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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number 001-33098

Kabushiki Kaisha Mizuho Financial Group

(Exact name of Registrant as specified in its charter)

Mizuho Financial Group, Inc.

(Translation of Registrant's name into English)

Japan

(Jurisdiction of incorporation or organization)

1-5-5 Otemachi
Chiyoda-ku, Tokyo 100-8176
Japan

(Address of principal executive offices)

Yasutoshi Tanaka, +81-3-5224-1111, +81-3-5224-1059, address is same as above

(Name, Telephone, Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section12(b) of the Act.

Title of each class	Trading Symbols	Name of each exchange on which registered
American depositary shares, each of which represents two shares of common stock	MFG	The New York Stock Exchange
Common Stock, without par value*		

Securities registered or to be registered pursuant to Section12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

At March 31, 2023, the following shares of capital stock were issued: 2,539,249,894 shares of common stock (including 826,676 shares of common stock held by the registrant as treasury stock).

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer, "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S.GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ☐ No ☐

* Not for trading, but only in connection with the registration and listing of the ADSs.

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MIZUHO FINANCIAL GROUP, INC.

ANNUAL REPORT ON FORM 20-F

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, the terms "Mizuho Financial Group," the "Mizuho group," "we," "us" and "our" generally refer to Mizuho Financial Group, Inc. and its consolidated subsidiaries, but from time to time as appropriate to the context, those terms refer to Mizuho Financial Group, Inc. as an individual legal entity. Furthermore, unless the context indicates otherwise, these references are intended to refer to us as if we had been in existence in our current form for all periods referred to herein.

On July 1, 2013, a merger between the former Mizuho Bank, Ltd. and the former Mizuho Corporate Bank, Ltd. came into effect with the former Mizuho Corporate Bank as the surviving entity, which was renamed Mizuho Bank upon the merger. In this annual report, "Mizuho Bank" refers to the post-merger entity, while the "former Mizuho Bank" and the "former Mizuho Corporate Bank" refer to pre-merger Mizuho Bank and pre-merger Mizuho Corporate Bank, respectively.

In this annual report, "our principal banking subsidiaries" refer to Mizuho Bank and Mizuho Trust & Banking Co., Ltd.

In this annual report, references to "U.S. dollars," "dollars" and "$" refer to the lawful currency of the United States and those to "yen" and "¥" refer to the lawful currency of Japan.

In this annual report, yen figures and percentages have been rounded to the figures shown. However, in some cases, figures presented in tables have been adjusted to match the sum of the figures with the total amount, and such figures may also be referred to in the related text. In addition, yen figures and percentages in "Item 3.A. Key Information—Selected Financial Data—Japanese GAAP Selected Consolidated Financial Information" and others that are specified have been truncated to the figures shown.

Our fiscal year end is March 31. References to years not specified as being fiscal years are to calendar years.

Unless otherwise specified, for purposes of this annual report, we have presented our financial information in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. Unless otherwise stated or the context otherwise requires, all amounts in our financial statements are expressed in yen.

We usually hold the ordinary general meeting of shareholders of Mizuho Financial Group in June of each year in Chiyoda-ku, Tokyo.

FORWARD-LOOKING STATEMENTS

We may from time to time make written or oral forward-looking statements. Written forward-looking statements may appear in documents filed with the Securities and Exchange Commission, including this annual report, and other reports to shareholders and other communications.

The U.S. Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking information to encourage companies to provide prospective information about themselves. We rely on this safe harbor in making these forward-looking statements.

This annual report contains forward-looking statements regarding the intent, belief, current expectations and targets of our management with respect to our financial condition and future results of operations. In many cases, but not all, we use such words as "aim," "anticipate," "believe," "endeavor," "estimate," "expect," "intend," "may," "plan," "probability," "project," "risk," "seek," "should," "strive," "target" and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect

to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks and uncertainties include, without limitation, the following:

- international conflicts and geopolitical disruptions;
- increase in allowance for credit losses on loans and incurrence of significant credit-related costs;
- declines in the value of our securities portfolio, including as a result of the declines in stock markets and the impact of the dislocation in the global financial markets;
- changes in interest rates;
- foreign exchange rate fluctuations;
- decrease in the market liquidity of our assets;
- revised assumptions or other changes related to our pension plans;
- a decline in our deferred tax assets;
- the effect of financial transactions entered into for hedging and other similar purposes;
- failure to maintain required capital adequacy ratio levels;
- downgrades in our credit ratings;
- our ability to avoid reputational harm;
- our ability to implement our medium-term business plan and other strategic initiatives and measures effectively;
- the effectiveness of our operation, legal and other risk management policies;
- the effect of changes in general economic conditions in Japan and elsewhere;
- problems related to our information technology systems and cyber attacks;
- amendments and other changes to the laws and regulations that are applicable to us; and
- the effect of climate change.

Our forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. We identify in this annual report in “Item 3.D. Key Information—Risk Factors,” “Item 4.B. Information on the Company—Business Overview,” “Item 5. Operating and Financial Review and Prospects” and elsewhere, some, but not necessarily all, of the important factors that could cause these differences.

We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. Selected Financial Data

The following table below sets forth selected consolidated financial data of Mizuho Financial Group as of and for the fiscal years ended March 31, 2019, 2020, 2021, 2022 and 2023 derived from the audited consolidated financial statements of Mizuho Financial Group prepared in accordance with U.S. GAAP.

The consolidated financial statements of Mizuho Financial Group as of and for the fiscal years ended March 31, 2019, 2020, 2021, 2022 and 2023 prepared in accordance with U.S. GAAP have been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) by Ernst & Young ShinNihon LLC, an independent registered public accounting firm.

You should read the selected consolidated financial information presented below together with the information included in "Item 5. Operating and Financial Review and Prospects" and the audited consolidated financial statements, including the notes thereto, included in this annual report. The information presented below is qualified in its entirety by reference to that information.

Selected Consolidated Financial Information

	As of and for the fiscal years ended March 31,				
	2019	2020	2021	2022	2023
	(in millions of yen, except per share data, share number information and percentages)				
Statement of income data:					
Interest and dividend income	¥ 2,207,443	¥ 2,151,172	¥ 1,456,556	¥ 1,443,941	¥ 3,388,791
Interest expense	1,313,476	1,271,381	467,939	374,132	2,180,064
Net interest income	893,967	879,791	988,617	1,069,809	1,208,727
Provision (credit) for credit losses	32,459	156,200	112,776	214,408	93,753
Net interest income after provision (credit) for credit losses	861,508	723,591	875,841	855,401	1,114,974
Noninterest income	1,222,371	1,307,740	2,041,320	669,790	888,103
Noninterest expenses	1,998,819	1,877,841	1,888,397	1,767,679	1,933,907
Income (loss) before income tax expense (benefit)	85,060	153,490	1,028,764	(242,488)	69,170
Income tax expense (benefit)	9,335	47,175	210,716	(141,017)	35,142
Net income (loss)	75,725	106,315	818,048	(101,471)	34,028
Less: Net income (loss) attributable to noncontrolling interests	(8,746)	(43,880)	236,283	3,251	48,037
Net income (loss) attributable to MHFG shareholders	¥ 84,471	¥ 150,195	¥ 581,765	¥ (104,722)	¥ (14,009)
Net income (loss) attributable to common shareholders	¥ 84,471	¥ 150,195	¥ 581,765	¥ (104,722)	¥ (14,009)
Amounts per share[(1)]:					
Basic earnings per common share—net income (loss) attributable to common shareholders	¥ 33.31	¥ 59.19	¥ 229.27	¥ (41.28)	¥ (5.52)
Diluted earnings per common share—net income (loss) attributable to common shareholders	¥ 33.30	¥ 59.19	¥ 229.26	¥ (41.28)	¥ (5.52)
Number of shares used to calculate basic earnings per common share (in thousands)	2,536,238	2,537,368	2,537,513	2,537,051	2,536,596
Number of shares used to calculate diluted earnings per common share (in thousands)	2,536,690	2,537,526	2,537,602	2,537,051	2,536,596
Cash dividends per share[(2)(3)]:					
Common stock	¥ 75.00	¥ 75.00	¥ 75.00	¥ 80.00	¥ 85.00
	$ 0.68	$ 0.70	$ 0.68	$ 0.66	$ 0.64

	As of and for the fiscal years ended March 31,				
	2019	2020	2021	2022	2023
	(in millions of yen, except per share data, share number information and percentages)				
Balance sheet data:					
Total assets	¥197,611,195	¥211,218,760	¥221,651,474	¥231,550,704	¥248,780,722
Loans, net of allowance	82,492,742	87,087,233	87,930,018	89,480,766	93,474,798
Total liabilities	188,109,702	202,043,136	211,963,317	222,108,473	239,055,588
Deposits	138,296,916	144,948,667	151,010,604	157,178,284	164,935,625
Long-term debt	11,529,400	10,346,152	11,706,471	12,578,216	14,893,023
Common stock	5,829,657	5,827,500	5,826,863	5,816,834	5,832,729
Total MHFG shareholders' equity	8,726,519	8,512,365	9,105,238	8,914,212	8,915,491
Other financial data:					
Return on equity and assets:					
Net income (loss) attributable to common shareholders as a percentage of total average assets	0.04%	0.07%	0.26%	(0.04)%	(0.01)%
Net income (loss) attributable to common shareholders as a percentage of average MHFG shareholders' equity	1.11%	1.95%	7.50%	(1.30)%	(0.16)%
Dividends per common share as a percentage of basic earnings per common share	225.16%	126.71%	32.71%	(193.80)%	(1,539.86)%
Average MHFG shareholders' equity as a percentage of total average assets	3.71%	3.81%	3.43%	3.46%	3.46%
Net interest income as a percentage of total average interest-earning assets	0.48%	0.48%	0.48%	0.50%	0.54%

Notes:

(1) Mizuho Financial Group adopted the share consolidation of the shares of common stock on the basis of one post-consolidation share per ten pre-consolidation shares effective as of October 1, 2020. For purposes of the amounts per share, we have assumed the effective date of the share consolidation to be April 1, 2018.

(2) Yen amounts are expressed in U.S. dollars at the rate of ¥110.68= $1.00, ¥107.53= $1.00, ¥110.61= $1.00, ¥121.44= $1.00 and ¥132.75= $1.00 for the fiscal years ended March 31, 2019, 2020, 2021, 2022 and 2023, respectively. These rates are the noon buying rates on the respective fiscal year-end dates in New York City for cable transfers in yen as certified for customs purposes by the Federal Reserve Bank of New York.

(3) Figures represent cash dividends per share with respect to the applicable fiscal year. Dividends with respect to a fiscal year include year-end dividends and interim dividends. Declaration and payment of dividends are conducted during the immediately following fiscal year, in the case of year-end dividends, or immediately following interim period, in the case of interim dividends.

3.B. Capitalization and Indebtedness

Not applicable.

3.C. Reasons for the Offer and Use of Proceeds

Not applicable.

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3.D. Risk Factors

Investing in our securities involves a high degree of risk. You should carefully consider the risks described below as well as the other information in this annual report, including our consolidated financial statements and related notes, "Item 5. Operating and Financial Review and Prospects," "Item 11. Quantitative and Qualitative Disclosures about Credit, Market and Other Risk" and "Selected Statistical Data."

Our business, financial condition and operating results could be materially adversely affected by any of the factors discussed below. The trading price of our securities could decline due to any of these factors. This annual report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this annual report. See "Forward-Looking Statements."

Risks Relating to Our Business

International conflicts and geopolitical disruptions may have an adverse effect on us.

Due to the situation in Ukraine, Japan, the United States and some European countries have imposed economic sanctions on Russia. Furthermore, concerns about deteriorating US-China relations are growing as the United States and its allies begin to implement more assertive measures against China. Against the backdrop of the growing international conflicts and geopolitical disruptions, our clients and suppliers may face challenges of business contraction, volatile prices and supply chain instability and be compelled to reevaluate their business strategies. Moreover, the international situation could lead to declines in corporate earnings and a rise in uncertainty in financial markets, which could result in an increase in our credit-related costs, a decrease in the value of our assets and a negative impact on our liquidity. The increasingly stringent regulations resulting from the geopolitical disruptions could further lead to enhanced regulatory compliance risk and the related risk of reputational damage. As a result of any of the foregoing, our business, financial condition and results of operations may be materially and adversely affected.

We may be adversely affected if economic or market conditions in Japan or elsewhere deteriorate.

We conduct a wide variety of business operations in Japan as well as overseas, including in the United States, Europe and Asia. If general economic conditions in Japan or other regions were to deteriorate or if the financial markets become subject to turmoil, we could experience weakness in our business, as well as deterioration in the quality of our assets. As a result, our financial condition and results of operations could be materially and adversely affected.

Amendments and other changes to the laws and regulations that are applicable to us could have an adverse effect on us.

We are subject to general laws, regulations and accounting rules applicable to our business activities in and outside of Japan. We are also subject to various laws and regulations applicable to financial institutions such as the Banking Act, including capital adequacy requirements, in and outside of Japan. If the laws and regulations that are applicable to us are amended or otherwise changed, such as in a way that restricts us from engaging in business activities that we currently conduct or that requires us to incur additional costs related to our IT systems, our business, financial condition and results of operations could be materially and adversely affected.

Our reputation could be adversely affected if our business operations are perceived as being harmful to the environment and society.

As concerns regarding environmental and social issues, such as climate change, biodiversity and human rights, have heightened in recent years, we believe that our stakeholders as well as the society at large expect that we, as a financial services provider, give increasing consideration to such issues. While we are strengthening our

efforts to reduce environmental and social risks, including establishing comprehensive policies for, among others, engaging with specific sectors that are likely to exacerbate negative impacts on the environment and society or engagement across multiple sectors, the expectations placed upon us and companies which we invest in or extend loans to continue to heighten day by day. Although we may from time to time establish environmental, social or governance objectives or targets, there is no assurance that we will be successful in achieving such objectives or targets or that such objectives or targets will not be changed. Our reputation may be harmed and credit-related costs could rise if our or such companies' efforts fall short of such expectations. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Climate change could have an adverse effect on us.

Following the adoption of the Paris Agreement in 2015, measures to reduce greenhouse gases that are seen as the cause of climate change have been promoted globally. As the participating nations agreed on the target to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels at the UN Climate Change Conference in Glasgow (COP26) held in 2021, and such target was reaffirmed at COP27 held in 2022, governments and others have been accelerating their measures to counter climate change, and addressing climate change risks, among various environmental and social issues, has become increasingly important.

We believe climate change is a threat to our environment, society, daily lives and the activities of companies, and view it as one of the most important global issues which may affect the stability of financial markets. Climate change risks include transition risks caused by changes in a wide range of policies, laws and regulations, technologies and markets due to moving to a low carbon economy. Typical examples of such transition risks include mid- to long-term credit-related cost increases for business sectors that emit more greenhouse gases. We may also suffer a deterioration of our reputation due to our financing of businesses that, for example, handle fossil fuels such as coal-fired power generation businesses. Climate change risks may also include physical risks, such as direct damages to assets, or indirect effects, such as the severance of supply chains. Examples of potential risks in the near term include increases in credit-related costs due to deterioration in the business performance of our customers as a result of stagnation in their businesses or decreases in the value of collateral assets caused by changes in climate and the effects thereof. Examples of potential long-term risks include increases in credit-related costs due to deteriorating macroeconomic conditions, which may be caused in part by an increase in infectious diseases, heatstroke or other related ailments.

We regularly review our strategy and risk management structure in order to manage the aforementioned risks, while paying attention to global trends. However, if our initiatives do not have their anticipated effects and climate change risks, whether or not contemplated above, materialize, our business operations, results and financial conditions could be materially and adversely affected.

The transition of interest rate benchmarks such as LIBOR could have adverse effects on our financial condition and results of operations.

Many of our products and services refer to benchmark interest rates such as the London Interbank Offered Rate ("LIBOR"). We also utilize such benchmark interest rates for our own evaluation of financial instruments and various other internal management purposes.

In light of the LIBOR manipulation scandal that surfaced in 2012, many financial authorities around the world have commented on a transition to the risk-free rate as the benchmark interest rate to improve reliability and transparency. In addition, in July 2017, the Chief Executive of the Financial Conduct Authority of the United Kingdom ("FCA"), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to present rates for the calculation of the LIBOR benchmark after 2021. Later in March 2021, ICE Benchmark Administration Limited ("IBA"), the administrator of LIBOR, announced that it would cease the publication of JPY, GBP, EUR, CHF LIBOR and certain USD LIBOR settings immediately after the end of 2021 and cease the publication of the remaining USD LIBOR settings after the end of June 2023. Since December 2021, IBA has ceased the publication of JPY, GBP, EUR and CHF LIBOR, and the 1-week and 2-months USD LIBOR as scheduled.

We have taken measures to prepare us for the cessation of publication of LIBOR and the shift to a successor interest rate benchmark across the entire group, and the transition to the successor benchmark is progressing as planned, including the remaining USD LIBOR, the publication of which will cease at the end of June 2023. Issues such as the transition of a particular benchmark to a replacement rate could result in widespread dislocation in the financial markets, engender volatility in the pricing of securities, derivatives and other instruments, and suppress capital markets activities. As a result, the transition could, for example, cause hedging accounting items to be derecognized and increase litigation risks regarding our existing products and services, which could adversely impact our profitability. There can be no assurance that a change in the benchmark interest rate and related valuation methods will not have a material adverse effect on our financial condition and results of operations. We may also be adversely affected if the change restricts our ability to provide products and services or if it necessitates the development of additional information technology systems.

Intensification of competition in the market for financial services could have an adverse effect on us.

We offer comprehensive financial services globally, centered on banking, trust banking and securities, and are subject to intense competition both domestically and internationally with large financial institutions, non-bank financial institutions and others. In addition, as a result of "FinTech," an increasing number of companies have been crossing industry lines and entering the field of finance, and it is possible that the competitive environment surrounding us may further intensify. Moreover, due to the reforms to financial regulations made to date, it may become difficult to differentiate strategies between us and our competitors, resulting in the intensification of competition in specific businesses.

If we are unable to respond effectively to current or future competition, our business, financial condition and results of operations could be adversely affected. In addition, intensifying competition and other factors could lead to reorganization within the financial services industry, and this could have an adverse effect on our competitive position or otherwise adversely affect the price of our securities.

Our business could be significantly disrupted due to natural disasters, terrorism, outbreaks of infectious diseases, accidents or other causes.

Our headquarters, branch offices, information technology centers, computer network connections and other facilities are subject to the risk of damage from natural disasters such as earthquakes and typhoons as well as from acts of terrorism and other criminal acts. In addition, our business could be materially disrupted as a result of an outbreak of infectious disease. Our business, financial condition and results of operations could be adversely affected if our recovery efforts, including our implementation of contingency plans that we have developed such as establishing back-up offices, are not effective in preventing significant disruptions to our business operations caused by such natural disasters, terrorism, other criminal acts and outbreaks of infectious diseases. For example, massive natural disasters such as the March 2011 Great East Japan Earthquake, or outbreaks of infectious diseases such as the Coronavirus Disease 2019 (COVID-19) Pandemic may have various adverse effects, including a deterioration in economic conditions, declines in the business performance of many of our corporate customers and declines in stock prices. As a result, our financial condition and results of operations could be materially and adversely affected due to an increase in the amount of problem loans and credit-related costs as well as an increase in unrealized losses on, or losses from sales of, equity securities and financial products.

We may be required to increase allowance for credit losses on loans and/or incur significant credit-related and other costs in the future due to problem loans.

We are the primary bank lender for a large number of our corporate customers, and the amount of our loans and other claims to each of our major customers is significant. In addition, while we have made efforts to diversify our credit exposure along industry lines, the proportion of credit exposure to customers in the real estate and manufacturing industries as well as banks and other financial institutions is relatively high. We manage our credit portfolio by regularly monitoring the credit profile of each of our customers, the progress made on

restructuring plans and credit exposure concentrations in particular industries or corporate groups that are expected to be affected when risk events occur, and we also utilize credit derivatives for hedging and credit risk mitigation purposes. We also periodically assess the value of the relevant collateral or guarantee. However, depending on the status of domestic and global credit cycles, the business environment in particular industries, prices of real estate assets and other factors, the amount of our problem loans and other claims could increase significantly, including as a result of the deterioration in the credit profile of customers for which we are the primary bank lender, other major customers or customers belonging to industries to which we have significant credit exposure, and the value of collateral and guarantees could decline. There can be no assurance that credit-related and other costs will not increase in the future as a result of the foregoing or otherwise.

Our equity investment portfolio exposes us to market risks that could adversely affect our financial condition and results of operations.

We hold substantial investments in marketable equity securities, mainly common stock of Japanese listed companies. We have established the "Policy Regarding Cross-holding of Shares of Other Listed Companies" and, in light of the potential material adverse impact on our financial position associated with stock market volatility risk, we have decided to hold the shares of other companies as cross-shareholdings only when these holdings are meaningful, and we have accordingly sold a portion of such investments. In addition, in order to lower the risk of stock market volatility, we have been applying partial hedges as we deem necessary. However, significant declines in Japanese stock prices in the future would lead to unrealized losses, losses on impairment and losses from sales of equity securities. In addition, net unrealized gains and losses on such investments, based on Japanese GAAP, are taken into account when calculating the amount of capital for purposes of the calculation of our capital adequacy ratios, and as a result, a decline in the value of such investments would negatively affect such ratios. Accordingly, our financial condition and results of operations could be materially and adversely affected.

Changes in interest rates could adversely affect our financial condition and results of operations.

We hold a significant amount of bonds, consisting mostly of Japanese government bonds, as well as U.S. Treasury bonds and other instruments primarily for the purpose of investment and in our trading account. For example, following the U.S. interest rate rises since early 2022, we recorded significant trading account losses for the fiscal year ended March 31, 2022 and 2023 with respect to our holding of foreign bonds. As a result of such holdings, an increase in interest rates, primarily yen interest rates and U.S. dollar interest rates, could lead to unrealized losses of bonds or losses from sales of bonds. In addition, due mainly to differences in maturities between financial assets and liabilities, changes in interest rates could have an adverse effect on our average interest rate spread. We manage interest rate risk under our risk management policies, which provide for adjustments in the composition of our bond portfolio and the utilization of derivatives and other hedging methods to reduce our exposure to interest rate risk. However, in the event of significant changes in interest rates, including as a result of a change in Japanese or U.S. monetary policy, increased sovereign risk due to deterioration of public finances and market trends, our financial condition and results of operations could be materially and adversely affected.

Our financial condition and results of operations could be adversely affected by foreign exchange rate fluctuations.

A portion of our assets and liabilities is denominated in foreign currencies, mainly the U.S. dollar. The difference between the amount of assets and liabilities denominated in foreign currencies leads to foreign currency translation gains and losses in the event of fluctuations in foreign exchange rates. Although we hedge a portion of our exposure to foreign exchange rate fluctuation risk, our financial condition and results of operations could be materially and adversely affected if future foreign exchange rate fluctuations significantly exceed our expectations.

We may incur further losses relating to decreases in the market liquidity of assets that we hold.

The market liquidity of the various marketable assets that we hold may decrease significantly due to turmoil in financial markets and other factors, and the value of such assets could decline as a result. If factors such as

turmoil in global financial markets or the deterioration of economic or financial conditions cause the market liquidity of our assets to decrease significantly, our financial condition and results of operations could be materially and adversely affected.

Our pension-related costs could increase as a result of revised assumptions or changes in our pension plans.

Our pension-related costs and projected benefit obligations are calculated based on assumptions regarding projected returns on pension plan assets and various actuarial assumptions relating to the plans. If actual results differ from our assumptions or we revise our assumptions in the future, due to changes in the stock markets, interest rate environment or otherwise, our pension-related costs and projected benefit obligations could increase. In addition, any future changes to our pension plans could also lead to increases in our pension-related costs and projected benefit obligations. As a result, our financial condition and results of operations could be materially and adversely affected.

A decrease in deferred tax assets, net of valuation allowance, due to a change in our estimation of future taxable income or change in Japanese tax policy could adversely affect our financial condition and results of operations.

We record deferred tax assets, net of valuation allowance, based on a reasonable estimation of future taxable income in accordance with applicable accounting standards. Our financial condition and results of operations could be materially and adversely affected if our deferred tax assets decrease due to a change in our estimation of future taxable income, a change in tax rate as a result of tax system revisions or other factors. Because we consider the sale of available-for-sale securities and equity securities to be a qualifying tax-planning strategy, turmoil in financial markets such as significant declines in stock prices could lead to a decrease in our estimated future taxable income.

Financial transactions entered into for hedging and other similar purposes could adversely affect our financial condition and results of operations.

The accounting and valuation methods applied to credit and equity derivatives and other financial transactions that we enter into for hedging and credit risk mitigation purposes are not always consistent with the accounting and valuation methods applied to the assets that are being hedged. Consequently, in some cases, due to changes in the market or otherwise, losses related to such financial transactions during a given period may adversely affect net income, while the corresponding increases in the value of the hedged assets do not have an effect on net income for such period. As a result, our financial condition and results of operations could be materially and adversely affected during the period.

Impairment of the carrying value of our long-lived assets could materially and adversely affect our financial condition and results of operations.

We periodically review our long-lived assets that are held for use for events or changes in circumstances that indicate possible impairment. Our impairment review is based on an undiscounted cash flow analysis of a group of assets, combined with associated liabilities, at the lowest level for which identifiable cash flows exist. Impairment occurs when the carrying value of the asset group exceeds the future undiscounted cash flows that the asset group is expected to generate. When impairment is identified, the future cash flows are then discounted to determine the estimated fair value of the asset group and an impairment charge is recorded for the difference between the carrying value and the estimated fair value of the asset group. We cannot accurately predict the amount and timing of any impairment of long-lived assets. Should these assets not generate sufficient cash flows to justify their carrying value and we recognize impairment losses thereon, there could be a material adverse effect on our financial condition and results of operations.

Our business will be adversely affected if we encounter difficulties in raising funds.

We rely principally on deposits and bonds as our funding sources. In addition, we also raise funds in the financial markets. In particular, our foreign currency funding structure relies more on capital markets compared

to our yen-based funding. Our efforts to maintain stable funding, such as setting maximum limits on financial market funding and monitoring our liquidity position to apply appropriate funding policies, may not be sufficient to prevent significant increases in our funding costs or, in the case mainly of foreign currencies, cash flow problems if we encounter difficulties in attracting deposits or otherwise raising funds. Such difficulties could result, among other things, from any of the following:

- a reduction in the size and liquidity of the debt markets due for example to the decline in the domestic and global economy, concerns regarding the financial system or turmoil in financial markets and other factors;
- adverse developments with respect to our financial condition and results of operations; or
- downgrading of our credit ratings or damage to our reputation.

As a result, our business, financial condition and results of operations could be materially and adversely affected.

Downgrades in our credit ratings could have negative effects on our funding costs and business operations.

Credit ratings are assigned to Mizuho Financial Group, our banking subsidiaries and a number of our other subsidiaries by major domestic and international credit rating agencies. The credit ratings are based on information furnished by us or obtained by the credit rating agencies from independent sources and are also influenced by credit ratings of Japanese government bonds and general views regarding the Japanese financial system as a whole. The credit ratings are subject to revision, suspension or withdrawal by the credit rating agencies at any time. A downgrade in our credit ratings could result in, among other things, the following:

- increased funding costs and other difficulties in raising funds;
- the need to provide additional collateral in connection with financial market transactions; and
- the termination or cancellation of existing agreements.

As a result, our business, financial condition and results of operations could be materially and adversely affected.

For example, assuming a downgrade occurred on March 31, 2023, the additional collateral requirement in connection with our derivative contracts if other conditions remain unchanged, would have been approximately ¥8.5 billion for a one-notch downgrade and approximately ¥25.1 billion for a two-notch downgrade.

Failure to maintain capital adequacy ratios and other regulatory standards above minimum required levels could have material adverse effects.

Capital adequacy regulations

We are subject to capital adequacy regulations as prescribed by the Financial Services Agency (including regulations pertaining to additional capital buffers for "global systemically important banks" (G-SIBs) as a result of our designation as a G-SIB) based on the Basel III rules text issued by the Basel Committee on Banking Supervision (which provides a detailed description of international standards for bank capital and liquidity), both on a consolidated basis and with respect to each of our principal banking subsidiaries. The revised capital adequacy regulations based on the finalized Basel III reforms published by the Basel Committee on Banking Supervision will be applied to us from the end of March 2024. See "Item 5. Operating and Financial Review and Prospects—Capital Adequacy" and "Item 4.B. Business Overview—Supervision and Regulation—Japan—Capital Adequacy."

If the capital adequacy ratios of us or our principal banking subsidiaries fall below specified levels, the Financial Services Agency could require us to take corrective actions, including, depending on the level of deficiency, the submission of a plan to limit the outflow of capital or an improvement plan that would strengthen the capital base, a reduction (or slowing of increase) of total assets, a reduction in the size of some business operations, a disposition of subsidiary shares and a suspension of all or a portion of business operations. In addition, some of our banking subsidiaries are subject to capital adequacy regulations in foreign jurisdictions

such as the United States, and in the event of a breach of these regulations, they could be subject to various restrictions and orders from local authorities. Such events could adversely affect our business, financial condition and results of operations.

Leverage ratio regulations

We are subject to leverage ratio regulations as prescribed by the Financial Services Agency based on the Basel III rules text issued by the Basel Committee on Banking Supervision, both on a consolidated basis and with respect to each of our principal banking subsidiaries. The regulations pertaining to leverage ratio buffers for G-SIBs based on the finalized Basel III reforms published by the Basel Committee on Banking Supervision have been implemented from the end of March 2023. In addition, the amendments to the leverage ratio calculation method based on such finalized reforms will be implemented from the end of March 2024. See "Item 5. Operating and Financial Review and Prospects—Capital Adequacy" and "Item 4.B. Business Overview—Supervision and Regulation—Japan— Leverage Ratio."

If the leverage ratio of us or our principal banking subsidiaries falls below a certain ratio, the Financial Services Agency could require us to take corrective actions, including, depending on the level of deficiency, the submission of a plan to limit the outflow of capital or an improvement plan that would strengthen the capital base, a reduction (or slowing of increase) of total assets, a reduction in the size of some business operations, a disposition of subsidiary shares and a suspension of all or a portion of business operations. In addition, some of our banking subsidiaries are subject to leverage ratio regulations in foreign jurisdictions and regions where they operate such as the United States, and in the event of a violation of these regulations, they could be subject to various restrictions and orders from local authorities. Such events could adversely affect our business, financial condition and results of operations.

Total Loss Absorbing Capacity (TLAC) regulations

As we have been designated as a G-SIB, we and our material subsidiaries are subject to total loss absorbing capacity (TLAC) regulations as prescribed by the Financial Services Agency based on "Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution" issued by the Financial Stability Board. See "Item 5. Operating and Financial Review and Prospects—Capital Adequacy" and "Item 4.B. Business Overview—Supervision and Regulation—Japan—Total Loss Absorbing Capacity."

If our external TLAC ratio or the internal TLAC amounts of our material subsidiaries fall below a certain threshold, the Financial Services Agency could require the submission of a plan to improve such external TLAC ratio or internal TLAC amounts or may issue a business improvement order which could include various restrictions on, or suspension of portions of, our business. Such events could adversely affect our business, financial condition and results of operations.

Capital procurement

The capital raising that we conduct in light of our regulatory capital requirements, including those conducted in response to TLAC requirements but excluding Common Equity Tier 1 capital requirements, consists primarily of the issuance of debt instruments. In the event of a deterioration in our financial condition or results of operations, a downgrade in our credit rating, or the spread of negative rumors or other reputational damage, an economic downturn in Japan or overseas, financial system instability or financial market turmoil, we may become unable to raise capital at commercially reasonable costs, or at all, which may prevent us from maintaining or improving our capital adequacy ratios in accordance with our plans. Such events could adversely affect our business, financial condition and results of operations.

Problems relating to our information technology (IT) systems could significantly disrupt our business operations.

We depend significantly on information technology systems with respect to almost all aspects of our business operations. Our information technology systems network, including those relating to bank accounting

and cash settlement systems, interconnects our branches and other offices, our customers and various clearing and settlement systems located worldwide. We endeavor to sustain stable daily operations and develop contingency plans for unexpected events, including the implementation of backup and redundancy measures.

However, we may not be able to prevent significant disruptions to our information technology systems caused by, among other things, human error, accidents and development and renewal of computer systems. In the event of any future disruptions in our IT systems, our business, financial condition and results of operations could be materially and adversely affected due to information leaks, malfunctions or disruptions in our business operations, liability to customers and others, regulatory actions or harm to our reputation.

In February and March 2021, there were several system failure incidents at Mizuho Bank (also at Mizuho Trust & Banking Co., Ltd. for the incidents on August 20, 2021) that resulted in aborted customer transactions across our network in Japan, including ATM and internet banking transactions and foreign exchange remittances. On September 22, 2021 and November 26, 2021, we and Mizuho Bank received business improvement orders from the Financial Services Agency. In response to the business improvement orders received on November 26, 2021, we and Mizuho Bank submitted a business improvement plan to the Financial Services Agency on January 17, 2022. We and Mizuho Bank have been providing reports of the status of implementation of the business improvement plan to the Financial Services Agency every three months, starting from March 31, 2022.

Problems relating to cyber attacks could significantly impair our ability to protect our customer's private information and disrupt our business operations.

Our business depends on the secure processing, storage and transmission of confidential and other information within our global IT systems. There have been a number of highly publicized cases involving financial services companies, consumer-based companies, governmental agencies and other organizations reporting the unauthorized access of client, customer or other confidential information in recent years, as well as cyber attacks involving the dissemination, theft and destruction of corporate information or other assets, using ransomware or other malicious code, as a result of failure by employees or contractors to follow procedures or as a result of actions by third parties, including actions by foreign governments. In addition, the risk of cyber attacks from foreign government or state-sponsored actors may increase due to international conflicts and geopolitical tension.

As we and our outside contractors continue to be the target of unauthorized access attacks, mishandling or misuse of information, computer viruses or malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches and other events, there can be no assurance that we will not suffer any losses or other consequences in the future as a result of significant incidents due to these cyber attacks. Although our Cyber Incident Response Team (CIRT) has led the implementation of, and continuously endeavors to upgrade, our protective measures using advanced technologies, our IT systems, software and computer networks may be vulnerable to unauthorized access, misuse, computer viruses, ransomware or other malicious code and other events that could have a security impact. Due to the complexity and interconnectedness of our global IT systems, these protective measures may be ineffective, and the process of enhancing our protective measures can itself create a risk of system disruption and security issues, and there can be no assurance that our current or future countermeasures will be sufficient to prevent or mitigate the impact of such incidents.

A cyber attack, information or security breach or a technology failure that involves us or our outside contractors could jeopardize our or our customers', employees', partners', vendors' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, our and our outside contractors' IT systems. Furthermore, such events could cause interruptions or malfunctions in our, our customers', employees', partners', vendors', counterparties' or outside contractor's operations, as well as the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of ours, our employees, our customers or of other third parties. Any of these events could result in

reputational damage with our customers and the market, customer dissatisfaction or financial losses, any of which could adversely affect our financial condition and results of operations.

Our reputation could be harmed and we may be subject to liabilities and regulatory actions if we are unable to protect personal and other confidential information, including as a result of cyber attacks.

We handle various confidential or non-public information, including those of our individual and corporate customers, in the ordinary course of our business. The information management policies we maintain and enforce to prevent information leaks and improper access to such information, including those that we require of our outside contractors and those designed to meet the strict requirements of the Personal Information Protection Act of Japan, may not be effective in preventing all such problems. Leakage of important information in the future, including as a result of cyber attacks, could result in liabilities and regulatory actions and may also lead to significant harm to our reputation. In addition, recent or future regulatory changes, such as the Japan Amended Personal Information Protection Act, the EU General Data Protection Regulation and the UK Competition and Markets Authority's Open Banking standard, increase the risks relating to our ability to comply with rules that impact our ability to protect information. Non-compliance with such regulations could result in regulatory proceedings, litigation, enforcement or the imposition of fines or penalties. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Inadequacies in anti-money laundering and counter-terrorism financing measures could subject us to regulatory actions and harm our reputation.

As financial crimes become more diverse and sophisticated, and incidents of terrorism continue to occur around the world, the importance of anti-money laundering measures and the need to counter the financing of terrorism is rapidly increasing and is a key priority for financial authorities worldwide, including Japan. We have developed a system to comply with applicable laws and regulations in Japan and overseas, and we are continuously implementing measures to further strengthen measures against money laundering. However, there can be no assurance that such measures will be effective in preventing all violations, and failure to comply with regulations and requirements can result in enforcement and/or regulatory proceedings. If we fail to meet the regulatory requirements to which we are subject, or to maintain risk and control procedures and processes that meet the heightened standards established by our regulators and other government agencies, we could be required to enter into settlements, comply with orders, pay additional fines, penalties or judgments, or accept material regulatory restrictions on our businesses. As a result, our business, financial condition and results of operations may be materially and adversely affected.

On November 26, 2021, Mizuho Bank received a corrective order from the Ministry of Finance. In response to the corrective order, Mizuho Bank submitted a report on improvement and prevention measures on December 17, 2021 to the Ministry of Finance and continues to provide such reports on a quarterly basis to the Ministry of Finance.

Transactions with state sponsors of terrorism may lead some potential customers and investors to avoid doing business with us or investing in our securities or have other adverse effects.

U.S. law generally prohibits U.S. persons from doing business with countries designated by the U.S. Department of State as state sponsors of terrorism (the "Designated Countries"), which currently includes Iran, Syria, North Korea and Cuba, and we maintain policies and procedures to comply with applicable U.S. laws. Our non-U.S. offices engage in transactions relating to the Designated Countries on a limited basis and in compliance with applicable laws and regulations, including trade financing with respect to our customers' export or import transactions and maintenance of correspondent banking accounts. In addition, we maintain a representative office in Iran. We do not believe our operations relating to the Designated Countries are material to our business, financial condition or results of operations. We maintain policies and procedures to ensure compliance with applicable Japanese and U.S. laws and regulations.

The laws and regulations applicable to dealings involving the Designated Countries are subject to further strengthening or changes. If the U.S. government considers that our compliance measures are inadequate, we may be subject to regulatory action which could materially and adversely affect our business. In addition, we may become unable to retain or acquire customers or investors in our securities, or our reputation may suffer, potentially having adverse effects on our business or the price of our securities.

Violations of laws and regulations related to financial market activities could subject us to adverse consequences such as regulatory actions and reputational harm.

In conducting our market operations in Japan and overseas, we are subject to the application of the laws and regulations of Japan and other countries and stock exchange rules, as well as being under the supervision of various financial authorities.

While we maintain compliance measures and endeavor to manage compliance risks, there can be no assurance that such measures will be effective in preventing all violations. Misconduct by employees, including improper or illegal conduct, can cause significant reputational harm as well as litigation and regulatory action. As a result, our business, financial condition and results of operations could be materially and adversely affected due to such regulatory actions and reputational damage.

Violations of applicable laws and regulations and misconduct by our officers or employees could result in penalties and other regulatory actions as well as harm to our reputation.

Our business and employees in Japan are subject to various laws and regulations, including those applicable to financial institutions as well as general laws applicable to our business activities, and we are under the regulatory oversight of the Financial Services Agency. Our businesses outside of Japan are also subject to the laws and regulations of the jurisdictions in which they operate and are subject to oversight by the regulatory authorities of those jurisdictions. In addition to our compliance with applicable laws and regulations, our officers and employees are expected to meet the expectations of our customers and society regarding compliance with relevant social rules and norms, and the standards relating to such expectations are likely to become higher and the rules and norms are subject to change over time.

Our compliance and legal risk management structures are designed to prevent violations of such laws and regulations and cultivate a risk-sensitive culture among our officers and employees, but they may not be effective in preventing all violations and non-compliance.

Violations of laws and regulations and our officers' or employees' misconduct could result in regulatory action and harm our reputation, and our business, financial condition and results of operations could be materially and adversely affected.

Our medium-term business plan and other strategic initiatives and measures may not result in the anticipated outcome.

We have been implementing strategic initiatives and measures in various areas. In May 2023, we announced our medium-term business plan for the three fiscal years ending March 31, 2026. However, we may not be successful in implementing such initiatives and measures, or even if we are successful in implementing them, the implementation of such initiatives and measures may not have their anticipated effects. In addition, we may not be able to meet the key targets announced due to these or other factors, including, but not limited to, differences in the actual economic environment compared to our assumptions, as well as the risks enumerated in these "Risk Factors."

For further information of our medium-term business plan, see "Item 4. Business Overview—General and structural reforms."

We will be exposed to new or increased risks as we expand the range of our products and services.

As a financial consulting group, we offer a broad range of financial services, including banking, trust banking, securities and other services. As the needs of our customers become more sophisticated and broader in scope, and as the Japanese financial industry continues to be deregulated, we have been entering into various new areas of business, including through various business and equity alliances, which expose us to new risks. While we have developed and intend to maintain risk management policies that we believe are appropriate to address such risks, if a risk materializes in a manner or to a degree outside of our expectations, our business, financial condition and results of operations could be materially and adversely affected.

Employee errors and misconduct could subject us to losses and reputational harm.

Because we process a large number of transactions in a broad range of businesses, we are subject to the risk of various operational errors and misconduct, including those caused by employees. Our measures to reduce employee errors, including establishment of operational procedures, regular reviews regarding compliance with these procedures, employee training and automation of our operations, may not be effective in preventing all employee errors and misconduct. Significant operational errors and misconduct could result in losses, regulatory actions or harm to our reputation. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our business would be harmed if we are unable to attract and retain skilled employees.

Many of our employees possess skills and expertise that are important to maintain our competitiveness and to operate our business efficiently. We may not be successful in attracting and retaining sufficient skilled employees through our hiring efforts and training programs aimed to maintain and enhance the skills and expertise of our employees, in which event our competitiveness and efficiency could be significantly impaired. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our failure to establish, maintain and apply adequate internal controls over financial reporting could negatively impact investor confidence in the reliability of our financial statements.

As a New York Stock Exchange-listed company and an SEC registrant, we have developed disclosure controls and procedures and internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC promulgated pursuant thereto. Our management reports on, and our independent registered public accounting firm attests to, the effectiveness of our internal controls over financial reporting, as required, in our annual report on Form 20-F. In addition, our management is required to report on our internal control over financial reporting in accordance with the Financial Instruments and Exchange Act of Japan. To the extent any issues are identified through the foregoing processes, there can be no assurance that we will be able to address them in a timely manner or at all. Furthermore, even if our management concludes that our internal control over financial reporting are effective, our independent registered public accounting firm may still be unable to issue a report that concludes that our internal control over financial reporting are effective. In either case, we may lose investor confidence in the reliability of our financial statements.

We are subject to risk of litigation and other legal proceedings.

As a financial institution engaging in banking and other financial businesses in and outside of Japan, we are subject to the risk of litigation for damages and other legal proceedings in the ordinary course of our business. Adverse developments related to legal proceedings could have a material adverse effect on our business, financial condition and results of operations.

Negative rumors about us could have an adverse effect on us.

Our business depends on maintaining the trust of our customers, employees and other stakeholders in the economy and society. In the event that the services provided and activities conducted by us and our officers and

employees are assessed as deviating significantly from the expectations and requests of our stakeholders, tangible and intangible losses, and a negative impact on our brand and reputation may result. We endeavor to prevent such reputational risks from materializing by capturing them at an early stage and responding appropriately. However, in the event that such initiatives are inadequate and the results thereof fail to meet the expectations and requests of our stakeholders, our business, financial condition, results of operations and the price of our securities could be materially and adversely affected.

Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.

We devote significant resources to maintain and strengthen our risk management policies and procedures. Despite this, and particularly in light of the rapid evolution of our operations, our policies and procedures designed to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon our use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than the historical measures indicate. If our risk management policies and procedures do not function effectively, our financial condition and results of operations could be materially and adversely affected.

We may be subject to risks related to dividend distributions.

As a holding company, we rely on dividend payments from our banking and other subsidiaries for almost all of our income. As a result of restrictions, such as those on distributable amounts under Japan's Companies Act, or otherwise, our banking and other subsidiaries may decide not to pay dividends to us. In addition, we may experience difficulty in making, or become unable to make, dividend payments to our shareholders and dividend or interest payments on capital securities issued by our group due to the deterioration of our results of operations and financial condition and/or the restrictions under the Companies Act or due to the strengthening of bank capital regulations. For more information on restrictions to dividend payments under the Companies Act and bank capital regulations, see "Item 10.B. Additional Information—Memorandum and Articles of Association" and "Item 4.B. Business Overview—Supervision and Regulation—Japan."

Risks Related to Owning Our Shares

Rights of shareholders under Japanese law may be more limited than under the law of other jurisdictions.

Our articles of incorporation, our regulations of the board of directors and Japan's Companies Act govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from or less clearly defined than those that would apply if we were incorporated in another jurisdiction. For example, under the Companies Act, only holders of 3% or more of the total voting rights or total outstanding shares are entitled to examine our accounting books and records. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the law of jurisdictions within the United States or other countries. For more information on the rights of shareholders under Japanese law, see "Item 10.B. Additional Information—Memorandum and Articles of Association."

It may not be possible for investors to effect service of process within the United States upon us or our directors, executive officers or senior management, or to enforce against us or those persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States.

We are a joint stock corporation incorporated under the laws of Japan. Almost all of our directors, executive officers and senior management reside outside the United States. Many of the assets of us and these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon us or these persons or to enforce, against us or these

persons, judgments obtained in the U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. We believe that there is doubt as to the enforceability in Japan, in original actions or in actions to enforce judgments of U.S. courts, of claims predicated solely upon the federal securities laws of the United States.

Risks Related to Owning Our ADSs

As a holder of ADSs, you have fewer rights than a shareholder and you must act through the depositary to exercise these rights.

The rights of our shareholders under Japanese law to take actions such as voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to shareholders of record. Because the depositary, through its custodian, is the record holder of the shares underlying the ADSs, a holder of ADSs may not be entitled to the same rights as a shareholder. In your capacity as an ADS holder, you are not able to bring a derivative action, examine our accounting books and records or exercise appraisal rights, except through the depositary.

Foreign exchange rate fluctuations may affect the U.S. dollar value of our ADSs and dividends payable to holders of our ADSs.

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development of the Company

The Mizuho Group

The Mizuho group was created on September 29, 2000 through the establishment of Mizuho Holdings, Inc. as a holding company of our three predecessor banks, The Dai-Ichi Kangyo Bank, The Fuji Bank and The Industrial Bank of Japan. On October 1, 2000, the respective securities subsidiaries of the predecessor banks merged to form Mizuho Securities Co., Ltd., and the respective trust bank subsidiaries merged on the same date to form Mizuho Trust & Banking.

A further major step in the Mizuho group's development occurred in April 2002 when the operations of our three predecessor banks were realigned through a corporate split and merger process under Japanese law into a wholesale banking subsidiary, the former Mizuho Corporate Bank, and a banking subsidiary serving primarily retail and small and medium-sized enterprise customers, the former Mizuho Bank. As an additional step for realigning the group structure, Mizuho Financial Group was established on January 8, 2003 as a corporation organized under the laws of Japan, and on March 12, 2003, it became the holding company for the Mizuho group through a stock-for-stock exchange with Mizuho Holdings, which became an intermediate holding company focused on management of the Mizuho group's banking and securities businesses. The legal and commercial name of the company is Mizuho Financial Group, Inc.

In May 2003, we initiated a project to promote early corporate revitalization of customers in need of revitalization or restructuring and to separate the oversight of restructuring borrowers from the normal credit origination function. In July 2003, our three principal banking subsidiaries, the former Mizuho Corporate Bank, the former Mizuho Bank and Mizuho Trust & Banking each transferred loans, equity securities and other claims outstanding relating to approximately 950 companies to new subsidiaries that they formed. In October 2005, based on the significant reduction in the balance of nonaccrual loans held by these new subsidiaries, which we call the "revitalization subsidiaries," we deemed the corporate revitalization project to be complete, and each of the revitalization subsidiaries was merged into its respective banking subsidiary parent.

In the fiscal year ended March 31, 2006, we realigned our entire business operations into a Global Corporate Group, Global Retail Group and Global Asset and Wealth Management Group. In October 2005, in connection with this realignment, we established Mizuho Private Wealth Management Co., Ltd., a private banking subsidiary, and converted Mizuho Holdings on October 1, 2005 from an intermediate holding company into Mizuho Financial Strategy Co., Ltd., an advisory company that provides advisory services to financial institutions.

In May 2009, Mizuho Securities and Shinko Securities Co., Ltd. conducted their merger, with the aim of improving our service-providing capabilities to our clients and to offer competitive cutting-edge financial services on a global basis.

In September 2011, Mizuho Trust & Banking became a wholly-owned subsidiary of Mizuho Financial Group, Mizuho Securities became an unlisted subsidiary of the former Mizuho Corporate Bank, and Mizuho Investors Securities became a wholly-owned subsidiary of the former Mizuho Bank, through their respective stock-for-stock exchanges. The purpose of these stock-for-stock exchanges was to further enhance the "group collective capabilities" by integrating group-wide business operations and optimizing management resources such as workforce and branch network.

In January 2013, Mizuho Securities and Mizuho Investors Securities merged in order to provide integrated securities services as the full-line securities company of the Mizuho group. Mizuho Securities aims to further strengthen collaboration among banking, trust banking and securities businesses of the group, expand the company's customer base to enhance the domestic retail business, and rationalize and streamline management infrastructure.

In April 2013, we turned Mizuho Securities, a consolidated subsidiary of Mizuho Financial Group, into a directly-held subsidiary of Mizuho Financial Group, whereby we moved to a new group capital structure, placing banking, trust banking, securities and other major group companies under the direct control of the holding company.

In July 2013, the former Mizuho Bank and the former Mizuho Corporate Bank merged, and the former Mizuho Corporate Bank, the surviving entity, changed its trade name to Mizuho Bank, Ltd. The purpose of the merger was to become able to provide directly and promptly diverse and functional financial services to both the former Mizuho Bank and the former Mizuho Corporate Bank customers, utilizing the current "strengths" and "advantages" of the former Mizuho Bank and the former Mizuho Corporate Bank, and to continue to improve customer services by further enhancing group collaboration among the banking, trust banking and securities functions and, at the same time, to realize further enhancement of the consolidation of group-wide business operations and optimization of management resources, such as workforce and branch network, by strengthening group governance and improving group management efficiency.

In July 2016, with consideration of the rule of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") regarding the operations of foreign banking organizations with U.S. operations, we established a bank holding company, Mizuho Americas LLC, which holds our primary U.S.-based banking, securities and institutional custody services (trust banking) entities together under it, with the aim to proactively strengthen corporate governance and expand our profit base through the consistent implementation of our collaborative corporate and investment banking, securities and institutional custody services strategy in the United States in line with the global operation of our new in-house company system.

In December 2017, two subsidiaries of Mizuho Americas LLC, the former Mizuho Bank (USA) and the Mizuho Trust & Banking Co. (USA), merged. The merged entity, Mizuho Bank (USA), provides both banking services and trust services.

In October 2016, with a view to strengthening our respective asset management businesses, we and The Dai-ichi Life Insurance Company, Limited integrated the asset management functions of both groups, namely, DIAM Co., Ltd., the asset management function of Mizuho Trust & Banking, Mizuho Asset Management Co., Ltd. and Shinko Asset Management Co., Ltd., and formed a new company named Asset Management One Co., Ltd., a consolidated subsidiary of Mizuho Financial Group.

In March 2017, we, Sumitomo Mitsui Trust Holdings, Inc., Resona Bank, Limited and The Dai-ichi Life Insurance Company, Limited executed a memorandum of understanding to commence detailed analysis and negotiations in preparation for the management integration of Japan Trustee Services Bank, Ltd. ("JTSB") and Trust & Custody Services Bank, Ltd. ("TCSB"), which was a consolidated subsidiary of Mizuho Financial Group. Based on the aforementioned memorandum of understanding, TCSB and JTSB incorporated JTC Holdings, Ltd. ("JTC Holdings") by joint share transfer in October 2018. After the joint share transfer, TCSB and JTSB became wholly-owned subsidiaries of JTC Holdings, and JTC Holdings, TCSB and JTSB became equity-method affiliates of Mizuho Financial Group. In July 2020, JTC Holdings and TCSB merged with JTSB as the surviving entity, which changed its trade name to Custody Bank of Japan, Ltd. The purpose of the integration was to contribute to further growth in the domestic securities settlement market and domestic investment chain by realizing more stable and higher quality operations and strengthening its system development capabilities by seeking the benefits of scale.

In May 2020, we decided to integrate three consolidated subsidiaries of Mizuho Financial Group, Mizuho Information & Research Institute, Inc. ("MHIR"), Mizuho Research Institute Ltd. ("MHRI") and Mizuho Trust Systems Company, Limited ("MHTS") with MHIR as the surviving entity. Based on this decision, MHIR and MHTS merged with MHIR as the surviving entity in January 2021, and MHIR and MHRI were integrated and became a new company, Mizuho Research & Technologies Corporation ("MHRT") in April 2021. The purpose of the integration was to significantly improve the ability of the Mizuho group to provide "New value beyond the conventional boundaries of finance" by organically combining and amalgamating each company's research, consulting, and IT development capabilities.

In December 2021, Mizuho Private Wealth Management Co., Ltd., which had offered services catered to the ultra-wealthy, was dissolved, and its functions were assumed by Mizuho Bank, Ltd. in order to strengthen the group-wide capabilities of providing such services.

In April 2023, we established a venture capital firm, Mizuho Innovation Frontier Co., Ltd. ("MHIF"), for the purpose of promoting both business and technological advances in each of the Mizuho group's companies. The establishment of MHIF is a direct response to the recent ever-growing demand for innovative business expansion and the modernization of existing business platforms in the financial industry amidst the significant changes that industrial structures and the social and economic environment are experiencing, and is also our response to promote and support new business initiatives, the expansion of existing business, and overall innovation within the Mizuho group.

Other Information

Our registered address is 1-5-5, Otemachi, Chiyoda-ku, Tokyo 100-8176, Japan, and our telephone number is 81-3-5224-1111.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act that prescribe the furnishing and content of proxy statements to shareholders. Our corporate website is www.mizuho-fg.co.jp/index.html.

4.B. Business Overview

General

We engage in banking, trust banking, securities and other businesses related to financial services.

We worked to realize our medium-term business plan spanning a five-year period starting from the fiscal year ended March 31, 2020. The plan is titled 5-Year Business Plan: Transitioning to the Next Generation of Financial Services. In addition to megatrends, such as digitalization, an aging society with a low birthrate and globalization, the global spread of COVID-19 triggered irreversible structural changes in people's lifestyles, economies and societies, and our customers' lifestyles and corporate activities were changed greatly and at a rapid speed. We have continued to steadily uphold the social responsibilities required of a financial institution through the demonstration of our stable business operations and financial functions, while endeavoring to create new value by addressing the issues faced by our customers with the group-wide capabilities we cultivated as a result of our business and financial structure reforms.

As for our business, we worked to go beyond the conventional boundaries of finance in order to provide optimal services and solutions utilizing our non-financial capabilities. Moreover, looking ahead to a post-COVID-19 world, we also worked to expand our business domains by capturing the changes faced by individuals and businesses. In the fiscal year ended March 31, 2023, as new initiatives, we invested in Rakuten Securities, Inc. with the aim of realizing a fully-fledged hybrid comprehensive asset management consulting service that meets the needs of individual customers, and in the digital domain, we invested in Kredivo Holdings Ltd., an Indonesian digital finance company. On the other hand, LINE Bank Preparatory Company, which was established in May 2019, decided to halt their project for launching a new bank.

For more information on the initiatives that we have taken in the fiscal year ended March 31, 2023, see "—Group Operations—Group Management Structure."

As for our finances, we worked to reallocate corporate resources and strengthen our stable revenue base in order to enable us to accelerate the transformation of our business portfolio to be more efficient and capable of capturing stable revenue streams. In the fiscal year ended March 31, 2023, based on our steady progress on accumulating capital, we were able to provide a dividend increase for the second consecutive fiscal year following the fiscal year ended March 31, 2022.

As for our corporate foundations, we established the position of Chief Culture Officer (Group CCuO) to implement planning and promotion in respect of the transformation of our corporate culture and initiatives to enhance communication, under which we established the Culture Transformation Project Team (renamed the Corporate Culture Office). In addition, in order to realize the growth of each and every employee, flexible deployment of talent in line with our business strategies and development of business-leading talent, we decided to build a new human resources framework for all five core group companies, namely, Mizuho Financial Group, Inc., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd. and Mizuho Research & Technologies, Ltd., the transition to which is scheduled for completion in April 2024, and started to implement individual initiatives one by one.

In addition to the above-mentioned initiatives, we have proceeded with initiatives such as the creation of new business opportunities and the expansion of solution domains through the use of digital technology and open collaboration with third parties, including those in other industries.

Business Improvement Plan relating to Incidents of System Failure

On November 26, 2021, Mizuho Financial Group and Mizuho Bank received a business improvement order from the Financial Services Agency of Japan, pursuant to the provisions of Article 52-33, Paragraph 1 and Article 26, Paragraph 1 of the Banking Act of Japan. In accordance with the order, Mizuho Financial Group and Mizuho Bank submitted a business improvement plan to the Financial Services Agency of Japan on January 17, 2022, and have continued to steadily implement our measures to prevent further incidents and further enhanced our multilayered system failure response capabilities. In addition, on November 26, 2021, Mizuho Bank received a corrective action order from the Ministry of Finance of Japan, pursuant to the provisions of Article 17-2, Paragraph 1 of the Foreign Exchange and Foreign Trade Act of Japan, in regard to the performance of the confirmation obligations of banks under Article 17 of said act. Accordingly, Mizuho Bank formulated measures to improve its operations and prevent further incidents, established an audit framework and undertook other initiatives in line with such order, and submitted a report on these initiatives to the Ministry of Finance of Japan on December 17, 2021. In addition to the steady implementation and continuation of the measures to prevent further incidents, Mizuho Bank has reassessed the causes behind the system failures and worked on appropriately restructuring its internal management systems in relation to foreign exchange laws and regulations.

We completed all measures stipulated in the business improvement plan by September 2022, as scheduled. Since then, we have established a structure for continued operations, and as of the end of March 2023, we confirmed that the first round of inspections and other improvement measures had been carried out and are establishing themselves as self-governing practices in the workplace. Various inspections aimed at preventing further system failures, and quick response in the event of a failure through training as well as a visualization of system configurations and work lines have been entrenched, and as a result, the occurrence of system failures that have a significant impact on customers has been curtailed. Additionally, we are continuing the practice of formulating and promoting preventative measures for strengthening IT governance, which are based on understanding on-site situations and personnel management. With regard to the initiatives to utilize feedback from customers and employees and to transform our corporate culture, we are continuing improvement activities by establishing frameworks and infrastructures. With regard to legal compliance, procedures and structures related to foreign exchange laws and regulations have been established, and we are continuing to promote self-governing practices by ensuring the dissemination of essential understanding through various inspections, training and other measures. For supervisory functions, we are implementing initiatives to enhance our effective governance structure. In the future, in order to ensure the continued operation of the plan while maintaining the effectiveness of the improvements we have made, we will continue to implement effective initiatives in conjunction with tireless efforts to not allow memories of system failures to fade into the past.

We will, once again, be more conscientious of our social role and public mission as a financial group and devote all of our energies to our commitment to a customer-focused mindset and the stabilization of our operations with the aim to be a company that is beneficial to our customers and society. All of our directors,

executive officers and employees will make concerted efforts so that we can become a company that is truly trusted by our customers and society.

Medium-term business plan

In light of the drastic changes in and increasing complexity of the external and internal business environments, we redefined our Corporate Identity, which is the foundation of what it means to be a Mizuho employee. In addition, upon determining the direction of Mizuho's long-term growth, we established a new medium-term business plan (from the fiscal year ending March 31, 2024 to the fiscal year ending March, 31 2026) beginning one year before the originally scheduled completion of the 5-Year Business Plan (from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024). The targets of the new medium-term business plan are based on the assumption that the 5-Year Business Plan's final year targets will have been met.

The three years of the new medium-term business plan will be focused on connecting the initiatives being carried out across Mizuho and creating new solutions to the challenges facing our clients and society as a whole. Our basic policy will be to make the most effective use of corporate resources through a flexible business development approach that centers on sustainability and, together with our clients and society, build the cornerstone of future sustainable growth and prosperity.

Mizuho aims to contribute to personal well-being and to the achievement of a sustainable society and economy supporting it. To this end, we have identified priority areas for resolving societal issues and accomplishing sustainable growth. These themes clarify what we need to focus on in our business in order to achieve our vision for the world ten years in the future. Further, we are enhancing our corporate foundations towards achievement and growth in this regard.

Priority business domains

(1) Business focus areas

- Support for the doubling of asset-based income
    - Expand the asset building business with Nippon Individual Savings Accounts (NISA) as a jumpstart measure. In addition, by leveraging our group-wide strengths and strengthening our consulting personnel, address asset management needs and asset succession needs and grow together with our customers.
- Enhancing customer touchpoints
    - Thoroughly pursue convenience by utilizing exhaustive digitalization and collaboration with other companies, increase the attractiveness of deposit accounts and acquire a customer base for stable personal deposits and for future asset management and succession business.
- Enhancing the competitiveness of Japanese corporations
    - Provide thorough support, including the provision of support to large corporations to transform their business structures mainly for the purpose of addressing sustainability and provision of strategic approaches with a focus on mid-cap companies, to our corporate clients so that they will be able to increase their corporate value and to achieve business growth, and thereby contribute to the enhancement of the global competitiveness of Japanese corporations.
- Sustainability and innovation
    - Establish a financing framework for the transition of industry and business structures. In addition, support start-up companies and the establishment of new technologies, including support in addressing sustainability, and create new business opportunities beyond the boundaries of finance.

- Global Corporate & Investment Banking (CIB) business model
  - Proactively invest corporate resources in the Americas and Asia, which are growth fields; in the Americas, further deepen the Corporate & Investment Banking (CIB) business model (the business model that integrates loan transactions using Mizuho Bank's balance sheet and capital market products and provides such integrated services and products); and, in Asia, achieve regional growth through utilizing our branch networks in the region and a flexible business development approach that identifies the targets of each country.

(2) Enhancing our corporate foundations which support our growth

- Corporate culture transformation
  - Enhance engagement with our employees and clients through seamlessly promoting internal communication (transformation of our culture) and brand communication (strengthening of our brand).

- Human capital enhancement
  - Strengthen our human capital through an approach that thoroughly implements strategic human resource allocation, such as employee rotation in line with strategies and development of executive leaders, and an approach that values the narratives of employees, such as supporting employees' career development and ensuring supportive working environments.

- Digital transformation (DX)
  - Strengthen the foundations for digital transformation by scaling incubation that leverages our group's strengths to the fullest extent; by improving productivity through, among others, digitalization of operations; by developing employees who can realize the Mizuho DX strategy; and by utilizing data and other matters.

- IT reforms
  - Promote IT reforms by optimizing the IT system structure, developing and operating IT systems together with users, upgrading our investment management and taking other measures to expand IT investments needed to realize our business strategies.

- Maintenance of stable business operations
  - Prevent memories of system failures from fading into the past and enhance our ability to respond to crises during times of regular business operations.
  - Continuously upgrade our cybersecurity framework suited to the G-SIBs.
  - Further strengthen and expand the framework of measures for anti-money laundering (AML) and countering the financing of terrorism (CFT).
  - Thoroughly strengthen our global governance and flexibly control risks in light of the external environment.

Sustainability approach and initiatives

We define sustainability as "environmental conservation and the sustainable development and prosperity of the economy, industry and society both in Japan and around the world, and the Mizuho group's sustainable and

steady growth." By promoting sustainability initiatives, our group aims to improve our corporate value through the operation of our business giving due regard to creating value for diverse stakeholders and the sustainable and steady growth of the Mizuho group, and to contribute to the achievement of our Sustainable Development Goals (SDGs).

The forward-looking statements in this section are based on judgments made as of March 31, 2023, and our actual results may differ materially from such forward-looking statements due to various factors. See "Forward-Looking Statements."

Governance, risk management, and strategy in relation to sustainability in general

Governance

Our group's corporate governance structure is described in "Item 6. C. Board Practices." Sustainability initiatives, including those addressing materiality, are also managed under this framework.

Our Board of Directors determines our "Basic Policy on Sustainability Initiatives" and other matters and oversees the business execution of duties by directors and executive officers.

The Executive Management Committee deliberates important matters related to business execution concerning sustainability. In addition, the Management Policy Committee and other committees comprehensively deliberate and coordinate various issues related to sustainability across the company and matters important to the group's business strategy. Moreover, the Sustainability Promotion Committee, which is chaired by our President & Group CEO, deliberates and coordinates initiatives related to environmental and social issues, including responses to climate change and respect for human rights. Also, the Human Resources Strategy Council and the Diversity, Equity and Inclusion Promotion Committee discuss, disseminate and promote human resources development policies and internal environment development policies necessary for human capital management.

Risk management

The Mizuho group has a Risk Appetite Framework (RAF) to enhance corporate value through the integrated management of business and financial strategies and risk management. We have also established a comprehensive risk management system, where we identify and evaluate risks as a whole and control them by classifying risks into categories, such as "credit risk," "market risk," "operational risk," etc., according to risk category and manage such risks according to their characteristics. Within this risk management framework, we recognize the risks associated with sustainability, identify the risks that are important in executing our fiscal year business plans, and control risks based on business strategies and the characteristics of each risk category.

In addition, we have introduced a "top risk management" system, where we select risks that are recognized to have a potential major impact on the Mizuho group. As of May 2023, top risks include, among others, the "worsening impact of climate change" and "stagnation in sustainable growth due to a talent shortage." The selected top risks are used to strengthen risk control and governance through the consideration of additional measures to enhance risk control, such as preventive measures and follow-up actions, and incorporating such measures into our fiscal year business plans.

To strengthen management of climate-related risks, we have established our "Basic Policy for Climate-related Risk Management" based on the characteristics of climate-related risks, such as the probability of occurrence, time horizon uncertainty, impact size and transmission through to other risks. In addition, in order to prevent and mitigate negative impacts on the environment and society through investments and loans, we have identified businesses and sectors that are likely to promote negative impacts, and established an "Environmental and Social Management Policy for Financing and Investment Activity." With regard to human capital risks, such

risks are recognized as an operational risk, and we have established a "Basic Policy for Human Resources Risk Management." We are working to minimize losses and improve operational efficiency by managing human resources in a multifaceted manner and maintaining appropriate working conditions, workplaces, and safety conditions.

Strategy

We will promote our sustainability initiatives with strategies across the group pursuant to our Basic Policy on Sustainability Initiatives that defines our fundamental approach and methods for advancing sustainability initiatives. In addition, based on the expectations of stakeholders for the social impact to be made by the Mizuho group and the importance for the Mizuho group with respect to the medium- to long-term impact on our corporate value and compatibility with the Mizuho group's strategies and business areas, we identified "materiality" (medium- to long-term priority issues for the sustainable growth and development of Mizuho, our clients, our employees, the economy, society and other stakeholders) and clarified the risks and opportunities faced by Mizuho and our specific initiative plans. When implementing sustainability initiatives, we will, by addressing materiality areas from a long-term perspective, contribute to environmental conservation and the sustainable development and prosperity of the economy, industry and society both in Japan and around the world, and aim to improve our corporate value through the operation of our business giving due regard to creating value for diverse stakeholders and the sustainable and steady growth of the Mizuho group.

Materiality	Main Initiatives	Relevant Section
Declining birthrate and aging population, plus good health and lengthening lifespans In an age of longer lifespans, provide safe, stable and convenient services tailored to each individual's needs	• Comprehensive asset management consulting for individual asset formation, management and succession • Improvement of the quality and convenience of both digital and in-person customer channels	• See "Item 4.B. Information on the Company—Business Overview" • Regarding "Environment & society", also see "—Climate change"
Industry development & innovation Support industry and business development, and create new value on a global basis	• Initiatives targeting the entire industry, such as support for business and industrial structure transformation to address climate change • Social impact creation through support for growth of innovative companies and co-creation with them • Support for business succession by Japanese companies with technological capabilities	
Sound economic growth Contribute to economic development by utilizing financial infrastructure functions to respond to changes in the Japanese and global business environment	• Contribution to the enhancement of corporate value of mid-cap companies and revitalization of the Japanese economy • Response to asset management needs by strengthening management capabilities and revitalization of origination and distribution • Development of CIB (Corporate and Investment Banking) businesses in global capital markets	

Materiality	Main Initiatives	Relevant section
Environment & society Cooperate with customers to realize sustainable social development, including environmental conservation	• Provision of sustainability-driven solutions, support for business structure transformation and propagation of these solutions and support to each corporate segment • Implementation of measures addressing environmental and climate change, and initiatives on social issues and human rights	
Personnel Based on a corporate culture where employees can act independently, develop a diverse workforce that grows together with customers and society	• Promotion of group-wide initiatives to transform the corporate culture • Development of employees capable of addressing social issues through strategic employee rotation and investment in talent • Creation of a supportive working environment and an even more inclusive organization that supports the active participation of diverse personnel	• See "—Human capital"
Governance Implement strong corporate governance and stable operational management to benefit customers and society	• Strengthening of our operational resilience (crisis response during times of normal operations) • Further strengthening and expansion of cybersecurity measures and AML/CFT systems • Strengthening of global governance	• See "Item 3.D. Key Information—Risk Factors"

The following subsections are an overview of initiatives to address climate change, which falls under the materiality category of "Environment & society", and initiatives for human capital, which falls under the materiality category of "Personnel." In addition, regarding initiatives for other materiality categories, see the relevant sections shown in the right-most column in the table above.

Climate change

Strategy

- In our "Environmental Policy" and "Mizuho's Approach to Achieving Net Zero by 2050", we have clarified our stance on climate change and our aims and actions towards realizing a low-carbon society, and we have been implementing such initiatives on a group-wide basis. In April 2023, we substantiated and revised our "Net Zero Transition Plan" formulated in 2022 in order to promote our group's climate change response in a more integrated manner from the perspective of facilitating the real economy transition, capturing business opportunities and risk management. Based on the Net Zero Transition Plan, Mizuho will promote a more integrated and effective response to climate change, and contribute to the realization of a low-carbon society by 2050 and the building of a society resilient to climate change.

(Recognition of opportunities and risks related to climate change)

- We see client investment in technological and business model development that leads to decarbonization as a business opportunity for us. Using engagement (constructive dialogue) with our clients as a starting point, we will support our clients' transition to a low-carbon society and their response to climate change.

- As climate-related risks, we are identifying transition and physical risks resulting from climate change and recognizing the expected impacts of risks in individual risk categories.
  - Transition risks: Credit risk related to financing and investment clients who are impacted by more stringent carbon taxes, fuel efficiency regulations or other policies or by delays in shifting to decarbonization and other environmental technologies. Operational risk related to reputational damage from financing fossil fuel projects.
  - Physical risks: Acute risk in the form of damage to our assets (such as data centers) and to customer assets (such as real estate collateral), caused by extreme weather increasing the incidence of wind- and water-related damage. Chronic risk in the form of credit risk arising from deterioration in the macro economy due to increased instances of infectious disease, heatstroke and similar.

(Scenario analysis)

- We conduct scenario analysis of transition and physical risks (acute risk and chronic risk) in order to ascertain the future impact of climate change on our group portfolio. We conduct the analysis under a number of scenarios, including a 1.5°C scenario, for the purpose of increasing the flexibility of plans and resilience of strategy in anticipation of various future climate change-related circumstances.

Human capital

Strategy

- With respect to Mizuho's personnel, who are our largest and most robust operating resources, by thoroughly implementing strategic human resource allocation and conducting human resource management that values the narratives of employees, we will aim to realize balanced human resource management that is both flexible and in line with our business strategy and also aim to ensure that each employee will contribute in their own way and grow together with the company. Specifically, we will work to (i) promote the initiatives to transform our corporate culture, (ii) conduct strategic personnel development by business area and executive succession planning and (iii) ensure supportive working environments and become an even more inclusive organization. We plan to publish our most recent Integrated Report (Annual Review) in July 2023, which will contain more information on this matter.

The table below shows details of human resource management initiatives.

(i) Promote the initiatives to transform our corporate culture on a group-wide basis	Culture and personnel, which are foundational, are essential for ensuring the continuous execution of strategies and for achieving continuous growth, and with the aim of creating an organization where everyone can take the initiative on their own and engage in constructive communication, we will work on internal communication (transforming our corporate culture) and brand communication (strengthening our brand). – Promote measures to help ensure that each and every employee will understand sustainability based on revision of our corporate identity. – In addition to the internal initiatives, work on reaffirming Mizuho's external image and rebuilding our brand.

(ii) Develop employees capable of addressing social issues through strategic employee rotation and investment in talent <Talent development policy>	With the aim of building a talent portfolio that balances the career ambitions of each and every employee with each business field's need for talent to realize its strategies, we will conduct our talent development process strategically by business area on a group wide basis in accordance with the career development stage of each employee and also work on leadership development and executive succession planning for those who lead the firm across businesses. – Strengthen personnel capabilities by expanding investment in talent that is necessary for learning, reskilling and upskilling for career development. – Promote strategic employee rotation aligned with medium- to long-term business strategies and also upgrade people analytics. – Under our Group CEO, promote the Executive Leader Development Program from a medium- to long-term perspective through assignments or the relevant employee's own initiative.
(iii) Create an engaging work environment that supports the active participation of a diverse workforce and be an even more inclusive organization. <Work environment improvement policy>	With the aim of creating an engaging work environment that will encourage all employees to enjoy a long and fulfilling career at Mizuho and to contribute to the company and work diligently, we will establish an organization where diverse perspectives and values are respected and employees can demonstrate their identity and abilities to the fullest. – Establish and transition to a human resource framework that is common to all five core group companies and that supports employees' challenges, rewards their contributions and provides an engaging work environment, and unify human resource systems. – Support workplace-centric efforts for organizational development that focuses on relationships between colleagues and raises motivation and performance across the organization as a whole. – Implement initiatives to support employee financial wellness, including provision of frameworks to support employee initiatives to build their assets and opportunities to obtain financial education.

Group Operations

Group Management Structure

We operate our group through five in-house companies, which determine and promote strategies group-wide across banking, trust banking, securities and other business areas according to the attributes of customers, and two units that support all of the in-house companies.

Until March 31, 2023, the company system was classified into the following five in-house companies and two units: the Retail & Business Banking Company, the Corporate & Institutional Company, the Global Corporate Company, the Global Markets Company, the Asset Management Company, the Global Products Unit and the Research & Consulting Unit.

On April 1, 2023, we integrated the Corporate & Institutional Company with the investment banking functions of the Global Products Unit to establish a new Corporate & Investment Banking Company, and the transaction banking functions of the Global Products Unit were separated and became the Global Transaction Banking Unit. In addition, upon the establishment of the Corporate & Investment Banking Company, the Global Corporate Company changed its name to become the Global Corporate & Investment Banking Company.

In the following section, the in-house companies and units are referred to by their respective new organizational names. In addition, the descriptions regarding the investment banking functions of the Global Products Unit are included in the subsection entitled Corporate & Investment Banking Company (which has integrated such functions).

Retail & Business Banking Company

The Retail & Business Banking Company is responsible for customer segments consisting of individual customers, SMEs and middle-market corporations, and engages in consulting services that integrate banking, trust banking, securities and other functions within the Mizuho group, as well as providing convenient financial services by leveraging advanced technologies and forming alliances with other companies.

For individual customers, the Retail & Business Banking Company will strive to improve our capacity to provide consulting services, including on asset management and asset succession, while working on the development and provision of convenient services by leveraging advanced technologies and forming alliances with other companies and institutions.

As a reliable partner in an era of lengthening lifespans, we support customers who have concerns about their long term plans, and in addition to the consulting services that combine banking, trust banking and securities functions, we offer our customers asset formation support that utilizes advanced technologies, such as AI-powered asset management advisory services and asset management support utilizing remote channels, etc. Accordingly, in addition to strengthening our efforts related to NISA, a tax-exempt program for small investments, and iDeCo, an individual-type defined contribution pension plan, we will strengthen financial education through seminars.

Furthermore, to support smooth asset succession, we provide products and services that utilize our trust functions such as Multifunctional Safety Trust and will trusts, and inheritance arrangement services.

With respect to the loan business, we have expanded our line of housing loan and card loan products and offer various products and services in response to each customer's life stage, including products that meet a diverse range of needs, internet-based services and the development of a new business model that utilizes advanced technology.

We also provide products and services to officers and employees of our corporate clients, such as opening accounts for payroll, providing housing loans, management of retirement payments, etc.

In addition, in an effort to increase customer convenience, we have enhanced the efficiency of our branch and ATM network throughout Japan. As part of these efforts, we pushed for banking, trust banking and securities services to be provided at the same location, including by setting up Mizuho Securities' "Planet Booths" and Mizuho Trust & Banking's "Trust Lounges" in the branches and offices of Mizuho Bank.

Moreover, with the aim of constructing a convenient and efficient channel network that responds to changes in customer needs, we are promoting the next generation of branches and offices which serve as consulting spaces along with a reduction of the number of branches and offices through reorganization and consolidation.

We have also made efforts to enhance customer convenience. For example, we are engaging in collaboration with other companies and are utilizing advanced technologies to offer new financial and other services and to enhance the quality of our internet and smart phone services, in light of changing customer needs due to ongoing digitalization.

In the fiscal year ended March 31, 2023, we concluded a strategic capital and business alliance between Mizuho Securities and Rakuten Securities Holdings in order to jointly realize a "fully-fledged hybrid comprehensive asset management consulting service that meets the needs of all individual customers," and in the digital domain, we invested in Kredivo Holdings Ltd., an Indonesian digital finance company. On the other hand, we decided to cancel the project to establish LINE Bank due to, among other reasons, changes in social and economic environments, and decided to integrate J. Score and LINE Credit to consolidate corporate resources.

Further, we undertake business related to lottery tickets, such as the sales of lottery tickets issued by prefectures and ordinance-designated cities.

For small- and medium-sized enterprises and middle-market firms, the Retail & Business Banking Company provides solutions with respect to both types of needs: management issues such as business development, and the personal issues of customers who are business owners, such as asset inheritance and management, etc.

In response to increasing customer needs related to their growth strategy or business succession in an unclear business environment, we offer multi-layered solutions in response to the various development stages of our customers' businesses through the combined strength of our entire group, including banking, trust banking and securities, based on a customer-focused approach.

Specifically, we offer syndicated loans, advisory services related to overseas expansions, mergers and acquisitions-related services, and business matching services, depending on the customers' business strategies, in addition to brokering financial products and expanding the customer base for our trustee business for defined contribution pension plans, combining financial services and advanced advisory services.

Furthermore, due to the aging of Japanese business owners, business succession and asset inheritance has become a matter of urgency. Using our succession and property know-how, we actively offer solutions for optimal and smooth business succession and asset inheritance, including the inheritance of business ownership and corporate stock as well as corporate reorganization, addressing both individual and corporate needs.

Moreover, we leverage our existing customer base to support the growth of innovative companies that show future promise by means of finance and other solutions.

In light of structural changes in customer needs against the backdrop of further progress in digitalization, an aging society with a low birthrate and other factors, we aim to enhance the efficiency of sales channels, including physical storefronts, and expand new business areas to realize the wants and desires of individual customers as well as the sustainable growth of corporate customers.

In order to achieve this goal, we intend to take advantage of our broad customer base, trustworthiness and dependability, as well as our consulting capabilities. At the same time, we intend to collaborate openly with those both inside and outside the Mizuho group to provide new value incorporating both financial and non-financial products and services, as a partner for individual customers' life plans and corporate customers' growth strategies and business succession.

Corporate & Investment Banking Company

The Corporate & Investment Banking Company is responsible for customer segments consisting of large corporations, financial institutions and public-sector entities in Japan, and provides custom-designed solutions for each client on a group-wide basis to meet their needs for both financial or non-financial products and services through investment banking product functions, such as M&A and businesses related to real estate.

For large corporate customers, based on our solid customer relationships and utilizing our global industry knowledge, we do not only provide financing, but also group-wide financial solutions such as fund management,

underwriting of equity and bonds, M&A advisory and risk hedging products, etc., on a global basis to meet their needs in fund-raising, investment, management and financial strategies.

Mizuho Bank and Mizuho Securities have introduced a dual-hat structure in Japan. Through inter-sectoral group collaboration, they provide our customers with solutions tailored to their capital management, business strategy and financial strategy.

Mizuho Bank and Mizuho Trust & Banking together provide solutions related to real estate, where we have a leading track record in the industry in Japan. They also work together in the areas of pensions, asset securitization, securities management, stock transfer agent matters, consulting matters, etc., in response to our customers' diversified needs.

For financial institutions, we offer advisory services and solutions, such as advice on financial strategy and proposals on various investment products, by concentrating our diverse financial expertise from each group company to meet the increasingly sophisticated and diversified needs of customers.

For public sector customers, as a leading bank with a wealth of experience and a solid track record, we provide optimal financial services group-wide that include funding support as a trustee and underwriter of public bonds, and services as a designated financial institution. In addition, in the field of revitalizing rural regions in Japan, an important matter to the Japanese economy, we engage in Public Private Partnerships/Private Finance Initiatives (PPP and PFI) projects in collaboration with regional financial institutions, national and regional government entities and their affiliates.

We will build new relationships with customers and endeavor to realize value co-creation and co-prosperity based on changes in customer needs in response to changes in social and industrial structures. To that end, we plan to enhance our risk management services for our customers through products and services such as mezzanine investment and debt financing including preferred shares and subordinated loans.

The environment that our customers are facing is changing rapidly due to such factors as the progress of industry transformation and society's heightened interest in sustainability, as well as intensified geopolitical risks. Under such circumstances, we strive to become a value co-creation partner for our customers in order to help them achieve sustainable growth by providing solutions with in-depth industry- and product-specific knowledge through the combined strength of our banking, trust banking, securities, and research and technology functions.

Global Corporate & Investment Banking Company

The Global Corporate & Investment Banking Company is responsible for customer segments consisting of both Japanese companies operating outside Japan and non-Japanese companies, and provides various solutions by taking advantage of our deep understanding of our clients' businesses and our strengths in corporate finance and transaction banking, such as lending and corporate bond underwriting.

For our Japanese corporate customers, we provide integrated support both in and outside Japan to help them expand their overseas operations. We offer highly specialized services that use our advanced financial technologies and expertise. Particularly in Asia, we support Japanese corporate customers developing new markets by offering advisory and other services.

In addition, through our Global 300 Strategy, which involves focusing on a group of approximately 300 blue-chip non-Japanese companies, we are expanding business with non-Japanese corporate customers. We aim to provide LCM/DCM financing and financial solutions to global companies developing business in Asia, by utilizing our high presence in the U.S. capital markets and network in Asian economic regions that have been growing rapidly.

Meanwhile, we are enhancing our channels with customers in order to strengthen the framework to support their business outside Japan. We are forming business alliances with local financial institutions and government-affiliated institutions to provide up-to-date local information to our customers. We are also enhancing our service framework to address the diverse business needs of customers. We will aim to build long-term relationships with customers by utilizing business, financial and ESG consulting and our close relationships with the top management of corporate customers based on our know-how and insight regarding each country and industry sector.

In anticipation of future growth constraints, such as the phased implementation of Basel regulations and our foreign currency funding capabilities, we will continue our initiatives such as improving our profitability by strengthening current business bases and diversifying our product lineup, the reforming of cost structure and adjusting of our business portfolio through selection and concentration.

Global Markets Company

The Global Markets Company is responsible for market-related businesses, engages in sales and trading services for a wide range of customers, from individuals to institutional investors, by offering market products to meet their risk hedging and asset management needs, and also conducts ALM and investment business, including stable capital raising and balance sheet management as well as management of fixed income, equity and other securities portfolios.

To become a top-class Asian player in the global markets, our basic strategy is to enhance our presence in the market so that we can develop the most suitable products and organizational structure based on arising customer needs.

With respect to the sales and trading business, we have continued to promote the integration of banking and securities functions in our branches in the United States and Europe and expand the product lineup in order to diversity our revenue base.

Against the backdrop of the mitigated restrictions of the firewall regulation in Japan, we will further deepen the integration of banking and securities functions in Japan, and will continue to accelerate the integration in the other parts of Asia. We aim to further enhance our presence by providing solutions more effectively and improving our trading capabilities through consolidating global risks and setting up electronic trading platforms to meet our customers' diversified needs.

With respect to our ALM and investment business, amidst global accelerating inflation and a volatile market environment, through utilizing methodologies including our advanced early warning control, meticulous market analysis and abundant hedging methodologies, we adjust our asset allocation with flexibility to achieve a balance between realized profits and unrealized profits. With respect to ALM, in the face of global monetary tightening led by the US, through flexible balance sheet management and stable fund raising that takes into account changes in the foreign currency deposit-loan ratio, we are supporting our customers' global businesses. We strive for stable and efficient operations on a global basis to contribute to the well-being of the overall business performance of the Mizuho group.

Moreover, we are promoting sustainability in various functions of sales and trading, investment and fund raising businesses.

In addition, we have been working on maintaining and strengthening our competitiveness by enhancing our infrastructure, including next-generation trading rooms in anticipation of technological progress and our market system based on strategic management resource allocation and cost reduction, and by further strengthening the digital literacy of employees for market business and developing personnel with highly specialized knowledge.

We aim to realize a stable earnings structure in ALM and the investment business and to improve sales and trading services with clearly defined focus areas which enable us to draw on diverse intermediary functions through the market and create diverse value for our customers.

In order to achieve this goal, as a partner with expert knowledge of market mechanisms that has insight into markets, we will aim to enhance our asset allocation and product lineup and aim to establish a stable profit base. At the same time, we will strive to provide appropriate investment opportunities to investors with different risk appetites.

Asset Management Company

The Asset Management Company is responsible for businesses related to asset management, and provides products and services that meet the asset management needs of our wide range of customers, from individuals to institutional investors, through the collaboration between the group's banking, trust banking and securities functions as well as Asset Management One Co., Ltd.

For individual customers, we offer investment products that contribute to their medium- to long-term asset formation in order to meet their various needs.

For institutional investors such as pension funds, we make our asset management capabilities more sophisticated and offer comprehensive solution services to meet their diversified and sophisticated asset management needs.

We offer our customers investment products that are best suited to them by strengthening our asset management capabilities in collaboration with our group companies and affiliates such as the New York subsidiary and other foreign subsidiaries of Asset Management One that are established for diversified global investments; Asset Management One Alternative Investments, Ltd. located in Tokyo, that selects and offers hedge funds, and Matthews Asia, an independent, privately owned firm and the largest dedicated Asia investment specialist in the United States.

In addition, in various product fields, we are focusing on developing and offering products through collaboration with BlackRock, Inc. and Partner Group AG.

By providing these solutions, addressing ESG issues through engagement in responsible investment, and seeking efficiency and innovativeness through transformation and operating process reforms, we aim to contribute to the revitalization of financial assets in Japan and realize the medium- to long-term growth of our asset management business.

Global Transaction Banking Unit

The Global Transaction Banking Unit is in charge of providing transaction banking solution services to customers in a wide range of segments, including corporate clients and investors. In April 2023, the transaction banking functions of the Global Products Unit were separated and became the Global Transaction Banking Unit for purposes such as developing a stable settlement infrastructure from a medium- to long-term perspective, producing solutions integrated on a global level and enhancing our planning functions for our next-generation settlement infrastructure strategy. We aim to respond to customer needs that are becoming sophisticated and diverse by drawing on our high level of expertise in each area, including domestic and foreign payments, cash management and trade finance.

In the transaction business, we provide various solutions in accordance with customer needs and the character of their business as follows:

- For our corporate customers, we offer various financial services and products such as online banking, cash management solutions, domestic/foreign currency transaction services and trade finance on a global basis.

- For financial institutions and institutional investors, we promote custody, global custody and yen correspondence settlement and asset management.
- In addition, we are further expanding our range of services in collaboration with our group companies and leveraging the latest technological innovations.

Furthermore, we will closely collaborate with offices in Japan and around the world to respond with flexibility on a global basis to a diverse range of needs of our customers, especially for cash management, settlements and other transaction banking services. In addition, we are working to provide solutions from a long-term perspective by capturing market trends in various business areas such as enhancement of business functionalities in light of the progress in digital transformation while maintaining our role as a stable settlement platform.

Research & Consulting Unit

The Research & Consulting Unit offers a wide variety of solutions with research functions that provide deep analysis, spanning from industrial to macroeconomic analysis and consulting functions that cover many fields, from specialized areas such as the environment to business strategies.

In the research field, we conduct deep investigations and wide-ranging analyses from macro-economics to industry and corporate trends, and link research and business origination functions.

In the consulting field, we also offer a wide range of functions to help solve various issues that companies face, including those regarding management, HR planning, digital transformation strategy, environment & energy and the creation of new businesses, as well as social issues within the public sector, including infrastructure and health care.

In addition to the acceleration of digitalization, the rapid and irreversible development of sustainability trends, such as decarbonization, resource circulation and human rights have been further diversifying our customers' needs. By taking initiatives such as enhancing the sophistication of research and expansion of consulting functions and by utilizing our industry, economic and social expertise, including those in relation to sustainability and digitalization, which will be the source of our enhanced competitiveness, we intend to provide advanced and progressive value for helping address the issues of our customers and of society.

Competition

We engage in banking, trust banking, securities and other businesses related to financial services and face strong competition in all of those areas of businesses. See "Item 3.D. Key Information—Risk Factors—Intensification of competition in the market for financial services could have an adverse effect on us." as well.

Our major competitors in Japan include:

- Japan's other major banking groups: Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group.
- Other banking institutions: These include city banks, trust banks, regional banks, shinkin banks (or credit associations), credit cooperatives, agricultural cooperatives, foreign banks and retail-oriented banks.
- Securities companies and investment banks: These include both domestic securities companies and the Japanese affiliates of global investment banks.
- Government financial institutions: These include Japan Finance Corporation, Japan Post Bank, Development Bank of Japan and Japan Bank for International Cooperation.

- Non-bank finance companies: These include credit card issuers, installment shopping credit companies, leasing companies and other non-bank finance companies.
- Asset management companies.
- Other financial service providers, such as those that utilize "FinTech."

In global markets, we face competition with other commercial banks and other financial institutions, particularly major global banks and the leading local banks in those financial markets outside Japan in which we conduct business.

Japanese Banking and Securities Industry

Private banking institutions in Japan are normally classified into two categories (the following numbers are based on information published by the Financial Services Agency, available as of June 16, 2023): (i) ordinary banks, of which there were 121, not including foreign commercial banks with banking operations in Japan; and (ii) trust banks, of which there were 13, including Japanese subsidiaries of foreign financial institutions and subsidiaries of Japanese financial institutions.

Ordinary banks consist mainly of city banks and regional banks. City banks include the three largest banks in Japan (the "Mega-banks"), including Mizuho Bank. They are based in large cities and operate on a nation-wide scale through networks of branch offices. The Mega-banks provide a wide range of operations, including retail banking, small and medium-sized enterprise banking, large corporate banking, international operations and investment banking. Regional banks are mostly based in one of the prefectures of Japan and are generally much smaller in terms of total assets than city banks. In recent years, as a consequence of changes in the business environment, the number of regional banks that integrate their businesses with other regional banks based in other prefectures has been increasing. Customers of regional banks are mainly local retail customers, regional enterprises and local public utilities. In addition to these types of banks, new retail-oriented banks have emerged in recent years, including Internet banks and banks specializing in placing their ATMs in convenience stores and supermarkets without maintaining a branch network.

In addition to banking business, trust banks, including Mizuho Trust & Banking, are engaged in trust services, such as money trust, pension trust and investment trust services, as well as real estate and testamentary trust services.

Based on information published by the Financial Services Agency, available as of June 16, 2023, there were 56 foreign banks operating banking businesses in Japan. These banks are subject to a statutory framework similar to the regulations applicable to Japanese domestic banks. Their principal sources of funds come from their overseas head offices or other branches.

A number of government financial institutions, organized in order to supplement the activities of private banking institutions, have been in the process of business and organizational restructuring in recent years. In October 2008, some of the government financial institutions were consolidated to form Japan Finance Corporation, which mainly provides financing for small and medium-sized enterprises and those engaged in agriculture, forestry and fishery, and also provides export financing for Japanese corporations. In October 2008, Development Bank of Japan, which mainly engages in corporate financing, and Shoko Chukin Bank, which mainly engages in financing for small and medium-sized enterprises, were transformed into joint stock corporations. Subsequently, in June 2023, the law to partially amend the Shoko Chukin Bank Limited Act was passed by the Diet. According to this law, the Japanese government will endeavor to dispose of all of its ownership in Shoko Chukin Bank as soon as possible within a period of two years from the date of promulgation, and after such disposal is completed, a decision will be made on whether to implement full privatization, taking into account various circumstances.

In April 2012, Japan Bank for International Cooperation, which provides policy-based finance with the mission of contributing to the sound development of Japan and the international economy and society, was spun off from Japan Finance Corporation and was established as a joint stock corporation wholly owned by the Japanese government.

Another government financial institution, Japan Housing Finance Agency, supports the housing loan business of private financial institutions through securitization of such loans.

A distinctive element of the Japanese banking system is the role of postal savings. Postal savings deposits are gathered through the network of governmental post offices scattered throughout Japan, and their balance of deposits totaled over 200 trillion yen in the past. Since the beginning of the 2000s, the governmental postal business has been in the phased process of organizational restructuring. In 2003, the governmental postal business was transferred to Japan Post, a government-owned entity established in the same year, and in 2007, Japan Post was transformed into a government-owned joint stock corporation holding four operating companies including Japan Post Bank Co., Ltd., which currently operates as an ordinary bank. In November 2015, the shares of the three main companies of the Japan Post group were listed on the Tokyo Stock Exchange, with Japan Post Holdings Co., Ltd. ("JPH") disposing of approximately 11% of its ownership in the two subsidiaries, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., while the Japanese government disposed of approximately 11% of its ownership in JPH. The Japanese government has continued to dispose of its ownership in JPH and owned approximately 34% of its shares as of September 30, 2022, the lower limit prescribed by law. JPH aims to dispose of the shares of the above-mentioned two subsidiaries to lower the holding ratio to 50% or less as early as possible by March 2026, and had reduced its holding ratio of the shares of Japan Post Insurance Co., Ltd. to less than 50% by June 2021. In addition, in March 2023, JPH also partially disposed of its ownership in Japan Post Bank Co., Ltd. and reduced its holding ratio of the shares (excluding treasury shares owned by Japan Post Bank Co., Ltd.) to 61% after the disposal.

In April 2019, the maximum deposit amount that Japan Post Bank Co., Ltd. may accept increased from 13 million yen in aggregate for ordinary deposits and time deposits to a total of 26 million yen, 13 million yen each for ordinary deposits and time deposits.

In recent years, as a result of technological advances in the digital field called "FinTech," entry from different industries into areas considered to be the inherent business of financial institutions such as settlement services has been increasing.

In the Japanese securities market, a large number of registered entities, including Mizuho Securities, are engaged in securities businesses, such as sales and underwriting of securities, investment advisory and investment management services. As deregulation of the securities market progressed, several of the country's banking groups have entered into this market through their subsidiaries. In addition, foreign financial institutions have been active in this market.

Supervision and Regulation

Japan

Pursuant to the Banking Act (Ginkou Hou) (Act No. 59 of 1981, as amended), the Prime Minister of Japan has authority to supervise banks in Japan and delegates certain supervisory control over banks in Japan to the Commissioner of the Financial Services Agency. The Bank of Japan also has supervisory authority over banks in Japan, based primarily on its contractual agreements and transactions with the banks.

Financial Services Agency

Although the Prime Minister has supervisory authority over banks in Japan, except for matters prescribed by government order, this authority is generally entrusted to the Commissioner of the Financial Services Agency.

Additionally, the position of Minister for Financial Services was established by the Cabinet to direct the Commissioner of the Financial Services Agency and to support the Prime Minister.

Under the Banking Act, the Prime Minister's authority over banks and bank holding companies in Japan extends to various areas, including granting and cancellation of licenses, ordering the suspension of business in whole or in part and requiring submission of business reports or materials. Under the prompt corrective action system, the Financial Services Agency, acting on behalf of the Prime Minister, may take corrective action in the case of failure to meet the minimum capital adequacy ratio or the minimum leverage ratio of banks, bank holding companies, their subsidiaries and companies having special relationships prescribed by the cabinet order. See "Capital Adequacy" and "Leverage Ratio" below. These actions include requiring a financial institution to formulate and implement reform measures, requiring it to reduce assets or take other specific actions and issuing an order to suspend all or part of its business operations.

In addition, under the capital distribution constraints system introduced in March 2016, the Financial Services Agency, acting on behalf of the Prime Minister, may order a bank holding company or bank to submit and carry out a capital distribution constraints plan in the case of failure to meet the minimum capital buffer ratio or the minimum leverage buffer ratio. See "Capital Adequacy" and "Leverage Ratio" below. The capital distribution constraints plan is required to be considered reasonable to restore the capital buffer ratio or the leverage buffer ratio, and include restrictions on capital distributions, such as dividends, share buybacks and bonuses payments, up to a certain amount as determined depending on the level of the capital buffer.

Furthermore, under the Japanese TLAC regulations introduced in March 2019, the Financial Services Agency, acting on behalf of the Prime Minister, may order the bank holding company of a G-SIB in Japan designated as the domestic resolution entity of such G-SIB to submit reports related to improvement of TLAC or may issue a business improvement order to such domestic resolution entity if the external TLAC ratio of the domestic resolution entity or the internal TLAC amount of its material subsidiaries in Japan fall below the minimum requirements. See "Total Loss Absorbing Capacity" below.

