358,353</td>
</tr>
<tr>
<td>Valuation Allowance</td>
<td>(349,851)</td>
</tr>
<tr>
<td>Total Deferred Tax Assets</td>
<td>8,501</td>
</tr>
<tr>
<td>Deferred Tax Liabilities</td>
<td></td>
</tr>
<tr>
<td>Prepaid Pension Cost</td>
<td>(5,877)</td>
</tr>
<tr>
<td>Gains on Sales of Fixed Assets</td>
<td>(3,459)</td>
</tr>
<tr>
<td>Other</td>
<td>(578)</td>
</tr>
<tr>
<td>Total Deferred Tax Liabilities</td>
<td>(9,915)</td>
</tr>
<tr>
<td>Net Deferred Tax Liabilities</td>
<td>¥(1,414)</td>
</tr>
</tbody>
</table>

NOTES TO PER SHARE INFORMATION

1. Total Net Assets per Share of Common Stock     ¥211.36
2. Net Income per Share of Common Stock           ¥1.34
SUBSEQUENT EVENTS

The Board of Directors of the MHFG resolved in a meeting held on May 15, 2020 to include the following share consolidation in the agenda for the 18th Ordinary General Meeting of Shareholders to be held in June 2020 (the “Ordinary General Meeting of Shareholders”).

(1) Purpose of the share consolidation

MHFG’s current share price is significantly below the desirable Trading Unit range of 50,000 yen to 500,000 yen designated by the Securities Listing Regulations of the Tokyo Stock Exchange.

In order to address this situation, we resolved to include the following share consolidation of common stock on the basis of one post-consolidation share per ten pre-consolidation shares in the agenda for the Ordinary General Meeting of Shareholders.

(2) Details of the share consolidation

i. Class of shares to be consolidated
   Common Stock

ii. Consolidation rate

   One post-consolidation share per ten pre-consolidation shares based on the shares owned by the shareholders recorded in the shareholder register as of September 30, 2020.

iii. Effective date

   October 1, 2020

iv. Total number of Authorized Shares

   5,130,000,000 shares

   To be changed on the effective date of the share consolidation pursuant to Article 182, Paragraph 2 of Japan’s Companies Act.

v. Number of shares to be reduced by the consolidation (Number of shares to be reduced could be changed)

   | Total number of issued shares before the consolidation as of March 31, 2020 | 25,392,498,945 |
   | Number of shares to be reduced by the consolidation | 22,853,249,051 |
   | Total number of issued shares after the consolidation | 2,539,249,894 |

(Note) “Number of shares to be reduced by the consolidation” and “Total number of the issued shares after the consolidation” are theoretical figures based on the total number of the issued shares before the consolidation and the consolidation rate.

(3) Effect on per share information

Per share information would be as follows under the assumption that the share consolidation had taken place at the beginning of the fiscal year ended March 31, 2020.

| Total Net Assets per Share of Common Stock | ¥2,113.67 |
| Net Income per Share of Common Stock | ¥13.42 |