Under the prompt warning system introduced in December 2002, the Financial Services Agency may take precautionary measures to maintain and promote the sound operations of financial institutions, even before those financial institutions become subject to the prompt corrective action system. These measures require a financial institution to reform profitability, credit risk management, stability and cash flow.

The Bank of Japan

The Bank of Japan is Japan's central bank and serves as the principal instrument for the execution of Japan's monetary policy. The principal measures by which the Bank of Japan implements monetary policy are the adjustment of its discount rate, its operations in the open market and the imposition of deposit reserve requirements. Banks in Japan are allowed to obtain borrowings from, and rediscount bills with, the Bank of Japan. Moreover, most banks in Japan maintain current accounts under agreements with the Bank of Japan pursuant to which the Bank of Japan is entitled to supervise, examine and audit the banks. The supervisory functions of the Bank of Japan are intended to enable it to ensure smooth settlement of funds among banks and other financial institutions, thereby contributing to the maintenance of an orderly financial system, whereas the supervisory practices of the Prime Minister or the Commissioner of the Financial Services Agency are intended to maintain the sound operations of banks and promote the security of depositors.

Examination of Banks

The Banking Act authorizes the Prime Minister to inspect banks and bank holding companies in Japan at any time. By evaluating banks' systems of self-assessment, auditing their accounts and reviewing their compliance with laws and regulations, the Financial Services Agency monitors the financial soundness of banks, including the status and performance of their control systems for business activities.

The inspection of banks had been performed pursuant to a Financial Inspection Manual published by the Financial Services Agency. However, in December 2017, in order to upgrade the quality of its supervisory activities, to strengthen Japan's financial infrastructure, and to enable the Japanese economy to realize its full potential, the Financial Services Agency embarked on the review of the supervisory approaches. The Financial Services Agency announced the "JFSA's supervisory approaches—Replacing checklists with engagement" in June 2018, and is committed to continuous improvement of the supervisory approaches through dialogue with financial institutions, etc. by using theme-specific reports, etc. Based on this, in December 2019, the Financial Services Agency repealed the Financial Inspection Manual, including the appendix that was referred to for self-assessment and determining the write-off and allowance.

In addition to individual financial institutions, the Financial Services Agency also supervises financial groups as a whole based on its Guidelines.

The Bank of Japan also conducts examinations of banks. The examinations are normally conducted once every few years, and involve such matters as examining asset quality, risk management and reliability of operations. Through these examinations, the Bank of Japan seeks to identify problems at an early stage and give corrective guidance where necessary.

In March 2021, the Financial Services Agency and the Bank of Japan released the "Initiatives for strengthening the cooperation between the Financial Services Agency and the Bank of Japan," which aims to increase efficiency and reduce the burden on financial institutions without compromising the comprehensiveness of the regulation. To achieve this, the two institutions would strengthen cooperation among their regulation schemes including the inspections and supervision by the Financial Services Agency, as well as the on-site inspections and off-site monitoring conducted by the Bank of Japan.

In addition, the Securities and Exchange Surveillance Commission examines banks in connection with their financial instruments business activities in accordance with the Financial Instruments and Exchange Act of Japan (Kinyu Shouhin Torihiki Hou) (Act No. 25 of 1948, as amended).

Examination and Reporting Applicable to Shareholders

Under the Banking Act, a person who intends to hold 20% (in certain exceptional cases, 15%) or more of the voting rights of a bank is required to obtain prior approval of the Commissioner of the Financial Services Agency. In addition, the Financial Services Agency may request reports or submission of materials from, or inspect, any principal shareholder who holds 20% (in certain exceptional cases, 15%) or more of the voting rights of a bank, if necessary, in order to secure the sound and appropriate operation of the business of such bank. Under limited circumstances, the Financial Services Agency may order such principal shareholder to take such measures as the Financial Services Agency deems necessary.

Furthermore, under the Banking Act, any person who becomes a holder of more than 5% of the voting rights of a bank holding company or bank must report its ownership of voting rights to the director of the relevant local finance bureau within five business days. In addition, a similar report must be made in respect of any subsequent change of 1% or more in any previously reported holding or any change in material matters set forth in reports previously filed, with some exceptions.

Deposit Insurance System

Under the Deposit Insurance Act (Yokin Hoken Hou) (Act No. 34 of 1971, as amended), depositors are protected through the Deposit Insurance Corporation in cases where financial institutions fail to meet their obligations. The Deposit Insurance Corporation is supervised by the Prime Minister and the Minister of Finance. Subject to limited exceptions, the Prime Minister's authority is entrusted to the Commissioner of the Financial Services Agency.

The Deposit Insurance Corporation receives annual insurance premiums from insured banks. The effective premium rate from April 2023, which is the weighted average of the rates for deposits that bear no interest, are redeemable upon demand and are used by depositors primarily for payment and settlement purposes, and for other deposits, is 0.015%.

The insurance money may be paid out in case of a suspension of deposit repayments, banking license revocation, dissolution or bankruptcy of the bank. Pay outs are generally limited to a maximum of ¥10 million of principal amount, together with any interest accrued with respect to each depositor. Only non-interest bearing deposits, redeemable on demand and used by depositors primarily for payment and settlement functions are protected in full.

Participation in the deposit insurance system is compulsory for city banks (including Mizuho Bank), regional banks, trust banks (including Mizuho Trust & Banking), credit associations and co-operatives, labor banks and other financial institutions.

Governmental Measures to Treat Troubled Institutions

Under the Deposit Insurance Act, a Financial Reorganization Administrator can be appointed by the Prime Minister if the bank is unable to fully perform its obligations with its assets or may suspend or has suspended repayment of deposits. The Financial Reorganization Administrator will take control of and dispose of the assets of the bank and search for another institution willing to take over its business. Its business may also be transferred to a "bridge bank" established by the Deposit Insurance Corporation for the purpose of the temporary maintenance and continuation of operations of these types of institutions, and the bridge bank will seek to transfer the bank's assets to another financial institution or dissolve the bank. The financial aid provided by the Deposit Insurance Corporation to assist another financial institution with succeeding the failed bank's business may take the form of a monetary grant, loan or deposit of funds, purchase of assets, guarantee or assumption of debts, subscription of preferred stock or subordinated bonds, lending of subordinated loans, or loss sharing.

Where the Prime Minister recognizes that the failure of a bank which falls into any of (i) through (iii) below may cause an extremely grave problem in maintaining the financial order in Japan or the region where such bank is operating ("systemic risk"), without taking any of the measures described in (i) through (iii) below, the Prime Minister may confirm (nintei) to take any of the following measures, after the deliberation at the Financial Crisis Management Meeting: (i) if the bank does not fall under either of the banks described in (ii) or (iii), the Deposit Insurance Corporation may subscribe for shares or subordinated bonds of, or lend subordinated loans to the bank, or subscribe for shares of the bank holding company of the bank, in order to enhance capital adequacy of the bank (item 1 measures (dai ichigo sochi)); (ii) if the bank is likely to suspend or has suspended repayment of deposits or is unable to fully perform its obligations with its assets, financial aid exceeding the pay-off cost may be available to such bank (item 2 measures (dai nigo sochi)); and (iii) if the bank is likely to suspend or has suspended repayment of deposits and is unable to fully perform its obligations with its assets, and the systemic risk cannot be avoided by the measure mentioned in (ii) above, the Deposit Insurance Corporation may acquire all of the bank's shares (item 3 measures (dai sango sochi)). The expenses for implementation of the above measures will be borne by the bank industry, with an exception under which the Government of Japan may provide partial subsidies for such expenses.

New orderly and effective resolution regimes for financial institutions have been discussed internationally and "Key Attributes of Effective Resolution Regimes for Financial Institutions" was published by the Financial Stability Board in November 2011 and endorsed by the G20 leaders at the Cannes summit held in November 2011. Reflecting this global trend, pursuant to certain amendments to the Deposit Insurance Act that were promulgated in June 2013 and became effective on March 6, 2014, a new resolution regime was introduced in Japan.

Under the new resolution regime stipulated in the amendments to the Deposit Insurance Act and implementing ordinances thereunder, which became effective on March 6, 2014, financial institutions including banks, insurance companies and securities companies and their holding companies, are subject to the regime.

Further, under the new resolution regime, among other things, where the Prime Minister recognizes that the failure of a financial institution which falls under either (a) or (b) below may cause significant disruption in the financial markets or other financial systems in Japan without taking any of the measures described in (a) (specified item 1 measures)(tokutei dai ichigo sochi) stipulated in Article 126-2, Paragraph 1, Item 1 of the Deposit Insurance Act or the measures described in (b) (specified item 2 measures)(tokutei dai nigo sochi) stipulated in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act, the Prime Minister may confirm (specified confirmation)(tokutei nintei) to take any of the following measures, after the deliberation at the Financial Crisis Management Meeting; (a) if the financial institution does not fall under a financial institution which is unable to fully perform its obligations with its assets, the Deposit Insurance Corporation shall supervise the operation of the business of and the management and disposal of assets of that financial institution (tokubetsu kanshi), and may provide it with loans or guarantees necessary to avoid the risk of significant disruption in the financial systems in Japan (shikin no kashitsuke tou), or subscribe for shares or subordinated bonds of, or lend subordinated loans to the financial institutions (tokutei kabushiki tou no hikiuke tou) , in each case to be taken as necessary taking into consideration of the financial conditions of the financial institution; and (b) if the financial institution is or is likely to be unable to fully perform its obligations with its assets or has suspended or is likely to suspend repayment of its obligations, the Deposit Insurance Corporation shall supervise that financial institution (tokubetsu kanshi), and may provide financial aid necessary to assist merger, business transfer, corporate split or other reorganization in respect to such failed financial institution (tokutei shikin enjo). The expenses for implementation of the measures under this regime will be borne by the financial industry, with an exception under which the Government of Japan may provide partial subsidies for such expenses. If a measure set out in (b) above is determined to be taken with respect to a financial institution, the Prime Minister may order that the financial institution's operation and assets be under the special control (tokutei kanri) of the Deposit Insurance Corporation. The business or liabilities of the financial institution subject to the special supervision (tokubetsu kanshi) or special control (tokutei kanri) by the Deposit Insurance Corporation as set forth above may also be transferred to a "bridge bank" established by the Deposit Insurance Corporation for the purpose of the temporary maintenance and continuation of operations of, or repayment of the liabilities of, such financial institutions, and the bridge bank will seek to transfer the bank's business or liabilities to another financial institution or dissolve the bank. The financial aid provided by the Deposit Insurance Corporation to assist merger, business transfer, corporate split or other reorganization in respect to the financial institution set out in (b) above may take the form of a monetary grant, loan or deposit of funds, purchase of assets, guarantee or assumption of debts, subscription of preferred stock or subordinated bonds, lending of subordinated loan, or loss sharing.

If the Deposit Insurance Corporation has provided such financial assistance, the Prime Minister may designate the movable assets and claims of the failed financial institution as not subject to attachment under Article 126-16 of the Deposit Insurance Act, and such merger, business transfer, corporate split or other reorganization may be conducted outside of the court-administrated insolvency proceedings.

If the financial institution subject to the special supervision or the special control by the Deposit Insurance Corporation as set forth above is or is likely to be unable to fully perform its obligations with its assets or has suspended or is likely to suspend repayment of its obligations, the financial institution may transfer all or a material portion of its business or all or a portion of shares of its subsidiaries or implement corporate split or certain other corporate actions with court permission in lieu of any shareholder resolutions under Article 126-13 of the Deposit Insurance Act. In addition, the Deposit Insurance Corporation must request other financial institution creditors of the failed financial institution to refrain from exercising their rights against the failed financial institution until measures necessary to avoid the risk of significant disruption to the financial system in Japan have been taken, if it is recognized that such exercise of their rights is likely to make it difficult to conduct an orderly resolution of the failed financial institution.

According to the announcement made by the Financial Services Agency in March 2014, (i) Additional Tier 1 instruments and Tier 2 instruments under Basel III issued by a bank must be written down or converted into common shares when the Prime Minister confirms that item 2 measures (dai nigo sochi), item 3 measures (dai sango sochi) or specified item 2 measures (tokutei dai nigo sochi) need to be applied to the bank, and (ii) Additional Tier 1 instruments and Tier 2 instruments under Basel III issued by a bank holding company must be written down or converted into common shares when the Prime Minister confirms that specified item 2 measures (tokutei dai nigo sochi) need to be applied to the bank holding company.

Further, under a possible model of Single Point of Entry ("SPE") resolution described in the Japanese TLAC regulations published by the Financial Services Agency in March 2019, if the Financial Services Agency determines that a material subsidiary in Japan of a Japanese financial institution that is a G-SIB is non-viable due to material deterioration of its financial condition after recognizing that it is or is likely to be unable to fully perform its obligations with its assets, or that it has suspended, or is likely to suspend, repayment of its obligations, and issues an order concerning restoration of financial soundness, including recapitalization and restoration of liquidity of such material subsidiary, to the resolution entity in Japan of such financial institution, the material subsidiary's internal TLAC instruments will be written off or, if applicable, converted into equity in accordance with the applicable terms of such internal TLAC instruments. Following the write-off or conversion of internal TLAC instruments, if the Prime Minister recognizes that the resolution entity in Japan of the financial institution is or is likely to be unable to fully perform its obligations with its assets, or that it has suspended or is likely to suspend, repayment of its obligations, as a result of the resolution entity's loans to, or other investment in, its material subsidiaries that are designated by the Financial Services Agency as being systemically important or that are subject to TLAC requirements or similar requirements imposed by a relevant foreign authority, becoming subject to loss absorption or otherwise, and further recognizes that the failure of such resolution entity is likely to cause a significant disruption to the Japanese financial market or system, the Prime Minister may, following deliberation by the Financial Crisis Management Meeting, confirm that specified item 2 measures (tokutei dai nigo sochi) need to be applied to the resolution entity for its orderly resolution.

Recovery and Resolution Plan

In November 2022, the Financial Stability Board published the latest list of G-SIBs. The list is annually updated by the Financial Stability Board in each November, and the list as of November 2022 continues to include us. A recovery and resolution plan must be put in place for each G-SIB and be regularly reviewed and updated. In Japan, under the Comprehensive Guidelines for Supervision of Major Banks, etc., as part of crisis management, financial institutions identified as G-SIBs must prepare and submit a recovery plan, which includes the triggers to implement the recovery plan and an analysis of recovery options, to the Financial Services Agency, and the Financial Services Agency must prepare a resolution plan for each G-SIB.

Capital Injection by the Government

The Strengthening Financial Functions Act (Kinyu Kinou no Kyouka no tame no Tokubetsu Sochi ni kansuru Houritsu) (Act No. 128 of 2004) was enacted on June 18, 2004 in order to establish a scheme of public money injection into financial institutions and thereby enhance the soundness of such financial institutions on or prior to March 31, 2008 and revitalize economic activities in the regions where they do business. On December 17, 2008, certain amendments to the Strengthening Financial Functions Act took effect. These amendments relaxed certain requirements for public money injection into Japanese banks, bank holding companies and other financial institutions under the prior scheme and extended the period of application therefor, which had expired on March 31, 2008, to March 31, 2012. These amendments aim to promote not only the soundness of such financial institutions but also the extension of loans or other forms of credit to small and medium-sized enterprises in order to revitalize local economies. In response to the Great East Japan Earthquake, the law was amended in June 2011 to extend the period for application to March 31, 2017 and to include special exceptions for disaster-affected financial institutions. In 2016, the law was further amended to extend the period for application to March 31, 2022. Furthermore, in order to strengthen business bases of financial institutions by

addressing the effects resulting from COVID-19 and preventive measures against the coronavirus pandemic, the law was amended in June 2020 to extend the period for application to March 31, 2026 and special exceptions were established for financial institutions that need to improve their capital adequacy due to the adverse effects of COVID-19. None of the financial institutions within the Mizuho group are subject to such special exceptions. In July 2021, certain amendments to the Strengthening Financial Functions Act became effective, which, in order to sustain the financial functions for the revitalization of local economies in regions where the population is decreasing, etc., established a grant scheme to support financial institutions that aim to drastically strengthen their business foundation by mergers and other business integration. Application for the grant is open until March 31, 2026.

Bank Holding Companies

Under the amendments to the Banking Act, which became effective from April 2017, a bank holding company is required to administrate the businesses of the bank holding company group and is, in principle, prohibited from carrying out businesses other than administrating such businesses and matters incidental to such businesses; however, given prior approval of the Prime Minister, a bank holding company may carry out certain operations common to its group companies so as to improve the efficiency of their operations. Business activities for subsidiaries of bank holding companies are limited to finance-related businesses and incidental businesses.

The Anti-Monopoly Act (Shiteki Dokusen no Kinshi oyobi Kousei Torihiki no Kakuho ni kansuru Houritsu) (Act No. 54 of 1947, as amended) prohibits a bank from holding more than 5% of another company's voting rights. This does not apply to a bank holding company, although the bank holding company is subject to general shareholding restrictions under the Anti-Monopoly Act. The Banking Act does, however, in principle, prohibit a bank holding company and its subsidiaries, on an aggregate basis, from holding more than 15% (in contrast to 5% in the case of a bank and its subsidiaries) of the voting rights of certain types of companies not permitted to become subsidiaries of bank holding companies. Despite the foregoing shareholding restrictions, under the amendments to the Banking Act, which became effective from April 2017, bank holding companies and banks, with prior approval of the Prime Minister, can acquire and own voting rights of companies whose businesses contribute or are expected to contribute to the increased sophistication of the banking business or the enhancement of customer convenience by utilizing information and communication technology ("advanced banking service company") that exceed the threshold of the voting rights described above. In November 2021, certain amendments to the Banking Act became effective, under which the businesses that contribute to the support and creation of sustainable societies, including revitalization of local economies, were added to the businesses of the advanced banking service company, and the standards for the permission applicable to certain sector businesses were relaxed.

Financial Instruments and Exchange Act

The Financial Instruments and Exchange Act (Kinyu Shouhin Torihiki Hou) requires Mizuho Financial Group to file with the Director General of the Kanto Local Finance Bureau an annual securities report including consolidated and non-consolidated financial statements in respect of each financial period, supplemented by quarterly and extraordinary reports. In March 2023, the Cabinet approved the bill to amend the Financial Instruments and Exchange Act, etc. If the bill is subsequently passed by the Diet without any amendments, Mizuho Financial Group will be required to file a semiannual (instead of a quarterly) securities report with the Director General of the Kanto Local Finance Bureau on and after April 1, 2024.

Under the Financial Instruments and Exchange Act, registered Financial Instruments Business Operators (kinyu-shouhin torihiki gyousha), such as Mizuho Securities, as well as Registered Financial Institutions (touroku kinyu kikan), such as Mizuho Bank and Mizuho Trust & Banking, are required to provide customers with detailed disclosure regarding the financial products they offer and take other measures to protect investors, including a delivery of explanatory documents to such customers prior to and upon the conclusion of transactional agreements.

Financial Instrument Business Operators and Registered Financial Institutions are subject to the supervision of the Financial Services Agency pursuant to delegation by the Prime Minister of Japan. Some of the supervisory authority of the Financial Services Agency is further delegated to the Securities and Exchange Surveillance Commission, which exercises its supervisory power over such registered institutions by conducting site inspections and requesting information necessary for such inspections. Non-compliance or interference with such inspection may result in such registrants being subject to criminal penalty under the Financial Instruments and Exchange Act.

Certain amendments to the Financial Instruments and Exchange Act and the Banking Act, which came into effect in June, 2009, revamped the firewall regulations regarding the holding of concurrent offices or posts among banks, securities firms and insurance firms and required banks, securities firms and insurance firms to establish systems for managing conflicts of interest in order to protect customers' interests and expanded the types of business services that banks and certain other financial firms can provide. In June 2021, certain amendments to the Cabinet Office Ordinance under the Financial Instruments and Exchange Act became effective, which relaxed the firewall regulations to allow non-public information, etc. of foreign company customers to be shared within a financial group. In addition, on June 22, 2022, certain amendments to the Cabinet Office Ordinance under the Financial Instruments and Exchange Act became effective, which relaxed the firewall regulations to allow non-public information, etc. of certain subject companies such as listed companies, etc. to be shared within a financial group without consent of such companies, but required financial institutions to establish measures to respond to a request from relevant companies for suspension of sharing of such non-public information, etc. At the same time, financial institutions are required to strengthen the effectiveness of measures to prevent market abuse.

Sales of Financial Products

As a result of financial deregulation, more financial products, including highly structured and complicated products, can now be more freely marketed to customers. In response to this, the Act of Sales of Financial Products (Kinyu Shouhin no Hanbai tou ni kansuru Houritsu) (Act No. 101 of 2000, as amended), effective from April 2001, introduced measures to protect financial service customers by: requiring financial service providers to provide customers with certain important information, including risks with respect to deficit of principal associated with the financial products they offer and any restrictions on the period for exercising rights or the period for rescission, unless the customers fall within the ambit of professional investors or express their intent to the contrary; and holding financial service providers liable for damages caused by a failure to follow those requirements. The amount of loss of principal is refutably presumed to be the amount of damages. Additionally, the law requires financial service providers to follow certain regulations on solicitation measures as well as to endeavor to solicit customers in an appropriate manner and formulate and publicize a solicitation policy.

In November 2021, certain amendments to the law became effective, by which amendments the name of the law was changed to "the Act of Provision of Financial Services (Kinyu Sabisu no Teikyou ni kansuru Houritsu)" and the "financial services intermediary business" was newly introduced thereunder. Under a single registration for financial services intermediary business, registrants are able to provide intermediary services of each of banking, securities and insurance. Providers of financial services intermediary business are not required to belong to a specific financial institution, but must comply with certain regulations to protect customers, including limitations on the type of services that they may provide, prohibitions on the acceptance of assets of customers and the lodging of a security deposit.

Self-Assessment and Reserves

Financial institutions are required to establish a self-assessment program that complies with related laws such as the Financial Reconstruction Act (Kinyu Kinou no Saisei no tameno Kinkyu Sochi ni kansuru Houritsu) (Act No. 132 of 1998, as amended). Financial institutions are required to analyze their assets, giving due consideration to accounting principles and other applicable rules, and to classify their assets into four categories

according to asset recovery risk and risk of impairment based on the classification of the obligor (normal obligors, watch obligors, intensive control obligors, substantially bankrupt obligors and bankrupt obligors), taking into account the likelihood of repayment and the risk of impairment to the value of the assets. The results of self-assessment should be reflected in the write-off and allowance according to the standard established by financial institutions pursuant to the guidelines issued by the Japanese Institute of Certified Public Accountants, etc. Based on the results of the self-assessment, financial institutions may establish reserve amounts for their loan portfolio as may be considered adequate at the relevant balance sheet date, even if all or part of such reserves may not be immediately tax deductible under Japanese tax law.

Financial institutions are, in principle, required to determine probable losses by multiplying the amount of claims by the classification of obligors by probable loss ratio, and establish general reserves equivalent to such probable losses for normal obligors and watch obligors (including control obligors). For intensive control obligors, substantially bankrupt obligors and bankrupt obligors, specific reserves corresponding to the amount of bad debt of each obligor are required to be established.

In addition, in December 2019, the Financial Services Agency announced the "JFSA's supervisory approaches to lending business and loan loss provisioning," which sets forth fundamental policies concerning estimates that more accurately reflects recognized credit risks to establish reserves taking into account the lending policy of each bank and actual financial status of each obligor, using the aforementioned reserves practice as a starting point.

Credit Limits

The Banking Act restricts the aggregate amount of exposure to any single customer or customer group for the purposes of avoiding excessive concentration of credit risks and promoting the fair and extensive utilization of bank credit. The limits applicable to a bank holding company and bank with respect to their aggregate exposure to any single customer or customer group are established by the Banking Act and regulations thereunder. The Banking Act and the related regulations were amended, which became effective from December 2014, to tighten the previous restrictions to meet international standards. As a result of these amendments, the credit limit for a single customer or a customer group was set at 25% of the total qualifying capital, with certain adjustments, of the bank holding company or bank and its subsidiaries and affiliates. In addition, in light of the Basel Committee on Banking Supervision's final standard regarding the larger exposure framework published in April 2014, further amendments to the cabinet order and related regulations under the Banking Act became effective in April 2020, which tighten the credit limit for (i) a single customer or a customer group, applicable to bank holding companies and banks with international operations, to 25% of Tier 1 capital instead of the total qualifying capital, and (ii) G-SIBs, applicable to Japanese G-SIBs such as us, to 15% of Tier 1 capital, and introduced a look-through approach concerning credit to funds and securitized products, and require recognition of the amount of exposures reduced by credit risk mitigation methods as exposures to credit risk mitigation providers.

Restriction on Shareholdings

The Act Concerning Restriction on Shareholdings by Banks (Ginkou tou no Kabushiki tou no Hoyu no Seigen tou ni kansuru Houritsu) (Act No. 131 of 2001, as amended) requires Japanese banks (including bank holding companies) and their subsidiaries to limit the aggregate market value (excluding unrealized gains, if any) of their holdings in equity securities to an amount equal to 100% of their Tier 1 capital in order to reduce exposure to stock price fluctuations.

Share Purchase Program

The Banks' Shareholdings Purchase Corporation was established in January 2002 in order to purchase shares from banks and other financial institutions until September 30, 2006 pursuant to the Act Concerning

Restriction on Shareholdings by Banks. The Banks' Shareholdings Purchase Corporation is allowed to resume purchases of shares held by financial institutions as well as shares of financial institutions held by non-financial institutions, up to a maximum amount of ¥20 trillion between March 12, 2009 and March 31, 2022. The Banks' Shareholdings Purchase Corporation purchased ¥1,919.6 billion of shares during the period from March 12, 2009 through March 31, 2023. The Banks' Shareholdings Purchase Corporation will dispose of the purchased shares by March 31, 2032, the end of the duration of the Banks' Shareholdings Purchase Corporation, by taking into consideration the effects on the stock market. In November 2021, certain amendments to the Act Concerning Restriction on Shareholdings by Banks became effective, under which the abovementioned ends of the purchase period and the duration of the Banks' Shareholdings Purchase Corporation were extended to March 31, 2026 and March 31, 2036, respectively.

The Bank of Japan also purchased ¥387.8 billion of shares held by banks and other financial institutions during the period from February 23, 2009 through April 30, 2010. The Bank of Japan will dispose of the purchased shares between April 2016 and March 31, 2026, by taking into consideration the effects on the stock market.

Capital Adequacy

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the Financial Services Agency closely follow the risk-adjusted approach proposed by the Bank for International Settlements and are intended to further strengthen the soundness and stability of Japanese banks. Under the risk-based capital framework of these guidelines, balance sheet assets and off-balance-sheet exposures are assessed according to broad categories of relative risk, based primarily on the credit risk of the counterparty, country transfer risk and the risk regarding the category of transactions.

In December 2010, the Basel Committee on Banking Supervision issued its Basel III rules text, which builds on the International Convergence of Capital Measurement and Capital Standards document ("Basel II"), to strengthen the regulation, supervision, and risk management of the banking sector. Basel III text presents the details of global regulatory standards on bank capital adequacy and liquidity. The rules text sets out higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two global liquidity standards. For further information of the leverage ratio and the two global liquidity standards, see "Leverage Ratio" and "Liquidity" below, respectively.

The Financial Services Agency's revisions to its capital adequacy guidelines became effective from March 31, 2013, which generally reflect rules in the Basel III text that have been applied from January 1, 2013.

Under the revised guidelines, the minimum capital adequacy ratio is 8% on both a consolidated and non-consolidated basis for banks with international operations, such as Mizuho Bank and Mizuho Trust & Banking or on a consolidated basis for bank holding companies with international operations, such as Mizuho Financial Group. Within the minimum capital adequacy ratio, the Common Equity Tier 1 capital requirement is 4.5% and the Tier 1 capital requirement is 6.0%.

Japanese banks with only domestic operations and bank holding companies the subsidiaries of which operate only within Japan are subject to the revised capital adequacy guidelines that have been applied from March 31, 2014, and those banks and bank holding companies are required to have a minimum Core Capital ratio of 4%. However, those banks and bank holding companies that apply the internal rating based approach are required to have a minimum Common Equity Tier 1 ratio of 4.5% on both a consolidated and non-consolidated basis, calculated on the assumption that the banks and bank holding companies are those with international operations.

Under the revised capital adequacy guidelines based on the Basel III rules that have been applied to banks and bank holding companies each with international operations from March 31, 2013, there are regulatory

adjustments such as goodwill and other intangibles, deferred tax assets, investments in the capital of banking, financial and insurance entities etc. shall be deducted under certain conditions for the purpose of calculating capital adequacy ratios, and the requirements of regulatory adjustments were enhanced under the revised capital adequacy guidelines. For example, under the capital adequacy guidelines prior to the revision thereto under the Basel III rules, the maximum amount of net deferred tax assets under Japanese GAAP that major Japanese banks, including bank holding companies, could record without diminishing the amount of Tier 1 capital for purposes of calculating capital adequacy ratio was 20% of Tier 1 capital. Under the revised capital adequacy guidelines based on the Basel III rules, deferred tax assets that arise from temporary differences will be recognized as part of Common Equity Tier 1 capital, with recognition capped at 10% of Common Equity Tier 1 capital under certain conditions, while other deferred tax assets, such as those relating to net loss carryforwards, will be deducted in full from Common Equity Tier 1 capital net of deferred tax liabilities.

In November 2015, the Financial Services Agency published revised capital adequacy guidelines and related ordinances to introduce the capital buffer requirements under the Basel III rules for Japanese banks and bank holding companies with international operations, which include the capital conservation buffer, the countercyclical buffer and the additional loss absorbency requirements for G-SIBs and domestic systemically important banks ("D-SIBs"). These guidelines have become effective on March 31, 2016. The capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and D-SIBs must be met with Common Equity Tier 1 capital under the revised guidelines, and if such buffer requirements are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out. The capital conservation buffer is 2.5% from March 2019. In addition, subject to national discretion by the respective regulatory authorities, if the relevant national authority judges a period of excess credit growth to be leading to the build-up of system-wide risk, a countercyclical capital buffer ranging from 0% to 2.5% would also be imposed on banking organizations. The countercyclical capital buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures. Further, we were designated as both a G-SIB and D-SIB, and the additional loss absorption capacity requirement applied to us was 1.0%. The additional loss absorption capacity requirement was the same as that imposed by the Financial Stability Board, which is 1.0% from March 2019.

Under the capital adequacy guidelines, banks and bank holding companies each with international operations are required to measure and apply capital charges with respect to their credit risk, market risk and operational risk.

Under the guidelines, banks and bank holding companies have several choices for the methodologies to calculate their capital requirements for credit risk, market risk and operational risk. Approval of the Financial Services Agency is necessary to adopt advanced methodologies for calculation, and Mizuho Financial Group started to apply the AIRB approach for the calculation of credit risk from the fiscal year ended March 31, 2009 and also apply the AMA for the calculation of operational risk from September 30, 2009.

In December 2017, BCBS published the finalized Basel III reforms endorsed by the Group of Central Bank Governors and Heads of Supervision. The finalized reforms complement the initial phase of Basel III reforms set forth above, seek to restore credibility in the calculation of risk-weighted assets and improve the comparability of banks' capital ratios. Such reforms include the following elements:

- a revised standardized approach for credit risk, which is designed to improve the robustness and risk sensitivity of the existing approach;
- revisions to the internal ratings-based approach for credit risk, where the use of the most advanced internally modelled approaches for low-default portfolios will be limited;
- revisions to the credit valuation adjustment (CVA) framework, including the removal of the internally modelled approach and the introduction of a revised standardized approach;
- a revised standardized approach for operational risk, which will replace the existing standardized approaches and the advanced measurement approaches;

- revisions to the capital floor, under which banks' risk-weighted assets generated by internal models must be no lower than 72.5% of the total risk-weighted assets as calculated using only the standardized approaches under the revised Basel III framework; and
- requirements to disclose their risk-weighted assets based on the standardized approaches.

In addition, under the finalized Basel III reforms, G-SIBs are required to meet a leverage ratio buffer, which will take the form of a Tier 1 capital buffer set at 50% of the applicable G-SIB's risk-weighted capital buffer, and various refinements are made to the definition of the leverage ratio exposure measure based on the text of the leverage ratio framework issued by the BCBS in January 2014.

In March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision ("GHOS"), announced a deferral of the implementation date of the finalized Basel III reforms by one year to increase the operational capacity of banks and supervisors to respond to COVID-19. As a result, they were scheduled to mainly take effect from January 1, 2023, and the revisions to the capital floor were scheduled to be phased in from January 1, 2023, with the initial capital floor of 50%, and were scheduled to be fully implemented at 72.5% from January 1, 2028. In March 2020, the Financial Services Agency announced a deferral of the date of implementation in Japan of the Basel III finalization framework by one year until March 31, 2023. Furthermore, in April and November 2022, the Financial Services Agency published amendments to the regulatory notices regarding operational risk, credit risk, market risk and CVA risk under the Basel III finalization framework, under which the implementation of the Basel III finalization framework was further deferred in Japan by one year, based on the international situation and dialogue with stakeholders, such that in respect of the Japanese banks with international operations and Japanese banks with only domestic operations that have been using internal model-based approaches for measuring risks, the implementation date was delayed to March 31, 2024, except for banks that have notified the Financial Services Agency that they wish to implement the Basel III finalization framework earlier.

For further information regarding capital adequacy, see "Item 5. Operating and Financial Review and Prospects—Capital Adequacy—Regulatory Capital Requirements."

Leverage Ratio

The leverage ratio framework is critical and complementary to the risk-based capital framework that will help ensure broad and adequate capture of both on- and off-balance sheet sources of banks' leverage. This simple, non-risk-based measure will restrict the build-up of excessive leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy. Implementation of the leverage ratio requirements began with bank-level reporting to national supervisors of the leverage ratio and its components, and public disclosure is required from January 2015. Basel III's leverage ratio is defined as the "capital measure" (numerator) divided by the "exposure measure" (denominator) and is expressed as a percentage. The capital measure is defined as Tier 1 capital, and the minimum leverage ratio is defined as 3%. The Financial Services Agency applied the requirement from March 31, 2019 to meet the minimum leverage ratio for bank holding companies and banks with international operations.

The implementation of the leverage ratio requirements under the finalized definition of the leverage ratio exposure measure and the leverage ratio buffer requirement for G-SIBs under the finalized Basel III reforms were deferred for one year according to the deferral of Basel III implementation announced by GHOS described above. As a result, the leverage ratio requirements under the finalized definition of the leverage ratio exposure measure were scheduled to take effect from January 1, 2023, and the leverage ratio buffer requirement for G-SIBs took effect from January 1, 2023.

In July 2022, the Financial Services Agency published amendments to the regulatory notices regarding the leverage ratio requirements under the finalized definition of the leverage ratio exposure measure, and the

leverage ratio buffer requirement for G-SIBs, under which, in Japan, (i) the leverage ratio regulations under the finalized definition of the leverage ratio exposure measure will be implemented, simultaneously in conjunction with the capital adequacy requirements under the Basel III finalization framework, from March 31, 2024, except for financial institutions that implement the Basel III finalization framework earlier, and (ii) the leverage ratio buffer requirement for G-SIBs took effect from March 31, 2023. In addition, in November 2022, the Financial Services Agency published the revised ordinances regarding the leverage ratio buffer requirement for G-SIBs under the finalized Basel III reforms with effect from March 2023, under which, if such buffer requirements are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out.

In June 2020, in coordination with the monetary policy of the Bank of Japan in response to the impact of COVID-19, the Financial Services Agency amended the leverage ratio regulations, which introduced a temporary measure to exclude amounts of deposits held at the Bank of Japan from the calculation of leverage ratio exposure due to the uncertainty of the impact of COVID-19. The implementation period of such temporary measure has been extended to the end of March 2024. In November 2022, the Financial Services Agency amended the leverage ratio regulations, with effect from April 2024, which will raise the minimum leverage ratio from 3% to 3.15% and add 0.05% to the leverage ratio buffer requirement for G-SIBs, while continuing to exclude amounts of deposits held at the Bank of Japan from the calculation of the leverage ratio exposure, taking into account exceptional macroeconomic conditions and other circumstances.

For further information regarding the leverage ratio, see "Item 5. Operating and Financial Review and Prospects—Capital Adequacy—Regulatory Capital Requirements."

Liquidity

There are two minimum standards for funding liquidity: LCR and NSFR (each as defined below).

The liquidity coverage ratio ("LCR") is intended to promote resilience to potential liquidity disruptions over a thirty-day horizon and help ensure that global banks have sufficient, unencumbered, high-quality liquid assets ("HQLA") to offset the net cash outflows, it could encounter under an acute short-term stress scenario. The GHOS agreed on a revised LCR standard on January 6, 2013, and the BCBS issued the text of the revised LCR standard on January 7, 2013. The LCR guidelines of the Financial Services Agency, which reflect the rules in such text, have been applied to banks and bank holding companies with international operations from March 31, 2015. Under the LCR guidelines, LCR is defined as the ratio obtained by dividing the sum of the amounts of HQLA by the amount of net cash outflows, each as defined in and calculated pursuant to such guidelines. In accordance with the LCR standard under the LCR guidelines, the stock of unencumbered HQLA is to constitute "level 1" assets, which include cash, central bank reserves and certain marketable securities backed by sovereigns and central banks, and "Level 2" assets, which include certain government securities covered bonds, corporate debt securities and, to a limited extent, lower-rated corporate bonds, residential mortgage-backed securities and equities that meet certain conditions. "Level 2" assets are subject to certain haircuts based on types of securities and credit ratings. The regulatory minimum requirement of LCR is 100% on both a consolidated and non-consolidated basis for banks with international operations or on a consolidated basis for bank holding companies with international operations. The BCBS issued final requirements for LCR-related disclosures on January 12, 2014, and the LCR disclosure guidelines of the Financial Services Agency, which reflect such requirements, have been applied to banks and bank holding companies with international operations from June 30, 2015. The LCR disclosure guidelines require such banks and bank holding companies to disclose their LCR in common templates starting from information as of June 30, 2015.

The net stable funding ratio ("NSFR") requires a minimum amount of stable sources of funding at a bank relative to the liquidity profiles of the assets, as well as the potential for contingent liquidity needs arising from off-balance sheet commitments, over a one-year horizon. The BCBS finalized the NSFR framework in October 2014. In March 2021, the Financial Services Agency published amendments to the regulatory notices and

guidelines pertaining to liquidity ratio requirements under which the NSFR was introduced in Japan with effect from September 30, 2021. Under the NSFR guidelines, NSFR is defined as the ratio obtained by dividing the sum of the amounts of available stable funding by the amount of required stable funding, each as defined in and calculated pursuant to such guidelines. The regulatory minimum requirement of NSFR is 100% on both a consolidated and non-consolidated basis for banks with international operations or on a consolidated basis for bank holding companies with international operations. The BCBS issued final requirements for NSFR-related disclosures on June 22, 2015, and the NSFR disclosure guidelines of the Financial Services Agency, which reflect such requirements, have been applied to banks and bank holding companies with international operations from September 30, 2021. The NSFR disclosure guidelines require such banks and bank holding companies to disclose their NSFR in common templates starting from September 30, 2021.

Total Loss Absorbing Capacity

Related to regulatory capital requirements, in November 2015, the FSB issued the final TLAC standard for G-SIBs. The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalization capacity available in resolution for authorities to implement an orderly resolution. G-SIBs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework.

Following the publication of the final TLAC standards for G-SIBs by the FSB, in April 2016, the Financial Services Agency published an explanatory paper outlining its approach for the introduction of the TLAC framework in Japan, and a revised version of this document was published in April 2018. In March 2019, the Financial Services Agency published regulatory notices and related materials to implement the TLAC requirements in Japan, which (i) was phased in from March 31, 2019 and has been fully applied from March 31, 2022 for Japanese G-SIBs, and (ii) has been phased in from March 31, 2021 and will be fully applied from March 31, 2024 for a financial group designated as a D-SIB by the Financial Services Agency which is deemed to be in particular need of a cross-border resolution arrangement and to be of particular systemic significance to the Japanese financial system in the event of its failure (together with Japanese G-SIBs, the "Covered SIBs"). According to the Financial Services Agency's approach above, which is subject to change based on future international discussions, the preferred resolution strategy for the Covered SIBs is SPE resolution, in which resolution tools are applied to the ultimate holding company of a group by a single national resolution authority, although the actual measures to be taken will be determined on a case-by-case basis considering the actual condition of the relevant Covered SIB in crisis. To implement this SPE resolution strategy effectively, the Financial Services Agency requires the ultimate holding company in Japan of the relevant Covered SIB designated as the resolution entity in Japan of such Covered SIB by the Financial Services Agency (the "Domestic Resolution Entity") to (i) meet the minimum external TLAC requirements, and (ii) cause their material subsidiaries or material sub-groups that are designated as systemically important by the Financial Services Agency or that are subject to TLAC requirements or similar requirements by the relevant foreign authority to maintain a certain level of capital and debt recognized as having loss-absorbing and recapitalization capacity, or internal TLAC. Under the Japanese TLAC regulations, the Financial Services Agency designated Mizuho Financial Group as the Domestic Resolution Entity, which is subject to the external TLAC requirements in Japan, and designated Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities as Mizuho Financial Group's material subsidiaries in Japan which are subject to Japan's internal TLAC requirements. In addition, under the Japanese TLAC regulations, G-SIBs are required to meet a minimum TLAC requirement of at least 18% of the resolution group's risk-weighted assets and at least 6.75% of the Basel III leverage ratio denominator. Japanese G-SIBs are allowed to count the Japanese Deposit Insurance Fund Reserves in an amount equivalent to 3.5% of their consolidated risk-weighted assets as their external TLAC.

In June 2020, in coordination with the monetary policy of the Bank of Japan in response to the impact of COVID-19, the Financial Services Agency amended the TLAC regulations, which introduced a temporary measure to exclude amounts of deposits held at the Bank of Japan from the calculation of the external TLAC ratio on a total exposure basis due to the uncertainty of the impact of COVID-19. The implementation period of

such temporary measure has been extended to the end of March 2024. In addition, in November 2022, the Financial Services Agency amended the TLAC regulations, with effect from April 2024, which will raise the minimum TLAC ratio on a total exposure basis from 6.75% to 7.10%, while continuing to exclude amounts of deposits held at the Bank of Japan from the calculation of the external TLAC ratio on a total exposure basis, taking into account exceptional macroeconomic conditions and other circumstances.

Protection of Personal Information

The Personal Information Protection Act (Kojin Jouhou no Hogo ni kansuru Houritsu) (Act No. 57 of 2003, as amended) and related guidelines impose various requirements on businesses, including us, that use databases containing personal information, such as appropriate custody of such information and restrictions on information sharing with third parties. Non-compliance with the order issued by the Personal Information Protection Commission to take necessary measures to comply with the law will subject us to criminal and/or administrative sanctions.

Prevention of Money Laundering

Under the Act Preventing Transfer of Profits Generated from Crime (Hanzai ni yoru Syueki no Iten Boushi ni kansuru Houritsu) (Act No. 22 of 2007, as amended), which addresses money laundering and terrorism concerns, financial institutions and other entities such as credit card companies are required to perform customer identification, submit suspicious transaction reports and maintain records of transactions. Certain amendments to the law became effective in April 2013, which tightened, among other things, customer identification requirements. Further amendments to the law were promulgated in November 2014 and became effective on October 1, 2016 for clarification of the judgment method of suspicious transactions, strict verification at the time of the conclusion of correspondence contracts and expansion of the obligation for business operators to make efforts to develop necessary systems.

In February 2018, the Financial Services Agency issued "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism" to clarify the basic stance on risk management practices against money laundering and terrorists financing in order to encourage financial institutions to improve their regimes to effectively prevent money laundering and terrorists financing. The guidelines were partially revised from time to time with the intent to, among other things, further enhance financial institutions' risk management for anti-money laundering and combating the financing of terrorism.

Act Concerning Protection of Depositors from Illegal Withdrawals Made by Forged or Stolen Cards

The Act Concerning Protection of Depositors from Illegal Withdrawals Made by Forged or Stolen Cards (Gizou Kaado tou oyobi Tounan Kaado tou wo Mochiite Okonawareru Fuseina Kikaishiki Yochokin Haraimodoshi tou karano Yochokinsha no Hogo tou ni kansuru Houritsu) (Act No. 94 of 2005, as amended) requires financial institutions to establish internal systems to prevent illegal withdrawals of deposits using forged or stolen bank cards. The law also requires financial institutions, among other matters, to compensate depositors for any amount illegally withdrawn using forged bankcards, unless the financial institution can verify that it acted in good faith without negligence and that there was gross negligence on the part of the relevant account holder.

United States

As a result of our operations in the United States, we are subject to extensive U.S. federal and state supervision and regulation. We engage in U.S. banking activities through Mizuho Bank's New York, Chicago, Los Angeles and 1251 Building (New York) branches and Houston, Atlanta, Dallas, San Francisco and Washington, D.C. representative offices. We also own one bank in the United States, Mizuho Bank (USA), which is engaged primarily in the banking services, trust services and custody business, and a U.S. broker-dealer, Mizuho Securities USA LLC, which is engaged in the securities business.

The Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (the "PATRIOT Act"), contains measures to prevent, detect and prosecute terrorism and international money laundering by imposing significant compliance and due diligence obligations, creating crimes and penalties and expanding the extraterritorial jurisdiction of the United States. The Bank Secrecy Act, as amended, imposes anti-money laundering compliance obligations on U.S. financial institutions, including the U.S. offices of foreign banks. In recent years, federal and state regulatory and law enforcement authorities have closely scrutinized the compliance by financial institutions with the Bank Secrecy Act and anti-money laundering rules.

Mizuho Financial Group, Mizuho Bank and Mizuho Americas are financial holding companies ("FHCs") within the meaning of the U.S. Bank Holding Company Act of 1956, as amended (the "BHCA"), and are subject to regulation and supervision thereunder by the Federal Reserve. As a matter of law, these three companies are required to act as a source of financial strength to Mizuho Bank (USA). The BHCA generally prohibits us from acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting shares of any company engaged in the United States in activities other than banking or activities that are financial in nature or incidental or complementary to financial activity. This general prohibition is subject to certain exceptions, including an exception that permits us to acquire up to 100% of the voting interests in any company engaged in nonfinancial activities that we do not routinely manage, generally for a period of up to 10 years, under our merchant banking authority. In addition, U.S. regulatory approval is generally required for us to acquire more than 5% of any class of voting shares of a U.S. bank, savings association or bank holding company.

Mizuho Financial Group and the former Mizuho Corporate Bank, now Mizuho Bank, became FHCs in December 2006, and Mizuho Americas became an FHC in July 2016. As FHCs, we, Mizuho Bank, and Mizuho Americas and the companies under their control are permitted to engage in a broader range of activities in the U.S. and abroad than permitted for bank holding companies and their subsidiaries. For example, FHC status under the BHCA permits banking groups in the United States to engage in comprehensive investment banking businesses, such as the underwriting of and dealing in corporate bonds, equities and other types of securities, and therefore enables our group to promote our investment banking business on a broader basis in the United States. FHC status also permits banking groups in the United States to engage in merchant banking activities, as described above.

To retain our status as an FHC, we must also comply with certain additional regulatory requirements. For example, we and each of our U.S. insured depository institution subsidiaries with operations in the United States must be "well capitalized." We and each of our U.S. insured depository institution subsidiaries must also be "well managed," including that we and they maintain supervisory ratings that are at least satisfactory. Further, Mizuho Financial Group and Mizuho Bank must also meet such capital standards as calculated under their home country standards (which must be comparable to the capital required for a U.S. bank) and must be well managed under standards comparable to those required for a U.S. bank. Failure to comply with such requirements would require us to prepare a remediation plan, and we would not be able to undertake new business activities or acquisitions based on our status as an FHC during any period of noncompliance without the prior approval of the Federal Reserve Board, and divestiture or termination of certain business activities, or termination of our U.S. branches and agencies, may be required as a consequence of failing to correct such conditions within 180 days.

U.S. branches, agencies and representative offices of foreign banks must be licensed, and are also supervised and regulated, by either a state banking authority or by the Office of the Comptroller of the Currency ("OCC"), the U.S. federal bank regulatory agency that charters and regulates national banks and federal branches and agencies of foreign banks. Each branch and representative office in the United States of Mizuho Bank is state-licensed. Under U.S. federal banking laws, state-licensed branches and agencies of foreign banks, as a general matter, may engage only in activities that would be permissible for their federally-licensed counterparts, unless the Federal Reserve Board determines that the additional activity is consistent with sound practices and such activities are permissible under applicable state law. U.S. federal banking laws also subject state-licensed branches and agencies to the same single-borrower lending limits that apply to federal branches and agencies, which are substantially similar to the lending limits applicable to national banks, but are based on the capital of the entire foreign bank.

The New York branch of Mizuho Bank is subject to supervision, examination and regulation by the New York State Department of Financial Services ("NYDFS") as well as by the Federal Reserve. Except for a prohibition on such branch accepting retail deposits, a state-licensed branch generally has the same powers as a state-chartered bank in such state. New York State has an asset pledge requirement for branches equal to the greater of 1% of average total liabilities for the previous month or $2 million, provided that an institution designated as a "well-rated foreign banking corporation" is permitted to maintain a reduced asset pledge with a cap of $100 million. The NYDFS may require higher amounts for supervisory reasons. Each other U.S. branch and representative office of Mizuho Bank is also subject to regulation and examination by the state banking authority of the state in which such branch or representative office is located. The deposits of Mizuho Bank's U.S. branches are not insured by the Federal Deposit Insurance Corporation ("FDIC").

On the other hand, Mizuho Bank (USA) is a New York state-chartered bank that is a member of the Federal Reserve System whose deposits are insured by the FDIC. As such, Mizuho Bank (USA) is subject to regulation, supervision and examination by the Federal Reserve and the NYDFS, as well as to relevant FDIC regulation.

In the United States, U.S.-registered broker-dealers are regulated by the U.S. Securities and Exchange Commission (the "SEC"). As a U.S.-registered broker-dealer, Mizuho Securities USA is subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, capital structure, recordkeeping, the financing of customers' purchases and the conduct of directors, officers and employees.

In the United States, comprehensive financial regulatory reform legislation, titled the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), provided a broad framework for significant regulatory changes across most areas of U.S. financial regulation. Among other things, federal regulations adopted pursuant to the Dodd-Frank Act address systemic risk oversight, minimum leverage and risk-based capital requirements for insured depository institutions and depository institution holding companies, and the resolution of failing systemically significant financial institutions.

The Dodd-Frank Act provides regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk and bank holding companies with a certain level of consolidated assets. In imposing such heightened prudential standards on foreign banking organizations such as Mizuho Financial Group, the Federal Reserve Board is directed to take into account the principle of national treatment and equality of competitive opportunity, and the extent to which the foreign banking organization is subject to comparable home country standards. In February 2014, the Federal Reserve Board finalized rules (the "FBO Rules") under Regulation YY that impose enhanced prudential standards on certain large foreign banking organizations having a U.S. presence, such as Mizuho Financial Group. Under the FBO Rules, large foreign banking organizations, including us, and their U.S. operations are subject to risk management requirements, risk-based capital and leverage limits, capital stress testing requirements, liquidity requirements and, in certain circumstances, asset management requirements. In addition, under the FBO Rules, foreign banking organizations with $50 billion or more in total U.S. non-branch assets are, as of July 1, 2016, required to establish or designate a separately capitalized top-tier U.S. intermediate holding company ("IHC") that would hold its ownership interest in a substantial majority of its U.S. subsidiaries and be subject to certain capital, liquidity and other enhanced prudential standards on an IHC consolidated basis. In consideration of certain enhanced prudential requirements under the FBO Rules, we established a new U.S. bank holding company, Mizuho Americas, a wholly owned direct subsidiary of Mizuho Bank as of July 1, 2016. Mizuho Americas is currently the holding company for our U.S. bank subsidiary, Mizuho Bank (USA), our U.S. securities broker-dealer, Mizuho Securities USA LLC, and certain other of our U.S. subsidiaries. The establishment of Mizuho Americas was part of a larger internal corporate reorganization, which was taken with the aim of, among other things, strengthening corporate governance practices and operations.

On May 24, 2018, the U.S. Economic Growth, Regulatory Relief and Consumer Protection Act (the "EGRRCPA") was signed into law. Among other regulatory changes, the EGRRCPA raised the asset threshold

for automatic application of enhanced prudential standards to banking organizations under the Dodd-Frank Act from $50 billion in total consolidated assets to $250 billion (which statutory threshold, in the case of foreign banking organizations ("FBOs"), is measured on the basis of total global consolidated assets). The EGRRCPA exempted banking organizations with total consolidated assets of less than $100 billion from these enhanced prudential standards effective immediately upon enactment of the bill, but granted the Federal Reserve the discretionary authority, after the asset threshold increase became effective, to apply any enhanced prudential standards to any banking organization with between $100 billion and $250 billion in total consolidated assets that would otherwise be exempt under the legislation.

In October 2019, the Federal Reserve Board finalized a rule to implement the EGRRCPA's changes to the application of enhanced prudential standards for large U.S. banking organizations and FBOs (the "Tailoring Rule"). The Tailoring Rule delineates three categories, Category II, Category III and Category IV, of enhanced prudential standards applicable to FBOs based on an FBO's asset size and other factors such as the degree of the cross-jurisdictional activity, short-term wholesale funding, nonbank assets, and off-balance sheet exposures of an FBO's U.S. operations. The Tailoring Rule generally determines the stringency of enhanced prudential standards applicable to FBOs based on the risk profile of the FBO's U.S. operations, rather than its global footprint, with most enhanced prudential standards applying only to FBOs with combined U.S. assets of at least $100 billion.

We are a Category III FBO as delineated by the Tailoring Rule as of the end of December 2022.

Also in October 2019, the Federal Reserve Board and the FDIC finalized a rule (the "Resolution Planning Rule") that modifies resolution plan requirements according to the EGRRCPA. The Resolution Planning Rule tailors those requirements based on the category as determined by the Tailoring Rule.

Under Section 13 of the BHCA, as amended by the EGRRCPA, also known as the "Volcker Rule," any insured depository institution (subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than $10 billion in total consolidated assets and significant trading assets and liabilities), any company that controls such an institution, any non-U.S. bank with branches in the United States, such as Mizuho Bank, and any affiliate or subsidiary of such entities (each, a "banking entity") is prohibited from engaging in proprietary trading or from investing in or sponsoring private equity or hedge funds, subject to certain limited exceptions. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the EGRRCPA, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by proposing new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds.

The current regulatory environment in the United States may be impacted by future legislative developments, changes in U.S. executive administration or Congressional leadership or other events, such as the recent bank failures and related market volatility in the United States and Europe. For example, the federal banking agencies, Congress, individual states or other regulatory bodies may revisit existing laws, regulations and supervisory expectations for banking organizations, including the Tailoring Rule, or propose new laws. The scope of any additional future legislation or regulatory developments at either the federal or state level is not possible to determine at this time, and we cannot predict what impact, if any, such future legislative or regulatory developments will have on us if and when such legislation or regulations is enacted or adopted, as applicable.

Cybersecurity and privacy developments in Europe and the U.S.

We are subject to international laws and regulations governing requirements for maintaining policies and procedures regarding the disclosure, use and protection of the non-public confidential information of our customers and employees. To comply with these various laws and regulations, we have implemented security and privacy policies and procedures for the protection of personal and confidential information across our business. These laws and regulations also impact our ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or contact customers with marketing offers and establish certain rights of consumers in connection with their personal information. For example, California's Consumer Privacy Act ("CCPA"), as modified by the California Privacy Rights Act ("CPRA"), provides consumers with the right to know what personal data is being collected, know whether their personal data is sold or disclosed and to whom and opt out of the sale of their personal data, among other rights. In addition, in the EU, the General Data Protection Regulation ("GDPR") replaced the Data Protection Directive and related implementing national laws in its member states. These existing and evolving legal requirements in the U.S., the EU and other jurisdictions continue to lend uncertainty to privacy compliance globally and may require us to incur material costs with respect to compliance in the future.

In the United States, federal and state regulators, including the Federal Reserve, OCC, SEC and NYDFS, have increasingly focused on cybersecurity risks and responses for regulated entities and laws and regulations in this area are evolving. For example, on March 1, 2017, the revised NYDFS cybersecurity regulation became effective. The regulation applies to any person licensed or chartered by the NYDFS, including New York state-chartered banks and NYDFS-licensed branches of non-U.S. banks such as Mizuho Bank (USA) and the New York branch of Mizuho Bank, and requires each company to assess its specific risk profile periodically and design a program that addresses its risks "in a robust fashion," including addressing risks posed by third-party service providers, training and retention of specialized staff to address cybersecurity risks, maintaining systems designed to reconstruct material financial transactions and complying with security requirements for non-public information. Each covered entity must monitor its systems and networks and notify the superintendent of the NYDFS within 72 hours after it is determined that a material cybersecurity event has occurred. Senior management of the covered entity has been required to file an annual certification confirming compliance with the NYDFS regulations since February 15, 2018. Similarly, in November 2021, the federal bank regulatory agencies issued a rule regarding notification requirements for banking organizations related to significant computer security incidents, which went into effect on April 1, 2022. Under the rule, a banking organization is required to notify the relevant federal banking regulatory agency within 36 hours of incidents that have materially disrupted or degraded, or are reasonably likely to materially disrupt or degrade, the banking organization's ability to deliver services to a material portion of its customer base, jeopardize the viability of key operations of the banking organization or pose a threat to the financial stability of the United States.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("Section 219") added Section 13(r) to the U.S. Securities Exchange Act of 1934, requiring each SEC reporting issuer to disclose in its annual and, if applicable, quarterly reports whether it or any of its affiliates have knowingly engaged in specified activities, transactions or dealings relating to Iran or with the Government of Iran or certain designated persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by such filing. Section 219 requires disclosure even of certain activities not prohibited by U.S. or other law and even if such activities were conducted outside the United States by non-U.S. affiliates in compliance with local law.

Our affiliate Mizuho Bank is our only affiliate to have engaged in activity that is relevant for this purpose. Mizuho Bank maintains compliance policies and procedures to conform its operations to all applicable economic sanctions laws and regulations, and is increasing resources dedicated to this effort. In that context, and only after confirming that such transactions do not involve prohibited or sanctionable activity under U.S. or other economic sanctions, non-U.S. branches of Mizuho Bank engage in a limited number of activities reportable under Section 219.

No U.S. branches of Mizuho Bank were involved in any of these activities.

Activities through correspondent banking accounts

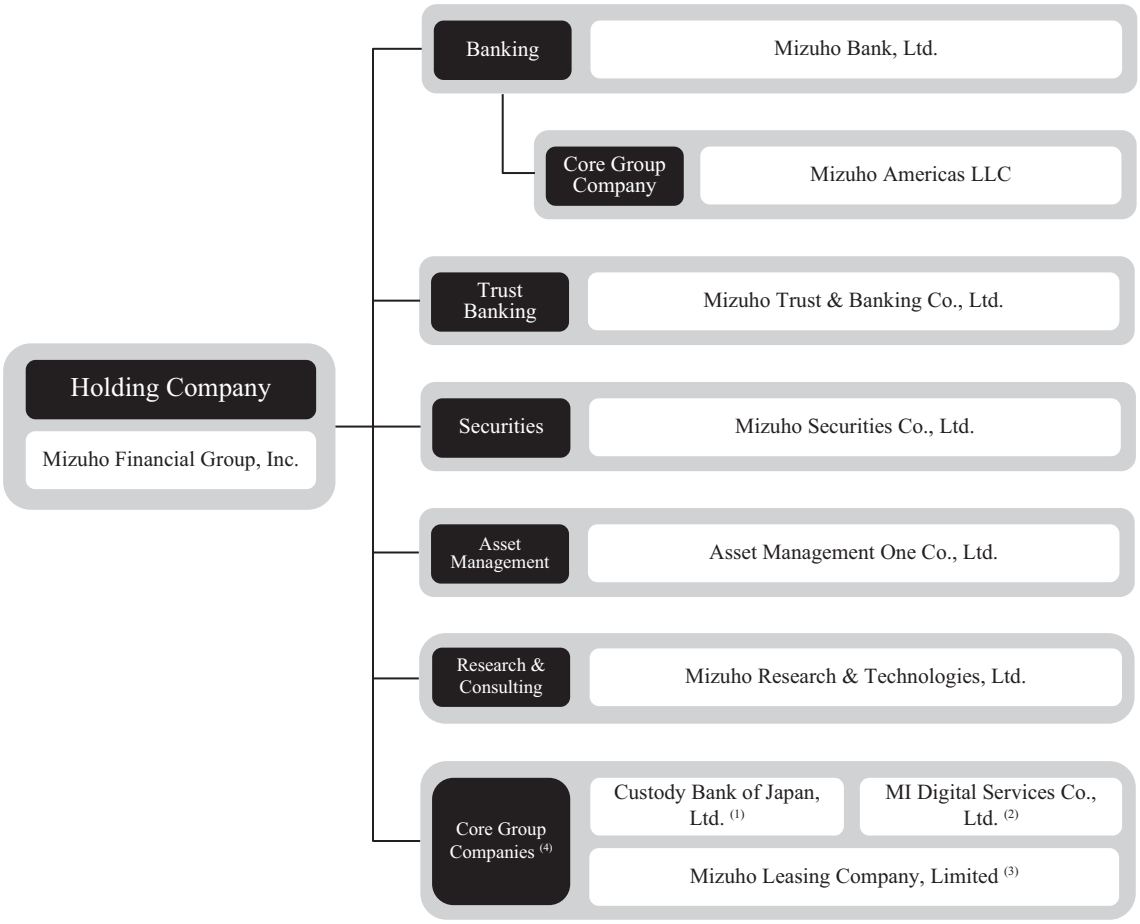
In the fiscal year ended March 31, 2023, Mizuho Bank continued to maintain accounts for Iranian banks related to the Government of Iran and a bank designated under E.O. 13224, but conducted no funds transfers through these accounts or through other correspondent banking accounts on behalf of such Iranian banks. Mizuho Bank has policies and procedures to process transfers through these accounts only after confirming that such transactions do not involve prohibited or sanctionable activity under U.S. or other economic sanctions and obtaining licenses issued by Japan's Ministry of Finance where necessary. Estimated gross revenue to Mizuho Bank in the fiscal year ended March 31, 2023 attributable to fees for these activities was less than ¥1 million, with a net profit of less than that amount. Mizuho Bank will process transfers through these accounts only under the limited circumstances where Mizuho Bank believes the transfer would conform to its compliance policies and procedures, applicable international sanctions laws, and after obtaining a license issued by Japan's Ministry of Finance where necessary.

Other Jurisdictions

Our operations elsewhere in the world are subject to regulation and control by local supervisory authorities, including local central banks.

4.C. Organizational Structure

The following diagram shows our basic corporate structure as of March 31, 2023:



Notes:

(1) Custody Bank of Japan, in which we have a 27.0% equity interest, is an equity-method affiliate of ours.
(2) MI Digital Services, in which we have a 35.0% equity interest, is an equity-method affiliate of ours.
(3) Mizuho Leasing, in which we have a 23.6% equity interest, is an equity-method affiliate of ours.
(4) On April 3, 2023, Mizuho Innovation Frontier Co., Ltd. was established and added to the core group companies as a consolidated subsidiary.

The following table sets forth information with respect to our principal consolidated subsidiaries as of March 31, 2023:

Name	Country of organization	Main business	Proportion of ownership interest (%)	Proportion of voting interest (%)
Domestic				
Mizuho Bank, Ltd	Japan	Banking	100.0%	100.0%
Mizuho Trust & Banking Co., Ltd	Japan	Trust and banking	100.0%	100.0%
Mizuho Securities Co., Ltd	Japan	Securities	100.0%	100.0%
Mizuho Research & Technologies, Ltd	Japan	Information technology and think tank consulting	100.0%	100.0%
Asset Management One Co., Ltd	Japan	Investment management	70.0%	51.0%
Mizuho Credit Guarantee Co., Ltd	Japan	Credit guarantee	100.0%	100.0%
Mizuho Factors, Limited	Japan	Factoring	100.0%	100.0%
UC Card Co., Ltd	Japan	Credit card	100.0%	100.0%
Mizuho Realty One Co., Ltd	Japan	Holding company	100.0%	100.0%
Mizuho Business Service Co., Ltd	Japan	Subcontracted operations	100.0%	100.0%
Mizuho Realty Co., Ltd.(1)	Japan	Real estate agency	99.5%	95.1%
Defined Contribution Plan Services Co., Ltd	Japan	Pension plan-related business	60.0%	60.0%
Mizuho-DL Financial Technology Co., Ltd	Japan	Application and Sophistication of Financial Technology	60.0%	60.0%
Mizuho Capital Co., Ltd.(1)	Japan	Venture capital	50.0%	50.0%
J.Score Co., Ltd	Japan	Lending	50.0%	50.0%
Overseas				
Mizuho Americas LLC	USA	Holding company	100.0%	100.0%
Mizuho Capital Markets LLC	USA	Derivatives	100.0%	100.0%
Mizuho Bank (China), Ltd	China	Banking	100.0%	100.0%
Mizuho International plc	UK	Securities and banking	100.0%	100.0%
Mizuho Securities Asia Limited	China	Securities	100.0%	100.0%
Mizuho Securities USA LLC	USA	Securities	100.0%	100.0%
Mizuho Bank Europe N.V	Netherlands	Banking and securities	100.0%	100.0%
Banco Mizuho do Brasil S.A	Brazil	Banking	100.0%	100.0%
Mizuho Trust & Banking (Luxembourg) S.A	Luxembourg	Trust and banking	100.0%	100.0%
Mizuho Bank (USA)	USA	Banking and trust	100.0%	100.0%
Mizuho Securities Europe GmbH	Germany	Securities	100.0%	100.0%
PT. Bank Mizuho Indonesia	Indonesia	Banking	99.0%	99.0%

Note:

(1) The proportion of ownership interest refers to the respective proportion of economic interest held by us.

(2) On April 3, 2023, Mizuho Innovation Frontier Co., Ltd. was established as one of our principal consolidated subsidiary.

4.D. Property, Plant and Equipment

The following table shows the breakdown of our premises and equipment at cost as of March 31, 2022 and 2023:

	As of March 31,	
	2022	2023
	(in millions of yen)	
Land	¥ 571,837	¥ 577,755
Buildings	737,440	703,655
Equipment and furniture	373,825	378,015
Leasehold improvements	208,820	204,835
Construction in progress	21,737	44,393
Software	1,373,035	1,366,445
Total	3,286,694	3,275,098
Less: Accumulated depreciation and amortization	1,582,627	1,621,210
Premises and equipment—net	¥1,704,067	¥1,653,888

Our head office is located at 1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan. The headquarter building is leased from a third party.

The total area of land related to our material office and other properties as of March 31, 2023 was approximately 562,000 square meters for owned land and approximately 11,000 square meters for leased land.

Our owned land and buildings are primarily used by our branches. Most of the buildings and land owned by us are free from material encumbrances.

Information required by subpart 1400 of Regulation S-K

See “Selected Statistical Data” for information required by subpart 1400 of SEC Regulation S-K.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with "Item 3.A. Key Information—Selected Financial Data," "Selected Statistical Data" and our consolidated financial statements, including the notes thereto, included elsewhere in this annual report.

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Overview

The Mizuho Group

We provide a broad range of financial services in domestic and overseas markets. Our principal activities and subsidiaries are the following:

- Mizuho Bank provides a wide range of financial products and services mainly in relation to deposits, lending and exchange settlement to individuals, small and medium-sized enterprises ("SMEs"), large corporations, financial institutions, public sector entities and foreign corporations, including foreign subsidiaries of Japanese corporations;
- Mizuho Trust & Banking provides products and services related to trust, real estate, securitization and structured finance, pension and asset management and stock transfer agency; and
- Mizuho Securities provides full-line securities services to individuals, corporations, financial institutions and public sector entities.

We also provide products and services such as those related to trust and custody, asset management, private banking, research services, information technology-related services and advisory services for financial institutions through various subsidiaries and affiliates.

For a further discussion of our business and group organization, see "Item 4.B. Information on the Company—Business Overview."

Principal Sources of Income and Expenses

Net Interest Income

Net interest income arises principally from the lending and deposit-taking and securities investment activities of our banking subsidiaries and is a function of:

- the amount of interest-earning assets and interest-bearing liabilities;

- the average interest rate spread (the difference between the average yield of interest earned on interest-earning assets and the average rate of interest paid on interest-bearing liabilities); and
- the general level of interest rates.

Principal items constituting interest-earning assets include loans, investments, trading account assets, receivables under resale agreements and receivables under securities borrowing transactions. Principal items constituting interest-bearing liabilities include deposits, trading account liabilities, short-term borrowings (such as payables under repurchase agreements and payables under securities lending transactions) and long-term debt.

Provision (Credit) for Credit Losses

Provision (credit) for credit losses is charged against (or credited to) income mainly to keep the allowance for credit losses on loans at a level that is appropriate to estimate the net amount expected to be collected from the financial asset, inclusive of loans. For a description of the approach and methodology used to establish the allowance for credit losses on loans, see "—Financial Condition—Allowance for Credit Losses on Loans."

Noninterest Income

Noninterest income consists mainly of fee and commission, investment gains (losses)—net, trading account gains (losses)—net and foreign exchange gains (losses)—net.

Fee and commission include the following:

- fee and commission from securities-related business, including brokerage fee and commission related to the execution of customer transactions and sales commission of stocks, bonds and investment trusts and asset-based revenue, which mainly include fees received from investment trust management companies in return for administration services, such as record keeping services, of investment trusts;
- fee and commission from deposits, including fees related to deposits such as account transfer charges;
- fee and commission from lending business, including fees related to the arrangement of syndicated loans and other financing transactions such as arrangement fees related to management buy-out transactions;
- fee and commission from remittance business, including service charges for domestic and international funds transfers and collections;
- fee and commission from asset management business, including investment trust management fees and investment advisory fees for investment trusts;
- fee and commission from trust-related business, including trust fees earned primarily through fiduciary asset management and administration service for corporate pension plans and investment funds and other trust-related fees such as brokerage commissions of real estate property, sales commissions of beneficial interest in real estate trust, consulting fees related to real estate property and charges for stock transfer agent services;
- fee and commission from agency business, including administration service fees related to our agency business such as Japan's principal public lottery program and revenue from standing proxy services related to stocks and others; and
- fees for other customer services, including various revenues such as guarantee fees, sales commissions of life insurance, service charges for electronic banking, financial advisory fees and service charges for software development.

Investment gains (losses)—net primarily include net gains and losses on sales of marketable securities, such as equity and bond investments. In addition, impairment losses are recognized when management concludes that declines in the fair value of investments are other-than-temporary.

Trading account gains (losses)—net include gains and losses from transactions undertaken for trading purposes, including both market making for customers and proprietary trading, or transactions through which we seek to capture gains arising from short-term changes in market value. Trading account gains (losses)—net also include gains and losses related to changes in the fair value of derivatives and other financial instruments not eligible for hedge accounting under U.S. GAAP that are utilized to offset mainly interest rate risk related to our various assets and liabilities, as well as gains and losses related to changes in the fair value of foreign currency-denominated debt securities reported as Trading securities.

Foreign exchange gains (losses)—net mainly include translation gains and losses related to our foreign currency-denominated assets and liabilities and gains and losses related to foreign exchange trading activities, including market making for customers and proprietary trading.

Noninterest Expenses

Noninterest expenses primarily include salaries and employee benefits, general and administrative expenses, occupancy expenses and fee and commission expenses.

Salaries and employee benefits include expenses incurred for salaries, bonuses and compensation to directors and employees. They also include expenses related to pension and other employee retirement benefit plans.

The principal items included in general and administrative expenses are amortization of software, tax expenses such as consumption tax and property tax that are not income taxes and other expenses, including premiums for deposit insurance.

The principal items included in occupancy expenses are expenses related to premises and equipment, including depreciation, losses on disposal and lease expenses.

The principal items included in fee and commission expenses are fee and commission expenses for remittance services, which mainly include commission expenses paid in connection with remittance transactions and the securities-related businesses, which mainly include transactions costs such as brokerage fees paid.

Operating Environment

We operate principally in Japan, and our performance has generally tracked the macro economy of Japan.

As to the recent economic environment, although demand has continued to recover, supported by the transition to a world of living with COVID-19 and fiscal expenditure by each country, global inflation has been triggered by structural shifts in the labor market, natural resource supply constraints caused by the situation in Ukraine and other factors. In addition, the impact of rapid monetary tightening, which is centered on Europe and the United States, has materialized and the outlook for the global economy remained uncertain.

In Japan, although the production activities of manufacturers has weakened due to sluggish capital investment and shortages of semiconductors, gradual recovery is expected to continue, mainly in domestic demand-oriented industries such as service industries, owing to the relaxation of activity restrictions and other factors. Inflation rates, which had been rising against the backdrop of increased resource prices and the depreciation of the yen, are also expected to weaken in light of a pause in the surge in the commodity market. On the other hand, the slowdown of overseas economies due to monetary tightening in Europe and the United States, which may diminish capital investments, is a cause for concern. In addition, concerns have remained high with respect to changes to the monetary policy of the Bank of Japan (“BOJ”), and if changes are actually implemented, such changes may affect the Japanese economy.

In the United States, the economy has continued to grow steadily, mainly in terms of consumption, even under steep inflation and rapid monetary tightening by the Federal Reserve Board ("FRB") in response thereto. Wages, which support consumption, have remained high as a result of strong labor demand and labor supply constraints stemming from the spread of COVID-19 and other factors. While the FRB has continued to tighten monetary policy based on these circumstances, several financial institutions have failed and the outlook for the U.S. economy has become increasingly uncertain.

In Europe, the surge in resource prices and supply constraints due to the situation in Ukraine have been causing slower economic growth. Although the rise in gas prices has come to a pause, the rise in food prices and other factors have continued to increase inflation and are pushing down consumption. As not only price increases but also wage growth has been accelerating, the European Central Bank has continued to raise interest rates. The European economy is expected to remain somewhat sluggish in the future due to high inflation rates and interest rates. In addition, there are concerns that the financial market turmoil, caused by uncertainty over the business management of financial institutions, will have a significant impact on monetary policy and economic trends.

In Asia, China has continued to experience a prolonged slump in real estate investment and weak consumer confidence due to the "Zero-COVID" policy. Although the number of infections temporarily rose in a steep manner after the end of this policy, the infection rate eventually stabilized, and the Chinese economy has recently been slowly recovering at a gradual rate, led mainly by services consumption. However, conflicts between the United States and China continue to pose a high degree of uncertainty with respect to China's trade and national security.

In emerging countries, although economies have generally grown at high rates owing to the relaxation of restrictions on activities, the growth trend has recently slowed due to a pause in consumer demand recovery following the end of the spread of COVID-19 and the impact of inflation.

As for the future outlook of the global economy, uncertainty is expected to continue due to a lack of clarity over the impact of global monetary tightening on the real economy. In addition, depending on the circumstances, such as the spread of financial system instabilities resulting from the failure of financial institutions in Europe and the United States, increasing tensions with respect to the situation in Ukraine and further worsening of inflation, particularly in the United States, there is a possibility of financial and capital market disruption and the risk of further economic downturn, which may also adversely affect the Japanese economy.

Key indicators of Japanese economic conditions in recent periods include the following:

- Japan's real gross domestic product on a year-on-year basis decreased by 4.1% in the fiscal year ended March 31, 2021 and increased by 2.6% and 1.4% in the fiscal years ended March 31, 2022 and 2023, respectively. During the fiscal year ended March 31, 2023, the year-on-year growth rates were 1.8%, 1.5%, 0.4%, and 1.9%, for the quarters ended June 30, September 30, December 31 and March 31, respectively. Japan's core nationwide consumer price index decreased by 0.4% in the fiscal year ended March 31, 2021 and increased by 0.1% and 3.0% in the fiscal years ended March 31, 2022 and 2023, respectively.
- In September 2016, the BOJ introduced "quantitative and qualitative monetary easing with yield curve control" by strengthening its two previous policy frameworks, namely the "quantitative and qualitative monetary easing ("QQE")" and the "QQE with a negative interest rate" policies. These policies aimed to drive the observed consumer price index to a level exceeding the price stability target of 2% and to maintain the index above that target in a stable manner. Under the new policy framework, the BOJ set a guideline for market operations: regarding short-term interest rates, the BOJ will apply an interest rate of negative 0.1% to certain excess balances in current accounts held by financial institutions at the BOJ; and regarding long-term interest rates, it would purchase Japanese government bonds to control long-term interest rates so that the yield of 10-year Japanese government bonds will remain at around 0%.

In July 2018, the BOJ decided to strengthen its commitment to achieving its price stability target by introducing forward guidance for policy rates and to enhance the sustainability of "quantitative and qualitative monetary easing with yield curve control," stating that the yield of 10-year Japanese government bonds could move upwards and downwards from the level of around 0% to some extent, mainly depending on developments in economic activity and prices. In October 2019, the BOJ decided on new forward guidance for policy rates, in respect of which, the BOJ stated its expectation that short-term and long-term interest rates would remain at their present or lower levels as long as it is necessary to pay close attention to the possibility that the momentum toward achieving the price stability target will be lost.

In March 2020, in light of the impact of the spread of COVID-19, the BOJ judged it appropriate to enhance monetary easing through (1) the further ample supply of funds by conducting various operations including purchases of Japanese government bonds and U.S. dollar funds-supplying operations, (2) measures to facilitate corporate financing including the introduction of the "special funds-supplying operations to facilitate corporate financing regarding the novel coronavirus (COVID-19)" and (3) active purchases of exchange-traded funds and Japan real estate investment trusts.

Furthermore, in April 2020, the BOJ judged it appropriate to enhance monetary easing through (1) an increase in purchases of commercial paper and corporate bonds, (2) the strengthening of the "special funds-supplying operations to facilitate corporate financing regarding the novel coronavirus (COVID-19)" and (3) further active purchases of Japanese government bonds and treasury discount bills. In December 2021, the BOJ decided to extend the "special funds-supplying operations to facilitate corporate financing regarding the novel coronavirus (COVID-19)" in part by six months until the end of September 2022. In March 2022, the BOJ completed its additional purchases of commercial paper and corporate bonds as scheduled.

In September 2022, the BOJ decided to phase out the "special funds-supplying operations to facilitate corporate financing regarding the novel coronavirus (COVID-19)" and shift to fund-provisioning that would meet a wide range of financing needs. The BOJ decided to extend fund-provisioning against loans that financial institutions make on their own by six months until the end of March 2023, and fund-provisioning against loans that financial institutions make on the back of government support by three months until the end of December 2022. In addition, the BOJ decided to set no upper limit on the amount of fund-provisioning under the policy of "funds-supplying operations against pooled collateral," for which various types of collateral are accepted, in order to support financing even after the expiration of the aforementioned special operations.

In December 2022, the BOJ decided to expand the range in which it allows the yield of 10-year Japanese government bonds to fluctuate, from between around plus or minus 0.25% to between around plus or minus 0.5%, in order to improve market function and encourage the smoother formation of the entire yield curve, while maintaining accommodative financial conditions.

- The yield on newly issued 10-year Japanese government bonds, which is a key long-term interest rate indicator, was 0.095%, 0.221% and 0.351% as of March 31, 2021, March 31, 2022 and March 31, 2023, respectively. The yield fluctuated between 0.168% and 0.527% during the fiscal year ended March 31, 2023. Thereafter, the yield increased to 0.436% as of May 31, 2023.

- According to Teikoku Databank, a Japanese research institution, there were 7,314 corporate bankruptcies in the fiscal year ended March 31, 2021, involving approximately ¥1.2 trillion in total liabilities, 5,916 corporate bankruptcies in the fiscal year ended March 31, 2022, involving approximately ¥1.2 trillion in total liabilities, and 6,799 corporate bankruptcies in the fiscal year ended March 31, 2023, involving approximately ¥2.3 trillion in total liabilities. The number of corporate bankruptcies in the fiscal year ended March 31, 2023 increased, compared to the previous fiscal year, for the first time since the fiscal year ended March 31, 2020, and increased by more than 800 corporate bankruptcies, compared to the previous fiscal year, for the first time since the fiscal year ended

March 31, 2009. The amount of total liabilities for the fiscal year ended March 31, 2023 increased by 97.7% compared to the previous fiscal year.

- The Nikkei Stock Average, which is an average of the price of 225 stocks listed on the Tokyo Stock Exchange, increased by 54.2% to ¥29,178.80 during the fiscal year ended March 31, 2021, followed by a 4.7% decrease to ¥27,821.43 during the fiscal year ended March 31, 2022 and a 0.8% increase to ¥28,041.48 during the fiscal year ended March 31, 2023. Thereafter, the Nikkei Stock Average increased to ¥30,887.88 as of May 31, 2023.
- The yen to U.S. dollar spot exchange rate, according to the BOJ, was ¥110.74 to $1.00 as of March 31, 2021, ¥121.64 to $1.00 as of March 31, 2022 and ¥133.13 to $1.00 as of March 31, 2023. The rate fluctuated between ¥122.64 and ¥150.48 to $1.00 during the fiscal year ended March 31, 2023. Thereafter, the yen weakened to ¥139.75 to $1.00 as of May 31, 2023.
- According to the Ministry of Land, Infrastructure, Transport and Tourism of Japan, housing starts in Japan decreased by 8.1% in the fiscal year ended March 31, 2021, increased by 6.6% in the fiscal year ended March 31, 2022, and decreased by 0.6% in the fiscal year ended March 31, 2023.
- According to the Ministry of Land, Infrastructure, Transport and Tourism of Japan, the average published housing land prices in Japan decreased by 0.4% in calendar year 2020 and increased by 0.5% and 1.4% in calendar years 2021 and 2022, respectively.

Capital Improvements

All yen figures and percentages in this subsection are truncated.

We have been pursuing the optimal balance between capital adequacy, growth investment and enhancement of shareholder return.

Capital Adequacy

In the fiscal year ended March 31, 2023, we maintained a sufficient capital base compared to regulatory minimum requirements, mainly as a result of earning ¥555.5 billion of profit attributable to owners of parent (under Japanese GAAP).

Our Common Equity Tier 1 capital ratio under Basel III was 12.46% and 11.80% as of March 31, 2022 and 2023, respectively.

With respect to redemptions of previously issued securities, we redeemed various securities that are eligible regulatory capital instruments under Basel III upon their respective initial optional redemption dates or their respective maturity dates. As for Additional Tier 1 capital, in December 2022, we redeemed ¥235.0 billion of unsecured perpetual subordinated bonds with an optional redemption clause and a write-down clause issued by Mizuho Financial Group in July 2017. As for Tier 2 capital, in June 2022, we redeemed ¥79.0 billion of unsecured fixed-term subordinated bonds with an optional redemption clause and a write-down clause issued by Mizuho Financial Group in June 2017 and, in June 2023, we redeemed ¥25.0 billion and ¥70.0 billion of unsecured fixed-term subordinated bonds with an optional redemption clause and a write-down clause issued by Mizuho Financial Group in June 2018, respectively. In June 2022 and July 2022, we redeemed ¥47.0 billion and $1.5 billion of unsecured fixed-term subordinated bonds subject to phase-out arrangements under Basel III issued by Mizuho Bank in June 2012 and our overseas special purpose company in July 2012, respectively.

Meanwhile, as for the new issuance of Additional Tier 1 capital, in December 2022, we issued ¥77.0 billion of unsecured perpetual subordinated bonds with an optional redemption clause and a write-down clause through a public offering to wholesale investors in Japan. With respect to the new issuances of Tier 2 capital, in October 2022, we issued ¥51.0 billion of unsecured fixed-term subordinated bonds with a write-down clause through a

public offering to retail investors in Japan. In October 2022, we also issued ¥52.0 billion and ¥28.5 billion of unsecured fixed-term subordinated bonds with an optional redemption clause and a write-down clause through public offerings to retail and wholesale investors in Japan, respectively.

Enhancement of Shareholder Return

Annual cash dividends for the fiscal year ended March 31, 2023 were ¥85.0 per share of common stock (both the interim and year-end cash dividends were ¥42.5 per share of common stock).

We maintain our shareholder return policy of progressive dividends as our principal approach while executing flexible and intermittent share buybacks. In addition, as for dividends, we will decide based on the steady growth of our stable earnings base, taking a dividend payout ratio of 40% as a guide into consideration. As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution.

Business Trends

See "Item 4.B. Information on the Company—Business Overview," "Item 5. Operating and Financial Review and Prospects—Operating Results" and "Item 5. Operating and Financial Review and Prospects—Financial Condition."

Others

Disposing of Our Cross-shareholdings

Reflecting the potential impact on our financial position associated with the risk of stock price fluctuation, as a basic policy, unless we consider the holdings to be meaningful, we will not hold the shares of other companies as cross-shareholdings. Even if we consider the holdings to be meaningful, we will also endeavor to reduce them through dialogue with the issuing companies. We promote the disposal of cross-shareholdings through initiatives to enhance capital efficiency by utilizing in-house company return on equity as an internal performance indicator. Under Japanese GAAP on an acquisition cost basis, our total Japanese stock portfolio (included within other securities which have readily determinable fair value) as of March 31, 2019 was ¥1,419.8 billion, and we have subsequently sold ¥383.8 billion of cross-shareholdings as of March 31, 2023.

Russia-Ukraine situation

As of March 31, 2022 and 2023, our direct net country exposure to Russia was $2.92 billion and $1.95 billion, respectively, or 0.2% and 0.1%, each on an aggregate basis, of the total exposure of Mizuho Bank (consolidated) and Mizuho Trust & Banking (consolidated), which primarily consisted of outstanding loans and due from banks. Included within this exposure are loans made by AO Mizuho Bank (Moscow). Loans from AO Mizuho Bank (Moscow) decreased by $0.2 billion (RUB 16.0 billion) from $0.6 billion (RUB 44.4 billion) as of March 31, 2022 to $0.4 billion (RUB 28.4 billion) as of March 31, 2023.

Considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating, we incorporated the estimated impact of the Russia-Ukraine situation into the macroeconomic scenario used for determining the allowance for credit losses on loans.

Acquisition of Premier M&A Advisory Firm Greenhill & Co., Inc.

On May 22, 2023, we and Greenhill & Co., Inc. ("Greenhill"), a U.S. M&A advisory firm, announced a definitive agreement for Mizuho Financial Group, Inc. to acquire Greenhill in an all-cash transaction at $15 per share, reflecting an enterprise value of approximately $550 million, including assumed debt. The transaction is

expected to close by December 31, 2023 and is subject to approval by Greenhill's stockholders, as well as required regulatory approvals and other customary closing conditions.

Through this transaction, we will accelerate our investment banking growth strategy.

Critical Accounting Estimates

Note 1 to our consolidated financial statements included elsewhere in this annual report contains a summary of our significant accounting policies. These accounting policies are essential to understanding our financial condition and results of operations. Certain of these accounting policies require management to make critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates are based on information available to us as of the date of the financial statements and could change from period to period. Critical accounting estimates could also involve estimates for which management could have reasonably used another estimate for the relevant accounting period. The use of different estimates could have a material impact on our financial condition and results of operations. The following is a discussion of significant accounting policies for which critical accounting estimates are used.

Allowance for Credit Losses

ASC 326, "Financial Instruments - Credit Losses" ("ASC 326") established a single allowance framework for all financial assets measured at amortized cost and certain off-balance-sheet instrument exposures. This framework requires management's estimate to reflect credit losses over the instrument's remaining expected lives and consider expected future changes in macroeconomic conditions.

We maintain an appropriate allowance for credit losses to represent management's estimate of the expected credit losses in our financial assets measured at amortized cost and certain off-balance sheet instruments. Our management evaluates the appropriateness of the allowance for credit losses semi-annually. The allowance considers expected credit losses over the remaining expected lives of the applicable instruments. The expected life of each instrument is determined by considering expected prepayments, contractual terms and cancellation features.

When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. This forward-looking macroeconomic scenario is in line with the scenario used for our business plan. If the scenario does not reflect a sudden change in economic conditions adequately, adjustments may be made to the scenario. After the forecast period, we revert to long-term historical loss experience with a certain graduated transition period, to estimate losses over the remaining lives of financial assets measured at amortized cost and certain off-balance-sheet instruments. The macroeconomic scenario is updated at least semi-annually and is reviewed accordingly to reflect current economic conditions and our expectation of future conditions on a timely basis. For the fiscal year ended March 31, 2023, we used the most recent macroeconomic scenario available during our credit loss estimation process.

The following table shows the major factors of the macroeconomic scenario, the gross domestic product of Japan and United States and unemployment rate of Japan.

			(%)
	2023	**2024**	**2025**
Real Gross Domestic Product of Japan	1.2	0.9	0.6
Nominal Gross Domestic Product of Japan	3.8	1.8	1.4
Real Gross Domestic Product of United States	(1.0)	1.5	2.0
	2023	**2024**	**2025**
Unemployment rate of Japan	2.4	2.2	2.2

In terms of the internal risk ratings, for the corporate portfolio segment, the credit quality review process and the credit rating process serve as the basis for determining the allowance for credit losses on loans. Through such processes, loans are categorized into groups to reflect the probability of default, whereby our management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analysis of relevant industry segments and current trends. For the retail portfolio segment, the different categories of past due status of loans are primarily utilized in the credit quality review and the credit rating processes as the basis for determining the allowance for credit losses on loans.

Our methodology for determining the appropriate allowance for credit losses on loans also considers the imprecision inherent in the methodologies used. As a result, the amounts determined under the methodologies described above could be adjusted by management to consider the potential impact of other qualitative factors which include, but are not limited to, imprecision in macroeconomic scenario assumptions and emerging risks related to changes in the environment that are affecting specific portfolio segments. Considering internal and external factors affecting the credit quality of the portfolio, we incorporated the estimated impact of the Russia-Ukraine situation, elevated global inflation and other factors contributing to economic uncertainty into the macroeconomic scenario by using assumptions such as the future outlook of the business environment for specific portfolio segments and the current forecast for the growth rate of gross domestic product.

The allowance for credit losses involves significant judgments on a number of matters including expectations of future economic conditions, assignment of obligor ratings, valuation of collateral, and the development of qualitative adjustments as discussed above. Furthermore, information available at the time of the determination is limited, and it is not possible to eliminate uncertainty. Significant changes in any of the factors underlying our determination of the allowances could materially affect our financial condition and results of operations. For example, in response to the unexpected deterioration of future macroeconomic conditions and the consequent decline in internal risk rating, we may need to increase the allowances with additional charges to earnings. Additionally, changes in economic variables such as gross domestic product, the unemployment rate and real estate prices may not move in a correlated manner as variables may move in opposite directions or differ across portfolios or geography, so the improvement in one factor or input may offset deterioration in others.

We replaced the major factors of the macroeconomic scenario as follows to demonstrate the sensitivity of credit loss estimates to macroeconomic forecasts.

- An increase of approximately ¥10 billion in allowance for credit losses for domestic corporate segment if the nominal gross domestic product of Japan was decreased by 100 bps for each year within the reasonable and supportable forecast period compared to the nominal gross domestic product of Japan used in the current macroeconomic scenario.

- An increase of approximately ¥18 billion in allowance for credit losses for foreign corporate segment if the real gross domestic product of the United States was decreased by 100 bps for each year within the reasonable and supportable forecast period compared to the real gross domestic product of the United States used in the current macroeconomic scenario.

- An increase of approximately ¥7 billion in allowance for credit losses for domestic retail segment if the unemployment rate of Japan was increased by 100 bps for each year within the reasonable and supportable forecast period compared to the unemployment rate of Japan used in the current macroeconomic scenario.

See note 1 to our consolidated financial statements included elsewhere in this annual report for further information on our policies and methodologies used to determine the allowance for credit losses.

Valuation of Financial Instruments

ASC 820, "Fair Value Measurement" ("ASC 820") specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The standard describes the following three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. If no quoted market prices are available, the fair values of debt securities and over-the-counter derivative contracts in this category are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques.

For assets and liabilities classified in Level 1 and 2 of the hierarchy, where inputs are principally based on observable market data, there is less judgment or estimate in determining fair value, while the determination of fair value of Level 3 assets and liabilities involves more significant management judgments and estimates. For further information, including valuation methodologies and the use of management estimates and judgments in connection therewith, see note 27 to the consolidated financial statements included elsewhere in this annual report.

Pension and Other Employee Benefit Plans

Mizuho Financial Group, its principal banking subsidiaries and certain other subsidiaries sponsor severance indemnities and pension plans, which provide defined benefits to retired employees. Periodic expense and accrued liabilities are computed based on a number of actuarial assumptions, including mortality, withdrawals, discount rates, expected long-term rates of return on plan assets and rates of increase in future compensation levels.

Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore generally affect future pension expenses. While our management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may adversely affect pension expenses in the future.

In estimating the discount rates, we look to interest rates on a portfolio of high-quality fixed-income government and corporate bonds. The durations of such bonds closely match those of the benefit obligations. Assumed discount rates are reevaluated at each measurement date.

The expected rate of return for each asset category is based primarily on various aspects of the long-term prospects for the economy that include historical performance and the market environment.

For further information on our pension and other employee benefits, see note 20 to the consolidated financial statements included elsewhere in this annual report.

Operating Results

The following discussion relates to our operating results for the fiscal years ended March 31, 2022 and 2023. For the discussion on our operating results for the fiscal year ended March 31, 2021, including certain comparative discussion on our operating results for the fiscal years ended March 31, 2021 and 2022, please refer to "Item 5. Operating and Financial Review and Prospects—Operating Results" in our annual report on Form 20-F for the fiscal year ended March 31, 2022, filed with the SEC on July 1, 2022.

The following table shows certain information as to our income, expenses and net income for the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,	
	2022	2023
	(in billions of yen)	
Interest and dividend income	¥1,444	¥3,389
Interest expense	374	2,180
Net interest income	1,070	1,209
Provision (credit) for credit losses	215	94
Net interest income after provision (credit) for credit losses	855	1,115
Noninterest income	670	888
Noninterest expenses	1,767	1,934
Income (loss) before income tax expense (benefit)	(242)	69
Income tax expense (benefit)	(141)	35
Net income (loss)	(101)	34
Less: Net income attributable to noncontrolling interests	4	48
Net income (loss) attributable to MHFG shareholders	¥ (105)	¥ (14)

The following is a discussion of major components of our net income (loss) attributable to MHFG shareholders for the fiscal years ended March 31, 2022 and 2023.

Net Interest Income

The following table shows the average balances of interest-earning assets and interest-bearing liabilities, interest amounts and the average interest rates on such assets and liabilities for the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,					
	2022			2023		
	Average balance	Interest amount	Interest rate	Average balance	Interest amount	Interest rate
	(in billions of yen, except percentages)					
Domestic:						
Interest-bearing deposits in other banks	¥ 35,407	¥ 31	0.09%	¥ 39,586	¥ 30	0.07%
Call loans and funds sold	2,178	—	(0.01)	3,367	—	0.01
Receivables under resale agreements and securities borrowing transactions	11,340	1	0.01	8,649	47	0.54
Trading account assets	5,781	85	1.47	5,938	96	1.61
Investments	28,806	93	0.32	28,172	96	0.34
Loans	56,690	473	0.83	57,462	558	0.97
Total interest-earning assets	140,202	683	0.49	143,174	827	0.58
Deposits	95,350	7	0.01	96,854	71	0.07
Call money and funds purchased	1,211	—	0.01	1,602	1	0.10
Payables under repurchase agreements and securities lending transactions	5,975	6	0.10	7,140	68	0.95
Other short-term borrowings[1]	7,100	2	0.03	3,503	5	0.16
Trading account liabilities	2,190	46	2.09	4,277	56	1.32
Long-term debt	11,098	176	1.59	12,587	229	1.82
Total interest-bearing liabilities	122,924	237	0.19	125,963	430	0.34
Net	17,278	446	0.30	17,211	397	0.24
Foreign:						
Interest-bearing deposits in other banks	13,701	26	0.19	16,626	476	2.86
Call loans and funds sold	557	1	0.28	1,019	14	1.34
Receivables under resale agreements and securities borrowing transactions	8,353	35	0.43	9,049	261	2.88
Trading account assets	13,513	160	1.18	11,582	330	2.85
Investments	4,979	54	1.07	5,191	79	1.53
Loans	32,295	485	1.50	37,035	1,402	3.79
Total interest-earning assets	73,398	761	1.04	80,502	2,562	3.18
Deposits	31,592	69	0.22	37,983	990	2.61
Call money and funds purchased	503	1	0.20	593	16	2.65
Payables under repurchase agreements and securities lending transactions	21,849	35	0.16	20,772	603	2.90
Other short-term borrowings[1]	2,187	3	0.17	1,810	55	2.98
Trading account liabilities	1,069	14	1.31	1,547	45	2.91
Long-term debt	1,026	15	1.41	1,270	41	3.24
Total interest-bearing liabilities	58,226	137	0.24	63,975	1,750	2.73
Net	15,172	624	0.80	16,527	812	0.45
Total:						
Total interest-earning assets	213,600	1,444	0.68	223,676	3,389	1.52
Total interest-bearing liabilities	181,150	374	0.21	189,938	2,180	1.15
Net	¥ 32,450	¥1,070	0.47	¥ 33,738	¥1,209	0.37

Note:

(1) Other short-term borrowings consist of due to trust accounts, commercial paper and any other short-term borrowings.

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Interest and dividend income increased by ¥1,945 billion, or 134.7%, from the previous fiscal year to ¥3,389 billion in the fiscal year ended March 31, 2023. Domestic interest and dividend income accounted for ¥827 billion of the total amount, an increase of ¥144 billion from the previous fiscal year. Foreign interest and dividend income accounted for ¥2,562 billion, an increase of ¥1,801 billion from the previous fiscal year.

Long-term interest rates in Japan continued to be in the vicinity of 0% under the Bank of Japan's "Quantitative and Qualitative Monetary Easing with Yield Curve Control." Short-term interest rates in Japan also continued to be in the vicinity of 0%. However, yields at overseas branches were on the rise. Under such circumstances, the average yield on domestic loans increased by 0.14 percentage points from the previous fiscal year to 0.97% in the fiscal year ended March 31, 2023, and the average rate on domestic deposits increased by 0.06 percentage points from the previous fiscal year to 0.07% in the fiscal year ended March 31, 2023. The average yield on foreign loans increased by 2.29 percentage points from the previous fiscal year to 3.79% in the fiscal year ended March 31, 2023, and the average rate on foreign deposits increased by 2.39 percentage points from the previous fiscal year to 2.61% in the fiscal year ended March 31, 2023.

The increase in domestic interest and dividend income was due mainly to an increase in interest income from loans. The increase in interest income from loans was due mainly to an increase in the average yield. Changes in the average yields on domestic interest-earning assets contributed to an increase in interest and dividend income of ¥134 billion, and changes in the average balance of domestic interest-earning assets contributed to an increase of ¥10 billion, resulting in the ¥144 billion increase in domestic interest and dividend income.

The increase in foreign interest and dividend income was due mainly to an increase in interest income from foreign loans. The increase in interest income from foreign loans was due mainly to an increase in the average yield. Changes in the average yield on foreign interest-earning assets contributed to an increase in interest and dividend income of ¥1,741 billion, and changes in the average balance of foreign interest-earning assets contributed to an increase of ¥60 billion, resulting in the ¥1,801 billion overall increase in foreign interest and dividend income.

Interest expense increased by ¥1,806 billion from the previous fiscal year to ¥2,180 billion in the fiscal year ended March 31, 2023. Domestic interest expense accounted for ¥430 billion of the total amount, an increase of ¥193 billion from the previous fiscal year. Foreign interest expense accounted for ¥1,750 billion of the total amount, an increase of ¥1,613 billion from the previous fiscal year.

The increase in domestic interest expense was due mainly to increases in interest expense from domestic deposits and domestic payables under repurchase agreements and securities lending transactions, which were primarily a result of an increase in average interest rates. The changes in the average interest rates on domestic interest-bearing liabilities contributed to an increase in interest expense of ¥125 billion, and the changes in the average balance of domestic interest-bearing liabilities contributed to an increase in interest expense of ¥68 billion, resulting in the ¥193 billion overall increase in domestic interest expense.

The increase in foreign interest expense was due mainly to increase in the average rates on foreign deposits. The changes in the average interest rates on foreign interest-bearing liabilities contributed to an increase in interest expense of ¥1,592 billion, and the changes in the average balance of foreign interest-bearing liabilities contributed to an increase in interest expense of ¥21 billion, resulting in the ¥1,613 billion overall increase in foreign interest expense.

As a result of the foregoing, net interest income increased by ¥139 billion, or 13.0%, from the previous fiscal year to ¥1,209 billion. The average interest rate spread slightly declined by 0.1 percentage points from the previous fiscal year to 0.37% in the fiscal year ended March 31, 2023. The decline of the average interest rate spread was not significant because both the average yields on total interest-earning assets and the average interest rates on total interest-bearing liabilities generally netted out between these periods.

Provision (Credit) for Credit Losses

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Provision for credit losses decreased by ¥121 billion, or 56.3%, from the previous fiscal year to ¥94 billion in the fiscal year ended March 31, 2023. The decrease was due mainly to the absence of the significant provision for credit losses on loans related to a certain large corporate borrower that was recorded in the previous fiscal year, which was offset in part by provision for credit losses on loans related to a number of certain other large corporate borrowers in the fiscal year ended March 31, 2023.

Noninterest Income

The following table shows a breakdown of noninterest income for the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,	
	2022	2023
	(in billions of yen)	
Fee and commission	¥ 980	¥ 984
Fee and commission from lending business	163	194
Fee and commission from securities-related business	184	190
Fee and commission from trust related business	142	130
Fee and commission from asset management business	122	109
Fee and commission from remittance business	104	104
Fee and commission from guarantee related business	35	41
Fee and commission from agency business	37	37
Fee and commission from deposits	15	16
Fees for other customer services	178	163
Foreign exchange gains (losses)—net	92	190
Trading account gains (losses)—net	(492)	(604)
Investment gains (losses)—net	(76)	141
Debt securities	(15)	5
Equity securities	(61)	136
Equity in earnings (losses) of equity method investees—net	35	(27)
Gains on disposal of premises and equipment	10	5
Other noninterest income	121	199
Total noninterest income	¥ 670	¥ 888

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Noninterest income increased by ¥218 billion, or 32.5%, from the previous fiscal year to ¥888 billion in the fiscal year ended March 31, 2023. The increases were due mainly to investment gains—net of ¥141 billion compared to investment losses—net of ¥76 billion in the previous fiscal year, and an increase in foreign exchange gains—net of ¥98 billion, offset in part by an increase in trading account losses—net of ¥112 billion.

Fee and commission

Fee and commission increased by ¥4 billion, or 0.4%, from the previous fiscal year to ¥984 billion in the fiscal year ended March 31, 2023. The increase was due mainly to an increase in fee and commission from

lending business of ¥31 billion, or 19.0%. The increase in fee and commission from lending business was due mainly to an increase in fee and commission earned from foreign branches of principal banking subsidiaries.

Foreign exchange gains (losses)—net

Foreign exchange gains—net increased by ¥98 billion, or 106.5%, from the previous fiscal year to ¥190 billion in the fiscal year ended March 31, 2023. The increase was due mainly to fluctuations in foreign exchange rates in the fiscal year ended March 31, 2023.

Trading account gains (losses)—net

Trading account losses—net increased by ¥112 billion, or 22.8%, from the previous fiscal year to ¥604 billion in the fiscal year ended March 31, 2023. The increase in trading account losses reflects how, although losses on sale of securities in foreign subsidiary decreased, gains on the valuation of derivatives in foreign subsidiary decreased by a larger amount, resulting in an overall increase in losses.

Investment gains (losses)—net

Investment gains (losses)—net was a gain of ¥141 billion in the fiscal year ended March 31, 2023 compared to a loss of ¥76 billion in the previous fiscal year, among which investment gains—net related to equity securities was a gain of ¥136 billion in the fiscal year ended March 31, 2023 compared to a loss of ¥61 billion in the previous fiscal year. The increase in investment gains related to equity securities was due mainly to an increase in gains related to changes in the fair value of Japanese equity securities in the fiscal year ended March 31, 2023, which mostly reflected the strength in market conditions. For further information, see note 3 to our consolidated financial statements included elsewhere in this annual report.

Noninterest Expenses

The following table shows a breakdown of noninterest expenses for the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,	
	2022	2023
	(in billions of yen)	
Salaries and employee benefits	¥ 669	¥ 694
General and administrative expenses	611	693
Occupancy expenses	202	165
Fee and commission expenses	204	202
Provision (credit) for credit losses on off-balance-sheet instruments	(15)	7
Other noninterest expenses	96	173
Total noninterest expenses	¥1,767	¥1,934

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Noninterest expenses increased by ¥167 billion, or 9.5%, from the previous fiscal year to ¥1,934 billion in the fiscal year ended March 31, 2023. The increase was due mainly to an increase in general and administrative expenses of ¥82 billion, or 13.4%, and an increase in other noninterest expenses of ¥77 billion, or 80.2%.

General and administrative expenses

General and administrative expenses increased by ¥82 billion, or 13.4%, from the previous fiscal year to ¥693 billion in the fiscal year ended March 31, 2023. The increase was due mainly to increases in property expenses and in depreciation of the next-generation IT systems at our securities subsidiary over their useful life.

Other noninterest expenses

Other noninterest expenses increased by ¥77 billion, or 80.2%, from the previous fiscal year to ¥173 billion in the fiscal year ended March 31, 2023.

Income Tax Expense (Benefit)

The following table shows the components of income tax expense (benefit) for the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,	
	2022	2023
	(in billions of yen)	
Current:		
Domestic	¥ 42	¥ 22
Foreign	72	157
Total current tax expense	114	179
Deferred:		
Domestic	(256)	(147)
Foreign	1	3
Total deferred tax expense (benefit)	(255)	(144)
Total income tax expense (benefit)	¥(141)	¥ 35

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Income tax expense (benefit) was an expense of ¥35 billion in the fiscal year ended March 31, 2023 compared to a benefit of ¥141 billion in the previous fiscal year. Current income tax expense in the fiscal year ended March 31, 2023 increased by ¥65 billion from the previous fiscal year to ¥179 billion. Deferred income tax benefit in the fiscal year ended March 31, 2023 decreased by ¥111 billion to ¥144 billion from the previous fiscal year. The increase in current tax expense was due mainly to an increase in the taxable income of foreign subsidiaries. The decrease in deferred tax benefit was due mainly to a decrease in the temporary differences of our principal banking subsidiaries.

We consider the sales of available-for-sale securities and equity securities to be a qualifying tax-planning strategy that is a possible source of future taxable income to the extent necessary in the future mainly with respect to our principal banking subsidiaries in Japan. The reliance on this tax-planning strategy of our subsidiaries in Japan was immaterial.

The following table shows the components of deferred tax assets (liabilities) as of March 31, 2022 and 2023:

	As of March 31,	
	2022	2023
	(in billions of yen)	
Deferred tax assets:		
Allowance for credit losses	¥ 292	¥ 270
Lease liabilities	184	176
Trading securities	118	174
Derivative financial instruments	52	161
Premises and equipment	65	54
Available-for-sale securities	8	13
Net operating loss carryforwards	183	168
Other	224	256
Gross deferred tax assets	1,126	1,272
Valuation allowance	(163)	(199)
Deferred tax assets, net of valuation allowance	963	1,073
Deferred tax liabilities:		
Investments	213	264
Prepaid pension cost and accrued pension liabilities	221	224
Right-of-use assets	177	169
Other	104	55
Gross deferred tax liabilities	715	712
Net deferred tax assets	¥ 248	¥ 361

Net Income Attributable to Noncontrolling Interests

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Net income attributable to noncontrolling interests increased by ¥44 billion from the previous fiscal year to ¥48 billion in the fiscal year ended March 31, 2023.

Net Income (loss) Attributable to MHFG Shareholders

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

As a result of the foregoing, net loss attributable to MHFG shareholders decreased by ¥91 billion, or 86.7%, from the previous fiscal year to ¥14 billion in the fiscal year ended March 31, 2023.

Business Segments Analysis

The following discussion relates to our business segment analysis for the fiscal years ended March 31, 2022 and 2023. For the discussion on our business segment analysis for the fiscal year ended March 31, 2021, including certain comparative discussion on our operating results for the fiscal years ended March 31, 2021 and 2022, please refer to "Item 5. Operating and Financial Review and Prospects—Business Segment Analysis" in our annual report on Form 20-F for the fiscal year ended March 31, 2022, filed with the SEC on July 1, 2022.

Our business segment information is prepared based on the internal management reporting systems used by management to measure the performance of our business segments under Japanese GAAP. Since figures reported to management are prepared under Japanese GAAP, they are not consistent with the consolidated financial

statements prepared in accordance with U.S. GAAP. This difference is addressed in note 30 to our consolidated financial statements included elsewhere in this annual report, where a reconciliation to U.S. GAAP of the total amount of all business segments is provided.

We manage our group under an in-house company system based on our diverse customer segments. The aim of this system is to leverage our strengths and competitive advantage, which is the seamless integration of our banking, trust banking and securities functions under a holding company structure, to speedily provide high-quality financial services that closely match customer needs.

Specifically, the company system was classified into the following five in-house companies, each based on a customer segment until March 31, 2023: the Retail & Business Banking Company, the Corporate & Institutional Company, the Global Corporate Company, the Global Markets Company, and the Asset Management Company. We regarded these customer segments as our operating segments.

On April 1, 2023, we integrated the Corporate & Institutional Company with the investment banking functions of the Global Products Unit to establish a new Corporate & Investment Banking Company, and the Global Corporate Company changed its name to become the Global Corporate & Investment Banking Company.

For a brief description of each of our business segments, see note 30 to our consolidated financial statements included elsewhere in this annual report.

Results of Operations by Business Segment

Consolidated Results of Operations

Consolidated gross profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 were ¥2,280.2 billion, an increase of ¥25.7 billion compared to the fiscal year ended March 31, 2022. Consolidated general and administrative expenses for the fiscal year ended March 31, 2023 were ¥1,473.6 billion, an increase of ¥58.6 billion compared to the fiscal year ended March 31, 2022. Consolidated equity in earnings of equity method investees—net for the fiscal year ended March 31, 2023 was ¥11.9 billion, a decrease of ¥13.5 billion compared to the fiscal year ended March 31, 2022. Consolidated net business profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 were ¥807.1 billion, a decrease of ¥46.1 billion compared to the fiscal year ended March 31, 2022.

	Mizuho Financial Group (Consolidated)						
Fiscal year ended March 31, 2022[1]:	**Retail & Business Banking Company**	**Corporate & Institutional Company**	**Global Corporate Company**	**Global Markets Company**	**Asset Management Company**	**Others[6]**	**Total**
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others[2]	¥715.0	¥494.4	¥592.8	¥388.1	¥59.5	¥ 4.7	¥2,254.5
General and administrative expenses[3]	623.7	201.4	300.0	234.7	33.4	21.8	1,415.0
Equity in earnings (losses) of equity method investees—net	5.9	3.8	16.0	—	1.5	(1.8)	25.4
Amortization of goodwill and others	2.2	0.1	0.4	0.8	7.2	1.0	11.7
Net business profits (losses)[4] + Net gains (losses) related to ETFs and others	¥ 95.0	¥296.7	¥308.4	¥152.6	¥20.4	¥ (19.9)	¥ 853.2
Fixed assets[5]	¥493.0	¥159.1	¥161.8	¥ 88.5	¥ —	¥794.9	¥1,697.3

Fiscal year ended March 31, 2023[1]:	Mizuho Financial Group (Consolidated)						
	Retail & Business Banking Company	Corporate & Institutional Company	Global Corporate Company	Global Markets Company	Asset Management Company	Others[6]	Total
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others[2]	¥704.0	¥502.3	¥672.2	¥321.2	¥55.2	¥ 25.3	¥2,280.2
General and administrative expenses[3]	611.6	197.3	323.0	258.0	35.2	48.5	1,473.6
Equity in earnings (losses) of equity method investees—net	(17.0)	6.4	22.8	—	0.2	(0.5)	11.9
Amortization of goodwill and others	2.1	0.1	0.7	0.8	6.8	0.9	11.4
Net business profits (losses)[4] + Net gains (losses) related to ETFs and others	¥ 73.3	¥311.3	¥371.3	¥ 62.4	¥13.4	¥ (24.6)	¥ 807.1
Fixed assets[5]	¥489.3	¥150.1	¥173.7	¥ 87.9	¥ —	¥777.6	¥1,678.6

Notes:

(1) Income and expenses of foreign branches of Mizuho Bank and foreign subsidiaries with functional currencies other than Japanese Yen have been translated for purposes of segment reporting using the budgeted foreign currency rates. Prior period comparative amounts for such foreign currency income and expenses have been translated using current period budgeted foreign currency rates.

(2) "Gross profits + Net gains (losses) related to ETFs and others" is reported instead of sales reported by general corporations. Gross profits is defined as the sum of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income. Net gains (losses) related to ETFs and others consist of net gains (losses) on ETFs held by Mizuho Bank and Mizuho Trust & Banking on their non-consolidated basis and net gains (losses) on operating investment securities of Mizuho Securities on its consolidated basis. For the fiscal years ended March 31, 2022 and 2023, net gains (losses) related to ETFs and others amounted to ¥1.9 billion and ¥1.8 billion, respectively, of which ¥2.3 billion and ¥(0.3) billion are included in "Global Markets Company," respectively.

(3) "General and administrative expenses" excludes non-allocated gains (losses), net.

(4) Net business profits (losses) is used in Japan as a measure of the profitability of core banking operations, and is defined as gross profits (as defined above) less general and administrative expenses (excluding non-allocated gains (losses), net) plus equity in earnings (losses) of equity method investees—net less amortization of goodwill and others. Measurement of net business profits (losses) is required for regulatory reporting to the Financial Services Agency of Japan.

(5) "Fixed assets" is presented based on Japanese GAAP and corresponds to the total amount of the following U.S. GAAP accounts: Premises and equipment-net; Goodwill; Intangible assets; and right-of-use assets related to operating leases included in Other assets. The above table does not include other asset amounts because "Fixed assets" is the only balance sheet metric that management uses when evaluating and making decisions pertaining to the operating segments. "Others" in "Fixed assets" includes assets of headquarters that have not been allocated to each segment, "Fixed assets" pertaining to consolidated subsidiaries that are not subject to allocation, consolidating adjustments, and others. Certain "Fixed assets" expenses have been allocated to each segment using reasonable allocation criteria.

(6) "Others" includes the following items:

- profits and expenses pertaining to consolidated subsidiaries that are not subject to allocation;
- consolidating adjustments, including elimination of internal transaction between each segment;
- equity in earnings (losses) of equity method investees—net that are not subject to allocation; and
- profits and losses pertaining to derivative transactions that reflect the counterparty risk of the individual parties and other factors in determining fair market value.

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

Retail & Business Banking Company

Gross profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 were ¥704.0 billion, a decrease of ¥11.0 billion, or 1.5%, compared to the fiscal year ended March 31, 2022. The decrease was attributable mainly to a decrease in commission income from sales of investment products to individuals.

General and administrative expenses for the fiscal year ended March 31, 2023 decreased by ¥12.1 billion, or 1.9%, compared to the fiscal year ended March 31, 2022 to ¥611.6 billion.

Equity in losses of equity method investees—net for the fiscal year ended March 31, 2023 were ¥17.0 billion, a decrease in equity in earnings of equity method investees—net of ¥22.9 billion compared to the fiscal year ended March 31, 2022.

As a result, net business profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 decreased by ¥21.7 billion, or 22.8%, compared to the fiscal year ended March 31, 2022 to ¥73.3 billion.

Corporate & Institutional Company

Gross profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 were ¥502.3 billion, an increase of ¥7.9 billion, or 1.6%, compared to the fiscal year ended March 31, 2022. The increase was attributable mainly to an increase in net interest income.

General and administrative expenses for the fiscal year ended March 31, 2023 decreased by ¥4.1 billion, or 2.0%, compared to the fiscal year ended March 31, 2022 to ¥197.3 billion.

Equity in earnings of equity method investees—net for the fiscal year ended March 31, 2023 increased by ¥2.6 billion, or 68.4%, compared to the fiscal year ended March 31, 2022 to ¥6.4 billion.

As a result, net business profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 increased by ¥14.6 billion, or 4.9%, compared to the fiscal year ended March 31, 2022 to ¥311.3 billion.

Global Corporate Company

Gross profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 were ¥672.2 billion, an increase of ¥79.4 billion, or 13.4%, compared to the fiscal year ended March 31, 2022. The increase was attributable mainly to an increase in net interest income.

General and administrative expenses for the fiscal year ended March 31, 2023 increased by ¥23.0 billion, or 7.7%, compared to the fiscal year ended March 31, 2022 to ¥323.0 billion.

Equity in earnings of equity method investees—net for the fiscal year ended March 31, 2023 increased by ¥6.8 billion, or 42.5%, compared to the fiscal year ended March 31, 2022 to ¥22.8 billion.

As a result, net business profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 increased by ¥62.9 billion, or 20.4%, compared to the fiscal year ended March 31, 2022 to ¥371.3 billion.

Global Markets Company

Gross profits + net losses related to ETFs and others for the fiscal year ended March 31, 2023 were ¥321.2 billion, a decrease of ¥66.9 billion, or 17.2%, compared to the fiscal year ended March 31, 2022. The decrease was attributable mainly to a decrease in banking income due to realized losses on foreign bonds.

General and administrative expenses for the fiscal year ended March 31, 2023 increased by ¥23.3 billion, or 9.9%, compared to the fiscal year ended March 31, 2022 to ¥258.0 billion.

As a result, net business profits + net losses related to ETFs and others for the fiscal year ended March 31, 2023 decreased by ¥90.2 billion, or 59.1%, compared to the fiscal year ended March 31, 2022 to ¥62.4 billion.

Asset Management Company

Gross profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 decreased by ¥4.3 billion, or 7.2%, compared to the fiscal year ended March 31, 2022 to ¥55.2 billion. The decrease was attributable mainly to a decrease in profits relating to publicly offered investment trusts.

General and administrative expenses for the fiscal year ended March 31, 2023 increased by ¥1.8 billion, or 5.4%, compared to the fiscal year ended March 31, 2022 to ¥35.2 billion.

Equity in earnings of equity method investees—net for the fiscal year ended March 31, 2023 decreased by ¥1.3 billion, or 86.7%, compared to the fiscal year ended March 31, 2022 to ¥0.2 billion.

As a result, net business profits + net gains related to ETFs and others for the fiscal year ended March 31, 2023 decreased by ¥7.0 billion, or 34.3%, compared to the fiscal year ended March 31, 2022 to ¥13.4 billion.

Geographical Segment Analysis

The following discussion relates to our geographical segment analysis for the fiscal years ended March 31, 2022 and 2023. For the discussion on our geographical segment analysis for the fiscal year ended March 31, 2021, including certain comparative discussion on our operating results for the fiscal years ended March 31, 2021 and 2022, please refer to "Item 5. Operating and Financial Review and Prospects—Geographical Segment Analysis" in our annual report on Form 20-F for the fiscal year ended March 31, 2022, filed with the SEC on July 1, 2022.

The following table presents consolidated income statement and total assets information by major geographic area. Foreign activities are defined as business transactions that involve customers residing outside of Japan. However, as our operations are highly integrated globally, we have made estimates and assumptions for the allocation of assets, liabilities, income and expenses among the geographic areas.

	Japan	Americas		Europe	Asia/Oceania excluding Japan, and others	Total
		United States	Others			
	(in billions of yen)					
Fiscal year ended March 31, 2022:						
Total revenue[1]	¥ 991	¥ 563	¥ 42	¥ 185	¥ 333	¥ 2,114
Total expenses[2]	1,714	265	19	189	169	2,356
Income (loss) before income tax expense (benefit)	(723)	298	23	(4)	164	(242)
Net income (loss)	¥ (509)	¥ 275	¥ 18	¥ (16)	¥ 131	¥ (101)
Total assets at end of fiscal year	¥155,111	¥36,766	¥3,668	¥15,796	¥20,210	¥231,551
Fiscal year ended March 31, 2023:						
Total revenue[1]	¥ 1,105	¥ 1,841	¥ 93	¥ 446	¥ 792	¥ 4,277
Total expenses[2]	1,784	1,455	85	413	471	4,208
Income (loss) before income tax expense (benefit)	(679)	386	8	33	321	69
Net income (loss)	¥ (555)	¥ 297	¥ 2	¥ 20	¥ 270	¥ 34
Total assets at end of fiscal year	¥161,349	¥45,516	¥3,580	¥16,635	¥21,701	¥248,781

Notes:
(1) Total revenue includes interest and dividend income and noninterest income.
(2) Total expenses include interest expense, provision (credit) for credit losses and noninterest expenses.

Fiscal Year Ended March 31, 2023 Compared to Fiscal Year Ended March 31, 2022

In the fiscal year ended March 31, 2023, we recorded a net loss in Japan. Among the geographical regions in which we recorded net income, 50.5% of our net income was derived from the United States, 0.3% from the Americas excluding the United States, 3.4% from Europe and 45.8% from Asia/Oceania excluding Japan, and others. At March 31, 2023, 64.9% of total assets were allocated to Japan, 18.3% to the United States, 1.4% to the Americas excluding the United States, 6.7% to Europe and 8.7% to Asia/Oceania excluding Japan, and others.

In Japan, total revenue increased by ¥114 billion from the previous fiscal year due primarily to a change from investment losses related to equity securities to investment gains related to equity securities and an increase in interest income from loans, including fees, offset in part by an increase in trading account losses—net. The change from investment losses related to equity securities to investment gains related to equity securities was due mainly to an increase in gains related to changes in the fair value of Japanese equity securities in the fiscal year ended March 31, 2023, which mostly reflected the strength in market conditions. The increase in interest income from loans, including fees, was due mainly to an increase in the average yield. The increase in trading account losses—net was due mainly to an increase in losses on the valuation of derivatives. Total expenses increased by ¥70 billion from the previous fiscal year due mainly to increases in expenses on deposits, payables under repurchase agreements and securities lending transactions and long-term debt, offset in part by a decrease in provision for credit losses on loans. In addition, income tax benefit decreased by ¥90 billion from the previous fiscal year to ¥124 billion in the fiscal year ended March 31, 2023. As a result, net loss in Japan increased by ¥46 billion. Total assets in Japan increased by ¥6,238 billion due primarily to an increase in interest-bearing deposits in other banks, offset in part by a decrease in investments.

In the United States, total revenue increased by ¥1,278 billion due primarily to increases in interest income from loans, including fees, interest-bearing deposits in other banks and receivables under resale agreements and securities borrowing transactions. The increases in interest income from loans, including fees, interest-bearing deposits in other banks and receivables under resale agreements and securities borrowing transactions were due mainly to an increase in the average yield. Total expenses increased by ¥1,190 billion due mainly to increases in expenses on deposits and payables under repurchase agreements and securities lending transactions. As a result, net income in the United States increased by ¥22 billion. Total assets in the United States increased by ¥8,750 billion due primarily to increases in trading account assets and loans.

In the Americas excluding the United States, total revenue increased by ¥51 billion due primarily to an increase in interest income from loans, including fees. Total expenses increased by ¥66 billion due mainly to an increase in expense on deposits. As a result, net income in the Americas excluding the United States decreased by ¥16 billion. Total assets in the Americas excluding the United States decreased by ¥88 billion due primarily to decreases in trading account assets and interest-bearing deposits in other banks, offset in part by an increase in investments.

In Europe, total revenue increased by ¥261 billion due primarily to an increase in interest income from loans, including fees. Total expenses increased by ¥224 billion due mainly to an increase in expenses on deposits. As a result, we recorded net income of ¥20 billion in Europe in the fiscal year ended March 31, 2023 compared to net loss of ¥16 billion in the previous fiscal year. Total assets in Europe increased by ¥839 billion due primarily to an increase in trading account assets, offset in part by a decrease in receivables under resale agreements.

In Asia/Oceania excluding Japan, and others, total revenue increased by ¥459 billion due primarily to an increase in interest income from loans, including fees. Total expenses increased by ¥302 billion due mainly to an increase in expenses on deposits. As a result, net income in Asia/Oceania excluding Japan, and others increased by ¥139 billion. Total assets in Asia/Oceania excluding Japan, and others increased by ¥1,491 billion due primarily to increases in trading account assets and cash and due from banks.

Financial Condition

Assets

Our assets as of March 31, 2022 and 2023 were as follows:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Cash and due from banks	¥ 2,290	¥ 2,242	¥ (48)
Interest-bearing deposits in other banks	49,884	65,750	15,866
Call loans and funds sold	1,102	1,647	545
Receivables under resale agreements	12,751	11,695	(1,056)
Receivables under securities borrowing transactions	2,339	1,892	(447)
Trading account assets	24,652	29,641	4,989
Investments	37,348	29,643	(7,705)
Loans	90,291	94,176	3,885
Allowance for credit losses on loans	(810)	(701)	109
Loans, net of allowance	89,481	93,475	3,994
Premises and equipment—net	1,704	1,654	(50)
Due from customers on acceptances	272	406	134
Accrued income	322	511	189
Goodwill	93	93	—
Intangible assets	48	45	(3)
Deferred tax assets	277	387	110
Other assets	8,988	9,700	712
Total assets	¥231,551	¥248,781	¥17,230

Total assets increased by ¥17,230 billion from March 31, 2022 to ¥248,781 billion as of March 31, 2023. The increase was due mainly to increases of ¥15,866 billion in interest-bearing deposits in other banks, ¥4,989 billion in trading account assets and ¥3,994 billion in loans, net of allowance, offset in part by decreases of ¥7,705 billion in investments and ¥1,056 billion in receivables under resale agreements.

Loans

Loans outstanding

The following table shows our loans outstanding as of March 31, 2022 and 2023:

	As of March 31,				Increase (decrease)	
	2022		2023			
	(in billions of yen, except percentages)					
Domestic:						
Corporate:						
Large companies	¥42,044	46.6%	¥43,365	46.0%	¥1,321	(0.6%)
Small and medium-sized companies	3,157	3.5	2,999	3.2	(158)	(0.3)
Retail:						
Housing loan	7,782	8.6	7,507	8.0	(275)	(0.6)
Others	1,707	1.9	1,548	1.6	(159)	(0.3)
Sovereign	1,660	1.8	1,866	2.0	206	0.2
Banks and other financial institutions	682	0.8	645	0.7	(37)	(0.1)
Total domestic	57,032	63.2	57,930	61.5	898	(1.7)
Foreign:						
Corporate[(1)]	30,889	34.2	33,250	35.3	2,361	1.1
Retail	11	0.0	9	0.0	(2)	0.0
Sovereign	587	0.6	478	0.5	(109)	(0.1)
Banks and other financial institutions	1,772	2.0	2,509	2.7	737	0.7
Total foreign	33,259	36.8	36,246	38.5	2,987	1.7
Total loans before allowance for credit losses on loans	¥90,291	100.0%	¥94,176	100.0%	¥3,885	—

Note:

(1) Corporate under Foreign includes ¥216 billion and ¥184 billion of lease receivables that are receivables arising from direct financing leasing for the fiscal years ended March 31, 2022 and 2023, respectively.

Loans are generally carried at the principal amount adjusted for unearned income and deferred net nonrefundable loan fees and costs. The total amounts of unearned income and deferred net nonrefundable loan fees and costs were ¥196 billion and ¥238 billion at March 31, 2022 and 2023, respectively.

Total loans before allowance for credit losses on loans increased by ¥3,885 billion from March 31, 2022 to ¥94,176 billion as of March 31, 2023. Loans to domestic borrowers increased by ¥898 billion to ¥57,930 billion due mainly to an increase in loans to large companies.

Loans to foreign borrowers increased by ¥2,987 billion from March 31, 2022 to ¥36,246 billion as of March 31, 2023. The increase in loans to foreign borrowers was due mainly to an increase in loans to corporate borrowers in the United States.

Within our loan portfolio, the proportion of loans to domestic borrowers against gross total loans decreased from 63.2% to 61.5%, while that of loans to foreign borrowers against gross total loans increased from 36.8% to 38.5%. Loans to foreign borrowers were regionally diversified.

Nonaccrual Loans

General

In accordance with our group's credit risk management policies, we use an internal rating system that consists of credit ratings for the corporate portfolio segment and pool allocations for the retail portfolio segment as the basis of our risk management infrastructure. Credit ratings consist of obligor ratings which represent the

level of credit risk of the obligor, and transaction ratings which represent the ultimate possibility of losses expected on individual loans by taking into consideration various factors such as collateral or guarantees involved. In principle, obligor ratings are applied to all obligors except those to which pool allocations are applied, and are subject to regular review at least once a year as well as special review which is required whenever the obligor's credit standing changes. Pool allocations are applied to small loans that are less than a specified amount by pooling customers and loans with similar risk characteristics, and the risk is assessed mainly based on past due status and managed according to such pools. We generally review the appropriateness and effectiveness of the approach to obligor ratings and pool allocations once a year in accordance with predetermined policies and procedures.

We do not record expected credit losses for accrued interest receivables because uncollectible accrued interest is reversed through interest income in a timely manner in line with our nonaccrual and past due policies for loans. The amount of accrued interest receivables was ¥81 billion and ¥198 billion at March 31, 2022 and 2023, respectively and included in accrued income.

The table below presents our definition of obligor ratings used by Mizuho Bank and Mizuho Trust & Banking:

Obligor category[1][2]	Obligor rating	Definition
Normal	A	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is very low.
	B	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, and their level of credit risk is low.
	C	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.
	D	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future economic environmental changes is low.
Watch	E1	Obligors that require observation going forward because of either minor concerns regarding their financial position, or their somewhat weak or unstable business conditions.
	E2	Obligors that require special observation going forward because of problems with their borrowings such as reduced or suspended interest payments, problems with debt fulfillment such as failure to make principal or interest payments, or problems with their financial position as a result of their weak or unstable business conditions.
Intensive control	F	Obligors that are not yet bankrupt but are in financial difficulties and are deemed likely to become bankrupt in the future because of insufficient progress in implementing their management improvement plans or other measures (including obligors that are receiving ongoing support from financial institutions).
Substantially bankrupt	G	Obligors that have not yet become legally or formally bankrupt but are substantially insolvent because they are in serious financial difficulties and are deemed to be incapable of being restructured.
Bankrupt	H	Obligors that have become legally or formally bankrupt.

Notes:
(1) Special attention obligors are watch obligors with debt in troubled debt restructuring or 90 days or more delinquent debt. Loans to such obligors are considered nonaccrual.
(2) We classify loans to special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans.

We consider loans to be nonaccrual when it is probable that we will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loans. We classify loans to

special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans. We do not have any loans to borrowers that cause management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms for the periods presented other than those already designated as nonaccrual loans. See "Item 11. Quantitative and Qualitative Disclosures about Credit, Market and Other Risk—Credit Risk Management" for descriptions of our self-assessment procedures and our internal credit rating system.

Our credit management activities consist of activities such as efforts to provide management consultation to support borrowers' business initiatives, to increase the quantity and enhance the quality of loan collateral, and to adjust loan balances to an appropriate level, when the borrower's credit quality is showing a decline. These activities can lead to improvements in obligor classifications through improvements in the business and financial condition of borrowers and, as a result, a reduction in allowance for credit losses on loans.

We attempt to remove nonaccrual loans from our balance sheet within three years from the time when they are categorized through methods such as collection, charge-offs, disposal and improving the borrowers' credit rating through restructuring efforts.

Loan modifications

Restructuring efforts are made through our various business revitalization support measures conducted based on requests from borrowers that are in a weakened state that require some form of support. When confronted with the decision of whether to agree to business revitalization support, which includes forgiveness of debt (including debt to equity swaps), reductions in stated interest rates to below market levels and postponement of payment of principal and/or interest (other than insignificant extensions), we carefully consider whether it is beneficial to our shareholders and depositors based on various factors such as whether (i) a legal reorganization process would significantly damage the obligor's business value so that there is a fear that the obligor will not be able to restructure its business, (ii) the restructuring plan is appropriate and is economically rational from the viewpoint of minimizing Mizuho's losses compared to other processes, (iii) both the management and shareholders of the obligor will clearly bear responsibility, and (iv) the allocation of losses among creditors is rational and highly justifiable. The triggers and factors that we review to identify restructured loans are modifications imposed by law or a court of law and alterations based on agreement with the borrower such as the reduction of the stated interest rate and forgiveness of debt (including debt to equity swaps), and we consider restructured loans, with respect to which concessions that it would not otherwise consider were granted to obligors in financial difficulty, as "troubled debt restructuring." We consider the relevant obligor to be in financial difficulty when its rating based on our internal rating system is E2 or below. The types of concessions that we would not otherwise consider include the various forms of business revitalization support described above. In general, troubled debt restructurings will return to accrual loans when we determine that the borrower poses no problems regarding current certainty of debt fulfillment, i.e., the borrower qualifies for a rating of D or above based on our internal rating system. Based on our historical experience, it typically takes approximately 1.5 years for the troubled debt restructuring loans in nonaccrual status to be returned to accrual status.

We determine whether restructured loans other than troubled debt restructurings are nonaccrual loans based on the application of our internal rating system as we do generally with respect to all obligors. We determine whether restructured loans are past due or current by comparing the obligors' payments with the modified contract terms. The effect of the restructuring on the obligors is considered in developing the allowance based on the restructuring's effect on the estimation of future cash flows of such loans. At March 31, 2023, the balance of restructurings that are troubled debt restructurings was ¥390 billion, and the balance of restructurings that are not troubled debt restructurings was ¥22 billion. Also, the amount of charge-offs recorded as a result of troubled debt restructurings that were made during the fiscal year ended March 31, 2023 was ¥141 billion.

While we maintain basic guidelines covering restructured loans, we do not have any standardized modification programs. Instead, we apply various modifications as appropriate for the specific circumstances

of the obligor in question. We do not have a policy that specifically limits the number of modifications that can be performed for a specific loan.

Balance of nonaccrual loans

The following table shows our nonaccrual loans as of March 31, 2022 and 2023:

	As of March 31,					
	2022		2023		Increase (decrease)	
	Nonaccrual loans	Ratio to gross total loans	Nonaccrual loans	Ratio to gross total loans	Nonaccrual loans	Ratio to gross total loans
	(in billions of yen, except percentages)					
Domestic:						
Corporate:						
Large companies	¥ 800	1.9%	¥ 980	2.3%	¥180	0.4%
Small and medium-sized companies	140	4.5	122	4.1	(18)	(0.4)
Retail:						
Housing loan	49	0.6	39	0.5	(10)	(0.1)
Others	62	3.6	55	3.6	(7)	0.0
Total domestic	1,051	1.8	1,196	2.1	145	0.3
Foreign	117	0.4	136	0.4	19	0.0
Total nonaccrual loans	¥1,168	1.3	¥1,332	1.4	¥164	0.1

Nonaccrual loans increased by ¥164 billion from March 31, 2022 to ¥1,332 billion as of March 31, 2023. Nonaccrual loans to domestic borrowers increased by ¥145 billion due mainly to the deterioration of credit status of certain large corporate borrowers. Nonaccrual loans to foreign borrowers increased by ¥19 billion. The relative impact of foreign currency fluctuations on those foreign loans was ¥5 billion.

Reflecting the aforementioned change, the percentage of nonaccrual loans within gross total loans increased from 1.3% as of March 31, 2022 to 1.4% as of March 31, 2023. The percentage of nonaccrual loans net of allowance for credit losses on loans to gross total loans net of allowance for credit losses on loans increased from 0.40% as of March 31, 2022 to 0.67% as of March 31, 2023 due to a larger percentage increase in nonaccrual loans net of allowance for credit losses on loans than the percentage increase in gross total loans net of allowance for credit losses on loans.

Allowance for Credit Losses on Loans

Calculation of allowance for credit losses on loans

Effective April 1, 2020, the allowance for credit losses on loans is established for current expected credit losses on our loan portfolio in accordance with ASC 326. Additionally, as of April 1, 2020, we did not elect the fair value option for financial assets measured at amortized cost basis. Prior to April 1, 2020, the allowance for credit losses on loans was established based on an incurred loss model in accordance with ASC 310 and ASC 450.

We make adjustments to the allowance for credit losses on loans through provision (credit) for credit losses in the consolidated statements of income in each reporting period. Loan principal that management judges to be uncollectible, based on detailed loan reviews and a credit quality assessment, is charged off against the allowance for credit losses on loans. In general, we charge off loans when we determine that the obligor should be classified as substantially bankrupt or bankrupt. For the definition of obligor categories, see the table above in

"—Nonaccrual Loans—General." Obligors in the retail portfolio segment are generally determined to be substantially bankrupt when they are past due for more than six months, and as for obligors in the corporate portfolio segment, we separately monitor the credit quality of each obligor without using time-based triggers.

We maintain an appropriate allowance for credit losses on loans to represent management's estimate of the expected credit losses in our loan portfolio. Management evaluates the appropriateness of the allowance for credit losses on loans semi-annually. The allowance considers expected credit losses over the remaining expected lives of the applicable instruments. The expected life of each instrument is determined by considering expected prepayments, contractual terms and cancellation features. The allowance for credit losses involves significant judgments on a number of matters including expectations of future economic conditions, assignment of obligor ratings, valuation of collateral, and the development of qualitative adjustments.

When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. This forward-looking macroeconomic scenario is in line with the scenario used for our business plan. If the scenario does not reflect a sudden change in economic conditions adequately, adjustments may be made to the scenario. After the forecast period, we revert to long-term historical loss experience with a certain graduated transition period, to estimate losses over the remaining lives of financial assets measured at amortized cost and certain off-balance-sheet instruments. The macroeconomic scenario is updated at least semi-annually and is reviewed to reflect current economic conditions and our expectation of future conditions on a timely basis. For March 31, 2022 and 2023, we used the most recent macroeconomic scenario available during our credit loss estimation process.

In terms of the internal risk ratings, for the corporate portfolio segment, the credit quality review process and the credit rating process serve as the basis for determining the allowance for credit losses on loans. Through such processes loans are categorized into groups to reflect the probability of default, whereby our management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analysis of relevant industry segments and current trends. For the retail portfolio segment, the different categories of past due status of loans are primarily utilized in the credit quality review and the credit rating processes as the basis for determining the allowance for credit losses on loans.

In general, we estimate expected credit losses collectively on the loans in the case of normal and watch obligors, considering the risk associated with a particular pool and the probability that the exposures within the pool will deteriorate or default. The allowance for credit losses on nonaccrual loans generally includes the allowance for those loans that were individually evaluated for expected credit losses. See note 4 to our consolidated financial statements included elsewhere in this annual report for the definitions of obligor categories and classification of nonaccrual loans.

The estimation of expected credit losses that are evaluated collectively begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one obligor category or rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to our estimated exposure at default. The credit loss factors incorporate the probability of default as well as the loss given default based on the historical loss rates. To supplement the historical loss data for overseas obligors, external credit ratings such as S&P are also used to calculate the probability of default. The model and inputs used to determine credit losses on loans that are evaluated collectively are analyzed on a periodic basis by comparing the estimated values with the actual results subsequent to the balance sheet date.

We divide our overall portfolio into domestic and foreign portfolios, and categorize the domestic portfolio into four portfolio segments according to their risk profiles: corporate, retail, sovereign, and banks and financial institutions.

The corporate portfolio segment consists of loans originated primarily by Mizuho Bank and Mizuho Trust & Banking, and includes mainly business loans such as those used for working capital and capital expenditure, as well as loans for which the primary source of repayment of the obligation is income generated by the relevant assets such as project finance, asset finance and real estate finance. The corporate portfolio segment is divided into two classes based on their risk characteristics: large companies, and small and medium-sized companies. For the corporate portfolio segment, we consider key economic factors such as gross domestic products for Japan and each relevant foreign location, where the portfolio is significant, and the interest rates in Japan when estimating the credit loss.

The retail portfolio segment consists mainly of residential mortgage loans originated by Mizuho Bank, and it is divided into two classes based on their risk characteristics: housing loan and others. For the retail portfolio segment, the Japanese unemployment rate is applied as a key factor. As it pertains to troubled debt restructurings in the retail portfolio segment, the restructuring itself, as well as subsequent payment defaults, if any, are considered in determining obligor categories. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off, or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

The allowance recorded for individually evaluated loans is based on (1) the present value of expected future cash flows, after considering the restructuring effect and subsequent payment default with respect to troubled debt restructurings, discounted at the loan's initial effective interest rate, (2) the loan's observable market price, or (3) the fair value of the collateral if the loan is collateral dependent. The collateral that we obtain for loans consists primarily of real estate. In obtaining the collateral, we evaluate the fair value of the collateral and its legal enforceability. We also perform subsequent re-evaluations at least once a year. As it pertains to real estate collateral, valuation is generally performed by an appraising subsidiary which is independent from our loan origination departments by using generally accepted valuation techniques such as (1) the replacement cost approach, (2) the sales comparison approach or (3) the income approach. In the case of large real estate collateral, we generally engage third-party appraisers to perform the valuation.

Our methodology for determining the appropriate allowance for credit losses on loans also considers the imprecision inherent in the methodologies used. As a result, the amounts determined under the methodologies described above could be adjusted by management to consider the potential impact of other qualitative factors which include, but are not limited to, imprecision in macroeconomic scenario assumptions and emerging risks related to changes in the environment that are affecting specific portfolio segments including segments impacted by the Russia-Ukraine situation. Considering internal and external factors affecting the credit quality of the portfolio, we incorporated the estimated impact of the Russia-Ukraine situation, elevated global inflation and other factors contributing to economic uncertainty into the macroeconomic scenario by using assumptions such as the future outlook of the business environment for specific portfolio segments and the current forecast for the growth rate of gross domestic product.

In terms of the Russia-Ukraine situation, considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating, we incorporated the estimated impact of the Russia-Ukraine situation into the macroeconomic scenario used for determining the allowance for credit losses on loans.

Balance of allowance for credit losses on loans

The following table summarizes the allowance for credit losses on loans by component and as a percentage of the corresponding loan balance as of March 31, 2022 and 2023:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen, except percentages)		
Total allowance for credit losses on loans (A)	¥ 810	¥ 701	¥ (109)
Nonaccrual loans with an allowance (B)	¥ 1,082	¥ 1,255	¥ 173
Nonaccrual loans without an allowance (C)	86	77	(9)
Accrual loans[(1)] (D)	89,319	93,081	3,762
Gross total loans (E)	¥90,487	¥94,413	¥3,926
Percentage of total allowance for credit losses on loans against gross total loans (A)/(E)x100	0.89%	0.74%	(0.15%)

Note:

(1) Accrual loans refer to loans categorized as "normal obligors" and "watch obligors (excluding special attention obligors)" under our internal rating system.

Allowance for credit losses on loans decreased by ¥109 billion from March 31, 2022 to ¥701 billion as of March 31, 2023 due to an increase in charge-offs of loans to certain large corporate borrowers. As a result, the percentage of total allowance for credit losses on loans against gross total loans decreased by 0.15 percentage points to 0.74%.

In the fiscal year ended March 31, 2023, nonaccrual loans increased by 14.0% due mainly to an increase in domestic nonaccrual loans. Allowance for credit losses on loans decreased by 13.4%.

The coverage ratio for nonaccrual loans, calculated as the percentage of total allowance for credit losses on loans against total nonaccrual loans, decreased by 16.69 percentage points as of March 31, 2023 compared to March 31, 2022. The decrease was due mainly to (i) significant charge-offs related to a certain large corporate borrower whose loans were largely covered by the allowance for credit losses on loans as of March 31, 2022, which led to a decrease in total allowance for credit losses on loans, and (ii) an increase in nonaccrual loans to domestic borrowers resulting from the deterioration of credit status of certain large corporate borrowers, which led to an increase in total nonaccrual loans.

Provision (credit) for credit losses on loans

The following table summarizes changes in our allowance for credit losses on loans in the fiscal years ended March 31, 2022 and 2023:

	Fiscal years ended March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Allowance for credit losses on loans at beginning of fiscal year	¥651	¥ 810	¥ 159
Provision (credit) for credit losses on loans	188	91	(97)
Charge-offs:			
Domestic:			
Corporate:			
Large companies	(28)	(149)	(121)
Small and medium-sized companies	(4)	(4)	—
Retail:			
Housing loan	(2)	(2)	—
Others	(2)	(4)	(2)
Total domestic charge-offs	(36)	(159)	(123)
Foreign	(24)	(69)	(45)
Total charge-offs	(60)	(228)	(168)
Recoveries:			
Domestic:			
Corporate:			
Large companies	6	2	(4)
Small and medium-sized companies	1	4	3
Retail:			
Housing loan	1	—	(1)
Others	—	1	1
Total domestic recoveries	8	7	(1)
Foreign	11	4	(7)
Total recoveries	19	11	(8)
Net charge-offs	(41)	(217)	(176)
Others[(1)]	12	17	5
Balance at end of fiscal year	¥810	¥ 701	¥(109)

Note:
(1) "Others" includes primarily foreign exchange translation.

Provision for credit losses on loans decreased by ¥97 billion from March 31, 2022 to ¥91 billion at March 31, 2023. The decrease was due mainly to the absence of the significant provision for credit losses on loans related to a certain large corporate borrower that was recorded in the previous fiscal year, which was offset in part by provision for credit losses on loans related to a number of certain other large corporate borrowers in the fiscal year ended March 31, 2023.

Charge-offs increased by ¥168 billion from the previous fiscal year to ¥228 billion for the fiscal year ended March 31, 2023. The increase was due mainly to increases in charge-offs of loans to certain domestic large corporate borrowers and foreign loans.

Investments

The majority of our investments are available-for-sale and held-to-maturity securities, which at March 31, 2022 and 2023 were as follows:

	As of March 31,								
	2022			2023			Increase (decrease)		
	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)	Amortized cost	Fair value	Net unrealized gains (losses)
	(in billions of yen)								
Available-for-sale securities:									
Debt securities:									
Japanese government bonds	¥25,191	¥25,159	¥(32)	¥16,484	¥16,449	¥ (35)	¥(8,707)	¥(8,710)	¥ (3)
Other than Japanese government bonds	6,511	6,515	4	6,796	6,785	(11)	285	270	(15)
Total	¥31,702	¥31,674	¥(28)	¥23,280	¥23,234	¥ (46)	¥(8,422)	¥(8,440)	¥(18)
Held-to-maturity securities:									
Debt securities:									
Japanese government bonds	¥ 480	¥ 485	¥ 5	¥ 799	¥ 800	¥ 1	¥ 319	¥ 315	¥ (4)
Agency mortgage-backed securities	1,039	981	(58)	1,251	1,115	(136)	212	134	(78)
Total	¥ 1,519	¥ 1,466	¥(53)	¥ 2,050	¥ 1,915	¥(135)	¥ 531	¥ 449	¥(82)

Available-for-sale securities measured at fair value decreased by ¥8,440 billion from March 31, 2022 to ¥23,234 billion at March 31, 2023. This decrease was due primarily to our sales of Japanese government bonds. Held-to-maturity securities measured at amortized cost increased by ¥531 billion from March 31, 2022 to ¥2,050 billion at March 31, 2023. See note 3 to our consolidated financial statements included elsewhere in this annual report for details of other investments included within investments.

The amount of our funding through deposits significantly exceeds our total loans. As a result, we allocate a significant portion of such excess among investments in debt securities, including Japanese government bonds, and investments in equity securities consisting mainly of common stock of Japanese listed company customers. We will continue our efforts to dispose of cross-shareholdings in order to decrease the potential impact on our financial position due to fluctuations in stock prices, and to be able to fully perform financial intermediary functions even under periods of stress.

Fluctuations in long-term interest rates lead to changes in the fair value of our portfolio of debt securities, a majority of which consists of Japanese government bonds. As of March 31, 2023, we had a total of ¥23,234 billion of available-for-sale securities within our investments, of which ¥16,449 billion was Japanese government bonds. We had ¥31,674 billion and ¥23,234 billion of available-for-sale securities measured at fair value as of March 31, 2022 and 2023, respectively, and net unrealized losses of ¥28 billion and ¥46 billion were reflected in accumulated other comprehensive income, net of tax as of such dates, respectively. As the negative interest rate policy of the Bank of Japan started in February 2016 and the resulting fluctuations in interest rates may have a substantial impact on the value of our Japanese government bond portfolio, in order to prepare for the risk of sudden and significant future interest rate change, we continue to manage our Japanese government bond portfolio conservatively by managing the average remaining period of our portfolio and strengthening risk management, including through the use of internal stress tests. Based on aggregated non-consolidated figures of our principal banking subsidiaries on a managerial accounting basis after taking into account hedging activities, the average remaining period of our Japanese government bond portfolio included in available-for-sale securities within our investments and excluding held-to-maturity securities as of March 31, 2023 was approximately 0.7 years compared to 1.2 years as of March 31, 2022.

Risk management related to our securities portfolio continues to be a key focus in light of the increase in instability and uncertainty in the global economy in recent years.

Trading Account Assets

Trading account assets increased by ¥4,989 billion from March 31, 2022 to ¥29,641 billion at March 31, 2023. The increase was due mainly to an increase in the market value of receive-variable, pay-fixed derivative instruments based on interest rate contracts, reflecting a fluctuation in long-term interest rates, and an increase in the fair value of trading account assets denominated in foreign currency, reflecting the depreciation of the yen.

Liabilities

The following table shows our liabilities as of March 31, 2022 and 2023:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Deposits	¥157,178	¥164,936	¥ 7,758
Due to trust accounts	390	749	359
Call money and funds purchased	1,278	1,815	537
Payables under repurchase agreements	20,070	25,737	5,667
Payables under securities lending transactions	1,361	886	(475)
Other short-term borrowings	7,567	3,397	(4,170)
Trading account liabilities	14,859	19,363	4,504
Bank acceptances outstanding	272	406	134
Income taxes payable	63	88	25
Deferred tax liabilities	29	25	(4)
Accrued expenses	203	443	240
Long-term debt	12,578	14,893	2,315
Other liabilities	6,261	6,318	57
Total liabilities	¥222,109	¥239,056	¥16,947

Total liabilities increased by ¥16,947 billion from March 31, 2022 to ¥239,056 billion as of March 31, 2023. The increase was due primarily to increases of ¥7,758 billion in deposits, ¥4,504 billion in trading account liabilities, ¥2,315 billion in long-term debt and ¥1,918 billion in short-term borrowings. We analyze short-term borrowings, consisting of due to trust accounts, call money and funds purchased, payables under repurchase agreements, payables under securities lending transactions and other short-term borrowings, on a combined basis.

Deposits

The following table shows a breakdown of our deposits as of March 31, 2022 and 2023:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Domestic:			
Noninterest-bearing deposits	¥ 32,845	¥ 33,137	¥ 292
Interest-bearing deposits	91,425	92,625	1,200
Total domestic deposits	124,270	125,762	1,492
Foreign:			
Noninterest-bearing deposits	2,501	3,043	542
Interest-bearing deposits	30,407	36,131	5,724
Total foreign deposits	32,908	39,174	6,266
Total deposits	¥157,178	¥164,936	¥7,758

Total deposits increased by ¥7,758 billion from March 31, 2022 to ¥164,936 billion at March 31, 2023. Domestic deposits increased by ¥1,492 billion from March 31, 2022 to ¥125,762 billion at March 31, 2023. Domestic interest-bearing deposits increased by ¥1,200 billion from March 31, 2022 to ¥92,625 billion at March 31, 2023 due mainly to increases in ordinary deposits and time deposits, offset in part by a decrease in certificates of deposit. Domestic noninterest-bearing deposits increased by ¥292 billion from March 31, 2022 to ¥33,137 billion at March 31, 2023 due mainly to an increase in noninterest-bearing ordinary deposits, offset in part by a decrease in foreign bills of exchange payable. Foreign deposits increased by ¥6,266 billion from March 31, 2022 to ¥39,174 billion at March 31, 2023 due mainly to increases in time deposits and certificates of deposit.

Short-term Borrowings

The following table shows a breakdown of our short-term borrowings as of March 31, 2022 and 2023:

	As of March 31,								
	2022			2023			Increase(decrease)		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in billions of yen)								
Due to trust accounts	¥ 390	¥ —	¥ 390	¥ 749	¥ —	¥ 749	¥ 359	¥ —	¥ 359
Call money and funds purchased, and payables under repurchase agreements and securities lending transactions	5,803	16,906	22,709	8,410	20,028	28,438	¥ 2,607	¥3,122	¥ 5,729
Other short-term borrowings	5,698	1,869	7,567	1,415	1,982	3,397	(4,283)	113	(4,170)
Total short-term borrowings	¥11,891	¥18,775	¥30,666	¥10,574	¥22,010	¥32,584	¥(1,317)	¥3,235	¥ 1,918

Total short-term borrowings increased by ¥1,918 billion from March 31, 2022 to ¥32,584 billion at March 31, 2023. Domestic short-term borrowings decreased by ¥1,317 billion due mainly to a decrease in other short-term borrowings, offset in part by an increase in payables under repurchase agreements. Foreign short-term borrowings increased by ¥3,235 billion due mainly to an increase in payables under repurchase agreements.

Trading Account Liabilities

Trading account liabilities increased by ¥4,504 billion from March 31, 2022 to ¥19,363 billion at March 31, 2023. The increase was due mainly to an increase in the market value of receive-fixed, pay-variable derivative instruments based on interest rate contracts, reflecting a fluctuation in long-term interest rates, and an increase in securities sold for short sales related to hedging activities.

Equity

The following table shows a breakdown of equity as of March 31, 2022 and 2023:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
MHFG shareholders' equity:			
Common stock	¥5,817	¥5,833	¥ 16
Retained earnings	2,665	2,442	(223)
Accumulated other comprehensive income, net of tax	440	649	209
Treasury stock, at cost	(8)	(9)	(1)
Total MHFG shareholders' equity	8,914	8,915	1
Noncontrolling interests	528	810	282
Total equity	¥9,442	¥9,725	¥ 283

Total equity increased by ¥283 billion from March 31, 2022 to ¥9,725 billion due mainly to increases in noncontrolling interests and accumulated other comprehensive income, net of tax, offset in part by a decrease in retained earnings.

Retained earnings decreased by ¥223 billion from March 31, 2022 to ¥2,442 billion at March 31, 2023. This decrease was due primarily to dividend payments of ¥209 billion and net loss attributable to MHFG shareholders for the fiscal year ended March 31, 2023 of ¥14 billion.

Accumulated other comprehensive income, net of tax increased by ¥209 billion from March 31, 2022 to ¥649 billion at March 31, 2023. The increase was due primarily to foreign currency translation adjustments of ¥134 billion and defined benefit plan adjustments of ¥68 billion.

Noncontrolling interests increased by ¥282 billion from March 31, 2022 to ¥810 billion at March 31, 2023. The increase was due mainly to new consolidations of certain investment funds, offset in part by the deconsolidation of certain investment funds.

Liquidity

We continuously endeavor to enhance the management of our liquidity profile to meet our customers' loan demand and deposit withdrawals and respond to unforeseen situations such as adverse movements in stock prices, foreign currency exchange rates, interest rates and other markets or changes in general domestic or international conditions. We manage our liquidity profile through the continuous monitoring of our cash flow situation, the enforcement of upper limits on funds raised in financial markets and other means as further set forth in "Item 11. Quantitative and Qualitative Disclosures about Credit, Market and Other Risk—Liquidity Risk Management."

Deposits, based on our broad customer base and brand recognition in Japan, have been our primary source of liquidity. Our total deposits increased by ¥7,758 billion, or 4.9%, from March 31, 2022 to ¥164,936 billion as of March 31, 2023. Our average balance of deposits for the fiscal year ended March 31, 2023 of ¥164,880 billion exceeded our average balance of loans for the same period by ¥70,383 billion. We invested the excess portion primarily in marketable securities and other high liquidity assets.

Secondary sources of liquidity include short-term borrowings such as call money and funds purchased and payables under repurchase agreements. We also issue long-term debt, including both senior and subordinated debt, as additional sources for liquidity. We utilize short-term borrowings to diversify our funding sources and to manage our funding costs. We raise senior and subordinated long-term debt for the purpose of improving our total loss absorbing capacity and capital adequacy ratios, which also enhances our liquidity profile. We believe we are able to access such sources of liquidity on a stable and flexible basis based on our current credit ratings. The following table shows credit ratings assigned to us and to our principal banking subsidiaries by S&P and Moody's as of May 31, 2023:

	As of May 31, 2023					
	S&P			Moody's		
	Long-term	Short-term	Stand-alone credit profile	Long-term	Short-term	Baseline credit assessment
Mizuho Financial Group	A-	—	—	A1	P-1	—
Mizuho Bank	A	A-1	a	A1	P-1	baa1
Mizuho Trust & Banking	A	A-1	a	A1	P-1	baa1

We source our funding in foreign currencies primarily from corporate customers, foreign governments, financial institutions and institutional investors, through short-term and long-term financing, under terms and pricing commensurate with our credit ratings above, and customer deposits. In the event of future declines in our

credit quality or that of Japan in general, we expect to be able to purchase foreign currencies in sufficient amounts using the yen funds raised through our domestic customer base. As further measures to support our foreign currency liquidity, we hold foreign debt securities and maintain credit lines and swap facilities denominated in foreign currencies.

In order to maintain appropriate funding liquidity, our principal banking subsidiaries hold highly liquid investment assets such as Japanese government bonds as liquidity reserve assets. We monitor the amount of liquidity reserve assets and report such amount to the Risk Management Committee, the Balance Sheet Management Committee and our President & Group CEO on a regular basis. Minimum regulatory reserve amounts, or the reserve amount deposited with the Bank of Japan pursuant to applicable regulations that is calculated as a specified percentage of the amount of deposits held by our principal banking subsidiaries, are excluded in connection with our management of liquidity reserve asset levels. We established and apply classifications for the cash flow conditions affecting the group, including the amount of liquidity reserve assets, that range from "Normal" to "Anxious" and "Crisis" categories, and take appropriate actions based on such conditions. As of March 31, 2023, the balance of Japanese government bonds included within our investments and measured at fair value was ¥16.4 trillion (excluding held-to-maturity securities), and a majority of this amount, which has historically not fluctuated significantly over the course of a fiscal year, was classified as the principal component of liquidity reserve assets.

Under the regulatory liquidity requirements in Japan that consist of the liquidity coverage ratio ("LCR") standard and the net stable funding ratio ("NSFR") standard, the regulatory minimum requirements of LCR and NSFR are 100% on both a consolidated and non-consolidated basis for banks with international operations or on a consolidated basis for bank holding companies with international operations. Under the disclosure guidelines of the Financial Services Agency, banks and bank holding companies with international operations are required to disclose the three-month averages of daily LCR and to disclose NSFR on a quarterly basis. Set forth below are the averages of the daily end balances of consolidated LCR data of Mizuho Financial Group, and consolidated and non-consolidated LCR data of our principal banking subsidiaries, each for the three months ended March 31, 2023, and consolidated NSFR data of Mizuho Financial Group, and consolidated and non-consolidated NSFR data of our principal banking subsidiaries, each as of March 31, 2023. The figures are calculated based on our financial statements prepared in accordance with Japanese GAAP and the guidelines on LCR and NSFR established by the Financial Services Agency. All yen figures in this table are truncated.

Liquidity Coverage Ratio (LCR)

	For the three months ended March 31, 2023
	(in billions of yen, except percentages)
Mizuho Financial Group (Consolidated)	
Total high-quality liquid assets ("HQLA") allowed to be included in the calculation (weighted)	¥ 77,599
Net cash outflows (weighted)	59,419
LCR	130.6%
Mizuho Bank (Consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 73,115
Net cash outflows (weighted)	56,158
LCR	130.2%
Mizuho Bank (Non-consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 72,141
Net cash outflows (weighted)	54,236
LCR	133.0%
Mizuho Trust and Banking (Consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 2,704
Net cash outflows (weighted)	2,112
LCR	128.1%
Mizuho Trust and Banking (Non-consolidated)	
Total HQLA allowed to be included in the calculation (weighted)	¥ 2,629
Net cash outflows (weighted)	2,020
LCR	130.3%

Net Stable Funding Ratio (NSFR)

	As of March 31, 2023
	(in billions of yen, except percentages)
Mizuho Financial Group (Consolidated)	
Available stable funding (weighted)	¥112,497
Required stable funding (weighted)	91,786
NSFR	122.5%
Mizuho Bank (Consolidated)	
Available stable funding (weighted)	¥107,323
Required stable funding (weighted)	86,676
NSFR	123.8%
Mizuho Bank (Non-consolidated)	
Available stable funding (weighted)	¥103,743
Required stable funding (weighted)	82,965
NSFR	125.0%
Mizuho Trust and Banking (Consolidated)	
Available stable funding (weighted)	¥ 3,534
Required stable funding (weighted)	3,069
NSFR	115.1%
Mizuho Trust and Banking (Non-Consolidated)	
Available stable funding (weighted)	¥ 3,473
Required stable funding (weighted)	3,006
NSFR	115.5%

For more information on LCR and NSFR, see "Item 4. Information on the Company—Supervision and Regulation—Liquidity."

Off-balance-sheet Arrangements

We engage in various types of off-balance-sheet arrangements in the ordinary course of our business to meet the financing needs of our customers. These arrangements include various guarantees and commitments. The following tables show the contractual or notional amounts of our guarantees and undrawn commitments as of March 31, 2022 and 2023:

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Guarantees:			
Performance guarantees	¥ 3,254	¥ 3,548	¥ 294
Guarantees on loans	419	228	(191)
Guarantees on securities	75	82	7
Other guarantees	2,899	3,306	407
Guarantees for the repayment of trust principal	22	18	(4)
Liabilities of trust accounts	478	554	76
Derivative financial instruments	36,484	83,420	46,936

	As of March 31,		Increase (decrease)
	2022	2023	
	(in billions of yen)		
Commitments:			
Commitments to extend credit	¥92,203	¥100,973	¥ 8,770
Commercial letters of credit	1,422	1,336	(86)
Total commitments	¥93,625	¥102,309	¥ 8,684

See note 22 to our consolidated financial statements included elsewhere in this annual report for the description of the nature of the various types of guarantees and commitments.

The contractual or notional amounts of these instruments generally represent the maximum potential amounts of future payments without consideration of possible recoveries under recourse provisions or from collateral held. For example, the amount under commitments to extend credit does not necessarily equal the impact that such commitment will have on our future cash flow, because many of these commitments expire without our making actual credit extensions up to the full commitment amount or at all. Also, many of the agreements related to the commitments to extend credit include terms that allow us to refuse, or reduce the amount of, credit extensions based on changes in the financial environment, declines in the obligor's credit quality and other reasons. Finally, we receive collateral such as real estate and securities at the time of the contract as we deem necessary, and we regularly review the credit quality of the customer based on the internal guidelines and revise the terms of the contract as we deem necessary to manage credit risks.

Some of our off-balance-sheet arrangements are related to activities of special purpose entities, most of which are variable interest entities. For further information, see note 23 to our consolidated financial statements included elsewhere in this annual report.

Tabular Disclosure of Contractual Obligations

In the normal course of business, we enter into contractual obligations that require future cash payments. The following table sets forth a summary of our contractual cash obligations as of March 31, 2023:

	Due in one year or less	Due from one year to two years	Due from two years to three years	Due from three years to four years	Due from four years to five years	Due after five years	Total
				(in billions of yen)			
Time deposits	¥40,793	¥1,402	¥ 992	¥ 263	¥ 315	¥ 221	¥43,986
Certificates of deposit	13,242	456	90	—	—	—	13,788
Long-term debt	1,178	3,758	703	1,428	1,291	6,535	14,893
Finance leases	2	1	1	1	1	1	7
Operating leases	79	60	54	44	34	324	595
Total[(1)(2)]	¥55,292	¥5,676	¥1,839	¥1,735	¥1,640	¥7,080	¥73,262

Notes:

(1) Contributions to our pension plans, which are not included in the above table, are expected to be approximately ¥32 billion in the fiscal year ending March 31, 2024, based on the current funded status and expected asset return assumptions. For further information, see note 20 to our consolidated financial statements included elsewhere in this annual report.

(2) Unrecognized tax benefits, which are not included in the above table, were ¥7.0 billion, of which ¥2.3 billion was interest and penalties, as of March 31, 2023. For further information, see note 19 to our consolidated financial statements included elsewhere in this annual report.

Capital Adequacy

All yen figures and percentages in this subsection are truncated. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Regulatory Capital Requirements

Mizuho Financial Group and its principal banking subsidiaries are subject to regulatory capital requirements administered by the Financial Services Agency in accordance with the provisions of the Banking Act and related regulations. Failure to meet minimum capital requirements may initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on our financial condition and results of operations.

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the Financial Services Agency closely follow the risk-adjusted approach proposed by BCBS and are intended to further strengthen the soundness and stability of Japanese banks. In December 2010, BCBS issued the Basel III rules text (later revised in June 2011, January 2013, October 2014 and December 2017), which presents the details of global regulatory standards on bank capital adequacy and liquidity agreed by the Governors and Heads of Supervision, which is the oversight body of BCBS, and endorsed by the G20 Leaders at the Seoul summit in November 2010. The rules text sets out higher and better-quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement, and the introduction of the capital conservation buffer and countercyclical capital buffer as measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two global liquidity standards. The Financial Services Agency's revisions to its capital adequacy guidelines became effective from March 31, 2013, which generally reflect the rules in the Basel III rules text that have been applied from January 1, 2013. The framework of Basel III is based on the following three pillars: minimum capital requirements; supervisory review; and market discipline. Under the first pillar, the capital ratio is calculated by dividing regulatory capital, or risk-based capital, by risk-weighted assets. Under the second pillar, banks are required to maintain adequate capital to support all of the major risks in their business and are encouraged to

develop and use better risk management techniques in monitoring and managing such risks. Under the third pillar, banks are required to enhance disclosure, including disclosure of details of the capital adequacy ratio, the amount of each type of risk and the method of calculation used so that the market may make more effective evaluations.

With regard to risk-based capital, the guidelines based on Basel III set out higher and better-quality capital standards compared to those under Basel II, which had been effective until Basel III was applied. The guidelines based on Basel III require a target minimum standard capital adequacy ratio of 8%, Tier 1 capital ratio of 6% and Common Equity Tier 1 capital ratio of 4.5%, on both a consolidated and non-consolidated basis for banks with international operations, such as Mizuho Bank and Mizuho Trust & Banking, or on a consolidated basis for bank holding companies with international operations, such as Mizuho Financial Group.

Risk-based capital, calculated from financial statements prepared under Japanese GAAP, is classified into the following two tiers: Tier 1 capital; and Tier 2 capital. Tier 1 capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital. Common Equity Tier 1 capital generally consists of common stock, capital surplus, retained earnings, accumulated other comprehensive income and other disclosed reserves and others less any regulatory adjustments. Additional Tier 1 capital generally consists of instruments issued by a bank or its holding company that meet the criteria for inclusion in Additional Tier 1 capital and others less any regulatory adjustments. Tier 2 capital generally consists of instruments issued by a bank or its holding company such as subordinated debt that meet the criteria for inclusion in Tier 2 capital, general reserve for possible losses on loans (equaling the sum of (i) the excess of the amount of qualified reserves over the amount of expected losses and (ii) the amount of general reserves calculated based on the standardized approach) and others less any regulatory adjustments. Regulatory adjustments such as goodwill and other intangibles, and defined benefit pension fund assets and liabilities, are to be applied mainly to the calculation of Common Equity Tier 1 capital in the form of deductions.

In November 2011, the Financial Stability Board (“FSB”) published policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions. The policy measures include requirements for G-SIBs to have additional loss absorption capacity tailored to the impact of their default, ranging from 1% to 2.5% of risk-weighted assets, to be met with Common Equity Tier 1 capital, which would be in addition to the minimum Common Equity Tier 1 capital ratio of 4.5%, the capital conservation buffer of 2.5% and the countercyclical capital buffer. We were included in the list of G-SIBs updated in November 2022 and were allocated to the category that would require 1.0% of additional loss absorbency.

In November 2015, the Financial Services Agency published the revised capital adequacy guidelines to introduce the Basel III rules text regarding the capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and domestic systemically important banks (“D-SIBs”). These guidelines became effective on March 31, 2016. The capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and D-SIBs must be met with Common Equity Tier l capital under the revised guidelines, and if such buffer and requirement are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out. The capital conservation buffer became fully effective in March 2019 at 2.5%. In addition, subject to national discretion by the respective regulatory authorities, if the relevant national authority judges a period of excess credit growth to be leading to the build-up of system-wide risk, a countercyclical capital buffer ranging from 0% to 2.5% would also be imposed on banking organizations. The countercyclical capital buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures.

In December 2015, the Financial Services Agency published a capital adequacy guideline regarding the designation of G-SIBs and D-SIBs in Japan. We were designated as both a G-SIB and a D-SIB, and the additional loss absorption capacity requirement applicable to us was 1.0% on a fully effective basis. The additional loss absorption capacity requirement was the same as that imposed by the FSB, which became fully effective in March 2019 at 1.0%.

The Leverage Ratio framework is critical and complementary to the risk-based capital framework that will help ensure broad and adequate capture of both on- and off-balance sheet sources of banks' leverage. This simple, non-risk-based measure is intended to restrict the build-up of excessive leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy. Implementation of the leverage ratio requirements began with bank-level reporting to national supervisors of the leverage ratio and its components, and public disclosure is required from January 2015. Basel III's leverage ratio is defined as the "capital measure" (numerator) divided by the "exposure measure" (denominator) and is expressed as a percentage. The capital measure is defined as Tier 1 capital, and the minimum leverage ratio is defined as 3%.

The Financial Services Agency applied the requirement to meet the minimum leverage ratio for bank holding companies and banks with international operations from March 31, 2019. The minimum leverage ratio is defined as 3% on a consolidated basis for bank holding companies with international operations, such as Mizuho Financial Group, or on both a consolidated and non-consolidated basis for banks with international operations, such as Mizuho Bank and Mizuho Trust & Banking.

Related to regulatory capital requirements, in November 2015, the FSB issued the final TLAC standard for G-SIBs. The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalization capacity available in resolution for authorities to implement an orderly resolution. G-SIBs are required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework.

Following the publication of the final TLAC standards for G-SIBs by the FSB, in April 2016, the Financial Services Agency published an explanatory paper outlining its approach for the introduction of the TLAC framework in Japan, and a revised version of this document was published in April 2018. In March 2019, the Financial Services Agency published regulatory notices and related materials to implement the TLAC requirements in Japan, which (i) was phased in from March 31, 2019 and has been fully applied from March 31, 2022 for Japanese G-SIBs, and (ii) has been phased in from March 31, 2021 and will be fully applied from March 31, 2024 for a financial group designated as a D-SIB by the Financial Services Agency which is deemed to be in particular need of a cross-border resolution arrangement and to be of particular systemic significance to the Japanese financial system in the event of its failure (together with Japanese G-SIBs, the "Covered SIBs"). According to the Financial Services Agency's approach above, which is subject to change based on future international discussions, the preferred resolution strategy for Covered SIBs is SPE resolution, in which resolution tools are applied to the ultimate holding company of a group by a single national resolution authority, although the actual measures to be taken will be determined on a case-by-case basis considering the actual condition of the relevant Covered SIB in crisis. To implement this SPE resolution strategy effectively under the FSB's final TLAC standards and the Japanese TLAC requirements, the ultimate holding company in Japan of the relevant Covered SIB designated as the resolution entity in Japan of such Covered SIB by the Financial Services Agency (the "Domestic Resolution Entity") is required to (i) meet the minimum external TLAC requirements, and (ii) cause its material subsidiaries or material sub-groups that are designated as systemically important by the Financial Services Agency or that are subject to TLAC requirements or similar requirements by the relevant foreign authority to maintain a certain level of capital and debt recognized as having loss-absorbing and recapitalization capacity, or internal TLAC. Under the Japanese TLAC regulations, the Financial Services Agency designated Mizuho Financial Group as the Domestic Resolution Entity, and designated Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities as Mizuho Financial Group's material subsidiaries in Japan. External TLAC eligible instruments generally consist of instruments issued by the Domestic Resolution Entity of the relevant Covered SIB that meet the criteria for inclusion in external TLAC requirements and others less any regulatory adjustments. Internal TLAC eligible instruments generally consist of instruments issued by the material subsidiaries of the relevant Covered SIBs designated as systemically important by the Financial Services Agency, which are subject to the internal TLAC requirements such as subordinated debt that meet the criteria for inclusion in internal TLAC requirements and others less any regulatory adjustments.

Under the Japanese TLAC regulations, G-SIBs are required to meet a minimum TLAC requirement of at least 18% of the resolution group's risk-weighted assets and at least 6.75% of the Basel III leverage ratio denominator. In addition, Japanese G-SIBs are allowed to count the Japanese Deposit Insurance Fund Reserves in an amount equivalent to 3.5% of their consolidated risk-weighted assets as their external TLAC. For more information regarding the Japanese TLAC regulations, see "Item 4. Information on the Company—Supervision and Regulation—Total Loss Absorbing Capacity."

In December 2017, the BCBS published the finalized Basel III reforms endorsed by the GHOS. The finalized reforms complement the initial phase of Basel III reforms, seek to restore credibility in the calculation of risk-weighted assets and improve the comparability of banks' capital ratios. In addition, under the finalized Basel III reforms, G-SIBs are required to meet a leverage ratio buffer, which will take the form of a Tier 1 capital buffer set at 50% of the applicable G-SIB's risk-weighted capital buffer, and various refinements are made to the definition of the leverage ratio exposure measure based on the text of the leverage ratio framework issued by the BCBS in January 2014. Furthermore, in January 2019, the GHOS endorsed the finalized market risk capital framework that was scheduled to take effect as of January 1, 2022, concurrent with the implementation of the finalized Basel III reforms. The revised framework was initially scheduled to mainly take effect from January 1, 2022. In March 2020, however, the GHOS announced that, in order to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the coronavirus disease (COVID-19) on the global banking system, it endorsed a set of measures, including the deferral of the implementation date of the finalized Basel III reforms by one year to January 1, 2023, and the extension of the accompanying transitional arrangements for the output floor by one year to January 1, 2028, as well as the implementation date of the finalized market risk capital framework by one year to January 1, 2023. As a result, under the finalized Basel III reforms, the revisions to the capital floor were scheduled to be phased in from January 1, 2023, with the initial capital floor of 50%, and were scheduled to be fully implemented at 72.5% from January 1, 2028, and the leverage ratio requirements under the finalized definition of the leverage ratio exposure measure were scheduled to take effect from January 1, 2023,and the leverage ratio buffer requirement for G-SIBs took effect from January 1, 2023.

In March 30, 2020, the Financial Services Agency announced a deferral of the date of implementation in Japan of the Basel III finalization framework by one year until March 31, 2023. Furthermore, in April and November 2022, the Financial Services Agency published amendments to the regulatory notices regarding operational risk, credit risk, market risk and CVA risk under the Basel III finalization framework, under which the implementation of the Basel III finalization framework was further deferred in Japan by one year, based on the international situation and dialogue with stakeholders, such that in respect of the Japanese banks with international operations and Japanese banks with only domestic operations that have been using internal model-based approaches for measuring risks, the implementation date was delayed to March 31, 2024, except for banks that have notified the Financial Services Agency that they wish to implement the Basel III finalization framework earlier.

In July 2022, the Financial Services Agency published amendments to the regulatory notices regarding the leverage ratio requirements under the finalized definition of the leverage ratio exposure measure, and the leverage ratio buffer requirement for G-SIBs, under which, in Japan, (i) the leverage ratio regulations under the finalized definition of the leverage ratio exposure measure will be implemented, simultaneously in conjunction with the capital adequacy requirements under the Basel III finalization framework, from March 31, 2024, except for financial institutions that implement the Basel III finalization framework earlier, and (ii) the leverage ratio buffer requirement for G-SIBs took effect from March 31, 2023. In addition, in November 2022, the Financial Services Agency published revised ordinances regarding the leverage ratio buffer requirement for G-SIBs under the finalized Basel III reforms with effect from March 2023, under which, if such buffer requirements are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out.

In June 2020, in coordination with the monetary policy of the Bank of Japan in response to the impact of COVID-19, the Financial Services Agency amended the leverage ratio regulations and TLAC regulations, which introduced the temporary measures to exclude amounts of deposits held at the Bank of Japan from the calculation

of leverage ratio exposure and external TLAC ratio on a total exposure basis due to the uncertainty of the impact of COVID-19. The implementation period of such temporary measures has been extended to the end of March 2024. In November 2022, the Financial Services Agency amended the leverage ratio regulations and the TLAC regulations, with effect from April 2024, which will raise the minimum leverage ratio from 3% to 3.15% and the minimum TLAC ratio on a total exposure basis from 6.75% to 7.10%, and add 0.05% to the leverage ratio buffer requirement for G-SIBs, while continuing to exclude amounts of deposits held at the Bank of Japan from the calculation of the leverage ratio exposure and the external TLAC ratio on a total exposure basis, taking into account exceptional macroeconomic conditions and other circumstances. For more information, see "Item 4. Information on the Company—Supervision and Regulation—Capital Adequacy," "Item 4. Information on the Company—Supervision and Regulation—Leverage Ratio" and "Item 4. Information on the Company—Supervision and Regulation—Total Loss Absorbing Capacity."

If the capital adequacy ratio or the leverage ratio of a financial institution falls below the required level, the Financial Services Agency may, depending upon the extent of capital deterioration, take certain corrective action, including requiring the financial institution to submit an improvement plan to strengthen its capital base, reduce its total assets, restrict its business operations or other actions that could have a material effect on its financial condition and results of operations. If the capital conservation buffer, the countercyclical capital buffer, the additional loss absorption capacity requirement for G-SIBs and D-SIBs or the leverage ratio buffer requirement for G-SIBs are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out. The capital distribution constraints plan is required to be considered reasonable to restore the capital buffer or the leverage ratio buffer, and include restrictions on capital distributions, such as dividends, share buybacks and bonuses payments, up to a certain amount as determined depending on the level of the capital buffer.

Unless otherwise specified, the regulatory capital information set forth in this "—Capital Adequacy" is based on the current Basel III rules.

Consolidated Capital Adequacy Ratios, Leverage Ratios and TLAC Ratios

Our consolidated capital adequacy ratios, leverage ratios and TLAC ratios as of March 31, 2022 and 2023, calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency, were as set forth in the following table:

	As of		
	March 31, 2022	March 31, 2023	Increase (decrease)
	(in billions of yen, except percentages)		
Common Equity Tier 1 (CET1) capital	¥ 8,067.2	¥ 8,315.5	¥ 248.2
Additional Tier 1 capital	1,646.0	1,487.8	(158.1)
Tier 1 capital	9,713.2	9,803.3	90.1
Tier 2 capital	1,638.3	1,503.5	(134.8)
Total capital	¥ 11,351.6	¥ 11,306.9	¥ (44.7)
Risk-weighted assets	¥ 64,730.4	¥ 70,434.1	¥5,703.7
CET1 capital ratio	12.46%	11.80%	(0.66%)
Required CET1 capital ratio[1]	8.01%	8.06%	—
Tier 1 capital ratio	15.00%	13.91%	(1.09%)
Required Tier 1 capital ratio[1]	9.51%	9.56%	—
Total capital ratio	17.53%	16.05%	(1.48%)
Required total capital ratio[1]	11.51%	11.56%	—
CET1 available after meeting the bank's minimum capital requirements	7.96%	7.30%	(0.66%)
Total Exposure[2]	¥212,972.0	¥219,441.1	¥6,469.1
Leverage ratio[3]	4.56%	4.46%	(0.10%)
External TLAC ratio (risk-weighted assets basis, excluding capital buffers)	24.24%	24.02%	(0.22%)
External TLAC ratio (total exposure basis, including capital buffers)[4]	8.43%	8.85%	0.42%

Note:

(1) The required ratios described above, as of March 31, 2022 and 2023, include the capital conservation buffer of 2.5%, the countercyclical capital buffer of 0.01% and 0.06%, respectively, and the additional loss absorbency requirements for G-SIBs and D-SIBs of 1.00%, which are all in addition to the regulatory minima. The respective required amounts are determined by applying the ratios to the sum of the risk-weighted assets and certain other risk amounts. These buffers and additional loss absorbency requirements are applied to us but not to our banking subsidiaries.

(2) As of March 31, 2022 and 2023, our total exposures (excluding the impact of any applicable temporary exemption of deposits with the Bank of Japan) were ¥251,582.8 billion and ¥271,418.1 billion, respectively.

(3) As of March 31, 2022 and 2023, our leverage ratios on a consolidated basis (excluding the impact of any applicable temporary exemption of deposits with the Bank of Japan) were 3.86% and 3.61%, respectively.

(4) As of March 31, 2022 and 2023, our external TLAC ratios on a total exposure basis (excluding the impact of any applicable temporary exemption of deposits with the Bank of Japan) were 7.14% and 7.15%, respectively.

Our total capital ratio as of March 31, 2023 was 16.05%, a decrease of 1.48% points compared to March 31, 2022. Our Tier 1 capital ratio as of March 31, 2023 was 13.91%, a decrease of 1.09% points compared to March 31, 2022. Our Common Equity Tier 1 capital ratio as of March 31, 2023 was 11.80%, a decrease of 0.66% points compared to March 31, 2022. Our total capital ratio, Tier 1 capital ratio and Common Equity Tier 1 capital ratio decreased due mainly to an increase the risk-weighted assets. We believe that we were in compliance with all capital adequacy requirements to which we were subject as of March 31, 2023.

Principal Banking Subsidiaries

Capital adequacy ratios and leverage ratios of our principal banking subsidiaries, on a consolidated basis, as of March 31, 2022 and 2023, calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency, were as set forth in the following table:

	As of		
	March 31, 2022	March 31, 2023	Increase (decrease)
Mizuho Bank			
Common Equity Tier 1 capital ratio	11.68%	10.51%	(1.17%)
Tier 1 capital ratio	14.42%	12.78%	(1.64%)
Total capital ratio	17.02%	14.94%	(2.08%)
Leverage ratio	4.32%	4.03%	(0.29%)
Mizuho Trust & Banking			
Common Equity Tier 1 capital ratio	25.18%	25.94%	0.76%
Tier 1 capital ratio	25.18%	25.94%	0.76%
Total capital ratio	25.18%	25.95%	0.77%
Leverage ratio	10.20%	10.61%	0.41%

We believe each of our principal banking subsidiaries was in compliance with all capital adequacy requirements to which it was subject as of March 31, 2023.

Our securities subsidiary in Japan is also subject to the capital adequacy requirement under the Financial Instruments and Exchange Act. Under this requirement, securities firms whose total assets exceed ¥1 trillion, such as Mizuho Securities, must maintain a minimum capital adequacy ratio of 120% both on a consolidated and non-consolidated basis calculated as a percentage of capital accounts less certain assets, as determined in accordance with Japanese GAAP, against amounts equivalent to market, counterparty and basic risks. Specific guidelines are issued as a ministerial ordinance and a regulatory notice that detail the definition of essential

components of the capital ratios, including capital, disallowed assets and risks, and related measures. Failure to maintain a minimum capital ratio will trigger mandatory regulatory actions. For example, each on a non-consolidated basis, a capital ratio of less than 140% will call for regulatory reporting, a capital ratio of less than 120% may lead to an order to change the business conduct or place the property in trust and a capital ratio of less than 100% may lead to a temporary suspension of all or part of the business operations and further, to the cancellation of the license to act as a securities broker and dealer. We believe, as of March 31, 2023, that our securities subsidiary in Japan was in compliance with all capital adequacy requirements to which it was subject.

Recent Accounting Pronouncements

See note 2 to our consolidated financial statements included elsewhere in this annual report.

Reconciliation with Japanese GAAP

Our consolidated financial statements are prepared in accordance with accounting principles and policies as summarized in note 1 to our consolidated financial statements included elsewhere in this annual report. These principles and policies differ in some respects from Japanese GAAP. For reporting based on Japanese banking regulations, we prepare our annual financial results using financial statements in accordance with Japanese GAAP. In addition, pursuant to the Japanese securities law and the requirements of the Tokyo Stock Exchange, we prepare quarterly financial statements which are also under Japanese GAAP. To show the major reconciling items between our U.S. GAAP financial statements and our Japanese GAAP financial statements, we have provided below, with respect to our most recent fiscal year, a reconciliation of consolidated net income and shareholders' equity under U.S. GAAP with those amounts under Japanese GAAP.

	As of and for the fiscal year ended March 31, 2023	
	Total MHFG shareholders' equity	Net income attributable to MHFG shareholders
	(in billions of yen)	
U.S. GAAP	¥8,915.5	¥ (14.0)
Differences arising from different accounting for:		
1. Derivative financial instruments and hedging activities	(38.0)	373.0
2. Investments	(122.2)	209.6
3. Loans	259.5	30.3
4. Allowances for credit losses on loans and off-balance-sheet instruments	141.0	9.8
5. Premises and equipment	(172.7)	29.3
6. Land revaluation	155.1	(4.3)
7. Business combinations	(88.0)	(8.3)
8. Pension liabilities	71.6	71.6
9. Consolidation of variable interest entities	76.4	43.0
10. Deferred taxes	(68.5)	(187.2)
11. Foreign currency translation	—	7.7
12. Other	3.6	(5.0)
Japanese GAAP	¥9,133.3[1]	¥ 555.5

Note:
(1) Includes total accumulated other comprehensive income and stock acquisition rights.

The following is a summary of the significant adjustments made to consolidated shareholders' equity and net income, as shown in the above table, to reconcile the U.S. GAAP results with the Japanese GAAP results. The paragraphs below refer to the corresponding items set forth in the table above.

1. Derivative financial instruments and hedging activities

Under U.S. GAAP, for a derivative to qualify for hedge accounting, it must be highly effective in achieving offsetting changes in fair values or variable cash flows of the hedged items attributable to the particular risk being hedged. The hedging relationship must be designated and formally documented at inception. Such documentation must include the particular risk management objective and strategy for the hedge, the identification of the derivative used as the hedging instrument, the hedged item and the risk exposure being hedged and the method for assessing the hedge effectiveness. The criteria for designation and measurement of hedge effectiveness under U.S. GAAP are more rigorous than under Japanese GAAP. As a result, most of the eligible hedge derivatives under Japanese GAAP are accounted for as trading account assets or liabilities under U.S. GAAP with changes in fair value of the derivatives recognized in earnings.

Requirements for bifurcation of embedded derivatives differ between Japanese GAAP and U.S. GAAP. Embedded derivatives that are deemed to be clearly and closely related to their host contracts are not bifurcated under U.S. GAAP, while Japanese GAAP allows an entity to bifurcate embedded derivatives if the entity manages the risk of the embedded derivatives and host contracts separately. Bifurcated derivatives are recorded on the balance sheet at fair value with changes in fair value recognized in earnings under both Japanese GAAP and U.S. GAAP.

2. Investments

The cost basis of certain investments differs between Japanese GAAP and U.S. GAAP primarily due to the following reasons:

Under U.S. GAAP, equity securities (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are measured at fair value with changes in fair value recognized in earnings, while under Japanese GAAP, those securities are measured at fair value with changes in fair value recognized in other comprehensive income.

Under U.S. GAAP, we report foreign currency denominated debt securities as trading securities, and the entire amount of changes in their fair values are recognized in earnings, while under Japanese GAAP, only the changes attributable to movements in foreign currency exchange rates are recognized in earnings.

Under U.S. GAAP, available-for-sale debt securities are impaired if the fair value is less than the amortized cost (excluding accrued interest receivable). For available-for-sale debt securities, in the cases where we have the intent to sell an available-for-sale debt security or more likely than not will be required to sell an available-for-sale debt security before the recovery of its amortized cost basis, the entire difference between amortized cost basis and fair value is recognized immediately through earnings. In other cases, we evaluate expected cash flows to be received and determine if a credit loss exists, and if so, the amount of the credit loss is recognized in provision (credit) for credit losses, while the remaining decline in fair value is recognized in other comprehensive income, net of applicable taxes. Under Japanese GAAP, significant declines in the fair value of securities below cost that are deemed to be “other-than-temporary” are recorded in earnings unless short term recovery is reasonably expected. A decline in the fair value of a security of 50% or more of its cost is a strong indicator of an other-than-temporary decline, which requires compelling evidence to prove otherwise. A decline in the fair value of 30% or more but less than 50% of its cost is an indicator of an other-than-temporary decline, in which case the probability of recovery must be evaluated to determine whether an other-than-temporary decline has occurred. Generally, if the decline in the fair value is less than 30%, it is not considered to be an other-than-temporary decline.

3. Loans

Under U.S. GAAP, loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income over the contractual life of the relevant loan using the interest method, while certain fees and costs are recognized in earnings at the time the loan is originated under Japanese GAAP.

In addition, certain loan participations and sales of loans to special purpose vehicles in connection with asset securitization transactions under Japanese GAAP do not meet sales criteria under U.S. GAAP due to different applicable criteria, and therefore the relevant loans are recognized on the balance sheet under U.S. GAAP.

4. Allowances for credit losses on loans and off-balance-sheet instruments

Effective April 1, 2020, the allowance for credit losses on loans was established for current expected credit losses on our loan portfolio in accordance with ASC 326. The allowance considers expected credit losses over the remaining expected lives of the applicable instruments. The expected life of each loan is determined by considering expected prepayments, contractual terms and cancellation features. When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. This forward-looking macroeconomic scenario is consistent with what is used in our stress testing and is in line with the scenario used for our business plan. If the scenario does not reflect a sudden change in economic conditions adequately, adjustments may be made to the scenario. After the forecast period, we revert to long-term historical loss experience with a certain graduated transition period, to estimate losses over the remaining lives of loans.

In general, we estimate expected credit losses collectively on the loans in the case of normal obligors and watch obligors, considering the risk associated with a particular pool and the probability that the exposures within the pool will deteriorate or default. The estimation of expected credit losses that are evaluated collectively begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one obligor category or rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to our estimated exposure at default. Under Japanese GAAP, a collective allowance is generally estimated using historical loss experience based on historical results according to the obligor ratings, whereas under U.S. GAAP the allowance is based on the methodology that reflects expected credit losses over the remaining lives and requires consideration of a broader range of information such as relevant information about past events supportable forecasts, inclusive of macroeconomic assumptions, and the expected life of the loan.

Under both Japanese GAAP and U.S. GAAP, the allowance for credit losses for specifically identified nonaccrual loans is based on the present value of expected future cash flows discounted at the loan's initial effective interest rate or, as a practical expedient, the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The differences between Japanese GAAP and U.S. GAAP arise from the difference in the scope of the loans that are subject to the individual and portfolio nonaccrual analysis.

In addition to these effects based on differences between Japanese GAAP and U.S. GAAP, due to the difference in the timing of public filings between our consolidated financial statements under U.S. GAAP and those under Japanese GAAP, we evaluate newly available information such as macroeconomic assumptions and obligor credit worthiness, which could result in the allowance for credit losses on loans being different between Japanese GAAP and U.S. GAAP.

This reconciling item also includes the differences between U.S. GAAP and Japanese GAAP relating to the allowance for credit losses on off-balance-sheet instruments. We generally use the same methodology to reserve for losses on these instruments as we do for loans.

5. Premises and equipment

Under Japanese GAAP, a company can elect to allocate entity-wide long-lived assets that do not have identifiable cash flows that are largely independent of the cash flows of other assets and liabilities, among individual divisions within an entity, whereas U.S. GAAP does not have such an election. Under Japanese GAAP, we have been making this election since the fiscal year ended March 31, 2019.

With regard to internal-use software, under U.S. GAAP, the costs to develop or obtain software that allow for access to or conversion of old data by new systems are capitalized and amortized once the software is ready for its intended use, while they are expensed after full implementation across the company under Japanese GAAP. On the other hand, the general and administrative costs and the overhead costs are expensed as the costs of internal-use software under U.S. GAAP, but they are capitalized under Japanese GAAP.

6. Land revaluation

Under Japanese GAAP, we revalued our holdings of land during the fiscal year ended March 31, 1998 pursuant to the Act Concerning Revaluation of Land (Act No. 34 of 1998). The revaluation gains are recorded directly in equity, and the related deferred tax liabilities are also recognized. Under U.S. GAAP, there is no applicable provision that allows for the revaluation of land other than for impairments, and accordingly the revaluation gains are reversed.

7. Business combinations

Under U.S. GAAP, goodwill is not amortized and an impairment loss is recorded to the extent the carrying amount of the goodwill exceeds its estimated fair value at the measurement date. Under Japanese GAAP, goodwill is amortized over an appropriate period not to exceed 20 years and an impairment loss is recorded only if the effects of the goodwill are no longer expected.

8. Pension liabilities

Under Japanese GAAP, we adopted as of April 1, 2000 pension accounting that is based on the actuarial present value of accrued benefit obligations. The cumulative effect of the accounting change was amortized over a specified number of years, and actuarial gains and losses are amortized over a specified number of years. Under U.S. GAAP, we recalculated the benefit obligation at April 1, 2004 and accounted for the obligation as if we had adopted the accounting method in accordance with ASC 715, “Compensation—Retirement Benefits,” beginning in the fiscal year ended March 31, 1990, as permitted for a foreign private issuer. The cumulative effect of the accounting change, as well as actuarial gains and losses since the adoption, had been fully amortized by April 1, 2004.

Under both Japanese GAAP and U.S. GAAP, an employer is required to recognize the overfunded or underfunded status of a defined benefit plan as an asset or liability in its consolidated balance sheets. Actuarial gains or losses and prior service costs or benefits that have not yet been recognized through earnings as net periodic benefit cost are recognized in other comprehensive income, net of tax, until they are amortized as a component of net periodic benefit cost. Actuarial gains or losses are amortized based on the corridor approach according to ASC 715 under U.S. GAAP, while they are amortized over a specified number of years under Japanese GAAP. Due mainly to the differences in the balances of actuarial gains or losses and prior service costs or benefits and in amortization methods, there are differences in the amounts of shareholders’ equity and net income between U.S. GAAP and Japanese GAAP.

Under U.S. GAAP, we enhanced the calculation of the benefit obligations by refining the anticipated future mortality rate assumption improvement in the calculation.

During the fiscal year ended March 31, 2023, certain subsidiaries of ours partially withdrew assets from employee retirement benefit trusts, which were established for the payment of employees’ severance pay and retirement pensions. Under U.S. GAAP, no gains or losses have been recognized as a consequence of this transaction.

See note 20 to our consolidated financial statements included elsewhere in this annual report for further discussion.

9. Consolidation of variable interest entities

Under U.S. GAAP, variable interest entities are to be consolidated if we are deemed to be the primary beneficiary of the variable interest entity. Under Japanese GAAP, consolidation is not based on variable interests. We consolidate certain variable interest entities, such as entities related to asset-backed securitizations, investments in securitization products and investment funds. See note 23 to our consolidated financial statements included elsewhere in this annual report for further discussion.

10. Deferred taxes

Under U.S. GAAP, all available evidence, both positive and negative, must be considered to determine whether, based on the weight of that evidence, deferred tax assets are realizable or whether a valuation allowance is needed. Possible sources of taxable income, which are considered to determine whether deferred tax assets are realizable, include net unrealized gains on available-for-sale securities. Under Japanese GAAP, the assessment as to whether deferred tax assets are realizable is primarily based on estimates of future taxable income.

Additionally, differences in the carrying amount of assets and liabilities between U.S. GAAP and Japanese GAAP create temporary differences that result in differences in deferred tax assets and liabilities.

11. Foreign currency translation

Under Japanese GAAP, the income statement items of our foreign entities are translated into yen, our presentation currency, using the respective fiscal year-end exchange rates, while under U.S. GAAP, they are translated into the presentation currency using the average rates of exchange for the respective fiscal years.

12. Other

This adjustment reflects the effects of miscellaneous items.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. Directors and Senior Management

Directors

Shown below is information regarding the directors of Mizuho Financial Group, Inc. as of June 28, 2023:

				Committee Membership					
Name	Age	Director Type	Chair of the Board	Nominating	Compensation	Audit	Risk[4]	Human Resources[5]	System Failure[6]
Yoshimitsu Kobayashi	76	Independent[1]	—	**Chair**	—	—	—	Member	—
Ryoji Sato	76	Independent[1]	—	—	—	Member	—	—	Member
Takashi Tsukioka	72	Independent[1]	—	Member	Member	**Chair**	—	Member	Member
Kotaro Ohno	71	Independent[1]	—	Member	—	Member	—	Member	Member
Hiromichi Shinohara	69	Independent[1]	—	Member	—	**—**	Member	Member	Member
Masami Yamamoto	69	Independent[1]	—	Member	**Chair**	**—**	**—**	Member	—
Izumi Kobayashi	64	Independent[1]	**Chair**	Member	**—**	—	Member	Member	**Chair**
Yumiko Noda	63	Independent[1]	—	—	Member	—	Member	—	—
Seiji Imai	61	Non-executive[2]	—	—	—	—	—	—	—
Hisaaki Hirama	60	Non-executive[2]	—	—	—	Member	**Chair**	—	**—**
Masahiro Kihara	57	Executive[3]	—	—	—	—	—	**Chair**	—
Makoto Umemiya	58	Executive[3]	—	—	—	—	—	—	—
Motonori Wakabayashi	58	Executive[3]	—	—	—	—	—	—	—
Nobuhiro Kaminoyama	55	Executive[3]	—	—	—	—	—	—	—

Notes:
(1) Directors satisfying the requirements for outside directors, as defined in the Companies Act of Japan, and those for independent directors, as defined both by the Tokyo Stock Exchange, Inc. and by Mizuho Financial Group, Inc.
(2) Directors not concurrently serving as executive officers, employees or executive directors of Mizuho Financial Group, Inc. or its subsidiaries.
(3) Directors concurrently serving as executive officers.
(4) Risk Committee consists of four directors and two outside experts (who are not directors).
(5) Human Resources Review Meeting consists of seven directors.
(6) System Failure Response Evaluation Committee consists of five directors.

The directors' current positions, key business experiences in the past and major concurrent offices (if any) are as follows:

Mr. Yoshimitsu Kobayashi has been Member of the Board of Directors since June 2020. Previously, he had been Chairperson and Representative Director, President of Mitsubishi Chemical Holdings Corporation *. He concurrently serves as Chairman of the Board of Directors (Outside Director) of Tokyo Electric Power Company Holdings, Inc.

* Current Mitsubishi Chemical Group Corporation

Mr. Ryoji Sato has been Member of the Board of Directors since June 2020. Previously, he had been Chief Executive Officer of Deloitte Touche Tohmatsu LLC. He concurrently serves as Audit & Supervisory Board Member of Nippon Life Insurance Company (Outside Director (Audit & Supervisory Committee Member) since July 2022).

Mr. Takashi Tsukioka has been Member of the Board of Directors since June 2021. Previously, he had been Representative Director, Chairman / Chief Executive Officer of Idemitsu Kosan Co., Ltd. He concurrently serves as Honorary Advisor of Idemitsu Kosan Co., Ltd. and Outside Director of MITSUI-SOKO HOLDINGS Co., Ltd.

Mr. Kotaro Ohno has been Member of the Board of Directors since June 2023. Previously, he had been Superintending Prosecutor of the Tokyo High Public Prosecutors Office and Prosecutor-General. He concurrently serves as Advisor of Atsumi & Sakai and Outside Audit & Supervisory Board Member of Komatsu Ltd.

Mr. Hiromichi Shinohara has been Member of the Board of Directors since June 2023. Previously, he had been Senior Executive Vice President / Chairman of the Board of Directors of Nippon Telegraph and Telephone Corporation. He concurrently serves as Executive Advisor of Nippon Telegraph and Telephone Corporation and Outside Director of Yamaha Corporation.

Mr. Masami Yamamoto has been Member of the Board of Directors since June 2019. Previously, he had been Representative Director, Chairman / President of Fujitsu Limited. He concurrently serves as Director, Senior Advisor of Fujitsu Limited and Outside Director of JFE Holdings, Inc.

Ms. Izumi Kobayashi has been Member of the Board of Directors since June 2017. Previously, she had been President and Representative Director of Merrill Lynch Japan Securities Co., Ltd.*; and Executive Vice President of the Multilateral Investment Guarantee Agency of the World Bank Group. She concurrently serves as Outside Director of ANA HOLDINGS INC. and Outside Director of OMRON Corporation.

*Current BofA Securities Japan Co., Ltd

Ms. Yumiko Noda has been Member of the Board of Directors since June 2023. Previously, she had been President and Representative Director of Veolia Japan K.K.; and Partner of Head of PPP and Infrastructure of PwC Advisory; and Deputy Mayor of Yokohama City. She concurrently serves as Chairman and Representative Director of Veolia Japan K.K. and Outside Director of Idemitsu Kosan Co., Ltd. and Outside Director of Benesse Holdings, Inc.

Mr. Seiji Imai has been a non-executive Member of the Board of Directors and Chairman (*Kaicho*) since April 2022. Previously, he had been Member of the Board of Directors from June 2021 to April 2022; Deputy President & Senior Executive Officer / Head of Global Corporate Company from April 2021 to April 2022; and Head of Corporate & Institutional Company and Representative Executive Officer from April 2020 to April 2022; and Head of Global Products Unit from April 2020 to April 2021; and Head of Global Corporate Company from April 2018 to April 2020; and Head of Asia & Oceania excl. East Asia from April 2016 to April 2018.

Note: Chairman (Kaicho) Imai engages in the company's external activities, but does not chair the Board meetings. The Board meetings are chaired by the independent director chair Izumi Kobayashi.

Mr. Hisaaki Hirama has been a non-executive Member of the Board of Directors since June 2019. Previously, he had been Head of Internal Audit Group of Mizuho Bank, Ltd. from April 2017 to April 2019; Executive Officer, General Manager of Nagoya Corporate Branch of Mizuho Bank, Ltd. from April 2015 to April 2017; and Executive Officer, General Manager of Marunouchi-Chuo Branch Division No.1 of Mizuho Bank, Ltd. from April 2014 to April 2015.

Mr. Masahiro Kihara has been the President & Group CEO (Representative Executive Officer) and Member of the Board of Directors since February 2022 and June 2022, respectively. Previously, he had been Head of Global Products Unit from April 2021 to April 2022; and Deputy Head of Corporate & Institutional Company and Deputy Head of Global Corporate Company from April 2021 to February 2022; and Head of Strategic Planning Group of Mizuho Securities Co., Ltd. from April 2020 to April 2021; and Head of Financial Control & Accounting Group of Mizuho Securities Co., Ltd. or in charge of similar responsibilities from April 2018 to April 2021; and Executive Officer, General Manager of Risk Management Department of Mizuho Securities Co., Ltd. from April 2017 to April 2018. He concurrently serves as Member of the Board of Directors at each of Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., and Mizuho Securities Co., Ltd.

Mr. Makoto Umemiya has been Deputy President & Senior Executive Officer / Group Chief Digital Officer (Group CDO) or in charge of similar responsibilities since April 2022 , and Member of the Board of

Directors since April 2020. Previously, he had been Head of Financial Control & Accounting Group (Group CFO) since June 2017 to April 2023; and General Manager of Financial Planning Department from April 2014 to April 2017. He concurrently serves as Deputy President & Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd. and President, CEO & Representative Director of Blue Lab Co., Ltd.

Mr. Motonori Wakabayashi has been Senior Executive Officer / Group Chief Risk Officer (Group CRO) or in charge of similar responsibilities and Member of the Board of Directors since April 2019 and June 2019, respectively. Previously, he had been Head of Compliance Group (Group CCO) from November 2021 to April 2022; and Member of the Board of Directors of Mizuho Research & Technologies, Ltd. from April 2021 to April 2022; and Head of Research & Consulting Unit or in charge of similar responsibilities from April 2016 to April 2020; and in charge of business promotion of Mizuho Bank, Ltd. from April 2016 to April 2018 ; and Executive Officer, General Manager of Industry Research Division of Mizuho Bank, Ltd. from April 2015 to April 2016. He concurrently serves as Deputy President & Executive Officer of Mizuho Bank, Ltd.

Mr. Nobuhiro Kaminoyama has been Senior Executive Officer / Group Chief Human Resources Group (Group CHRO) or in charge of similar responsibilities and Member of the Board of Directors since April 2021 and June 2021, respectively. Previously, he had been General Manager of Corporate Secretariat from June 2018 to June 2021; and General Manager of Corporate Banking Department No.9 from April 2017 to April 2018. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Executive Officers

Shown below is information regarding the executive officers of Mizuho Financial Group, Inc. as of June 28, 2023:

Name	Age	Title	Area of Oversight
Masahiro Kihara[1]	57	President & Group CEO[2]	President & Group CEO
Makoto Umemiya[1]	58	Deputy President & Senior Executive Officer[2]	Group Chief Digital Officer(Group CDO)
Kazutoshi Isogai	54	Senior Executive Officer	Head of Retail & Business Banking Company
Masayuki Sugawara	58	Senior Executive Officer	Head of Corporate & Investment Banking Company
Hidekatsu Take	58	Senior Executive Officer	Head of Global Corporate & Investment Banking Company / In Charge of Specially Assigned Matters
Kenya Koshimizu	56	Senior Executive Officer	Co-Head of Global Markets Company
Daishi Sasaki	55	Senior Executive Officer	Co-Head of Global Markets Company
Noriyuki Sato	57	Senior Executive Officer	Head of Asset Management Company / In Charge of Specially Assigned Matters
Tsutomu Yamamoto	54	Senior Executive Officer	Head of Global Transaction Banking Unit
Yasuhiko Ushikubo	56	Senior Executive Officer	Head of Research & Consulting Unit / Group Chief Sustainability Officer (Group CSuO)
Naoshi Inomata	56	Senior Executive Officer	Group Chief Strategy Officer (Group CSO) / General Manager of Strategic Planning Office
Minako Nakamoto	54	Senior Executive Officer	Group Chief Governance Officer (Group CGO)
Takefumi Yonezawa	52	Senior Executive Officer	Group Chief Financial Officer (Group CFO) / General Manager of International Accounting Standards Project Team
Motonori Wakabayashi[1]	58	Senior Executive Officer	Group Chief Risk Officer (Group CRO)
Nobuhiro Kaminoyama[1]	55	Senior Executive Officer	Group Chief Human Resources Officer (Group CHRO)
Natsumi Akita	51	Senior Executive Officer	Group Chief People Officer (Group CPO) / Group Chief Culture Officer (Group CCuO)
Koji Yonei	61	Senior Executive Officer	Group Chief Information Officer (Group CIO)
Mitsuhiro Kanazawa	55	Senior Executive Officer	Group Co-Chief Information Officer (Group Co- CIO) / Group Chief Process Officer (Group CPrO)
Makoto Matsubara	55	Senior Executive Officer	Group Chief Compliance Officer (Group CCO)
Hisashi Kikuchi	57	Senior Executive Officer	Group Chief Audit Executive (Group CAE)

Notes:

(1) Executive officers concurrently serving as directors.
(2) Representative Executive Officer.

The executive officers' current positions, key business experiences in the past and major concurrent offices (if any) are as follows:

For information on **Messrs. Masahiro Kihara, Makoto Umemiya, Motonori Wakabayashi, and Nobuhiro Kaminoyama**, see "—Directors."

Mr. Kazutoshi Isogai has been Senior Executive Officer / Head of Retail & Business Banking Company since April 2023. Previously, he had been Deputy Head of Retail & Business Banking Company from April 2022 to April 2023; and General Manager for Strategic Planning Group or in charge of similar responsibilities from March 2021 to April 2022; and General Manager of Fukuoka Branch of Mizuho Bank, Ltd. or in charge of similar responsibilities from April 2019 to March 2021; and General Manager of Financial Planning Department from April 2017 to April 2019. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd.

Mr. Masayuki Sugawara has been Senior Executive Officer / Head of Corporate & Investment Banking Company since April 2023. Previously, he had been CEO for East Asia or in charge of similar responsibilities from April 2019 to April 2023; and Chairman of Mizuho Bank (China) Ltd. from August 2019 to June 2023; and General Manager of Bangkok Branch of Mizuho Bank., Ltd. from April 2017 to April 2019. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd.

Mr. Hidekatsu Take has been Senior Executive Officer /Head of Global Corporate & Investment Banking Company or in charge of similar responsibilities and In Charge of Specially Assigned Matters since April 2022 and April 2023, respectively. Previously, he had been Head of Corporate & Institutional Company since April 2022 to April 2023; and Head of Sogo Shosha, Realty & Financial Sponsor Industry Group of Mizuho Bank, Ltd. or in charge of similar responsibilities from April 2021 to April 2022; and Head of Asia Oceania from April 2018 to April 2021; and Joint Head of Americas of Mizuho Bank, Ltd. from April 2016 to April 2018. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd.

Mr. Kenya Koshimizu has been Senior Executive Officer / Co-Head of Global Markets Company since April 2022, and Co-Head of Global Markets Division of Mizuho Bank, Ltd. since April 2019. Previously, he had been Co-Head of Fixed Income Business Division of Mizuho Securities Co., Ltd. from April 2018 to April 2019; and General Manager of Treasury Department from April 2017 to April 2018. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Mr. Daishi Sasaki has been Senior Executive Officer / Co-Head of Global Markets Company since April 2023. Previously, he had been Head of Global Markets Division / Head of Research & Consulting Unit of Mizuho Securities Co., Ltd. from April 2021 to April 2023; and Deputy Head of Global Markets Division of Mizuho Securities Co., Ltd. from April 2020 to April 2021; and Head of Equity Business Division of Mizuho Securities Co., Ltd. or in charge of similar responsibilities from April 2018 to April 2020. He concurrently serves as Managing Executive Officer of Mizuho Securities Co., Ltd.

Mr. Noriyuki Sato has been Senior Executive Officer / Head of Asset Management Company and In Charge of Specially Assigned Matters since April 2023. Previously, he had been Director, Chief Executive Officer of Agility Asset Advisers (PhillipCapital Group), AP Property Fund Management from May 2021 to April 2023; and Director, Chief Strategy Officer of Agility Asset Advisers (PhillipCapital Group), AP Property Fund Management or in charge of similar responsibilities from April 2020 to May 2021; and Chief Investment Officer of Asset Management One, Singapore from July 2017 to April 2020. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd.

Mr. Tsutomu Yamamoto has been Senior Executive Officer / Head of Global Transaction Banking Unit since April 2023. Previously, he had been Head of Global Corporate Division / Head of Global Products Unit of Mizuho Bank, Ltd. or in charge of similar responsibilities from April 2021 to April 2023; and Deputy Head of Asia & Oceania / General Manager of Asia &Oceania Corporate Banking Department of Mizuho Bank, Ltd. from August 2020 to April 2021; and General Manager of Head of Europe Department of Mizuho Bank, Ltd. or in charge of similar responsibilities from April 2018 to April 2020; He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd.

Mr. Yasuhiko Ushikubo has been Senior Executive Officer / Head of Research & Consulting Unit and Group Chief Sustainability Officer (Group CSuO) since April 2020 and September 2022, respectively.

Previously, he had been Deputy President of Mizuho Research & Technologies, Ltd. from April 2021 to April 2023; and Deputy Head of Research & Consulting Unit from April 2019 to April 2020; and General Manager of Industry Research Department from April 2016 to April 2019. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and as Member of the Board of Directors of Mizuho Research & Technologies, Ltd.

Mr. Naoshi Inomata has been Senior Executive Officer / Group Chief Strategy Officer (Group CSO) or in charge of similar responsibilities and General Manager of Strategic Planning Office since April 2020 and April 2023, respectively. Previously, he had been in charge of Specially Assigned Matters from April 2019 to April 2021; and General Manager of Asia & Oceania Department of Mizuho Bank, Ltd. from April 2016 to April 2019. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Ms. Minako Nakamoto has been Senior Executive Officer / Group Chief Governance Officer (Group CGO) since April 2023. Previously, she had been General Manager of Corporate Planning Department of Mizuho Securities Co., Ltd. from April 2020 to April 2023; and General Manager of Ginza Branch of Mizuho Bank, Ltd. from April 2018 to April 2020. She concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Mr. Takefumi Yonezawa has been Senior Executive Officer / Group Chief Financial Officer (Group CFO) and General Manager of International Accounting Standards Project Team since April 2023 and April 2022, respectively. Previously, he had been Deputy Head of Financial Control & Accounting Group from April 2022 to April 2023; and General Manager of Financial Planning Department from April 2019 to April 2022; and Joint General Manager of Financial Planning Department from April 2016 to April 2019. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Ms. Natsumi Akita has been Senior Executive Officer / Group Chief People Officer (Group CPO) and Group Chief Culture Officer (Group CCuO) since April 2023 and December 2022, respectively. Previously, she had been Vice President of Marketing Division of Adobe Inc. from April 2018 to May 2022; and Senior Director of Marketing Division of Adobe Inc. from April 2017 to April 2018; and Vice President of Japan Region of Mastercard Inc. from November 2015 to April 2017. She concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd.

Mr. Koji Yonei has been Senior Executive Officer / Group Chief Information Officer (Group CIO) or in charge of similar responsibilities since January 2022. Previously, he had been Group Chief Digital Innovation Officer (Group CDIO) from January 2022 to April 2022; and Co-Head of IT & Systems Group from July 2021 to January 2022; and Vice President, COO of MI Digital Services Co., Ltd. from June 2020 to July 2021; and Deputy Head of IT & Systems Group or in charge of similar responsibilities from April 2013 to April 2020. He concurrently serves as Deputy President & Executive Officer of Mizuho Bank, Ltd.; and Member of the Board of Directors of Mizuho Research & Technologies, Ltd.

Mr. Mitsuhiro Kanazawa has been Senior Executive Officer / Group Co-Chief Information Officer (Group Co- CIO) or in charge of similar responsibilities and Group Chief Process Officer (Group CPrO) since April 2022 and April 2023, respectively. Previously, he had been Deputy Head of Strategic Planning Group or in charge of similar responsibilities from March 2021 to April 2022; and General Manager of Risk Management Department from April 2020 to March 2021; and he had been in charge of Credit of Global Corporate Department from April 2019 to April 2020; and General Manager of Americas Division from April 2015 to April 2019.

Mr. Makoto Matsubara has been Senior Executive Officer / Group Chief Compliance Officer (Group CCO) or in charge of similar responsibilities since April 2022. Previously, he had been Group Chief Crisis Management Officer (Group CCMO) from July 2021 to April 2022; and Executive Officer, General

Manager of Global Talent Planning and Management Department or in charge of similar responsibilities from April 2019 to July 2021; and General Manager of Planning Administration Department from April 2018 to April 2019; and General Manager of Compliance Department from April 2016 to April 2018. He concurrently serves as Managing Executive Officer of Mizuho Bank, Ltd. and Mizuho Trust & Banking Co., Ltd.

Mr. Hisashi Kikuchi has been Senior Executive Officer / Group Chief Audit Executive (Group CAE) or in charge of similar responsibilities since April 2020. Previously, he had been Head of Strategic Planning Group (Group CSO) from April 2018 to April 2020; Member of the Board of Directors from June 2018 to June 2019; and General Manager of Corporate Secretariat from April 2015 to June 2018. He concurrently serves as Member of the Board of Directors (Audit & Supervisory Committee Member) of Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd., and Corporate Auditor of Mizuho Research & Technologies, Ltd.

No family relationship exists among any of the directors and executive officers.

6.B. Compensation

As a Company with Three Committees under the Companies Act, compensation for each individual director and executive officer as defined in the Companies Act, including bonuses, retirement allowances, incentive stock options, performance payments and stock compensation, needs to be determined at the Compensation Committee, which is required to consist of at least three directors and the majority of which is required to consist of outside directors. See "Item 6. C. Board Practices" for more information regarding Mizuho Financial Group's corporate governance.

The aggregate compensation paid by Mizuho Financial Group and its subsidiaries to the directors and executive officers as defined in the Companies Act of Mizuho Financial Group for the fiscal years ended March 31, 2023 (basic salaries, stock compensation I (paid or expected to be paid at the time of retirement) and others) and March 31, 2022 (performance payments and stock compensation II (paid during the term in office)) are shown on the following table:

			Aggregate Amounts of Compensation by Type (in millions of yen)					
			For the fiscal year ended March 31, 2023			For the fiscal year ended March 31, 2022		
Classification		Aggregate Amount of Compensation (in millions of yen)	Basic Salaries	Stock Compensation I (paid or expected to be paid at the time of retirement)	Other	Performance Payments	Stock Compensation II (paid during the term in office)	Other
Directors	Amount	319	229	40	0	—	—	49
	Number of Persons	9	9	9	8	—	—	1
Executive officers as defined in the Companies Act	Amount	1,548	789	127	1	314	316	—
	Number of Persons	23	18	18	18	17	17	—

Notes:
(1) Fractions are rounded down.
(2) With respect to the number of persons, the directors and executive officers as defined in the Companies Act who were actually paid or expected to be paid for the fiscal years ended March 31, 2022 and 2023 are stated.
(3) With respect to the amounts, the aggregate amounts paid or expected to be paid for the fiscal years ended March 31, 2022 and 2023 are stated.

(4) The aggregate compensation paid to directors who concurrently serve as executive officers as defined in the Companies Act is included in the above table as those of "Executive officers as defined in the Companies Act."

(5) The number of directors in the "Basic Salaries" and "Stock Compensation I" column for the fiscal year ended March 31, 2023 includes one director who retired on June 21, 2022. The number of executive officers as defined in the Companies Act for the compensation for the fiscal year ended March 31, 2022 includes one executive officer as defined in the Companies Act who resigned on November 26, 2021, one executive officer as defined in the Companies Act who resigned on January 17, 2022, one executive officer as defined in the Companies Act who was dismissed (*) on February 1, 2022, and two executive officers as defined in the Companies Act who resigned on April 1, 2022.
(*Due to health reasons, the original plan (resignation on April 1, 2022) was moved forward.)

(6) With respect to the Stock Compensation I for the directors and the executive officers as defined in the Companies Act, the amounts given are obtained by multiplying the stock ownership points granted by the Compensation Committee of Mizuho Financial Group in July 2022 based on the functions and responsibilities of each of the Officers, as the stock ownership points granted for the fiscal year ended March 31, 2023 (one (1) point translates into one (1) share of common stock of Mizuho Financial Group) by the book value of Mizuho Financial Group stock (¥1,607.087 per share).

(7) The condolence money premiums subsidies concerning the fiscal year ended March 31, 2023 are included in the above table under the "Other" column for the fiscal year ended March 31, 2023, which are based on the decision by the Compensation Committee.

(8) The metric for such performance payments and stock compensation II for the fiscal year ended March 31, 2022 was our consolidated net business profits and net gains or losses related to ETFs and others and consolidated net income and consolidated ROE and expense ratio. The target amount and results of the consolidated net business profits and net gains or losses related to ETFs and others metric were ¥790.0 billion and ¥853.1 billion, respectively. The target amount and results of the consolidated net income metric were ¥510.0 billion and ¥530.4 billion, respectively. The target amount and result of consolidated ROE metric were 6.1% and 6.4%, respectively. The target amount and results of the expense ratio metric were 64.0% and 63.3%, respectively.

(9) With respect to the performance payments for executive officers as defined in the Companies Act, the amounts decided by the Compensation Committee of Mizuho Financial Group in July 2022 as the performance payments for the fiscal year ended March 31, 2022 are stated.

(10) With respect to the Stock Compensation II for the executive officers as defined in the Companies Act, the amounts given are obtained by multiplying the stock ownership points granted by the Compensation Committee of Mizuho Financial Group in July 2022 based on each position and performance, as the stock ownership points granted for the fiscal year ended March 31, 2022 by the book value of Mizuho Financial Group stock (¥1,607.087 per share). Stock Compensation II for the fiscal year ended March 31, 2022 is expected to be paid as deferred payments over three years from the fiscal year ending March 31, 2024.

(11) Because the amount of the performance payments and stock compensation II to be paid with respect to the fiscal year ended March 31, 2023 has not yet been determined at present, the aggregate compensation above does not include the amount of such performance payments and stock compensation II; however, the necessary reserve is recorded for accounting purposes.

Listed companies in Japan are required under Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc., to disclose the compensation provided to their directors, audit & supervisory board members and executive officers as defined in the Companies Act for the relevant fiscal year if the aggregate annual compensation per the director / audit & supervisory board member / executive officer as defined in the Companies Act equals or exceeds ¥100 million (including any compensation provided by major subsidiaries of such listed company as directors and audit & supervisory board members of such subsidiaries). The following table sets forth the relevant information that Mizuho Financial Group has disclosed pursuant to such regulations:

			Aggregate Amounts of Compensation by Type (in millions of yen)					
			For the fiscal year ended March 31, 2023			For the fiscal year ended March 31, 2022		
Name (Classification)	Aggregate Amount of Compensation (in millions of yen)	Company	Basic Salaries	Stock Compensation I (paid or expected to be paid at the time of retirement)	Other	Performance Payments	Stock Compensation II (paid during the term in office)	Other
Masahiro Kihara	146	Mizuho Financial Group	74	16	0	12	13	—
(Executive officer as defined in the Companies Act)		Mizuho Bank	4	0	—	8	9	—
		Mizuho Trust & Banking	1	0	—	0	0	—
		Mizuho Securities	2	0	—	0	0	—
Seiji Imai (Director)	136	Mizuho Financial Group	75	14	0	22	23	—
Naofumi Fuke (Executive officer as defined in the Companies Act)	111	Mizuho Financial Group	40	9	0	29	31	—
Makoto Umemiya	105	Mizuho Financial Group	22	3	0	8	8	—
(Executive officer as defined in the Companies Act)		Mizuho Bank	24	3	—	9	9	—
		Mizuho Trust & Banking	8	1	—	3	3	—

Note:

(1) Fractions are rounded down.

(2) An executive officer as defined in the Companies Act who concurrently serves as a director is indicated as Executive officer as defined in the Companies Act.

Mizuho Financial Group and some of its subsidiaries, including the former Mizuho Bank and the former Mizuho Corporate Bank, abolished their respective retirement allowance programs for directors, audit & supervisory board members and officers. At the ordinary general meeting of shareholders held in June 2008, Mizuho Financial Group and such subsidiaries obtained shareholders' approval for a payment of lump sum retirement allowances for directors and audit & supervisory board members (other than those elected after such shareholders' meeting) at the time of their respective retirement.

In conjunction with the abolishment of the retirement allowance program, Mizuho Financial Group obtained shareholders' approval for the introduction of stock acquisition rights for directors (excluding outside directors) at the ordinary general meeting of shareholders held on June 26, 2008. On January 30, 2009, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 5,409 stock acquisition rights on February 16, 2009. As the directors of Mizuho Financial Group, the directors received 435 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until February 16, 2029. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥190,910 as of March 31, 2023.

On September 3, 2009, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 5,835 stock acquisition rights on September 25,

2009. As the directors of Mizuho Financial Group, the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until September 25, 2029. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥168,690 as of March 31, 2023.

On July 30, 2010, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 6,808 stock acquisition rights on August 26, 2010. As the directors of Mizuho Financial Group, the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until August 26, 2030. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥119,520 as of March 31, 2023.

On November 18, 2011, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 12,452 stock acquisition rights on December 8, 2011. As the directors of Mizuho Financial Group, the directors received 500 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until December 8, 2031. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥91,840 as of March 31, 2023.

On July 31, 2012, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 11,776 stock acquisition rights on August 31, 2012. As the directors of Mizuho Financial Group, the directors received 498 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until August 31, 2032. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥113,250 as of March 31, 2023.

On January 31, 2014, the Board of Directors resolved to issue stock acquisition rights to directors and executive officers, and subsequently allotted an aggregate of 7,932 stock acquisition rights on February 17, 2014. As the directors of Mizuho Financial Group, the directors received 184 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until February 17, 2034. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥192,610 as of March 31, 2023.

On May 14, 2014, the Board of Directors determined to delegate to the President & CEO the authority to determine to issue stock acquisition rights to directors and executive officers, provided that Mizuho Financial Group would transform from a Company with Audit & Supervisory Board into a Company with Three Committees. Later, on June 24, 2014, the transformation was approved at the ordinary general meeting of shareholders.

On November 14, 2014, the President & CEO determined to issue stock acquisition rights to directors and executive officers and subsequently allotted an aggregate of 9,602 stock acquisition rights on December 1, 2014. As the directors of Mizuho Financial Group, the directors received 126 stock acquisition rights. Each stock acquisition right represents a right to purchase 100 shares of the common stock at ¥1 per share of common stock. The period during which the stock acquisition rights may be exercised shall be until December 1, 2034. Their exercise is conditioned on the holder losing his or her status as director or executive officer. The book value of each stock acquisition right was ¥186,990 as of March 31, 2023.

Mizuho Financial Group's Compensation Committee resolved, at the meeting held on May 15, 2015, to discontinue the incentive stock option program along with the introduction of performance payments and stock compensation for directors and officers. In addition, the Compensation Committee resolved, at the meeting held on June 14, 2018, to amend the compensation system in order to further clarify the linkage between business performance and compensation. For further information on the current compensation system, including performance payments and stock compensation, see "Mizuho Financial Group Basic Policy for Executive Compensation" below.

"Mizuho Financial Group Basic Policy for Executive Compensation"

Mizuho Financial Group set out the "Mizuho Financial Group Basic Policy for Executive Compensation" (the "Basic Policy for Executive Compensation") concerning the determination of compensation for each individual director and executive officer (the "Officers") of Mizuho Financial Group as well as Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities (the "Three Core Companies").

Basic Principle

Executive compensation shall be provided as compensation for the responsibilities assigned to and the performance of, each of the Officers, and function as an incentive for each of the Officers to exercise their designated function to the fullest in our effort to realize management that contributes to value creation for various stakeholders and improve corporate value through continuous and stable corporate growth, based on our basic management policies under our corporate philosophy.

Executive Compensation System

1. Executive compensation for each of the Officers shall be determined based on a pre-determined executive compensation system.
2. The executive compensation system shall include systems and rules related to, among other factors, payment compensation standard (standard amounts), structure (such as fixed and variable portions), form (such as cash or stocks) and timing (such as regular payment or payment at resignation).
3. The executive compensation system shall be established in accordance with both domestic and foreign rules and guidelines concerning executive compensation.
4. The executive compensation system shall reflect our economic and social environment as well as our group's medium- and long-term business performance, and we shall establish our system appropriately by referring to such systems of other companies, including our competitors, in its establishment.

Control

1. Part of an Officer's executive compensation shall be provided on a deferred payment basis over multiple years in order to mitigate risks stemming from actions taken for short-term gains that are excessively risky or could compromise value creation for various stakeholders.
2. We shall introduce, as necessary, methods to decrease or compel forfeiture of such deferred amounts or to compel forfeiture of, in whole or in part, compensation already paid.

Governance

1. In order to effectively secure objectivity, appropriateness and fairness with respect to executive compensation, the Compensation Committee shall determine important related matters such as this policy, the design of the executive compensation system and the executive compensation for each of director and executive officer as defined in the Companies Act.

2. All members of the Compensation Committee shall be in principle appointed from among outside directors (or at least non-executive directors), and the Chairman thereof shall be an outside director.

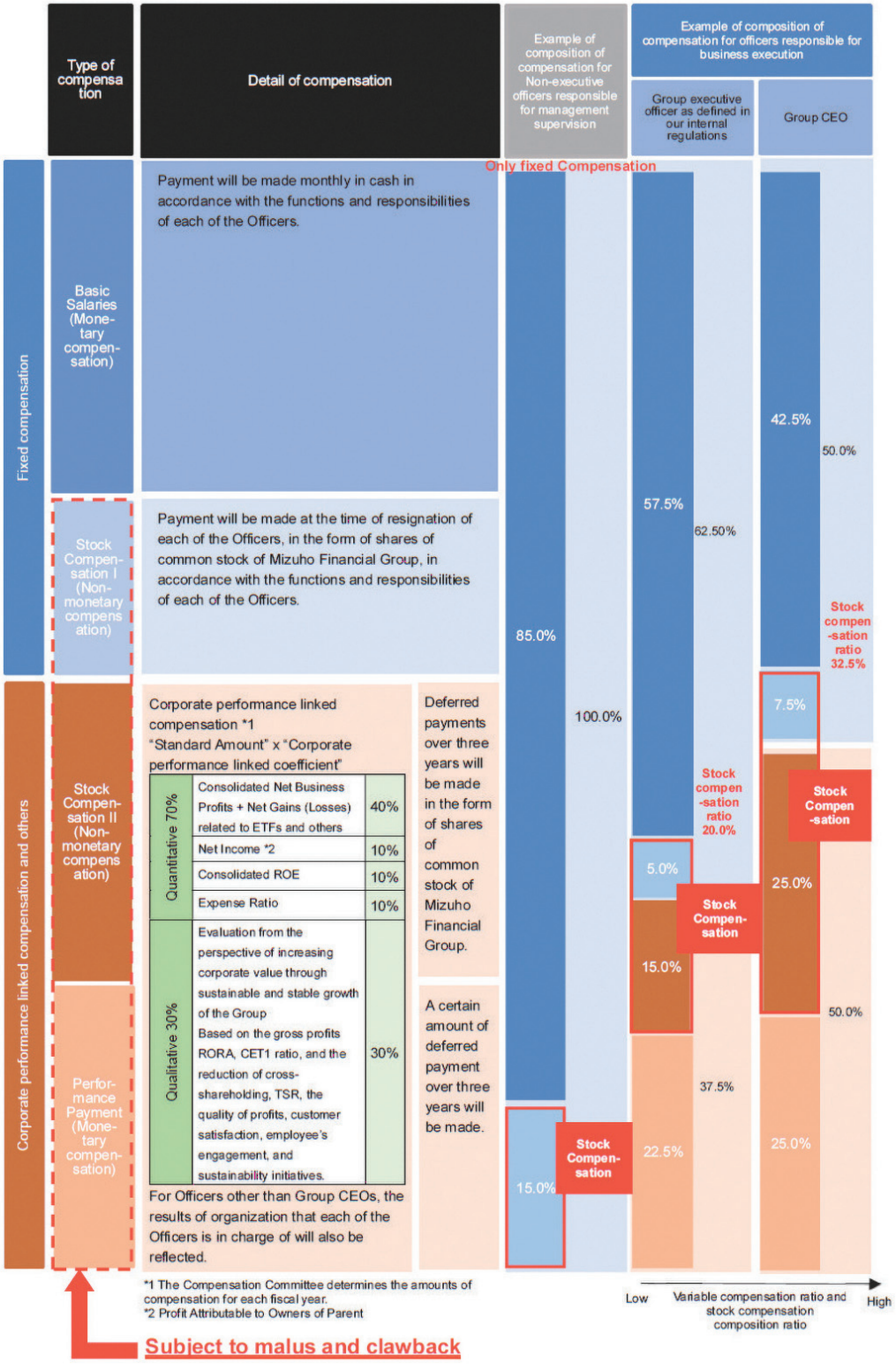
Disclosure

In order to effectively secure transparency with respect to executive compensation, this policy, the executive compensation system and executive compensation that has been decided, shall be disclosed in a lawful, appropriate manner through suitable means.

Compensation System

- Compensation for the Officers responsible for business execution shall, in principle, consist of Basic Salary, Stock Compensation and Performance Payments. In addition, the composition ratio of fixed compensation and corporate performance linked compensation and others (variable compensation) will be determined according to the functions and responsibilities of each of the Officers and the composition ratio of fixed compensation of the Group CEO is determined to be the minimum composition ratio.
- From the perspective of ensuring the effectiveness of the supervisory function, compensation for non-executive officers responsible for management supervision shall be, in principle, in the form of fixed compensation consisting of Basic Salary and Stock Compensation I and such composition shall be, in principle, 85% and 15%, respectively.

«Composition of Compensation»



* A system is adopted which enables malus (forfeiture of compensation remaining unpaid) and clawback (request for return of compensation) by resolution of the Compensation Committee depending on the performance of the group or the individual.
* For the Officers appointed outside Japan, the standard amount and the composition and details of the executive compensation may be determined individually based on local compensation rules and practices as well as compensation levels of our competitors.

- Matters regarding corporate performance linked compensation and others (variable compensation)

The corporate performance linked compensation and others (variable compensation) shall be determined by multiplying the standard amount, which is determined based on the functions and responsibilities of each of the Officers, by a corporate performance linked coefficient. To determine the coefficient, the quantitative items are evaluated based on the target achievement rates for the "Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others" (which indicates the profitability of the core operations), the "Profit Attributable to Owners of Parent" (which is the final result of management's performance), the "Consolidated ROE" and the "Expense Ratio" (which indicate the management's efficiency). The target achievement rate for each indicator will be capped at 150% and will be set at 0% if it falls below the target by a certain degree. In addition, the qualitative items are evaluated comprehensively, ranging from 0 to 150%, from the perspective of increasing corporate value through the group's sustainable and stable growth based on items that, for example, cannot be recognized only by the target achievement rates, such as the "quality of profits" (which takes into account the comparisons with previous years and other companies) and the "sustainability initiatives" (which utilized the comparisons with previous years and other companies that were evaluated by four major ESG evaluation institutions (S&P Global, Sustainalytics, MSCI and FTSE)). In addition to the above, for the Officers other than the Group CEO, the evaluation on, among other matters, the results of each organization that each of the Officers is in charge of (in-house companies and units) will also be taken into consideration. Stock Compensation II fluctuates, in principle, within the range of 0% to 130% of the standard amount, and the Performance Payment fluctuates, in principle, within the range of 0% to 170% of the standard amount.

- Matters regarding non-monetary compensation (Stock Compensation)

We have introduced a stock compensation system utilizing a trust (the "System").The System operates through the Board Benefit Trust (BBT), in which our shares are acquired from the stock market through the trust with the fund we contribute to, which is to be provided to the Officers in accordance with the Rules of Distribution of Officer Shares stipulated. The System consists of Stock Compensation I and Stock Compensation II.

Stock Compensation I refers to the system in which a fixed number of shares is given to an Officer at the time of resignation, which is determined by the functions and responsibilities of each of the Officers at the time. The system allows for a reduction or forfeiture of the compensation depending on the performance of the group or the individual.

Stock Compensation II is a system in which deferred payments over three years will be made in the form of shares determined in accordance with the level of achievement of our Five Year Business Plan or other factors (for example, the target achievement rates of the "Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others" and other items). The system allows for a reduction or forfeiture of the deferred compensation depending on the performance of the group or the individual.

The voting rights pertaining to the shares owned by the trust shall not be exercised.

Compensation Determination Process

The Compensation Committee shall determine the executive compensation system, including the compensation system set out in "Compensation System," taking into account the Basic Policy for Executive Compensation. In addition, in order to ensure fairness and objectivity concerning the compensation for each of the Officers, the Compensation Committee shall determine the compensation for each individual director and executive officer of Mizuho Financial Group as defined in the Companies Act and approve the compensation of each individual director of the Three Core Companies.

The President & CEO, pursuant to this policy and regulations and detailed rules, etc., shall determine the compensation for each executive officer as defined in our internal regulations, and approve the compensation of each individual executive officer of the Three Core Companies.

The Compensation Committee shall verify the validity of the compensation system and standards based on economic and social conditions and survey data with respect to management compensation provided by external specialized organizations.

The Compensation Committee may have officers who are not members of the committee (including officers of the Three Core Companies) such as the President & CEO and external experts, etc., attend its meetings and provide their opinion in order to facilitate adequate and appropriate discussions and determinations.

Revision and Abolishment of the Policy

Revision and abolishment of the Basic Policy for Executive Compensation shall be resolved by the Compensation Committee of Mizuho Financial Group.

6.C. Board Practices

Under the Companies Act, Companies with Three Committees are required to establish a nominating committee, a compensation committee and an audit committee and the majority of the respective committee members must be outside directors, as defined under the Companies Act. Such companies are also required to appoint executive officers under the Companies Act.

Mizuho Financial Group transformed into a Company with Three Committees from a Company with Audit & Supervisory Board in June 2014. We believe that, under the current legal system, a Company with Three Committees is the most effective as a system to realize the basic policy regarding our corporate governance system for the following reasons:

- To allow executive officers to make swift and flexible decisions on business execution delegated by the Board of Directors and to implement business execution, and to allow the Board of Directors to focus on determining matters such as basic management policies and effectively supervising management.
- To secure to the fullest extent possible a checks and balances function that fully utilizes the viewpoints of outside parties and objectively secure appropriateness and fairness in decision-making through members of the Nominating Committee, the Compensation Committee and the Audit Committee, which consist mainly of outside directors.
- To make possible the creation of systems that are necessary to realize the fundamental perspectives regarding our corporate governance in a form that takes into account what we aim to be and our challenges.
- To be in line with governance systems that are required globally with a strong recognition that we operate globally and are in a position in which we should play a leading role in the industry as a financial group that is a G-SIFI to continue constructing an even stronger governance system that will

agilely respond to domestic and global structural changes and overcome a highly competitive environment; and as a result, to allow us to fulfill our social role and mission, which is to realize continuous and stable corporate growth and improved corporate value and shareholder interests and contribute to domestic and global economic and industrial development and prosperity of society, in response to the demands of our stakeholders.

Pursuant to its articles of incorporation, Mizuho Financial Group has established general meetings of shareholders, individual directors, the Board of Directors, the Nominating Committee, the Compensation Committee, the Audit Committee and an independent accounting auditor as the primary components of its corporate governance system.

Board of Directors

Under the Companies Act, directors are elected by resolution of the general meetings of shareholders, and their term of office ends at the close of the ordinary general meeting of shareholders relating to the fiscal year ending within a year following their appointment.

In addition, under the Companies Act, the duties of the board of directors include making decisions on business execution and supervision of the execution of duties of directors and executive officers, and by its resolution, it may delegate making decisions on business execution (excluding certain specified matters) to the executive officers.

The main roles of the Board of Directors are making decisions on business execution such as basic management policies, which are legally matters to be determined solely by the Board of Directors, and supervising the execution of duties by directors and executive officers. In order to fulfill the roles mentioned above, the Board of Directors shall appropriately establish and supervise the operation of the internal control systems (regarding matters such as risk management, compliance and internal auditing) and risk governance systems of our group. The Board of Directors shall, in principle, delegate to our President & CEO, who is also our Group CEO, decisions on business execution (excluding matters that are legally required to be determined solely by the Board of Directors), for the purpose of realizing swift and flexible decision-making and expeditious corporate management and strengthening the supervision of directors and executive officers by the Board of Directors.

Pursuant to the articles of incorporation, Mizuho Financial Group may have no more than 15 directors. Mizuho Financial Group maintains the following structure in order to manage the Board of Directors in an effective and stable manner. In light of the role of the Board of Directors to supervise management, (i) outside directors and internal directors who do not concurrently serve as persons performing executive roles ("Internal Non-Executive Directors," and together with outside directors, "Non-Executive Directors") comprise a majority of the directors in the Board of Directors and (ii) at least a third of the members of the Board of Directors are outside directors. Currently, the Board of Directors consists of a total of 14 directors (eight outside directors, two Internal Non-Executive Directors and four directors concurrently serving as executive officers).

The Chairperson of the Board of Directors shall, in principle, be an outside director (or at least a Non-Executive Director) in light of the role of the Board of Directors to supervise management. Currently, Ms. Izumi Kobayashi serves as the Chairperson of the Board of Directors.

The Board of Directors held 24 meetings in the fiscal year ended March 31, 2023. In particular, the Board discussed corporate philosophy and purpose, the new medium-term business plan, a new group-based human resources system, sustainability promotion, the recognition of current management issues and the current status of key strategies at major subsidiaries, and the progress of the business improvement plan. The average attendance rate was 100%.

Nominating Committee

Under the Companies Act, the nominating committee is required to consist of at least three directors, and the majority of its members is required to consist of outside directors. The duties of the nominating committee include the determination of the contents of proposals regarding the appointment and dismissal of directors to be submitted to the general meetings of shareholders.

The main roles of the Nominating Committee of Mizuho Financial Group are determining the contents of proposals regarding the appointment and dismissal of directors of Mizuho Financial Group to be submitted to the general meetings of shareholders, exercising the approval rights held by Mizuho Financial Group with respect to the appointment and dismissal of directors of each of the Three Core Companies, and exercising the approval rights held by Mizuho Financial Group with respect to the appointment and removal of representative directors and senior directors of the Three Core Companies.

The Chairperson of the Nominating Committee shall be an outside director, and in principle its members shall be appointed from among outside directors (or at least Non-Executive Directors) in order to ensure objectivity and transparency in the appointment of directors. Currently, all members of the Nominating Committee, including the Chairperson, are outside directors. As of June 23, 2023, the members of the Nominating Committee are Mr. Yoshimitsu Kobayashi (Chairperson), Mr. Takashi Tsukioka, Mr. Kotaro Ohno, Mr. Hiromichi Shinohara, Mr. Masami Yamamoto and Ms. Izumi Kobayashi.

The Nominating Committee held 12 meetings in the fiscal year ended March 31, 2023. In particular, the Committee discussed the concept of Board composition, the succession of outside directors and our Group CEO, and director nomination and appointment for the fiscal year ending March 31, 2024 at Mizuho Financial Group and the Three Core Companies. The average attendance rate was 100%.

Compensation Committee

Under the Companies Act, the compensation committee is required to consist of at least three directors, and the majority of its members is required to consist of outside directors. The duties of the compensation committee include the determination of the compensation for each individual director and executive officer.

The main roles of the Compensation Committee of Mizuho Financial Group are determining the compensation for each individual director and executive officer of Mizuho Financial Group, exercising the approval rights held by Mizuho Financial Group regarding compensation of each individual director of the Three Core Companies, and determining the basic policies and compensation system for directors and executive officers of Mizuho Financial Group and the Three Core Companies.

The Chairperson of the Compensation Committee shall be an outside director, and in principle its members shall be appointed from among the outside directors (or at least Non-Executive Directors) in order to ensure objectivity and transparency in the compensation of directors and executive officers. Currently, all members of the Compensation Committee, including the Chairperson, are outside directors. As of June 23, 2023, the members of the Compensation Committee are Mr. Masami Yamamoto (Chairperson), Mr. Takashi Tsukioka and Ms. Yumiko Noda.

The Compensation Committee held eight meetings in the fiscal year ended March 31, 2023. The Committee discussed the determination of individual compensation for directors and executive officers, the determination of performance-linked compensation for the fiscal year ended March 31, 2022, the verification and review of compensation levels in light of market research, and the verification and review of our group's executive compensation system. The average attendance rate was 100%.

Audit Committee

Under the Companies Act, the audit committee is required to consist of at least three Non-Executive Directors, and the majority of its members is required to consist of outside directors. The duties of the audit

committee include the audit of the execution of duties by directors and executive officers and preparation of audit reports.

The main roles of the Audit Committee of Mizuho Financial Group are auditing the execution of duties by the directors and executive officers, monitoring and inspecting the establishment and management of the internal control system of Mizuho Financial Group and its subsidiaries, monitoring and inspecting the condition of the execution of duties with respect to corporate management of subsidiaries and others by executive officers, preparing audit reports, and determining the contents of proposals regarding the appointment, dismissal and non-reappointment of independent accounting auditors to be submitted to the general meetings of shareholders, and adopting resolutions regarding the approval of basic internal audit plans, as well as the Internal Audit Group's budget, commission of our Group Chief Audit Executive, and appointment of the General Manager of the Internal Audit Group.

Given that it is necessary for the Audit Committee to gather information through internal directors who are familiar with the financial business and related regulations, share information among the Audit Committee and to have sufficient coordination with internal control departments, Mizuho Financial Group shall in principle appoint one or two Internal Non-Executive Directors as full-time members of the Audit Committee. The majority of its members including the Chairperson shall be outside directors. Currently, among the four members of the Audit Committee, one member is appointed among Internal Non-Executive Directors as a full-time member of the Audit Committee, and three members including the Chairperson are appointed among outside directors. As of June 23, 2023 the members of the Audit Committee are Mr. Takashi Tsukioka (Chairperson), Mr. Ryoji Sato, Mr. Kotaro Ohno and Mr. Hisaaki Hirama.

The Audit Committee held 19 meetings in the fiscal year ended March 31, 2023. In particular, the Committee confirmed the effectiveness of the Structure for Ensuring Appropriate Conduct of Operations (internal control system) and provided relevant opinions. Moreover, the Committee monitored the progress of priority measures in the executive departments, risk recognition, and efforts to strengthen internal management systems with priority. The average attendance rate was 100%.

The members of the Audit Committee shall meet independence requirements under the U.S. securities laws and regulations as may from time to time be applicable to the Company. Further, at least one member of the Audit Committee shall be a "financial expert" as defined under U.S. laws.

Mizuho Financial Group has established committees and other organizations on a voluntary basis in addition to the above legally-required three committees as set forth below:

- Risk Committee

  The Risk Committee, as an advisory body to the Board of Directors, shall make recommendations to the Board of Directors regarding decision-making and supervision relating to risk governance and supervision of matters such as the status of risk management.

  The Risk Committee shall, in principle, comprise no less than three members who shall be Non-Executive Directors or outside experts. Currently, the Risk Committee comprises an Internal Non-Executive Director, who serves as the Chairperson, three outside directors, and two outside experts.

  The Risk Committee held 10 meetings in the fiscal year ended March 31, 2023. In particular, the Committee discussed the direction of the selection of top risks, the direction and operational status of the risk appetite framework, the status of comprehensive risk management, the status of sustainability initiatives, business and risk awareness in overseas regions, system risk management, and cybersecurity initiatives. The average attendance rate was 100%.

- Human Resources Review Meeting

  The Human Resources Review Meeting shall deliberate over plans for the appointment and dismissal of Mizuho Financial Group's executive officers as defined in the Companies Act and plans for the appointment and removal of or commission to Mizuho Financial Group's executive officers (as defined in the Companies Act or our internal regulations) with special titles, such plans to be decided upon by the Board of Directors. Additionally, the Human Resources Review Meeting shall deliberate over plans for the appointment and removal of or commission to the Three Core Companies' executive officers as defined in our internal regulations with special titles, such plans to be approved by the Board of Directors.

  The Human Resources Review Meeting shall comprise the members of the Nominating Committee and our Group CEO in order to ensure transparency and fairness in the appointment of executive officers and specialist officers.

  The Human Resources Review Meeting held 10 meetings in the fiscal year ended March 31, 2023. In particular, the Meeting discussed the succession of key executives, a review of the advisory system, and personnel changes for executive line officers in the fiscal year ending March 31, 2024. The average attendance rate was 100%.

- System Failure Response Evaluation Committee

  In March 2021, following the series of IT system failures in Mizuho Bank, the Board of Directors of Mizuho Financial Group, decided to establish the System Failure Response Evaluation Committee consisting solely of outside directors for comprehensive evaluation of measures to prevent further incidents and other matters.

  The System Failure Response Evaluation Committee held nine meetings in the fiscal year ended March 31, 2023. The Committee discussed the progress of the business improvement plan and the establishment of measures to prevent recurrence, efforts to strengthen IT governance, recognition of issues related to the IT domain in our group from an external perspective, new initiatives to understand the actual situation in the field and to strengthen in-field capabilities through discussions with the executives and employees of Mizuho Financial Group and its subsidiaries, and the status of management resources related to IT. The average attendance rate was 100%.

- Outside Director Session

  The Outside Director Session shall comprise only outside directors and exchange information and share understanding with each other and provide objective and candid opinions to management based on the outside directors' perspectives as outsiders.

  The Outside Director Session held five meetings in the fiscal year ended March 31, 2023. In particular, the Session discussed management issues, improving the effectiveness of the Board of Directors, and exchanged views with the outside directors of the Three Core Companies. The average attendance rate was 100%.

Executive Officers

Under the Companies Act, Companies with Three Committees are required to appoint at least one executive officer by resolution of the board of directors, and its term of office ends at the close of the meeting of the board of directors initially convened following the close of the ordinary general meeting of shareholders relating to the fiscal year ending within a year following appointment. Executive officers shall decide on the business execution delegated by a resolution of the board of directors and implement business execution.

Executive officers of Mizuho Financial Group take charge of making decisions on business execution delegated by a resolution of the Board of Directors and implementing business execution of Mizuho Financial Group.

Mizuho Financial Group shall appoint, as executive officers, our Group CEO and, in principle, all heads of In-house Companies and Units and our Group CxOs*, based on the policy that it is necessary to appoint, as executive officers, people who make decisions on business execution delegated by the Board of Directors as managers of Mizuho Financial Group and who assume a comprehensive role of business execution.

* Group CxOs: On April 1, 2023, we abolished the group head position that was responsible for overseeing our in-house groups, and established the position of our Group CxOs to be responsible for the following matters:

  Group CSO: Group Chief Strategy Officer (responsible for group strategy development and promotion)

  Group CGO: Group Chief Governance Officer (responsible for corporate planning and management)

  Group CFO: Group Chief Financial Officer (responsible for financial strategy and financial management)

  Group CRO: Group Chief Risk Officer (responsible for risk governance)

  Group CHRO: Group Chief Human Resources Officer (responsible for human resources strategy and human resources management)

  Group CPO: Group Chief People Officer (responsible for human resources and organizational development)

  Group CIO: Group Chief Information Officer (responsible for IT strategy, systems management and systems operations)

  Group CPrO: Group Chief Process Officer (responsible for strategy, promotion and management of administrative processes)

  Group CCO: Group Chief Compliance Officer (responsible for compliance management)

  Group CAE: Group Chief Audit Executive (responsible for internal auditing)

  Group CDO: Group Chief Digital Officer (responsible for digital strategy and innovation promotion)

  Group CSuO: Group Chief Sustainability Officer (responsible for sustainability strategy and promotion)

  Group CCuO: Group Chief Culture Officer (responsible for corporate culture)

While our President & CEO is responsible for business execution at Mizuho Financial Group, after our President & CEO makes decisions on matters delegated by the Board of Directors, such determined matters shall be reported to the Board of Directors at least once every three months as part of the status of the execution of duties.

Agreements with Directors, etc.

None of the directors has service contracts with Mizuho Financial Group providing for benefits upon termination of service.

Mizuho Financial Group's articles of incorporation, in accordance with the Companies Act, allows the company to enter into an agreement with outside directors that limits their liabilities incurred in connection with their service. The limitation of liabilities under such agreement, if the outside director performed his/her duty in good faith without gross negligence, must be the higher of either (i) a pre-determined amount not less than ¥20 million or (ii) the amount prescribed in laws and regulations, which is currently equivalent to two times the annual compensation of such outside director. Pursuant to the provisions in its articles of incorporation, Mizuho Financial Group has entered into such agreements with all of its outside directors that are in office.

Based on the rules of the Tokyo Stock Exchange, listed companies are required to have at least one member of the board of directors or one member of the audit & supervisory board to be "independent." Further, companies listed on the Prime Market with independent outside directors being less than one-third of the

members of the board must disclose the reason for it. Currently, all of Mizuho Financial Group's outside directors meet such independence requirements, and the number of Mizuho Financial Group independent outside directors meets such ratio requirements.

For additional information on directors and the board practices, see "Item 6.A. Directors and Senior Management-Directors" and "Item 10.B. Additional Information-Memorandum and Articles of Association" in this annual report.

The rights of holders of American Depositary Receipts, or ADRs, which evidence ADSs, including such ADR holders' rights relating to corporate governance practices, are governed by the deposit agreement, which is included as Exhibit 2.2 to this annual report.

Corporate Governance Practices

Companies listed on the New York Stock Exchange, or NYSE, must comply with certain standards regarding corporate governance under Section 303A of the NYSE Listed Company Manual. However, NYSE-listed companies that are foreign private issuers meeting certain criteria, such as Mizuho Financial Group, are permitted to follow home country practices in lieu of certain provisions of Section 303A, and the company is relying on this exemption. See "Item 16.G. Corporate Governance" for a summary of significant ways in which corporate governance practices of Mizuho Financial Group differ from those followed by NYSE-listed U.S. companies.

6.D. Employees

As of March 31, 2021, 2022 and 2023, we had 54,492, 52,420 and 51,212 employees, respectively, on a consolidated basis, including overseas local staff but excluding advisers and temporary employees. We also had an average of approximately 13,190 temporary employees [on a consolidated basis] during the fiscal year ended March 31, 2023.

The following tables show our full-time employees as of March 31, 2023 and the average number of temporary employees for the fiscal year ended March 31, 2023, each broken down based on business segment and geographical location:

Business segment	Number of full-time employees	Average number of temporary employees
Retail & Business Banking Company	19,930	7,631
Corporate & Institutional Company	1,767	120
Global Corporate Company	10,239	74
Global Markets Company	1,307	42
Asset Management Company	1,468	138
Others	16,501	5,185
Total	51,212	13,190

Location	Percentage of full-time employees	Average percentage of temporary employees
Japan	88.0%	99.8%
Americas	5.2%	0.0%
Europe	1.8%	0.2%
Asia/Oceania (excluding Japan) and others	5.0%	0.0%
Total	100%	100%

Most of our full-time non-management employees in Japan are members of a labor union. Outside Japan, some of our employees are members of local unions. We consider our labor relations with employees to be good.

6.E. Share Ownership

Shown below are two types of numbers of shares of Mizuho Financial Group's common stock held by its directors and executive officers as of June 28, 2023: One column shows the actual number of shares held; and the other shows the potential number of additional shares to be held (i.e., the number of shares that are scheduled to be delivered equivalent to the stock ownership points granted by the current stock compensation system and upon exercise of the stock acquisition rights granted by the former stock option system).

Directors	Actual number of shares held	Potential number of additional shares to be held
Yoshimitsu Kobayashi	4,384	4,807
Ryoji Sato	2,692	4,807
Takashi Tsukioka	1,313	2,880
Kotaro Ohno	0	0
Hiromichi Shinohara	0	0
Masami Yamamoto	15,500	6,266
Izumi Kobayashi	5,742	7,577
Yumiko Noda	0	0
Seiji Imai	33,825	56,282
Hisaaki Hirama	23,167	18,349
Masahiro Kihara	6,810	43,601
Makoto Umemiya	15,531	43,244
Motonori Wakabayashi	15,240	40,435
Nobuhiro Kaminoyama	3,868	23,193

Executive Officers	Actual number of shares held	Potential number of additional shares to be held
Masahiro Kihara	See above	See above
Makoto Umemiya	See above	See above
Kazutoshi Isogai	2,500	2,844
Masayuki Sugawara	15,288	30,400
Hidekatsu Take	15,408	30,862
Kenya Koshimizu	4,734	25,099
Daishi Sasaki	2,231	20,096
Noriyuki Sato	200	0
Tsutomu Yamamoto	672	11,049
Yasuhiko Ushikubo	6,394	29,322
Naoshi Inomata	2,832	29,613
Minako Nakamoto	825	1,724
Takefumi Yonezawa	500	1,833
Motonori Wakabayashi	See above	See above
Nobuhiro Kaminoyama	See above	See above
Natsumi Akita	0	1,850
Koji Yonei	27,278	14,985
Mitsuhiro Kanazawa	2,863	20,197
Makoto Matsubara	4,037	19,138
Hisashi Kikuchi	15,916	34,388

None of the directors or executive officers is the owner of more than one percent of Mizuho Financial Group's common stock, and no director or executive officer has voting rights with respect to our common stock that are different from any other holder of our common stock.

For information on our former stock option system and current stock compensation system for directors and executive officers, see "Item 6.B Compensation."

We maintain an employee stock ownership plan under which participating employees of the companies listed below are able to contribute funds deducted from their salary and bonus payments to purchase our shares. The plan administrator makes open-market purchases of our shares for the account of the plan on a monthly basis. The companies contribute matching funds equivalent to 10% of the amounts contributed by the participating employees. The following table shows the number of shares that the plan held as of March 31, 2023:

	As of March 31, 2023	
Plan	Employer companies	Number of shares owned
Mizuho Employee Stock Ownership Plan	Mizuho Financial Group Mizuho Bank Mizuho Trust & Banking Mizuho Research & Technologies	
Total		11,609,682

6.F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders

The following table sets forth information about the ten largest holders of shares of our common stock appearing on the register of shareholders as of March 31, 2023:

	As of March 31, 2023	
Name	Number of shares owned	Percentage of outstanding shares[(1)]
The Master Trust Bank of Japan, Ltd. (trustee account)	404,529,400	15.94
Custody Bank of Japan, Ltd. (trustee account)	130,336,500	5.13
JPMorgan Securities Japan Co., Ltd.	79,226,649	3.12
State Street Bank West Client – Treaty 505234	49,696,645	1.96
JPMorgan Chase Bank 385781	33,879,142	1.33
Custody Bank of Japan, Ltd. (taxable trust money account)	25,911,450	1.02
Custody Bank of Japan, Ltd. (trustee account 4)	25,384,400	1.00
SSBTC Client Omnibus Account	25,326,904	1.00
State Street Bank and Trust Company 505103	25,234,937	0.99
SMBC Nikko Securities Inc.	23,857,823	0.94
Total	823,383,850	32.44

(1) The percentages of outstanding shares are calculated by excluding 826,676 shares held by us as treasury stock.

As of March 31, 2023, there were 234 record holders of our common stock with addresses in the United States, whose shareholdings represented approximately 12% of our outstanding common stock, calculated by excluding 826,676 shares held by us as treasury stock, on that date. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States might not fully reflect the number of beneficial owners in the United States.

The company is not directly or indirectly owned or controlled by any other corporation, by any government, or by any other natural or legal person or persons severally or jointly.

Our major shareholders do not have different voting rights.

7.B. Related Party Transactions

We and our subsidiary banks had, and expect to have in the future, banking transactions and other transactions in the ordinary course of business with our related parties. Although, for the fiscal year ended March 31, 2023, such transactions included, but were not limited to, call money, loans, deposits, guarantees and foreign exchange transactions, those transactions were immaterial and were made substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with third parties and did not involve more than the normal risk of collectability or present other unfavorable features.

During the fiscal year ended March 31, 2023, none of our directors or executive officers, and none of the close members of their respective families, had any transactions that were material or any transactions that were unusual in their nature or conditions, involving goods, services or tangible or intangible assets, to which we were, are or will be a party, and there were no such transactions proposed as of March 31, 2023.

During the fiscal year ended March 31, 2023, no loans were made to our directors or executive officers other than loans in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and involving no more than the normal risk of collectability or presenting other unfavorable features.

7.C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. Consolidated Statements and Other Financial Information

Financial Statements

Our consolidated financial statements are set forth in this annual report under “Item 18. Financial Statements.”

Legal Proceedings

We are involved in normal collection proceedings initiated by us and other legal proceedings in the ordinary course of our business, none of which is currently expected to have a material adverse effect on our financial condition or results of operations. However, there can be no assurance that an adverse decision in one or more of these lawsuits will not have a material adverse effect.

Shareholder Return Policy

Based on our capital management policy of pursuing the optimum balance between capital adequacy, growth investment and enhancement of shareholder return, we maintain our shareholder return policy of progressive dividends

as our principal approach while executing flexible and intermittent share buybacks. In addition, as for dividends, we will decide based on the steady growth of our stable earnings base, taking a of the dividend payout ratio of 40% as a guide into consideration. As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution.

Based on the above policy, annual cash dividends for the fiscal year ended March 31, 2023 were ¥85.0 per share of common stock (both the interim and year-end cash dividends were ¥42.5 per share of common stock).

We intend to issue dividends twice per year to shareholders recorded in the shareholder register as of March 31 and September 30 in each year as year-end dividends and as interim dividends, respectively, to return profits to shareholders in a timely way.

In accordance with our articles of incorporation, we may decide to issue dividends by a resolution of the Board of Directors unless otherwise stipulated by laws or regulations, or by a resolution of a general meeting of shareholders. Annual cash dividends for the fiscal year ended March 31, 2023 were decided by a resolution of our Board of Directors.

8.B. Significant Changes

Except as described in this annual report, no significant change in our financial position has occurred since the date of the financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

9.A. Listing Details

The principal trading market for our shares of common stock is the Prime Market of the Tokyo Stock Exchange, under the code "8411." Our shares had been listed on the First Section of the Tokyo Stock Exchange, since our establishment as the holding company of the Mizuho group on March 12, 2003, as the successor to Mizuho Holdings. The trading market was changed to the Prime Market of the Tokyo Stock Exchange as a result of its restructuring effective on April 4, 2022.

Our ADSs have been listed on the New York Stock Exchange since November 8, 2006 and are quoted under the ticker symbol "MFG."

9.B. Plan of Distribution

Not applicable.

9.C. Markets

See "Item 9.A. The Offer and Listing—Listing Details."

9.D. Selling Shareholders

Not applicable.

9.E. Dilution

Not applicable.

9.F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. Share Capital

Not applicable.

10.B. Memorandum and Articles of Association

Objects and Purposes in our Articles of Incorporation

Our corporate purpose, as specified in Article 2 of our articles of incorporation, which is included in this annual report as Exhibit 1.1, is to engage in the following businesses as a bank holding company:

- operation and management of bank holding companies, banks, specialized securities companies and other companies which we may own as our subsidiaries under the Banking Act, and any other business incidental thereto; and
- any other business that a bank holding company may engage in under the Banking Act.

Our Board of Directors

Under the Companies Act (*Kaisha Hou*) (Act No. 86 of 2005, as amended), because we have adopted the "Company with Three Committees" system, our directors have no power to execute our business except in limited circumstances as permitted by law. If a director also serves concurrently as an executive officer, then he or she can execute our business in the capacity of executive officer. There is no provision in our articles of incorporation as to our directors' power to vote on a proposal, arrangement or contract in which a director is materially interested. The Companies Act, however, requires such director to refrain from voting on such matters at meetings of the board of directors.

The amount of compensation to each our director is determined by the Compensation Committee, which consists of our directors, the majority of whom are outside directors (see "Item 6.C. Board Practices").

The borrowing powers have been delegated to the executive officers by the Board of Directors in accordance with the Companies Act.

Neither the Companies Act nor our articles of incorporation set a mandatory retirement age for our directors.

There is no requirement concerning the number of shares an individual must hold to qualify as a director under the Companies Act or our articles of incorporation.

Common Stock

General

Unless otherwise specified, set forth below is information concerning our shares of common stock as of the date hereof, including brief summaries of certain provisions of our articles of incorporation, our share handling regulations and the Companies Act relating to joint stock corporations (*kabushiki kaisha*) and certain related legislation, all as currently in effect.

Under our articles of incorporation, we are authorized to issue 4,800,000,000 shares of common stock.

As of March 31, 2023, 2,539,249,894 shares of common stock were issued.

Where relevant to the common stock, provisions of our preferred stock are also described below.

Distribution of Surplus

General

Under the Companies Act, distribution of cash or other assets by a joint stock corporation to its shareholders, including dividends, takes the form of distribution of Surplus (as defined in "—Restriction on Distribution of Surplus"). We are permitted to make distributions of Surplus to our shareholders any number of times per fiscal year, subject to certain limitations described in "—Restriction on Distribution of Surplus." Under the Companies Act and our articles of incorporation, distributions of Surplus are in principle permitted by a resolution of the Board of Directors as long as our non-consolidated annual financial statements and certain documents for the latest fiscal year fairly present our assets and profit and loss, as required by an ordinance of the Ministry of Justice. Distributions of Surplus are, however, required to be authorized by a resolution of a general meeting of shareholders if the aforementioned condition is not met, and even if the aforementioned condition is met, distribution of Surplus may be authorized by a resolution of a general meeting of shareholders.

Distributions of Surplus may be made in cash or in kind in proportion to the number of shares of common stock held by each shareholder. A resolution of the Board of Directors or a general meeting of shareholders authorizing a distribution of Surplus must specify the kind and aggregate book value of the assets to be distributed, the manner of allocation of such assets to shareholders, and the effective date of the distribution. If a distribution of Surplus is to be made in kind, we may, pursuant to a resolution of the Board of Directors or (as the case may be) a general meeting of shareholders, grant the right to our shareholders to require us to make such distribution in cash instead of in kind. If no such right is granted to shareholders, the relevant distribution of Surplus must be approved by a special resolution of a general meeting of shareholders (see "—Voting Rights" with respect to a "special resolution").

Under our articles of incorporation, the record date for annual dividends and interim dividends is March 31 and September 30, respectively, in each year. In Japan, the "ex-dividend date" (the date from which purchasers of shares through Japanese stock exchanges will not be entitled to the dividends to be paid to registered shareholders as of any record date) and the record date for dividends precede the date of determination of the amount of the dividend to be paid. The ex-dividend date of the shares of common stock is generally the first business day prior to the record date.

Restriction on Distribution of Surplus

Payment of annual dividends on shares of common stock is subject to the prior payment of annual preferred dividends on the shares of any series of preferred stock. Payment of an interim dividend on shares of our common stock is also subject to the prior payment of an interim preferred dividend of one-half the annual preferred dividend amount on the shares of any series of preferred stock. In making a distribution of Surplus, we must set aside in our additional paid-in capital and/or legal reserve an amount equal to one-tenth of the amount of Surplus so distributed, until the sum of its additional paid-in capital and legal reserve reaches one-quarter of its stated capital.

The amount of Surplus at any given time must be calculated in accordance with the following formula:

$$A + B + C + D - (E + F + G)$$

In the above formula:

"A" = the total amount of other capital surplus and other retained earnings, each such amount being that appearing on our non-consolidated balance sheet as of the end of the last fiscal year

"B" = (if we have disposed of our treasury stock after the end of the last fiscal year) the amount of the consideration for such treasury stock received by us less the book value thereof

"C" = (if we have reduced our stated capital after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to additional paid-in capital or legal reserve (if any)

"D" = (if we have reduced our additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to stated capital (if any)

"E" = (if we have cancelled our treasury stock after the end of the last fiscal year) the book value of such treasury stock

"F" = (if we have distributed Surplus to our shareholders after the end of the last fiscal year) the total book value of the Surplus so distributed

"G" = certain other amounts set forth in an ordinance of the Ministry of Justice, including:

- if we have reduced Surplus and increased our stated capital, additional paid-in capital or legal reserve after the end of the last fiscal year, the amount of such reduction; and
- if we have distributed Surplus to shareholders after the end of the last fiscal year, the amount set aside in our additional paid-in capital or legal reserve, if any, as required by ordinances of the Ministry of Justice.

The aggregate book value of Surplus distributed by us may not exceed a prescribed distributable amount (the "Distributable Amount"), as calculated on the effective date of such distribution. The Distributable Amount at any given time shall be the amount of Surplus less the aggregate of (a) the book value of our treasury stock, (b) the amount of consideration for any of our treasury stock disposed of by us after the end of the last fiscal year and (c) certain other amounts set forth in an ordinance of the Ministry of Justice, including (if the sum of one-half of our goodwill and deferred assets exceeds the total of the stated capital, additional paid-in capital and legal reserve, each such amount being the amount in our non-consolidated balance sheet as of the end of the last fiscal year) all or certain part of such exceeding amount as calculated in accordance with the ordinances of the Ministry of Justice.

If we have become at our option a company with respect to which its consolidated balance sheet should also be considered in the calculation of the Distributable Amount (*renketsu haito kisei tekiyo kaisha*), we shall further deduct from the amount of Surplus the excess amount, if any, of (x) the total amount of the shareholders' equity appearing on our non-consolidated balance sheet as of the end of the last fiscal year and certain other amounts set forth by an ordinance of the Ministry of Justice over (y) the total amount of the shareholders' equity and certain other amounts set forth by an ordinance of the Ministry of Justice appearing on our consolidated balance sheet as of the end of the last fiscal year. We did not opt for becoming such a company with respect to the fiscal year ended March 31, 2023.

If we have prepared interim financial statements as described below, and if such interim financial statements have been approved by the Board of Directors or (if so required by the Companies Act) by a general meeting of shareholders, then the Distributable Amount must be adjusted to take into account the amount of profit or loss, and the amount of consideration for any of our treasury stock disposed of by us, during the period in respect of which such interim financial statements have been prepared. We may prepare non-consolidated interim financial statements consisting of a balance sheet as of any date subsequent to the end of the last fiscal year and an income statement for the period from the first day of the current fiscal year to the date of such balance sheet. Interim financial statements so prepared by us must be audited by our corporate auditors and/or outside accounting auditor, as required by an ordinance of the Ministry of Justice.

Capital and Reserves

We may reduce our additional paid-in capital or legal reserve generally by resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of

such reduction as stated capital. On the other hand, we may reduce our stated capital generally by special resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as additional paid-in capital or legal reserve. In addition, we may reduce our Surplus and increase either (i) stated capital or (ii) additional paid-in capital and/or legal reserve by the same amount, in either case by resolution of a general meeting of shareholders.

Stock Splits

We may at any time split shares of common stock into a greater number of shares of common stock by determination by executive officers under the authority delegated by resolution of the Board of Directors. When a stock split is to be made, so long as our only class of outstanding stock is the common stock, we may increase the number of authorized shares in the same ratio as that of such stock split by amending our articles of incorporation, of which amendment may be effected by resolution of the Board of Directors without approval by shareholders.

Share Consolidation

We may at any time consolidate shares of common stock into a smaller number of shares of common stock by special resolution of a general meeting of shareholders. When a share consolidation is to be made, we must give public notice at least two weeks (or, in the case where any fractions of shares are left as a result of the share consolidation, 20 days) prior to the effective date of the share consolidation. We must disclose the reason for the share consolidation at the general meeting of shareholders.

Unit Share System

We have adopted the unit share system under which shareholders will have one voting right for each unit of shares consisting of 100 shares held by them at general meetings of shareholders or at meetings of holders of a particular class of shares, and shares constituting less than a full unit will carry no voting rights. See "—Preferred Stock—Voting Rights" for information on the voting rights that holders of preferred stock may have at general meetings of shareholders. Our articles of incorporation provide that the holders of shares constituting less than a full unit will not have shareholder rights, except for those specified in an ordinance of the Ministry of Justice which include rights (i) to receive dividends, (ii) to receive cash or other assets in case of a consolidation or split of shares, share exchange or share transfer, or merger or (iii) to be allotted rights to subscribe for free for new shares and stock acquisition rights when such rights are granted to shareholders. Holders of shares constituting less than a full unit may at any time request us to purchase such shares constituting less than a full unit (a) at the current market price as determined pursuant to the Companies Act in cases of such shares having a market price (such as our common stock) or (b) at the price as determined through negotiations between the holders of shares constituting less than a full unit and us in cases where such shares have no market price (such as our preferred stock), which request may not be withdrawn without our consent. In addition, holders of shares constituting less than a full unit may require us to sell them such number of shares, which, when combined with the number of shares already held by such holder, shall constitute a whole unit of shares; provided that we will be obliged to comply with such request only when we own a sufficient number of shares to accommodate such request. As prescribed in our share handling regulations, such requests shall be made through an account managing institution at which such shareholder has its account and Japan Securities Depository Center, Inc. ("JASDEC") pursuant to the rules of JASDEC, without going through the notification procedure required for the exercise of shareholders' rights entitled regardless of record dates as described in "—Transfer of Shares." The executive officers under the authority delegated by the Board of Directors may reduce the number of shares constituting one unit of shares or cease to use the unit share system by amendments to the articles of incorporation without a special resolution of the general meeting of shareholders which would otherwise be required.

General Meetings of Shareholders

The ordinary general meeting of shareholders shall be held no later than three months from the last day of each business year and is normally held in June of each year. In addition, we may hold an extraordinary general meeting of shareholders whenever necessary. The record date for an ordinary general meeting of shareholders is March 31 of each year.

Under the Companies Act and our articles of incorporation, we shall take electronic provision measures (the "Electronic Provision") for the information contained in the reference materials, etc., for our general meetings of shareholders.

The notice for a general meeting of shareholders must set forth the place, the time, the purpose thereof and the information in the reference materials, etc., for a general meeting of shareholders being provided through the Electronic Provision and the URL of the website used for the Electronic Provision, and must be given to each shareholder having voting rights (or, in the case of a non-resident shareholder, to its standing proxy or mailing address in Japan) at least two weeks prior to the date set for the meeting. The information in the reference materials, etc., for a general meeting of shareholders must be posted on a website from the earlier of the date three weeks prior to the date set for the meeting or the date on which the notice for the meeting is dispatched until the date on which three months have elapsed from the meeting. In general, any shareholder is entitled to request printed paper copies of the information in the reference materials, etc., for a general meeting of shareholders by the record date for voting rights of the relevant general meeting of shareholders.

Any shareholder holding at least 300 voting rights or 1% of the total number of voting rights for six months or longer may propose a matter to be considered at a general meeting of shareholders, and request to include the proposal in a notice for a general meeting of shareholders, by submitting a request to a representative executive officer at least eight weeks prior to the date of such meeting. However, the number of proposals that such shareholder may request to be included in such notice is limited up to 10 proposals, and we are able to decline to include the excessive proposals in such notice in the case where the number of proposals requested by each shareholder exceeds 10. Any of the minimum percentages, time periods and number of voting rights necessary for exercising the minority shareholder rights described above may be decreased or shortened if our articles of incorporation so provide.

Voting Rights

Our shareholders have one voting right for each unit of shares held by them (regarding the voting rights held by holders of preferred stock, see "—Preferred Stock—Voting Rights").

Except as otherwise provided by law or in our articles of incorporation, a resolution shall be adopted at a general meeting of shareholders by a majority of the voting rights held by the shareholders present at the meeting. Our articles of incorporation provide that the quorum for election of directors is one-third of the total number of voting rights. Our shareholders are not entitled to cumulative voting in the election of directors. A shareholder may exercise its voting rights in writing or through a proxy, provided that the proxy shall also be a holder of our shares having voting rights at such meeting.

The Companies Act provides that certain important matters shall be approved by a "special resolution" of a general meeting of shareholders. Under our articles of incorporation, the quorum for a special resolution is one-third of the total number of voting rights, and the approval of not less than two-thirds of the voting rights held by the shareholders present at the meeting is required for adopting a special resolution. Such important matters include:

1. any amendment to our articles of incorporation (except for such amendments that may be authorized by executive officers under the authority delegated by the board of directors under the Companies Act such as (i) an increase of the number of authorized shares in the same ratio as that of a stock split, (ii) a reduction of the number of shares per unit of shares and (iii) abolishing the unit share system);

2. our dissolution, merger or consolidation requiring shareholders' approval;
3. establishment of a parent and wholly-owned subsidiary relationship by way of a share transfer (*kabushiki-iten*) or share exchange (*kabushiki-kokan*), or establishment of a parent and subsidiary relationship by way of a partial share exchange (*kabushiki-kofu*), requiring shareholders' approval;
4. transfer of the whole or a substantial part of our business;
5. transfer of the whole or a part of our shares in any of our subsidiaries requiring shareholders' approval;
6. taking over of the whole of the business of another company requiring shareholders' approval;
7. our corporate split requiring shareholders' approval;
8. consolidation of shares of common stock;
9. acquisition of shares of common stock by us from a specific shareholder other than our subsidiary;
10. distribution of Surplus in kind (except when shareholders are granted the right to require to make such distribution in cash instead of in kind);
11. issuance or transfer of new shares or existing shares held by us as treasury stock to persons other than the shareholders at a "specially favorable" price; and
12. issuance of stock acquisition rights (including those incorporated in bonds with stock acquisition rights) to persons other than the shareholders at a "specially favorable" price or under "specially favorable" conditions.

Liquidation Rights

In the event of our liquidation, the assets remaining after payment of all debts, liquidation expenses, taxes and distributions of residual assets relating to the then outstanding preferred stock will be distributed among holders of common stock in proportion to the respective numbers of shares held by them. Regarding distributions of residual assets relating to the then outstanding preferred stock, see "—Preferred Stock—Liquidation Rights."

Issue of Additional Shares and Pre-emptive Rights

Holders of the common stock have no pre-emptive rights. Authorized but unissued shares of common stock may be issued at such times and upon such terms as executive officers under the authority delegated by the Board of Directors determine, subject to the limitations as to the issuance of new shares of common stock at a "specially favorable" price mentioned in "—Voting Rights."

In the case of an issuance or transfer of shares or stock acquisition rights by way of an allotment to a third party whereby the third party will hold more than 50% of the voting rights of all shareholders, we shall give notice (including a public notice) to our shareholders in advance, and if shareholders who hold one-tenth or more of the voting rights of all shareholders dissent from the third-party allotment, the approval by an ordinary resolution of a general meeting of shareholders is generally required before the payment date for such issuance or transfer pursuant to the Companies Act. In addition, pursuant to the regulations of the stock exchanges in Japan, in the case of an issuance or transfer of shares or stock acquisition rights by way of an allotment to a third party which would dilute the outstanding voting shares by 25% or more or change the controlling shareholder, in addition to a determination by the executive officers, the approval of the shareholders or an affirmative opinion from a person independent of our management is generally required.

Executive officers under the authority delegated by the Board of Directors may, however, determine that shareholders of a particular class of stock shall be given subscription rights to new shares of the same class, in which case they must be given on uniform terms to all shareholders of that class as of a record date of which not less than two weeks' prior public notice must be given. Each of the shareholders to whom such rights are given must also be given at least two weeks' prior notice of the date on which such rights expire (but see "—Preferred Stock—Issue of Additional Shares and Pre-emptive Rights" regarding our preferred stock).

Stock Acquisition Rights

We may issue stock acquisition rights (*shinkabu yoyakuken*). Holders of stock acquisition rights are entitled to acquire shares from us, upon payment of the applicable exercise price, and subject to other terms and conditions thereof. We may also issue bonds with stock acquisition rights (*shinkabu yoyakuken-tsuki shasai*). The issuance of stock acquisition rights and bonds with stock acquisition rights may be authorized by executive officers under the authority delegated by the Board of Directors unless it is made at a "specially favorable" price or under "specially favorable" conditions, as described in "—Voting Rights" and subject to the approval of the shareholders or an affirmative opinion from an independent person in certain cases, as described in "—Issue of Additional Shares and Pre-emptive Rights."

Record Date

As mentioned above, March 31 is the record date for the payment of annual dividends and the determination of shareholders entitled to vote at the ordinary general meeting of shareholders. September 30 is the record date for the payment of interim dividends. In addition, by a determination by executive officers under the authority delegated by the Board of Directors and after giving at least two weeks' prior public notice, we may at any time set a record date in order to determine the shareholders who are entitled to certain rights pertaining to our stock.

JASDEC is required to give us notice of the names and addresses of our shareholders, the numbers of shares held by them and other relevant information as of such record date promptly after we set each record date.

Acquisition by Us of Common Stock

We may acquire shares of common stock:

1. by way of purchase on any Japanese stock exchange on which the shares of our common stock are listed or by way of tender offer (in either case pursuant to a resolution of the Board of Directors as long as our non-consolidated annual financial statements and certain documents for the latest fiscal year fairly present our assets and profit and loss, as required by an ordinance of the Ministry of Justice);
2. from a specific shareholder other than any of our subsidiaries (pursuant to a special resolution of a general meeting of shareholders); or
3. from any of our subsidiaries (pursuant to a determination by executive officers under the authority delegated by the Board of Directors).

In the case of 2. above, any other shareholder may make a request to us to be included as a seller in the proposed purchase, unless the purchase price or any other consideration to be received by the relevant specific shareholder will not exceed the last trading price of the shares on the relevant stock exchange on the day immediately preceding the date on which the resolution mentioned in 2. above was adopted (or, if there is no trading in the shares on the stock exchange or if the stock exchange is not open on such day, the price at which the shares are first traded on such stock exchange thereafter).

The total amount of the purchase price of shares of common stock may not exceed the Distributable Amount, as described in "—Distribution of Surplus—Restriction on Distribution of Surplus."

We may hold the shares of common stock acquired, and may generally transfer or cancel such shares by a determination by executive officers under the authority delegated by the Board of Directors.

Disposal of Shares of Common Stock Held by Shareholders whose Location is Unknown

We are not required to send notices to a shareholder if notices given by us to such shareholder fail to arrive for five consecutive years or more at its address registered in our register of shareholders or otherwise notified to us.

In the above case, if the relevant shareholder also fails to receive dividends on the shares continuously for five years or more at its address registered in our register of shareholders or otherwise notified to us, then we may in general dispose of such shares at their then market price and hold or deposit the proceeds of such disposition on behalf of the relevant shareholder.

Reporting of Substantial Shareholders

The Financial Instruments and Exchange Act and its related regulations require any person who has become, beneficially and solely or jointly, a holder of more than 5% of the total issued shares of capital stock of a company that is listed on any Japanese stock exchange to file a report with the Director of the relevant Local Finance Bureau of the Ministry of Finance within five business days. With certain exceptions, a similar report must also be filed in respect of any subsequent change of 1% or more in the holding or of any change in material matters set forth in any previously filed reports. For the purpose of the reporting requirements mentioned above, shares of capital stock of a company issuable to any person upon conversion of convertible securities or exercise of share subscription warrants or stock acquisition rights by such person are taken into account in determining both the number of shares held by such person and the company's total issued share capital. Any such report shall be filed with the Director of the relevant Local Finance Bureau of the Ministry of Finance through the Electronic Disclosure for Investors' Network (EDINET) system.

There are other reporting requirements under the Banking Act. See "Item 4.B. Information on the Company—Business Overview—Supervision and Regulation—Japan—Examination and Reporting Applicable to Shareholders."

Holding of Shares of Our Common Stock by Foreign Investors

There are no limitations imposed by the laws of Japan, our articles of incorporation or our other constituent documents on the rights of non-residents or foreign shareholders to hold or exercise voting rights on our shares of common stock or preferred stock.

Transfer of Shares

At present, JASDEC is the only institution that is designated by the relevant authorities as a clearing house which is permitted to engage in the clearing operations of listed shares under the Act on Book-Entry Transfer of Corporate Bonds, Stocks, etc. (Act No. 75 of 2001, including regulations promulgated thereunder; the "Book-entry Act"). Under the clearing system above, in order for any person to hold, sell or otherwise dispose of listed shares, such person must have an account at an account managing institution unless such person has an account at JASDEC. "Account managing institutions" are financial instruments business operators (i.e., securities companies), banks, trust companies and certain other financial institutions which meet the requirements prescribed by the Book-entry Act, and only those financial institutions that meet further stringent requirements of the Book-entry Act can open accounts directly at JASDEC. Under the Book-entry Act, any transfer of shares is effected through book entry, and title to the shares passes to the transferee at the time when the transferred number of the shares is recorded at the transferee's account at an account managing institution or JASDEC. The holder of an account at an account managing institution or JASDEC is presumed to be the legal owner of the shares held in such account. Under the Companies Act and the Book-entry Act, in order to assert shareholders' rights to which shareholders as of record dates are entitled (such as the rights to vote at a general meeting of shareholders or receive dividends) against us, a shareholder must have its name and address registered in our register of shareholders. Under the clearing system, such registration is made upon our receipt of necessary information from JASDEC. On the other hand, in order to assert shareholders' rights to which shareholders are entitled regardless of record dates such as minority shareholders' rights including the right to propose a matter to be considered at a general meeting of shareholders and to request to include the proposal in a notice for a general meeting of shareholders, except for shareholders' rights to request us to purchase or sell shares constituting less than a full unit (as described in "—Unit Share System"), upon the shareholder's request, JASDEC shall issue a

notice of certain information, including the name and address of such shareholder, to us. Thereafter, such shareholder is required to present us a receipt of the request of the notice in accordance with our share handling regulations. Under the Book-entry Act, the shareholder shall exercise such shareholders' right within four weeks after the notice above. Non-resident shareholders are required to appoint a standing proxy in Japan or provide a mailing address in Japan. Each such shareholder must give notice of such standing proxy or mailing address to the relevant account managing institution. Such notice will be forwarded to us through JASDEC. Japanese securities companies and commercial banks customarily act as standing proxies and provide related services for standard fees. Notices from us to non-resident shareholders are delivered to such standing proxies or mailing addresses.

Under the clearing system, shares constituting less than one unit are transferable. Under the rules of the Japanese stock exchanges, however, shares constituting less than one unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on Japanese stock exchanges.

Our transfer agent is Mizuho Trust & Banking, located at 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8241, Japan.

The registered holder of deposited shares underlying the ADSs is the depositary for the ADSs. Accordingly, holders of ADSs will not be able to directly assert their shareholders' rights against us.

Preferred Stock

Unless otherwise specified, the following is a summary of information concerning the shares of our preferred stock as of the date hereof, including brief summaries of the relevant provisions of our articles of incorporation, our share handling regulations and the Companies Act and certain related legislation, all as currently in effect. The detailed rights of our preferred stock are set forth in our articles of incorporation and the resolutions of our Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant series of preferred stock.

General

Under our articles of incorporation, we are authorized to issue 90,000,000 shares of each of the first to fourth series of class XIV preferred stock (provided that the aggregate number of shares authorized to be issued with respect to the four series of class XIV preferred stock may not exceed 90,000,000 shares), 90,000,000 shares of each of the first to fourth series of class XV preferred stock (provided that the aggregate number of shares authorized to be issued with respect to the four series of class XV preferred stock may not exceed 90,000,000 shares), 150,000,000 shares of each of the first to fourth series of class XVI preferred stock (provided that the aggregate number of shares authorized to be issued with respect to the four series of class XVI preferred stock may not exceed 150,000,000 shares).

As of March 31, 2023, there was no outstanding preferred stock.

Preferred Dividends

Payment of annual dividends on shares of common stock is subject to the prior payment of the annual preferred dividends on shares of preferred stock. The amount of preferred dividends for each series of the preferred stock is as follows:

- Each of the first to fourth series of class XIV preferred stock (currently not in issue) bears an annual non-cumulative dividend of the amount to be determined by resolution of the Board of Directors or determination by executive officer(s) under the authority delegated by the Board of Directors at the time of issuance, up to a maximum of ¥1,000 per share, and in the event we pay an interim dividend, holders are entitled to receive one half of such amount per share in preference to common stock.

- Each of the first to fourth series of class XV preferred stock (currently not in issue) bears an annual non-cumulative dividend of the amount to be determined by resolution of the Board of Directors or determination by executive officer(s) under the authority delegated by the Board of Directors at the time of issuance, up to a maximum of ¥1,000 per share, and in the event we pay an interim dividend, holders are entitled to receive one half of such amount per share in preference to common stock.
- Each of the first to fourth series of class XVI preferred stock (currently not in issue) bears an annual non-cumulative dividend of the amount to be determined by resolution of the Board of Directors or determination by executive officer(s) under the authority delegated by the Board of Directors at the time of issuance, up to a maximum of ¥1,000 per share, and in the event we pay an interim dividend, holders are entitled to receive one half of such amount per share in preference to common stock.

The amount of any interim preferred dividend will be deducted from the annual preferred dividend payable on preferred stock in respect of the same fiscal year.

No payment of dividends on our preferred stock or any other stock may be made unless we have sufficient Distributable Amount and a resolution to pay such dividend is obtained at the Board of Directors or at the relevant general meeting of shareholders, as the case may be.

Dividends on our preferred stock are non-cumulative. If the full amount of any dividend is not declared on our preferred stock in respect of any fiscal year, holders of our preferred stock do not have any right to receive dividends in respect of the deficiency in any subsequent fiscal year, and we will have no obligation to pay the deficiency or to pay any interest regardless of whether or not dividends are paid in respect of any subsequent fiscal year. The holders of our preferred stock are not entitled to any further dividends or other participation in or distribution of Surplus.

Liquidation Rights

In the event of our voluntary or involuntary liquidation, holders of our preferred stock will be entitled, equally in rank as among themselves and in preference over shares of common stock, to receive a distribution of ¥10,000 per share out of our residual assets upon our liquidation.

Holders of our preferred stock are not entitled to any further dividends or other participation in or distribution of our residual assets upon our liquidation.

Voting Rights

No holder of preferred stock has a right to receive notice for, or to vote at, a general meeting of shareholders, except as otherwise specifically provided under the Companies Act or other applicable law or our articles of incorporation. Under our articles of incorporation, holders of units of our preferred stock will be entitled to receive notice for, and to vote at, general meetings of shareholders:

- from the commencement of any ordinary general meeting of shareholders if an agenda for approval to declare a preferred dividend is not submitted to such meeting (except in the case where a resolution of the Board of Directors to pay the preferred dividends is made pursuant to our articles of incorporation between the last day of the business year and the date of such meeting); or
- from the close of any ordinary general meeting of shareholders if a proposed resolution to declare a preferred dividend is not approved at such meeting,

until such time as a resolution of the Board of Directors to pay the preferred dividends is made pursuant to our articles of incorporation or a resolution of an ordinary general meeting of shareholders declaring a preferred dividend is approved.

A separate resolution of a meeting of the holders of the preferred stock is required in order to approve the following matters which would prejudice the interests of the holders of the relevant preferred stock:

(i) an amendment to the articles of incorporation to add new classes of shares to be issued, alter the terms of the shares or increase the number of authorized number of shares or authorized number of any class of shares, with certain exceptions;

(ii) consolidation or split of shares;

(iii) pro rated allocation of shares or stock acquisition rights to shareholders without any consideration;

(iv) granting pre-emptive rights for new shares or stock acquisition rights to shareholders;

(v) amalgamations or mergers;

(vi) certain corporate splits;

(vii) share exchanges;

(viii) share transfers;

(ix) partial share exchanges; and

(x) other matters set forth in the articles of incorporation.

Such separate resolution is not required when the articles of incorporation so provide, except in the case of (i) above.

A separate resolution of a meeting of the holders of the common stock is also required in cases where the above matters would prejudice the interests of the holders of the common stock.

Under our articles of incorporation, in cases where a matter to be resolved at an ordinary general meeting of shareholders is required to be approved by such separate resolution, the record date for the relevant meeting of the holders of the common stock or the preferred stock, as the case may be, is the same date as the record date for the ordinary general meeting of shareholders, when is March 31 of each year.

Ranking

We will not (unless the requisite sanction has been given by holders of preferred stock) create or issue any other shares ranking, as regards order of participation in the profits or assets of us on a liquidation or otherwise, in priority to the preferred stock in issue, but we may issue, without obtaining the consent of holders of the preferred stock in issue, other preferred stock ranking pari passu with the preferred stock in issue as regards the order of such participation in profits or assets of us and carrying such rights as to rates of preferred dividends or terms of conversion as the Board of Directors may determine, subject to the limitations set forth in our articles of incorporation and the Companies Act.

Acquisition of Preferred Stock

We may, if required, subject to regulatory approval, acquire any shares of the preferred stock then outstanding at any time out of the Distributable Amount (as defined in "—Common Stock—Restriction on Distribution of Surplus"). On or after the date to be determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, we may also acquire all or a portion of each series of the first to fourth series of class XV (currently not in issue) or the first to fourth series of class XVI preferred stock (currently not in issue) at the acquisition price to be determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock on the date separately determined by a resolution of the Board of Directors or a

determination by executive officer(s) under the authority delegated by the Board of Directors, without consent of the holders of such preferred stock. When a portion of a certain class of preferred stock is acquired, such acquisition shall be made from each holder thereof in number of shares determined by way of a lot or pro rata allocation.

Stock Splits

Our articles of incorporation provide that no stock split, stock consolidation or free distribution of stock shall be made in respect of the preferred stock unless otherwise provided for in any law or regulation.

Issue of Additional Shares and Pre-emptive Rights

Our articles of incorporation provide that no holder of our preferred stock has any pre-emptive right to subscribe for or purchase shares, stock acquisition rights or bonds with stock acquisition rights in the event of an issuance of additional shares or bonds and that no free distribution of stock acquisition rights may be made to the holders of our preferred stock.

Conversion

Our articles of incorporation provide that holders of the first to fourth series of class XIV (currently not in issue) or the first to fourth series of class XV (currently not in issue) preferred stock may, at their option, convert their shares to common stock by requesting us to acquire such shares and issue or transfer common stock to them. Other classes of our preferred stock are non-convertible.

Our articles of incorporation also provide that the first to fourth series of class XIV (currently not in issue) or the first to fourth series of class XV (currently not in issue) preferred stock outstanding on the last day of the acquisition period will be mandatorily acquired by us on the immediately following day (the "mandatory conversion date") in consideration of shares of common stock of which number shall be calculated at the then-current market price per share of our common stock (the "mandatory conversion price").

Acquisition of Preferred Stock without Consideration or in Exchange for Common Stock

In order to enable the relevant preferred stock to meet the criteria for inclusion in Additional Tier 1 capital under the capital adequacy guidelines of the Financial Services Agency under the Basel III rules, the first to fourth series of class XIV (currently not in issue), the first to fourth series of class XV (currently not in issue) and the first to fourth series of class XVI (currently not in issue) preferred stock have the following feature.

In respect of the first and second series of class XIV (currently not in issue), the first and second series of class XV (currently not in issue) and the first and second series of class XVI (currently not in issue) preferred stock, upon the occurrence of an event determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock as an event where a write-off of the relevant preferred stock or a conversion of the relevant preferred stock into common stock, or financial support or other similar measures taken by a public sector, without which we would become non-viable, is determined to be necessary, we shall mandatorily acquire the relevant preferred stock, in whole, free of consideration, on a date which falls after the occurrence of such event as determined by the resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock and which date shall be separately determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors after the issuance of the relevant preferred stock, or a date which falls after the occurrence of the relevant certain event and which date shall be determined by the resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the capital adequacy requirements applicable to us and other factors.

In respect of the third and fourth series of class XIV (currently not in issue), the third and fourth series of class XV (currently not in issue) and the third and fourth series of class XVI (currently not in issue) preferred stock, upon the occurrence of an event determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock as an event where a write-off of the relevant preferred stock or a conversion of the relevant preferred stock into common stock, or financial support or other similar measures taken by a public sector, without which we would become non-viable, is determined to be necessary, we shall mandatorily acquire the relevant preferred stock, in whole, on a date which falls after the occurrence of such event as determined by the resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock and which date shall be separately determined by a resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors after the issuance of the relevant preferred stock, or a date which falls after the occurrence of the relevant certain event and which date shall be determined by the resolution of the Board of Directors or a determination by executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the capital adequacy requirements applicable to us and other factors, and instead, we shall deliver our own common stock to holders of the relevant preferred stock. In this case, the terms of acquisition, including the number of shares of the common stock to be delivered in exchange for the acquisition of one (1) share of the relevant preferred stock, shall be determined by the resolution of the relevant Board of Directors or the determination by relevant executive officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the market price of common stock, the subscription price of the relevant preferred stock and other factors.

10.C. Material Contracts

There were no material contracts entered into by us for the two years preceding the filing of this annual report that were not entered into in the ordinary course of business.

10.D. Exchange Controls

Foreign Exchange and Foreign Trade Act

The following is a general summary of major Japanese foreign exchange controls regulations applicable to holders of our shares, voting rights or ADSs who are non-residents of Japan or foreign investors, each as described below. The statements regarding Japanese foreign exchange control regulations set forth below are based on the laws and regulations in force and as interpreted by the Japanese authorities as of the date of this annual report and are subject to subsequent changes in the applicable Japanese laws or interpretations thereof. This summary is not exhaustive of all possible foreign exchange controls considerations that may apply to a particular investor, and potential investors are advised to satisfy themselves as to the overall foreign exchange controls consequences of the acquisition, ownership and disposition of our shares, voting rights or ADSs by consulting their own advisors.

The Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended) and the cabinet orders and ministerial ordinances incidental thereto, collectively the Foreign Exchange Act, set forth, among other matters, the regulations relating to the receipt by non-residents of Japan of payment with respect to shares to be issued by us and the acquisition and holding of our shares and voting rights by non-residents of Japan and the inward direct investment by foreign investors, each as described below. It also applies to the acquisition and holding of ADSs representing authority to exercise our voting rights by foreign investors that constitutes an inward direct investment. Generally, the Foreign Exchange Act currently in effect does not affect the right of a non-resident of Japan to purchase or sell ADSs outside Japan for non-Japanese currency unless such transaction constitutes an inward direct investment and requires prior notification filing.

“Non-residents of Japan” are defined as individuals who are not resident in Japan and corporations whose principal offices are located outside Japan. Generally, the branches and offices of non-resident corporations that

are located in Japan are regarded as residents of Japan while the branches and offices of Japanese corporations located outside Japan are regarded as non-residents of Japan.

"Foreign investors" are the following persons who make "inward direct investments," which is described below:

- individuals who are non-residents of Japan;
- judicial persons or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside Japan;
- corporations of which 50% or more of the voting rights are held by (i) individuals who are non-residents of Japan, (ii) judicial persons or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside Japan, (iii) corporations of which 50% or more of the capital are held by such individuals falling within (i) above and/or judicial persons or other organizations falling within (ii) above, and/or (iv) subsidiary corporations (as defined under the Japan's Companies Act, but excluding judicial persons or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside Japan) of such corporation falling within (iii) above;
- partnerships under the Civil Code of Japan (Act No. 89 of 1896, as amended) established to invest in corporations, limited partnerships for investment under the Limited Partnership Act for Investment of Japan (Act No. 90 of 1998, as amended) or any other similar partnerships under the laws of foreign countries of which (i) 50% or more of the contributions are made by individuals who are non-residents of Japan, judicial persons or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside Japan and/or any other persons or organizations prescribed in the Foreign Exchange Act, or (ii) a majority of the general partners are individuals who are non-residents of Japan, judicial persons or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside Japan and/or any other persons or organizations prescribed in Foreign Exchange Act; and
- judicial persons or other organizations, a majority of officers (or a majority of officers having the power of representation) of which are individuals who are non-residents of Japan.

An "inward direct investment" is a certain action defined in the Foreign Exchange Act and includes the following actions conducted by a foreign investor:

- acquisition of shares or voting rights of a corporation listed on a Japanese stock exchange (the "listed corporation"), including authority to exercise, either directly or through instructions, such voting rights owned by others, that result in such foreign investor, together with parties that have a special relationship with that foreign investor, holding or having authority to exercise 1% or more of the total issued shares or voting rights;
- acceptance of authority to exercise proxy voting rights on behalf of another shareholder of a listed corporation in respect of certain matters controlling or having material influence on its management (as prescribed in the Foreign Exchange Act), including election or removal of directors or transfer of its business, that result in such foreign investor, together with parties that have a special relationship with that foreign investor, holding or having authority to exercise 10% or more of the total voting rights;
- obtaining consent from another foreign investor holding the voting rights of a listed corporation to exercise, either directly or through instructions, voting rights jointly, that result in such foreign investor obtaining such consent and such other foreign investor making such consent, together with parties that have a special relationship with those foreign investors, respectively, holding or having authority to exercise 10% or more of the total voting rights;
- making consents at the general meeting of shareholders of a listed corporation to certain proposals having material influence on its management (as prescribed in the Foreign Exchange Act), including

(a) election of the foreign investor making such consent or its related persons (as defined in the Foreign Exchange Act) as its directors or corporate auditors, or (b) transfer or discontinuation of its business, if such foreign investor, together with parties that have a special relationship with that foreign investor, holds or has authority to exercise 1% or more of the total voting rights.

Dividends and Proceeds of Sales

Under the Foreign Exchange Act, dividends paid on, and the proceeds of sales in Japan of, shares held by non-residents of Japan may in general be converted into any foreign currency and repatriated abroad. The acquisition of our shares by non-residents of Japan by way of a stock split is not subject to any notification or reporting requirements.

Acquisition of Shares

In general, a non-resident of Japan who acquires shares from a resident of Japan is not subject to any prior filing requirement, although the Foreign Exchange Act empowers the Minister of Finance of Japan to require prior approval for any such acquisition in certain limited circumstances. While such prior approval is not required in general, in the case where a resident of Japan transfers shares of a Japanese company for consideration exceeding 100 million yen to a non-resident of Japan, the resident of Japan that transfers the shares is required to report the transfer to the Minister of Finance of Japan within 20 days from the date of the transfer or the date of the payment for such transfer, whichever is later, unless the transfer is made through a bank or financial instruments business operator licensed or registered under Japanese law.

Inward Direct Investment

Prior Notification Requirements

If a foreign investor intends to consummate an action in respect of a listed corporation that constitutes an inward direct investment as described above, in certain circumstances, such as where the foreign investor is in a country that is not listed on an exemption schedule in the Foreign Exchange Act, or where that listed corporation is engaged in certain businesses designated by the Foreign Exchange Act (the "Designated Businesses"), prior notification of the relevant inward direct investment must be filed with the Minister of Finance and any other competent Ministers.

However, a foreign investor seeking to acquire shares or voting rights, including authority to exercise, either directly or through instructions, voting rights owned by others, of a listed corporation that constitutes an inward direct investment may be eligible for the exemptions, if certain conditions as described below are met. In the case of an acquisition of shares or voting rights, including authority to exercise, either directly or through instructions, voting rights owned by others, of a listed corporation engaged in certain Designated Businesses designated by the Foreign Exchange Act as core sector businesses (the "Core Sector Designated Businesses"), the foreign investor may be exempted from the prior notification requirement, if, as a result of such acquisition, the foreign investor, together with parties that have a special relationship with that foreign investor, holds or has authority to exercise less than 10% of the total issued shares or voting rights of such corporation, and such foreign investor complies with the following conditions (the "Exemption Conditions"):

- the foreign investor or its closely-related persons (as defined in the Foreign Exchange Act) will not become directors or corporate auditors of such corporation;
- the foreign investor will not make certain proposals (as prescribed in the Foreign Exchange Act) at the general meeting of shareholders, including transfer or discontinuation of the Designated Businesses of such corporation;
- the foreign investor will not access non-public technical information in relation to the Designated Businesses of such corporation, or take certain other actions that may lead to the leak of such non-public technical information (as prescribed in the Foreign Exchange Act);

- the foreign investor will not attend, or not cause any persons designated by it to attend, meetings of such corporation's board of directors, or meetings of committees having authority to make important decisions, in respect of the Core Sector Designated Businesses of such corporation; and
- the foreign investor will not make, or not cause any persons designated by it to make, proposals to such board or committees or their members in writing or electronic form requesting any response or actions by certain deadlines in respect of the Core Sector Designated Businesses of such corporation.

Notwithstanding the above, if a foreign investor falls under a category of disqualified investors designated by the Foreign Exchange Act (including (a) investors who have records of certain sanctions due to violations of the Foreign Exchange Act and (b) certain investors who are state-owned enterprises or other related entities excluding those who are accredited by the Minister of Finance), in no event may such foreign investor be eligible for the exemptions described above. On the other hand, if a foreign investor, excluding the disqualified investors described in the foregoing sentence, falls under a category of certain foreign financial institutions (as prescribed in the Foreign Exchange Act) and complies with the first three conditions included in the Exemption Conditions, such foreign investor may be eligible for the exemptions, even if, as a result of acquisition of shares or voting rights, including authority to exercise, either directly or through instructions, voting rights owned by others, such foreign investor, together with parties that have a special relationship with that foreign investor, holds or has authority to exercise 10% or more of the total issued shares or voting rights of a listed corporation engaged in the Core Sector Designated Businesses.

A subsidiary of ours currently engages in the business of software related to cybersecurity and such business falls into the category of the Core Sector Designated Businesses. For reference purposes only, the Minister of Finance publishes, and may update from time to time, a list that classifies listed corporations into the following categories: (i) corporations engaged only in businesses other than the Designated Businesses; (ii) corporations engaged in the Designated Businesses other than the Core Sector Designated Businesses; and (iii) corporations engaged in the Core Sector Designated Businesses. According to the list published by the Minister of Finance as of May 19, 2023, we are classified within category (iii) above.

In addition, if a foreign investor intends to (i) accept authority to exercise proxy voting rights on behalf of another shareholder of a listed corporation engaged in the Designated Businesses, or (ii) obtain consent from another foreign investor holding the voting rights of such corporation to exercise voting rights jointly, or (iii) consent to a proposal at the general meeting of shareholders of such corporation, in each case, that constitutes an inward direct investment as described above, prior notification of the relevant inward direct investment must be filed with the Minister of Finance and any other competent Ministers. In such cases, the newly introduced exemptions from the prior notification requirements may not be available, except for cases where a foreign investor obtains consent from another foreign investor holding the voting rights of such corporation to exercise voting rights jointly in respect of matters other than certain matters controlling or having a material influence on the management of such corporation (as prescribed in the Foreign Exchange Act), including election or removal of directors or transfer of business.

If such prior notification is filed, the proposed inward direct investment may not be consummated until after 30 days have passed from the date of filing, although this screening period may be shortened to two weeks unless the Minister of Finance and any other competent Ministers deem it necessary to review the proposed inward direct investment. The Ministers may extend the screening period up to five months if they deem it necessary to review the proposed inward direct investment and may recommend any modification or prohibition of the proposed inward direct investment and, if the foreign investor does not accept such recommendation, the Ministers may order the modification or prohibition of such inward direct investment. In addition, if a foreign investor (i) consummates such inward direct investment without filing the prior notification described above, (ii) consummates such inward direct investment before the expiration of the screening period described above, (iii) makes false statements in the prior notification described above or (iv) does not follow the recommendation or order issued by the Ministers to modify or prohibit such inward direct investment, the Ministers may order such foreign investor to dispose of all or part of the shares acquired or take other necessary measures.

If a foreign investor who consummated an inward direct investment without filing the prior notification due to the exemptions from such prior notification requirements as described above does not comply with any Exemption Conditions, the Ministers may recommend to take necessary measures and, if the foreign investor does not accept such recommendation, the Ministers may order to take such measures. If such foreign investor does not follow the order issued by the Ministers to take such measures, the Ministers may order such foreign investor to dispose of all or part of the shares acquired or take other necessary measures.

Post Facto Reporting Requirements

A foreign investor who consummates an inward direct investment as described above through an acquisition of shares or voting rights, including authority to exercise, either directly or through instructions, voting rights owned by others, of a listed corporation engaged in the Designated Businesses, including us (as of the date of this annual report), but is not subject to the prior notification requirements described above due to the exemptions from such prior notification requirements, in general, must file a report of the relevant inward direct investment with the Minister of Finance and any other competent Ministers within 45 days of the date when, as a result of such acquisition, the foreign investor (excluding, in the cases of (i) and (ii) below, a foreign investor who falls under a category of certain foreign financial institutions (as prescribed in the Foreign Exchange Act)), together with parties that have a special relationship with that foreign investor, holds or has authority to exercise (i) 1% or more but less than 3% of the total issued shares or voting rights, for the first time, (ii) 3% or more but less than 10% of the total issued shares or voting rights, for the first time, or (iii) 10% or more of the total issued shares or voting rights.

Acquisition of ADSs and Deposit and Withdrawal under American Depositary Facility

In respect of the acquisition of ADSs upon the deposit of shares with Mizuho Bank, in its capacity as custodian and agent for the depositary, in Tokyo, or otherwise, or the withdrawal of the underlying shares upon the surrender of the ADR, in each case by a foreign investor, where such acquisition of ADSs or withdrawal of the underlying shares constitutes an inward direct investment, in general, a prior notification will be required unless the exemption is available, as noted above, and if such prior notification is not required due to the exemption, a report will be required, as noted above.

10.E. Taxation

Japanese Taxation

The following is a general summary of major Japanese tax consequences (limited to national tax) to holders of shares of our common stock or ADSs representing shares of our common stock who are non-residents of Japan or non-Japanese corporations without a permanent establishment in Japan, which we refer to as "non-resident holders" in this section. The statements regarding Japanese tax laws set forth below are based on the laws and treaties in force and as interpreted by the Japanese tax authorities as at the date of this annual report and are subject to changes in the applicable Japanese laws or tax treaties, conventions or agreements, or interpretations thereof, occurring after that date. This summary is not exhaustive of all possible tax considerations that may apply to a particular investor, and potential investors are advised to satisfy themselves as to the overall tax consequences of the acquisition, ownership and disposition of shares of our common stock or ADSs, including specifically the tax consequences under Japanese law, the laws of the jurisdiction of which they are resident, and any tax treaty, convention or agreement between Japan and their country of residence, by consulting their own tax advisers.

For the purpose of Japanese tax law and the current income tax treaty between the United States and Japan (the "Treaty"), a U.S. holder of ADSs will generally be treated as the owner of the shares underlying the ADSs evidenced by the ADRs.

Generally, a non-resident holder of shares of our common stock or ADSs is subject to Japanese income tax collected by way of withholding on dividends paid by us, and such tax will be withheld prior to payment of dividends. Stock splits are, in general, not a taxable event.

In the absence of any applicable tax treaty, convention or agreement reducing the maximum rate of Japanese withholding tax or allowing exemption from Japanese withholding tax, the rate of Japanese withholding tax applicable to dividends paid by Japanese corporations on their shares of stock to non-resident holders is generally 20.42% under Japanese tax law. However, with respect to dividends paid on listed shares issued by a Japanese corporation (such as shares of our common stock or ADSs) to non-resident holders, other than any non-resident holder who is an individual holding 3% or more of the total number of shares issued by the relevant Japanese corporation, the aforementioned 20.42% withholding tax rate is reduced to 15.315% for dividends due and payable on or before December 31, 2037. Due to the imposition of a special additional withholding tax (2.1% of the original withholding tax amount) to secure funds for reconstruction from the Great East Japan Earthquake, the original withholding tax rate of 15% and 20%, as applicable, has been effectively increased, respectively, to 15.315% and 20.42%, during the period beginning on January 1, 2013 and ending on December 31, 2037.

Under the Treaty, the maximum rate of Japanese withholding tax which may be imposed on dividends paid to a qualified United States resident eligible to enjoy treaty benefits that is either a corporation owning, directly or indirectly, less than 10% of the voting stock of a Japanese corporation or an individual is generally reduced to 10% of the gross amount actually distributed, except where such United States resident conducts business in Japan through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. Dividends paid to pension funds which are qualified United States residents eligible to enjoy treaty benefits are exempt from Japanese income taxation by way of withholding or otherwise unless such dividends are derived from the carrying on of a business, directly or indirectly, by such pension funds. Under Japanese tax law, any reduced maximum rate applicable under a tax treaty shall be available when such maximum rate is below the rate otherwise applicable under the Japanese tax law referred to in the preceding paragraph with respect to the dividends to be paid by us on shares of our common stock or ADSs. A non-resident holder of shares of our common stock who is entitled, under any applicable tax treaty, to a reduced rate of Japanese withholding tax, or exemption therefrom, as the case may be, is required to submit an Application Form for Income Tax Convention Regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Dividends (together with any other required forms and documents) in advance, through the withholding agent, to the relevant tax authority before payment of dividends. A standing proxy for a non-resident holder may provide such application service. In addition, a certain simplified special filing procedure is available for non-resident holders to claim treaty benefits of exemption from or reduction of Japanese withholding tax, by submitting a Special Application Form for Income Tax Convention Regarding Relief from Japanese Income Tax and Special Income Tax for Reconstruction on Dividends of Listed Stocks (together with any other required forms and documents). With respect to ADSs, this reduced rate or exemption will be applicable to non-resident holders of ADSs if the depositary or its Agent submits two Application Forms (one before payment of dividends and the other within eight months after the record date concerning such payment of dividends), together with certain other documents. To claim this reduced rate or exemption, non-resident holders of ADSs will be required to file a proof of taxpayer status, residence and beneficial ownership, as applicable, and to provide other information or documents as may be required by the depositary. Non-resident holders who are entitled, under any applicable tax treaty, to a reduced rate of Japanese withholding tax below the rate otherwise applicable under Japanese tax law, or exemption therefrom, as the case may be, but fail to submit the required application in advance may nevertheless be entitled to claim a refund from the relevant Japanese tax authority of withholding taxes withheld in excess of the rate under an applicable tax treaty (if such non-resident holders are entitled to a reduced treaty rate under the applicable tax treaty) or the full amount of tax withheld (if such non-resident holders are entitled to an exemption under the applicable tax treaty), as the case may be, by complying with a certain subsequent filing procedure.

We do not assume any responsibility to ensure withholding at the reduced rate, or exemption therefrom, for non-resident holders who would be so eligible under an applicable tax treaty but where the required procedures as stated above are not followed.

Gains derived from the sale or other disposition of shares of our common stock or ADSs outside Japan by a non-resident holder, who is a portfolio investor, are not, in general, subject to Japanese income tax or corporation tax.

Any deposits or withdrawals of shares of our common stock by a non-resident holder in exchange for ADSs are, in general, not subject to Japanese income or corporation tax.

Japanese inheritance and gift taxes, at progressive rates, may be payable by an individual who has acquired shares of our common stock or ADSs from an individual, as a legatee, heir or donee, even if none of the acquiring individual, the decedent or the donor is a Japanese resident.

U.S. Taxation

The following sets forth the material United States federal income tax consequences of the ownership of shares of common stock (for purposes of this discussion, "shares") and ADSs of our company. The discussion set forth below is applicable to U.S. holders (as defined below) (i) who are residents of the United States for purposes of the Treaty, (ii) whose shares or ADSs are, for purposes of the Treaty, neither effectively connected with nor attributable to a permanent establishment in Japan and (iii) who otherwise qualify for the full benefits of the Treaty.

The following summary is not a complete analysis or description of all potential U.S. federal income tax consequences to a particular U.S. holder. It does not address all U.S. federal income tax considerations that may be relevant to all categories of potential purchasers, certain of which (such as banks or other financial institutions, insurance companies, dealers in securities or currencies, tax-exempt entities, non-U.S. persons, persons holding a share or an ADS as part of a "straddle," "hedge," conversion or integrated transaction, partnerships or other pass-through entities for U.S. federal income tax purposes, traders in securities who have elected the mark-to-market method of accounting for their securities, regulated investment companies, real estate investment trusts, holders whose "functional currency" is not the U.S. dollar, holders liable for alternative minimum tax, persons required to accelerate the recognition of any item of gross income with respect to shares or ADSs as a result of such income being recognized on an applicable financial statement and holders of 10% or more of our stock by vote or value) are subject to special tax treatment. This summary does not address the Medicare tax on net investment income, U.S. federal estate and gift taxes or any foreign, state, local or other tax consequences of investments in our shares or ADSs.

This summary addresses only shares or ADSs held as capital assets.

As used herein, a "U.S. holder" is a beneficial owner of shares or ADSs, as the case may be, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons as described in Section 7701(a)(30) of the Code (as defined below) or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares or ADSs, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding shares or ADSs, you should consult your tax advisor.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions thereunder as of the date hereof, as well as the Treaty, and such authorities may be replaced, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. In addition, this summary assumes that the deposit agreement and all other related agreements will be performed in accordance with their terms.

We urge U.S. holders to consult their own tax advisors concerning the U.S. federal, state and local and other tax consequences to them of the purchase, ownership and disposition of shares or ADSs.

ADSs

If a U.S. holder holds ADSs, for U.S. federal income tax purposes, such holder will generally be treated as the owner of the underlying shares that are represented by such ADSs. Accordingly, deposits or withdrawals of shares in exchange for ADSs are not subject to U.S. federal income tax.

Taxation of Dividends

Subject to the discussion under "—U.S. Taxation—Passive Foreign Investment Company Rules" below, the gross amount of any distribution (other than certain pro rata distributions of our shares) received with respect to our shares or ADSs (including amounts withheld to reflect Japanese withholding taxes) will be taxable as dividends, to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The amount of a distribution of property other than cash will be the fair market value of such property on the date of the distribution. Such cash or non-cash income, including withheld taxes, will be includable in a U.S. holder's gross income as ordinary income on the day actually or constructively received by such U.S. holder in the case of shares, or by the depositary in the case of ADSs. Such dividends received by a U.S. holder will not be eligible for the "dividends-received deduction" allowed to U.S. corporations in respect of dividends received from other U.S. corporations. To the extent that an amount received by a U.S. holder exceeds such holder's allocable share of our current and accumulated earnings and profits, such excess will be applied first to reduce such holder's tax basis in its shares or ADSs, thereby increasing the amount of gain or decreasing the amount of loss recognized on a subsequent disposition of the shares or ADSs. Then, to the extent such distribution exceeds such U.S. holder's tax basis, such excess will be treated as capital gain. However, we do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. Therefore, U.S. holders should expect that a distribution will generally be reported as a dividend.

The amount of any dividend paid in yen will be the U.S. dollar value of the yen payments received. This value will be determined at the spot yen/U.S. dollar rate on the date the dividend is received by the depositary in the case of U.S. holders of ADSs, or by the shareholder in the case of U.S. holders of shares, regardless of whether the dividend payment is in fact converted into U.S. dollars at that time. If the yen received as a dividend are not converted into U.S. dollars on the date of receipt, a U.S. holder will have basis in such yen equal to their U.S. dollar value on the date of receipt, and any foreign currency gains or losses resulting from the conversion of the yen will generally be treated as U.S. source ordinary income or loss.

Under the Treaty, the maximum rate of withholding tax on dividends paid is generally reduced to 10%. As discussed under "—Japanese Taxation" above, if the Japanese statutory rate applicable to a U.S. holder is higher than the maximum Treaty rate, such holder will be required to properly demonstrate to the Japanese tax authorities such holder's entitlement to the reduced withholding rate under the Treaty. Subject to certain limitations and the Foreign Tax Credit Regulations (as defined below), the Japanese tax withheld (at a rate not

exceeding the applicable Treaty rate) may be creditable against the U.S. holder's U.S. federal income tax liability. For foreign tax credit limitation purposes, the dividend will be income from sources outside the United States. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends we pay will generally constitute "passive category income." However, recently issued Treasury regulations (the "Foreign Tax Credit Regulations") impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied if a U.S. holder does not elect to apply the benefits of the Treaty. Further, in certain circumstances, if a U.S. holder:

- has held shares or ADSs for less than a specified minimum period during which such U.S. holder is not protected from the risk of loss; or
- is obligated to make payments related to the dividends,

such U.S. holder will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on shares or ADSs. Instead of claiming a foreign tax credit, a U.S. holder may be able to deduct Japanese withholding taxes on dividends in computing such holder's taxable income, subject to generally applicable limitations under U.S. law (including that a U.S. holder is not eligible for a deduction for creditable foreign income taxes paid or accrued in a taxable year if such U.S. holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing U.S. foreign tax credits and deductions for foreign taxes are very complex and U.S. holders should consult their tax advisors regarding the availability of foreign tax credits or deductions under their particular circumstances.

Subject to applicable limitations (including a minimum holding period requirement), dividends received by non-corporate U.S. investors from a qualified foreign corporation may be treated as "qualified dividend income" that is subject to reduced rates of taxation. A qualified foreign corporation includes a corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The U.S. Treasury Department has determined that the Treaty meets these requirements. In addition, it is expected that we will be eligible for the benefits of the Treaty. A foreign corporation is also treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that our ADSs (which are listed on the New York Stock Exchange), but not our shares, are readily tradable on an established securities market in the United States. There can be no assurance that our ADSs will be considered readily tradable on an established securities market in the United States in later years. Non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a passive foreign investment company (as discussed under "—U.S. Taxation—Passive Foreign Investment Company Rules" below) in the taxable year in which such dividends are paid or in the preceding taxable year. U.S. holders should consult their own tax advisors regarding the application of the foregoing rules to their particular circumstances.

Taxation of Capital Gains

Upon a sale or other taxable disposition of shares or ADSs, a U.S. holder will recognize gain or loss in an amount equal to the difference between the U.S. dollar value of the amount realized and the U.S. holder's tax basis, determined in U.S. dollars, in such shares or ADSs. Subject to the discussion under "—U.S. Taxation—Passive Foreign Investment Company Rules" below, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for such shares or ADSs exceeds one year. A U.S. holder's tax basis in its shares or ADSs will generally be the cost to the holder of such shares or ADSs. Any such gain or loss realized by a U.S. holder upon disposal of the shares or ADSs will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

Based on the past and projected composition of our income and assets and the valuation of our assets, we do not believe that we were a passive foreign investment company ("PFIC") for our most recent taxable year and do not expect to become one in the current taxable year or the foreseeable future, although there can be no assurance in this regard. However, PFIC status is a factual determination that is made annually. Accordingly, it is possible that we may become a PFIC in the current or any future taxable year due to changes in the composition of our income or assets or the valuation of our assets.

In general, a foreign corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income; or
- at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than certain income derived in the active conduct of a banking business as discussed below, and royalties and rents derived in the active conduct of a trade or business and not derived from a related person). In addition, cash and other assets readily convertible into cash are generally considered passive assets. The 50% of value test is generally based on the average of the value of our assets for each quarter during the taxable year. If we own at least 25% by value of another company's stock, we will be treated, for purposes of the PFIC rules, as owning the proportionate share of the assets and receiving our proportionate share of the income of that company.

Our PFIC determination is based in part upon certain proposed U.S. Treasury regulations (the "Proposed Regulations") that are not yet in effect (although the U.S. Treasury Department has released guidance indicating that taxpayers may currently rely on them) and are subject to change in the future. The Proposed Regulations and other administrative pronouncements from the Internal Revenue Service (the "IRS") provide special rules for determining the character of income derived in the active conduct of a banking business for purposes of the PFIC rules. Although we believe we have adopted a reasonable interpretation of the Proposed Regulations and administrative pronouncements, there can be no assurance that the IRS will follow the same interpretation.

If we are a PFIC for any taxable year during which a U.S. holder holds shares or ADSs (and the U.S. holder does not make a timely mark-to-market election, as described below), the U.S. holder will be subject to special tax rules with respect to any "excess distribution" that the U.S. holder receives and any gain the U.S. holder realizes from the sale or other disposition (including a pledge) of the shares or ADSs.

These special tax rules generally will apply even if we cease to be a PFIC in future years. Distributions U.S. holders receive in a taxable year that are greater than 125% of the average annual distributions they received during the shorter of the three preceding taxable years or their holding period for the shares or ADSs will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the U.S. holder's holding period for the shares or ADSs;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year for individuals or corporations, as applicable, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

Alternatively, a U.S. holder could make a mark-to-market election and avoid the special tax rules described above, provided that our shares or ADSs (as applicable) are regularly traded on a qualified exchange. Under current law, the mark-to-market election may be available to U.S. holders of ADSs because the ADSs are listed

on the New York Stock Exchange, which constitutes a qualified exchange, although there can be no assurance that the ADSs will be "regularly traded" for purposes of the mark-to-market election. Under current law, the mark-to-market election may be available to U.S. holders of shares because the shares are listed on the Tokyo Stock Exchange, which constitutes a qualified exchange, although there can be no assurance that the shares will be "regularly traded" for purposes of the mark-to-market election. U.S. holders should consult their own tax advisors regarding the potential availability and consequences of a mark-to-market election. In addition, a U.S. investor that owns shares or ADSs in a PFIC can sometimes avoid the rules described above by electing to treat the company as a "qualified electing fund" under Section 1295 of the Code. This option is not available to U.S. holders of our shares or ADSs because we do not intend to comply with the requirements necessary to permit U.S. holders to make this election.

If a U.S. holder holds shares or ADSs in any year in which we are classified as a PFIC, such holder will generally be required to file IRS Form 8621. Additionally, non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

U.S. holders should consult their own tax advisors concerning the determination of our PFIC status and the U.S. federal income tax consequences of holding shares or ADSs if we are considered a PFIC in any taxable year.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends in respect of the shares or ADSs or the proceeds from the sale, exchange or other disposition of the shares or ADSs paid within the United States (and, in some cases, outside of the United States) to a U.S. holder, unless such holder is an exempt recipient. In addition, backup withholding tax may apply to those amounts if a U.S. holder fails to provide an accurate taxpayer identification number or fails either to report interest and dividends required to be shown on such holder's U.S. federal income tax returns or to make certain certifications. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a refund or credit against such holder's U.S. federal income tax liability, provided such holder furnishes the required information to the IRS.

Certain U.S. holders are required to report information with respect to their investment in shares or ADSs, subject to certain exceptions (including an exception for shares or ADSs held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold the shares or ADSs. Investors who fail to report the required information could become subject to substantial penalties. Potential investors are urged to consult with their own tax advisors regarding the possible implications of these rules on their investment in our shares or ADSs.

10.F. Dividends and Paying Agents

Not applicable.

10.G. Statement by Experts

Not applicable.

10.H. Documents on Display

We file annual reports on Form 20-F with, and furnish periodic reports on Form 6-K to, the U.S. Securities and Exchange Commission via the Electronic Data Gathering, Analysis, and Retrieval system. These reports, including this annual report on Form 20-F and the exhibits thereto, and other information can be inspected on the Commission's website (https://www.sec.gov).

10.I. Subsidiary Information

Not applicable.

10.J. Annual Report to Security Holders

We furnished our annual report to security holders for the fiscal year ended March 31, 2023 to the U.S. Securities and Exchange Commission on Form 6-K on May 25, 2023, in accordance with the requirements of Form 6-K.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT CREDIT, MARKET AND OTHER RISK

Amid the growing diversity and complexity of banking operations, financial institutions are exposed to various risks, including credit, market, operations, information technology, legal, settlement and other risks. We recognize risk management, including the need to tailor our operations in accordance with such risks, as a key component of our overall management strategy In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures. Mizuho Financial Group maintains 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.

All yen figures and percentages in this item are truncated. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Overview of Risk Management

Risk Management Structure

Each of our subsidiaries adopts appropriate risk management measures for its business based on the size and nature of its risk exposures, while Mizuho Financial Group controls risk management for the Mizuho group as a whole. At Mizuho Financial Group, the Risk Management Committee, which is one of the Business Policy Committees of Mizuho Financial Group and chaired by the Group Chief Risk Officer (Group CRO), provides integrated monitoring and management of the overall risk for the Mizuho group. The Group Chief Risk Officer (Group CRO) reports the risk management situation to our Board of Directors, the Risk Committee and the Executive Management Committee, etc., on a regular basis and as needed. Mizuho Financial Group regularly receives reports and applications concerning the risk management situation from our principal banking subsidiaries and other core group companies and gives them appropriate instructions concerning risk management. Our principal banking subsidiaries and other core group companies each maintain their own systems for managing various types of risk, receiving reports on the status of risk at their respective subsidiaries, and gives them appropriate instructions concerning risk management as necessary.

Basic Approach

We classify the risks arising from the group's businesses into different types of risk such as credit risk, market risk, liquidity risk operational risk, reputational risk and model risk according to their risk factors, and manage each type of risk depending on its characteristics. Furthermore, each group entity manages such risks according to the characteristics of its business operations (i.e., management of risks associated with settlement and trust businesses, etc.). In addition to managing each type of risk individually, we have established a comprehensive risk management structure to identify and evaluate overall risk and to keep risk within limits that are managerially acceptable. In line with the basic policies relating to overall risk management laid down by Mizuho Financial Group, companies within the Mizuho group identify risk broadly and take a proactive and sophisticated approach to risk management.

Risk Capital Allocation

We endeavor to obtain a clear grasp of the group's risk exposure and have implemented measures to control such risks within the group's financial base in accordance with the risk capital allocation framework. More specifically, we allocate risk capital to our principal banking subsidiaries, including their respective subsidiaries, and other core group companies 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 our financial strength. To ensure the ongoing financial soundness of Mizuho Financial Group, our principal banking subsidiaries and other core group companies, 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. Risk capital is allocated to Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities and Mizuho Americas by risk category, and is further allocated within their respective business units based on established frameworks.

Stress Testing

For the purpose of verifying the appropriateness of the Mizuho group's risk appetite and the adequacy of its business plans, we carry out stress testing on our entire portfolio by measuring and assessing the impacts on our capital ratio and financial performance of the stress events assumed in the scenarios set by the group. Stress testing is carried out to confirm that the required capital ratio and financial performance can be secured on the occurrence of any of the assumed stress events. When our capital ratio or financial performance falls below the required level, we will consider and carry out a revision of our risk appetite and business plans. We also calculate the impacts of assumed stress events on risk volumes, including interest rate risk related to our banking book that is not covered by regulatory capital, to confirm whether the risk volumes balance with the group's capital when a risk event occurs. The calculated risk volumes are used for assessing the group's internal capital adequacy. Risk scenarios are set considering the current and projected economic conditions, as well as vulnerabilities in the group's business and financial structure. Moreover, we have established a robust risk management framework under which stress testing is respectively carried out for each risk category, including market risk. Through such stress testing, we deepen our understanding of the distinctive features of our businesses and portfolios, and proactively determine action to be taken if a stress event happens. In this way, we are committed to enhancing our risk management capabilities on a continued basis.

Credit Risk Management

Basic Approach

We define credit risk as the Mizuho group's exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets (including off-balance-sheet instruments), as a result of deterioration in obligors' financial position. Mizuho Financial Group manages credit risk for the group as a whole. Specifically, Mizuho Financial Group establishes the group's fundamental credit risk policy to manage major group companies, and monitors and manages the credit risks of the group as a whole.

Credit Risk Management Structure

Our Board of Directors determines the Mizuho group's basic matters pertaining to credit risk management. In addition, the Risk Management Committee broadly discusses and coordinates matters relating to basic policies and operations in connection with credit risk management and matters relating to credit risk monitoring for the Mizuho group. Under the control of the Group Chief Risk Officer (Group CRO), 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.

Our principal banking subsidiaries and other core group companies manage their credit risk according to the scale and nature of their exposures in line with basic policies set forth by Mizuho Financial Group. The Board of Directors of each company determines key matters pertaining to credit risk management.

The Balance Sheet & Risk Management Committee and the Credit Committee, each of which is a Business Policy Committee of our principal banking subsidiaries, are responsible for discussing and coordinating overall

management of their individual credit portfolios and transaction policies towards obligors. The respective Chief Risk Officers (CRO) of our principal banking subsidiaries are responsible for matters relating to planning and implementing credit risk management. The credit risk management departments of our principal banking subsidiaries are in charge of planning and administering credit risk management and conducting credit risk measuring and monitoring. Such departments regularly present reports regarding their risk management situation to Mizuho Financial Group. The credit departments of our principal banking subsidiaries determine policies and approve/disapprove individual transactions in terms of credit review, credit management and collection from obligors in accordance with the lines of authority set forth respectively by our principal banking subsidiaries. In addition, our principal banking subsidiaries have established internal audit groups that are independent of the business departments in order to ensure appropriate credit risk management.

Method of Credit Risk Management

We have adopted two different but mutually complementary approaches to credit risk management. The first approach is "individual 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 obligor. 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 risks and respond appropriately.

Individual Credit Management

Credit Codes

The basic code of conduct for all of our officers and employees engaged in the credit business is set forth in our credit code. Seeking to fulfill the bank's mission and social responsibilities, our basic policy for credit business is determined in light of fundamental principles focusing on public welfare, safety, growth and profitability.

Internal Rating System

One of the most important elements of the risk management infrastructure of our principal banking subsidiaries is the use of an internal rating system that consists of credit ratings and pool allocations. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the possibility of ultimately incurring losses related to each individual claim by taking into consideration the nature of any collateral or guarantee and the seniority of the claim. In principle, obligor ratings apply to all obligors and are subject to regular reviews at least once a year to reflect promptly the fiscal period end financial results of the obligors, as well as special reviews as required whenever an obligor's credit standing changes. This enables our principal banking subsidiaries to monitor both individual obligors and the status of the overall portfolio in a timely fashion. Because we consider obligor ratings to be an initial phase of the self-assessment process regarding the quality of our loans and off-balance-sheet instruments, such obligor ratings are closely linked to the obligor classifications and are an integral part of the process for determining the provision for credit losses on loans and charge-offs in our self-assessment of loans and off-balance-sheet instruments.

To assign obligor ratings, we have a quantitative evaluation system (rating model) in place to enable proper assessment of an obligor's credit standing. The system gives a quantitative rating to an obligor based on obligor-specific characteristics such as type of business (corporation or individual) and geography (in Japan or outside Japan). We categorize our rating models for companies in Japan into those for large companies and those for small and medium-sized companies. The former consist of 13 models according to industry-specific factors, while the latter consist of three models. For companies outside Japan, we utilize nine models.

These were developed by the Credit Risk Management Department based on a statistical methodology and approved by the Chief Risk Officer (CRO).

Pool allocations are applied to small claims that are less than a specified amount by pooling obligors and claims with similar risk characteristics and assessing and managing the risk for each such pool. Our principal banking subsidiaries efficiently manage credit risk and credit screening by dispersing a sufficient number of small claims within each pool. Our principal banking subsidiaries generally review the appropriateness and effectiveness of our approach to obligor ratings and pool allocations once a year in accordance with predetermined procedures, which is audited by the Internal Audit Group.

Mizuho Financial Group defines a Restructured Loan as a loan extended to a Watch Obligor when the following conditions are met: an obligor is experiencing financial difficulties; and lending conditions were amended favorably to the obligor such as allowing interest rate reduction, postponement of principal repayment/ interest payment, debt forgiveness, etc.

An overdue loan is defined as a loan for a Watch Obligor of which the loan principal or interest is overdue for three months or more following the contractual payment date.

Self-assessment, Provision for Credit Losses on Loans and Off-Balance-Sheet Instruments and Charge-Offs

We conduct self-assessment of assets to ascertain the status of assets both as an integral part of credit risk management and in preparation for appropriate accounting treatment, including provision for credit losses on loans and off-balance-sheet instruments and charge-offs. During the process of self-assessment, obligors are categorized into certain groups taking into consideration their financial condition and their ability to make payments, and credit ratings are assigned to all obligors, in principle, to reflect the extent of their credit risks. The related assets are then categorized into certain classes based on the risk of impairment. This process allows us to identify and control the actual quality of assets and determine the appropriate accounting treatment, including provision for credit losses on loans and off-balance-sheet instruments and charge-offs. Specifically, the credit risk management department of each of our principal subsidiaries is responsible for the overall control of the self-assessment of assets of the respective banking subsidiaries, cooperating with the administrative departments specified for each type of asset, including loan portfolios and securities, in executing and managing self-assessments. In our assessment of the probability of obligor bankruptcy, we deem an obligor that is rated as being insolvent or lower as being bankrupt.

Credit Review

Prevention of new nonaccrual loans through routine credit management is important in maintaining the quality of our overall loan assets. Credit review involves analysis and screening of each potential transaction within the relevant business department. In case the screening exceeds the authority of the department, the credit department in charge at headquarters carries out the review. We have specialist departments for different industries, business sizes and regions, carries out timely and specialized examinations based on the characteristics of the obligor and its market, and provides appropriate advice to the business department. In addition, in the case of obligors with low credit ratings and high downside risks, the business department and credit department jointly clarify their credit policy and in appropriate cases assist the obligors at an early stage in working towards credit soundness.

Credit Portfolio Management

Risk Measurement

We use statistical methodologies that involve a risk measurement system (enterprise value corporate valuation model, holding period of one year) 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”). The risk measurement system covers the following account items reported by each

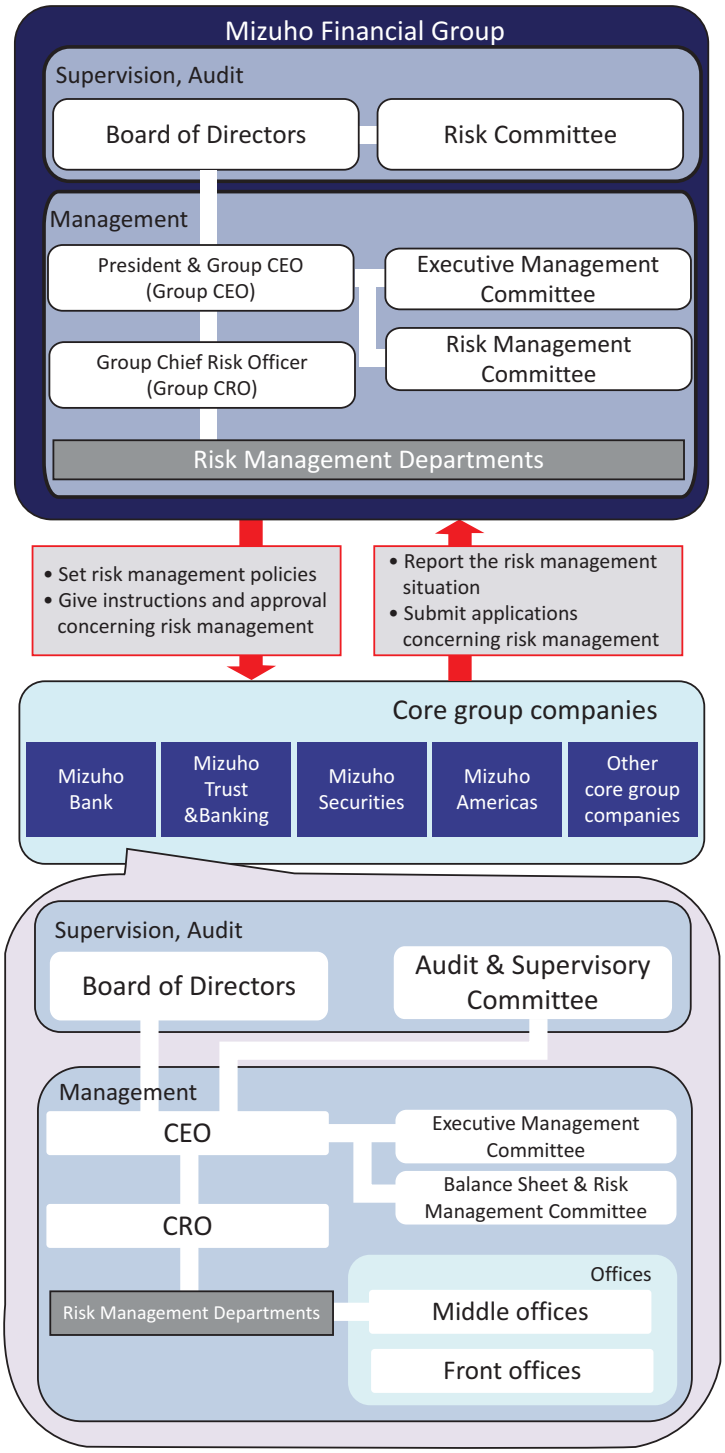
Mizuho Financial Group company: credit transactions including loans and discounts; securities; obligors' liabilities for acceptances and guarantees; deposits and foreign exchange; derivatives including swaps and options; off-balance-sheet items including commitments; and other assets involving credit risk.

In establishing transaction spread guidelines for credit transactions, we aim to ensure an appropriate return from the transaction in light of the level of risk by utilizing credit cost data as a reference. Also, we monitor our credit portfolio from various perspectives and set guidelines noted below so that losses incurred through a hypothetical realization of the full credit VAR would be within the amount of risk capital and loan loss reserves.

Risk Control Methods

Our principal banking subsidiaries have established guidelines to manage "credit concentration risk," which stems from granting excessive credit to certain corporate groups. Our principal banking subsidiaries also set the credit limit based on verification of status of capital adequacy. In cases where the limit is exceeded, our principal banking subsidiaries will formulate a handling policy and/or action plan. In addition to the above, our principal banking subsidiaries monitor total credit exposure, credit exposure per rating, credit concentration per corporate group, geographic area and business sector to make a periodical report to the Balance Sheet & Risk Management Committee and the Credit Committee.

The following diagram shows our risk management structure:



Market Risk Management

Basic Approach

We define market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices, foreign exchange rates, etc. Market risk includes market liquidity risk; i.e., the risk that we will suffer a loss due to market disruptions or other disorders that prevent us from conducting transactions in the market or require us to pay significantly higher prices than normal to conduct transactions. Mizuho Financial Group manages market risk for the Mizuho group as a whole. Specifically, Mizuho Financial Group establishes the fundamental risk management policy for the entire group, manages the market risk of our principal banking subsidiaries and other core group companies and monitors how the group's market risk is being managed as a whole.

Market Risk Management Structure

Our Board of Directors determines basic matters pertaining to market risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with market risk management, market risk operations and market risk monitoring. The Group Chief Risk Officer (Group CRO) 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, reporting and analyzing, making proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management.

The Risk Management Department submits reports regarding status of market risk to the President & Group CEO on a daily basis and to our Board of Directors on a regular basis. For the purpose of managing the market risk of our principal banking subsidiaries and other core group companies, the Department regularly receives reports from each of them to properly identify and manage their market risk. These subsidiaries and core group companies, which account for most of the Mizuho group's exposure to market risk, establish their basic policies based on ours, and their Boards of Directors determine important matters relating to market risk management.

Market Risk Management Method

To manage market risk, we set limits that correspond to risk capital allocations according to the risk profile of each of our principal banking subsidiaries and other core group companies and thereby prevent the overall market risk we hold from exceeding our financial strength represented by capital, etc. The amount of risk capital allocated to market risk corresponds to value-at-risk (the "VAR") and additional costs that may arise in order to close relevant positions.

Setting Limits

When the said limits are set, various factors are taken into account, including business strategies, historical limit usage ratios, risk-bearing capacity (profits, equity capital and risk management framework), profit targets and the market liquidity of the products involved. The limits are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and then determined by the President & Group CEO. 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 (10 BPV) as needed. An excess over any of these limits is immediately reported and addressed according to a pre-determined procedure.

Monitoring

To provide a system of mutual checks and balances in market operations, we have established middle offices specializing in risk management that are independent of front offices which engage in market transactions

and of back offices which are responsible for book entries and settlements. When VAR is not adequate to control risk, the middle offices manage risk using additional risk indices, carry out stress testing and set stop loss limits as needed. We monitor market liquidity risk for individual financial products in the market while taking turnover and other factors into consideration.

Value-at-Risk

We use the VAR method, supplemented with stress testing, as our principal tool to measure market risk. The VAR method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

Trading Activities

VAR figures for our trading activities are based on the following:

- historical simulation method;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of three years.

The following tables show the VAR figures for trading activities by risk category for the fiscal years ended March 31, 2021, 2022 and 2023 and as of March 31, 2021, 2022 and 2023:

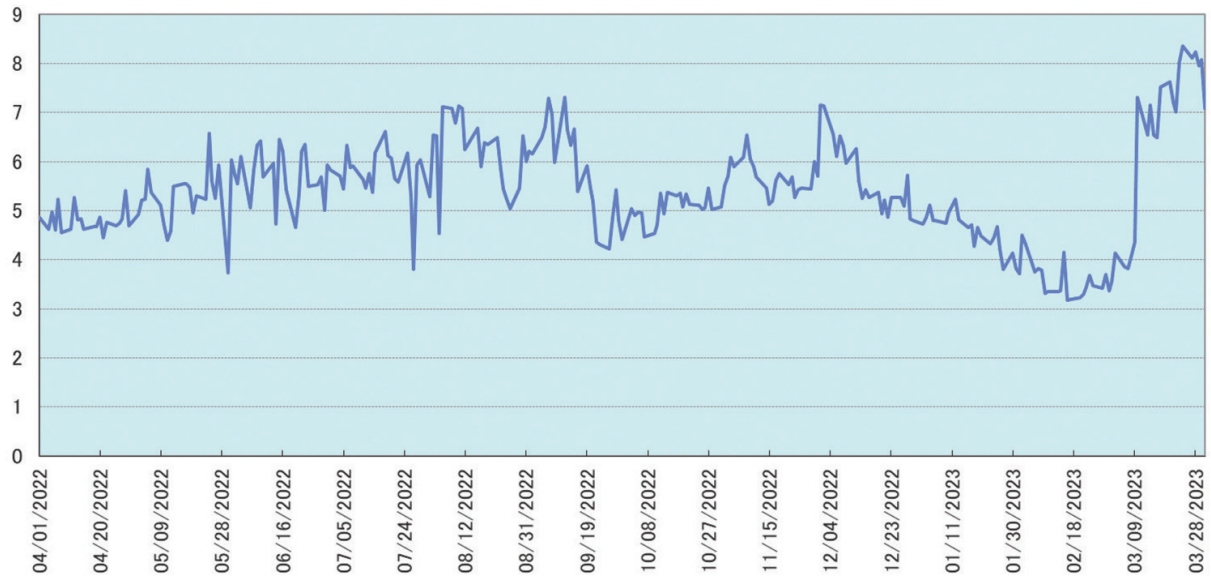
	Fiscal year ended March 31, 2021			As of
Risk category	**Daily average**	**Maximum**	**Minimum**	**March 31, 2021**
		(in billions of yen)		
Interest rate	¥ 4.3	¥ 8.6	¥ 1.7	¥ 2.6
Foreign exchange	0.7	1.3	0.3	0.4
Equities	1.1	6.6	0.1	0.7
Commodities	0.0	0.0	0.0	0.0
Total	¥ 5.4	¥ 9.1	¥ 2.4	¥ 2.7

	Fiscal year ended March 31, 2022			As of
Risk category	**Daily average**	**Maximum**	**Minimum**	**March 31, 2022**
		(in billions of yen)		
Interest rate	¥ 3.8	¥ 5.7	¥ 2.8	¥ 4.0
Foreign exchange	0.5	1.5	0.3	1.0
Equities	0.8	4.9	0.2	1.1
Commodities	0.0	0.1	0.0	0.0
Total	¥ 4.3	¥ 10.2	¥ 2.9	¥ 5.3

	Fiscal year ended March 31, 2023			As of
Risk category	**Daily average**	**Maximum**	**Minimum**	**March 31, 2023**
		(in billions of yen)		
Interest rate	¥ 4.6	¥ 7.2	¥ 2.7	¥ 7.2
Foreign exchange	0.8	1.6	0.4	0.9
Equities	1.1	2.0	0.4	1.0
Commodities	0.1	0.7	0.0	0.7
Total	¥ 5.3	¥ 8.3	¥ 3.1	¥ 7.0

The following graph shows VAR figures for our trading activities for the fiscal year ended March 31, 2023:

(VAR: billions of yen)



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

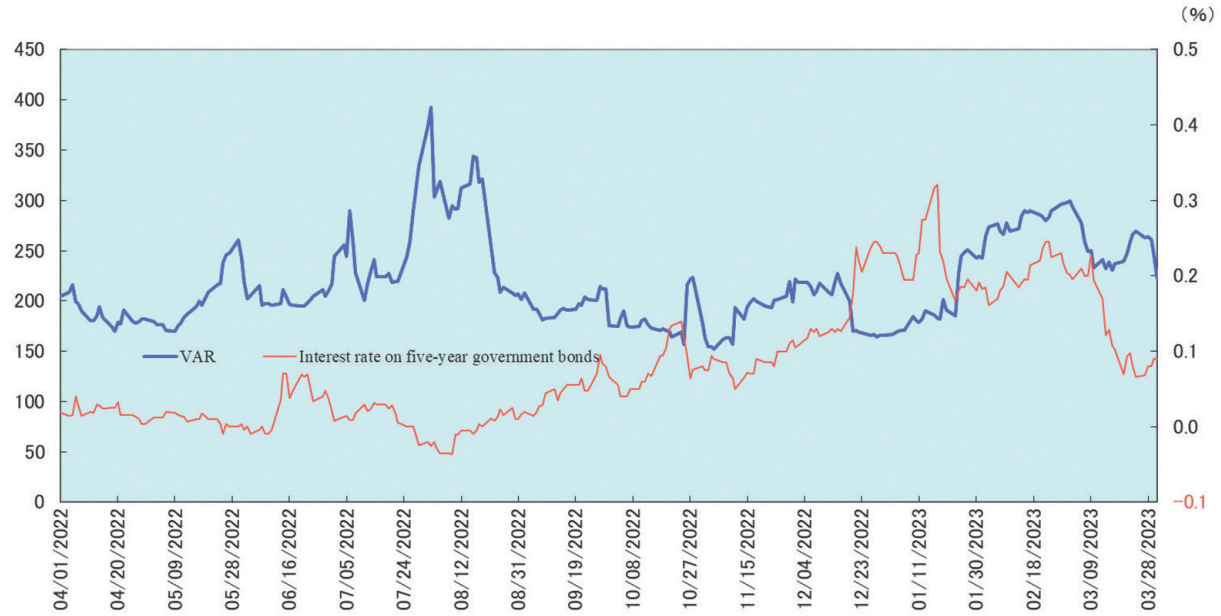
	Fiscal years ended March 31,			
	2021	2022	2023	Change
	(in billions of yen)			
As of fiscal year end	¥2.7	¥ 5.3	¥7.0	¥ 1.7
Maximum	9.1	10.2	8.3	(1.9)
Minimum	2.4	2.9	3.1	0.2
Average	5.4	4.3	5.3	1.0

Non-trading Activities

The VAR figures for our banking activities are based on the same conditions as those of trading activities, but the holding period is one month. In addition, as for risk management of banking activities, it is important to properly measure interest rate risk so that we calculate interest rate risk using appropriate methods such as recognizing demand deposits as “core deposits.”

The following graph shows the VAR figures for our banking activities excluding our cross-shareholdings portfolio for the year ended March 31, 2023:

(VAR: billions of yen)



The following table shows the VAR figures for our banking activities for the fiscal years indicated:

	Fiscal years ended March 31,			
	2021	2022	2023	Change
	(in billions of yen)			
As of fiscal year end	¥249.4	¥209.7	¥223.5	¥ 13.7
Maximum	501.7	321.9	392.2	70.3
Minimum	224.0	191.0	152.1	(38.8)
Average	346.5	266.0	217.6	(48.3)

VAR is a commonly used market risk management technique. However, VAR models have the following shortcomings:

- By its nature as a statistical approach, VAR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, particularly potential future events that are extreme in nature.
- VAR may underestimate the probability of extreme market movements.
- The use of a 99.0% confidence level does not take account of, nor makes any statement about, any losses that might occur beyond this confidence level.
- VAR does not capture all complex effects of various risk factors on the value of positions and portfolios and could underestimate potential losses.

Cross-shareholdings Portfolio Management Activities

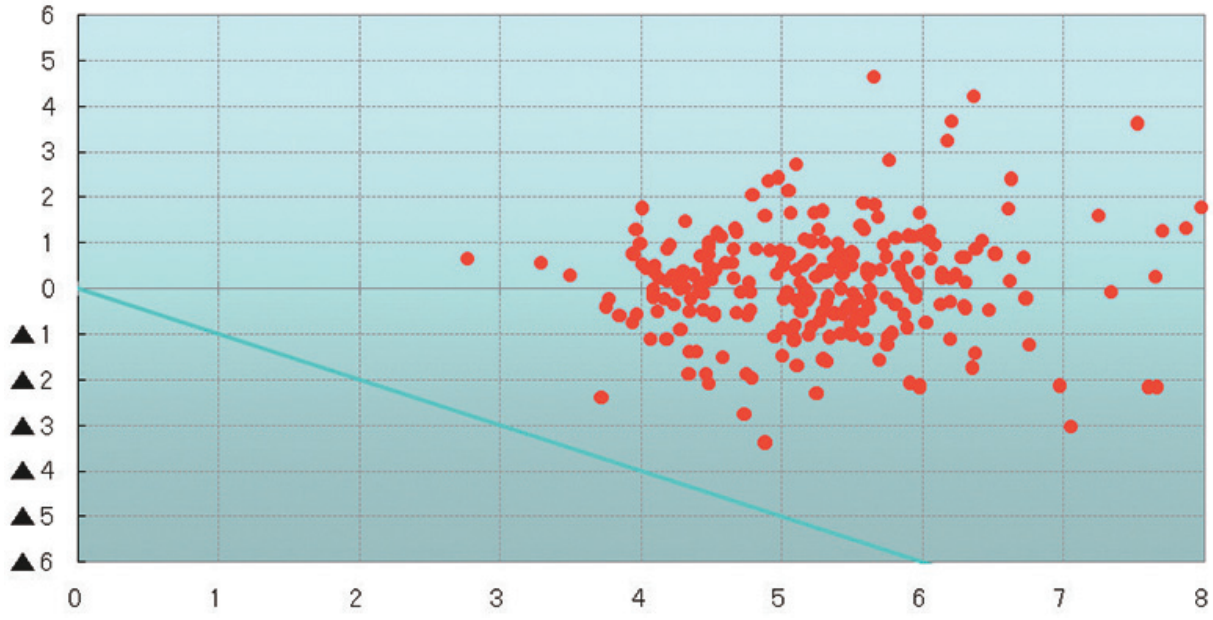
We take the market risk management approach with use of VAR and risk indices for cross-shareholdings portfolio management activities to properly manage stock price risk. Specifically, we monitor VAR measurements and the state of risk capital on a daily basis. Moreover, in order to control stock price risk, we are working on the reduction in cross-shareholdings through careful negotiations with counterparties.

Back Testing

In order to evaluate the effectiveness of market risk measurements calculated using the VAR method, we carry out regular back tests to compare VAR with assumptive profits and losses. Assumptive profits and losses accounts for general market risk. The graph below shows daily VAR of trading activities for the fiscal year ended March 31, 2023 and the corresponding paired distribution of profits and losses. We had zero cases where losses exceeded VAR during the period. In addition, we conduct evaluations of the assumptions related to the VAR models. Based on the number of times losses exceeded VAR through back testing and the results of the evaluation of the model assumptions, we will make adjustments to the models as appropriate. Changes to fundamental portions of the VAR models are subject to the approval of our Group Chief Risk Officer (Group CRO).

Back Testing for the fiscal year ended March 31, 2023

(assumptive profit or loss
: billions of yen)



(VAR: billions of yen)

Note: We conduct our back testing and assess the number of cases where losses exceed VAR based on a 250 business day year. The expected average number of instances where one-day trading losses exceeded VAR at the 99.0% confidence level is 2.5.

Stress Testing

Because the VAR method is based on statistical assumptions, we conduct stress testing to simulate the levels of losses that could be incurred in cases where the market moves suddenly to levels that exceed these assumptions. The stress testing methods we use include the calculation of losses under scenarios in which stresses are applied to interest rate risk and stock price risk based on current and projected economic conditions, historical market events, etc.

Liquidity Risk Management

Basic Approach

We define liquidity risk as the risk of losses arising from funding difficulties due to deterioration of our financial position that make it difficult for us to raise necessary funds or force us to raise funds at significantly higher interest rates than usual. Mizuho Financial Group manages liquidity risks for the Mizuho group as a whole. Specifically, Mizuho Financial Group establishes a fundamental liquidity risk management policy for the entire group, manages the liquidity risk of our principal banking subsidiaries and other core group companies and monitors how the group's liquidity risk is being managed as a whole.

Liquidity Risk Management Structure

Our Board of Directors determines the basic matters pertaining to liquidity risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to the basic policies in connection with the liquidity risk management, operations and monitoring, as well as proposing responses to emergencies such as sudden market changes. Our Group Chief Risk Officer is responsible for matters relating to liquidity risk management planning and operations. Our Risk Management Department is responsible for monitoring, reporting and analyzing liquidity risk, making proposals in connection with liquidity risk and formulating and implementing plans relating to liquidity risk management. In addition, our Group Chief Financial Officer is responsible for matters relating to the planning and operation of funds management, and the Financial Planning Department is responsible for its monitoring and also for planning and implementing measures relating to funds management to maintain appropriate funding liquidity. Reports on the status of and other factors relating to, cash funding management are submitted to our Board of Directors, the Risk Committee, the Executive Management Committee, the President & Group CEO and the Business Policy Committees, respectively, on a regular basis.

Our principal banking subsidiaries and other core group companies also establish their own basic policies on liquidity risk management to properly identify and manage liquidity risk.

Liquidity Risk Management Method

We manage liquidity risk through the frameworks of "Liquidity Risk Management Indicators" and "Liquidity Categorization." The former is determined for the purpose of managing limits on funds raised in the market considering our fund raising capabilities, and the latter is determined based on our funding conditions. We also carry out liquidity stress testing to verify the sufficiency of liquidity reserve assets and the effectiveness of countermeasures against a possible outflow of funds during a stress event. The results of stress testing are used for funds management operations.

Liquidity Risk Management Indicators

Limits on funds raised in the market are set based on a number of time horizons taking into account the characteristics and strategies of each of our principal banking subsidiaries and other core group companies. Such limits are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and determined by the President & Group CEO. An excess over any of these limits is immediately reported and addressed in accordance with pre-determined procedures.

Liquidity Categorization

We have established a group-wide framework of assessing the levels of the liquidity risks by categorizing them into "Normal," "Anxious" and "Crisis" to reflect the funding conditions. In addition, we set Early Warning Indicators ("EWIs") and monitor on a daily basis to manage the funding conditions. The EWIs include stock prices, credit ratings, amount of liquidity reserve assets such as Japanese government bonds, our funding situations and others.

Liquidity Stress Testing

We carry out stress testing regularly based on market-wide factors, idiosyncratic factors of the group and a combination of both types of factors to verify the sufficiency of liquidity reserve assets and the effectiveness of our liquidity contingency funding plans. Furthermore, we utilize stress testing to evaluate the appropriateness of our annual funding plan.

Operational Risk Management

Basic Approach

We define operational risk as the risk of loss that we may incur resulting from inadequate or failed internal processes, people and systems or from external events. We control operational risk management for the Mizuho group as a whole. Considering that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk and regulatory change risk, we have separately determined the fundamental risk management policies for these different types of risk. We manage the operational risk associated with our principal banking subsidiaries and other core group companies while monitoring the state of group-wide operational risk.

Operational Risk Management Structure

Our Board of Directors determines basic matters pertaining to operational risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with operational risk management, operational risk operations and operational risk monitoring. The Group Chief Risk Officer (Group CRO) is responsible for matters relating to operational risk management planning and operations. The Risk Management Department of Mizuho Financial Group is responsible for monitoring market risk, reporting and analyzing making proposals, setting limits and guidelines, and formulating and implementing plans relating to operational risk management.

Our principal banking subsidiaries and core group companies establish their basic policies on operational risk management, and their Boards of Directors determine important matters relating to operational risk management.

Operational Risk Management Method

To manage operational risk, we set common rules for data gathering to develop various databases shared by the group and measure operational risk as operational VAR on a regular basis, taking into account possible future loss events and changes in the business environment and internal management.

We have established and are strengthening management methods and systems to appropriately identify, assess, measure, monitor and control the operational risks that arise from the growing sophistication and diversification of financial operations and developments relating to information technology by utilizing control self-assessments and improving measurement methods.

Definition of Risks and Risk Management Methods

As shown in the table below, we have defined each component of operational risk, and we apply appropriate risk management methods in accordance with the scale and nature of each risk.

	Definition	Principal Risk Management Methods
Information Technology Risk	Risk that customers may incur losses or our group companies may incur losses due to problems (e.g. malfunctions, disruptions, etc.) with the computer systems or improper use of the computers in these systems, which cause disruptions of the services provided to customers, or have significant impact on settlement systems, etc.	• Identify and evaluate the risk by setting specific standards that need to be complied with and implementing measures tailored based on evaluation results to reduce the risk. • Ensure ongoing project management in systems development and quality control.
Cybersecurity Risk	Risk that the group may incur losses due to the problems, caused by a cyber attack, such as leakage or falsification, etc. of electronic data of or the failure of the expected system functions.	• Strengthen security capabilities for rapidly and effectively dealing with cyber attacks or other threats • Improve effectiveness of emergency responses by improving backup systems and holding drills.
Operations Risk	Risk that customers may incur losses or the group may incur losses due to the disruption of services to customers or major incidents affecting settlement systems, etc., as a result of inadequate operations caused by fraudulent acts, errors or negligence, etc., of senior executives or employees, or inadequacies in the operational structure itself.	• Establish clearly defined procedures for handling operations. • Periodically check the status of operational processes. • Conduct training and development programs by headquarters. • Introduce information technology, office automation and centralization for operations. • Improve the effectiveness of emergency responses by holding drills.
Legal Risk	Risk that the group may incur losses due to violation of laws and regulations, breach of contract, entering into improper contracts or other legal factors.	• Review and confirm legal issues, including the legality of material decisions, agreements and external documents, etc. • Collect and distribute legal information and conduct internal training programs. • Analyze and manage issues related to lawsuits.
Human Resources Risk	Risk that the group may incur losses due to drain or loss of personnel, deterioration of morale, inadequate development of human resources, inappropriate working schedule, inappropriate working and safety environment, inequality or inequity in human resource management or discriminatory conduct.	• Conduct staff surveys. • Understand the status of working hours. • Understand the status of vacation days taken by personnel. • Understand the status of voluntary resignations. • Understand the status of the stress check system.

	Definition	Principal Risk Management Methods
Tangible Asset Risk	Risk that the group may incur losses from damage to tangible assets or a decline in the quality of working environment as a result of disasters, criminal actions or defects in asset maintenance.	• Manage the planning and implementation of construction projects related to the repair and replacement of facilities. • Identify and evaluate the status of damage to tangible assets caused by natural disasters, etc., and respond appropriately to such damage.
Regulatory Change Risk	Risk that the group may incur losses due to changes in various regulations or systems, such as those related to law, taxation and accounting.	• Understand important changes in regulations or systems that have significant influence on our business operations or financial condition in a timely and accurate manner. • Analyze degree of influence of regulatory changes and establish countermeasures. • Continuously monitor our regulatory change risk management mentioned above.

We also recognize and manage "Information Security Risk" and "Compliance Risk," which constitute a combination of more than one of the above components of operational risk, as operational risk.

Measurement of operational risk equivalent

Implementation of the Advanced Measurement Approach ("AMA")

We have adopted the AMA for the calculation of operational risk equivalent in association with capital adequacy ratios based on Basel Regulation. However, we use the Basic Indicator Approach for entities that are deemed to be less important in the measurement of operational risk equivalent.

The measurement results under the AMA are used not only as the operational risk equivalent in the calculation of capital adequacy ratios based on Basel Regulation, but also as operational VAR for internal risk management purposes for implementing action plans to reduce operational risk, etc.

Outline of the AMA

- Outline of measurement system

  We have established the model by taking into account four elements: internal loss data; external loss data; scenario analysis; business environment and internal control factors (BEICFs). We calculate the operational risk amount by estimating the maximum loss, using a 99.9th percentile one-tailed confidence interval and a one-year holding period, etc., as operational risk equivalent, employing both internal loss data (i.e., actually experienced operational loss events) and scenario data to reflect unexperienced potential future loss events in the measurement.

  In the measurement of operational risk equivalent as of March 31, 2023, we did not exclude expected losses and also did not recognize the risk mitigating impact of insurance. In addition, we did not take into account the events related to credit risk in measuring operational risk equivalent.

- Outline of measurement model

  Operational risk equivalent is calculated as a simple sum of those risk amounts related to the seven loss event types defined in the FSA's Capital Adequacy Notice, large-scale natural disasters and litigation. In the measurement of operational risk equivalent as of March 31, 2023, we did not reflect the correlation effects among operational risk related to each of the seven loss event types.

- Operational risk by loss event type

  Loss Distribution (Compound Poisson Distribution) Approach (LDA) is adopted for the calculation of operational risk. LDA is based on the assumption that Poisson Distribution applies to the occurrence frequency of operational risk events, and loss severity is expressed through a separate distribution. Operational risk is calculated for each of the seven loss event types employing both internal loss data, based on our actual experience as operational loss events and scenario data. Scenario data, expressed as numerical values of occurrence frequency and loss severity, reflects external loss data and BEICFs, in order to estimate unexperienced potential future loss events (of low frequency and high severity).

  "Frequency Distribution" and "Severity Distribution" are estimated employing the above mentioned internal loss data and scenario data, and Monte-Carlo simulations are then applied to these distributions to measure operational risk. The detailed steps of creation of scenario data are explained later in "Scenario Analysis."

- Estimation of "Frequency Distribution" and "Loss Severity Distribution"

  "Frequency Distribution" is estimated by applying information on occurrence frequency of both internal loss data and scenario data to Poisson Distribution. "Loss Severity Distribution" is generated as the result of combining, through a statistical approach (Extreme Value Theory), of the actual distribution for the low severity distribution portion created by internal loss data and another loss distribution (Log-normal Distribution or Generalized Pareto Distribution) for the high severity distribution portion created by scenario data.

- Operational risk of large-scale natural disasters

  Monte-Carlo simulation is applied to the datasets expressed as a combination of the probability of occurrence of large-scale natural disasters and the probable loss amount in case of such occurrence, as opposed to estimating "Frequency Distribution" and "Loss Severity Distribution."

- Operational risk of litigation

  Each litigation is converted into data according to the profile of the individual litigation to which Monte-Carlo simulation is applied, as opposed to estimating "Frequency Distribution" and "Loss Severity Distribution."

- Verification

  We confirm the appropriateness of the measurement model by verifying it, in principle, semi-annually.

Scenario Analysis

- Outline of scenario analysis

  In the process of scenario analysis, scenario data is created as numerical values of occurrence frequency and loss severity reflecting external loss data and BEICFs, in order to estimate unexperienced potential future operational risk events (of low frequency and high severity).

  As for external loss data, we refer to data publicly reported by domestic and overseas media, and such data are reflected in the estimation of occurrence frequency and loss severity distribution in the process of scenario analysis. In addition, BEICFs are utilized as indices to adjust occurrence frequency and loss severity distribution in the process of scenario analysis.

We categorize scenario analysis into four approaches in accordance with the characteristics of each loss event type and risk management structures.

Approach	Loss event type(s) to be applied
A	Internal fraud / External fraud / Clients, products and business practices / Execution, delivery and process management
B	Employment practices and workplace safety
C	Damage to physical assets
D	Business disruption and system failure

At Mizuho Financial Group, loss event types to which Approach A is applied account for a considerable amount of operational risk. The detailed process of Approach A is explained below as a typical example of scenario analysis.

- Setting units for scenario analysis

  In order to ensure completeness and sufficiency, we set units that are commonly applied across group entities that adopt AMA (the "Group Entities") by referencing and categorizing risk scenarios recognized through control self-assessment, internal loss data of the Group Entities and external loss data, etc. Then each of the Group Entities selects the unit on which scenario analysis is conducted from the units established on a group-wide basis in accordance with its business activities and operational risk profile.

- Estimation of occurrence frequency

  Basic occurrence frequency (once a year) is calculated for each scenario analysis unit. If a certain scenario analysis unit has relevant internal loss data of a pre-determined threshold amount or above, its basic occurrence frequency is calculated based on such data, and if not, the basic occurrence frequency (the occurrence frequency per year of losses at or above a pre-determined threshold) is calculated with reference to the situation of occurrence of internal loss data of less than the threshold amount and/or external loss data. The basic occurrence frequency is then adjusted within a pre-determined range for the purpose of reflecting the most recent BEICFs to determine the final occurrence frequency.

- Estimation of loss severity distribution

  In order to estimate loss severity distribution, we use a pre-determined series of severity ranges. Basic loss severity distribution is calculated for each scenario analysis unit as an occurrence ratio (in percentile figures) of loss at each severity range when losses at or above a pre-determined threshold occurred, with reference to transaction amount data, external loss data, etc. Then the basic severity distribution is adjusted, if necessary, from the viewpoint of statistical data processing to determine the final loss severity distribution.

- Creation of scenario data

  For each scenario analysis unit, scenario data is generated as a series of combinations of occurrence frequency per year at each severity range, based on the final occurrence frequency and the final loss severity distribution.

Reputational Risk Management

Basic Approach

We define reputational risk as "the risk that the Company Group may incur tangible or intangible losses due to adverse effect to our reputation or Mizuho's brand when all services provided by and all activities conducted by the Company Group, officers and employees, are recognized as deviated from expectations and requirements from stakeholders including clients, employees, the economy, and society".

We supervise reputational risk management for the Company Group. Specifically, we establish the group's basic policies pertaining to reputational risk management, manage core group companies, and monitor how the group's reputational risks are being managed as a whole.

Reputational Risk Management Structure

Our Board of Directors determines the Mizuho group's basic matters pertaining to reputational risk management. In addition, the Business Policy Committees (Risk Management Committee) comprehensively deliberate and coordinate basic policies pertaining to reputational risk management, and matters relating to operations and monitoring. The Group Chief Strategy Officer (Group CSO) is responsible for matters relating to planning and operation of reputational risk management. Public Relations Office conducts monitoring and reporting of reputational risks and analyses and suggestions thereof, and carries out planning and promotion of basic matters pertaining to reputational risk management.

Reports on the reputational risk situations, etc. are made on a regular basis to the Group Chief Strategy Officer (Group CSO) and the Business Policy Committees. Regarding the reputational risk management of the core group companies, we identify and manage reputational risks appropriately by receiving their reports on a regular basis. In particular, individual companies which account for a large part of the group's reputational risks establish their own basic policies, and the Board of Directors of the individual company determines important matters pertaining to reputational risk management.

Method of Reputational Risk Management

We control reputational risks by carrying out centralized monitoring and management of the information that are deemed to have a great impact on our group management, and creating an appropriate management structure suited to the scale and nature of risks, etc.

We endeavor to prevent the realization of reputational risks beforehand and minimize losses by identifying reputational risks earlier and responding appropriately in terms of urgency and impact.

Model Risk Management

Basic Approach

We define model risk as the risk of the Mizuho Group incurring tangible and intangible losses due to decision-making based on an inadequate or failed model and/or inappropriate use of a model.

In recent years, against the backdrop of the wider and more complex business operations of financial institutions and technological innovations such as artificial intelligence, the opportunities to use models in the operations of financial institutions have been expanding, and their materiality and impact have been increasing. Under such circumstances, there is a growing need to manage model risk by focusing on the risk of tangible and intangible losses arising from decisions based on improper development and inappropriate use of these models.

We supervise model risk management for the Mizuho Group and are promoting comprehensive and effective model risk management throughout the group. Specifically, we are currently conducting a complete model survey on a group and global basis covering all business categories, including bank, trust bank, and securities business and covering all of the regions of Japan, Americas, Europe and Asia-Pacific. With the commitment of the senior management, we will grasp and visualize the status of model risk, promoting appropriate model risk management on a risk-based approach.

Model Risk Management Structure

Our Board of Directors determines the Mizuho Group's basic matters pertaining to model risk management. In addition, the Business Policy Committees (Risk Management Committee) comprehensively deliberate and coordinate basic policies pertaining to model risk management, and matters relating to administration and monitoring. Our Group Chief Risk Officer (Group CRO) is responsible for matters relating to planning and administration of model risk management. The Risk Management Department is responsible for monitoring model risks, making reports, analyses, and proposals, etc., and makes and promotes plans for model risk management. We manage model risk situations for the entire group based on the reports received from the core group companies on their model risk management. In particular, individual companies which are determined to be highly susceptible to model risks establish their own basic policies, and each of their board of directors determines important matters pertaining to model risk management.

Method of Model Risk Management

Our model risk management is carried out through model testing, monitoring, etc. by the first line of defense, which consists of model owners, users, developers, etc. and through model validation, etc. by the second line of defense, which controls the model risk via reviewing and challenging to the first line of defense in every step of model identification, development, use, change, and exit. Furthermore, we carry out model risk management based on a risk-based approach with weighting according to the materiality and impact of the models.

Compliance

As a leading Japanese financial services group with a global presence and a broad customer base, we remain conscious of the importance of our social responsibilities and public mission at all times. We define compliance as "the strict observance of all laws and regulations and the pursuit of fair and honest corporate activities that conform to the norms accepted by society" and view ongoing compliance as one of the basic principles of sound business management. Each of our group companies maintains its own compliance structure in line with the basic policies established by Mizuho Financial Group.

Compliance Structure

The chief executive officers of Mizuho Financial Group, Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities generally oversee compliance matters of their respective companies, and the chief executive officers, etc., also head their respective compliance committees at which important matters concerning compliance are discussed. The four companies also have compliance divisions under their respective chief compliance officers. These divisions are responsible for compliance planning and implementation and control overall compliance management at their respective companies. At the organizational unit level (such as branches and divisions) at each of the four companies, the head of the unit is responsible for guidance and implementation related to compliance matters within such unit, and the compliance officer or the compliance administrator at each unit reviews the status of compliance within such unit.

Other core group companies have also established compliance structures tailored to the characteristics of their respective businesses.

Mizuho Financial Group monitors the status of compliance of the Mizuho group through reports submitted by our principal banking subsidiaries and other core group companies and adopts appropriate responses when necessary.

Compliance at subsidiaries of our principal banking subsidiaries and other core group companies is monitored and managed by their respective parents.

Compliance Activities

We have established the "Mizuho Code of Conduct," which sets forth clear and concrete standards of ethical behavior, and have distributed it to all directors, senior management and employees of the Mizuho group so that they are well aware of its content and act accordingly.

Each of our group companies has also prepared a compliance manual, which serves as a practical guidebook for rigorous compliance enforcement and clarifies the laws and regulations that the group companies must observe in pursuing their business activities and the compliance activities they are required to follow.

We conduct compliance training for directors, senior management and employees so that they are fully acquainted with the contents of the compliance manual.

We monitor levels of compliance through self-assessments conducted by individual organizational units and through monitoring conducted by the compliance division of each group company.

Every fiscal year, each of our group companies establishes a compliance program, which contains concrete measures for compliance enforcement such as measures related to the management of the compliance framework, training and assessments. Progress regarding the implementation of the compliance program is monitored every six months.

Internal Audit

Internal audit refers to the series of activities, ranging from the objective and comprehensive evaluation of the effectiveness and appropriateness of each process relating to governance, risk management and control, to providing recommendations and corrective guidance, etc., toward the resolution of problems from an independent standpoint of the departments and business processes that are subject to the audit, based on a plan approved by the board of directors of each of our group companies. Through these series of activities, internal audits assist the board of directors of each of our group companies to fulfill their managerial duties efficiently and effectively.

In line with the Basic Policy for Internal Audit established by Mizuho Financial Group, our principal banking subsidiaries and other core group companies conduct internal audits, which include the internal auditing of their respective subsidiaries. In addition, with respect to the management of risks applicable across the Mizuho group, we coordinate internal audits throughout the group to assess the risk management status of the group as a whole.

Internal Audit Management Structure

Mizuho Financial Group

Our Internal Audit Group is independent from our other departments and business processes at Mizuho Financial Group. The Internal Audit Group conducts internal audits of Mizuho Financial Group, and monitors and manages internal audits at our principal banking subsidiaries and other core group companies based on reports submitted by such subsidiaries. The progress of individual audits and plans are to be reported to the Audit Committee, and our Internal Audit Group responds to requests for inspections, and receives specific instructions from the Audit Committee. In addition, we have also established an Internal Audit Committee which discusses and makes decisions on all important matters regarding internal audits. The results of their resolutions and important reporting matters are to be submitted to the Audit Committee and our Board of Directors.

Mizuho Bank and Mizuho Trust & Banking

At both Mizuho Bank and Mizuho Trust & Banking, their respective Internal Audit Groups are independent from their respective other departments and business processes. The progress of individual audits and plans are to

be reported to their respective Audit & Supervisory Committees, and their respective Internal Audit Groups respond to requests for inspections, and receive specific instructions, from their respective Audit & Supervisory Committee. In addition, they have also established their respective Internal Audit Committees which discuss and make decisions on all important matters regarding their respective internal audits.

Both banks have established their respective internal audit departments to conduct internal audits at their respective domestic and overseas business offices, head office departments and group companies. Specifically, the internal audit departments assess the suitability and effectiveness of business activities associated with compliance and risk management, respectively.

Other Core Group Companies

Other core group companies have also established effective and efficient internal audit structures adapted to the characteristics of their respective businesses.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. Debt Securities

Not applicable.

12.B. Warrants and Rights

Not applicable.

12.C. Other Securities

Not applicable.

12.D. American Depositary Shares

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The table below sets out such fees payable to the depositary:

Persons depositing or withdrawing shares must pay:	For:
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	– Delivery of ADRs and the surrender of ADRs
$.05 (or less) per ADS	– Any cash distribution to ADS registered holders
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	– Distribution of securities distributed to holders of deposited securities that are distributed by the depositary to ADS registered holders
$.05 (or less) per ADS	– General depositary services
Registration or transfer fees	– Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	– Cable, telex and facsimile transmissions expenses (as are expressly provided in the deposit agreement)
	– Converting foreign currency to U.S. dollars
Taxes and other governmental charges	– As necessary
Any other charge incurred by the depositary or its agents in connection with the servicing of the deposited securities	– As necessary

The Bank of New York Mellon ("BNYM"), as depositary, has agreed to reimburse us annually for expenses related to the administration and maintenance of the depositary receipt facility including, but not limited to, investor relations expenses, legal fees, New York Stock Exchange continued listing fees or any other direct or non-direct depositary receipt program related expenses. There are limits on the amount of expenses for which the depositary will reimburse us. In the fiscal year ended March 31, 2023, the depositary reimbursed us $500,000 for such expenses.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation under the supervision and with the participation of our management, including our President & Group CEO and Group Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2023. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based upon the evaluation referred to above, our President & Group CEO and Group Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures as of March 31, 2023 were effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management evaluated the effectiveness of our internal control over financial reporting as of March 31, 2023 based on the criteria established in "Internal Control—Integrated Framework" issued by the Committee of

Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Based on the evaluation, our management has concluded that we maintained effective internal control over financial reporting as of March 31, 2023.

Our independent registered public accounting firm, Ernst & Young ShinNihon LLC has issued an attestation report on our internal control over financial reporting as of March 31, 2023, which appears on page F-6.

Attestation Report of the Registered Public Accounting Firm

See the attestation report of our independent registered public accounting firm, Ernst & Young ShinNihon LLC, which appears on page F-6.

Changes in Internal Control over Financial Reporting

During the period covered by this annual report, there were no changes in our internal control over financial reporting that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Messrs. Ryoji Sato and Hisaaki Hirama are each qualified as an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Securities Exchange Act of 1934, as amended. In addition, Mr. Ryoji Sato is determined to be "independent" as defined under the NYSE Corporate Governance Standards.

ITEM 16B. CODE OF ETHICS

Mizuho Financial Group has adopted a code of ethics, titled "Code of Ethics for Financial Professionals," which is applicable to all directors, executive officers (as defined in the Companies Act), executive officers (as defined in Mizuho Financial Group's internal regulations) and employees of Mizuho Financial Group involved in finance, accounting and disclosure. The code of ethics of Mizuho Financial Group is included in this annual report as Exhibit 11.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees for Services provided by Ernst & Young ShinNihon LLC

The aggregate fees billed by Ernst & Young ShinNihon LLC, our independent registered public accounting firm, and its affiliates, to Mizuho Financial Group and its consolidated subsidiaries for the fiscal years ended March 31, 2022 and 2023 are presented in the following table:

	Fiscal years ended March 31,	
	2022	2023
	(in millions of yen)	
Audit fees[(1)]	¥5,237	¥5,412
Audit-related fees[(2)]	262	562
Tax fees[(3)]	184	153
All other fees[(4)]	15	28
Total	¥5,698	¥6,155

Notes:

(1) Audit fees primarily include fees related to the audit of U.S. GAAP financial statements as well as Japanese GAAP financial statements used for home-country reporting purposes.

(2) Audit-related fees primarily include fees for services relating to agreed-upon procedures on internal controls and advisory services relating to regulatory filings.

(3) Tax fees primarily include fees for services relating to the preparation of tax returns and tax advice.
(4) All other fees primarily include fees for services relating to education about financial accounting and related legal regulation for our employees.

Pre-Approval Policies and Procedures

We established the pre-approval policies and procedures required by the Sarbanes-Oxley Act on April 1, 2006. Under the procedures, Mizuho Financial Group and its subsidiaries must apply to our audit committee for pre-approval before entering into an agreement regarding audit and permitted non-audit services with Ernst & Young ShinNihon LLC.

We follow two types of pre-approval policies and procedures:

General pre-approval	General pre-approval is required for services which are expected to be performed during a given fiscal year. Our audit committee reviews the specific maximum fee amount for new services and the maximum amount of increase/decrease from previous fee amounts for the same type of services as those performed in the past and authorizes pre-approval at the beginning of each fiscal year.
Specific pre-approval	For those services which have not been approved pursuant to the general pre-approval procedure, specific pre-approval by our audit committee is required prior to each engagement. With respect to such services, full-time audit committee member(s) must provide pre-approval and report such pre-approval at the monthly meeting of the audit committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table sets forth purchases of our common stock by us and our affiliated purchasers during the fiscal year ended March 31, 2023:

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
April 1 to April 30, 2022	5,442	¥ 1,561.7	—	—
May 1 to May 31, 2022	7,215	1,551.2	—	—
June 1 to June 30, 2022	6,509	1,530.0	—	—
July 1 to July 31, 2022	7,067	1,561.8	—	—
August 1 to August 31, 2022	8,308	1,577.1	—	—
September 1 to September 30, 2022	10,196	1,635.2	—	—
October 1 to October 31, 2022	7,165	1,610.4	—	—
November 1 to November 30, 2022	9,118	1,624.5	—	—
December 1 to December 31, 2022	35,932	1,755.5	—	—
January 1 to January 31, 2023	52,259	1,961.3	—	—
February 1 to February 28, 2023	32,967	2,079.3	—	—
March 1 to March 31, 2023	21,398	2,089.2	—	—
Total[(1)]	203,576	¥ 1,845.2	—	—

Note:

(1) A total of 203,576 shares were purchased other than through publicly announced plans or programs during the fiscal year ended March 31, 2023, due to our purchase of shares constituting less than one (1) unit from holders of such shares at the current market price of those shares.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

Mizuho Financial Group's corporate governance practices are governed by applicable Japanese laws, specifically the Companies Act and Financial Instruments and Exchange Act of Japan, and its articles of incorporation and corporate governance guidelines. The company transformed itself from a Company with Audit & Supervisory Board to a Company with Three Committees as of June 24, 2014.

Because Mizuho Financial Group's shares are registered with the U.S. Securities and Exchange Commission and are listed on the New York Stock Exchange ("NYSE"), the company is also subject to corporate governance requirements applicable to NYSE-listed foreign private issuers. NYSE-listed companies that are foreign private issuers meeting certain criteria are permitted to follow home country practices in lieu of certain provisions of Section 303A, and Mizuho Financial Group is relying on this exemption.

A NYSE-listed foreign private issuer is required to provide to its U.S. investors a brief, general summary of the significant differences of corporate governance practices that differ from those followed by NYSE-listed U.S. companies. The following is a summary of the significant ways in which Mizuho Financial Group's corporate governance practices differ from NYSE listing standards followed by U.S. companies:

- A NYSE-listed U.S. company is required to have a majority of directors that meet the independence requirements under Section 303A of the NYSE's Listed Company Manual. The Companies Act does not require Mizuho Financial Group to have a majority of "independent" directors on the board; rather, it requires the company to have a majority of "outside" directors on each of the Nominating Committee, the Compensation Committee and the Audit Committee, each established as a committee, pursuant to the requirements that apply to a Company with Three Committees. An outside director is defined under the Companies Act as a director who meets all of the following requirements: (a) a person who is not currently, and has not been in the ten years prior to his or her assumption of office as outside director, an executive director, an executive officer, a manager, or any other type of employee ("Executive Director, etc.") of the company or its subsidiaries; (b) if a person has been a non-executive director, an audit & supervisory board member, or an accounting adviser of the company or its subsidiaries within the ten years prior to his or her assumption of office as outside director, a person who was not an Executive Director, etc., of the company or its subsidiaries in the ten years prior to his or her assumption of office as such; (c) a person who is not (i) a person who controls the company (including the company's parent company) ("Parent Company, etc.") and who is a natural person or (ii) a director, an executive officer, a manager or any other type of employee of a Parent Company, etc.; (d) a person who is not an Executive Director, etc., of another subsidiary of a Parent Company, etc.; and (e) a person who is not a spouse or a family member within the second degree of kinship of (i) a director, an executive officer, a manager, or any other type of important employee of the company or (ii) a Parent Company, etc., who is a natural person. In addition to the requirements under the Companies Act, Mizuho Financial Group's independence standards for outside directors set forth additional independence requirements on a voluntary basis. Such additional requirements include, but are not limited to, restrictions against persons that are related to a principal business counterparty of Mizuho Financial Group and its Three Core Companies (Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities), entities to which Mizuho

Financial Group and its Three Core Companies are a principal business counterparty, entities that receive more than a specified amount of donations from Mizuho Financial Group or its Three Core Companies, entities to which directors have been transferred from us, our accounting auditor, law firms and consulting firms that receive more than a specified amount of fees from Mizuho Financial Group or its Three Core Companies, as well as persons who otherwise are likely to give rise to consistent substantive conflicts of interest in relation to general shareholders. Mizuho Financial Group may, however, appoint a person as an outside director who does not satisfy the additional independence requirements but who it believes to be suitable for the position with sufficient independence in consideration of such person's character and insight, provided that it externally provides an explanation as to the reason it believes such person qualifies as an outside director with sufficient independence.

Currently, Mizuho Financial Group has eight outside directors among the 14 directors.

- A NYSE-listed U.S. company is required to have an audit committee composed entirely of independent directors. Currently, among the four members of the Audit Committee, three members including the Chairperson are outside directors and one member is an internal non-executive director in compliance with the requirements under the Companies Act, and all such committee members are independent under Rule 10A-3 under the U.S. Securities Exchange Act of 1934 with two members qualified as audit committee financial experts.
- A NYSE-listed U.S. company is required to have a nominating/corporate governance committee and a compensation committee, both of which must be composed entirely of independent directors. Currently, the Nominating Committee and the Compensation Committee consist solely of outside directors in compliance with the requirements under the Companies Act.
- A NYSE-listed U.S. company must hold regularly scheduled executive sessions where participants are limited to non-executive directors. Currently, the Outside Director Session consists solely of outside directors and is held at least once a year, where the outside directors discuss matters such as issues facing management, the operation of the Board of Directors and the governance systems, and provide opinions as appropriate to our Group CEO.
- A NYSE-listed U.S. company must adopt corporate governance guidelines and a code of business conduct and ethics and must post those on its website. While Mizuho Financial Group is not required to adopt such guidelines and code under applicable Japanese laws or the rules of the stock exchange in Japan on which it is listed, the company established in June 2014 and has been updating its corporate governance guidelines that sets forth the basic policy, framework and governing policies regarding the corporate governance system in Mizuho Financial Group and also maintains the "Mizuho Code of Conduct" as its standard for corporate conduct to be observed by the directors, officers and employees.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide the financial statements and related information specified in Item 18.

ITEM 18. FINANCIAL STATEMENTS

The information required by this item is set forth in our consolidated financial statements starting on page F-1 of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description of Exhibits
1.1	Articles of Incorporation of Mizuho Financial Group, Inc., dated March 2, 2023 (English Translation)
1.2	Regulations of the Board of Directors of Mizuho Financial Group, Inc., as amended on May 15, 2023 (English Translation)
1.3	Share Handling Regulations of Mizuho Financial Group, Inc., dated September 1, 2022 (English Translation)
2.1	Form of American Depositary Receipt*
2.2	Form of Deposit Agreement, amended and restated as of April 2, 2018, among the registrant, The Bank of New York Mellon as Depositary and all owners and holders from time to time of American Depositary Receipts issued thereunder**
2.3	Description of Our Shares of Common Stock and Preferred Stock—see "Item 10.B. Memorandum and Articles of Association."
2.4	Description of Our American Depositary Shares*
8	List of significant subsidiaries of Mizuho Financial Group, Inc.—see "Item 4.C. Information on the Company—Organizational Structure."
11	Code of Ethics for Financial Professionals of Mizuho Financial Group, Inc., as amended on April 1, 2021 (English Translation)*
12.1	CEO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
12.2	CFO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
13.1	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
15	Consent of Independent Registered Public Accounting Firm
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page for the Company's Annual Report on From 20-F for the year ended March 31, 2023, has been formatted in Inline XBRL

* Incorporated by reference to our annual report on Form 20-F (No. 001-33098) filed on July 2, 2021

** Incorporated by reference to our annual report on Form 20-F (No. 001-33098) filed on July 3, 2018, except Exhibit A thereto. For the latest Exhibit A, see Exhibit 2.1 to our annual report on Form 20-F (No. 001-33098) filed on July 2, 2021.

SELECTED STATISTICAL DATA

In preparing the selected statistical data set forth below, foreign activities are defined as business transactions that involve customers residing outside of Japan. However, as the operations of Mizuho Financial Group, Inc. and its subsidiaries ("the MHFG Group" or "the Group") are highly and globally integrated, the MHFG Group has made certain estimates and assumptions in allocating assets, liabilities, income and expense between domestic and foreign operations. The Group considers domestic and foreign activities determined by such methods to be representative of the Group's operations.

I. Distribution of assets, liabilities and equity; interest rates and interest differential

Average balances of balance sheet items, interest and dividend income, interest expense and average yields and rates

The following tables show the MHFG Group's average balances of balance sheet items, Interest and dividend income, Interest expense, average yields on interest-earning assets, and average rates on interest-bearing liabilities for the fiscal years ended March 31, 2021, 2022 and 2023. Average balances are generally based on a daily average. Month-end, quarter-end or half-year-end averages are used for certain average balances where it is not practicable to obtain applicable daily averages. The average balances determined by such methods are considered to be representative of the MHFG Group's operations.

	2021			2022			2023		
	Average balance	Interest and dividend income	Average yield	Average balance	Interest and dividend income	Average yield	Average balance	Interest and dividend income	Average yield
	(in billions of yen, except percentages)								
Assets:									
Interest-earning assets:									
Interest-bearing deposits in other banks:									
Domestic	35,177	29	0.08%	35,407	31	0.09%	39,586	30	0.07%
Foreign	8,785	15	0.17%	13,701	26	0.19%	16,626	476	2.86%
Total	43,962	44	0.10%	49,108	57	0.12%	56,212	506	0.90%
Call loans and funds sold:									
Domestic	264	—	0.08%	2,178	—	(0.01%)	3,367	—	0.01%
Foreign	517	2	0.38%	557	1	0.28%	1,019	14	1.34%
Total	781	2	0.28%	2,735	1	0.05%	4,386	14	0.32%
Receivables under resale agreements and securities borrowing transactions:									
Domestic	9,868	4	0.04%	11,340	1	0.01%	8,649	47	0.54%
Foreign	10,047	38	0.38%	8,353	35	0.43%	9,049	261	2.88%
Total	19,915	42	0.21%	19,693	36	0.19%	17,698	308	1.74%
Trading account assets:									
Domestic	6,386	79	1.24%	5,781	85	1.47%	5,938	96	1.61%
Foreign	13,243	158	1.19%	13,513	160	1.18%	11,582	330	2.85%
Total	19,629	237	1.21%	19,294	245	1.27%	17,520	426	2.43%
Investments:									
Domestic	24,617	68	0.27%	28,806	93	0.32%	28,172	96	0.34%
Foreign	4,164	45	1.07%	4,979	54	1.07%	5,191	79	1.53%
Total	28,781	113	0.39%	33,785	147	0.43%	33,363	175	0.53%
Loans [1]:									
Domestic	59,115	488	0.82%	56,690	473	0.83%	57,462	558	0.97%
Foreign	32,355	531	1.64%	32,295	485	1.50%	37,035	1,402	3.79%
Total	91,470	1,019	1.11%	88,985	958	1.08%	94,497	1,960	2.07%
Total interest-earning assets:									
Domestic	135,427	668	0.49%	140,202	683	0.49%	143,174	827	0.58%
Foreign	69,111	789	1.14%	73,398	761	1.04%	80,502	2,562	3.18%
Total	204,538	1,457	0.71%	213,600	1,444	0.68%	223,676	3,389	1.52%
Noninterest-earning assets:									
Cash and due from banks	3,490			3,401			2,553		
Other noninterest-earning assets [2]	18,917			17,561			22,769		
Allowance for credit losses	(623)			(708)			(740)		
Total noninterest-earning assets	21,784			20,254			24,582		
Total average assets	226,322			233,854			248,258		

Notes:

(1) Average balances of loans include all nonaccrual loans. The amortized portion of net loan origination fees (costs) is included in interest income on loans.

(2) The fair value carrying amounts of derivative contracts are reported in Other noninterest-earning assets.

Within total average assets, the percentage attributable to foreign activities was 34.1%, 34.5% and 36.3%, respectively, for the fiscal years ended March 31, 2021, 2022 and 2023.

	2021			2022			2023		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
	(in billions of yen, except percentages)								
Liabilities and equity:									
Interest-bearing liabilities:									
Deposits:									
Domestic	92,761	26	0.03%	95,350	7	0.01%	96,854	71	0.07%
Foreign	31,070	134	0.43%	31,592	69	0.22%	37,983	990	2.61%
Total	123,831	160	0.13%	126,942	76	0.06%	134,837	1,061	0.79%
Call money and funds purchased:									
Domestic	1,899	—	0.01%	1,211	—	0.01%	1,602	1	0.10%
Foreign	441	2	0.37%	503	1	0.20%	593	16	2.65%
Total	2,340	2	0.08%	1,714	1	0.06%	2,195	17	0.79%
Payables under repurchase agreements and securities lending transactions:									
Domestic	5,838	13	0.21%	5,975	6	0.10%	7,140	68	0.95%
Foreign	18,583	42	0.23%	21,849	35	0.16%	20,772	603	2.90%
Total	24,421	55	0.22%	27,824	41	0.15%	27,912	671	2.40%
Other short-term borrowings [1]:									
Domestic	7,350	12	0.17%	7,100	2	0.03%	3,503	5	0.16%
Foreign	1,258	6	0.49%	2,187	3	0.17%	1,810	55	2.98%
Total	8,608	18	0.21%	9,287	5	0.06%	5,313	60	1.12%
Trading account liabilities:									
Domestic	1,574	47	3.00%	2,190	46	2.09%	4,277	56	1.32%
Foreign	794	6	0.70%	1,069	14	1.31%	1,547	45	2.91%
Total	2,368	53	2.22%	3,259	60	1.83%	5,824	101	1.74%
Long-term debt:									
Domestic	9,892	175	1.77%	11,098	176	1.59%	12,587	229	1.82%
Foreign	816	5	0.65%	1,026	15	1.41%	1,270	41	3.24%
Total	10,708	180	1.68%	12,124	191	1.57%	13,857	270	1.95%
Total interest-bearing liabilities:									
Domestic	119,314	273	0.23%	122,924	237	0.19%	125,963	430	0.34%
Foreign	52,962	195	0.37%	58,226	137	0.24%	63,975	1,750	2.73%
Total	172,276	468	0.27%	181,150	374	0.21%	189,938	2,180	1.15%
Noninterest-bearing liabilities [2]	45,482			43,681			49,721		
Equity	8,564			9,023			8,599		
Total average liabilities and equity	226,322			233,854			248,258		
Net interest income and average interest rate spread		989	0.44%		1,070	0.47%		1,209	0.37%
Net interest income as a percentage of average total interest-earning assets			0.48%			0.50%			0.54%

Notes:
(1) Other short-term borrowings include commercial paper.
(2) The fair value carrying amounts of derivative contracts are reported in Noninterest-bearing liabilities.

Within total average liabilities, which is the total of interest-bearing liabilities and noninterest-bearing liabilities shown in the above table, the percentage attributable to foreign activities was 29.3%, 29.6% and 32.6%, respectively, for the fiscal years ended March 31, 2021, 2022 and 2023.

Analysis of net interest income

The following tables show changes in the MHFG Group's Interest and dividend income, Interest expense, and Net interest income based on changes in volume and changes in rate for the fiscal year ended March 31, 2022 compared to the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2023 compared to the fiscal year ended March 31, 2022. Changes attributable to the combined impact of changes in rate and volume have been allocated proportionately to the changes due to volume changes and changes due to rate changes.

	Fiscal year ended March 31, 2022 versus fiscal year ended March 31, 2021			Fiscal year ended March 31, 2023 versus fiscal year ended March 31, 2022		
	Increase (decrease) due to changes in		Net change	Increase (decrease) due to changes in		Net change
	Volume	Yield		Volume	Yield	
	(in billions of yen)					
Interest and dividend income:						
Interest-bearing deposits in other banks:						
Domestic	—	2	2	4	(5)	(1)
Foreign	10	1	11	5	445	450
Total	10	3	13	9	440	449
Call loans and funds sold:						
Domestic	—	—	—	—	—	—
Foreign	—	(1)	(1)	1	12	13
Total	—	(1)	(1)	1	12	13
Receivables under resale agreements and securities borrowing transactions:						
Domestic	—	(3)	(3)	—	46	46
Foreign	(7)	4	(3)	3	223	226
Total	(7)	1	(6)	3	269	272
Trading account assets:						
Domestic	(7)	13	6	2	9	11
Foreign	3	(1)	2	(22)	192	170
Total	(4)	12	8	(20)	201	181
Investments:						
Domestic	12	13	25	(2)	5	3
Foreign	9	—	9	2	23	25
Total	21	13	34	—	28	28
Loans:						
Domestic	(20)	5	(15)	6	79	85
Foreign	(1)	(45)	(46)	71	846	917
Total	(21)	(40)	(61)	77	925	1,002
Total interest and dividend income:						
Domestic	(15)	30	15	10	134	144
Foreign	14	(42)	(28)	60	1,741	1,801
Total	(1)	(12)	(13)	70	1,875	1,945

	Fiscal year ended March 31, 2022 versus fiscal year ended March 31, 2021			Fiscal year ended March 31, 2023 versus fiscal year ended March 31, 2022		
	Increase (decrease) due to changes in		Net change	Increase (decrease) due to changes in		Net change
	Volume	Rate		Volume	Rate	
	(in billions of yen)					
Interest expense:						
Deposits:						
Domestic	—	(19)	(19)	—	64	64
Foreign	1	(66)	(65)	14	907	921
Total	1	(85)	(84)	14	971	985
Call money and funds purchased:						
Domestic	—	—	—	—	1	1
Foreign	—	(1)	(1)	—	15	15
Total	—	(1)	(1)	—	16	16
Payables under repurchase agreements and securities lending transactions:						
Domestic	—	(7)	(7)	1	61	62
Foreign	5	(12)	(7)	(1)	569	568
Total	5	(19)	(14)	—	630	630
Other short-term borrowings:						
Domestic	—	(10)	(10)	—	3	3
Foreign	2	(5)	(3)	(1)	53	52
Total	2	(15)	(13)	(1)	56	55
Trading account liabilities:						
Domestic	13	(14)	(1)	43	(33)	10
Foreign	2	6	8	6	25	31
Total	15	(8)	7	49	(8)	41
Long-term debt:						
Domestic	19	(18)	1	24	29	53
Foreign	2	8	10	3	23	26
Total	21	(10)	11	27	52	79
Total interest expense:						
Domestic	32	(68)	(36)	68	125	193
Foreign	12	(70)	(58)	21	1,592	1,613
Total	44	(138)	(94)	89	1,717	1,806
Net interest income:						
Domestic	(47)	98	51	(58)	9	(49)
Foreign	2	28	30	39	149	188
Total	(45)	126	81	(19)	158	139

II. Investment portfolio

The following table shows the book value, contractual maturity and the weighted average yield of held-to-maturity securities at March 31, 2023. The amortized cost is the basis of the book value for held-to-maturity securities. The weighted average yield is calculated based on the amortized cost for held-to-maturity securities and considers the contractual coupon, amortization of premiums and accretion of discounts and excludes the effects of any related hedging derivatives.

	Maturity									
	One year or less		After one year through five years		After five years through ten years		After ten years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(in billions of yen, except percentages)									
Held-to-maturity securities:										
Domestic:										
Japanese government bonds	280	0.77%	190	0.27%	329	0.19%	—	—	799	0.41%
Total domestic	280	0.77%	190	0.27%	329	0.19%	—	—	799	0.41%
Foreign:										
Agency mortgage-backed securities	—	—	—	—	—	—	1,251	3.16%	1,251	3.16%
Total foreign	—	—	—	—	—	—	1,251	3.16%	1,251	3.16%
Total	280	0.77%	190	0.27%	329	0.19%	1,251	3.16%	2,050	2.09%

In addition to held-to-maturity securities, the MHFG Group's Investments also include available-for-sale securities, equity securities and other investments. See Note 3 "Investments" to the consolidated financial statements included elsewhere in this annual report for information regarding available-for-sale securities, equity securities and other investments.

III. Loans

Maturities and sensitivities of loans to changes in interest rates

The following table shows the details of the loan portfolio by time remaining until maturity by category at March 31, 2023:

	Maturity					Loans due after one year	
	One year or less	After one year through five years	After five years through fifteen years	After fifteen years	Total	Floating rates	Fixed rates
	(in billions of yen)						
Domestic:							
Corporate:							
Large companies	17,256	17,037	8,231	841	43,365	16,967	9,142
Small and medium-sized companies	1,150	950	696	203	2,999	1,311	538
Retail:							
Housing Loan	518	1,720	3,128	2,141	7,507	5,881	1,108
Others	790	485	235	38	1,548	327	431
Sovereign	1,301	335	191	39	1,866	175	390
Banks and other financial institutions	165	464	13	3	645	478	2
Total domestic	21,180	20,991	12,494	3,265	57,930	25,139	11,611
Foreign:							
Corporate	16,070	14,191	2,614	375	33,250	16,194	986
Retail	1	2	3	3	9	6	2
Sovereign	155	296	27	—	478	323	—
Banks and other financial institutions	1,416	1,041	52	—	2,509	1,031	62
Total foreign	17,642	15,530	2,696	378	36,246	17,554	1,050
Total	38,822	36,521	15,190	3,643	94,176	42,693	12,661

IV. Allowance for credit losses on loans

The following table shows the credit ratios of the MHFG Group's loans, nonaccrual loans and allowance for credit losses at March 31, 2022 and 2023:

(1) Allowance for credit losses to total loans

	Allowance for credit losses	Total loans	Ratio of allowance for credit losses to total loans
	(in billions of yen, except percentages)		
2022			
Domestic:			
Corporate:			
Large companies	544	42,044	1.29%
Small and medium-sized companies	58	3,157	1.84%
Retail:			
Housing Loan	59	7,782	0.76%
Others	15	1,707	0.83%
Sovereign	—	1,660	—
Banks and other financial institutions	—	682	0.06%
Total domestic	676	57,032	1.18%
Foreign	134	33,259	0.40%
Total	810	90,291	0.90%

	Allowance for credit losses	Total loans	Ratio of allowance for credit losses to total loans
	(in billions of yen, except percentages)		
2023			
Domestic:			
Corporate:			
Large companies	457	43,365	1.05%
Small and medium-sized companies	49	2,999	1.64%
Retail:			
Housing Loan	51	7,507	0.69%
Others	12	1,548	0.78%
Sovereign	—	1,866	—
Banks and other financial institutions	1	645	0.13%
Total domestic	570	57,930	0.98%
Foreign	131	36,246	0.36%
Total	701	94,176	0.74%

Ratio of allowance for credit losses to total loans in large companies of corporate under Domestic decreased by 0.24% from 1.29% at March 31, 2022 to 1.05% at March 31, 2023 due mainly to charge-offs of loans to certain large borrowers.

(2) Nonaccrual loans to total loans

	Nonaccrual loans	Total loans	Ratio of nonaccrual loans to total loans
	(in billions of yen, except percentages)		
2022			
Domestic:			
Corporate:			
Large companies	800	42,044	1.90%
Small and medium-sized companies	140	3,157	4.45%
Retail:			
Housing Loan	49	7,782	0.63%
Others	62	1,707	3.62%
Sovereign	—	1,660	—
Banks and other financial institutions	—	682	—
Total domestic	1,051	57,032	1.84%
Foreign	117	33,259	0.35%
Total	1,168	90,291	1.29%

	Nonaccrual loans	Total loans	Ratio of nonaccrual loans to total loans
	(in billions of yen, except percentages)		
2023			
Domestic:			
Corporate:			
Large companies	980	43,365	2.26%
Small and medium-sized companies	122	2,999	4.05%
Retail:			
Housing Loan	39	7,507	0.52%
Others	55	1,548	3.58%
Sovereign	—	1,866	—
Banks and other financial institutions	—	645	—
Total domestic	1,196	57,930	2.06%
Foreign	136	36,246	0.38%
Total	1,332	94,176	1.41%

Ratio of nonaccrual loans to total loans in large companies of corporate under Domestic increased by 0.36% from 1.90% at March 31, 2022 to 2.26% at March 31, 2023 due mainly to the deterioration of credit status of certain large borrowers.

(3) Allowance for credit losses to nonaccrual loans

	Allowance for credit losses	Nonaccrual loans	Ratio of allowance for credit losses to nonaccrual loans
	(in billions of yen, except percentages)		
2022			
Domestic:			
Corporate:			
Large companies	544	800	67.98%
Small and medium-sized companies	58	140	41.23%
Retail:			
Housing Loan	59	49	120.32%
Others	15	62	23.01%
Sovereign	—	—	—
Banks and other financial institutions	—	—	—
Total domestic	676	1,051	64.25%
Foreign	134	117	114.92%
Total	810	1,168	69.33%

	Allowance for credit losses	Nonaccrual loans	Ratio of allowance for credit losses to nonaccrual loans
	(in billions of yen, except percentages)		
2023			
Domestic:			
Corporate:			
Large companies	457	980	46.62%
Small and medium-sized companies	49	122	40.39%
Retail:			
Housing Loan	51	39	132.62%
Others	12	55	21.72%
Sovereign	—	—	—
Banks and other financial institutions	1	—	—
Total domestic	570	1,196	47.70%
Foreign	131	136	95.92%
Total	701	1,332	52.63%

Ratio of allowance for credit losses to nonaccrual loans in large companies of corporate under Domestic decreased by 21.36% from 67.98% at March 31, 2022 to 46.62% at March 31, 2023 due mainly to charge-offs of loans to certain large borrowers.

The following table shows ratio of net charge-offs to average loans at March 31, 2022 and 2023:

	Average loans	Net charge-offs	Ratio of net charge-offs to average loans
	(in billions of yen, except percentages)		
2022			
Domestic:			
Corporate:			
Large companies	42,043	22	0.05%
Small and medium-sized companies	3,219	3	0.09%
Retail:			
Housing Loan	7,893	1	0.02%
Others	1,797	2	0.10%
Sovereign	1,908	—	—
Banks and other financial institutions	717	—	—
Total domestic	57,577	28	0.05%
Foreign	31,109	13	0.04%
Total	88,686	41	0.05%

	Average loans	Net charge-offs	Ratio of net charge-offs to average loans
	(in billions of yen, except percentages)		
2023			
Domestic:			
Corporate:			
Large companies	42,778	147	0.34%
Small and medium-sized companies	3,071	—	—
Retail:			
Housing Loan	7,643	2	0.02%
Others	1,628	3	0.19%
Sovereign	1,781	—	—
Banks and other financial institutions	700	—	—
Total domestic	57,601	152	0.26%
Foreign	36,666	65	0.18%
Total	94,267	217	0.23%

The following table shows an allocation of the MHFG Group's allowance for credit losses and the percentage of loans in each category to total loans at March 31, 2022 and 2023:

	2022		2023	
	Amount	% of loans in each category to total loans	Amount	% of loans in each category to total loans
	(in billions of yen, except percentages)			
Domestic:				
Corporate:				
Large companies	544	46.56%	457	46.05%
Small and medium-sized companies	58	3.50%	49	3.19%
Retail:				
Housing Loan	59	8.62%	51	7.97%
Others	15	1.89%	12	1.64%
Sovereign	—	1.84%	—	1.98%
Banks and other financial institutions	—	0.76%	1	0.68%
Total domestic	676	63.17%	570	61.51%
Foreign	134	36.83%	131	38.49%
Total	810	100.00%	701	100.00%

V. Deposits

The following table shows the average amount of, and the average rate on, the following deposit categories for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021		2022		2023	
	Average amount	Average rate	Average amount	Average rate	Average amount	Average rate
	(in billions of yen, except percentages)					
Domestic offices:						
Noninterest-bearing demand deposits	26,604	—	26,071	—	27,205	—
Interest-bearing demand deposits	62,739	—	63,627	—	65,641	0.04%
Time deposits	19,837	0.12%	17,989	0.03%	18,640	0.24%
Certificates of deposit	10,185	0.01%	13,734	—	12,573	—
Foreign offices:						
Noninterest-bearing demand deposits	2,112	—	2,741	—	2,838	—
Interest-bearing deposits, principally time deposits	24,573	0.44%	24,669	0.23%	30,466	2.55%
Certificates of deposit	6,497	0.41%	6,923	0.20%	7,517	2.82%
Total	152,547	0.11%	155,754	0.05%	164,880	0.64%

The total amounts of deposits by foreign depositors in domestic offices at March 31, 2021, 2022 and 2023 were ¥1,298 billion, ¥1,581 billion and ¥1,419 billion, respectively.

The estimated amounts of uninsured deposits at March 31, 2022 and 2023 were ¥116,886 billion and ¥126,067 billion, respectively. The uninsured deposits refer to the amounts of deposit accounts under certain categories that are not covered by the relevant insurance regimes and the aggregate amounts of the uninsured deposit accounts that exceed the respective limit of the insurance regime in each local jurisdiction. In Japan, categories such as deposits denominated in foreign currency and certificates of deposits are uninsured, and the insurance limit per client is ¥10 million. At March 31, 2023, the estimated amounts and remaining maturities of uninsured time deposits and certificates of deposit are shown in the following table:

	Time deposits	Certificates of deposit	Total
		(in billions of yen)	
Domestic offices:			
Due in three months or less	7,731	5,024	12,755
Due after three months through six months	2,266	712	2,978
Due after six months through twelve months	3,127	321	3,448
Due after twelve months	853	175	1,028
Total	13,977	6,232	20,209
Foreign offices:			
Due in three months or less	19,072	5,372	24,444
Due after three months through six months	2,560	1,204	3,764
Due after six months through twelve months	805	609	1,414
Due after twelve months	66	371	437
Total[(Note)]	22,503	7,556	30,059
Total	36,480	13,788	50,268

Note: The estimated amount that exceeded the Federal Deposit Insurance Corporation insurance limit in the United States was ¥606 billion as of March 31, 2023.

MIZUHO FINANCIAL GROUP, INC.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Mizuho Financial Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mizuho Financial Group, Inc. and subsidiaries (the "Company") as of March 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended March 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated June 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for Credit Losses

Description of the Matter

The Company's loan portfolio and the associated allowance for credit losses (ACL) for the loan portfolio, were JPY 94,176 billion and JPY 701 billion as of March 31, 2023, respectively. As discussed in Notes 1 and 5 to the consolidated financial statements, the allowance for credit losses involves significant judgments on several matters including expectations of future economic conditions, assignment of obligor ratings, valuation of collateral, and the consideration of qualitative adjustments. When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. In terms of the internal risk ratings, for the corporate portfolio segment, the credit quality review process and the credit rating process serve as the basis for determining the allowance for credit losses on loans. Through such processes loans are categorized into groups to reflect the probability of default (PD), whereby the Company's management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analysis of relevant industry segments and current trends. For the retail portfolio segment, the different categories of past due status of loans are primarily utilized in the credit quality review and the credit rating processes as the basis for determining the allowance for credit losses on loans. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to the Company's estimated exposure at default (EAD). The credit loss factors incorporate the PD as well as the loss given default (LGD) based on the historical loss rates. To supplement the historical loss data for overseas obligors, external credit ratings such as S&P are also used to calculate the PD.

The Company's methodology for determining ACL on loans also considers the imprecision inherent in the methodologies used. As a result, the amounts determined under the methodologies described above are adjusted by management to consider the potential impact of other qualitative factors which include, but are not limited to, imprecision in macroeconomic scenario assumptions and emerging risks related to changes in the environment that are affecting specific portfolio segments including segments impacted by the Russia-Ukraine situation. Considering internal and external factors affecting the credit quality of the portfolio, the Company incorporated the estimated impact of the Russia-Ukraine situation, elevated global inflation and other factors contributing to economic uncertainty into the macroeconomic scenario by using assumptions such as the future outlook of the business environment for specific portfolio segments and the current forecast for the growth rate of gross domestic product. The Company incorporated the estimated impact of the Russia-Ukraine situation by considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating.

Auditing management's ACL estimate is challenging due to the models used to estimate the PD, LGD and EAD which incorporate a forward-looking macroeconomic scenario and due to the subjective nature of the qualitative factors which require auditor judgment. Therefore, specialists who have experience in the industry are necessary.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's process for establishing the ACL, including management's controls over (i) selection and implementation of the forward-looking macroeconomic scenario used in determining PD, LGD and EAD, (ii) expected loss models and methodologies used in quantitative calculations,

including model validation, (iii) completeness and accuracy of key inputs and assumptions used in quantitative calculations and (iv) adjustments to reflect management's consideration of qualitative factors.

With the support of our specialists, we assessed the macroeconomic scenario by, among other procedures, evaluating management's methodology and agreeing a sample of key economic factors used to external sources. We also performed and considered the results of various sensitivity analyses and analytical procedures, including comparison of a sample of the key economic factors to external sources different than the Company's, historical statistics and peer bank information.

With respect to expected loss models, with the support of our specialists, we evaluated model design and re-performed the calculation for a sample of models. We also tested the appropriateness of key inputs and assumptions used in these models by agreeing a sample of inputs to internal and external sources, including historical loss statistics.

Regarding management's qualitative adjustments to the quantitative calculation, with support of our specialists, we evaluated the macroeconomic factors and emerging risks related to changes in the environment impacting specific industries within the corporate and retail portfolio segments. We also evaluated and tested internal and external data used in the qualitative adjustments by agreeing significant inputs and underlying data to internal and external sources, when available, that corroborated or contradicted management's assumptions used in the qualitative adjustments.

We evaluated the overall ACL amount, including model estimates and qualitative adjustments to the quantitative calculation, and whether the ACL appropriately reflects expected credit losses on the loan portfolio. We reviewed peer-bank information, subsequent events and transactions including changes to the obligor ratings and other credit trends and considered whether they corroborate or contradict the Company's measurement of the ACL.

Valuation of Certain Level 3 Financial Instruments

Description of the Matter

As described in Notes 1 and 26 to the consolidated financial statements, the Company carries various types of over-the-counter derivatives (equity related contracts, interest rate contracts, foreign exchange contracts, and credit-related contracts) and long-term debt instruments with embedded derivatives measured at fair value. The Company carried JPY 129 billion, JPY 90 billion and JPY 836 billion of derivative assets, derivative liabilities and long-term debt with embedded derivatives measured at fair value as of March 31, 2023, respectively. These financial instruments are classified within Level 3 of the fair value hierarchy, which is defined as having unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Management utilizes internally developed valuation models and unobservable inputs to value certain level 3 financial instruments. The significant unobservable inputs used by management to value these financial instruments include correlation and volatility.

Auditing management's valuation of certain level 3 financial instruments is challenging because the determination of certain valuation models and significant unobservable inputs requires significant judgment and effort in performing procedures related to valuing these instruments.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's derivatives and long-term debt fair value measurement processes. The controls tested included, but were not limited to, controls over significant unobservable inputs in the fair value measurements and controls over the appropriateness of the valuation models. Our audit procedures included, among others, evaluating the valuation techniques used, testing certain significant unobservable inputs used, comparing the Company's valuation inputs to independent, third-party market information, when available, developing an independent estimate of fair value for a sample of these financial instruments and comparing management's estimate to the independently developed estimate of fair value. We involved our specialists to evaluate certain significant unobservable inputs, the valuation models and to perform a valuation of a sample of these financial instruments independent from the Company's estimate of fair value.

/s/ Ernst & Young ShinNihon LLC

We have served as the Company's auditor for SEC reporting purposes since 2006, and as its Japanese statutory auditor since 2000, which included the years we served as joint auditors.

Tokyo, Japan
June 28, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Mizuho Financial Group, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Mizuho Financial Group, Inc. and subsidiaries' internal control over financial reporting as of March 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Mizuho Financial Group, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended March 31, 2023, and the related notes and our report dated June 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young ShinNihon LLC

Tokyo, Japan
June 28, 2023

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022 AND 2023

	2022	2023
	(in millions of yen)	
Assets:		
Cash and due from banks	2,290,377	2,241,929
Interest-bearing deposits in other banks	49,883,912	65,750,366
Call loans and funds sold	1,102,296	1,647,472
Receivables under resale agreements	12,751,085	11,695,014
Receivables under securities borrowing transactions	2,338,796	1,891,576
Trading account assets (including assets pledged that secured parties are permitted to sell or repledge of ¥4,639,282 million in 2022 and ¥7,355,733 million in 2023)	24,652,067	29,641,038
Investments (Note 3):		
Available-for-sale securities (including assets pledged that secured parties are permitted to sell or repledge of ¥1,120,839 million in 2022 and ¥2,466,444 million in 2023), net of allowance	31,673,890	23,233,769
Held-to-maturity securities (including assets pledged that secured parties are permitted to sell or repledge of ¥1,019,391 million in 2022 and ¥1,594,501 million in 2023)	1,519,055	2,050,107
Equity securities	3,572,908	3,691,870
Other investments	582,388	667,201
Loans (Notes 4 and 5)	90,290,583	94,175,757
Allowance for credit losses on loans	(809,817)	(700,959)
Loans, net of allowance	89,480,766	93,474,798
Premises and equipment—net (Note 6)	1,704,067	1,653,888
Due from customers on acceptances	271,877	405,742
Accrued income	322,025	510,791
Goodwill (Note 7)	92,695	92,928
Intangible assets (Note 7)	47,939	44,681
Deferred tax assets	277,319	386,592
Other assets (Note 12)	8,987,242	9,700,960
Total assets	231,550,704	248,780,722

The following table presents the assets of consolidated variable interest entities ("VIE"s), which are included in the consolidated balance sheets above. The assets in the table below can be used only to settle obligations of consolidated VIEs.

	2022	2023
	(in millions of yen)	
Assets of consolidated VIEs:		
Cash and due from banks	2,243	1,941
Interest-bearing deposits in other banks	71,573	155,551
Call loans and funds sold	162,578	260,997
Trading account assets	2,222,902	2,614,888
Investments	238,624	233,348
Loans, net of allowance	8,347,880	8,381,183
All other assets	529,178	505,636
Total assets	11,574,978	12,153,544

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS—(Continued)
MARCH 31, 2022 AND 2023

	2022	2023
	(in millions of yen)	
Liabilities and equity:		
Deposits:		
Domestic:		
Noninterest-bearing deposits	32,844,872	33,136,655
Interest-bearing deposits	91,425,213	92,625,324
Foreign:		
Noninterest-bearing deposits	2,500,823	3,042,821
Interest-bearing deposits	30,407,376	36,130,825
Due to trust accounts	390,247	749,382
Call money and funds purchased	1,278,051	1,814,874
Payables under repurchase agreements (Note 28)	20,069,566	25,737,154
Payables under securities lending transactions (Note 28)	1,360,743	886,391
Other short-term borrowings (Note 11)	7,566,771	3,397,329
Trading account liabilities	14,859,383	19,362,943
Bank acceptances outstanding	271,877	405,742
Income taxes payable	62,697	88,277
Deferred tax liabilities	29,033	25,424
Accrued expenses	203,383	442,729
Long-term debt (including liabilities accounted for at fair value of ¥ 2,756,062 million in 2022, and ¥2,680,164 million in 2023) (Notes 11 and 26)	12,578,216	14,893,023
Other liabilities (Note 12)	6,260,222	6,316,695
Total liabilities	222,108,473	239,055,588
Commitments and contingencies (Note 22)		
Equity:		
MHFG shareholders' equity:		
Common stock (Note 14)—no par value, authorized 4,800,000,000 shares, and issued 2,539,249,894 shares at March 31, 2022 and 2023	5,816,834	5,832,729
Retained earnings	2,665,608	2,442,153
Accumulated other comprehensive income (loss), net of tax (Note 16)	440,112	649,395
Less: Treasury stock, at cost—Common stock 4,659,024 shares at March 31, 2022, and 5,027,306 shares at March 31, 2023	(8,342)	(8,786)
Total MHFG shareholders' equity	8,914,212	8,915,491
Noncontrolling interests	528,019	809,643
Total equity	9,442,231	9,725,134
Total liabilities and equity	231,550,704	248,780,722

The following table presents the liabilities of consolidated VIEs, which are included in the consolidated balance sheets above. The creditors or investors of the consolidated VIEs have no recourse to the MHFG Group, except where the Group provides credit enhancement through guarantees or other means.

	2022	2023
	(in millions of yen)	
Liabilities of consolidated VIEs:		
Payables under securities lending transactions	51,752	128,548
Other short-term borrowings	53,668	187,852
Trading account liabilities	51,019	64,708
Long-term debt	1,024,067	1,164,719
All other liabilities	1,041,938	1,057,384
Total liabilities	2,222,444	2,603,211

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2021, 2022 AND 2023

	2021	2022	2023
		(in millions of yen)	
Interest and dividend income:			
Loans, including fees	1,018,766	957,579	1,960,377
Investments:			
Interest	55,482	63,050	78,953
Dividends	56,847	83,589	96,237
Trading account assets	236,620	245,146	426,117
Call loans and funds sold	2,186	1,377	13,877
Receivables under resale agreements and securities borrowing transactions	42,350	36,479	307,744
Deposits in other banks	44,305	56,721	505,486
Total interest and dividend income	1,456,556	1,443,941	3,388,791
Interest expense:			
Deposits	160,315	76,292	1,061,014
Trading account liabilities	52,682	59,739	101,311
Call money and funds purchased	1,829	1,093	17,308
Payables under repurchase agreements and securities lending transactions	54,655	40,672	671,006
Other short-term borrowings	18,432	5,623	59,314
Long-term debt	180,026	190,713	270,111
Total interest expense	467,939	374,132	2,180,064
Net interest income	988,617	1,069,809	1,208,727
Provision (credit) for credit losses (Note 3 and 5)	112,776	214,408	93,753
Net interest income after provision (credit) for credit losses	875,841	855,401	1,114,974
Noninterest income (Note 24):			
Fee and commission income	912,684	980,000	984,345
Foreign exchange gains (losses)—net (Note 25)	89,267	91,611	189,526
Trading account gains (losses)—net (Note 25)	120,596	(491,947)	(603,910)
Investment gains (losses)—net:			
Debt securities	(22,032)	(14,777)	5,167
Equity securities	850,567	(60,563)	135,601
Equity in earnings (losses) of equity method investees—net	31,027	34,587	(26,999)
Gains on disposal of premises and equipment	7,125	9,943	4,920
Other noninterest income	52,086	120,936	199,453
Total noninterest income	2,041,320	669,790	888,103
Noninterest expenses:			
Salaries and employee benefits	685,692	669,474	694,027
General and administrative expenses	623,732	611,326	692,879
Occupancy expenses	206,470	201,987	164,603
Fee and commission expenses	190,489	203,957	202,347
Provision (credit) for credit losses on off-balance-sheet instruments	18,007	(14,819)	6,581
Other noninterest expenses	164,007	95,754	173,470
Total noninterest expenses	1,888,397	1,767,679	1,933,907
Income (loss) before income tax expense (benefit)	1,028,764	(242,488)	69,170
Income tax expense (benefit) (Note 19)	210,716	(141,017)	35,142
Net income (loss)	818,048	(101,471)	34,028
Less: Net income attributable to noncontrolling interests	236,283	3,251	48,037
Net income (loss) attributable to MHFG shareholders	581,765	(104,722)	(14,009)
Earnings per common share (Note 18):		**(in yen)**	
Basic net income (loss) per common share	229.27	(41.28)	(5.52)
Diluted net income (loss) per common share	229.26	(41.28)	(5.52)
Dividends per common share:			
Common stock	75.00	80.00	85.00

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2021, 2022 AND 2023

	2021	2022	2023
		(in millions of yen)	
Net income (loss) (Note)	818,048	(101,471)	34,028
Other comprehensive income (loss), net of tax:			
Net unrealized gains (losses) on available-for-sale securities, net of tax	11,534	(17,020)	(7,828)
Foreign currency translation adjustments, net of tax	22,695	185,298	135,849
Defined benefit plan adjustments, net of tax	328,066	(41,385)	68,223
Own credit risk adjustments, net of tax	(35,187)	(300)	13,443
Total other comprehensive income, net of tax	327,108	126,593	209,687
Total comprehensive income	1,145,156	25,122	243,715
Less: Total comprehensive income attributable to noncontrolling interests	235,784	7,846	48,442
Total comprehensive income attributable to MHFG shareholders	909,372	17,276	195,273

Note: The amounts that have been reclassified out of Accumulated other comprehensive income (loss), net of tax into net income are presented in Note 16 “Accumulated other comprehensive income (loss), net of tax.”

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2021, 2022 AND 2023

	2021	2022	2023
		(in millions of yen)	
Common stock:			
Balance at beginning of fiscal year	5,827,500	5,826,863	5,816,834
Performance-based stock compensation program	(110)	(69)	(256)
Change in ownership interests in consolidated subsidiaries	(527)	(9,960)	16,271
Other	—	—	(120)
Balance at end of fiscal year	5,826,863	5,816,834	5,832,729
Retained earnings:			
Balance at beginning of fiscal year, previously reported	2,700,774	2,967,385	2,665,608
Cumulative effect of change in accounting principles, net of tax	(124,636)[2]	—	—
Balance at beginning of fiscal year, adjusted	2,576,138	2,967,385	2,665,608
Net income (loss) attributable to MHFG shareholders	581,765	(104,722)	(14,009)
Dividends declared	(190,418)	(196,746)	(209,432)
Other	(100)	(309)	(14)
Balance at end of fiscal year	2,967,385	2,665,608	2,442,153
Accumulated other comprehensive income (loss), net of tax (Note 16)[1]:			
Balance at beginning of fiscal year	(9,494)	318,114	440,112
Change during year	327,608	121,998	209,283
Balance at end of fiscal year	318,114	440,112	649,395
Treasury stock, at cost:			
Balance at beginning of fiscal year	(6,415)	(7,124)	(8,342)
Purchases of treasury stock	(2,545)	(2,870)	(2,315)
Disposal of treasury stock	1,836	1,652	1,871
Balance at end of fiscal year	(7,124)	(8,342)	(8,786)
Total MHFG shareholders' equity	9,105,238	8,914,212	8,915,491
Noncontrolling interests:			
Balance at beginning of fiscal year	663,259	582,919	528,019
Transactions between the MHFG Group and the noncontrolling interest shareholders	(300,371)	(44,651)	254,914
Dividends paid to noncontrolling interests	(15,753)	(18,095)	(21,732)
Net income attributable to noncontrolling interests	236,283	3,251	48,037
Other	(499)	4,595	405
Balance at end of fiscal year	582,919	528,019	809,643
Total equity	9,688,157	9,442,231	9,725,134

Notes:

(1) The amounts that have been reclassified out of Accumulated other comprehensive income (loss), net of tax into net income are presented in Note 16 "Accumulated other comprehensive income (loss), net of tax."

(2) These amounts resulted from the adoption of ASU No.2016-13, "Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments" and subsequent amendments. See Note 1 "Basis of presentation and summary of significant accounting policies" for further details.

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2021, 2022 AND 2023

	2021	2022	2023
		(in millions of yen)	
Cash flows from operating activities:			
Net income (loss)	818,048	(101,471)	34,028
Less: Net income attributable to noncontrolling interests	236,283	3,251	48,037
Net income (loss) attributable to MHFG shareholders	581,765	(104,722)	(14,009)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	231,677	228,397	238,997
Provision (credit) for credit losses	112,776	214,408	93,753
Investment losses (gains)—net	(828,535)	75,340	(140,768)
Equity in losses (earnings) of equity method investees—net	(31,027)	(34,587)	26,999
Foreign exchange losses (gains)—net	207,400	517,989	439,767
Deferred income tax expense (benefit)	50,701	(255,365)	(143,842)
Net change in trading account assets	1,567,897	2,386,304	(4,031,782)
Net change in trading account liabilities	(1,984,509)	3,634,056	4,235,704
Net change in loans held for sale	30,250	(126,804)	(72,356)
Net change in accrued income	8,052	4,680	(179,772)
Net change in accrued expenses	(72,850)	2,783	259,428
Other—net	595,159	(1,044,392)	294,794
Net cash provided by operating activities	468,756	5,498,087	1,006,913
Cash flows from investing activities:			
Proceeds from sales of Available-for-sale securities	28,041,466	36,330,397	35,864,487
Proceeds from sales of Equity securities (Note)	3,089,202	2,526,075	930,586
Proceeds from maturities of Available-for-sale securities	31,521,663	39,008,678	39,537,476
Proceeds from maturities of Held-to-maturity securities	116,060	178,955	227,711
Purchases of Available-for-sale securities	(69,491,642)	(80,478,884)	(68,223,956)
Purchases of Held-to-maturity securities	(134,660)	(714,794)	(677,508)
Purchases of Equity securities (Note)	(2,979,434)	(2,208,196)	(914,215)
Proceeds from sales of loans	1,847,102	2,046,573	492,933
Net change in loans	(1,502,445)	(1,397,302)	(2,615,468)
Net change in call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	6,906,483	(147,806)	1,790,227
Proceeds from sales of premises and equipment	13,664	18,720	9,813
Purchases of premises and equipment	(211,495)	(136,238)	(185,583)
Proceeds from sales of investments in subsidiaries (affecting the scope of consolidation)	218,259	50,699	2,872
Purchases of investments in subsidiaries (affecting the scope of consolidation)	(47,515)	(93,005)	(48,887)
Net cash provided by (used in) investing activities	(2,613,292)	(5,016,128)	6,190,488
Cash flows from financing activities:			
Net change in deposits	4,394,481	3,589,567	5,834,904
Net change in call money and funds purchased, and payables under repurchase agreements and securities lending transactions	(962,754)	9,268	4,444,768
Net change in due to trust accounts	131,056	9,454	359,135
Net change in other short-term borrowings	4,085,165	(1,711,421)	(4,338,379)
Proceeds from issuance of long-term debt	2,568,730	3,004,293	4,701,954
Repayment of long-term debt	(1,511,050)	(2,715,054)	(2,985,756)
Proceeds from noncontrolling interests	236,868	101,755	36,924
Payments to noncontrolling interests	(37,928)	(80,493)	(58,811)
Proceeds from sales of treasury stock	854	874	1,615
Purchases of treasury stock	(1,849)	(1,927)	(2,314)
Purchases of treasury stock of subsidiaries	(5,414)	—	—
Dividends paid	(190,498)	(196,783)	(209,457)
Dividends paid to noncontrolling interests	(15,753)	(18,095)	(21,732)
Net cash provided by financing activities	8,691,908	1,991,438	7,762,851
Effect of exchange rate changes on cash and cash equivalents	235,610	966,796	857,754
Net increase in cash and cash equivalents	6,782,982	3,440,193	15,818,006
Cash and cash equivalents at beginning of fiscal year	41,951,114	48,734,096	52,174,289
Cash and cash equivalents at end of fiscal year	48,734,096	52,174,289	67,992,295

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
FOR THE FISCAL YEARS ENDED MARCH 31, 2021, 2022 AND 2023

	2021	2022	2023
		(in millions of yen)	
Supplemental disclosure of cash flow information:			
Interest paid	497,422	274,530	2,030,281
Income taxes paid	216,996	164,408	133,370
Noncash investing activities:			
Transfer of loans into loans held-for-sale	20,335	15,916	2,089

Note: Proceeds from sales of Equity securities as well as Purchases of Equity securities include cash activity related to Other investments, the amounts of which are not significant.

See the accompanying Notes to the Consolidated Financial Statements.

MIZUHO FINANCIAL GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and summary of significant accounting policies

Basis of presentation

Mizuho Financial Group, Inc. ("MHFG") is a joint stock corporation with limited liability under the laws of Japan. MHFG is a holding company for Mizuho Bank, Ltd. ("MHBK"), Mizuho Trust & Banking Co., Ltd. ("MHTB"), Mizuho Securities Co., Ltd. ("MHSC"), Asset Management One Co., Ltd. ("Asset Management One"), and other subsidiaries. MHFG, through its subsidiaries ("the MHFG Group," or "the Group"), provides domestic and international financial services in Japan and other countries. For a discussion of the Group's segment information, see Note 30 "Business segment information."

MHFG and its domestic subsidiaries as well as its foreign subsidiaries maintain their accounting records in accordance with the accounting standards of Japan and those standards of the countries in which they are domiciled. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform them to the accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements are stated in Japanese yen, the currency of the country in which MHFG is incorporated and principally operates.

The accompanying consolidated financial statements include the accounts of MHFG and its subsidiaries. MHFG's fiscal year ends on March 31. MHFG's subsidiaries fiscal year end is determined by each subsidiary. If the fiscal year end of a subsidiary has more than three months discrepancy from the MHFG's fiscal year end, the subsidiary executes provisional financial closing. For those subsidiaries where the fiscal year end is not on March 31 and where the subsidiaries do not execute provisional financial close, the effect on the MHFG Group's consolidated financial statements of all material events through the date of each of the periods presented in the consolidated financial statements has been considered for adjustment and/or disclosure. When determining whether to consolidate investee entities, the MHFG Group performs an analysis of the facts and circumstances of the particular relationships between the MHFG Group and the investee entities as well as the ownership of voting shares. The consolidated financial statements also include the accounts of VIEs for which MHFG or its subsidiaries have been determined to be the primary beneficiary in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation" ("ASC 810"). All significant intercompany transactions and balances have been eliminated upon consolidation. The MHFG Group accounts for investments in entities over which it has significant influence by using the equity method of accounting. These investments are included in Other investments and the Group's proportionate share of income or loss is included in Equity in earnings (losses) of equity method investees—net.

Certain comparative amounts for the prior period have been reclassified in order to conform to the current period's presentation.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. Specific areas, among others, requiring the application of management's estimates and judgment include assumptions pertaining to the allowance for credit losses, valuation of loans held-for-sale, valuation of deferred tax assets, valuation of derivative financial instruments, valuation of investments, valuation of certain long-term debt where the fair value option has been elected, valuation of pension and other employee benefits, and impairment of long-lived assets. During times of geopolitical unrest such as the situation in Russia and Ukraine and economic uncertainty such as elevated global inflation, estimates become more sensitive and it is reasonably possible that actual results could differ from estimates and assumptions made.

Definition of cash and cash equivalents

For purposes of the consolidated statements of cash flows, Cash and cash equivalents consists of Cash and due from banks and Interest-bearing deposits in other banks. Cash deposited with central banks that must be maintained to meet minimum regulatory requirements is classified as restricted cash and included in Cash and cash equivalents. See Note 8 "Pledged assets and collateral" for more information on restricted cash.

Translation of foreign currency financial statements and foreign currency transactions

Financial statements of overseas entities are prepared using the functional currency of each entity and translated into Japanese yen for consolidation purposes. Assets and liabilities are translated using the fiscal-year-end exchange rate of each functional currency, and income and expenses are translated using the average rate of each functional currency for the period.

Foreign currency translation gains and losses related to the financial statements of overseas entities of the MHFG Group, net of related income tax effects, are credited or charged directly to Foreign currency translation adjustments, a component of Accumulated other comprehensive income (loss), net of tax ("AOCI"). The tax effects of gains and losses related to the foreign currency translation of financial statements of overseas entities are not recognized unless it is apparent that the temporary differences will reverse in the foreseeable future.

Assets and liabilities of domestic and overseas entities denominated in foreign currencies are remeasured into the functional currency of the respective entity at the fiscal year-end foreign exchange rates, and gains and losses resulting from such remeasurement are included in Foreign exchange gains (losses)—net. Foreign currency denominated income and expenses are remeasured using the average exchange rates for the period.

Call loans and call money

Call loans and call money represent lending/borrowing, primarily through the Japanese short-term money market, to/from other financial institutions such as banks, insurance companies, and securities brokerage houses.

Repurchase and resale agreements, securities lending and borrowing and other secured financing transactions

Securities sold under agreements to repurchase ("repurchase agreements"), securities purchased under agreements to resell ("resale agreements") and securities lending and borrowing transactions are accounted for as secured financing or lending transactions when control over the underlying securities is not deemed to be surrendered by the transferor. Otherwise, they are recorded as sales of securities with related forward repurchase commitments or purchases of securities with related forward resale commitments in accordance with ASC 860, "Transfers and Servicing" ("ASC 860").

Under resale agreements, securities borrowing and certain derivatives transactions, the MHFG Group receives collateral in the form of securities. In many cases, the MHFG Group is permitted to sell or repledge the securities obtained as collateral. Disclosures in respect of such collateral are presented in Note 8 "Pledged assets and collateral." With respect to repurchase agreements, securities lending, and certain derivative transactions, counterparties may have the right to sell or repledge securities that the MHFG Group has pledged as collateral. The MHFG Group separately discloses these pledged securities in the consolidated balance sheets.

The MHFG Group monitors credit exposure arising from resale agreements, repurchase agreements, securities borrowing and securities lending transactions on a regular basis, and additional collateral is obtained from or returned to counterparties, as appropriate.

Trading securities and trading securities sold, not yet purchased

Trading securities consist of securities and money market instruments that are bought and held principally for the purpose of reselling in the near term with the objective of generating profits on short-term fluctuations in price. Trading securities sold, not yet purchased, are securities and money market instruments sold to third parties that the MHFG Group does not own and is obligated to purchase at a later date to cover the short position. Trading securities and trading securities sold, not yet purchased, are recorded on the trade date. Trading securities and trading securities sold, not yet purchased, are recorded at fair value in the consolidated balance sheets in Trading account assets and Trading account liabilities with realized and unrealized gains and losses recorded on a trade date basis in Trading account gains (losses)—net in the consolidated statements of income. Interest and dividends on trading securities, including securities sold, not yet purchased, are recorded in Interest and dividend income or Interest expense on an accrual basis.

Investments

Debt securities that the MHFG Group has both the positive intent and ability to hold to maturity are classified as Held-to-maturity securities and carried at amortized cost. Debt securities that the MHFG Group may not hold to maturity, other than those classified as trading securities, are classified as Available-for-sale securities, and are carried at fair value, with unrealized gains and losses reported in AOCI after any applicable allowance for credit losses. Equity securities that do not meet the classification of trading securities are measured at fair value with unrealized gains and losses reported in Investment gains (losses)—net Equity securities.

At the end of each reporting period the MHFG Group performs a review to identify impaired available-for-sale securities in accordance with ASC 326, "Financial Instruments—Credit Losses" ("ASC 326"). See allowance and provision (credit) for credit losses on available-for-sale securities in this Note for further detail. Interest and dividends, as well as amortization of premiums and accretion of discounts, are reported in Interest and dividend income. Amortization of premiums and accretion of discounts on debt securities are recognized over their remaining maturities under the interest method. Gains and losses on disposition of investments are computed using the first-in first-out method for debt securities and the average method for equity securities, and are recorded on the trade date.

Other investments include marketable and non-marketable equity securities accounted for using the equity method and marketable and non-marketable investments held by consolidated investment companies carried at fair value under specialized industry accounting principles for investment companies.

Derivative financial instruments

Derivative financial instruments are bought and held principally for the purpose of market making for customers, proprietary trading in order to generate trading revenues and fee income, and also to manage the MHFG Group's exposure to interest rate, credit and market risks related to asset and liability management. Such derivative financial instruments include interest rate, foreign currency, equity, commodity and credit default swap agreements, options, caps and floors, and financial futures and forward contracts.

Derivatives bought and held for trading purposes are recorded in the consolidated balance sheets at fair value in Trading account assets and Trading account liabilities. The fair values of derivatives in a gain position and a loss position are reported as Trading account assets and Trading account liabilities, respectively.

Derivatives used for asset and liability management include contracts that qualify for hedge accounting under ASC 815, "Derivatives and Hedging" ("ASC 815"). To be eligible for hedge accounting, derivative instruments

must be highly effective in achieving offsetting changes in fair values or variable cash flows of the hedged items attributable to the particular risk being hedged. All qualifying hedging derivatives are valued at fair value and included in Trading account assets or Trading account liabilities. Derivatives that do not qualify for hedge accounting under ASC 815 are treated as trading positions and are accounted for as such. The fair value amounts recognized for all derivatives are presented on a gross basis and not offset against the amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral under the master netting agreement with the same counterparty.

The fair values of derivative financial instruments are determined based on quoted market prices or broker-dealer quotes, if available. If not available, the fair values are estimated using quoted market prices for similar instruments, option or binomial pricing models or a present value cash flow analysis, utilizing current observable market information, where available. In determining the fair values, the Group considers various factors such as exchange or over-the-counter market quotes, time value of money and volatility factors for options and warrants, observed prices for similar or synthetic instruments, and counterparty credit quality including potential exposure.

Changes in the fair values of all derivatives are recorded in earnings, except for derivatives qualifying as net investment hedges under ASC 815 which are recorded in AOCI. The changes in the fair values of all derivatives relating to foreign currency exchange rates are included in Foreign exchange gains (losses)—net and Trading account gains (losses)—net. Other elements of the changes in the fair values, including interest rate, equity and credit related components, except these of certain credit derivatives hedging the credit risk in the corporate loan portfolio, are recognized in Trading account gains (losses)—net. The net gain (loss) resulting from changes in the fair values of certain credit derivatives where the Group purchases protection to mitigate its credit risk exposure related to its corporate loan portfolio is recorded in Other noninterest income (expenses).

Certain financial and hybrid instruments often contain embedded derivative instruments that possess implicit or explicit contract terms similar to those of a derivative instrument. Such derivative instruments are required to be fair-valued separately from the host contracts if they meet the bifurcation criteria of an embedded derivative. Such criteria include that the entire instrument is not marked to market through earnings, the economic characteristics and risks of the embedded contract terms are not clearly and closely related to those of the host contract and the embedded contract terms would meet the definition of a derivative on a stand-alone basis.

Loans

Loans are generally carried at the principal amount adjusted for unearned income and deferred net nonrefundable loan fees and costs. Loan origination fees, net of certain direct origination costs, are deferred and recognized over the contractual life of the loan as an adjustment of yield using a method that approximates the interest method. Interest income on performing loans is accrued and credited to income as it is earned. Unearned income and discounts or premiums on purchased loans are deferred and recognized over the life of the loan using a method that approximates the interest method.

Loans are considered nonaccrual when, based on current information and events, it is probable that the MHFG Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loans. Factors considered by management in determining if a loan is nonaccrual include delinquency status and the ability of the debtor to make payments of the principal and interest when due. Nonaccrual loans include loans past due for 90 days or more and restructured loans that meet the definition of a troubled debt restructuring (“TDR”) in accordance with ASC 310, “Receivables” (“ASC 310”). The majority of nonaccrual loans have no contractual delinquency due to interest reductions and/or postponement of principal and interest.

In case loans are designated as nonaccrual loans, interest accruals and the amortization of net origination fees are suspended and capitalized interest is written off. Cash received on nonaccrual loans is accounted for as a reduction of the loan principal if the ultimate collectability of the principal amount is in doubt, otherwise, as interest income. Loans are not restored to accrual status until interest and principal payments are current and future payments are reasonably assured. Nonaccrual loans are restored to accrual loans and accrual status, when the MHFG Group determines that the borrower poses no concerns regarding current certainty of debt fulfillment. In general, such determination is made if the borrower qualifies for an obligor rating of E2 or above and is not classified as a special attention obligor. With respect to loans restructured in a TDR, in general, such loans are restored to accrual loans, and accrual status, when the borrower qualifies for an obligor rating of D or above. See Note 4 “Loans” for the definitions of obligor ratings.

Loans that have been identified for sale are classified as loans held for sale within Other assets and are accounted for at the lower of cost or fair value on an individual loan basis. If management decides to retain certain loans held for sale for the foreseeable future or until maturity or payoff, such items are transferred to Loans at the lower of cost or fair value.

Financial instruments—current expected credit losses (“CECL”)

CECL established a single allowance framework for all financial assets measured at amortized cost and certain off-balance-sheet instrument exposures. This framework requires management’s estimate to reflect credit losses over the instrument’s remaining expected life and consider expected future changes in macroeconomic conditions. ASC 326 replaced the incurred loss impairment methodology in prior U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of information such as relevant information about past events including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount, for the purpose of informing credit loss estimates. This ASC requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASC also requires that credit losses on available-for-sale debt securities be presented as an allowance for credit losses rather than as a write-down and limits the amount of the allowance for credit losses to the amount by which fair value is below amortized cost. Per the accounting policy election, the MHFG Group does not record expected credit losses for accrued interest receivables because uncollectible accrued interest is reversed through interest income in a timely manner in line with the Group’s nonaccrual and past due policies. The amount of accrued interest receivable reversed through interest income was not significant for the fiscal years ended March 31, 2022 and 2023. The following note and Note 5 “Allowance for credit losses on loans” provide further information about the impact that the adoption of ASC 326 had on the MHFG Group.

Allowance and provision (credit) for credit losses on loans

Effective April 1, 2020, the allowance for credit losses on loans is established for current expected credit losses on the MHFG Group’s loan portfolio in accordance with ASC 326. Additionally, as of April 1, 2020, the Group did not elect the fair value option for financial assets measured at amortized cost basis. Prior to April 1, 2020, the allowance for credit losses on loans was established based on an incurred loss model in accordance with ASC 310 and ASC 450, “Contingencies” (“ASC 450”).

The MHFG Group makes adjustments to the allowance for credit losses on loans through Provision (credit) for credit losses in the consolidated statements of income in each reporting period. Loan principal that management

judges to be uncollectible, based on detailed loan reviews and a credit quality assessment, is charged off against the allowance for credit losses on loans. In general, the Group charges off loans when the Group determines that the obligor should be classified as substantially bankrupt or bankrupt. See Note 4 "Loans" for the definitions of obligor categories. Obligors in the retail portfolio segment are generally determined to be substantially bankrupt when they are past due for more than six months, and as for obligors in the corporate portfolio segment, the Group separately monitors the credit quality of each obligor without using time-based triggers.

The MHFG Group maintains an appropriate allowance for credit losses on loans to represent management's estimate of the expected credit losses in the Group's loan portfolio. Management evaluates the appropriateness of the allowance for credit losses on loans semi-annually. The allowance considers expected credit losses over the remaining expected lives of the applicable instruments. The expected life of each instrument is determined by considering expected prepayments, contractual terms and cancellation features. The allowance for credit losses involves significant judgments on a number of matters including expectations of future economic conditions, assignment of obligor ratings, valuation of collateral, and the development of qualitative adjustments.

When determining expected credit losses, a single forward-looking macroeconomic scenario is considered over a reasonable and supportable forecast period. This forward-looking macroeconomic scenario is in line with the scenario used for the Group's business plan. If the scenario does not reflect a sudden change in economic conditions adequately, adjustments may be made to the scenario. After the forecast period, the Group reverts to long-term historical loss experience with a certain graduated transition period, to estimate losses over the remaining lives of financial assets measured at amortized cost and certain off-balance-sheet instruments. The macroeconomic scenario is updated at least semi-annually and is reviewed to reflect current economic conditions and the Group's expectation of future conditions on a timely basis. For March 31, 2022 and 2023, the Group used the most recent macroeconomic scenario available during the Group's credit loss estimation process.

In terms of the internal risk ratings, for the corporate portfolio segment, the credit quality review process and the credit rating process serve as the basis for determining the allowance for credit losses on loans. Through such processes loans are categorized into groups to reflect the probability of default, whereby the MHFG Group's management assesses the ability of borrowers to service their debt, taking into consideration current financial information, ability to generate cash, historical payment experience, analysis of relevant industry segments and current trends. For the retail portfolio segment, the different categories of past due status of loans are primarily utilized in the credit quality review and the credit rating processes as the basis for determining the allowance for credit losses on loans.

In general, the MHFG Group estimates expected credit losses collectively on the loans in the case of normal and watch obligors, considering the risk associated with a particular pool and the probability that the exposures within the pool will deteriorate or default. The allowance for credit losses on nonaccrual loans generally includes the allowance for those loans that were individually evaluated for expected credit losses. See Note 4 "Loans" for the definitions of obligor categories and classification of nonaccrual loans.

The estimation of expected credit losses that are evaluated collectively begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one obligor category or rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to the MHFG Group's estimated exposure at default. The credit loss factors incorporate the probability of default as well as the loss given default based on the historical loss rates. To supplement the historical loss data for overseas obligors, external credit ratings such as S&P are also used to calculate the probability of default. The model and inputs used to determine credit losses on loans that are evaluated collectively are analyzed on a periodic basis by comparing the estimated values with the actual results subsequent to the balance sheet date.

The MHFG Group divides its overall portfolio into domestic and foreign portfolios and categorizes the domestic portfolio into four portfolio segments according to their risk profiles: corporate, retail, sovereign, and banks and financial institutions.

The corporate portfolio segment consists of loans originated primarily by MHBK and MHTB, and includes mainly business loans such as those used for working capital and capital expenditure, as well as loans for which the primary source of repayment of the obligation is income generated by the relevant assets such as project finance, asset finance and real estate finance. The corporate portfolio segment is divided into two classes based on their risk characteristics: large companies, and small and medium-sized companies. For the corporate portfolio segment, the MHFG Group considers key economic factors such as gross domestic products for Japan and each relevant foreign location, where the portfolio is significant, and the interest rates in Japan when estimating the credit loss.

The retail portfolio segment consists mainly of residential mortgage loans originated by MHBK, and it is divided into two classes based on their risk characteristics: housing loan and others. For the retail portfolio segment, the Japanese unemployment rate is applied as a key factor. As it pertains to TDRs in the retail portfolio segment, the restructuring itself, as well as subsequent payment defaults, if any, are considered in determining obligor categories. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off, or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

The allowance recorded for individually evaluated loans is based on (1) the present value of expected future cash flows, after considering the restructuring effect and subsequent payment default with respect to TDRs, discounted at the loan's initial effective interest rate, (2) the loan's observable market price, or (3) the fair value of the collateral if the loan is collateral dependent. The collateral that the MHFG Group obtains for loans consists primarily of real estate. In obtaining the collateral, the Group evaluates the fair value of the collateral and its legal enforceability. The Group also performs subsequent re-evaluations at least once a year. As it pertains to real estate collateral, valuation is generally performed by an appraising subsidiary which is independent from the Group's loan origination departments by using generally accepted valuation techniques such as (1) the replacement cost approach, (2) the sales comparison approach or (3) the income approach. In the case of large real estate collateral, the Group generally engages third-party appraisers to perform the valuation.

The MHFG Group's methodology for determining the appropriate allowance for credit losses on loans also considers the imprecision inherent in the methodologies used. As a result, the amounts determined under the methodologies described above could be adjusted by management to consider the potential impact of other qualitative factors which include, but are not limited to, imprecision in macroeconomic scenario assumptions and emerging risks related to changes in the environment that are affecting specific portfolio segments including segments impacted by the Russia-Ukraine situation. Considering internal and external factors affecting the credit quality of the portfolio, the Group incorporated the estimated impact of the Russia-Ukraine situation, elevated global inflation and other factors contributing to economic uncertainty into the macroeconomic scenario by using assumptions such as the future outlook of the business environment for specific portfolio segments and the current forecast for the growth rate of gross domestic product.

In terms of the Russia-Ukraine situation, considering the country risk arising from the continued sanctions against Russia and the downgrading of their credit rating, the MHFG Group incorporated the estimated impact of the Russia-Ukraine situation into the macroeconomic scenario used for determining the allowance for credit losses on loans.

Allowance and provision (credit) for credit losses on off-balance-sheet instruments

The MHFG Group maintains an allowance for credit losses on off-balance-sheet instruments, such as guarantees and standby letters of credit in the same manner as the allowance for credit losses on loans. The Group similarly assesses the expected loss amounts for commitments to invest in securities and commitments to extend credit, considering the probability of drawdowns. The allowance is recorded in Other liabilities. Net changes in the allowance for credit losses on off-balance-sheet instruments are accounted for in Provision (credit) for credit losses on off-balance-sheet instruments in the consolidated statements of income.

Allowance and provision (credit) for credit losses on available-for-sale securities

The MHFG Group performs periodic reviews to identify impaired securities in accordance with ASC 326. Available-for-sale securities are impaired if the fair value is less than the amortized cost (excluding accrued interest receivable). For available-for-sale debt securities, in the cases where the Group has the intent to sell an available-for-sale debt security or more likely than not will be required to sell an available-for-sale debt security before the recovery of its amortized cost basis, the entire difference between amortized cost basis and fair value is recognized immediately through earnings. In other cases, the Group evaluates expected cash flows to be received and determines if a credit loss exists, and if so, the amount of the credit loss is recognized in Provision (credit) for credit losses, while the remaining decline in fair value is recognized in other comprehensive income, net of applicable taxes. Before the adoption of ASC 326, the previous other-than-temporary impairment model was applied for available-for-sale debt securities.

Premises and equipment

Premises and equipment are stated at historical cost, and depreciation and amortization are recorded over the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the shorter of the estimated useful lives of the assets or the lease term. Depreciation and amortization are principally computed in accordance with the straight-line method with respect to buildings and leasehold improvements and in accordance with the declining-balance method with respect to other premises and equipment.

The useful lives of premises and equipment are as follows:

	Years
Buildings	3 to 50
Equipment and furniture	2 to 20

Regular repairs and maintenance costs that do not extend the estimated useful life of an asset are charged to expense as incurred. Upon sale or disposition of premises and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts, and any gains or losses on disposal are included in Gains on disposal of premises and equipment or Occupancy expenses.

Impairment of long-lived assets

The MHFG Group's long-lived assets that are held for use are reviewed periodically for events or changes in circumstances that indicate possible impairment. The Group's impairment review is based on an undiscounted cash flow analysis of a group of assets, combined with associated liabilities, at the lowest level for which identifiable cash flows exist. Impairment occurs when the carrying value of the asset group exceeds the future undiscounted cash flows that the asset group is expected to generate. When impairment is identified, the future

cash flows are then discounted to determine the estimated fair value of the asset group and an impairment charge is recorded for the difference between the carrying value and the estimated fair value of the asset group. The long-lived assets to be disposed of by sale are carried at the lower of the carrying amount or fair value, less estimated cost to sell.

Software

Internal and external costs incurred in connection with developing and obtaining software for internal use during the application development stage are capitalized. Such costs include salaries and benefits for employees directly involved with and who devote time to the project, to the extent such time is incurred directly on the internal use software project. The capitalization of software ceases when the software project has been substantially completed. The capitalized software is amortized on a straight-line basis over the estimated useful life, generally 5 to 10 years. Internal use software is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Goodwill

Goodwill represents the excess of the total fair value of the acquired company, which consists of the consideration transferred, the fair value of any interest in the acquiree already held by the acquirer and the fair value of any noncontrolling interest in the acquiree over the fair value of net identifiable assets acquired at the date of acquisition in a business combination. The MHFG Group accounts for goodwill in accordance with ASC 350, "Intangibles—Goodwill and Other" ("ASC 350"). Goodwill is recorded at a designated reporting unit level for the purpose of assessing impairment. Goodwill is not amortized but is tested for impairment at least annually or more often if events or circumstances indicate there may be impairment. For both the annual and interim tests, the Group has the option to either (a) perform a quantitative impairment test or (b) first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, in which case the Group would perform the quantitative test. An impairment loss is recorded to the extent the carrying amount of goodwill exceeds its estimated fair value. The estimated fair value of the reporting units is derived based on valuation techniques that the Group believes market participants would use for each of the reporting units. The Group generally determines the estimated fair value by utilizing a discounted cash flow methodology or methodologies that incorporate price-to-book multiples of certain comparable companies.

Intangible assets

Intangible assets having definite useful lives are amortized over their estimated useful lives on either a straight-line basis or the method that reflects the pattern in which the economic benefits of the intangible assets are consumed. Intangible assets acquired in connection with the merger of MHSC and Shinko Securities Co., Ltd. ("Shinko") and the integration of asset management functions of DIAM Co., Ltd. ("DIAM"), MHTB, Mizuho Asset Management Co., Ltd. ("MHAM") and Shinko Asset Management Co., Ltd. ("Shinko Asset Management") consist primarily of customer relationship intangibles, and are amortized over weighted-average amortization periods of 16 years and 16.9 years, respectively. Intangible assets having indefinite useful lives are not amortized and are subject to impairment tests. An impairment loss is recorded to the extent that the carrying amount of the indefinite-lived intangible asset exceeds its estimated fair value. For intangible assets subject to amortization, an impairment loss is recorded if the carrying amount is not recoverable and exceeds its estimated fair value.

Leases

The MHFG Group, as a lessee, recognizes liabilities to make lease payments and right-of-use assets representing its right to use the underlying assets for the lease term. The lease terms include periods covered by options to extend or terminate the lease that the Group is reasonably certain to exercise. The Group uses its incremental borrowing rates at the lease commencement to determine the lease liability, which is measured at the present value of future lease payments, when the rate implicit in the lease is not readily determinable. The Group has elected not to separate lease and non-lease components of a contract that is or contains a lease for its equipment leases. The Group has elected not to recognize right-of-use assets and liabilities for leases with terms of twelve months or less. For operating leases, the right-of-use assets and related liabilities are included in Other assets and Other liabilities, respectively, on the consolidated balance sheets. Expenses are recognized on a straight-line basis over the lease term and are included in Occupancy expenses on the consolidated statements of income. Variable lease payments not included in the right-of-use assets or the lease liabilities are recognized as incurred in Occupancy expenses. For finance leases, right-of-use assets and related liabilities are included in Premises and equipment and Long-term debt, respectively, on the consolidated balance sheets.

Pension and other employee benefits

MHFG and certain subsidiaries sponsor pension plans which provide defined benefits to retired employees and other postretirement benefit plans, including severance indemnities. Severance indemnities are amounts payable to eligible employees upon termination of employment and are payable as a lump sum. Periodic expense and accrued liabilities are computed based on the actuarial present value of benefits, net of investment returns expected from plan assets and their fair values at the balance sheet date. Net periodic expense is charged to Salaries and employee benefits. Net actuarial gains and losses that arise from differences between actual experience and assumptions are generally amortized over the average remaining service period of participating employees if they exceed the corridor, which is defined as the greater of 10% of plan assets or the projected benefit obligation.

Stock-based compensation

MHFG, MHBK, MHTB and MHSC have stock options, in the form of stock acquisition rights, for directors (excluding the outside directors) and executive officers of the respective companies (hereinafter referred to collectively as the "Directors"). In this plan ("the MHFG Group's Stock Plan"), 100 shares of MHFG common stock shall be issued or transferred upon exercise of each of the stock acquisition rights. The exercise price is 1 yen per share. The contractual term of the stock acquisition rights is 20 years. A holder may exercise the stock acquisition rights only after the date on which such holder loses the status as a Director of MHFG, MHBK, MHTB or MHSC. In May 2015, the MHFG Group discontinued the stock option program. Thereafter, the MHFG Group has not issued any new stock options. MHFG, MHBK, MHTB and MHSC have a responsibility-based stock compensation program for Directors ("Stock Compensation I") and a performance-based stock compensation program for Directors ("Stock Compensation II"). MHFG and certain consolidated subsidiaries introduced both responsibility-based and performance-based stock compensation program for Operating Officers ("Stock Benefit") in July 2021. For these programs, the stock-based compensation cost is determined based on the fair value of MHFG's common stock as of grant date. The liability related to the cash-based compensation cost is remeasured at each reporting date based on the fair value of MHFG's common stock. For Stock Compensation I, as the program is effectively vested on the grant date, the stock-based compensation cost is recognized on the grant date. For Stock Compensation II, the stock-based compensation costs are recognized evenly over the graded-vesting period, which is three years. For Stock Benefit, the stock-based compensation costs are recognized evenly over the vesting period, which is one year. Those Stock options and Stock Compensation plans did not have a material impact on the MHFG Group's consolidated results of operations or financial condition.

Long-term debt

Premiums, discounts and issuance costs of long-term debt are amortized based on a method that approximates the interest method over the respective terms of the long-term debt.

Obligations under guarantees

The MHFG Group provides customers with a variety of guarantees and similar arrangements, including standby letters of credit, financial and performance guarantees, credit protection, and liquidity facilities. The MHFG Group recognizes guarantee fee income over the guarantee period. The MHFG Group receives such a guarantee fee at the inception of the guarantee or in installments and, in either case, the present value of the total fees approximates the fair value of the guarantee.

Fair Value Measurements

The MHFG Group carries certain of its financial assets and liabilities at fair value on a recurring basis. These financial assets and liabilities are primarily composed of trading account assets, trading account liabilities, available-for-sale securities and equity securities. In addition, the Group measures certain financial assets and liabilities, at fair value on a non-recurring basis. Those assets and liabilities primarily include items that are measured at the lower of cost or fair value such as loans held for sale, and items that were initially measured at cost and have been written down to fair value due to impairments, such as loans and equity securities without readily determinable fair values.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with ASC 820, "Fair Value Measurement" ("ASC 820"), the Group classifies its financial assets and liabilities into the fair value hierarchy (Level 1, 2, and 3). See Note 26 "Fair value" for the detailed definition of each level.

When determining fair value, the MHFG Group considers the principal or most advantageous market in which the Group would transact and considers assumptions that market participants would use when pricing the asset or liability. The Group maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. See Note 26 "Fair value" for descriptions of valuation methodologies used for its assets and liabilities by product.

Fee and commission income

The MHFG Group recognizes revenue from contracts with customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring control of a promised service. The timing of revenue recognition is dependent on whether the Group satisfies a performance obligation by transferring control of the service to a customer over time or at a point in time. Fee and commission income is presented exclusive of consumption taxes. The major components of fee and commission income are as follows.

Securities-related business fees mainly consist of brokerage fees and commissions, and asset-based revenues. Brokerage fees and commissions mainly include fees earned from the execution of customer transactions and sales commissions of stocks, bonds and investment trusts. Brokerage fees and commissions are recognized at the point in time on transaction date. Asset-based revenues mainly include fees received from investment trust management companies in return for administration services, such as record keeping services, of investment trusts. The amounts of asset-based revenues are calculated based on customer's net asset value and recognized over time in the period when the related service is provided.

Deposit-related fees include service charges on consumer and commercial deposit accounts such as account transfer charges. Deposit-related fees are recognized at the point in time when the transactions occur or the related service is provided.

Lending-related fees include fees for lending business such as commitment fees and arrangement fees.

Remittance business fees include service charges for domestic and international funds transfers and collections. These fees are recognized at the point in time when the related service is provided.

Asset management business fees consist of investment trust management fees and investment advisory fees for investment trusts. These fees are received from investment trusts in return for asset management services and/or investment advisory services on behalf of customers. The amounts of these fees are calculated based on a percentage of customer's net asset value. These fees are recognized over time in the period when the management and/or advisory service is provided and the amount is fixed.

Trust-related business fees consist of trust fees earned primarily through fiduciary asset management and administrative service and other trust-related fees. Fees for fiduciary asset management and administration services for corporate pension plans and investment funds are recognized at the point on creation of the trust or completion date specified in the contract, or over time in the period when the related service is provided. Other trust-related fees mainly include brokerage commissions of real estate property, sales commissions of beneficial interest in real estate trust, consulting fees of real estate property and charges for stock transfer agent services. These fees are mainly earned on a transaction basis and recognized at the point in time when the related service is provided or over time in the period when the related service is provided.

Agency business fees mainly include administration service fees related to the MHFG Group's agency business such as Japan's principal public lottery program and revenues from standing proxy services related to stocks and others. These fees are recognized at the point in time when the related service is provided or over time in the period when the related service is provided.

Fees for other customer services include various revenues such as sales commissions of life insurance, service charges for electronic banking, financial advisory fees, and service charges for software development. Sales commissions from life insurance sales are received from insurance companies in return for selling insurance products and recognized when the insurance product is sold to customers. Service charges for electronic banking are mainly monthly basic usage fees and recognized over the related transaction period. Financial advisory fees are received as consideration for services supporting market research and business strategy planning, which are recognized over time in the period when the related advisory service based on the contract is rendered. Service charges for software development are recognized over time according to the progress of the development.

Fee and commission expenses

The principal items included in fee and commission expenses are fee and commission expenses for remittance services and brokerages fees paid for securities transactions. These expenses are generally recognized on an incurred basis.

Income taxes

Income taxes are accounted for in accordance with ASC 740, "Income Taxes" ("ASC 740"). Deferred income taxes reflect the net tax effects of (1) temporary differences between the carrying amounts of assets and liabilities

for financial reporting purposes and the corresponding amounts used for income tax purposes, and (2) operating loss and tax credit carryforwards. A valuation allowance is recorded for any portion of the deferred tax assets unless it is more likely than not that the deferred tax assets will be realized.

Deferred income tax benefit or expense is recognized for the changes in the net deferred tax asset or liability between periods.

Earnings per common share

Basic earnings per common share are computed by dividing net income (loss) attributable to MHFG common shareholders by the weighted average number of common shares outstanding during the fiscal year. Diluted earnings per common share reflect all dilutive potential common shares such as stock options and the common shares of MHFG under the stock compensation programs. See Note 18 "Earnings per common share" for the computation of basic and diluted earnings per common share.

2. Issued accounting pronouncements

Adopted accounting pronouncements

In March 2020, the FASB issued ASU No.2020-04, "Reference Rate Reform (Topic 848)—Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU No.2020-04"). The ASU provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform. In January 2021, the FASB issued ASU No.2021-01, "Reference Rate Reform (Topic 848)—Scope" ("ASU No.2021-01"). The ASU clarifies that certain optional expedients and exceptions for contract modifications and hedge accounting apply to derivatives that are affected by the transition. In December 2022, the FASB issued ASU No.2022-06, "Reference Rate Reform (Topic 848)—Deferral of the Sunset Date of Topic 848" ("ASU No.2022-06"). The ASU amends the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. ASU No.2020-04 is effective as of March 12, 2020 through December 31, 2024. ASU No.2021-01 is effective as of January 7, 2021 through December 31, 2024. ASU No.2022-06 is effective as of December 21, 2022 through December 31, 2024. The MHFG Group has elected the practical expedient for modifications of contracts. The practical expedient provides an election to account for certain contract amendments related to reference rate reform without the requirement to assess the significance of the modifications. The main reason for applying the practical expedient is to ease the administrative burden of accounting for contracts impacted by reference rate reform. This election has not had, and is expected to not have, a material impact on the Group's consolidated results of operations or financial condition.

Accounting pronouncements issued but not yet effective as of March 31, 2023

In March 2022, the FASB issued ASU No.2022-02, "Financial Instruments—Credit Losses (Topic 326)—Troubled Debt Restructurings and Vintage Disclosures" ("ASU No.2022-02"). The amendments in this update eliminate the accounting guidance for TDRs by creditors in Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. The amendments in this update also require that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Topic 326. The MHFG Group adopted ASU No.2022-02 on April 1, 2023. The adoption of ASU No.2022-02 did not have a material impact on its consolidated results of operations or financial condition. The amendments related to disclosures are required to be applied prospectively beginning as of the date of adoption. The Group will present the new disclosures for periods beginning on and after April 1, 2023.

3. Investments

Available-for-sale and held-to-maturity securities

The amortized cost, net of allowance for credit losses, gross unrealized gains and losses, and fair value of available-for-sale and held-to-maturity securities at March 31, 2022 and 2023 are as follows:

	Amortized cost[4][5]	Gross unrealized gains	Gross unrealized losses	Fair value
		(in millions of yen)		
2022				
Available-for-sale securities:				
Debt securities:				
Japanese government bonds	25,191,315	5,794	38,379	25,158,730
Japanese local government bonds	421,557	254	2,165	419,646
U.S. Treasury bonds and federal agency securities	381,653	—	8,444	373,209
Other foreign government bonds	1,338,295	220	2,578	1,335,937
Agency mortgage-backed securities[1]	452,830	1,695	3,985	450,540
Residential mortgage-backed securities	58,246	194	312	58,128
Commercial mortgage-backed securities	848,568	5,437	214	853,791
Japanese corporate bonds and other debt securities	2,222,670	14,212	1,705	2,235,177
Foreign corporate bonds and other debt securities[2]	787,263	2,490	1,021	788,732
Total	31,702,397	30,296	58,803	31,673,890
Held-to-maturity securities:				
Debt securities:				
Japanese government bonds	479,980	5,101	—	485,081
Agency mortgage-backed securities[3]	1,039,075	24	58,604	980,495
Total	1,519,055	5,125	58,604	1,465,576

	Amortized cost[4][5]	Gross unrealized gains	Gross unrealized losses	Fair value
		(in millions of yen)		
2023				
Available-for-sale securities:				
Debt securities:				
Japanese government bonds	16,483,722	3,067	37,496	16,449,293
Japanese local government bonds	560,093	198	5,628	554,663
U.S. Treasury bonds and federal agency securities	382,990	—	7,289	375,701
Other foreign government bonds	1,309,473	661	2,261	1,307,873
Agency mortgage-backed securities[1]	532,364	1,140	11,307	522,197
Residential mortgage-backed securities	48,257	71	866	47,462
Commercial mortgage-backed securities	856,708	5,157	451	861,414
Japanese corporate bonds and other debt securities	2,100,733	13,024	4,538	2,109,219
Foreign corporate bonds and other debt securities[2]	1,005,209	2,319	1,581	1,005,947
Total	23,279,549	25,637	71,417	23,233,769
Held-to-maturity securities:				
Debt securities:				
Japanese government bonds	799,305	2,171	1,028	800,448
Agency mortgage-backed securities[3]	1,250,802	403	136,545	1,114,660
Total	2,050,107	2,574	137,573	1,915,108

Notes:

(1) Agency mortgage-backed securities presented in this line consist of Japanese and Foreign agency mortgage-backed securities, of which the fair values were ¥450,507 million and ¥33 million, respectively, at March 31, 2022, and ¥522,166 million and ¥31 million, respectively, at March 31, 2023. All Japanese agency mortgage-backed securities are issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise. Foreign agency mortgage-backed securities primarily consist of Government National Mortgage Association ("Ginnie Mae") securities, which are guaranteed by the United States government.

(2) Other debt securities presented in this line primarily consist of Foreign negotiable certificates of deposit ("NCDs") and asset-backed securities ("ABS"), of which the total fair values were ¥247,762 million at March 31, 2022, and ¥330,365 million at March 31, 2023.

(3) All Agency mortgage-backed securities presented in this line are Ginnie Mae securities.

(4) Amortized cost, net of the allowance for credit losses, of which the amounts related to available-for-sale securities were ¥34,326 million at March 31, 2022, and ¥nil at March 31, 2023.

(5) Accrued interest receivables are excluded from amortized cost, of which the amount were ¥4,702 million at March 31, 2022, and ¥5,637 million at March 31, 2023 and included in Accrued income.

Contractual maturities

The amortized cost, net of allowance for credit losses, and fair value of available-for-sale and held-to-maturity securities at March 31, 2023 are shown in the table below based on their contractual maturities. Expected maturities may differ from contractual maturities because some securities are not due at a single maturity date, and some securities, such as mortgage-backed securities, contain embedded call or prepayment options.

Amortized cost	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
			(in millions of yen)		
Available-for-sale securities:					
Debt securities:					
Japanese government bonds	14,280,736	783,953	1,317,250	101,783	16,483,722
Japanese local government bonds	35,545	275,695	241,350	7,503	560,093
U.S. Treasury bonds and federal agency securities	382,990	—	—	—	382,990
Other foreign government bonds	1,027,119	279,985	1,186	1,183	1,309,473
Agency mortgage-backed securities	—	—	1,118	531,246	532,364
Residential mortgage-backed securities	—	—	—	48,257	48,257
Commercial mortgage-backed securities	1,986	538,136	315,886	700	856,708
Japanese corporate bonds and other debt securities	412,207	1,155,415	240,446	292,665	2,100,733
Foreign corporate bonds and other debt securities	552,628	279,007	154,678	18,896	1,005,209
Total	16,693,211	3,312,191	2,271,914	1,002,233	23,279,549
Held-to-maturity securities:					
Debt securities:					
Japanese government bonds	279,982	189,984	329,339	—	799,305
Agency mortgage-backed securities	—	—	—	1,250,802	1,250,802
Total	279,982	189,984	329,339	1,250,802	2,050,107

Fair value	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
			(in millions of yen)		
Available-for-sale securities:					
Debt securities:					
Japanese government bonds	14,282,254	782,278	1,290,250	94,511	16,449,293
Japanese local government bonds	35,551	275,371	236,653	7,088	554,663
U.S. Treasury bonds and federal agency securities	375,701	—	—	—	375,701
Other foreign government bonds	1,026,121	279,384	1,186	1,182	1,307,873
Agency mortgage-backed securities	—	—	1,113	521,084	522,197
Residential mortgage-backed securities	—	—	—	47,462	47,462
Commercial mortgage-backed securities	1,989	540,069	318,645	711	861,414
Japanese corporate bonds and other debt securities	412,157	1,154,386	238,775	303,901	2,109,219
Foreign corporate bonds and other debt securities	552,946	278,975	154,033	19,993	1,005,947
Total	16,686,719	3,310,463	2,240,655	995,932	23,233,769
Held-to-maturity securities:					
Debt securities:					
Japanese government bonds	280,980	190,917	328,551	—	800,448
Agency mortgage-backed securities	—	—	—	1,114,660	1,114,660
Total	280,980	190,917	328,551	1,114,660	1,915,108

Credit losses

The MHFG Group recognized no material allowance for credit loss on available-for-sale securities at April 1, 2020, which increased to ¥14 billion on March 31, 2021. The increase was due mainly to an increase of credit losses for certain Japanese corporate bonds and other debt securities. Allowance for credit losses on available-for-sale securities increased by ¥20 billion from March 31, 2021 to ¥34 billion as of March 31, 2022 due mainly to an increase of credit losses for certain Japanese corporate bonds and other debt securities. The Group did not recognize allowance for credit losses on available-for-sale securities as of March 31, 2023, a decrease by ¥34 billion from March 31, 2022. The decrease was due to a sale of certain Japanese corporate bonds and other debt securities during the period. The Group did not recognize allowance for credit losses on held-to-maturity securities on March 31, 2021, 2022 and 2023 because held-to-maturity securities consist of Japanese government bond and agency mortgage-backed securities like Ginnie Mae securities. See Note 1 "Basis of presentation and summary of significant accounting policies" for further details of the methodology used to determine the allowance for credit losses.

Continuous unrealized loss position

The following table shows the gross unrealized losses, net of allowance for credit losses, and fair value of available-for-sale securities, aggregated by the length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2022 and 2023:

	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
	(in millions of yen)					
2022						
Available-for-sale securities:						
Debt securities:						
Japanese government bonds	19,407,878	11,377	1,565,950	27,002	20,973,828	38,379
Japanese local government bonds	229,562	1,277	136,733	888	366,295	2,165
U.S. Treasury bonds and federal agency securities	321,073	7,209	41,555	1,235	362,628	8,444
Other foreign government bonds	729,134	2,178	71,647	400	800,781	2,578
Agency mortgage-backed securities (Note)	183,150	2,326	78,717	1,659	261,867	3,985
Residential mortgage-backed securities	9,221	11	17,193	301	26,414	312
Commercial mortgage-backed securities	58,815	185	13,939	29	72,754	214
Japanese corporate bonds and other debt securities	605,067	1,516	53,020	189	658,087	1,705
Foreign corporate bonds and other debt securities	302,569	692	53,338	329	355,907	1,021
Total	21,846,469	26,771	2,032,092	32,032	23,878,561	58,803
2023						
Available-for-sale securities:						
Debt securities:						
Japanese government bonds	3,706,134	11,369	1,419,222	26,127	5,125,356	37,496
Japanese local government bonds	146,484	1,596	322,224	4,032	468,708	5,628
U.S. Treasury bonds and federal agency securities	65,288	765	293,149	6,524	358,437	7,289
Other foreign government bonds	475,493	674	250,130	1,587	725,623	2,261
Agency mortgage-backed securities (Note)	142,776	2,361	238,858	8,946	381,634	11,307
Residential mortgage-backed securities	16,230	265	22,017	601	38,247	866
Commercial mortgage-backed securities	105,346	304	43,653	147	148,999	451
Japanese corporate bonds and other debt securities	1,177,725	3,775	635,289	763	1,813,014	4,538
Foreign corporate bonds and other debt securities	434,339	1,279	68,959	302	503,298	1,581
Total	6,269,815	22,388	3,293,501	49,029	9,563,316	71,417

Note: Agency mortgage-backed securities presented in this line consist of Japanese agency mortgage-backed securities, of which the fair values were ¥261,867 million at March 31, 2022, and ¥381,634 million at March 31, 2023. All Japanese agency mortgage-backed securities are issued by Japan Housing Finance Agency, a Japanese government-sponsored enterprise.

At March 31, 2023, the MHFG Group did not intend to sell the debt securities in an unrealized loss position and it was not more likely than not that the Group would be required to sell them before the recovery of their amortized cost bases. For Japanese government bonds, U.S. Treasury bonds and federal agency securities and Agency mortgage-backed securities, their entire amortized cost bases are expected to be recovered since the unrealized losses had not resulted from credit deterioration, but primarily from changes in interest rates. For the debt securities other than those described above, except for the securities for which credit losses have been recognized in income, the Group determined that their entire amortized cost bases are expected to be recovered, after considering various factors such as the extent to which their fair values were below their amortized cost bases, the external and/or internal ratings and the present values of cash flows expected to be collected. Based on the aforementioned evaluation, except for the securities for which credit losses have been recognized in income, the Group determined that the debt securities in an unrealized loss position were not considered credit losses.

Realized gains and losses

The following table shows the realized gains and losses on sales of available-for-sale securities for the fiscal years ended March 31, 2021, 2022 and 2023. See "Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2021, 2022 and 2023" for the proceeds from sales of investments.

	2021	2022	2023
		(in millions of yen)	
Gross realized gains	3,309	12,540	22,962
Gross realized losses	(24,407)	(40,077)	(23,593)
Net realized gains (losses) on sales of available-for-sale securities	(21,098)	(27,537)	(631)

Equity securities

Equity securities include securities which have readily determinable fair values, securities which qualify for the practical expedient to estimate fair value using the net asset value per share (or its equivalent), and securities which are without readily determinable fair values. Equity securities which have readily determinable fair values mainly consist of common stock of Japanese listed companies. Equity securities which are measured based on the net asset value per share (or its equivalent) consist of private equity and real estate funds. Equity securities without readily determinable fair values include non-marketable stock including preferred stock issued by equity method investees.

Net gains and losses

The following table shows the details of the net gains and losses on Equity securities for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Net gains (losses) recognized during the period on equity securities	850,567	(60,563)	135,601
Less: Net gains (losses) recognized during the period on equity securities sold during the period	82,969	17,000	29,561
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting period	767,598	(77,563)	106,040

Equity securities without readily determinable fair values

The following table shows carrying amounts of equity securities without readily determinable fair values, for which the measurement alternative is used, and cumulative amounts due to downward adjustments and impairments and upward adjustments, at March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Carrying amounts at the end of the period	186,146	207,407	207,743
Downward adjustments and impairments	5,087	6,519	5,345
Upward adjustments	9,216	11,623	13,015

The following table shows amounts recognized in earnings during the period due to downward adjustments and impairments and upward adjustments for equity securities without readily determinable fair values.

	2021	2022	2023
	(in millions of yen)		
Downward adjustments and impairments	3,084	2,626	1,291
Upward adjustments	404	2,459	1,459

The MHFG Group elected to measure all equity securities without readily determinable fair values, which do not qualify for the practical expedient to estimate fair value, using the measurement alternative, which is made on an instrument-by-instrument basis. Under the measurement alternative, equity securities are carried at cost plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar securities of the same issuer. In addition, the MHFG Group assesses whether these equity securities are impaired. Impairment is primarily based on a liquidation value technique that considers the financial condition, credit ratings, and near-term prospects of the issuers. When the observable price changes or impairments exist, the securities are adjusted to fair value, with the full difference between the fair value of the security and its carrying amount recognized in earnings.

Other investments

The following table summarizes the composition of Other investments at March 31, 2022 and 2023:

	2022	2023
	(in millions of yen)	
Equity method investments	519,552	598,772
Investments held by consolidated investment companies and other	62,836	68,429
Total	582,388	667,201

Equity method investments

Investments in investees over which the MHFG Group has the ability to exert significant influence are accounted for using the equity method of accounting. Such investments included marketable equity securities with carrying values of ¥255,336 million and ¥268,736 million, at March 31, 2022 and 2023, respectively. The aggregate market values of these marketable equity securities were ¥456,195 million and ¥503,171 million, respectively. The majority of aggregate market values of these marketable equity securities as of March 31, 2023 include Orient Corporation, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Mizuho Leasing Company, Limited of which the MHFG Group's proportionate share of the total outstanding common stock were 49.00%, 15.00% and 23.54%, respectively. In addition, equity method investments as of March 31, 2023 include non-marketable equity securities such as Matthews International Capital Management, LLC, Custody Bank of Japan, Ltd. and Rakuten Securities, Inc. of which the MHFG Group's proportionate share of the total outstanding common stock were 18.73%, 27.00% and 20.00%, respectively.

Investments held by consolidated investment companies

The MHFG Group consolidates certain investment companies over which it has control through either ownership or other means. Investment companies are subject to specialized industry accounting which requires investments to be carried at fair value, with changes in fair value recorded in earnings. The MHFG Group maintains this specialized industry accounting for investments held by consolidated investment companies, which consist of marketable and non-marketable investments.

4. Loans

Credit quality information

In accordance with the MHFG Group's credit risk management policies, the Group uses an internal rating system that consists of credit ratings for the corporate portfolio segment and pool allocations for the retail portfolio segment as the basis of its risk management infrastructure. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the ultimate possibility of losses expected on individual loans by taking into consideration various factors such as collateral or guarantees involved. In principle, obligor ratings are applied to all obligors except those to which pool allocations are applied, and are subject to regular review at least once a year as well as special review which is required whenever the obligor's credit standing changes. Pool allocations are applied to small loans that are less than a specified amount by pooling customers and loans with similar risk characteristics, and the risk is assessed mainly based on past due status and managed according to such pools. The Group generally reviews the appropriateness and effectiveness of the approach to obligor ratings and pool allocations once a year in accordance with predetermined policies and procedures.

The Group does not record expected credit losses for accrued interest receivables because uncollectible accrued interest is reversed through interest income in a timely manner in line with the Group's nonaccrual and past due policies for loans. The amount of accrued interest receivables was ¥81 billion and ¥198 billion at March 31, 2022 and 2023, respectively and included in Accrued income.

The Group does not believe that its exposure to any particular geographic area and business sector results in a significant concentration of credit risk.

The table below presents the MHFG Group's definition of obligor ratings used by MHBK and MHTB, and equivalent obligor ratings are determined for the other subsidiaries:

Obligor category[1] [2]	Obligor rating	Definition
Normal	A	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is very low.
	B	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, and their level of credit risk is low.
	C	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.
	D	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future economic environmental changes is low.
Watch	E1	Obligors that require observation going forward because of either minor concerns regarding their financial position, or their somewhat weak or unstable business conditions.
	E2	Obligors that require special observation going forward because of problems with their borrowings such as reduced or suspended interest payments, problems with debt fulfillment such as failure to make principal or interest payments, or problems with their financial position as a result of their weak or unstable business conditions.
Intensive control	F	Obligors that are not yet bankrupt but are in financial difficulties and are deemed likely to become bankrupt in the future because of insufficient progress in implementing their management improvement plans or other measures (including obligors that are receiving ongoing support from financial institutions).
Substantially bankrupt	G	Obligors that have not yet become legally or formally bankrupt but are substantially insolvent because they are in serious financial difficulties and are deemed to be incapable of being restructured.
Bankrupt	H	Obligors that have become legally or formally bankrupt.

Notes:

(1) Special attention obligors are watch obligors with debt in TDR or 90 days or more delinquent debt. Loans to such obligors are considered nonaccrual.

(2) The Group classifies loans to special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans.

The table below presents credit quality information of loans based on the MHFG Group's internal rating system at March 31, 2022 and 2023:

	Term loans by origination year							
	2021	2020	2019	2018	2017	Prior to 2017	Revolving Loans	Total
	(in billions of yen)							
2022								
Domestic:								
Corporate:								
Large companies:								
Normal obligors	12,236	6,641	5,049	4,535	1,679	3,379	7,155	40,674
Watch obligors excluding special attention obligors	146	69	71	66	40	51	128	571
Nonaccrual loans	61	101	201	45	136	77	178	799
Small and medium-sized companies:								
Normal obligors	540	397	376	283	171	494	548	2,809
Watch obligors excluding special attention obligors	44	31	30	32	12	33	25	207
Nonaccrual loans	18	20	15	11	7	38	32	141
Retail:								
Housing Loan:								
Normal obligors	798	544	519	527	544	4,753	—	7,685
Watch obligors excluding special attention obligors	2	1	2	2	1	40	—	48
Nonaccrual loans	12	3	1	1	1	31	—	49
Others:								
Normal obligors	196	277	112	91	61	315	497	1,549
Watch obligors excluding special attention obligors	24	35	10	8	4	6	9	96
Nonaccrual loans	7	8	3	4	4	23	13	62
Sovereign:								
Normal obligors	938	106	89	109	55	352	2	1,651
Watch obligors excluding special attention obligors	4	4	1	—	—	—	—	9
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	46	24	132	211	—	144	125	682
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Total domestic	15,072	8,261	6,611	5,925	2,715	9,736	8,712	57,032
Foreign:								
Corporate[4]:								
Normal obligors	14,088	3,571	3,236	1,392	550	1,229	5,906	29,972
Watch obligors excluding special attention obligors	317	180	74	56	28	25	122	802
Nonaccrual loans	35	2	13	17	15	23	10	115
Retail:								
Normal obligors	2	2	2	1	1	3	—	11
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Sovereign:								
Normal obligors	279	7	33	15	174	3	75	586
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	1	—	—	—	—	1
Banks and other financial institutions:								
Normal obligors	1,003	254	151	225	12	1	120	1,766
Watch obligors excluding special attention obligors	5	—	—	—	—	—	—	5
Nonaccrual loans	1	—	—	—	—	—	—	1
Total foreign	15,730	4,016	3,510	1,706	780	1,284	6,233	33,259
Total	30,802	12,277	10,121	7,631	3,495	11,020	14,945	90,291

	Term loans by origination year							
	2022	2021	2020	2019	2018	Prior to 2018	Revolving Loans	Total
	(in billions of yen)							
2023								
Domestic:								
Corporate:								
Large companies:								
Normal obligors	12,277	5,993	5,384	3,994	3,065	3,670	7,517	41,900
Watch obligors excluding special attention obligors	109	46	50	58	59	33	130	485
Nonaccrual loans	153	35	61	134	99	159	339	980
Small and medium-sized companies:								
Normal obligors	551	301	285	248	221	571	531	2,708
Watch obligors excluding special attention obligors	45	16	26	16	18	28	20	169
Nonaccrual loans	26	7	16	9	8	27	29	122
Retail:								
Housing Loan:								
Normal obligors	711	570	476	468	478	4,723	—	7,426
Watch obligors excluding special attention obligors	1	2	1	2	1	35	—	42
Nonaccrual loans	8	2	2	1	1	25	—	39
Others:								
Normal obligors	184	87	226	80	64	297	484	1,422
Watch obligors excluding special attention obligors	22	6	21	5	4	5	8	71
Nonaccrual loans	9	4	6	2	4	20	10	55
Sovereign:								
Normal obligors	1,217	54	90	91	75	328	1	1,856
Watch obligors excluding special attention obligors	8	2	—	—	—	—	—	10
Nonaccrual loans	—	—	—	—	—	—	—	—
Banks and other financial institutions:								
Normal obligors	107	17	23	134	155	114	95	645
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Total domestic	15,428	7,142	6,667	5,242	4,252	10,035	9,164	57,930
Foreign:								
Corporate[4]:								
Normal obligors	15,317	3,891	2,142	1,954	1,024	1,312	6,731	32,371
Watch obligors excluding special attention obligors	228	101	192	72	43	50	58	744
Nonaccrual loans	31	19	13	18	11	32	11	135
Retail:								
Normal obligors	2	1	1	1	1	3	—	9
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	—	—	—	—	—
Sovereign:								
Normal obligors	160	188	7	32	5	2	83	477
Watch obligors excluding special attention obligors	—	—	—	—	—	—	—	—
Nonaccrual loans	—	—	—	1	—	—	—	1
Banks and other financial institutions:								
Normal obligors	1,536	265	169	91	19	4	404	2,488
Watch obligors excluding special attention obligors	8	4	4	5	—	—	—	21
Nonaccrual loans	—	—	—	—	—	—	—	—
Total foreign	17,282	4,469	2,528	2,174	1,103	1,403	7,287	36,246
Total	32,710	11,611	9,195	7,416	5,355	11,438	16,451	94,176

Notes:
(1) Special attention obligors are watch obligors with debt in TDR or 90 days or more delinquent debt. Loans to such obligors are considered nonaccrual.
(2) The primary component of the retail portfolio segment is housing loans to individuals which obligor category is classified based on past due status. The trigger to reclassify obligors from normal obligors to watch obligors excluding special attention obligors is when the past due status is more than 30 days.
(3) There were no significant revolving line of credit arrangements that converted to term loans during the fiscal year ended March 31, 2022 and 2023.
(4) Corporate of foreign included ¥216 billion and ¥184 billion of lease receivables that were receivables arising from direct financing leasing at March 31, 2022 and 2023, respectively.

Unearned income and deferred loan fees was ¥196 billion and ¥238 billion at March 31, 2022 and 2023, respectively.

The Group uses, as a practical expedient, the fair value of the collateral when recording the net carrying amounts of loans and determining the allowance for credit losses of such loans, for which the repayment is expected to be provided substantially through the operation or sale of the collateral, when the borrower is experiencing financial difficulty based on the assessment as of the reporting date. As of March 31, 2023, collateral relating to these loans was primarily comprised of real estate. There were no significant changes in the extent to which collateral secures these loans during this fiscal year and no significant concentration of collateral against any portfolio segment.

Nonaccrual loans

The MHFG Group considers loans to be nonaccrual when it is probable that the Group will be unable to collect all the scheduled payments of principal and interest when due according to the contractual terms of the loans. The Group classifies loans to special attention, intensive control, substantially bankrupt and bankrupt obligors as nonaccrual loans. There are no loans that are 90 days past due and still accruing. The Group does not have any loans to borrowers that cause management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms for the periods presented other than those already designated as nonaccrual loans. The table below presents nonaccrual loans information at March 31, 2022 and 2023:

	Amortized cost[1]			
	Nonaccrual loans with an allowance	Nonaccrual loans without an allowance	Total nonaccrual loans	Interest income recognized[2]
	(in billions of yen)			
2022				
Domestic:				
Corporate:				
Large companies	784	16	800	9
Small and medium-sized companies	121	19	140	2
Retail:				
Housing Loan	27	22	49	1
Others	40	22	62	1
Total domestic	972	79	1,051	13
Foreign:				
Total foreign[3]	110	7	117	1
Total	1,082	86	1,168	14
2023				
Domestic:				
Corporate:				
Large companies	961	19	980	16
Small and medium-sized companies	103	19	122	1
Retail:				
Housing Loan	22	17	39	1
Others	37	18	55	1
Total domestic	1,123	73	1,196	19
Foreign:				
Total foreign[3]	132	4	136	4
Total	1,255	77	1,332	23

Notes:

(1) Amounts represent the outstanding balances of nonaccrual loans. The MHFG Group's policy for placing loans in nonaccrual status corresponds to the Group's definition of nonaccrual loans.

(2) Amounts represent the amount of interest income on nonaccrual loans recognized on a cash basis and included in Interest income on loans in the consolidated statements of income.

(3) The majority of total foreign consist of corporate.

The remaining balance of nonaccrual loans that have been partially charged off, was ¥13,046 million and ¥11,314 million as of March 31, 2022 and 2023, respectively.

Troubled debt restructurings

The MHFG Group considers a loan modification to be a TDR when, for economic or legal reasons related to the obligor's financial difficulties, it grants a concession to the obligor that it would not otherwise consider. The Group considers the relevant obligor to be in financial difficulty generally when its obligor rating is E2 or below. The following table presents modified loans that were determined to be TDRs during the fiscal years ended March 31, 2022 and 2023:

	Loan forgiveness or debt to equity swaps		Interest rate reduction and/or postponement of principal and/or interest
	Recorded investment[1]	Charge-offs	
	(in billions of yen)		
2022			
Domestic:			
Corporate:			
Large companies	6	23	612
Small and medium-sized companies	—	—	125
Retail:			
Housing Loan	—	—	8
Others	—	—	22
Total domestic	6	23	767
Foreign:			
Total foreign[2]	—	—	63
Total	6	23	830
2023			
Domestic:			
Corporate:			
Large companies	—	141	595
Small and medium-sized companies	—	—	106
Retail:			
Housing Loan	—	—	5
Others	—	—	19
Total domestic	—	141	725
Foreign:			
Total foreign[2]	—	—	66
Total	—	141	791

Notes:
(1) Amounts represent the book values of loans immediately after the restructurings.
(2) The majority of total foreign consist of corporate.

Payment default is deemed to occur when the loan becomes three months past due or the obligor is downgraded to the category of substantially bankrupt or bankrupt. The following table presents payment defaults which occurred during the fiscal years ended March 31, 2022 and 2023 with respect to the loans modified as TDRs within the previous twelve months:

	Recorded investment	
	2022	2023
	(in billions of yen)	
Domestic:		
Corporate:		
Large companies	8	95
Small and medium-sized companies	3	1
Retail:		
Housing Loan	1	1
Others	1	1
Total domestic	13	98
Foreign:		
Total foreign	14	10
Total	27	108

Age analysis of past due loans

The table below presents an analysis of the age of the amortized cost basis in loans that are past due at March 31, 2022 and 2023:

	30-59 days past due	60-89 days past due	90 days or more past due	Total past due	Current	Total
			(in billions of yen)			
2022						
Domestic:						
Corporate:						
Large companies	—	—	27	27	42,017	42,044
Small and medium-sized companies	1	1	10	12	3,145	3,157
Retail:						
Housing Loan	15	8	17	40	7,742	7,782
Others	5	1	11	17	1,690	1,707
Sovereign	—	—	—	—	1,660	1,660
Banks and other financial institutions	—	—	—	—	682	682
Total domestic	21	10	65	96	56,936	57,032
Foreign:						
Total foreign[(Note)]	—	—	29	29	33,230	33,259
Total	21	10	94	125	90,166	90,291
2023						
Domestic:						
Corporate:						
Large companies	—	3	28	31	43,334	43,365
Small and medium-sized companies	—	—	9	9	2,990	2,999
Retail:						
Housing Loan	14	8	13	35	7,472	7,507
Others	4	1	10	15	1,533	1,548
Sovereign	—	—	—	—	1,866	1,866
Banks and other financial institutions	—	—	—	—	645	645
Total domestic	18	12	60	90	57,840	57,930
Foreign:						
Total foreign[(Note)]	—	—	23	23	36,223	36,246
Total	18	12	83	113	94,063	94,176

Note: The majority of total foreign consist of corporate.

Net losses on sales of loans

Net losses on sales of loans were ¥8,172 million, ¥3,080 million and ¥13,436 million for the fiscal years ended March 31, 2021, 2022 and 2023, respectively. These net losses include unrealized gains and losses on loans held for sale, representing the adjustments to the lower of cost or fair value at the end of each reporting period. The gains and losses on sales of loans are recorded in Other noninterest income and expenses, respectively.

5. Allowance for credit losses on loans

Changes in Allowance for credit losses on loans by portfolio segment for the fiscal years ended March 31, 2021, 2022 and 2023 are shown below:

	Domestic					
	Corporate	Retail	Sovereign	Banks and other financial institutions	Foreign[2]	Total
	(in millions of yen)					
2021						
Balance at beginning of fiscal year	305,458	23,219	88	1,514	110,576	440,855
April 1, 2020 adoption of CECL	63,500	74,014	79	705	17,457	155,755
Adjusted balance at beginning of fiscal year	368,958	97,233	167	2,219	128,033	596,610
Provision (credit) for credit losses on loans	143,766	(8,558)	(99)	(1,596)	(20,737)	112,776
Charge-offs	(33,625)	(6,802)	—	—	(38,374)	(78,801)
Recoveries	2,321	1,298	—	—	10,316	13,935
Net charge-offs	(31,304)	(5,504)	—	—	(28,058)	(64,866)
Others[1]	—	—	—	—	6,329	6,329
Balance at end of fiscal year	481,420	83,171	68	623	85,567	650,849
2022						
Balance at beginning of fiscal year	481,420	83,171	68	623	85,567	650,849
Provision (credit) for credit losses on loans	144,998	(6,895)	(6)	(227)	49,729	187,599
Charge-offs[3]	(32,530)	(4,166)	—	—	(23,144)	(59,840)
Recoveries	7,618	1,304	—	—	9,832	18,754
Net charge-offs	(24,912)	(2,862)	—	—	(13,312)	(41,086)
Others[1]	—	—	—	42	12,413	12,455
Balance at end of fiscal year	601,506	73,414	62	438	134,397	809,817
2023						
Balance at beginning of fiscal year	601,506	73,414	62	438	134,397	809,817
Provision (credit) for credit losses on loans	51,551	(5,413)	(9)	432	44,287	90,848
Charge-offs[3]	(153,014)	(5,664)	—	—	(68,772)	(227,450)
Recoveries	5,858	1,204	—	—	3,414	10,476
Net charge-offs	(147,156)	(4,460)	—	—	(65,358)	(216,974)
Others[1]	—	—	—	—	17,268	17,268
Balance at end of fiscal year	505,901	63,541	53	870	130,594	700,959

Notes:

(1) Others includes primarily foreign exchange translation.

(2) The majority of total foreign consist of corporate.

(3) Charge-offs increased from ¥59,840 million for the fiscal year ended March 31, 2022 to ¥227,450 million for the fiscal year ended March 31, 2023 due mainly to a debt waiver to a domestic corporate borrower.

6. Premises and equipment

Premises and equipment at March 31, 2022 and 2023 consist of the following:

	2022	2023
	(in millions of yen)	
Land	571,837	577,755
Buildings	737,440	703,655
Equipment and furniture	373,825	378,015
Leasehold improvements	208,820	204,835
Construction in progress	21,737	44,393
Software	1,373,035	1,366,445
Total	3,286,694	3,275,098
Less: Accumulated depreciation and amortization	1,582,627	1,621,210
Premises and equipment—net	1,704,067	1,653,888

Depreciation and amortization expense for premises and equipment for the fiscal years ended March 31, 2021, 2022 and 2023 was ¥223,164 million, ¥220,436 million and ¥231,291 million, respectively.

Depreciation and amortization expense related to software was reported in General and administrative expenses, and all other depreciation and amortization expense was reported in Occupancy expenses.

The MHFG Group recognized impairment losses of ¥7,101 million on premises and equipment for the fiscal year ended March 31, 2021, of which ¥3,872 million was recorded in General and administrative expenses and ¥3,229 million was recorded in Occupancy expenses. Such losses included ¥3,397 million of impairment losses related mainly to entity-wide software that is no longer to be used. In addition, ¥2,275 million of impairment losses were recognized on real estate used mainly for certain branches in Global Corporate Company or Retail & Business Banking Company. This real estate is either no longer being used or the carrying amount is not recoverable.

The MHFG Group recognized impairment losses of ¥13,500 million on premises and equipment for the fiscal year ended March 31, 2022, of which ¥433 million was recorded in General and administrative expenses and ¥13,067 million was recorded in Occupancy expenses. Such losses included ¥12,976 million of impairment losses related mainly to real estate used for the entity-wide assets. This real estate is either no longer being used or the carrying amount is not recoverable.

The amount of impairment losses on premises and equipment for the fiscal year ended March 31, 2023 was not significant.

7. Goodwill and intangible assets

Goodwill

The changes in Goodwill during the fiscal years ended March 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
		(in millions of yen)	
Balance at beginning of fiscal year	92,997	92,695	92,695
Goodwill acquired	—	—	233
Impairment losses recognized	(302)	—	—
Balance at end of fiscal year	92,695	92,695	92,928
Gross amount of goodwill(Note)	167,552	161,993	163,209
Accumulated impairment losses	74,857	69,298	70,281

Note: Goodwill is recorded at a designated reporting unit level for the purpose of assessing impairment. Goodwill is not allocated to the reportable segments in Note 30 "Business segment information."

Intangible assets

The table below presents the gross carrying amount, accumulated amortization and net carrying amount of intangible assets, at March 31, 2022 and 2023:

	2022			2023		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			(in millions of yen)			
Intangible assets subject to amortization:						
Customer relationships(Note)	126,979	87,277	39,702	130,124	94,777	35,347
Other	1,468	1,237	231	2,883	1,408	1,475
Total	128,447	88,514	39,933	133,007	96,185	36,822
Intangible assets not subject to amortization:						
Total	8,006	—	8,006	7,859	—	7,859
Total	136,453	88,514	47,939	140,866	96,185	44,681

Note: Customer relationships were mainly acquired in connection with the merger of MHSC and Shinko on May 7, 2009 and the integration among asset management companies on October 1, 2016. See Note 1 "Basis of presentation and summary of significant accounting policies" for further information.

For the fiscal years ended March 31, 2021, 2022 and 2023, the MHFG Group recognized ¥8,513 million, ¥7,961 million and ¥7,706 million, respectively, of amortization expense in respect of intangible assets, reported in Other noninterest expenses.

The table below presents the estimated aggregate amortization expense in respect of intangible assets for the next five years:

	(in millions of yen)
Fiscal year ending March 31:	
2024	7,210
2025	6,698
2026	6,194
2027	5,564
2028	2,559

8. Pledged assets and collateral

The following amounts, by balance sheet classification, have been pledged as collateral for borrowings and for other purposes at March 31, 2022 and 2023:

	2022	2023
	(in billions of yen)	
Interest-bearing deposits in other banks	75	92
Trading account assets	5,426	7,830
Investments	8,091	12,452
Loans	9,056	8,715
Other assets	3,023	2,059
Total	25,671	31,148

The associated liabilities collateralized by the above assets at March 31, 2022 and 2023 are summarized below:

	2022	2023
	(in billions of yen)	
Deposits	910	988
Payables under repurchase agreements	5,864	10,542
Payables under securities lending transactions	645	721
Other short-term borrowings	5,113	1,003
Long-term debt	542	2,173
Total	13,074	15,427

The Bank of Japan ("the BOJ") requires private depository institutions to maintain a certain amount of funds as reserves in current accounts with the BOJ, based on average deposit balances and certain other factors. There are similar reserve deposit requirements for foreign branches and subsidiaries engaged in banking businesses in foreign countries. These amounts are deemed to be restricted cash. At March 31, 2022 and 2023, the deposit amounts maintained with the BOJ and foreign central banks, which were included in Cash and due from banks and Interest-bearing deposits in other banks, were ¥48,897 billion and ¥64,993 billion, respectively. These balances included the reserve funds required to be maintained by the MHFG Group, which amounted to ¥1,678 billion and ¥1,701 billion at March 31, 2022 and 2023, respectively.

At March 31, 2022 and 2023, the MHFG Group had received collateral that can be sold or repledged, with a fair value of ¥16,632 billion and ¥15,529 billion, respectively, of which ¥14,865 billion and ¥13,379 billion, respectively, was sold and repledged. Such collateral was primarily obtained in connection with resale or securities borrowing agreements, and was generally used as collateral for repurchase or securities lending agreements, or to cover short sales. This collateral received isn't recognized on balance sheet.

9. Deposits

The balance and remaining maturities of time deposits and certificates of deposit issued by domestic and foreign offices at March 31, 2023 are shown in the following table:

	Time deposits	Certificates of deposit	Total
		(in millions of yen)	
Domestic offices:			
Due in one year or less	18,355,950	6,056,971	24,412,921
Due after one year through two years	1,376,534	174,580	1,551,114
Due after two years through three years	976,153	500	976,653
Due after three years through four years	240,172	—	240,172
Due after four years through five years	314,567	—	314,567
Due after five years	219,492	—	219,492
Total	21,482,868	6,232,051	27,714,919
Foreign offices:			
Due in one year or less	22,436,741	7,185,063	29,621,804
Due after one year through two years	25,120	281,524	306,644
Due after two years through three years	15,999	89,710	105,709
Due after three years through four years	23,404	—	23,404
Due after four years through five years	160	—	160
Due after five years	1,421	—	1,421
Total	22,502,845	7,556,297	30,059,142
Total	43,985,713	13,788,348	57,774,061

The aggregate estimated amounts of time deposits and certificates of deposit that meet or exceed insurance limit issued by domestic and foreign offices at March 31, 2022 and 2023 are shown in the following table:

	2022	2023
	(in billions of yen)	
Domestic offices:		
Time deposits	10,437	13,977
Certificates of deposit	10,448	6,232
Total	20,885	20,209
Foreign offices:		
Time deposits	18,505	22,503
Certificates of deposit	6,421	7,556
Total	24,926	30,059

The aggregate amount of demand deposits in overdraft status that have been reclassified as loan balances at March 31, 2022 and 2023 was ¥585 billion and ¥586 billion, respectively.

10. Due to trust accounts

MHTB holds assets on behalf of its customers in an agent, fiduciary or trust capacity. Such trust account assets are not the MHFG Group's proprietary assets and are managed and accounted for separately. However, the cash

in individual trust accounts is often placed with MHTB for the customers' short-term investment needs. These amounts which MHTB owes to the trust accounts are recorded as Due to trust accounts.

11. Short-term borrowings and long-term debt

Short-term borrowings

Short-term borrowings consist of Due to trust accounts, Call money and funds purchased, Payables under repurchase agreements and securities lending transactions, and Other short-term borrowings.

Details of Other short-term borrowings at March 31, 2022 and 2023 are as follows:

	2022	2023
	(in millions of yen)	
Short-term notes issued by consolidated VIEs of asset-backed commercial paper programs[1]	46,668	41,142
Commercial paper and short-term notes issued by MHFG's subsidiaries[1][2]	2,266,360	2,218,111
Borrowings from the Bank of Japan	5,105,225	876,036
Other	148,518	262,040
Total	7,566,771	3,397,329

Notes:
(1) Short-term notes are issued under the laws of Japan in the form of commercial paper.
(2) The amounts of commercial paper and short-term notes issued by MHFG's subsidiaries were ¥1,775,860 million and ¥490,500 million, respectively, at March 31, 2022, and ¥1,782,111 million and ¥436,000 million, respectively, at March 31, 2023.

Long-term debt

Long-term debt with original maturities of more than one year at March 31, 2022 and 2023 is comprised of the following:

	2022	2023
	(in millions of yen)	
Obligations under finance leases	4,621	6,863
Loan participation borrowings	220,312	245,176
Senior borrowings and bonds	8,600,493	11,245,475
Subordinated borrowings and bonds	3,752,790	3,395,509
Total	12,578,216	14,893,023

The following table presents the interest rates and maturities of senior borrowings and bonds, and subordinated borrowings and bonds:

	Interest rates [1]	Maturities [2]	2022	2023
	(%)		(in millions of yen)	
Senior borrowings and bonds:				
fixed rate denominated in Japanese yen	0.00-6.20	Apr.2023-Jun.2051	1,032,194	2,819,085
fixed rate denominated in U.S. dollars	0.00-5.75	Apr.2023-Mar.2048	3,581,901	3,692,271
fixed rate denominated in other currencies	0.00-5.92	Apr.2023-May.2041	1,223,991	1,948,714
floating rate denominated in Japanese yen	0.00-25.00	Apr.2023-Sep.2081	582,430	569,173
floating rate denominated in U.S. dollars	0.00-32.80	Apr.2023-Feb.2068	2,001,616	2,058,714
floating rate denominated in other currencies	0.10-12.00	Apr.2023-Sep.2041	178,361	157,518
Total			8,600,493	11,245,475
Subordinated borrowings and bonds:				
fixed rate denominated in Japanese yen	0.39-4.26	Jun.2023-Perpetual	3,171,343	2,961,504
fixed rate denominated in U.S. dollars	2.56-4.70	Mar.2024-Sep.2031	581,447	434,005
Total			3,752,790	3,395,509
Total			12,353,283	14,640,984

Notes:
(1) The interest rates disclosed reflect the range of contractual rates in effect at March 31, 2023.
(2) Maturity information disclosed is the range of maturities at March 31, 2023.
(3) None of the long-term debt issuances above are convertible to common stock.
(4) Certain debt agreements permit the MHFG Group to redeem the related debt, in whole or in part, prior to maturity at the MHFG Group's option on terms specified in the respective agreements.

The following is a summary of contractual maturities of long-term debt subsequent to March 31, 2023:

	(in millions of yen)
Fiscal year ending March 31:	
2024	1,177,938
2025	3,757,328
2026	702,968
2027	1,428,227
2028	1,291,313
2029 and thereafter	6,535,249
Total	14,893,023

12. Other assets and liabilities

The following table sets forth the details of other assets and liabilities at March 31, 2022 and 2023:

	2022	2023
	(in millions of yen)	
Other assets:		
Accounts receivable:		
Receivables from brokers, dealers and customers for securities transactions	3,049,874	4,469,286
Other	557,842	468,344
Collateral pledged:		
Collateral pledged for derivative transactions	1,549,483	988,881
Margins provided for futures contracts	466,531	183,747
Other	1,006,849	890,350
Prepaid pension cost	762,147	768,998
Right-of-use assets	570,171	549,668
Security deposits	91,766	83,343
Loans held for sale	156,639	228,995
Other[(1)]	775,940	1,069,348
Total	8,987,242	9,700,960
Other liabilities:		
Accounts payable:		
Payables to brokers, dealers and customers for securities transactions	1,406,965	1,799,116
Other	494,538	527,493
Guaranteed trust principal[(2)]	810,776	817,448
Lease liabilities	593,339	571,087
Collateral accepted:		
Collateral accepted for derivative transactions	1,075,591	1,008,083
Margins accepted for futures contracts	327,883	81,925
Unearned income	113,181	112,077
Other	1,437,949	1,399,466
Total	6,260,222	6,316,695

Notes:

(1) As of March 31, 2023, the MHFG Group included premises and equipment classified as held for sale in Other.

(2) Guaranteed trust principal, included in All other liabilities in the disclosure about consolidated VIEs in the accompanying balance sheets, is a liability of certain consolidated trust arrangements that meet the definition of a VIE for which the MHFG Group provides guarantees for the repayment of principal. See Note 23 “Variable interest entities and securitizations” for further discussion of the guaranteed principal money trusts.

13. Preferred stock

The composition of preferred stock at March 31, 2021, 2022 and 2023 is as follows:

	2021		2022		2023	
Class of stock	Authorized	Issued	Authorized	Issued	Authorized	Issued
			(number of shares)			
Class XIV preferred stock	90,000,000	—	90,000,000	—	90,000,000	—
Class XV preferred stock	90,000,000	—	90,000,000	—	90,000,000	—
Class XVI preferred stock	150,000,000	—	150,000,000	—	150,000,000	—

Holders or registered pledgees of preferred stock are entitled to receive annual dividends, and distribution of residual assets of MHFG as set out above at the liquidation value per share, prior to holders of common stock but pari passu among themselves. MHFG may pay up to one-half of the annual dividend payable on each class of preferred stock as an interim dividend. Dividends on preferred stock are not cumulative. Holders of preferred stock are not entitled to vote at a general meeting of shareholders except where the articles of incorporation entitle holders of preferred stock to vote.

There was no change in balance of the preferred stock in the fiscal years ended March 31, 2021, 2022 and 2023.

14. Common stock

The following table shows the changes in the number of issued shares of common stock during the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
		(shares)	
Balance at beginning of fiscal year	2,539,249,894	2,539,249,894	2,539,249,894
Issuance of new shares of common stock due to exercise of stock acquisition rights	—	—	—
Balance at end of fiscal year	2,539,249,894	2,539,249,894	2,539,249,894

15. Dividends

The amount available for dividends under Japan's Companies Act is based on the amount recorded in MHFG's non-consolidated general books of account, maintained in accordance with accounting principles generally accepted in Japan ("Japanese GAAP") and adjusted by post period-end changes. Therefore, the consolidated shareholders' equity under U.S. GAAP has no effect on the determination of the amount available for dividends. On March 31, 2023, MHFG's capital stock, capital surplus and retained earnings were ¥2,256,768 million, ¥1,196,660 million and ¥2,214,748 million, respectively, under Japanese GAAP.

Pursuant to the Companies Act, in making a distribution of retained earnings, an entity must set aside in its legal reserve an amount equal to one-tenth of the amount of retained earnings so distributed, until its legal reserve reaches one-quarter of its capital stock. MHFG's legal reserve at March 31, 2023 was ¥1,201,010 million, of which ¥1,196,660 million was included in capital surplus and ¥4,350 million in retained earnings.

In addition to the provision that requires an appropriation for the legal reserve, the Companies Act and Japan's Banking Act impose certain limitations on the amount available for dividends. Under the Companies Act, MHFG's maximum amount available for dividends, at March 31, 2023, was ¥2,203,318 million, based on the

amount recorded in MHFG's general books of account under Japanese GAAP. Under the Banking Act and related regulations, MHFG has to meet the minimum capital adequacy requirements. Distributions of retained earnings, which are otherwise distributable to shareholders, are restricted in order to maintain the minimum capital requirements. See Note 17 "Regulatory matters" for further discussion of regulatory capital requirements.

Payment of dividends on shares of common stock is also subject to the prior payment of dividends on shares of preferred stock, if any are outstanding.

16. Accumulated other comprehensive income (loss), net of tax

Changes in each component of AOCI for the fiscal years ended March 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
	(in millions of yen)		
AOCI, balance at beginning of fiscal year	(9,494)	318,114	440,112
Net unrealized gains (losses) on available-for-sale securities:			
Balance at beginning of fiscal year	(19,592)	(8,173)	(25,046)
Unrealized holding gains (losses) during year	(4,911)	(35,922)	(7,472)
Less: reclassification adjustments for losses (gains) included in net income	16,330	19,049	1,434
Change during year	11,419	(16,873)	(6,038)
Balance at end of fiscal year	(8,173)	(25,046)	(31,084)
Foreign currency translation adjustments:			
Balance at beginning of fiscal year	(109,872)	(86,873)	94,104
Foreign currency translation adjustments during year	22,704	181,722	133,556
Less: reclassification adjustments for losses (gains) included in net income	295	(745)	—
Change during year	22,999	180,977	133,556
Balance at end of fiscal year	(86,873)	94,104	227,660
Defined benefit plan adjustments:			
Balance at beginning of fiscal year	69,455	397,153	355,355
Unrealized gains (losses) during year	331,668	(22,825)	86,326
Less: reclassification adjustments for losses (gains) included in net income	(3,970)	(18,973)	(18,004)
Change during year	327,698	(41,798)	68,322
Balance at end of fiscal year	397,153	355,355	423,677
Own credit risk adjustments :			
Balance at beginning of fiscal year	50,515	16,007	15,699
Unrealized gains (losses) during year	(30,345)	(858)	12,688
Less: reclassification adjustments for losses (gains) included in net income	(4,163)	550	755
Change during year	(34,508)	(308)	13,443
Balance at end of fiscal year	16,007	15,699	29,142
Total other comprehensive income (loss), net of tax attributable to MHFG shareholders	327,608	121,998	209,283
AOCI, balance at end of fiscal year	318,114	440,112	649,395

The following table shows the amounts reclassified out of AOCI into net income during the fiscal year ended March 31, 2023:

	Before tax [1]	Tax effect [2]	Net of tax before allocation to noncontrolling interests	Net of tax attributable to noncontrolling interests [2]	Net of tax attributable to MHFG shareholders	
	(in millions of yen)					
Amounts reclassified out of AOCI into net income:						Affected line items in the consolidated statements of income:
Net unrealized gains (losses) on available-for-sale securities	(1,739)	305	(1,434)	—	(1,434)	Investment gains (losses)—net Other noninterest income
Defined benefit plan adjustments	25,840	(7,848)	17,992	12	18,004	Salaries and employee benefits
Own credit risk adjustments	(1,089)	334	(755)	—	(755)	Other noninterest income (expenses)
Total	23,012	(7,209)	15,803	12	15,815	

Notes:
(1) The financial statement line item in which the amounts in the before tax column are reported in the consolidated statements of income is listed to the right of the table.
(2) The financial statement line items in which the amounts in the tax effect and the net of tax attributable to noncontrolling interest columns are reported in the consolidated statements of income are Income tax expense (benefit) and Net income (loss), respectively.

17. Regulatory matters

Regulatory capital requirements

MHFG, MHBK, and MHTB are subject to regulatory capital requirements supervised by the Financial Services Agency in accordance with the provisions of Japan's Banking Act and related regulations. Certain foreign banking subsidiaries are subject to regulation and control by local supervisory authorities, including central banks. Failure to meet minimum capital requirements may initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on the MHFG Group's consolidated financial condition and results of operations.

The capital adequacy guidelines applicable to Japanese banks and bank holding companies with international operations supervised by the Financial Services Agency closely follow the risk-adjusted approach proposed by the Bank for International Settlements and are intended to further strengthen the soundness and stability of Japanese banks.

In December 2010, Basel Committee on Banking Supervision ("BCBS") issued the Basel III rules text, which builds on the International Convergence of Capital Measurement and Capital Standards document ("Basel II"), to strengthen the regulation, supervision and risk management of the banking sector. Basel III rules text presents the details of global regulatory standards on bank capital adequacy and liquidity. The rules text sets out higher and better-quality capital, better risk coverage, introduction of a leverage ratio as a backstop to the risk-based requirement, measures to promote the build-up of capital that can be drawn down in periods of stress, and introduction of two global liquidity standards.

The Financial Services Agency's capital adequacy guidelines became effective from March 31, 2013, which generally reflect the rules in the Basel III rules text that have been applied from January 1, 2013.

There are three primary regulatory capital ratios used to assess capital adequacy: Common Equity Tier 1, Tier 1 and Total risk-based capital ratios. The ratios are comprised of Common Equity Tier 1 capital, Tier 1 capital (Common Equity Tier 1 capital and Additional Tier 1 capital) and total risk-based capital (Tier 1 and Tier 2 capital) divided by risk-weighted assets. Common Equity Tier 1 capital primarily consists of common stock, capital surplus, retained earnings and AOCI. Regulatory adjustments including certain intangible fixed assets, such as goodwill, and defined-benefit pension fund assets will be deducted from Common Equity Tier 1. Additional Tier 1 capital generally consists of Basel III compliant preferred securities and other capital that meets Tier 1 requirements under Basel II standards, net of regulatory adjustments. Tier 2 capital generally consists of Basel III compliant deferred obligations, such as subordinated debts, capital that meets Tier 2 requirements under Basel II standards, certain allowances for credit losses and noncontrolling interests in subsidiaries' Tier 2 instruments.

Under the revised guidelines, the minimum capital adequacy ratio is 8% on both a consolidated and non-consolidated basis for banks with international operations, such as MHBK and MHTB, or on a consolidated basis for bank holding companies with international operations, such as MHFG. Within the minimum capital adequacy ratio, the Common Equity Tier 1 capital requirement is 4.5% and the Tier 1 capital requirement is 6.0%.

In November 2015, the Financial Services Agency published the revised capital adequacy guidelines and related ordinances to introduce the capital buffer requirements under the Basel III rules for Japanese banks and bank holding companies with international operations, which include the capital conservation buffer, the countercyclical capital buffer and the additional loss absorbency requirements for global systemically important banks ("G-SIBs") and domestic systemically important banks ("D-SIBs"). These guidelines have become effective on March 31, 2016. The capital conservation buffer, the countercyclical capital buffer and the additional loss absorption capacity requirement for G-SIBs and D-SIBs must be met with Common Equity Tier l capital under the revised guidelines, and if such buffer requirements are not satisfied, a capital distribution constraints plan is required to be submitted to the Financial Services Agency and carried out. The capital conservation buffer became fully effective in March 2019 at 2.5%. In addition, subject to national discretion by the respective regulatory authorities, if the relevant national authority judges a period of excess credit growth to be leading to the build-up of system-wide risk, a countercyclical capital buffer ranging from 0% to 2.5% would also be imposed on banking organizations. The countercyclical capital buffer is a weighted average of the buffers deployed across all the jurisdictions to which the banking organization has credit exposures. Further, MHFG is currently designated as both a G-SIB and D-SIB, and the additional loss absorption capacity requirement applied to MHFG was 1.0%. The additional loss absorption capacity requirement was the same as that imposed by the Financial Stability Board, which became fully effective in March 2019 at 1.0%.

Leverage ratio

The leverage ratio framework is critical and complementary to the risk-based capital framework that will help ensure broad and adequate capture of both on- and off-balance sheet sources of banks' leverage.

Basel III's leverage ratio is defined as the capital measure (numerator) divided by the exposure measure (denominator) and is expressed as a percentage. The capital measure for the leverage ratio is the Tier 1 capital of the risk-based capital framework, and the exposure measure is the sum of the on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet items.

In March 2019, the Financial Services Agency published the revised leverage ratio framework and the minimum leverage ratio is defined as 3% on both a consolidated and non-consolidated basis for banks with international operations, such as MHBK and MHTB, or on a consolidated basis for bank holding companies with international operations, such as MHFG.

The leverage ratio buffer requirement for G-SIBs under the finalized Basel III reforms were implemented in Japan from March 2023. The leverage ratio requirements under the finalized definition and the Pillar 3 disclosure requirements are scheduled to be implemented in Japan from March 2024, except for banks that have notified the Financial Services Agency that they wish to implement the Basel III finalization framework earlier. Furthermore, the Financial Services Agency published amendments to the regulatory notices regarding leverage ratio requirements and the leverage ratio buffer requirement for G-SIBs under the Basel III finalization framework and the Pillar 3 disclosure requirements described above on July 15, 2022.

In June 2020, in coordination with the monetary policy of the Bank of Japan in response to the impact of COVID-19, the Financial Services Agency amended the leverage ratio regulations which introduced the temporary measures to exclude amounts of deposits to the Bank of Japan from the calculation of the leverage ratio from June 30, 2020 until March 31, 2021, due to the uncertainty on the impact of COVID-19. The implementation period of such temporary measures has been extended twice at March 31, 2021 and in March 2022 to the end of March 2024.

The capital requirements and regulatory adjustments are being phased in over a transitional period as follows:

	March 2022	March 2023	March 2024	March 2025
Minimum Common Equity Tier 1 capital	4.5%	4.5%	4.5%	4.5%
Minimum Tier 1 capital	6.0%	6.0%	6.0%	6.0%
Minimum total capital	8.0%	8.0%	8.0%	8.0%
Capital conservation buffer	2.5%	2.5%	2.5%	2.5%
Countercyclical capital buffer[1]	0.01%	0.06%	0.06%	0.06%
Additional loss absorbency requirements for G-SIBs and D-SIBs[2]	1.0%	1.0%	1.0%	1.0%
Minimum Leverage Ratio	3.0%	3.5%[3]	3.5%[3]	3.7%[3]

Notes:

(1) Figures assume that the countercyclical capital buffer will continue to be 0.06% after March 2024.

(2) Figures assume that the additional loss absorbency requirements applied to the Group as a G-SIB and D-SIB continue to be 1.0% on a fully effective basis in future years.

(3) This figure includes a leverage ratio buffer required to be met at 50% of the additional loss absorbency requirements applied to the Group as a G-SIB under the finalized Basel III reforms.

If the capital adequacy ratio and leverage ratio of a financial institution falls below the required level, the Financial Services Agency may, depending upon the extent of capital deterioration, take certain corrective action, including requiring the financial institution to submit an improvement plan to strengthen its capital base, reduce its total assets, restrict its business operations or other actions that could have a material effect on its financial condition and results of operations.

Capital adequacy ratios and leverage ratios of MHFG, MHBK, and MHTB as of March 31, 2022 and 2023 calculated in accordance with Japanese GAAP and the guidelines established by the Financial Services Agency are set forth in the following table:

	2022		2023	
	Amount	Ratio	Amount	Ratio
	(in billions of yen, except percentages)			
Consolidated:				
MHFG:				
Common Equity Tier 1 capital:				
Required[1]	5,184	8.01	5,676	8.06
Actual	8,067	12.46	8,315	11.80
Tier 1 capital:				
Required[1]	6,155	9.51	6,733	9.56
Actual	9,713	15.00	9,803	13.91
Total risk-based capital:				
Required[1]	7,450	11.51	8,142	11.56
Actual	11,351	17.53	11,306	16.05
Leverage Ratio[2]:				
Required	6,389	3.00	7,680	3.50[3]
Actual	9,713	4.56	9,803	4.46
MHBK:				
Common Equity Tier 1 capital:				
Required	2,683	4.50	2,941	4.50
Actual	6,968	11.68	6,873	10.51
Tier 1 capital:				
Required	3,578	6.00	3,922	6.00
Actual	8,604	14.42	8,356	12.78
Total risk-based capital:				
Required	4,771	8.00	5,229	8.00
Actual	10,150	17.02	9,769	14.94
Leverage Ratio[2]:				
Required	5,971	3.00	6,216	3.00
Actual	8,604	4.32	8,356	4.03
MHTB:				
Common Equity Tier 1 capital:				
Required	79	4.50	77	4.50
Actual	442	25.18	444	25.94
Tier 1 capital:				
Required	105	6.00	102	6.00
Actual	442	25.18	444	25.94
Total risk-based capital:				
Required	140	8.00	137	8.00
Actual	442	25.18	444	25.95
Leverage Ratio[2]:				
Required	130	3.00	125	3.00
Actual	442	10.20	444	10.61
Non-consolidated:				
MHBK:				
Common Equity Tier 1 capital:				
Required	2,528	4.50	2,751	4.50
Actual	6,293	11.20	5,981	9.78
Tier 1 capital:				
Required	3,370	6.00	3,668	6.00
Actual	7,919	14.09	7,450	12.18
Total risk-based capital:				
Required	4,494	8.00	4,891	8.00
Actual	9,483	16.88	8,853	14.48
Leverage Ratio[2]:				
Required	5,570	3.00	5,767	3.00
Actual	7,919	4.26	7,450	3.87

	2022		2023	
	Amount	Ratio	Amount	Ratio
	(in billions of yen, except percentages)			
MHTB:				
Common Equity Tier 1 capital:				
Required	78	4.50	76	4.50
Actual	425	24.40	425	25.10
Tier 1 capital:				
Required	104	6.00	101	6.00
Actual	425	24.40	425	25.10
Total risk-based capital:				
Required	139	8.00	135	8.00
Actual	425	24.40	425	25.11
Leverage Ratio[2]:				
Required	126	3.00	122	3.00
Actual	425	10.09	425	10.44

Notes:

(1) The required ratios disclosed above, at March 31, 2022, include the capital conservation buffer of 2.5%, the countercyclical capital buffer of 0.01% and the additional loss absorbency requirements for G-SIBs and D-SIBs of 1.0%. The required ratios disclosed above, at March 31, 2023, include the capital conservation buffer of 2.5%, the countercyclical capital buffer of 0.06% and the additional loss absorbency requirements for G-SIBs and D-SIBs of 1.0%. These are all in addition to the regulatory minima. The respective required amounts are determined by applying the ratios to the sum of the risk weighted assets and certain other risk amounts.

(2) The required and actual amounts disclosed above at March 31, 2022 and 2023 exclude amounts of deposits to the Bank of Japan.

(3) The required ratio disclosed above, at March 31, 2023, includes a leverage ratio buffer required to be met at 50% of the additional loss absorbency requirements applied to the Group as a G-SIB under the finalized Basel III reforms.

MHFG's securities subsidiary in Japan is also subject to the capital adequacy requirement under Japan's Financial Instruments and Exchange Act. Under this requirement, securities firms must maintain a minimum capital adequacy ratio of 120% calculated as a percentage of capital accounts less certain assets, as calculated using Japanese GAAP figures, against amounts equivalent to market, counterparty, and basic risks. Specific guidelines are issued as a ministerial ordinance that details the definition of essential components of the capital ratios, including capital, disallowed assets and risks, and related measures. Failure to maintain a minimum capital ratio will trigger mandatory regulatory actions. A capital ratio of less than 140% will call for regulatory reporting and a capital ratio of less than 100% may lead to a temporary suspension of all or part of the business operations and further, to the cancellation of the license to act as a securities broker and dealer.

Management believes, as of each latest balance sheet date, that MHFG, MHBK, MHTB, and their securities subsidiary in Japan and foreign banking subsidiaries were in compliance with all capital adequacy requirements to which they were subject.

Business improvement orders

MHFG and MHBK received business improvement orders dated November 26, 2021 from the Financial Services Agency of Japan pursuant to Clause 1 of Article 52-33 and Clause 1 of Article 26 of the Banking Act of Japan, in regard to the series of IT system failures that have occurred from February to September 2021. In response to this, MHFG and MHBK submitted the business improvement plans to the Financial Services Agency of Japan. MHFG and MHBK have been implementing measures to prevent further incidents based on the business improvement plans and building up crisis response capability in a multidimensional manner. See Note 22 "Commitments and contingencies" for further information on the impact that these orders have on the consolidated financial statements.

18. Earnings per common share

The following table sets forth the computation of basic and diluted earnings per common share for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Net income (loss):			
Net income (loss) attributable to MHFG common shareholders	581,765	(104,722)	(14,009)
Effect of dilutive securities	—	—	—
Net income (loss) attributable to common shareholders after assumed conversions	581,765	(104,722)	(14,009)

	2021	2022	2023
	(thousands of shares)		
Shares:			
Weighted average common shares outstanding	2,537,513	2,537,051	2,536,596
Effect of dilutive securities:			
Stock options and the common shares of MHFG under the stock compensation programs(Note)	89	—	—
Weighted average common shares after assumed conversions	2,537,602	2,537,051	2,536,596

	2021	2022	2023
		(in yen)	
Earnings per common share:			
Basic net income (loss) per common share	229.27	(41.28)	(5.52)
Diluted net income (loss) per common share(Note)	229.26	(41.28)	(5.52)

Note: For the fiscal years ended March 31, 2021, 2022 and 2023, the performance-based plan under the stock compensation programs could potentially dilute earnings per common share but were not included in the computation of diluted earnings per common share due to their antidilutive effects. In addition, for the fiscal years ended March 31, 2022 and 2023, the computation of diluted earnings per common share did not assume exercise of stock options, as the effect of such exercise would be antidilutive due to net loss.

19. Income taxes

Income tax expense (benefit)

The following table presents the components of Income tax expense (benefit) for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Current:			
Domestic	81,023	42,401	22,015
Foreign	78,992	71,947	156,969
Total current tax expense	160,015	114,348	178,984
Deferred:			
Domestic	55,927	(256,093)	(146,721)
Foreign	(5,226)	728	2,879
Total deferred tax expense (benefit)	50,701	(255,365)	(143,842)
Total income tax expense (benefit)	210,716	(141,017)	35,142

The preceding table does not reflect the tax effects of items recorded directly in Equity for the fiscal years ended March 31, 2021, 2022 and 2023. The detailed amounts recorded directly in Equity are as follows:

	2021	2022	2023
	(in millions of yen)		
Net unrealized gains (losses) on available-for-sale securities:			
Unrealized gains (losses)	(2,810)	(16,489)	(4,276)
Less: reclassification adjustments	7,195	8,504	305
Total	4,385	(7,985)	(3,971)
Defined benefit plan adjustments:			
Unrealized gains (losses)	143,653	(9,020)	37,661
Less: reclassification adjustments	(1,424)	(7,748)	(7,848)
Total	142,229	(16,768)	29,813
Own credit risk adjustments:			
Unrealized gains (losses)	919	1,745	5,630
Less: reclassification adjustments	(1,911)	271	334
Total	(992)	2,016	5,964
Total tax effect before allocation to noncontrolling interests	145,622	(22,737)	31,806

Reconciliation of Income tax expense (benefit)

The following table shows a reconciliation of Income tax expense at the effective statutory tax rate to the actual income tax expense for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
Effective statutory tax rate	30.62%	30.62%	30.62%
Income not subject to tax	(0.72)	4.21	(14.23)
Expenses not deductible for tax purposes	0.07	(0.34)	1.63
Tax rate differentials of subsidiaries	(0.90)	3.31	(12.95)
Change in valuation allowance	(3.83)	(6.68)[2]	(5.95)
Change in undistributed earnings of subsidiaries	0.34	(2.22)	8.32
Noncontrolling interest income (loss) of consolidated VIEs	(6.83)	(2.10)	(15.48)
Effect of enacted change in tax rates	(0.02)	0.01	(0.05)
Reversal of outside basis differences	—	50.59[2]	—
Foreign tax credit and payments	0.16	(16.59)	55.14
Income excluded from taxable income of enterprise tax	(0.49)	2.86	(14.96)
Controlled foreign company rules	0.71	(1.66)	2.68
Other	1.37	(3.86)	16.04
Effective income tax rate	20.48%	58.15%	50.81%

Notes:

(1) The presentation of the table is changed from amount basis to percentage basis from the fiscal year ended March 31, 2023. Certain comparative amounts for the prior period have been reclassified in order to conform to the current period's presentation.

(2) These amounts for the fiscal year ended March 31, 2022 mainly represent the reversal of an outside basis difference related to the share buyback conducted by MHSC in response to improving the capital position and aligning to the MHFG Group's capital policy and the related increase in the valuation allowance.

Deferred tax assets and liabilities

The components of net deferred tax assets at March 31, 2022 and 2023 are as follows:

	2022	2023
	(in millions of yen)	
Deferred tax assets:		
Allowance for credit losses	292,277	270,423
Lease liabilities	183,537	176,304
Trading securities	118,242	173,793
Derivative financial instruments	52,321	161,141
Premises and equipment	65,051	53,531
Available-for-sale securities	8,313	13,020
Net operating loss carryforwards[(1)(2)]	183,410	168,387
Other	223,564	255,557
	1,126,715	1,272,156
Valuation allowance[(1)(2)]	(163,164)	(198,800)
Deferred tax assets, net of valuation allowance	963,551	1,073,356
Deferred tax liabilities:		
Investments	213,398	264,147
Prepaid pension cost and accrued pension liabilities	221,256	224,173
Right-of-use assets	176,591	169,353
Other	104,020	54,515
Deferred tax liabilities	715,265	712,188
Net deferred tax assets	248,286	361,168

Notes:

(1) The amount includes ¥73,736 million and ¥49,393 million related to MHSC's net operating loss carryforwards resulting mainly from the organizational restructuring of certain foreign subsidiaries as of March 31, 2022 and 2023, respectively. The tax effect of the net operating loss carryforwards is substantially offset by ¥46,734 million and ¥43,488 million, respectively, of valuation allowance as a result of considering all available evidence regarding sources of future taxable income including historical trends in taxable income in the preceding periods and forecasted taxable income.

(2) The amount includes ¥26,633 million and ¥24,978 million related to MHFG's net operating loss carryforwards resulting mainly from intercompany capital transactions in relation to the share buyback conducted by MHSC as of March 31, 2022 and 2023, respectively. The tax effect of the net operating loss carryforwards is substantially offset by ¥24,675 million and ¥24,978 million, respectively, of valuation allowance as a result of considering all available evidence regarding sources of future taxable income including historical trends in taxable income in the preceding periods and forecasted taxable income.

Deferred tax assets and deferred tax liabilities within the same tax jurisdiction have been netted for presentation purposes in the consolidated balance sheets.

As of March 31, 2023, the accumulated amount of undistributed earnings that will be indefinitely reinvested and the unrecognized deferred tax liabilities related to such subsidiaries are approximately ¥349 billion and ¥36 billion, respectively.

The following table and accompanying footnotes provide a breakdown of deferred tax assets and the valuation allowance recognized in respect of net operating loss carryforwards by tax jurisdiction and by year of expiration as of March 31, 2022 and 2023:

	Deferred tax assets	Valuation allowance	Deferred tax assets, net of valuation allowance
		(in billions of yen)	
2022			
Japan[1]	106	(77)	29
The United States	1	—	1
The United Kingdom[2]	75	(75)	—
Others	1	—	1
Total	183	(152)	31
2023			
Japan[3]	89	(75)	14
The United States	1	—	1
The United Kingdom[2]	77	(77)	—
Others	1	—	1
Total	168	(152)	16

Notes:

(1) ¥74 billion of the Japan deferred tax assets of ¥106 billion is related to MHSC, which is substantially offset by a valuation allowance, and will expire during the fiscal year ending March 31, 2026. ¥27 billion of the Japan deferred tax assets of ¥106 billion is related to MHFG, which is substantially offset by a valuation allowance, and will mostly expire during the fiscal year ending March 31, 2032.

(2) The United Kingdom net operating loss carryforwards may be carried forward indefinitely for tax purposes.

(3) ¥49 billion of the Japan deferred tax assets of ¥89 billion is related to MHSC, which is substantially offset by a valuation allowance, and will expire during the fiscal year ending March 31, 2026. ¥25 billion of the Japan deferred tax assets of ¥89 billion is related to MHFG, which is substantially offset by a valuation allowance, and will mostly expire during the fiscal year ending March 31, 2032.

Determination of valuation allowance

In accordance with ASC 740, when the MHFG Group determines whether and to what extent a valuation allowance is needed, the Group considers all available evidence, both positive and negative, to estimate future taxable income. In this regard, the Group considers reversals of existing taxable temporary differences, projected future taxable income (exclusive of reversals of existing temporary differences) and qualifying tax-planning strategies to be possible sources of future taxable income. The Group considers the specific pattern and timing of future reversals of existing taxable and deductible temporary differences on available-for-sale securities and equity securities to constitute a prudent and feasible tax-planning strategy and strong positive evidence. The Group has the ability to control when its available-for-sale securities and equity securities with unrealized gains and losses are sold in order to accelerate or decelerate taxable or deductible amounts. The Group also has a long history of effecting such sales as necessary in order to utilize net operating loss carryforwards or otherwise realize deferred tax assets.

Positive evidence includes the Group's results of operations for the current and preceding years on an overall consolidated basis and for most of the principal subsidiaries. In particular, the strong results of operations in recent years of MHFG's principal banking subsidiaries in Japan represent positive evidence that can be objectively verified.

Negative evidence includes the existence of significant amounts of net operating loss carryforwards or cumulative losses recorded at certain entities, and the expiration of unused net operating loss carryforwards in recent years.

A valuation allowance is recorded against deferred tax assets as of the balance sheet date to the extent the Group estimates it is more likely than not that sufficient future taxable income is not available to realize such deferred tax assets. As the Group did not apply a consolidated taxation system for the fiscal year ended March 31, 2021, with a few exceptions of certain subsidiaries, deferred tax assets and liabilities are calculated separately for each legal entity. The Group has applied the consolidated taxation system from the fiscal year ended March 31, 2022 and has shifted to the Japanese Group Relief System beginning with the fiscal year ended March 31, 2023. A consolidated basis for corporate income taxes results in the reporting of taxable income or loss based upon the combined profits or losses of the parent company and its wholly-owned domestic subsidiaries. Therefore, when calculating deferred tax assets and liabilities and valuation allowance as of March 31, 2021, the Group considered the effect of the change to the consolidated taxation system. Also, when calculating deferred tax assets and liabilities and valuation allowance as of March 31, 2022, the Group considered the effect of the shift to the Japanese Group Relief System. The impact of the shift to the Japanese Group Relief System was not material to the consolidated financial statements. The changes in the valuation allowance are primarily due to changes in deductible temporary differences, net operating loss carryforwards and the estimated availability of future taxable income sources.

In general, a valuation allowance is recognized against deferred tax assets related to entities that have accumulated significant net operating loss carryforwards. As of March 31, 2023, the Group's valuation allowance was primarily related to entities in Japan, the United States and the United Kingdom. The valuation allowance was partially recognized in Japan and in the United States, while the valuation allowance was fully recognized in the United Kingdom.

The Group determined whether cumulative losses were recognized by aggregating pretax results for the recent three years as part of the analysis of potential indicators of negative evidence. In each tax jurisdiction, certain entities recognized a cumulative loss on the basis of the most recent three years' pretax results as of March 31, 2023. A valuation allowance was fully recognized against the deferred tax assets if the Group determined there was no positive evidence that overcame the negative evidence. As of March 31, 2023, MHFG's securities subsidiary in the United Kingdom recorded cumulative losses on the basis of the recent three years' pretax results and recognized a full valuation allowance, as there was no positive evidence to overcome the negative evidence. MHFG and its principal banking subsidiaries in Japan did not record cumulative losses in the periods presented.

Change in valuation allowance

The following table presents a roll-forward of the valuation allowance for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Balance at beginning of fiscal year	165,278	129,150	163,164
Changes that directly affected Income tax expense	(39,410)	16,196	(4,118)
Changes that did not affect Income tax expense:			
Expiration of net operating loss carryforwards	—	—	—
Others	3,282	17,818	39,754
Total	3,282	17,818	39,754
Balance at end of fiscal year	129,150	163,164	198,800

The decrease in the fiscal year ended March 31, 2021 of ¥39,410 million in the valuation allowance that directly affected Income tax expense was primarily related to an increase of the realizability of deferred tax assets of MHFG and its subsidiaries.

The increase in the fiscal year ended March 31, 2022 of ¥16,196 million in the valuation allowance that directly affected Income tax expense was primarily related to a decrease of the realizability of deferred tax assets of MHFG and its subsidiaries. The increase in the fiscal year ended March 31, 2022 of ¥17,818 million in others was primarily related to an increase in the valuation allowance that is fully recognized against the MHFG Group's net operating loss carryforwards due to tax rate increase of MHFG's foreign subsidiary.

Net operating loss carryforwards

At March 31, 2023, the MHFG Group had net operating loss carryforwards totaling ¥500 billion. These carryforwards are scheduled to expire as follows:

	Net operating loss carryforwards (1)
	(in billions of yen)
Fiscal year ending March 31:	
2024	—
2025	—
2026	156
2027	3
2028	—
2029 and thereafter(2)	341
Total	500

Notes:

(1) Net operating loss carryforwards related to Japanese local taxes recorded at MHFG in the fiscal year ended March 31, 2022 in the amount of ¥500 billion (tax effected ¥24 billion) are not included in the table. The net operating loss carryforwards is fully offset by valuation allowance and will mostly expire during the fiscal year ending March 31, 2032.

(2) Including the net operating loss carryforwards which may be carried forward indefinitely in the United Kingdom.

In addition, included in the net operating loss carryforwards in the above table are MHSC's net operating loss carryforwards of ¥156 billion resulting mainly from the reversal of an outside basis difference related to certain foreign subsidiaries due to their organizational restructuring. The tax loss was recorded at MHSC in accordance with Japanese tax law. The net operating loss carryforwards due to this restructuring will expire during the fiscal year ending March 31, 2026.

Uncertainty in income tax

The following table is a roll-forward of unrecognized tax benefits for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
		(in millions of yen)	
Total unrecognized tax benefits at beginning of fiscal year	3,374	4,401	5,245
Gross amount of increases (decreases) related to positions taken during prior years	455	(576)	(438)
Gross amount of increases related to positions taken during the current year	524	954	1,748
Amount of decreases related to settlements	—	—	—
Foreign exchange translation	48	466	488
Total unrecognized tax benefits at end of fiscal year	4,401	5,245	7,043

The total amount of unrecognized tax benefits including ¥1,463 million, ¥1,812 million and ¥2,286 million of interest and penalties was ¥4,401 million, ¥5,245 million and ¥7,043 million at March 31, 2021, 2022 and 2023, respectively, which would, if recognized, affect the Group's effective tax rate. The Group classifies interest and penalties accrued relating to unrecognized tax benefits as Income tax expense.

The MHFG Group is currently subject to ongoing tax audits in some jurisdictions. The oldest years open to tax audits in Japan, the United States and the United Kingdom are 2014, 2002 and 2018, respectively. The Group does not anticipate that increases or decreases of unrecognized tax benefits within the next twelve months would have a material effect on its consolidated results of operations or financial condition.

20. Pension and other employee benefit plans

Severance indemnities and pension plans

MHFG and certain subsidiaries sponsor and offer their employees, other than directors and corporate auditors, contributory and non-contributory defined benefit plans. Under these plans, employees are provided with lump-sum cash payments upon leaving the company. The amount of benefits under each plan is principally determined based on the positions in career, the length of service and the reason for severance. When employees meet certain conditions including the length of service, they may opt to receive annuity payments instead of lump-sum payments. MHFG and certain subsidiaries also offer special termination benefits to former employees whose contributions during their careers were deemed meritorious and to those with particular circumstances.

Certain foreign offices and subsidiaries have defined contribution plans and/or defined benefit plans, of which disclosures are combined with those for domestic benefit plans, as they are not significant and those plans don't use significantly different assumptions.

MHFG and certain subsidiaries have several defined contribution plans. The costs recognized in respect of contributions to the plans for the fiscal years ended March 31, 2021, 2022 and 2023 were ¥4,510 million, ¥3,981 million and ¥7,395 million, respectively.

Pension plans are not fully integrated among subsidiaries of MHFG and plan assets are managed separately by each plan.

Net periodic benefit cost and funded status

The following table presents the components of net periodic benefit cost of the severance indemnities and pension plans for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
		(in millions of yen)	
Service cost-benefits earned during the fiscal year	39,672	33,190	30,460
Interest costs on projected benefit obligations	5,790	5,636	6,917
Expected return on plan assets	(41,887)	(37,051)	(36,322)
Amortization of prior service cost (benefits)	(2,378)	(4,820)	(4,854)
Amortization of net actuarial loss (gain)	1,671	(20,485)	(19,453)
Special termination benefits	9,569	10,791	7,269
Loss (gain) on settlement	(3,945)	—	—
Net periodic benefit cost	8,492	(12,739)	(15,983)

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) before-tax for the fiscal years ended March 31, 2022 and 2023 are summarized as follows:

	2022	2023
	(in millions of yen)	
Net actuarial gain (loss)	(36,796)	122,331
Amortization of net actuarial loss (gain)	(20,485)	(19,453)
Prior service benefits (cost)	(1)	—
Amortization of prior service cost (benefits)	(4,820)	(4,854)
Total recognized in other comprehensive income (loss) before-tax	(62,102)	98,024

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost are as follows:

	2021	2022	2023
Weighted-average assumptions used to determine benefit obligations at fiscal year end:			
Discount rates	0.38%	0.52%	0.82%
Rates of increase in future compensation levels	1.80%	2.00%	2.00%
Interest credit rates	4.38%	4.39%	4.45%
Weighted-average assumptions used to determine net periodic benefit cost during the year:			
Discount rates	0.37%	0.38%	0.52%
Rates of increase in future compensation levels	1.80-4.80%	1.80%	2.00%
Expected rates of return on plan assets	1.79%	1.54%	1.72%
Interest credit rates	4.95%	4.38%	4.39%

In estimating the discount rates, the MHFG Group looks to interest rates on a portfolio of high-quality fixed-income government and corporate bonds. The durations of these bonds closely match those of the benefit obligations. Discount rates are evaluated at each measurement date. The expected rate of return for each asset category is based primarily on various aspects of the long-term prospects for the economy that include historical performance and the market environment.

The following table sets forth the combined funded status and amounts recognized in the accompanying consolidated balance sheets at March 31, 2022 and 2023 for the plans of MHFG and its subsidiaries:

	2022	2023
	(in millions of yen)	
Change in benefit obligations:		
Benefit obligations at beginning of fiscal year	1,437,843	1,377,739
Service cost	33,190	30,460
Interest cost	5,636	6,917
Plan participants' contributions	1,089	1,053
Amendments	1	—
Actuarial loss (gain)	(19,939)	(48,856)
Foreign exchange translation	4,099	3,250
Benefits paid	(54,483)	(55,332)
Lump-sum payments	(29,697)	(27,539)
Benefit obligations at end of fiscal year	1,377,739	1,287,692
Change in plan assets:		
Fair value of plan assets at beginning of fiscal year	2,412,745	2,114,011
Actual return (negative return) on plan assets	(8,008)	92,893
Foreign exchange translation	3,863	3,158
Partial withdrawal of assets from employee retirement benefits trusts (Note)	(270,172)	(147,181)
Employer contributions	28,977	23,613
Plan participants' contributions	1,089	1,053
Benefits paid	(54,483)	(55,332)
Fair value of plan assets at end of fiscal year	2,114,011	2,032,215
Funded status	736,272	744,523
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid pension cost	762,147	768,998
Accrued pension liability	(25,875)	(24,475)
Net amount recognized	736,272	744,523
Amounts recognized in Accumulated other comprehensive income (loss) before-tax consist of:		
Prior service benefits (cost)	63,030	58,173
Net actuarial gain (loss)	421,690	524,571
Net amount recognized	484,720	582,744

Note: During the fiscal years ended March 31, 2022 and 2023, certain subsidiaries of MHFG partially withdrew assets from employee retirement benefit trusts, which were established for the payment of employees' severance pay and retirement pensions. Overall, the trusts remain in overfunded status as of March 31, 2023. No gains or losses have been recognized as a result of these transactions.

The aggregated accumulated benefit obligations of these plans were ¥1,377,739 million and ¥1,287,692 million, as of March 31, 2022 and 2023, respectively. The defined benefit plans generally employ a multi-variable and non-linear formula based upon rank and years of service. Employees with service in excess of one year are qualified to receive lump-sum severance indemnities.

The following table shows the projected benefit obligations and the fair value of plan assets for the plans of MHFG and its subsidiaries with projected benefit obligations in excess of plan assets, and the accumulated benefit obligations and the fair value of plan assets for the plans with accumulated benefit obligations in excess of plan assets at March 31, 2022 and 2023:

	2022	2023
	(in millions of yen)	
Plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligations	31,829	29,389
Fair value of plan assets	5,954	4,914
Plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligations	31,829	29,389
Fair value of plan assets	5,954	4,914

Note: The plans with projected benefit obligations in excess of plan assets include those with accumulated benefit obligations in excess of plan assets.

Investment policies and asset allocation

In managing plan assets, the MHFG Group determines the appropriate levels of risk that the Group can assume under the given circumstances to gain total returns from a long-term perspective while ensuring that sufficient funds will be available to plan participants and beneficiaries. The long-term asset allocation to each asset category such as Japanese equity securities, Japanese debt securities, foreign equity securities and foreign debt securities is determined based upon the optimal portfolio, which aims to gain total returns within the range of an acceptable level of risk from a long-term perspective. Additionally, the asset allocation is reviewed every five years, unless there are any significant changes in the circumstances such as market fluctuations. When selecting an investment in each asset category, the MHFG Group takes into consideration credit standing of an investee, concentration of credit risk to a certain investee and liquidity of a financial instrument among other things. The investments in each asset category are further diversified across funds, strategies and sectors along with other things. There is no significant investment in a single investee except Japanese government bonds.

Certain subsidiaries of MHFG established employee retirement benefit trusts and transferred their assets to the trusts as plan assets. These assets are separated from the employer's proprietary assets for the payment to the plan beneficiaries. The assets held in these trusts are primarily Japanese equity securities and have been entrusted directly to qualified trustees including trust banks.

MHFG and certain subsidiaries' target allocation for the plan assets, excluding those of the employee retirement benefit trusts, at March 31, 2023 is as follows:

Asset category	Asset ratio
Japanese equity securities	3.00%
Japanese debt securities	32.00%
Foreign equity securities	26.00%
Foreign debt securities	24.00%
General account of life insurance companies	10.00%
Other	5.00%
Total	100.00%

Note: General account of life insurance companies is a contract with life insurance companies which guarantees payments of principal and predetermined interest payments.

Fair value of plan assets

The following table presents the fair value of plan assets of MHFG and its subsidiaries at March 31, 2022 and 2023, by asset class. For the detailed information on fair value measurements, including descriptions of Level 1, 2 and 3 of the fair value hierarchy and the valuation methodologies, see Note 26 "Fair value."

	2022				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in billions of yen)							
Japanese equity securities:								
Common stocks[1]	1,003	—	—	1,003	1,018	—	—	1,018
Pooled funds[2]	13	5	—	18	5	6	—	11
Japanese debt securities:								
Government bonds	179	—	—	179	123	—	—	123
Pooled funds [2]	—	10	—	10	—	8	—	8
Other	—	21	—	21	—	21	—	21
Foreign equity securities:								
Common stocks	172	—	—	172	94	—	—	94
Pooled funds[2]	—	7	—	7	—	8	—	8
Foreign debt securities:								
Government bonds	170	9	—	179	173	14	—	187
Pooled funds[2]	—	10	—	10	—	3	—	3
Other	—	18	—	18	—	15	—	15
General account of life insurance companies[3]	—	116	—	116	—	113	—	113
Other	30[4]	(25)	—	5	101[4]	5	—	106
Plan assets measured at net asset value[5]				376				325
Total assets at fair value	1,567	171	—	2,114	1,514	193	—	2,032

Notes:

(1) This class represents equity securities held in the employee retirement benefit trusts of ¥1,003 billion and ¥1,018 billion carried at fair value at March 31, 2022 and 2023, respectively, which are well-diversified across industries.

(2) These classes primarily include pension investment fund trusts. Investments in these classes are generally measured at fair value and can be redeemed within a short-term period upon request.
(3) Investments in this class are measured at conversion value, which is equivalent to fair value.
(4) Amounts primarily include cash and short-term assets carried at fair value.
(5) In accordance with ASC 820, certain plan assets that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

There were no returns on and purchases and sales of Level 3 assets during the fiscal years ended March 31, 2022 and 2023.

Contributions

The total contribution of approximately ¥32 billion is expected to be paid to the pension plans during the fiscal year ending March 31, 2024, based on the current funded status and expected asset return assumptions.

Estimated future benefit payments

The following table presents forecasted benefit payments including the effect of expected future service for the fiscal years indicated:

	(in millions of yen)
Fiscal year ending March 31:	
2024	82,311
2025	75,506
2026	75,992
2027	74,496
2028	76,348
2029-2033	330,309

21. Derivative financial instruments

The MHFG Group enters into derivative financial instruments in response to the diverse needs of customers, to manage the risk related to the assets and liabilities of the Group, as part of its asset and liability management, and for proprietary trading purposes. The Group is exposed primarily to market risk associated with interest rate, commodity, foreign currency, and equity products. Market risk arises from changes in market prices or indices, interest rates and foreign exchange rates that may result in an adverse change in the market value of the financial instrument or an increase in its funding costs. Exposure to market risk is managed by imposing position limits and monitoring procedures and by initiating hedging transactions. In addition to market risk, the Group is exposed to credit risk associated with counterparty default or nonperformance in respect of transactions. Counterparty credit risk arises when a counterparty fails to perform according to the terms and conditions of the contract and the value of the underlying collateral held, if applicable, is not sufficient to recover resulting losses. The exposure to counterparty credit risk is measured by the fair value of all derivatives and its potential exposure at the balance sheet dates. The exposure to counterparty credit risk is managed by entering into legally enforceable master netting agreements to mitigate the overall counterparty credit risk, requiring underlying collateral and guarantees based on an individual credit analysis of each obligor and evaluating the credit features of each instrument. In addition, credit approvals, limits and monitoring procedures are also imposed.

Notional and fair value amounts of derivative instruments

The following table summarizes the notional and fair value amounts of derivative instruments outstanding as of March 31, 2022 and 2023. The fair values of derivatives are presented on a gross basis; derivative receivables and payables are not offset. In addition, they are not offset against the amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral under master netting agreements in the consolidated balance sheets, or the table below.

		Fair value			
		Derivative receivables [2]		Derivative payables [2]	
2022	Notional amount[1]	Designated as hedges	Not designated as hedges	Designated as hedges	Not designated as hedges
		(in billions of yen)			
Interest rate contracts	1,395,950	—	4,624	—	4,716
Foreign exchange contracts	217,462	—	4,436	—	4,472
Equity-related contracts	9,887	—	426	—	345
Credit-related contracts	11,857	—	118	—	121
Other contracts	681	—	119	—	116
Total	1,635,837	—	9,723	—	9,770

		Fair value			
		Derivative receivables [2]		Derivative payables [2]	
2023	Notional amount[1]	Designated as hedges	Not designated as hedges	Designated as hedges	Not designated as hedges
		(in billions of yen)			
Interest rate contracts	1,991,016	—	8,374	—	8,517
Foreign exchange contracts	257,392	—	4,222	—	4,013
Equity-related contracts	7,149	—	145	—	197
Credit-related contracts	22,748	—	144	—	126
Other contracts	898	—	47	—	43
Total	2,279,203	—	12,932	—	12,896

Notes:

(1) Notional amount includes the sum of gross long and gross short third-party contracts.

(2) Derivative receivables and payables are recorded in Trading account assets and Trading account liabilities, respectively.

The MHFG Group provided and/or accepted cash collateral for derivative transactions under master netting agreements. The cash collateral, which was not offset against derivative positions, was included in Other assets and Other liabilities, respectively, of which the amounts were ¥1,549 billion and ¥1,076 billion at March 31, 2022, and ¥989 billion and ¥1,008 billion at March 31, 2023, respectively.

Hedging activities

In order to qualify for hedge accounting, a derivative must be considered highly effective at reducing the risk associated with the exposure being hedged. Each derivative must be designated as a hedge, with documentation of the risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, and how effectiveness is to be assessed prospectively and retrospectively. The extent to which a hedging instrument is effective at achieving offsetting changes in fair value or cash flows must be assessed at least quarterly. The MHFG Group's hedging activities include net investment hedges.

Net investment hedges

The MHFG Group uses forward foreign exchange contracts and foreign currency-denominated debt instruments to protect the value of net investments in non-Japanese subsidiaries from foreign currency exposure. Under net investment hedges, both derivatives and nonderivative financial instruments qualify as hedging instruments. The foreign currency-denominated debt instruments qualifying as hedging instruments include deposits and long-term debt, of which the carrying amounts of the portion designated as net investment hedges are included within the respective items in the consolidated balance sheets as well as relevant accompanying notes. For net investment hedges, the entire change in the fair value of a hedging derivative instrument or nonderivative hedging financial instrument is recorded in Foreign currency translation adjustments within Accumulated other comprehensive income (loss), provided that the hedging instrument is designated as a hedge of the net investment. The gains and losses recorded in other comprehensive income (loss) related to net investment hedges were immaterial.

Derivative instruments not designated or qualifying as hedges

The MHFG Group enters into the following derivative transactions that do not qualify for hedge accounting with a view to implementing risk management strategies: (1) interest-rate swap transactions for the purpose of economically managing the interest-rate risks in deposits, loans, etc., (2) currency swap transactions for the purpose of economically managing the foreign exchange risk of these assets, (3) equity-related derivatives for the purpose of economically managing the risk of stock price fluctuation involved in holding equity products, and (4) credit derivatives for the purpose of economically managing the credit risk in loans, residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), collateralized loan obligations ("CLO") and other similar assets. Such derivatives are accounted for as trading positions. The changes in fair value of these instruments are primarily recorded in Trading account gains (losses)—net, even though they are used to mitigate or transform the risk of exposures arising from banking activities. The net gains (losses) resulting from changes in the fair value of certain credit derivatives where the Group purchases protection to mitigate its credit risk exposure, related to its corporate loan portfolio, is recorded in Other noninterest income (expenses).

The following table summarizes gains and losses on derivatives not designated or qualifying as hedges during the fiscal years ended March 31, 2021, 2022 and 2023:

	Gains (losses) recorded in income		
	2021	2022	2023
	(in millions of yen)		
Interest rate contracts	(27,893)	(130,312)	(508,743)
Foreign exchange contracts	115,181	145,979	317,459
Equity-related contracts	(209,488)	728,226	534,615
Credit-related contracts[(Note)]	(58,602)	(13,877)	(3,857)
Other contracts	23,680	7,762	59,599
Total	(157,122)	737,778	399,073

Note: Amounts include the net gains (losses) of ¥(2,956) million, ¥(605) million and ¥(653) million on the credit derivatives economically managing the credit risk of loans during the fiscal years ended March 31, 2021, 2022 and 2023, respectively.

Credit derivatives

A credit derivative is a bilateral contract between a seller and a buyer of protection against the credit risk of a particular entity. Credit derivatives generally require that the seller of credit protection make payments to the

buyer upon the occurrence of predefined credit events, which include bankruptcy, dissolution or insolvency of the referenced entity. The MHFG Group either purchases or writes protection on either a single name or a portfolio of reference credits. The Group enters into credit derivatives to help mitigate credit risk in its corporate loan portfolio and other cash positions, to take proprietary trading positions, and to facilitate client transactions.

The notional amount of credit derivatives represents the maximum potential amount of future payments the seller could be required to make. If the predefined credit event occurs, the seller will generally have a right to collect on the underlying reference credit and the related cash flows, while being liable for the full notional amount of credit protection to the buyer. The Group manages credit risk associated with written protection by purchasing protection with identical or similar underlying reference credits, which substantially offsets its exposure. Thus, the notional amount is not necessarily a reliable indicator of the Group's actual loss exposure.

The following table summarizes the notional and fair value amounts of credit derivatives at March 31, 2022 and 2023:

	2022		2023	
	Notional amount	Fair value	Notional amount	Fair value
	(in billions of yen)			
Credit protection written:				
Investment grade	3,045	38	4,497	31
Non-investment grade	2,122	54	5,774	62
Total	5,167	92	10,271	93
Credit protection purchased	6,690	(95)	12,477	(75)

Note: The rating scale is based upon either the external ratings or the internal ratings of the underlying reference credit. The lowest investment grade rating is considered to be BBB$^-$, while anything below or unrated is considered to be non-investment grade. Non-investment grade credit derivatives primarily consist of unrated credit default swap indices such as CDX and iTraxx.

The following table shows the maximum potential amount of future payments for credit protection written by expiration period at March 31, 2022 and 2023:

	Maximum payout/Notional amount	
	2022	2023
	(in billions of yen)	
One year or less	245	331
After one year through five years	4,785	9,585
After five years	137	355
Total	5,167	10,271

Note: The maximum potential amount of future payments is the aggregate notional amount of the credit derivatives where the Group wrote the credit protection, and it has not been reduced by the effect of any amounts that the Group may possibly collect on the underlying assets and the related cash flows, nor netted against that of credit protection purchased.

Credit-related contingent features

Certain of the MHFG Group's derivative instruments contain provisions that require the Group's debt to maintain an investment grade credit rating from the major credit rating agencies. If the Group's debt credit rating

were to fall below investment grade, the counterparties to the derivative instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments which are in net liability positions for the Group.

The following table shows the quantitative information about derivative instruments with credit-risk-related contingent features at March 31, 2022 and 2023:

	2022	2023
	(in billions of yen)	
Aggregate fair value of derivative instruments with credit-risk-related contingent features in net liability positions	1,149	814
Collateral provided to counterparties in the normal course of business	1,164	663
Amount required to be posted as collateral or settled immediately if credit-risk-related contingent features were triggered	—	151

Note: There was no amount that the Group would be required to post as collateral or settle immediately on March 31, 2022.

22. Commitments and contingencies

Obligations under guarantees

The MHFG Group provides guarantees or indemnifications to counterparties to enhance their credit standing and enable them to complete a variety of business transactions. A guarantee represents an obligation to make payments to third parties if the counterparty fails to fulfill its obligation under a borrowing arrangement or other contractual obligation.

The types of guarantees under ASC 460, "Guarantees" ("ASC 460") provided by the MHFG Group are described below.

Performance guarantees

Performance guarantees are issued to guarantee customers' performance under contractual arrangements such as a tender bid on a construction project or the completion of a construction project.

Guarantees on loans

Guarantees on loans include obligations to guarantee the customers' borrowing contracts. The MHFG Group is required to make payments to the guaranteed parties in the event that customers fail to fulfill obligations under the contracts.

Guarantees on securities

Guarantees on securities include obligations to guarantee securities, such as bonds issued by customers.

Other guarantees

Other guarantees include obligations to guarantee customers' payments, such as tax payments.

Guarantees for the repayment of trust principal

The MHFG Group provides certain trust products with guarantees for the repayment of trust principal, e.g., loan trusts and certain jointly operated designated money trusts. Pursuant to Japanese trust-related laws, trustees are prohibited from compensating beneficiaries for any loss in the beneficial interests in each trust. However, under a special condition of the Japanese trust-related laws, trust banks as trustees are allowed to enter into an agreement to provide compensation for any loss in the principal of the trust. The MHFG Group manages and administers the trust assets to minimize exposures against losses from the guarantees for the repayment of trust principal, including writing-off nonaccrual loans and charging it to the trust account profits. In performing its fiduciary duties, the MHFG Group also manages the trust assets separately from its own proprietary assets on behalf of customers and keeps separate records for the trust activities. The MHFG Group consolidates certain guaranteed principal money trusts. See Note 23 “Variable interest entities and securitizations” for further discussion of the guaranteed principal money trusts. The contract amounts of guarantees for repayment of unconsolidated trust principal are presented in the tables below.

Part of the trust account profits is set aside as a reserve in trust accounts to absorb losses in the trust asset portfolios in accordance with relevant Japanese laws concerning the trust business and/or trust agreements. Statutory reserves for loan trusts and reserves for jointly operated designated money trusts are calculated based on the trust principal or the balance of loans and other assets in the trust accounts. Since the probability of principal indemnification is considered to be remote, the MHFG Group had no related reserve for credit losses recorded in its consolidated financial statements.

Liabilities of trust accounts

The MHFG Group, as trustee, may enter into an agreement with a third party who is not the party to the relevant trust agreement to the extent necessary to handle the trust affairs for the purpose of fulfilling the objectives of the trust and, as such, the trustee shall be allowed to assume certain liabilities. Pursuant to Japanese trust-related laws, the trustee is ultimately liable to pay those liabilities out of its proprietary assets in the event that the trust assets are insufficient to cover those liabilities. The amount of trust liabilities rarely exceeds the amount of trust assets and, therefore, those liabilities are generally covered by the corresponding trust assets. To avoid the demand for payment out of the proprietary assets, the trustee can enter into a special covenant of limited liability under which the trust creditors agree to limit the trustee’s liability to the value of the trust assets and to waive the right for compulsory execution against the trustee’s proprietary assets. The MHFG Group regularly monitors the condition of trust accounts to minimize exposures against making payment.

The amounts of such liabilities in the trust accounts, excluding those with the special covenant of limited liability, are presented in the tables below. Liabilities of trust accounts principally include obligations to return collateral under security lending transactions and other transactions.

Derivative financial instruments

Certain written options and credit default swaps are deemed guarantees pursuant to the definition of guarantees in ASC 460 if these contracts require the MHFG Group to make payments to counterparties based on changes in an underlying instrument or index that is related to an asset, a liability, or an equity security of the counterparties. The MHFG Group’s payments could involve a gross settlement or a net settlement. Because it is difficult in practice to determine whether the counterparty has the asset, the liability or the equity security relating to the underlying, the MHFG Group has decided to include all credit default swaps and written options, excluding written options outside the scope of ASC 460, in the guarantee disclosures.

The MHFG Group records all guarantees and similar obligations subject to ASC 460 at fair value in the consolidated balance sheets at the inception of the guarantee. The total carrying amount of guarantees and similar

obligations at March 31, 2022 and 2023 was ¥443 billion and ¥315 billion, respectively, and was included in Other liabilities and Trading account liabilities. The total includes the carrying amounts of derivatives that are deemed to be guarantees, which amounted to ¥416 billion and ¥285 billion at March 31, 2022 and 2023, respectively.

The table below summarizes the remaining term and maximum potential amount of future payments by type of guarantee at March 31, 2022 and 2023. The maximum potential amount of future payments disclosed below represents the contractual amounts that could be required to be repaid in the event of the guarantees being executed, without consideration of possible recoveries under recourse provisions or from collateral held. With respect to written options included in derivative financial instruments in the table below, in theory, the MHFG Group is exposed to unlimited losses; therefore, the table shows the notional amounts of the contracts as a substitute for the maximum exposure.

The MHFG Group, when necessary, requires collateral such as cash, investment securities and real estate or third-party guarantees depending on the amount of credit risk involved, and employs means such as sub-participation to reduce the credit risk associated with guarantees. The maximum exposure or notional amount below does not represent the expected losses from the execution of the guarantees.

		Amount by expiration period		
2022	Maximum potential/Contractual or Notional amount	One year or less	After one year through five years	After five years
		(in billions of yen)		
Performance guarantees	3,254	2,084	996	174
Guarantees on loans	419	314	42	63
Guarantees on securities	75	9	66	—
Other guarantees	2,899	2,381	451	67
Guarantees for the repayment of trust principal	22	—	9	13
Liabilities of trust accounts	478	116	199	163
Derivative financial instruments	36,484	17,110	15,721	3,653

		Amount by expiration period		
2023	Maximum potential/Contractual or Notional amount	One year or less	After one year through five years	After five years
		(in billions of yen)		
Performance guarantees	3,548	1,954	1,413	181
Guarantees on loans	228	149	26	53
Guarantees on securities	82	14	68	—
Other guarantees	3,306	2,339	869	98
Guarantees for the repayment of trust principal	18	—	8	10
Liabilities of trust accounts	554	97	282	175
Derivative financial instruments	83,420	53,774	24,954	4,692

The table below presents the maximum potential amount of future payments of performance guarantees, guarantees on loans, guarantees on securities and other guarantees classified based on internal ratings at March 31, 2022 and 2023:

	2022	2023
	(in billions of yen)	
Investment grade	5,336	5,587
Non-investment grade	1,311	1,577
Total	6,647	7,164

Note: Investment grade in the internal rating scale generally corresponds to BBB- or above in the external rating scale.

Other off-balance-sheet instruments

In addition to guarantees, the MHFG Group issues other off-balance-sheet instruments to its customers, such as lending-related commitments and commercial letters of credit. Under the terms of these arrangements, the MHFG Group is required to extend credit or make certain payments upon the customers' requests.

Commitments to extend credit

Commitments to extend credit are legally binding agreements to lend to customers on demand. They usually have set maturity dates. These agreements differ from guarantees in that they are generally revocable or contain provisions that enable the MHFG Group to avoid payment or reduce the amount of credit extended under certain conditions, such as the deterioration of the borrower's financial condition or other reasonable conditions. The MHFG Group monitors the financial condition of the potential borrowers throughout the commitment period to determine whether additional collateral or changes in the terms of the commitment are necessary. Since many of these commitments to extend credit expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Commitments to invest in securities

Commitments to invest in securities include legally binding contracts to make additional contributions to investment funds, such as private equity funds in accordance with the terms of investment agreements.

Commercial letters of credit

Commercial letters of credit are issued in connection with customers' trade transactions. Normally, the customers cannot receive the goods until they make payment to a bank, and therefore these commercial letters of credit are collateralized by the underlying goods. Upon issuance of commercial letters of credit, the MHFG Group monitors the credit risk associated with these transactions to determine if additional collateral is required.

The table below summarizes the contractual amounts with regard to these undrawn commitments at March 31, 2022 and 2023:

	2022	2023
	(in billions of yen)	
Commitments to extend credit (Note)	92,203	100,973
Commercial letters of credit	1,422	1,336
Total	93,625	102,309

Note: Commitments to extend credit include commitments to invest in securities.

Allowance for credit losses on off-balance-sheet instruments

The amounts of allowance for credit losses on off-balance-sheet instruments at March 31, 2022 and 2023 were ¥71 billion and ¥78 billion, respectively, and were included in Other liabilities.

Legal proceedings and investigations

The MHFG Group is involved in normal collection proceedings initiated by the Group, other legal proceedings and investigations in the ordinary course of business. In accordance with ASC 450, the Group recognizes a liability for loss contingencies arising from such proceedings and investigations when a loss is probable and the loss amount or the range of the loss can be reasonably estimated. However, if a loss is reasonably possible but the range of loss is not probable and reasonably estimable, the Group does not recognize a liability but discloses the detail of such proceedings and investigations. Based on the information available as of the date of the consolidated financial statements, the Group believes that the outcome of the collection, legal proceedings and investigations will not have a significant adverse effect on the consolidated financial statements.

Leases

The MHFG Group is obligated under a number of lease arrangements. The Group's lessee arrangements mainly consist of operating leases for real estate, such as office space, including its head office, and branches. Finance leases are not significant. Some of the Group's operating leases include variable lease payments.

The following table presents the consolidated balance sheet information related to operating leases as of March 31, 2022 and 2023:

	2022	2023
	(in millions of yen, except for remaining lease term and discount rate)	
Right-of-use assets(Note)	570,171	549,668
Lease liabilities(Note)	593,339	571,087
Weighted average:		
Remaining lease term	15.5 years	14.7 years
Discount rate	0.60%	0.66%

Note: Right-of-use assets and lease liabilities are included in Other assets and Other liabilities, respectively, on the consolidated balance sheets.

The following table presents lease cost and supplemental information related to operating leases for the fiscal years ended March 31, 2021, 2022 and 2023:

	2021	2022	2023
	(in millions of yen)		
Lease cost[(Note)]	119,453	111,907	101,808
Right-of-use assets obtained in exchange for new lease liabilities	108,430	51,901	65,417
Operating cash flows	102,150	101,223	86,329

Note: Lease cost for operating leases are included in Occupancy expenses on the consolidated statements of income. The Group's variable lease costs and costs for leases with terms of twelve months or less are not significant.

The following table shows future lease payments under operating leases as of March 31, 2023:

	As of March 31, 2023
	(in millions of yen)
Fiscal year ending March 31:	
2024	79,207
2025	60,345
2026	53,518
2027	43,575
2028	34,048
2029 and thereafter	324,165
Total lease payments	594,858
Amount representing interest	23,771
Total lease liabilities for operating leases	571,087

23. Variable interest entities and securitizations

Variable interest entities

In the normal course of business, the MHFG Group is involved with VIEs primarily through the following types of transactions: asset-backed commercial paper/loan programs, asset-backed securitizations, investments in securitization products, investment funds, trust arrangements, structured finance, and funding vehicles. The Group consolidates certain of these VIEs, where the Group is deemed to be the primary beneficiary because it has both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The MHFG Group reassesses whether it is the primary beneficiary on an ongoing basis as long as the Group has any continuing involvement with the VIE. There are also other VIEs, where the Group has determined that it is not the primary beneficiary but has significant variable interests. In evaluating the significance of the variable interests, the Group takes into consideration the extent of its involvement with each VIE, such as the seniority of its investments, the share of its holding in each tranche and the variability it expects to absorb, as well as other relevant facts and circumstances. The likelihood of loss is not necessarily relevant to the determination of significance, and therefore, "significant" does not imply that there is high likelihood of loss. The maximum exposure to loss that is discussed in this section refers to the maximum loss that the Group could possibly be required to record in its consolidated statements of income as a result of its involvement with the VIEs. This represents exposures associated with both on-balance-sheet assets and off-balance-sheet liabilities

related to the VIEs. Further, this maximum potential loss is disclosed regardless of the probability of such losses and, therefore, it is not indicative of the ongoing exposure which is managed within the Group's risk management framework.

The table below shows the consolidated assets of the Group's consolidated VIEs as well as total assets and maximum exposure to loss for its significant unconsolidated VIEs, in which the Group has determined that its maximum exposure to loss is greater than specific thresholds or meets certain other criteria as of March 31, 2022 and 2023:

	Consolidated VIEs	Significant unconsolidated VIEs	
2022	Consolidated assets	Total assets	Maximum exposure to loss
		(in billions of yen)	
Asset-backed commercial paper/loan programs	2,709	—	—
Asset-backed securitizations	1,363	190	90
Investments in securitization products	388	—	—
Investment funds	1,816	3,392	719
Trust arrangements and other	5,299	—	—
Total	11,575	3,582	809

	Consolidated VIEs	Significant unconsolidated VIEs	
2023	Consolidated assets	Total assets	Maximum exposure to loss
		(in billions of yen)	
Asset-backed commercial paper/loan programs	3,082	—	—
Asset-backed securitizations	1,514	224	134
Investments in securitization products	387	—	—
Investment funds	2,294	3,397	845
Trust arrangements and other	4,877	—	—
Total	12,154	3,621	979

As of March 31, 2022 and 2023, the noncontrolling interests in consolidated VIEs amounted to ¥388 billion and ¥719 billion, respectively, and are included in the Group's equity-classified noncontrolling interests.

The Group has not provided financial or other support to consolidated or unconsolidated VIEs that the Group was not previously contractually required to provide.

The tables below present the carrying amounts and classification of assets and liabilities on the MHFG Group's balance sheets that relate to its variable interests in significant unconsolidated VIEs, as of March 31, 2022 and 2023:

Assets on the MHFG Group's balance sheets related to unconsolidated VIEs:	2022	2023
	(in billions of yen)	
Trading account assets	143	83
Investments	430	482
Loans	92	154
Total	665	719

Liabilities on the MHFG Group's balance sheets and maximum exposure to loss related to unconsolidated VIEs:	2022	2023
	(in billions of yen)	
Payables under securities lending transactions	54	—
Trading account liabilities	2	1
Total	56	1
Maximum exposure to loss (Note)	809	979

Note: This represents the maximum amount the Group could possibly be required to record in its consolidated statements of income associated with on-balance-sheet exposures and off-balance-sheet liabilities such as undrawn commitments.

In the table above the nature of the Group's variable interest can take different forms, as described further in the notes below. Additionally the Group's exposure to the obligations of VIEs is generally limited to its interest in these entities. In certain instances the Group provides undrawn commitments to the VIEs.

The Group's maximum exposure to loss presented in the table above does not include the benefit of offsetting financial instruments that are held to mitigate the risks associated with these variable interests. Furthermore, the Group's maximum exposure to loss presented in the table above is not reduced by the amount of collateral held as part of the transaction with the VIE or any party to the VIE directly against a specific exposure to loss.

Asset-backed commercial paper/loan programs

The MHFG Group manages several asset-backed commercial paper/loan programs that provide its clients with off-balance-sheet and/or cost-effective financing. The VIEs used in the programs purchase financial assets, primarily receivables, from clients participating in the programs and provide liquidity through the issuance of commercial paper or borrowings from the MHFG Group backed by the financial assets. While customers normally continue to service the transferred receivables, the MHFG Group underwrites, distributes, and makes a market in commercial paper issued by the conduits. The MHFG Group typically provides program-wide liquidity and credit support facilities and, in some instances, financing to the VIEs. The MHFG Group has the power to determine which assets will be held by the VIEs and has an obligation to monitor these assets. The Group is also responsible for liability management. In addition, through the liquidity and credit support facilities provided to the VIEs, the Group has the obligation to absorb losses that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs.

Asset-backed securitizations

The MHFG Group acts as an arranger of various types of structured finance schemes to meet its clients' needs for off-balance-sheet financing. In substantially all of these structured financing transactions, the transfer of the

financial asset by the client is structured to be bankruptcy remote by use of a bankruptcy remote entity, which is deemed to be a VIE because its equity holder does not have decision making rights. The MHFG Group receives fees for structuring and/or distributing the securities sold to investors. In some cases, the MHFG Group itself purchases the securities issued by the entities and/or provides loans to the VIEs.

In addition, the MHFG Group establishes several single-issue and multi-issue special purpose entities that issue collateralized debt obligations ("CDO") or CLO, synthetic CDO/CLO or other repackaged instruments to meet clients' and investors' financial needs. The MHFG Group also arranges securitization transactions including CMBS, RMBS and others. In these transactions, the MHFG Group acts as an underwriter, placement agent, asset manager, derivatives counterparty, and/or investor in debt and equity instruments.

In these cases, the MHFG Group considers that these variable interests are not significant as the MHFG Group does not have material balance sheet or off-balance exposure at risk related to these variable interests. However, when the MHFG Group has invested in securities issued by the VIEs and/or provides loans to the VIEs and its investment is most part of shares, such variable interests are deemed to be "significant." In certain VIEs, where the MHFG Group provides liquidity and credit support facilities, writes credit protection or invests in debt or equity instruments in its role as an arranger, servicer, administrator or asset manager, etc., the Group has the power to determine which assets will be held by the VIEs or to manage and monitor these assets. In addition, through the variable interests above, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs.

The MHFG Group manages Tender Option Bond ("TOB") programs which are associated with trusts that hold highly-rated, fixed-rate and tax-exempt municipal bonds. The trust finances the purchase of their municipal bonds by issuing two types of certificates: (1) short-term puttable and floating-rate certificates ("floaters"), typically purchased by money market funds and (2) certificates that earn all excess cash flow received by the trust after floaters and fees are paid ("residuals"), purchased by the transferor of the municipal bond to the trust as a sponsor. The Group is engaged in two types of TOB trusts: customer TOB trusts and non-customer TOB trusts. Customer TOB trusts are those for which the residuals are purchased by customers of the Group, whereas the residuals issued by non-customer TOB trusts are purchased by the Group. Both types of TOB trusts are deemed to be VIEs because its equity holder does not have decision making rights. The MHFG Group considers that it is a "significant" variable interest when the Group has the residuals as a sponsor and/or provides liquidity and credit support facilities. The Group often commits to provide liquidity to customer TOB trusts and the residual holders of customer TOB trusts are obligated to reimburse the Group for any payment the Group makes under those liquidity and credit support facilities. In non-customer TOB trusts, where the MHFG Group holds the residuals as a sponsor, the Group has the power to determine which assets will be held by the VIEs or to manage and monitor these assets. In addition, through the variable interests above, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs. Customer TOB trusts are not consolidated in the financial statements of the Group, as the residuals are held by customers and the Group does not have power to determine which assets will be held by the VIEs or to manage and monitor these assets.

Investments in securitization products

The MHFG Group invests in, among other things, various types of CDO/CLO, synthetic CDO/CLO and repackaged instruments, CMBS and RMBS arranged by third parties for the purpose of generating current income or capital appreciation, which all utilize entities that are deemed to be VIEs. By design, such investments were investment grade at issuance and held by a diverse group of investors. The potential loss amounts of the securities and the loans are generally limited to the amounts invested because the Group has no contractual

involvement in such VIEs beyond its investments. Since the Group is involved in these VIEs only as an investor, the Group does not ordinarily have the power to direct the VIEs' activities that most significantly impact the VIEs' economic performance. Similar to the criteria noted in the asset-backed securitization section, the Group views this investment activity to be "significant" when it has a large investment share and/or provides loans to the VIEs. The Group consolidates VIEs, where the transactions are tailored by the third-party arrangers to meet the Group's needs as a main investor, who is ultimately deemed to have the power to determine which assets are to be held by the VIEs. The Group also invests in certain beneficial interests issued by VIEs which hold real estate that the Group utilizes. In addition to these variable interests, when the Group has the power including the sole unilateral ability to liquidate the VIEs, the Group consolidates such VIEs.

Investment funds

The MHFG Group invests in various investment funds, including securities investment trusts, which collectively invest in equity and debt securities that include listed Japanese securities and investment grade bonds. Investment advisory companies or fund management companies, including the Group's subsidiaries and affiliates, administer and make investment decisions about such investment funds. The Group considers that it is a "significant" variable interest when the Group's investment share is greater than threshold. The Group consolidates certain investment funds where it is deemed to be the primary beneficiary.

The Group determines whether it is the primary beneficiary by evaluating whether it has both (1) the power to make investment decisions about the investment funds and (2) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the investment funds. The Group consolidates certain investment funds where it is deemed to be the primary beneficiary.

Trust arrangements

The MHFG Group offers a variety of asset management and administration services under trust arrangements including security investment trusts, pension trusts and trusts used in the securitization of assets originated by and transferred to third parties. The Group receives trust fees for providing services as an agent or fiduciary on behalf of beneficiaries. In these cases, the MHFG Group considers that these variable interests are not significant except for its specific involvement as noted below.

With respect to guaranteed principal money trust products, the MHFG Group assumes certain risks by providing guarantees for the repayment of principal as required by the trust agreements or relevant Japanese legislation. The MHFG Group manages entrusted funds primarily through the origination of high-quality loans and other credit-related products, investing in investment grade marketable securities such as Japanese government bonds and placing cash with the MHFG Group's subsidiary trust banks. The Group has the power to determine which assets will be held by the VIEs or to manage these assets. In addition, through the principal guarantee agreements, the Group has the obligation to absorb losses that could potentially be significant to the VIEs. Therefore, the Group consolidates such VIEs. However, the MHFG Group does not consolidate certain guaranteed principal money trusts, which invest all the entrusted funds in the MHFG Group itself, as the Group has determined that it has no variable interests. See Note 22 "Commitments and contingencies" for the balances of guaranteed trust principal that are not consolidated at March 31, 2022 and 2023.

With respect to non-guaranteed trust arrangements, the MHFG Group manages and administers assets on behalf of its customers (trust beneficiaries) in the capacity of a trustee and fiduciary. For substantially all non-guaranteed trust arrangements, the Group generally does not have the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance or has neither the obligation to absorb losses nor the right to receive benefits that could potentially be significant to the VIEs. Therefore, such trust accounts are not included in the consolidated financial statements of the MHFG Group.

The MHFG Group has established a trust in August 2020, which holds the Group's housing loans and in turn issues beneficiary interests to the Group. The Group pledges the beneficiary interests as a collateral for borrowing from the Bank of Japan. In its role as a servicer, the Group has power to direct the entity's activities that most significantly impact the entity's economic performance by managing mortgage loans owned by a trust. The Group considers that it is a "significant" variable interest since the Group can determine which assets will be held by the VIE. In addition, through the beneficiary interest, the Group has the obligation to absorb losses and the right to receive benefits that could potentially be significant to the VIE. Therefore, the Group consolidates the VIE.

Special purpose entities created for structured finance

The MHFG Group is involved in real estate, commercial aircraft and other vessel and machinery and equipment financing to VIEs and financing in securitized receivable. As the Group typically only provides senior financing with credit enhanced by subordinated interests and may sometimes act as an interest rate swap counterparty, the Group has determined that it does not have the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, or it does not have significant variable interests. Therefore, the Group does not consolidate such VIEs.

Funding Vehicles

The MHFG Group has established several wholly-owned off-shore vehicles which issue securities, typically preferred stock that is fully guaranteed by the MHFG Group, to investors unrelated to the MHFG Group to fund purchases of debt instruments issued by the MHFG Group. These entities are considered VIEs because they lack sufficient equity to finance their activities; however, the MHFG Group's investment in the vehicles' equity is not a variable interest because the investment is not considered to be at risk as the entire amount raised by the vehicles was used to purchase debt instruments issued by the MHFG Group. Because the MHFG Group does not have variable interests in these vehicles, the MHFG Group does not consolidate these entities. Debt instruments issued by the MHFG Group, which are included in Long-term debt, were ¥367 billion and ¥200 billion at March 31, 2022 and 2023, respectively.

Securitization

The MHFG Group engages in securitization activities and securitizes mortgage loans, other loans, government and corporate securities and other types of financial assets in the normal course of business. In these securitization transactions, the Group records the transfer of a financial asset as a sale when all the accounting criteria for a sale under ASC 860 are met. These criteria are (1) the transferred financial assets are legally isolated from the Group's creditors, (2) the transferee or beneficial interest holder has the right to pledge or exchange the transferred financial assets, and (3) the Group does not maintain effective control over the transferred financial assets. If all the criteria are not met, the transfer is accounted for as a secured borrowing.

For the fiscal years ended March 31, 2021, 2022 and 2023, the MHFG Group neither made significant transfers of financial assets nor recognized significant gains or losses in securitization transactions accounted for as sales. The Group did not retain significant interests in securitization transactions accounted for as sales as of March 31, 2022 and 2023.

24. Noninterest income

Details of Noninterest income for the fiscal years ended March 31, 2021, 2022 and 2023 are as follows:

	2021	2022	2023
		(in millions of yen)	
Fee and commission income:			
Securities-related business [1]	170,216	184,014	190,026
Deposits-related business [1]	15,162	15,358	15,540
Lending-related business [2] [4]	158,921	162,953	193,838
Remittance business [1]	109,111	103,979	104,201
Asset management business [1]	104,753	122,014	109,358
Trust-related business [1]	122,215	141,365	130,576
Agency business [1]	31,331	36,899	36,529
Guarantee-related business [3]	31,665	35,296	41,150
Fees for other customer services [1]	169,310	178,122	163,127
Total Fee and commission income	912,684	980,000	984,345
Foreign exchange gains (losses)—net [3]	89,267	91,611	189,526
Trading account gains (losses)—net [2]	120,596	(491,947)	(603,910)
Investment gains (losses)—net:			
Debt securities [3]	(22,032)	(14,777)	5,167
Equity securities [3]	850,567	(60,563)	135,601
Equity in earnings (losses) of equity method investees—net [3]	31,027	34,587	(26,999)
Gains on disposal of premises and equipment [3]	7,125	9,943	4,920
Other noninterest income [2] [5]	52,086	120,936	199,453
Total	2,041,320	669,790	888,103

Notes:

(1) These amounts are revenues from contracts within the scope of ASC 606, "Revenue from contracts with customers" ("ASC 606").

(2) Part of these amounts are considered to be revenues from contracts that are within the scope of ASC 606.

(3) These amounts are revenues from contracts that do not meet the scope of ASC 606.

(4) Most of the lending-related fees such as commitment fees and arrangement fees are not within the scope of ASC 606.

(5) These amounts include the net unrealized gains resulting from changes in fair values of structured notes that contain embedded derivatives. See Note 26 "Fair value" for further details.

Certain Fee and commission income, Trading account gains (losses)—net and Other noninterest income outlined in the table above are considered to be revenues from contracts that are within the scope of ASC 606. The MHFG Group disaggregates Fee and commission income, which is the main part of revenues within the scope of ASC 606, by type of business or service in the table above.

Fee and commission income

For the MHFG Group's accounting policy for the recognition of Fee and commission income, see Note 1 "Basis of presentation and summary of significant accounting policies."

Trust-related business fees consist of trust fees earned primarily through fiduciary asset management and administrative service and other trust-related fees, which amounted to ¥51 billion and ¥71 billion for the fiscal

year ended March 31, 2021, respectively, ¥56 billion and ¥85 billion for the fiscal year ended March 31, 2022, respectively, and ¥55 billion and ¥76 billion for the fiscal year ended March 31, 2023, respectively.

Trading account gains (losses)—net and Other noninterest income

In addition to Fee and commission income, Trading account gains (losses)—net and Other noninterest income include certain revenues within the scope of ASC 606. Underwriting fees from trading securities, which amounted to ¥86 billion, ¥83 billion and ¥59 billion for the fiscal years ended March 31, 2021, 2022 and 2023, respectively, are within the scope of ASC 606 and accounted for in Trading account gains (losses)—net. Underwriting fees are primarily recognized on the date which all the considerations of the transaction are fixed. For the fiscal years ended March 31, 2021, 2022 and 2023, approximately ¥15 billion, ¥15 billion and ¥21 billion, respectively, of Other noninterest income were within the scope of ASC 606. Credit card interchange fees are within the scope of ASC 606 and accounted for in Other noninterest income. Credit card interchange fees are earned on credit card transactions conducted through payment networks and recognized upon settlement of the credit card payment transactions.

Contract balances relating to revenues from contracts with customers subject to ASC 606

Contract assets and receivables from contracts with customers subject to ASC 606 are recognized in Accrued income or accounts receivable of Other assets. As of March 31, 2022 and 2023, the balance of contract assets was not material. Contract liabilities are recognized in unearned income of Other liabilities. As of March 31, 2022 and 2023, the balance of contract liabilities was not material.

Remaining performance obligations relating to revenues from contracts with customers subject to ASC 606

Remaining performance obligations are services that the MHFG Group has committed to provide in the future in connection with its contracts with customers. As of March 31, 2022 and 2023, the amount of expected revenues from current obligations to provide services in the future was not material. It excludes revenues from contracts less than one year or contracts that have provisions that allow the Group to recognize revenue at the amount it has the right to invoice.

25. Trading account gains and losses

The MHFG Group performs trading activities through market making, sales, and arbitrage. Accordingly, Trading account gains (losses)—net include gains and losses from transactions undertaken for trading purposes, including both market making for customers and proprietary trading, or transactions through which the Group seeks to capture gains arising from short-term changes in market value. Trading account gains (losses)—net also include gains and losses related to changes in the fair value of derivatives and other financial instruments not eligible for hedge accounting under U.S. GAAP that are utilized to offset mainly interest rate risk related to the Group's various assets and liabilities, as well as gains and losses related to changes in the fair value of foreign currency-denominated debt securities reported as Trading securities. Net trading gains (losses) for the fiscal years ended March 31, 2021, 2022 and 2023 are comprised of the following:

	2021	2022	2023
		(in millions of yen)	
Trading account gains (losses)—net:			
Trading securities	274,762	(1,230,330)	(1,003,636)
Derivative contracts:			
Interest rate contracts	(27,893)	(130,312)	(508,743)
Foreign exchange contracts [1]	115,181	145,979	317,459
Equity-related contracts	(209,488)	728,226	534,615
Credit-related contracts [2]	(55,646)	(13,272)	(3,204)
Other contracts	23,680	7,762	59,599
Total	120,596	(491,947)	(603,910)
Foreign exchange gains (losses)—net [3]	89,267	91,611	189,526
Net trading gains (losses)	209,863	(400,336)	(414,384)

Notes:

(1) Amounts include gains and losses on currency swaps.

(2) Amounts do not include the net gains (losses) of ¥(2,956) million, ¥(605) million and ¥(653) million on the credit derivatives economically managing the credit risk of loans during the fiscal years ended March 31, 2021, 2022 and 2023, respectively. The net gains (losses) is recorded in Other noninterest income (expenses).

(3) Amounts include realized and unrealized gains and losses on both derivative instruments and nonderivative instruments. Amounts on derivative instruments include gains and losses on forward foreign exchange contracts and currency options. Amounts on nonderivative instruments include translation gains and losses related to foreign currency-denominated debt securities reported as Trading securities.

26. Fair value

Fair value measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, ASC 820 precludes (1) the deferral of gains and losses at inception of certain derivative contracts whose fair value was not evidenced by market-observable data, and (2) the use of block discounts when measuring the fair value of instruments traded in an active market, which were previously applied to large holdings of publicly traded financial instruments.

Fair value hierarchy

ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. If no quoted market prices are available, the fair values of debt securities and over-the-counter derivative contracts in this category are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Valuation process

The MHFG Group has established valuation policies which govern the principles of fair value measurements and the authority and duty of each department. The Group has also established procedure manuals which describe valuation techniques and related inputs for determining the fair values of various financial instruments. The policies require that the measurement of fair values be carried out in accordance with the procedures performed by the risk management departments or the back offices which are independent from the front offices. The policies also require the risk management departments to check and verify whether the valuation methodologies defined in the procedure manuals are fair and proper and the internal audit departments to periodically review the compliance with the procedures throughout the Group. Although the valuation methodologies and related inputs are consistently used from period to period, a change in the market environment sometimes leads to a change in the valuation methodologies and the inputs. For instance, a change in market liquidity due to a delisting or a new listing is one of the key drivers of revisions to the valuation methodologies and the inputs. The key drivers also include the availability or the lack of market observable inputs and the development of new valuation methodologies. Price verification performed through the Group's internal valuation process has an important role in identifying whether the valuation methodologies and the inputs need to be changed. The internal valuation process over the prices broker-dealers provide, primarily for Japanese securitization products, is described in more detail below in *Available-for-sale securities.* A change in the valuation methodologies and/or the inputs requires the revision of the valuation policies and procedure manuals, which is required to be approved by the appropriate authority, either the CEO, the head of risk management, and/or the head of accounting, depending on the nature and characteristics of the change.

The following is a description of valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis, including the general classification of such instruments pursuant to the fair value hierarchy and the MHFG Group's valuation techniques used to measure fair values. During the fiscal year ended March 31, 2023, there were no significant changes made to the Group's valuation techniques and related inputs.

Trading securities and trading securities sold, not yet purchased

When quoted prices for identical securities are available in an active market, the Group uses the quoted prices to measure the fair values of securities and such securities are classified in Level 1 of the fair value hierarchy. Level 1 securities include highly liquid government bonds and equity securities. When quoted prices for identical securities are available, but not actively traded, such securities are classified in Level 2 of the fair value hierarchy. When no quoted market prices are available, the Group estimates fair values by using pricing models with inputs that are observable in the market and such securities are classified in Level 2 of the fair value hierarchy. Level 2 securities include Japanese local government bonds, corporate bonds, and commercial paper. When less liquid market conditions exist for securities, the quoted prices are stale or the prices from independent sources vary significantly, such securities are generally classified in Level 3 of the fair value hierarchy. The fair values of securitization products such as RMBS, CMBS, ABS, and CLO are determined primarily by using a discounted cash flow model. The key inputs used for the model include default rates, recovery rates, prepayment rates, and discount rates. Though most securitization products are classified in Level 2, if the significant inputs are unobservable or cannot be corroborated by observable market data, these financial instruments are classified in Level 3.

Hedge funds the Group invests in are primarily multi strategy funds that employ a fundamental bottom-up investment approach across various asset classes globally. Hedge funds are measured at the net asset value ("NAV") per share and the Group has the ability to redeem its investment with the investees at the NAV per share at the measurement date or within the near term. Private equity funds have specific investment objectives in connection with their acquisition of equity interests in new and emerging firms in need of capital. Employing venture capital strategies, they provide financing and other support to start-up businesses, medium and small entities in particular geographical areas, and to companies with certain technologies or companies in high-growth industries. Real estate funds invest globally and primarily in real estate companies, debt recapitalizations and direct property. Private equity funds and real estate funds are measured using the NAV per share practical expedient and the Group does not have the ability to redeem its investment in the investees at the NAV per share at the measurement date or within the near term. It is estimated that the underlying assets of the funds would be liquidated within a ten-year period.

Derivative financial instruments

Exchange-traded derivatives are valued using quoted market prices and consequently are classified in Level 1 of the fair value hierarchy. However, the majority of derivatives entered into by the Group are executed over-the-counter and are valued using internal valuation techniques as no quoted market prices are available for such instruments. The valuation techniques depend on the type of derivatives. The principal techniques used to value these instruments are discounted cash flow models and the Black-Scholes option pricing model, which are widely accepted in the financial services industry. The key inputs vary by the type of derivatives and the nature of the underlying instruments and include interest rate yield curves, foreign exchange rates, the spot price of the underlying, volatility and correlation. Each item is classified in either Level 2 or Level 3 depending on the observability of the significant inputs to the model. Level 2 derivatives include plain vanilla interest rate and currency swaps and option contracts. Derivative contracts valued using significant unobservable correlation or volatility are classified in Level 3 of the fair value hierarchy. In addition, the Group records credit-risk valuation adjustments on over-the-counter derivatives to reflect the credit quality of its counterparties. The Group calculates these credit-risk valuation adjustments using modeled expected exposure, and default probabilities and severity factors that are developed from market credit spreads and other related market information. Also, the Group records funding valuation adjustments to reflect the impact of funding on uncollateralized over-the-counter derivatives and derivatives where the Group is not permitted to use the collateral received, and is recognized where there is evidence that a market participant would incorporate the adjustment into the transfer

of the instrument. The Group calculates these funding valuation adjustments incorporating the expected future funding requirements arising from the Group's positions and the estimated market funding cost which considers the Group's credit risk. The Group measures these valuation adjustments based on net exposure of a group of financial assets and financial liabilities to credit risk.

Available-for-sale securities

The fair values of available-for-sale securities are determined primarily using the same procedures described under trading securities above. Since private placement bonds have no quoted market prices, the fair values of such bonds are estimated based on a discounted cash flow model using interest rates approximating the current rates for instruments with similar maturities and credit risk. Private placement bonds are classified in either Level 2 or Level 3 depending on the observability of the significant inputs to the model, such as credit risk. The fair values of securitization products such as RMBS, CMBS and ABS are generally based upon single non-binding quoted prices from broker-dealers. Such quotes are validated through the Group's internal processes and controls. In rare instances where the Group finds the quoted prices to be invalid through its internal valuation process, it adjusts those prices or alternatively estimates their fair values by using a discounted cash flow model to incorporate the Group's estimates of key inputs such as the most recent value of each underlying asset, cash flows of the underlying assets, and discount margin. The validation of such prices varies depending on the nature and type of the products. For the majority of RMBS and ABS, broker quotes are validated by investigating significant unusual monthly valuation fluctuations and comparing to prices internally computed through discounted cash flow models using assumptions and parameters provided by brokers such as the cash flows of underlying assets, yield curve, prepayment speed and credit spread. For the majority of CMBS, the Group validates broker quotes through a review process that includes the investigation of significant unusual monthly valuation fluctuations and/or a review of underlying assets with significant differences between the valuations of the Group and the broker-dealers being identified. Though most securitization products are classified in Level 2, if the significant inputs are unobservable or cannot be corroborated by observable market data, these financial instruments are classified in Level 3.

Equity securities

Equity securities mainly consist of marketable equity securities. The fair values of the marketable equity securities are based upon quoted market prices for identical equity securities trading as securities in an active market. Equity securities also include investments in certain investment funds measured using the NAV per share practical expedient including private equity funds and real estate funds. These securities are determined primarily using the same procedures described under *Trading securities and trading securities sold, not yet purchased* above.

Other investments

Other investments consist of investments held by consolidated investment companies. These companies typically hold investments in marketable and non-marketable equity securities and debt securities. The fair value of the marketable equity securities is based upon quoted market prices. The fair value of the non-marketable equity securities is based upon significant management judgment, as very limited quoted prices exist. When evaluating such securities, the Group firstly considers recent market transactions of identical securities, if applicable. Thereafter, the Group uses commonly accepted valuation techniques such as earnings multiples based on comparable public securities. Non-marketable equity securities are generally classified in Level 3 of the fair value hierarchy. The fair value of the debt securities is estimated using a discounted cash flow model, since they have no quoted market prices. Those debt securities are classified in Level 3, because the credit risk is unobservable.

Long-term debt

Fair value accounting is elected for certain long-term debt instruments with embedded derivatives. The fair values are determined using a discounted cash flow model that considers the embedded derivatives and the terms and payment structures of the notes. The fair values of the derivatives embedded in such notes are primarily derived by using the same procedures described in *Derivative financial instruments* above. Such notes are classified in Level 2 or Level 3 depending on the observability of the significant inputs into the model used to determine the fair value of the embedded derivatives. The Group also measures certain notes that contain embedded derivatives at fair value under the practicability exception. For these instruments, fair value is based on quoted prices for identical debt traded as a security in inactive markets. These instruments are classified in Level 2 of the fair value hierarchy.

Items measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis at March 31, 2022 and 2023, including those for which the MHFG Group has elected the fair value option, are summarized below:

2022	Level 1	Level 2	Level 3	Assets/ Liabilities measured at fair value
		(in billions of yen)		
Assets:				
Trading securities[1]:				
Japanese government bonds	1,604	11	—	1,615
Japanese local government bonds	—	145	—	145
U.S. Treasury bonds and federal agency securities	2,353	711	—	3,064
Other foreign government bonds	907	639	—	1,546
Agency mortgage-backed securities	—	3,176	—	3,176
Residential mortgage-backed securities	—	—	8	8
Certificates of deposit and commercial paper	—	640	—	640
Corporate bonds and other[2]	15	2,743	71	2,829
Equity securities	1,381	213	28	1,622
Trading securities measured at net asset value[3]				284
Derivative financial instruments:				
Interest rate contracts	89	4,513	22	4,624
Foreign exchange contracts	—	4,404	32	4,436
Equity-related contracts	77	323	26	426
Credit-related contracts	—	116	2	118
Other contracts	49	18	52	119
Available-for-sale securities:				
Japanese government bonds	24,662	497	—	25,159
Japanese local government bonds	—	420	—	420
U.S. Treasury bonds and federal agency securities	373	—	—	373
Other foreign government bonds	363	973	—	1,336
Agency mortgage-backed securities	—	451	—	451
Residential mortgage-backed securities	—	40	18	58
Commercial mortgage-backed securities	—	854	—	854
Japanese corporate bonds and other debt securities	—	1,920	315	2,235
Foreign corporate bonds and other debt securities	—	671	117	788
Equity securities:				
Equity securities with readily determinable fair values	3,094	61	—	3,155
Equity securities measured at net asset value[3]				210
Other investments	2	—	56	58
Total assets measured at fair value on a recurring basis	34,969	23,539	747	59,749
Liabilities:				
Trading securities sold, not yet purchased	3,054	2,035	—	5,089
Derivative financial instruments:				
Interest rate contracts	80	4,636	—	4,716
Foreign exchange contracts	—	4,472	—	4,472
Equity-related contracts	122	183	40	345
Credit-related contracts	—	120	1	121
Other contracts	28	36	52	116
Long-term debt[4]	—	1,962	794	2,756
Total liabilities measured at fair value on a recurring basis	3,284	13,444	887	17,615

2023	Level 1	Level 2	Level 3	Assets/ Liabilities measured at fair value
		(in billions of yen)		
Assets:				
Trading securities[1]:				
Japanese government bonds	1,187	7	—	1,194
Japanese local government bonds	—	138	—	138
U.S. Treasury bonds and federal agency securities	1,917	1,377	—	3,294
Other foreign government bonds	658	786	—	1,444
Agency mortgage-backed securities	—	5,309	—	5,309
Residential mortgage-backed securities	—	—	—	—
Certificates of deposit and commercial paper	—	516	—	516
Corporate bonds and other[2]	—	2,406	47	2,453
Equity securities	1,859	370	21	2,250
Trading securities measured at net asset value[3]				111
Derivative financial instruments:				
Interest rate contracts	218	8,103	53	8,374
Foreign exchange contracts	—	4,200	22	4,222
Equity-related contracts	39	73	33	145
Credit-related contracts	—	143	1	144
Other contracts	15	12	20	47
Available-for-sale securities:				
Japanese government bonds	15,771	678	—	16,449
Japanese local government bonds	—	555	—	555
U.S. Treasury bonds and federal agency securities	376	—	—	376
Other foreign government bonds	322	986	—	1,308
Agency mortgage-backed securities	—	522	—	522
Residential mortgage-backed securities	—	34	13	47
Commercial mortgage-backed securities	—	862	—	862
Japanese corporate bonds and other debt securities	—	2,008	101	2,109
Foreign corporate bonds and other debt securities	—	916	90	1,006
Equity securities:				
Equity securities with readily determinable fair values	3,052	161	—	3,213
Equity securities measured at net asset value[3]				271
Other investments	—	—	63	63
Total assets measured at fair value on a recurring basis	25,414	30,162	464	56,422
Liabilities:				
Trading securities sold, not yet purchased	2,954	3,513	—	6,467
Derivative financial instruments:				
Interest rate contracts	244	8,271	2	8,517
Foreign exchange contracts	—	4,005	8	4,013
Equity-related contracts	46	91	60	197
Credit-related contracts	—	124	2	126
Other contracts	10	15	18	43
Long-term debt[4]	—	1,844	836	2,680
Total liabilities measured at fair value on a recurring basis	3,254	17,863	926	22,043

Notes:

(1) Trading securities include foreign currency denominated securities for which the MHFG Group elected the fair value option.

(2) The amount includes CLO and convertible bonds, which are classified in Level 3.

(3) In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented for these classes of assets are intended to permit the reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position. The amounts of unfunded commitments related to these investments at March 31, 2022 and 2023 were ¥68 billion and ¥52 billion, respectively.

(4) Amounts represent items for which the Group elected the fair value option or for which it applied the practicability exception.

Items measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The following table presents a reconciliation for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the fiscal years ended March 31, 2022 and 2023:

2022	April 1, 2021	Gains (losses) in Earnings	Gains (losses) in OCI	Transfers into Level 3	Transfers out of Level 3	Purchases	Sales	Issuances	Settlements	March 31, 2022	Change in unrealized gains (losses) still held[6]
	(in billions of yen)										
Assets:											
Trading securities:											
Residential mortgage-backed securities	9	—[2]	—	—	—	—	—	—	(1)	8	—
Corporate bonds and other	1,033	7[2]	—	—	(452)	143	(72)	—	(588)	71	3
Equity securities	29	—[2]	—	—	—	—	—	—	(1)	28	1
Derivative financial instruments, net[1]:											
Interest rate contracts	8	11[2]	—	—	—	—	—	—	3	22	(22)
Foreign exchange contracts	23	8[2]	—	—	—	—	—	—	1	32	7
Equity-related contracts	(21)	(11)[2]	—	—	—	—	—	—	18	(14)	(23)
Credit-related contracts	2	(3)[2]	—	—	—	—	—	—	2	1	(1)
Other contracts	—	1[2]	—	—	—	—	—	—	(1)	—	—
Available-for-sale securities:											
Residential mortgage-backed securities	23	—[3]	—[4]	—	—	—	—	—	(5)	18	—
Commercial mortgage-backed securities	716	5[3]	(5)[4]	—	(689)	62	(60)	—	(29)	—	—
Japanese corporate bonds and other debt securities	365	(20)[3]	1[4]	—	(4)	11	—	—	(38)	315	(19)
Foreign corporate bonds and other debt securities	132	—[3]	7[4]	—	(4)	47	—	—	(65)	117	1
Other investments	53	2[3]	—	—	—	37	(3)	—	(33)	56	(2)
Liabilities:											
Trading securities sold, not yet purchased	—	—[2]	—	—	—	—	—	—	—	—	—
Long-term debt	713	61[5]	1[4]	4	(6)	—	—	534	(389)	794	77

2023	April 1, 2022	Gains (losses) in Earnings	Gains (losses) in OCI	Transfers into Level 3	Transfers out of Level 3	Purchases	Sales	Issuances	Settle-ments	March 31, 2023	Change in unrealized gains (losses) still held[6]
	(in billions of yen)										
Assets:											
Trading securities:											
Residential mortgage-backed securities	8	(1)[2]	—	—	—	—	(6)	—	(1)	—	—
Corporate bonds and other	71	4[2]	—	13	(15)	104	(46)	—	(84)	47	—
Equity securities	28	—[2]	—	—	—	2	(6)	—	(3)	21	(1)
Derivative financial instruments, net[1]:											
Interest rate contracts	22	31[2]	—	—	—	—	—	—	(2)	51	(22)
Foreign exchange contracts	32	(5)[2]	—	—	—	—	—	—	(13)	14	(6)
Equity-related contracts	(14)	(26)[2]	—	—	—	—	—	—	13	(27)	(107)
Credit-related contracts	1	(1)[2]	—	—	—	—	—	—	(1)	(1)	(5)
Other contracts	—	2[2]	—	—	—	—	—	—	—	2	2
Available-for-sale securities:											
Residential mortgage-backed securities	18	—[3]	—[4]	—	—	—	—	—	(5)	13	—
Commercial mortgage-backed securities	—	—[3]	—[4]	—	—	—	—	—	—	—	—
Japanese corporate bonds and other debt securities	315	—[3]	3[4]	—	—	25	—	—	(242)	101	8
Foreign corporate bonds and other debt securities	117	—[3]	1[4]	—	(54)	63	—	—	(37)	90	—
Other investments	56	3[3]	—	—	(1)	36	—	—	(31)	63	1
Liabilities:											
Trading securities sold, not yet purchased	—	—[2]	—	—	—	(1)	1	—	—	—	—
Long-term debt	794	29[5]	10[4]	1	(2)	—	—	323	(241)	836	60

Notes:

(1) Total Level 3 derivative exposures have been netted on the table for presentation purposes only.

(2) Gains (losses) in Earnings are reported in Trading account gains (losses)—net, Foreign exchange gains (losses)—net or Other noninterest income (expenses).

(3) Gains (losses) in Earnings are reported in Investment gains (losses)—net.

(4) Gains (losses) in OCI are reported in Other comprehensive income (loss).

(5) Gains (losses) in Earnings are reported in Other noninterest income (expenses).

(6) Amounts represent total gains or losses recognized in earnings and other comprehensive income (loss) during the period. These gains or losses were attributable to the change in fair value relating to assets and liabilities classified as Level 3 that were still held at March 31, 2022 and 2023. The amounts of unrealized gains (losses) in other comprehensive income (loss) are related to Available-for-sale securities and Long-term debt, which were ¥2 billion and ¥2 billion, respectively, at March 31, 2022, and ¥8 billion and ¥11 billion, respectively, at March 31, 2023.

Transfers between levels

During the fiscal year ended March 31, 2022, the transfers out of Level 3 included ¥452 billion of Trading securities and ¥693 billion of Available-for-sale securities. Assessing the significance of an input to the measurement requires judgment under ASC 820 and the MHFG Group previously evaluated that unobservable inputs in the valuation model were significant for certain Trading and Available-for-sale securities. During the fiscal year ended March 31, 2022, the Group refined the governance process over the fair value hierarchy by introducing certain tools, criteria and scenarios when considering if an input is significant to the fair value and whether the observable data was reliable. The transfers were supported by improvement in liquidity and price transparency since the start of the COVID-19 pandemic. Transfers out of Level 3 for Trading securities were

primarily due to assessing the significance of unobservable inputs for certain corporate bonds and other debt securities. The Group changed the criteria for the quantitative sensitivity analysis for these securities to assess the significance of unobservable inputs, such as prepayment rate, default rate, and recovery rate. Transfers out of Level 3 for Available-for-sale securities were primarily due to assessing the significance of unobservable inputs for certain CMBS. The Group changed the criteria for the quantitative sensitivity analysis for these securities to assess the significance of unobservable inputs, such as discount margin. These methods and criteria are periodically verified by the middle and back office.

Other than the above transfers between levels, during the fiscal year ended March 31, 2022, the transfers out of Level 3 included ¥4 billion of Available-for-sale securities and ¥6 billion of Long-term debt. Transfers out of Level 3 for Available-for-sale securities were primarily due to increased liquidity for certain Foreign corporate bonds and other debt securities. Transfers out of Level 3 for Long-term debt were primarily due to changes in the observability of the default rate when valuing certain structured notes. During the fiscal year ended March 31, 2022, the transfers into Level 3 included ¥4 billion of Long-term debt. Transfers into Level 3 for Long-term debt were primarily due to changes in the observability of the default rate when valuing certain structured notes.

During the fiscal year ended March 31, 2023, the transfers into Level 3 included ¥13 billion of Trading securities and ¥1 billion of Long-term debt. Transfers into Level 3 for Trading securities were primarily due to decreased price transparency for certain foreign bonds. Transfers into Level 3 for Long-term debt were primarily due to changes in the observability of the default rate when valuing certain structured notes. During the fiscal year ended March 31, 2023, the transfers out of Level 3 included ¥15 billion of Trading securities, ¥54 billion of Available-for-sale securities, ¥2 billion of Long-term debt and ¥1 billion of Other investments. Transfers out of Level 3 for Trading securities were primarily due to increased price transparency for certain foreign bonds. Transfers out of Level 3 for Available-for-sale securities were primarily due to increased price transparency for certain Foreign corporate bonds and other debt securities. Transfers out of Level 3 for Long-term debt were primarily due to changes in the observability of the default rate when valuing certain structured notes. Transfers out of Level 3 for Other investments were primarily due to increased price transparency for certain investments.

Quantitative information about Level 3 fair value measurements

The following table presents information about significant unobservable inputs related to the MHFG Group's material classes of Level 3 assets and liabilities at March 31, 2022 and 2023:

2022

Products/Instruments	Fair value	Principal valuation technique	Unobservable inputs	Range of input values	Average[4]
		(in billions of yen, except for percentages and basis points)			
Trading securities and Available-for-sale securities:					
Residential mortgage-backed securities	26	Discounted cash flow Price-based	Prepayment rate Default rate Recovery rate Discount margin	0.4%–18.1% 0.0%–0.5% 100.0%–100.0% 30.0bps–167.1bps	5.8% 0.0% 100.0% 53.1bps
Corporate bonds and other debt securities	503	Discounted cash flow Price-based	Prepayment rate[1] Default rate[1] Recovery rate[1] Discount margin[1] Discount margin[2]	5.8%–24.5% 0.2%–59.7% 10.0%–39.7% 35.4bps–102.5bps 3.9bps–446.6bps	24.3% 0.7% 39.5% 47.1bps 340.4bps
Derivative financial instruments, net:					
Interest rate contracts	22	Internal valuation model[3]	IR – IR correlation	23.2%–100.0%	75.0%
Foreign exchange contracts	32	Internal valuation model[3]	FX – IR correlation FX – FX correlation	11.4%–52.3% 41.4%–64.8%	31.4% 53.1%
Equity-related contracts	(14)	Internal valuation model[3]	Equity – IR correlation Equity correlation Equity volatility	25.0%–25.0% 3.2%–100.0% 12.6%–120.5%	25.0% 89.9% 47.3%
Credit-related contracts	1	Internal valuation model[3]	Default rate Credit correlation	0.1%–8.0% 42.6%–100.0%	1.5% 66.2%
Other contracts	—	Internal valuation model[3]	Commodity volatility	0.0%–89.4%	55.4%
Long-term debt	794	Internal valuation model[3]	IR – IR correlation FX – IR correlation FX – FX correlation Equity – IR correlation Equity – FX correlation Equity correlation Equity volatility Default rate Credit correlation	23.2%–100.0% 11.4%–52.3% 41.4%–64.8% 25.0%–25.0% -16.9%–16.8% 3.2%–100.0% 8.7%–120.5% 0.1%–8.0% 18.6%–100.0%	75.0% 38.9% 53.1% 25.0% 0.0% 89.6% 34.0% 1.5% 63.9%

2023

Products/Instruments	Fair value	Principal valuation technique	Unobservable inputs	Range of input values	Average[4]
	(in billions of yen, except for percentages and basis points)				
Trading securities and Available-for-sale securities:					
Residential mortgage-backed securities	13	Discounted cash flow Price-based	Prepayment rate Default rate Recovery rate Discount margin	0.2%–17.6% 0.0%–2.2% 100.0%–100.0% 30.0bps–167.1bps	4.4% 0.2% 100.0% 47.0bps
Corporate bonds and other debt securities	238	Discounted cash flow Price-based	Prepayment rate[1] Default rate[1] Recovery rate[1] Discount margin[1] Discount margin[2]	21.7%–21.7% 0.2%–0.2% 40.5%–40.5% 98.8bps–209.9bps 3.5bps–171.2bps	21.7% 0.2% 40.5% 116.2bps 20.1bps
Derivative financial instruments, net:					
Interest rate contracts	51	Internal valuation model[3]	IR – IR correlation	23.2%–100.0%	75.0%
Foreign exchange contracts	14	Internal valuation model[3]	FX – IR correlation FX – FX correlation	5.5%–58.2% 39.0%–64.7%	39.9% 51.9%
Equity-related contracts	(27)	Internal valuation model[3]	Equity – IR correlation Equity – FX correlation Equity correlation Equity volatility	25.0%–25.0% 0.0%–60.0% 73.9%–100.0% 10.3%–95.4%	25.0% 33.7% 96.7% 44.1%
Credit-related contracts	(1)	Internal valuation model[3]	Default rate	0.1%–12.2%	2.1%
Other contracts	2	Internal valuation model[3]	Commodity volatility	20.0%–54.5%	39.8%
Long-term debt	836	Internal valuation model[3]	IR – IR correlation FX – IR correlation FX – FX correlation Equity – IR correlation Equity – FX correlation Equity correlation Equity volatility Default rate Credit correlation	23.2%–100.0% 5.5%–58.2% 39.0%–64.7% 25.0%–25.0% -16.3%–93.3% 3.2%–100.0% 5.9%–180.8% 0.1%–13.1% 47.6%–100.0%	75.0% 39.9% 51.9% 25.0% 0.0% 90.8% 34.1% 2.3% 68.3%

Notes:
(1) These inputs are mainly used for determining the fair values of securitization products such as CDO, CLO and ABS, other than RMBS and CMBS.
(2) This input is mainly used for determining the fair values of Japanese corporate bonds and foreign corporate bonds.
(3) Internal valuation model includes discounted cash flow models and the Black-Scholes option pricing model.
(4) Averages are calculated by weighting each input by the relative fair value of the respective financial instruments except for derivative related inputs where medians are used.
(5) The range of inputs for equity securities is not disclosed, as there is a dispersion of values given the number of positions.
IR = Interest rate
FX = Foreign exchange

Uncertainty of fair value measurements relating to unobservable inputs and interrelationships among unobservable inputs

The following is a description of the uncertainty of the fair value measurements from the use of significant unobservable inputs and a description of interrelationships of the significant unobservable inputs used to measure the fair values of Level 3 assets and liabilities.

(1) Prepayment rate

The prepayment rate is the estimated rate at which voluntary unscheduled repayments of the principal of the underlying assets are expected to occur. The movement of the prepayment rate is generally negatively correlated with borrower delinquency. A change in prepayment rate would impact the valuation of the fair values of financial instruments either positively or negatively, depending on the structure of financial instruments.

(2) Default rate

The default rate is an estimate of the likelihood of not collecting contractual payments. An increase in the default rate would generally be accompanied by a decrease in the recovery rate and an increase in the discount margin. It would also generally impact the valuation of the fair values of financial instruments negatively.

(3) Recovery rate

The recovery rate is an estimate of the percentage of contractual payments that would be collected in the event of a default. An increase in recovery rate would generally be accompanied by a decrease in the default rate. It would also generally impact the valuation of the fair values of financial instruments positively.

(4) Discount margin

The discount margin is the portion of the interest rate over a benchmark market interest rate such as Tokyo Interbank Offered Rate (“TIBOR”) or swap rates. It primarily consists of a risk premium component which is the amount of compensation that market participants require due to the uncertainty inherent in the financial instruments’ cash flows resulting from credit risk. An increase in discount margin would generally impact the valuation of the fair values of financial instruments negatively.

(5) Correlation

Correlation is the likelihood of the movement of one input relative to another based on an established relationship. The change in correlation would impact the valuation of derivatives either positively or negatively, depending on the nature of the underlying assets.

(6) Volatility

Volatility is a measure of the expected change in variables over a fixed period of time. Some financial instruments benefit from an increase in volatility and others benefit from a decrease in volatility. Generally, for a long position in an option, an increase in volatility would result in an increase in the fair values of financial instruments.

Items measured at fair value on a nonrecurring basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities primarily include items that are measured at the lower of cost or fair value, and items that were initially measured at cost and have been written down to fair value as a result of impairment. The following table shows the fair value hierarchy for these items as of March 31, 2022 and 2023:

2022	Total	Level 1	Level 2	Level 3	Aggregate cost
			(in billions of yen)		
Assets:					
Loans	81	—	—	81	128
Loans held-for-sale	76	—	27	49	77
Equity securities (without readily determinable fair values)	4	—	3	1	4
Premises and equipment—net	—	—	—	—	13
Other assets	—	—	—	—	3
Total assets measured at fair value on a nonrecurring basis	161	—	30	131	225

2023	Total	Level 1	Level 2	Level 3	Aggregate cost
			(in billions of yen)		
Assets:					
Loans	97	—	—	97	165
Loans held-for-sale	216	—	16	200	282
Equity securities (without readily determinable fair values)	4	—	4	—	5
Other investments	94	93	—	1	122
Premises and equipment—net	1	—	—	1	2
Total assets measured at fair value on a nonrecurring basis	412	93	20	299	576

Note: The fair values may not be current as of the dates indicated, but rather as of the date the fair value change occurred. Accordingly, the carrying values may not equal current fair value.

Loans in the table above became nonaccrual and are measured based upon the observable market price of the loan, which is classified as Level 2, or the fair value of the underlying collateral, which is classified as Level 3.

Loans held-for-sale in the table above are accounted for at the lower of cost or fair value at the end of the period. The items for which fair values are determined by using actual or contractually determined selling price data are classified as Level 2. Due to the lack of current observable market information, the determination of the fair values for items other than the aforementioned requires significant adjustment based upon management judgment and estimation, which results in such items being classified in Level 3 of the hierarchy. Loans held-for-sale classified as Level 3 were measured at fair value based on market comparables. The significant unobservable inputs were price, whose ranges were from ¥97.0 to ¥100.0 and from ¥0.0 to ¥99.6 at March 31, 2022 and 2023, respectively. The weighted averages were ¥99.0 and ¥77.6 at March 31, 2022 and 2023, respectively.

Equity securities (without readily determinable fair values) in the table above consist of non-marketable equity securities which are measured at fair value on a nonrecurring basis, using the measurement alternative for non-marketable equity securities. These equity securities are on a nonrecurring basis either (1) written down to fair value as a result of impairment or (2) adjusted upward or downward to fair value as a result of transactions observed for the identical or similar securities of the same issuer. The fair values of the impaired non-marketable equity securities are determined primarily by using a liquidation value technique. As significant management

judgment or estimation is required in the determination of the fair values of non-marketable equity securities, they are classified as Level 3. The fair values of non-marketable equity securities adjusted based on observed transaction prices are mainly classified as Level 2.

Other investments in the table above include certain equity method investments which have been impaired and written down to fair value. The fair values of the impaired marketable equity method investments are determined by their quoted market prices. As the securities are traded on an active exchange market, they are classified as Level 1. The fair values of the impaired non-marketable equity method investments are determined primarily by using a liquidation value technique. As significant management judgment or estimation is required in the determination of the fair values of non-marketable equity method investments, they are classified as Level 3. There were no other investments measured at fair value on a nonrecurring basis as of March 31, 2022.

Premises and equipment—net and Other assets in the table above have been impaired and written down to fair value. There were no other assets measured at fair value on a nonrecurring basis as of March 31, 2023.

Fair value option

The MHFG Group elected the fair value option for certain eligible financial instruments described below.

Foreign currency denominated debt securities

The MHFG Group elected the fair value option for foreign currency denominated debt securities to mitigate the volatility in earnings due to the difference in the recognition of foreign exchange risk between foreign currency denominated debt securities and financial liabilities. Following the election of the fair value option, these debt securities are reported as trading securities in Trading account assets.

Certain hybrid financial instruments

The MHFG Group issues structured notes as part of its client-driven activities. Structured notes are debt instruments that contain embedded derivatives. The Group elected the fair value option for certain structured notes to mitigate accounting mismatches and to achieve operational simplifications. Fair value option has only been elected for part of the portfolio as the Group would not achieve operational simplifications. In addition, the Group measures certain notes that contain embedded derivatives at fair value under the practicability exception. These notes continue to be reported in Long-term debt and interest on these notes continues to be reported in Interest expense on long-term debt based on the contractual rates. Only an immaterial amount included in Long-term debt in the statement of financial position is not eligible for fair value option. The differences between the aggregate fair value of these notes and the aggregate unpaid principal balance of such instruments were ¥90 billion and ¥161 billion at March 31, 2022 and 2023, respectively. The net unrealized gains (losses) resulting from changes in fair values of these notes recorded in Other noninterest income (expenses) were of ¥(10) billion, ¥38 billion and ¥54 billion for the fiscal years ended March 31, 2021, 2022 and 2023, respectively. Changes in fair value resulting from changes in instrument-specific credit risk were estimated by incorporating the Company's current credit spreads observable in the bond market.

Fair value of financial instruments

ASC 825, "Financial Instruments" ("ASC 825"), requires the disclosure of the estimated fair value of financial instruments. The fair value of financial instruments is the amount that would be exchanged between willing parties, other than in a forced sale or liquidation. Quoted market prices, if available, are best utilized as estimates of the fair values of financial instruments. However, since no quoted market prices are available for certain financial instruments, fair values for such financial instruments have been estimated based on management's assumptions, discounted cash flow models or other valuation techniques. Such estimation methods are described

in more detail below. These estimates could be significantly affected by different sets of assumptions. There are certain limitations to management's best judgment in estimating fair values of financial instruments and inherent subjectivity involved in estimation methodologies and assumptions used to estimate fair value. Accordingly, the net realizable or liquidation values could be materially different from the estimates presented below.

The following is a description of the valuation methodologies used for estimating the fair value of financial assets and liabilities not carried at fair value on the MHFG Group's consolidated balance sheets.

Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions

The carrying value of short-term financial assets, such as cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market rates.

Investments

The fair value of held-to-maturity securities is determined primarily by using the same procedures and techniques described for trading securities and available-for-sale securities aforementioned in this Note. The fair value of non-marketable equity securities is not readily determinable, nor practicable to estimate, due to the lack of available information. Their carrying amounts of ¥207 billion and ¥208 billion at March 31, 2022 and 2023, respectively, were not included in the disclosure.

Loans

Loans have been fair valued based on the type of loan, credit quality, prepayment assumptions and remaining maturity. The fair value of loans is determined based on discounted cash flows using interest rates approximating the MHFG Group's current rates for similar loans. The fair value of collateral dependent nonaccrual loans is determined based on the fair value of the underlying collateral.

Other financial assets

The carrying value of other financial assets, which primarily consist of accounts receivable from brokers, dealers, and customers for securities transactions, accrued income and collateral provided for derivative transactions, approximates the fair value of these assets since they generally involve limited losses from credit risk or have short-term maturities with interest rates that approximate market rates. The majority of other financial assets is classified as Level 2, and included in the table in Note 12 "Other assets and liabilities."

Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions

The carrying value of short-term financial liabilities, such as noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions approximates the fair value of these liabilities since they generally have short-term maturities with interest rates that approximate market rates.

Interest-bearing deposits

The carrying value of demand deposits approximates the fair value since it represents the amount payable on demand at the balance sheet date. The fair value of time deposits and certificates of deposit is primarily estimated

based on discounted cash flow analysis using current interest rates for instruments with similar maturities. The carrying value of short-term certificates of deposit approximates the fair value.

Due to trust accounts

The carrying value of due to trust accounts approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates.

Other short-term borrowings

The carrying value of the majority of other short-term borrowings approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates. The fair value of certain borrowings is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group's incremental borrowing rates for instruments with similar maturities.

Long-term debt

Long-term debt is fair valued using quoted market prices, if available. Otherwise, the fair value of long-term debt is estimated based on discounted cash flow analysis using interest rates approximating the MHFG Group's incremental borrowing rates for instruments with similar maturities.

Other financial liabilities

The carrying value of other financial liabilities, which primarily consist of accounts payable to brokers, dealers, and customers for securities transactions, accrued expenses and collateral accepted for derivative transactions, approximates the fair value since they generally have short-term maturities with interest rates that approximate market rates. The majority of other financial liabilities is classified as Level 2, and included in the table in Note 12 "Other assets and liabilities."

The fair value of certain off-balance-sheet financial instruments, such as commitments to extend credit and commercial letters of credit, was not considered material to the consolidated balance sheets at March 31, 2022 and 2023.

The following table shows the carrying amounts and fair values at March 31, 2022 and 2023, of certain financial instruments, excluding financial instruments which are carried at fair value on a recurring basis and those outside the scope of ASC 825 such as equity method investments as defined in ASC 323, "Investments-Equity Method and Joint Ventures" ("ASC 323") and lease contracts as defined in ASC 842, "Leases" ("ASC 842"):

	2022				
	Carrying amount	Estimated fair value			
		Total	Level 1	Level 2	Level 3
	(in billions of yen)				
Financial assets:					
Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	68,366	68,366	50,628	17,738	—
Investments	1,519	1,466	485	981	—
Loans, net of allowance(Note)	89,264	90,576	—	—	90,576
Financial liabilities:					
Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions	58,054	58,054	—	58,054	—
Interest-bearing deposits	121,833	121,807	—	121,807	—
Due to trust accounts	390	390	—	390	—
Other short-term borrowings	7,567	7,567	—	7,567	—
Long-term debt	9,849	9,681	—	8,162	1,519

	2023				
	Carrying amount	Estimated fair value			
		Total	Level 1	Level 2	Level 3
	(in billions of yen)				
Financial assets:					
Cash and due from banks, interest-bearing deposits in other banks, call loans and funds sold, and receivables under resale agreements and securities borrowing transactions	83,226	83,226	66,498	16,728	—
Investments	2,050	1,915	800	1,115	—
Loans, net of allowance(Note)	93,291	94,605	—	—	94,605
Financial liabilities:					
Noninterest-bearing deposits, call money and funds purchased, and payables under repurchase agreements and securities lending transactions	64,618	64,618	—	64,618	—
Interest-bearing deposits	128,756	128,718	—	128,718	—
Due to trust accounts	749	749	—	749	—
Other short-term borrowings	3,397	3,397	—	3,397	—
Long-term debt	12,246	11,719	—	10,315	1,404

Note: Loans, net of allowance include items measured at fair value on a nonrecurring basis.

27. Offsetting of financial assets and financial liabilities

Derivatives

The MHFG Group enters into master netting arrangements such as International Swaps and Derivatives Association, Inc. ("ISDA") or similar agreements with counterparties to manage mainly credit risks associated with counterparty default. If the predetermined events including counterparty default occur, these enforceable master netting arrangements or similar agreements give the Group the right to offset derivative receivables and derivative payables and related financial collateral such as cash and securities with the same counterparty.

Repurchase and resale agreements and securities lending and borrowing transactions

Repurchase and resale agreements and securities lending and borrowing transactions are generally covered by industry standard master repurchase agreements and industry standard master securities lending agreements with netting terms to manage mainly credit risks associated with counterparty default. In the event of default by the counterparty, these agreements with netting terms provide the Group with the right to offset receivables and payables related to such transactions with the same counterparty, and to liquidate the collateral held.

The following table provides information about the offsetting of financial assets and financial liabilities at March 31, 2022 and 2023. The table includes derivatives, repurchase and resale agreements, and securities lending and borrowing transactions that are subject to enforceable master netting arrangements or similar agreements irrespective of whether or not they are offset on the Group's consolidated balance sheets.

				Amounts not offset on the balance sheet[3]		
	Gross amounts recognized	Gross amounts offset on the balance sheet	Net amounts presented on the balance sheet[2]	Financial instruments[4]	Cash collateral	Net amounts
			(in billions of yen)			
2022						
Assets[1]:						
Derivatives	9,723	—	9,723[5]	(7,232)	(891)	1,600
Receivables under resale agreements	12,751	—	12,751[6]	(11,437)	—	1,314
Receivables under securities borrowing transactions	2,339	—	2,339[7]	(2,299)	—	40
Total	24,813	—	24,813	(20,968)	(891)	2,954
Liabilities[1]:						
Derivatives	9,770	—	9,770[5]	(6,716)	(1,329)	1,725
Payables under repurchase agreements	20,070	—	20,070[6]	(19,366)	—	704
Payables under securities lending transactions	1,361	—	1,361[7]	(1,164)	—	197
Total	31,201	—	31,201	(27,246)	(1,329)	2,626
2023						
Assets[1]:						
Derivatives	12,932	—	12,932[5]	(10,476)	(821)	1,635
Receivables under resale agreements	11,695	—	11,695[6]	(10,565)	—	1,130
Receivables under securities borrowing transactions	1,892	—	1,892[7]	(1,866)	—	26
Total	26,519	—	26,519	(22,907)	(821)	2,791
Liabilities[1]:						
Derivatives	12,896	—	12,896[5]	(10,141)	(843)	1,912
Payables under repurchase agreements	25,737	—	25,737[6]	(25,113)	—	624
Payables under securities lending transactions	886	—	886[7]	(755)	—	131
Total	39,519	—	39,519	(36,009)	(843)	2,667

Notes:

(1) Amounts relating to master netting arrangements or similar agreements where the MHFG Group does not have the legal right of set-off or where uncertainty exists as to the enforceability of these agreements are excluded. For derivatives, the table includes amounts relating to over-the-counter ("OTC") and OTC-cleared derivatives that are subject to enforceable master netting arrangements or similar agreements.

(2) Derivative assets and liabilities are recorded in Trading account assets and Trading account liabilities, respectively.

(3) Amounts do not exceed the net amounts presented on the balance sheet and do not include the effect of overcollateralization, where it exists.

(4) For derivatives, amounts include derivative assets or liabilities and securities collateral that are eligible for offsetting under enforceable master netting arrangements or similar agreements.
(5) The amounts of derivative assets and liabilities subject to enforceable master netting arrangements or similar agreements were ¥9,326 billion and ¥9,235 billion, respectively, at March 31, 2022, and ¥12,574 billion and ¥12,432 billion, respectively, at March 31, 2023.
(6) The amounts of Receivables under resale agreements and Payables under repurchase agreements subject to enforceable industry standard master repurchase agreements with netting terms were ¥11,537 billion and ¥19,505 billion, respectively, at March 31, 2022, and ¥10,587 billion and ¥25,147 billion, respectively, at March 31, 2023.
(7) The amounts of Receivables under securities borrowing transactions and Payables under securities lending transactions subject to enforceable industry standard master lending agreements with netting terms were ¥2,339 billion and ¥1,172 billion, respectively, at March 31, 2022, and ¥1,892 billion and ¥758 billion, respectively, at March 31, 2023.

28. Repurchase agreements and securities lending transactions accounted for as secured borrowings

The following table shows the gross amounts of liabilities associated with repurchase agreements and securities lending transactions, by remaining contractual maturity at March 31, 2022 and 2023:

	Overnight and continuous	Up to 30 days	31-90 days	Greater than 90 days	Total
			(in billions of yen)		
2022					
Repurchase agreements	7,011	10,621	1,340	1,098	20,070
Securities lending transactions	1,098	74	—	189	1,361
Total	8,109	10,695	1,340	1,287	21,431
2023					
Repurchase agreements	2,285	16,508	5,471	1,473	25,737
Securities lending transactions	685	73	—	128	886
Total	2,970	16,581	5,471	1,601	26,623

The following table shows the gross amounts of liabilities associated with repurchase agreements and securities lending transactions, by class of underlying collateral at March 31, 2022 and 2023:

	Repurchase agreements	Securities lending transactions
	(in billions of yen)	
2022		
Japanese government bonds and Japanese local government bonds	1,714	217
Foreign government bonds and foreign agency mortgage-backed securities	17,445	90
Commercial paper and corporate bonds	271	52
Equity securities	609	989
Other	31	13
Total	20,070	1,361
2023		
Japanese government bonds and Japanese local government bonds	6,114	102
Foreign government bonds and foreign agency mortgage-backed securities	17,475	73
Commercial paper and corporate bonds	430	—
Equity securities	1,491	711
Other	227	—
Total	25,737	886

The MHFG Group is required to post securities as collateral with a fair value equal to or in excess of the principal amount of the cash borrowed under repurchase agreements. For securities lending transactions, the Group receives collateral in the form of cash. These contracts involve risks, including (1) the counterparty may fail to return the securities at maturity and (2) the fair value of the securities posted may decline below the amount of the Group's obligation and therefore the counterparty may require additional amounts. The Group attempts to mitigate these risks by entering into transactions mainly with central counterparty clearing houses which revalue assets and perform margin maintenance activities on a regular basis, diversifying the maturities and counterparties, and using mainly highly liquid securities.

29. Related party transactions

The banking subsidiaries of MHFG make loans to the MHFG Group's directors, executive officers, and other related parties. At March 31, 2022 and 2023, the aggregate loans to the Group's equity method investees amounted to ¥604 billion and ¥732 billion, respectively, and outstanding loans to MHFG Group's directors, executive officers, and other related parties were not considered significant. There were no loans to related parties that were considered nonaccrual. During the fiscal years ended March 31, 2022 and 2023, certain subsidiaries of MHFG partially withdrew assets from employee retirement benefit trusts, which were established for the payment of employees' severance pay and retirement pensions. See Note 20 "Pension and other employee benefit plans" for further details. In addition, the other transactions with the related parties excluding loan transactions and partial withdrawal of assets from employee retirement benefit trusts, are considered immaterial.

Summarized Financial Information of the MHFG Group's Equity Method Investees

Summarized financial information of the MHFG Group's equity method investees as of March 31, 2022 and 2023, and for each of the three years ended March 31, 2023, is as follows:

	2022	2023
	(in billions of yen)	
Loans	7,765	6,037
Total assets	30,180	29,367
Deposits	8,713	6,216
Total liabilities	27,474	26,506
Total equity	2,706	2,861
Noncontrolling interests	14	16

	2021	2022	2023
		(in billions of yen)	
Total interest and dividend income	570	625	750
Total interest expense	188	182	239
Provision (credit) for credit losses	91	104	96
Net interest income after provision (credit) for credit losses	291	339	415
Income before income tax expense	237	332	261
Net income	178	246	194

30. Business segment information

The MHFG Group consists of the following five in-house companies which are categorized based on a customer segment: the Retail & Business Banking Company, the Corporate & Institutional Company, the Global Corporate Company, the Global Markets Company, and the Asset Management Company. These customer segments are regarded as operating segments and constitute reportable segments.

The services that each in-house company is in charge of are as follows.

Retail & Business Banking Company

This company provides financial services for individual customers, small and medium-sized enterprises and middle market firms in Japan.

Corporate & Institutional Company

This company provides financial services for large corporations, financial institutions and public corporations in Japan.

Global Corporate Company

This company provides financial services for Japanese overseas affiliated corporate customers and non-Japanese corporate customers.

Global Markets Company

This company invests in financial products with market risk, such as interest rate risk, equity risk, and credit risk.

Asset Management Company

This company develops financial products and provides financial services that match the asset management needs of its wide range of customers from individuals to institutional investors.

The reportable segment information, set forth below, is derived from the internal management reporting systems used by management to measure the performance of the Group's operating segments. Management measures the performance of each of the operating segments in accordance with internal managerial accounting rules and practices. In addition, the format and information are presented primarily on the basis of Japanese GAAP. Therefore, they are not consistent with the consolidated financial statements prepared in accordance with U.S. GAAP. A reconciliation is provided for the total amount of all business segments' "Net business profits (losses) + Net gains (losses) related to ETFs and others" with income before income tax expense under U.S. GAAP, and the total amount of all business segments' "Fixed assets" with the total amount of Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets reported under U.S. GAAP. "Fixed assets" pertaining to MHBK, MHTB, and MHSC have been allocated to each segment.

The MHFG Group partially restructured in-house companies on April 1, 2023. The impact of the restructuring is considered immaterial to the segments.

	MHFG (Consolidated)						
2021[1]	**Retail & Business Banking Company**	**Corporate & Institutional Company**	**Global Corporate Company**	**Global Markets Company**	**Asset Management Company**	**Others[6]**	**Total**
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others[2]	699.4	475.5	519.0	495.9	50.8	(39.8)	2,200.8
General and administrative expenses[3]	642.5	209.8	292.4	224.3	33.0	6.7	1,408.7
Equity in earnings (losses) of equity method investees—net	5.4	3.9	13.2	—	1.2	(3.8)	19.9
Amortization of goodwill and others	2.3	0.1	0.4	0.8	7.6	1.0	12.2
Net business profits (losses)[4] + Net gains (losses) related to ETFs and others	60.0	269.5	239.4	270.8	11.4	(51.3)	799.8
Fixed assets[5]	532.8	192.5	169.5	98.1	—	762.8	1,755.7

	MHFG (Consolidated)						
2022[1]	Retail & Business Banking Company	Corporate & Institutional Company	Global Corporate Company	Global Markets Company	Asset Management Company	Others[6]	Total
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others[2]	715.0	494.4	592.8	388.1	59.5	4.7	2,254.5
General and administrative expenses[3]	623.7	201.4	300.0	234.7	33.4	21.8	1,415.0
Equity in earnings (losses) of equity method investees—net	5.9	3.8	16.0	—	1.5	(1.8)	25.4
Amortization of goodwill and others	2.2	0.1	0.4	0.8	7.2	1.0	11.7
Net business profits (losses)[4] + Net gains (losses) related to ETFs and others	95.0	296.7	308.4	152.6	20.4	(19.9)	853.2
Fixed assets[5]	493.0	159.1	161.8	88.5	—	794.9	1,697.3

	MHFG (Consolidated)						
2023[1]	Retail & Business Banking Company	Corporate & Institutional Company	Global Corporate Company	Global Markets Company	Asset Management Company	Others[6]	Total
	(in billions of yen)						
Gross profits + Net gains (losses) related to ETFs and others[2]	704.0	502.3	672.2	321.2	55.2	25.3	2,280.2
General and administrative expenses[3]	611.6	197.3	323.0	258.0	35.2	48.5	1,473.6
Equity in earnings (losses) of equity method investees—net	(17.0)	6.4	22.8	—	0.2	(0.5)	11.9
Amortization of goodwill and others	2.1	0.1	0.7	0.8	6.8	0.9	11.4
Net business profits (losses)[4] + Net gains (losses) related to ETFs and others	73.3	311.3	371.3	62.4	13.4	(24.6)	807.1
Fixed assets[5]	489.3	150.1	173.7	87.9	—	777.6	1,678.6

Notes:

(1) Income and expenses of foreign branches of MHBK and foreign subsidiaries with functional currencies other than Japanese Yen have been translated for purposes of segment reporting using the budgeted foreign currency rates. Prior period comparative amounts for such foreign currency income and expenses have been translated using current period budgeted foreign currency rates.

(2) "Gross profits + Net gains (losses) related to ETFs and others" is reported instead of sales reported by general corporations. Gross profits is defined as the sum of net interest income, fiduciary income, net fee and commission income, net trading income and net other operating income. Net gains (losses) related to ETFs and others consist of net gains (losses) on ETFs held by MHBK and MHTB on their non-consolidated basis and net gains (losses) on operating investment securities of MHSC on its consolidated basis. For the fiscal years ended March 31, 2021, 2022 and 2023, net gains (losses) related to ETFs and others amounted to ¥2.0 billion, ¥1.9 billion and ¥1.8 billion, respectively, of which ¥(1.3) billion, ¥2.3 billion and ¥(0.3) billion are included in "Global Markets Company," respectively.

(3) "General and administrative expenses" excludes non-allocated gains (losses), net.

(4) Net business profits (losses) is used in Japan as a measure of the profitability of core banking operations, and is defined as gross profits (as defined above) less general and administrative expenses (excluding non-allocated gains (losses), net) plus equity in earnings (losses) of equity method investees—net less

amortization of goodwill and others. Measurement of net business profits (losses) is required for regulatory reporting to the Financial Services Agency of Japan.

(5) "Fixed assets" is presented based on Japanese GAAP and corresponds to the total amount of the following U.S. GAAP accounts: Premises and equipment-net; Goodwill; Intangible assets; and right-of-use assets related to operating leases included in Other assets. The above table does not include other asset amounts because "Fixed assets" is the only balance sheet metric that management uses when evaluating and making decisions pertaining to the operating segments. "Others" in "Fixed assets" includes assets of headquarters that have not been allocated to each segment, "Fixed assets" pertaining to consolidated subsidiaries that are not subject to allocation, consolidating adjustments, and others. Certain "Fixed assets" expenses have been allocated to each segment using reasonable allocation criteria.

(6) "Others" includes the following items:

- profits and expenses pertaining to consolidated subsidiaries that are not subject to allocation;
- consolidating adjustments, including elimination of internal transaction between each segment;
- equity in earnings (losses) of equity method investees—net that are not subject to allocation; and
- profits and losses pertaining to derivative transactions that reflect the counterparty risk of the individual parties and other factors in determining fair market value.

Reconciliation

As explained above, the measurement bases of the internal management reporting systems and the income and expenses items included are different from the accompanying consolidated statements of income. Therefore, it is impracticable to present reconciliations of all the business segment's information, other than net business profits (losses), to the corresponding items in the accompanying consolidated statements of income. A reconciliation of "Net business profits (losses) + Net gains (losses) related to ETFs and others" for the fiscal years ended March 31, 2021, 2022 and 2023 presented above to income (loss) before income tax expense (benefit) shown on the consolidated statements of income and a reconciliation of "Fixed assets" at March 31, 2022 and 2023 to the total amount of Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets are as follows:

	2021	2022	2023
		(in billions of yen)	
Net business profits (losses) + Net gains (losses) related to ETFs and others	799.8	853.2	807.1
Adjustment to reconcile management reporting to Japanese GAAP:			
General and administrative expenses: non-allocated gains (losses), net	6.3	33.7	39.7
Expenses related to portfolio problems (including reversal of (provision for) general reserve for losses on loans)	(209.9)	(255.9)	(96.7)
Gains on reversal of reserves for possible losses on loans, and others	4.9	20.8	7.4
Net gains (losses) related to stocks—Net gains (losses) related to ETFs and others	10.1	(45.8)	84.6
Net extraordinary gains (losses)	115.9	44.0	(10.6)
Others	(74.9)	(46.1)	(52.5)
Income before income tax expense under Japanese GAAP	652.2	603.9	779.0
Adjustment to reconcile Japanese GAAP to U.S. GAAP:			
Derivative financial instruments and hedging activities	(86.4)	(124.0)	(373.2)
Investments	523.5	(600.1)	(210.5)
Loans	(16.9)	(18.3)	(30.3)
Allowances for credit losses	83.3	51.5	(9.8)
Premises and equipment	(56.5)	(68.5)	(29.3)
Land revaluation	6.4	6.4	5.6
Business combinations	(1.0)	6.9	8.9
Pension liabilities	(153.2)	(94.4)	(71.6)
Consolidation of variable interest entities	104.6	42.3	0.8
Foreign currency translation	(31.5)	(51.0)	(5.2)
Others	4.3	2.8	4.8
Income (loss) before income tax expense (benefit) under U.S. GAAP	1,028.8	(242.5)	69.2

	2021	2022	2023
		(in billions of yen)	
Fixed assets	1,755.7	1,697.3	1,678.6
U.S. GAAP adjustments(Note)	816.1	717.6	662.6
Premises and equipment-net, Goodwill, Intangible assets, and right-of-use assets related to operating leases included in Other assets	2,571.8	2,414.9	2,341.2

Note: The U.S. GAAP adjustments are primarily comprised of GAAP differences mainly from right-of-use assets related to operating leases not recognized under Japanese GAAP; internally developed software, which was impaired under Japanese GAAP; land, which was revalued under Japanese GAAP; and the consolidation of certain variable interest entities, which are not consolidated under Japanese GAAP.

31. Foreign activities

The following table presents consolidated income statement and total assets information by major geographic area. Foreign activities are defined as business transactions that involve customers residing outside of Japan. However, as the MHFG Group's operations are highly integrated globally, estimates and assumptions have been made for an allocation among the geographic areas.

		Americas				
	Japan	United States of America	Others	Europe	Asia/Oceania excluding Japan, and others	Total
			(in billions of yen)			
Fiscal year ended March 31, 2021:						
Total revenue[1]	2,290.8	503.8	154.5	188.7	360.1	3,497.9
Total expenses[2]	1,918.2	243.5	14.4	115.8	177.2	2,469.1
Income before income tax expense	372.6	260.3	140.1	72.9	182.9	1,028.8
Net income	235.6	227.4	137.2	60.9	156.9	818.0
Total assets at end of fiscal year	152,613.7	31,939.9	4,405.3	14,150.6	18,542.0	221,651.5
Fiscal year ended March 31, 2022:						
Total revenue[1]	991.1	562.9	41.7	184.8	333.2	2,113.7
Total expenses[2]	1,713.8	265.0	19.0	189.2	169.2	2,356.2
Income (loss) before income tax expense (benefit)	(722.7)	297.9	22.7	(4.4)	164.0	(242.5)
Net income (loss)	(509.0)	275.2	18.3	(16.3)	130.3	(101.5)
Total assets at end of fiscal year	155,111.2	36,765.7	3,667.9	15,795.9	20,210.0	231,550.7
Fiscal year ended March 31, 2023:						
Total revenue[1]	1,104.7	1,841.5	93.1	445.9	791.7	4,276.9
Total expenses[2]	1,784.1	1,455.4	84.7	413.0	470.5	4,207.7
Income (loss) before income tax expense (benefit)	(679.4)	386.1	8.4	32.9	321.2	69.2
Net income (loss)	(554.7)	297.2	1.8	19.9	269.8	34.0
Total assets at end of fiscal year	161,348.7	45,516.4	3,579.6	16,634.7	21,701.3	248,780.7

Notes:
(1) Total revenue is comprised of Interest and dividend income and Noninterest income.
(2) Total expenses are comprised of Interest expense, Provision (credit) for credit losses and Noninterest expenses.

32. Mizuho Financial Group, Inc., parent company

The following tables present the parent company only financial information of MHFG:

Condensed balance sheets

	2022	2023
	(in millions of yen)	
Assets:		
Cash and due from banking subsidiaries	51,356	47,425
Interest-bearing deposits in banking subsidiaries	414	450
Investments in subsidiaries and affiliated companies:		
Banking subsidiaries	8,102,149	7,996,767
Non-banking subsidiaries and affiliated companies	878,776	1,075,322
Long-term loans receivable from subsidiaries:		
A banking subsidiary	7,942,367	8,768,725
A non-banking subsidiary	399,000	444,000
Other assets	648,946	545,744
Total	18,023,008	18,878,433
Liabilities and shareholders' equity:		
Short-term borrowings from a banking subsidiary	755,000	810,000
Long-term debt	7,957,710	8,741,729
Other liabilities	396,086	411,213
Shareholders' equity	8,914,212	8,915,491
Total	18,023,008	18,878,433

Condensed statements of income

	2021	2022	2023
		(in millions of yen)	
Income:			
Dividends from subsidiaries and affiliated companies:			
Banking subsidiaries	214,473	197,717	209,257
Non-banking subsidiaries and affiliated companies	17,499	82,105	62,698
Management fees from subsidiaries	36,334	40,462	43,900
Interest income on loans and discounts	128,697	133,215	177,137
Gains on sales of investments in subsidiaries	40	53,005	—
Other income	11,970	11,319	37,319
Total	409,013	517,823	530,311
Expenses:			
Operating expenses	37,979	43,192	52,887
Interest expense	130,812	130,453	175,723
Losses on sales of investments in a subsidiary	—	26,606	—
Other expense	8,842	5,946	2,768
Total	177,633	206,197	231,378
Equity in undistributed net income (loss) of subsidiaries and affiliated companies—net	341,369	(505,891)	(307,879)
Income (loss) before income tax expense (benefit)	572,749	(194,265)	(8,946)
Income tax expense (benefit)	(9,016)	(89,543)	5,063
Net income (loss)	581,765	(104,722)	(14,009)

Condensed statements of cash flows

	2021	2022	2023
		(in millions of yen)	
Cash flows from operating activities:			
Net income (loss)	581,765	(104,722)	(14,009)
Adjustments and other	(390,748)	351,484	394,191
Net cash provided by operating activities	191,017	246,762	380,182
Cash flows from investing activities:			
Net change in loans	(1,167,385)	(72,313)	(511,934)
Purchases of premises and equipment	(41,382)	(26)	(81)
Proceeds from sales of premises and equipment	55,624	11	—
Purchases of investments in a subsidiary	—	—	(179,210)
Proceeds from sales of investments in subsidiaries	125	452,500	721
Net change in other investing activities	(1,370)	223	(5,591)
Net cash provided by (used in) investing activities	(1,154,388)	380,395	(696,095)
Cash flows from financing activities:			
Net change in short-term borrowings	(10,000)	(95,000)	55,000
Proceeds from issuance of long-term debt	1,477,385	930,033	1,497,032
Repayment of long-term debt	(310,000)	(1,256,720)	(1,030,099)
Purchases of treasury stock	(1,849)	(1,927)	(1,575)
Dividends paid	(190,498)	(196,783)	(209,457)
Net change in other financing activities	65	44	1,117
Net cash provided by (used in) financing activities	965,103	(620,353)	312,018
Net increase (decrease) in cash and cash equivalents	1,732	6,804	(3,895)
Cash and cash equivalents at beginning of fiscal year	43,234	44,966	51,770
Cash and cash equivalents at end of fiscal year	44,966	51,770	47,875

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
1.1	Articles of Incorporation of Mizuho Financial Group, Inc., March 2, 2023 (English Translation)
1.2	Regulations of the Board of Directors of Mizuho Financial Group, Inc., as amended on May 15, 2023 (English Translation)
1.3	Share Handling Regulations of Mizuho Financial Group, Inc., dated September 1, 2022 (English Translation)
2.1	Form of American Depositary Receipt*
2.2	Form of Deposit Agreement, amended and restated as of April 2, 2018, among the registrant, The Bank of New York Mellon as Depositary and all owners and holders from time to time of American Depositary Receipts issued thereunder**
2.3	Description of Our Shares of Common Stock and Preferred Stock—see "Item 10.B. Memorandum and Articles of Association."
2.4	Description of Our American Depositary Shares*
8	List of significant subsidiaries of Mizuho Financial Group, Inc.—see "Item 4.C. Information on the Company—Organizational Structure."
11	Code of Ethics for Financial Professionals of Mizuho Financial Group, Inc., as amended on April 1, 2021 (English Translation)*
12.1	CEO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
12.2	CFO Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
13.1	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
15	Consent of Independent Registered Public Accounting Firm
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page for the Company's Annual Report on From 20-F for the year ended March 31, 2022, has been formatted in Inline XBRL

* Incorporated by reference to our annual report on Form 20-F (No. 001-33098) filed on July 2, 2021

** Incorporated by reference to our annual report on Form 20-F (No. 001-33098) filed on July 3, 2018, except Exhibit A thereto. For the latest Exhibit A, see Exhibit 2.1 to our annual report on Form 20-F (No. 001-33098) filed on July 2, 2021.

Signature

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

MIZUHO FINANCIAL GROUP, INC.

By: /s/ Masahiro Kihara
Name: Masahiro Kihara
Title: President & Group CEO

June 28, 2023

Exhibit 1.1

ARTICLES OF INCORPORATION

OF

MIZUHO FINANCIAL GROUP, INC.

March 2, 2023

[Translation]

ARTICLES OF INCORPORATION
OF
MIZUHO FINANCIAL GROUP, INC.

CHAPTER I

GENERAL PROVISIONS

Article 1. *(Trade Name)*

The company shall be called "Kabushiki Kaisha Mizuho Financial Group" and in English, "Mizuho Financial Group, Inc."(hereinafter referred to as the "Company").

Article 2. *(Purpose)*

The purpose of the Company shall be to engage in the following businesses as a bank holding company:

(1) Operation and management of bank holding companies, banks, specialized securities companies and other companies which may be owned by the Company as its subsidiaries under the Banking Act, and any other business incidental thereto; and

(2) Any other business that a bank holding company may engage in under the Banking Act.

Article 3. *(Head Office)*

The Company shall have its head office in Chiyoda-ku, Tokyo.

Article 4. *(Organizations)*

The Company shall establish the following organizations, in addition to the general meeting of shareholders and Directors.

(1) Board of Directors;

(2) Nominating Committee, Audit Committee, and Compensation Committee; and

(3) Accounting Auditors.

Article 5. *(Method of Public Notices)*

Public notices by the Company shall be given by electronic public notices; provided, however, that in the case where an electronic public notice is impracticable due to an accident or any other unavoidable reason, the same public notice of the Company may be given in the *Nikkei*.

CHAPTER II

SHARES

Article 6. *(Total Number of Authorized Shares)*

The total number of shares which the Company is authorized to issue shall be 5,130,000,000 shares, and each total number of the classes of shares which the Company is authorized to issue shall be as set forth below; provided, however, that the total number of the classes of shares which the Company is authorized to issue in respect of the First to Fourth Series of Class XIV preferred stock shall not exceed ninety million (90,000,000) in

total, the total number of the classes of shares which the Company is authorized to issue in respect of the First to Fourth Series of Class XV preferred stock shall not exceed ninety million (90,000,000) in total, and the total number of the classes of shares which the Company is authorized to issue in respect of the First to Fourth Series of Class XVI preferred stock shall not exceed one hundred fifty million (150,000,000) in total:

Common stock:	4,800,000,000 shares
First Series of Class XIV preferred stock:	90,000,000 shares
Second Series of Class XIV preferred stock: . . .	90,000,000 shares
Third Series of Class XIV preferred stock:	90,000,000 shares
Fourth Series of Class XIV preferred stock:	90,000,000 shares
First Series of Class XV preferred stock:	90,000,000 shares
Second Series of Class XV preferred stock:	90,000,000 shares
Third Series of Class XV preferred stock:	90,000,000 shares
Fourth Series of Class XV preferred stock:	90,000,000 shares
First Series of Class XVI preferred stock:	150,000,000 shares
Second Series of Class XVI preferred stock: . . .	150,000,000 shares
Third Series of Class XVI preferred stock:	150,000,000 shares
Fourth Series of Class XVI preferred stock:	150,000,000 shares

Article 7. *(Number of Shares Constituting One (1) Unit of Shares)*

The number of shares constituting one (1) unit of shares of the Company shall be one hundred (100) with respect to the common stock and each class of preferred stock, respectively.

Article 8. *(Rights Pertaining to Shares Constituting Less Than One (1) Unit)*

A shareholder of the Company may not exercise any rights, except for the rights set forth below (excluding the rights which may not be exercised as the rights pertaining to shares constituting one (1) unit of shares), with respect to shares constituting less than one (1) unit held by such shareholder:

1. The rights provided for in each item of Article 189, Paragraph 2 of the Companies Act of Japan (the "Act");
2. The right to make a request pursuant to Article 166, Paragraph 1 of the Act;
3. The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by such shareholder; and
4. The right to make a request provided for in the following Article.

Article 9. *(Additional Purchase of Shares Constituting Less Than One (1) Unit)*

A shareholder of the Company may request the Company to sell to such shareholder a number of shares which will, when combined with the shares constituting less than one (1) unit already held by such shareholder, constitute one (1) unit of shares pursuant to the Share Handling Regulations.

Article 10. *(Record Date)*

1. The Company shall deem shareholders having voting rights appearing in writing or electronically in the register of shareholders as of the end of March 31 of each year as the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the relevant business year.
2. The provisions of the preceding paragraph shall apply *mutatis mutandis* to the record date for voting rights at the general meetings of holders of classes of stock, where there is a matter to be resolved at an ordinary general meeting of shareholders that requires, in addition to such resolution, a resolution by the relevant general meeting of holders of class of stock.

3. In addition to the preceding two paragraphs, the Company may set an extraordinary record date, when necessary, by a determination by Executive Officer(s) under the authority delegated by the Board of Directors and upon giving a prior public notice thereof.

Article 11. *(Shareholder Register Manager, Etc.)*

1. The Company shall appoint a shareholder register manager.
2. The shareholder register manager and its handling office shall be determined by a determination by Executive Officer(s) under the authority delegated by the Board of Directors, and a public notice shall be given with respect thereto.
3. The preparation and keeping of, and other operations relating to, the register of shareholders and the register of stock acquisition rights of the Company shall be entrusted to the shareholder register manager and shall not be handled by the Company.

Article 12. *(Share Handling Regulations)*

An entry, whether written or electronic, in the register of shareholders, a repurchase by the Company and an additional purchase by a shareholder of shares constituting less than one (1) unit, and other operations relating to shares and handling fees therefor and the method of request or notice by shareholders with respect to general meetings of shareholders shall be governed by the Share Handling Regulations prescribed by Executive Officer(s) under the authority delegated by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

CHAPTER III

PREFERRED STOCK

Article 13. *(Preferred Stock Dividends)*

1. In respect of dividends from its surplus provided for in Article 48 (except for interim dividends provided for in the same Article), the Company shall distribute dividends from its surplus by cash on preferred stock (hereinafter referred to as the "Preferred Stock Dividends") in such amount as provided for below to shareholders of preferred stock (hereinafter referred to as the "Shareholders of Preferred Stock") or registered stock pledgees in respect of preferred stock (hereinafter referred to as the "Registered Preferred Stock Pledgees") in priority to holders of common stock (hereinafter referred to as the "Shareholders of Common Stock"), registered stock pledgees in respect of common stock (hereinafter referred to as the "Registered Common Stock Pledgees"); provided, however, that in the case where all or a part of the Preferred Stock Interim Dividends provided for in Article 14 have been paid in the relevant business year, the amount so paid shall be reduced accordingly:

First to Fourth Series of Class XIV preferred stock:	Amount decided by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors on the issuance of such stock, which amount shall not exceed 1,000 yen per share per year
First to Fourth Series of Class XV preferred stock:	Amount decided by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors on the issuance of such stock, which amount shall not exceed 1,000 yen per share per year

First to Fourth Series of Class XVI preferred stock:	Amount decided by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors on the issuance of such stock, which amount shall not exceed 1,000 yen per share per year

2. In a given business year, if all or a part of the Preferred Stock Dividends have not been paid to the Shareholders of Preferred Stock or Registered Preferred Stock Pledgees, the unpaid amount shall not be accumulated for the subsequent business years.

3. The Company shall not distribute dividends from its surplus to any Shareholder of Preferred Stock or Registered Preferred Stock Pledgee, any amount in excess of the amount of the relevant Preferred Stock Dividends.

Article 14. *(Preferred Stock Interim Dividends)*

In respect of interim dividends provided for in Article 48, the Company shall distribute dividends from its surplus by cash in one half (1/2) of the amount of the Preferred Stock Dividends provided for in the main clause of Paragraph 1 of the preceding Article (referred to as the "Preferred Stock Interim Dividends" in these Articles of Incorporation) to the Shareholders of Preferred Stock or Registered Preferred Stock Pledgees in priority to the Shareholders of Common Stock or Registered Common Stock Pledgees.

Article 15. *(Distribution of Residual Assets)*

1. In respect of distribution of residual assets, the Company shall pay to the Shareholders of Preferred Stock or Registered Preferred Stock Pledgees in priority to the Shareholders of Common Stock or Registered Common Stock Pledgees in such amount as provided for below:

First Series of Class XIV through the Fourth Series of Class XVI preferred stock:	10,000 yen per share

2. No distribution of residual assets other than those provided for in the preceding paragraph shall be made to any Shareholder of Preferred Stock or Registered Preferred Stock Pledgee.

Article 16. *(Voting Rights)*

The Shareholders of Preferred Stock shall not have voting rights at a general meeting of shareholders; provided, however, that the Shareholders of Preferred Stock may have voting rights from the date of an ordinary general meeting of shareholders, in the case where a proposal on the Preferred Stock Dividends is not submitted to such ordinary general meeting of shareholders (except in the case where a resolution of the Board of Directors to pay the Preferred Stock Dividends is made pursuant to the provisions of Article 47 between the last day of the business year and the date of such ordinary general meeting of shareholders), or immediately after the closing of an ordinary general meeting of shareholders, in the case where a proposal on the Preferred Stock Dividends is rejected at such ordinary general meeting of shareholders, until such time as a resolution of the Board of Directors to pay the Preferred Stock Dividends is made pursuant to the provisions of Article 47 or a resolution of an ordinary general meeting of shareholders is passed to grant the Preferred Stock Dividends.

Article 17. *(Consolidation or Split of Preferred Stock, Free Allotment of Stock and Rights to Receive Allotment of Offered Stock, Etc.)*

1. The Company shall not consolidate or split any preferred stock, and shall not make any free allotment of any stock for the Shareholders of Preferred Stock.

2. The Company shall not grant the Shareholders of Preferred Stock any rights to receive allotment of offered stock, offered stock acquisition rights, bonds with stock acquisition rights, or offered stock acquisition rights and bonds, either of which are capable of being transferred separately from the others and shall not make any free allotment of any stock acquisition rights for the Shareholder of Preferred Stock.

Article 18. *(Acquisition of Preferred Stock)*

1. In respect of the First Series of Class XV through the Fourth Series of Class XVI preferred stock, the Company may acquire each such class of preferred stock, in whole or in part, on the date separately determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors, after such time and at such acquisition price as respectively determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock.
2. In the case of a partial acquisition pursuant to the preceding paragraph, such redemption shall be made by way of lot or pro rata allocation.

Article 19. *(Request for Acquisition of Preferred Stock)*

Any holder of the First to Fourth Series of Class XIV and the First to Fourth Series of Class XV preferred stock may request to the Company to acquire the relevant preferred stock held by such Shareholder of Preferred Stock during the period in which such Shareholder of Preferred Stock is entitled to request such acquisition as determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock (hereinafter, together with the period provided for in the preceding paragraph, referred to as the "Period for Acquisition Request"). The Company shall deliver its own common stock to such Shareholder of Preferred Stock, in exchange for the Company's acquisition of the relevant preferred stock. The terms of acquisition, including the number of the common stock to be delivered per one (1) share of the relevant preferred stock upon such request for acquisition, shall be determined by the relevant resolution of the Board of Directors or the relevant determination by Executive Officer(s) under the authority delegated by the Board of Directors.

Article 20. *(Mandatory Acquisition of Preferred Stock)*

1. The Company may acquire any of the First to Fourth Series of Class XIV and the First to Fourth Series of Class XV preferred stock, in respect of which a request for acquisition has not been made during the Period for Acquisition Request, on the day immediately following the last day of such period (hereinafter referred to as the "Mandatory Acquisition Date") and instead, the Company shall deliver its own common stock to holders of the relevant preferred stock. In this case, the number of shares of the common stock to be delivered in exchange for the acquisition of one (1) share of the relevant preferred stock shall be obtained by dividing the amount equivalent to the subscription money per one (1) share of the relevant preferred stock by the current market price of a share of the common stock of the Company ; provided, however, that such current market price of a share of the common stock shall be the daily average price of closing prices (including the closing bid or offered price) of the common stock of the Company (in regular trading) as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding any trading day or days on which no closing prices or closing bids or offered prices are reported) commencing on the 45th trading day prior to the Mandatory Acquisition Date, and such calculation shall be made to units of 0.01 yen, and by rounding up to the nearest 0.1 yen when equal to or more than 0.05 yen and disregarding amounts less than 0.05 yen.
2. In respect of the First to Fourth Series of Class XIV and the First to Fourth Series of Class XV preferred stock, the number of common stock referred to in the preceding paragraph shall not exceed the number of shares obtained by dividing the amount equivalent to the subscription money per one (1) share of each such class of preferred stock by the minimum acquisition price determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock.
3. In respect of the First and Second Series of Class XIV, the First and Second Series of Class XV and the First and Second Series of Class XVI preferred stock, upon the occurrence of an event determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the

Board of Directors relating to the issuance of the relevant preferred stock as an event where a write-off of the relevant preferred stock or a conversion of the relevant preferred stock into common stock, or financial support or other similar measures taken by a public sector, without which the Company would become non-viable, is determined to be necessary, the Company shall mandatorily acquire the relevant preferred stock, in whole, free of consideration, on a date which falls after the occurrence of such event as determined by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock and which date shall be separately determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors after the issuance of the relevant preferred stock, or a date which falls after the occurrence of the relevant certain event and which date shall be determined by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the capital adequacy requirements applicable to the Company and other factors.

4. In respect of the Third and Fourth Series of Class XIV, the Third and Fourth Series of Class XV and the Third and Fourth Series of Class XVI preferred stock, upon the occurrence of an event determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock as an event where a write-off of the relevant preferred stock or a conversion of the relevant preferred stock into common stock, or financial support or other similar measures taken by a public sector, without which the Company would become non-viable, is determined to be necessary, the Company shall mandatorily acquire the relevant preferred stock, in whole, on a date which falls after the occurrence of such event as determined by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock and which date shall be separately determined by a resolution of the Board of Directors or a determination by Executive Officer(s) under the authority delegated by the Board of Directors after the issuance of the relevant preferred stock, or a date which falls after the occurrence of the relevant certain event and which date shall be determined by the resolution of the Board of Directors or the determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the capital adequacy requirements applicable to the Company and other factors, and instead, the Company shall deliver its own common stock to holders of the relevant preferred stock. In this case, the terms of acquisition, including the number of shares of the common stock to be delivered in exchange for the acquisition of one (1) share of the relevant preferred stock, shall be determined by the relevant resolution of the Board of Directors or the relevant determination by Executive Officer(s) under the authority delegated by the Board of Directors relating to the issuance of the relevant preferred stock, giving due consideration to the market price of common stock, the subscription price of the relevant preferred stock and other factors.

5. In the calculation of the number of common stock provided for in Paragraphs 1, 2 and 4, any number less than one (1) share shall be treated pursuant to the provisions provided for in Article 234 of the Act.

Article 21. *(Order of Priority)*

All classes of preferred stock authorized to be issued by the Company shall rank *pari passu* with each other in respect of the payment of the Preferred Stock Dividends and the Preferred Stock Interim Dividends, and the distribution of residual assets.

CHAPTER IV

GENERAL MEETINGS OF SHAREHOLDERS

Article 22. *(Convocation of General Meetings of Shareholders)*

An ordinary general meeting of shareholders of the Company shall be convened no later than 3 months from the last day of each business year and an extraordinary general meeting of shareholders shall be convened whenever necessary.

Article 23. *(Person Authorized to Convene General Meetings of Shareholders and the Chairman of the Meeting)*

1. The Director concurrently serving as President & CEO shall convene and chair the general meeting of shareholders.
2. When there is no Director concurrently serving as President & CEO, or the Director concurrently serving as President & CEO is unable to so act, one of the other Director(s) shall convene the general meeting of shareholders and one of the other Director(s) or Executive Officer(s) shall act as the chairman in the order previously determined by the Board of Directors.

Article 24. *(Electronic Provision Measures, Etc.)*

1. The Company shall, at the time of convocation of a general meeting of shareholders, take the electronic provision measures for the information contained in the reference materials, etc. for a general meeting of shareholders.
2. Of the matters concerning which electronic provision measures will be taken, the Company may omit all or part of those matters that are provided for in the ordinances of the Ministry of Justice in the documents that will be delivered to shareholders who have requested the delivery of documents in paper form by the record date for voting rights.

Article 25. *(Method of Adopting Resolutions)*

1. Unless otherwise provided for by laws or regulations or these Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the meeting who are entitled to exercise their voting rights.
2. Resolutions of a meeting of shareholders governed by Article 309, Paragraph 2 of the Act shall be adopted by an affirmative vote of not less than two-thirds (2/3) of the voting rights held by the shareholders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.

Article 26. *(Voting by Proxy)*

1. Shareholders may exercise their voting rights at the relevant general meeting of shareholders by a proxy who shall also be a shareholder of the Company holding voting rights at such meeting.
2. The shareholder or his/her proxy shall submit to the Company a document evidencing the authority of such proxy to act as such at each general meeting of shareholders.

Article 27. *(Minutes of General Meetings)*

The minutes of general meetings of shareholders shall be prepared in writing or by electromagnetic file as provided for in laws and regulations.

Article 28. *(General Meetings of Holders of Classes of Stock)*

1. Unless otherwise provided for by laws or regulations or these Articles of Incorporation, resolutions of a general meeting of holders of classes of stock shall be adopted by an affirmative vote of a majority of the voting rights held by the holders present at the meeting who are entitled to exercise their voting rights.
2. Resolutions provided for in Article 324, Paragraph 2 of the Act shall be adopted by an affirmative vote of not less than two-thirds (2/3) of the voting rights held by the holders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the holders entitled to exercise their voting rights.
3. The provisions of Articles 23, 24 and 26 and the preceding Article shall apply *mutatis mutandis* to the general meetings of holders of classes of stock.

CHAPTER V

DIRECTORS AND BOARD OF DIRECTORS

Article 29. *(Number)*

The Company shall have not more than fifteen (15) Directors.

Article 30. *(Method of Appointment)*

1. The Director(s) shall be appointed at a general meeting of shareholders.
2. A resolution for the appointment of Director(s) shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the relevant meeting who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.
3. Cumulative voting shall not be used for the appointment of Director(s).

Article 31. *(Method of Dismissal)*

A resolution for the dismissal of Director(s) shall be adopted by an affirmative vote of a majority of the voting rights held by the shareholders present at the relevant general meeting of shareholders who shall hold in aggregate not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.

Article 32. *(Term of Office)*

The term of office of Director(s) shall expire at the closing of the ordinary general meeting of shareholders concerning the last business year ending within one (1) year after their appointment.

Article 33. *(Chairman and Deputy Chairman)*

The Board of Directors may, by its resolutions, appoint Chairman and Deputy Chairman.

Article 34. *(Person Authorized to Convene Meetings of the Board of Directors and Chairman of the Meeting)*

1. Unless otherwise provided for by laws or regulations, a Director previously appointed by the Board of Directors shall convene and chair the meeting of the Board of Directors.
2. In the case where the Director appointed pursuant to the preceding paragraph is unable to so act, one of the other Director(s) in the order previously determined by the Board of Directors shall take such person's place.

Article 35. *(Notice to Convene Meetings of the Board of Directors)*

1. Notice to convene a meeting of the Board of Directors shall be given to each Director not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened.
2. A meeting of the Board of Directors may be held without taking the procedures of convocation with the consent of all the Directors.

Article 36. *(Method of Adopting Resolutions of the Board of Directors)*

1. Resolutions of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present at the relevant meeting who shall constitute a majority in number of all the Directors entitled to take part in the vote.
2. Notwithstanding the provisions of the preceding paragraph, in cases where Director(s) submit a proposal with respect to a matter which is the purpose of the resolution of the Board of Directors, if all Directors who are entitled to vote agree in writing or by means of electromagnetic file to such proposal, it shall be deemed that the resolution to approve such proposal at a meeting of the Board of Directors has been made.

Article 37. *(Minutes of Meetings of the Board of Directors)*

The minutes of the meetings of the Board of Directors shall be prepared in writing or by electromagnetic file as provided for in laws and regulations, and the Director(s) present thereat shall affix their names and seals thereon, or electronic signatures thereto.

Article 38. *(Regulations of the Board of Directors)*

Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors prescribed by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

Article 39. *(Liability Limitation Agreements with Outside Director(s))*

Pursuant to the provisions provided for in Article 427, Paragraph 1 of the Act, the Company may enter into liability limitation agreements with any Outside Director which limit the liability provided for in Article 423, Paragraph 1 of the Act to the higher of either (i) the pre-determined amount not less than twenty million (20,000,000) yen or (ii) the amount prescribed in laws and regulations, provided that such Outside Director is bona fide and without gross negligence in performing his/her duty.

CHAPTER VI

NOMINATING COMMITTEE, AUDIT COMMITTEE, AND COMPENSATION COMMITTEE

Article 40. *(Method of Designation)*

1. Committee members who shall constitute the Nominating Committee, the Audit Committee, and the Compensation Committee shall be designated by the Board of Directors.
2. The chairman of each committee shall be designated by the Board of Directors.

Article 41. *(Regulations of Each Committee)*

Matters concerning each committee shall be governed by the Regulations of each committee prescribed by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

CHAPTER VII

EXECUTIVE OFFICERS

Article 42. *(Number)*

The Company shall have no less than one (1) Executive Officer.

Article 43. *(Method of Appointment)*

Executive Officers shall be appointed by the Board of Directors.

Article 44. *(Term of Office)*

The term of office of Executive Officers shall expire at the closing of the first meeting of the Board of Directors convened after the closing of the ordinary general meeting of shareholders concerning the last business year ending within one (1) year after their appointment.

Article 45. *(Representative Executive Officer(s) and President & CEO)*

1. The Representative Executive Officer(s) shall be designated by the Board of Directors.
2. The Board of Directors shall, by its resolutions, appoint the President & CEO.

CHAPTER VIII

ACCOUNTING

Article 46. *(Business Year)*

The business year of the Company shall be the one-year period from April 1 of each year through March 31 of the following year.

Article 47. *(Organizations that Decide Dividends from Surplus, Etc.)*

The Company may decide distribution of dividends from surplus and other matters provided for in each item of Article 459, Paragraph 1 of the Act, by a resolution of the Board of Directors, unless otherwise provided for in laws or regulations.

Article 48. *(Record Date for Distribution of Dividends from Surplus)*

The record dates for distribution of dividends from surplus of the Company shall be March 31 and September 30 of each year (in these Articles of Incorporation, distribution of dividends from surplus made with the record date of September 30 of each year shall be referred to as "interim dividends").

Article 49. *(Prescription for Payment of Dividends)*

In the case where the dividends from its surplus are distributed by cash, the Company shall be released from the obligation to pay such dividends from the surplus which have not been received after the lapse of five (5) years from the date of commencement of payment thereof.

Exhibit 1.2

[Translation]

Effective from January 8, 2003
As amended on May 15, 2023

REGULATIONS OF THE BOARD OF DIRECTORS

CHAPTER I

PURPOSE

Article 1. (*Purpose)*

These Regulations provide for matters concerning the Board of Directors pursuant to laws and regulations, the Articles of Incorporation, and the Corporate Governance Guidelines.

CHAPTER II

ORGANIZATION

Article 2. *(Function)*

The Board of Directors shall conduct the following matters.

(1) Determine the matters provided for in Article 10 of these Regulations

(2) Supervise the execution of duties by directors, executive officers as defined in the Companies Act, and executive officers as defined in our internal regulations

Article 3. (*Constitution)*

The Board of Directors shall consist of all the directors.

CHAPTER III

HOLDING, CONVOCATION AND CHAIRMAN OF MEETINGS

Article 4. *(Holding of Meetings)*

1. Meetings of the Board of Directors shall be held ordinarily and extraordinarily.
2. Ordinary meetings of the Board of Directors shall be held at least once every three (3) months.
3. Extraordinary meetings of the Board of Directors shall be held whenever necessary.
4. Meetings of the Board of Directors shall be held at the head office of the Company; provided, however, that when necessary, a meeting of the Board of Directors may be held at another location or at multiple locations by a method such as teleconference.

Article 5. *(Person Authorized to Convene Meetings and Chairman of Meetings)*

1. Unless otherwise provided for in laws and regulations, each meeting of the Board of Directors will be convened and chaired by a director who does not concurrently serve as an executive officer as defined in the Companies Act, executive director, executive officer as defined in our internal regulations or employee of the Company or a subsidiary of the Company (“Non-Executive Director”) as previously appointed by the Board of Directors.

2. In the case where the director appointed pursuant to the preceding paragraph is unable to so act, one of the other Non-Executive Director(s) in the order previously determined by the Board of Directors shall take such person's place.

3. The Board of Directors may, by its resolution, appoint a Non-Executive Director as a Deputy Chairman to assist the Chairman.

4. Any Director who is not a director provided for under the provisions of paragraph 1 or paragraph 2 or any executive officer as defined in the Companies Act may demand the convocation of a meeting of the Board of Directors in accordance with the provisions of laws and regulations.

5. Any person appointed by the Nominating Committee, the Compensation Committee, or the Audit Committee from among their members may convene a meeting of the Board of Directors in accordance with the provisions of laws and regulations.

Article 6. *(Convocation and Reduction of Convocation Period)*

Notices to convene a meeting of the Board of Directors shall be issued to each director not less than three (3) days prior to the date of that meeting; provided, however, that in case of emergency, such period may be shortened.

Article 7. *(Omission of Convocation Notice)*

A meeting of the Board of Directors may be held without taking the procedures for convocation provided for in the preceding Article with the consent of all of the directors.

CHAPTER IV

QUORUM AND METHOD OF ADOPTING RESOLUTIONS

Article 8. *(Quorum and Method of Adopting Resolutions)*

1. Resolutions of meetings of the Board of Directors shall be adopted by an affirmative vote of a majority of the directors present at the relevant meeting who shall constitute a majority in number of all the directors entitled to take part in the vote.

2. Notwithstanding the provisions of the preceding paragraph, in the case where director(s) submit a proposal with respect to a matter which is the purpose of the resolution of the Board of Directors, if all directors who are entitled to vote agree in writing or by means of electromagnetic file to such proposal, it shall be deemed that the resolution to approve such proposal at a meeting of the Board of Directors has been made.

Article 9. *(Person Who Has Special Interests)*

Any person who has special interests with respect to a matter to be resolved at a meeting of the Board of Directors may not participate in voting for resolution thereof.

CHAPTER V

MATTERS TO BE RESOLVED

Article 10. *(Matters to be Resolved)*

1. The following matters shall be resolved at a meeting of the Board of Directors.

   (1) Important matters concerning the management policy of the Company and its subsidiaries and other entities administered by the Company (collectively, the "Mizuho Group")

      (i) Basic matters concerning the management of the Mizuho Group

(ii) Basic matters concerning annual business plans and mid- and long-term business plans of the Mizuho Group;

(iii) Basic matters concerning the capital policy of the Mizuho Group (together with the preceding two items, these form the "basic management policy" under Article 416, Paragraph 1, Item 1 (a) of the Companies Act);

(iv) "System to ensure the properness of operations" of the Mizuho Group (the "Internal Control System");

(v) Matters concerning changes of particularly important companies of the Mizuho Group; and

(vi) Basic matters concerning risk governance, risk management, compliance, and internal auditing of the Mizuho Group.

(vii) Matters concerning Mizuho Group's Sustainability.

(2) Important matters concerning the Company

(i) Determination of convocation of general meetings of shareholders and agenda thereof;

(ii) Determination of person authorized to convene general meetings of shareholders and the chairman thereof (including the order in which substitutes are to be determined);

(iii) Appointment and removal of directors with special titles;

(iv) Appointment and dismissal of executive officers as defined in the Companies Act;

(v) Appointment and removal of representative executive officers as defined in the Companies Act, and executive officers as defined in the Companies Act with special titles;

(vi) Matters concerning the interrelationship between executive officers as defined in the Companies Act, including the commission to executive officers as defined in the Companies Act, and hierarchy of commands of executive officers as defined in the Companies Act;

(vii) Appointment of, removal of, and commission to executive officers as defined in our internal regulations with special titles;

(viii) Approval of competitive transactions and conflicting interest transactions by directors and executive officers as defined in the Companies Act;

(ix) Determination of person authorized to convene meetings of the Board of Directors and the Chairman thereof (including the order in which substitutes are to be determined);

(x) Determination of director to receive demands for convocation of meetings of the Board of Directors from executive officers as defined in the Companies Act;

(xi) Appointment and removal of members who constitute the Nominating Committee, the Compensation Committee, and the Audit Committee;

(xii) Appointment and removal of the Chairman of each of the Nominating Committee, the Compensation Committee, and the Audit Committee;

(xiii) Determination of a person to represent the Company in any action between the Company and a member of the Audit Committee;

(xiv) Matters concerning business transfers, etc. (including transfers of shares or equity of subsidiaries), mergers, absorption-type company splits, incorporation-type company splits, share exchanges, and share transfers of the Company which require the approval of a general meeting of shareholders;

(xv) Establishment, modification, and abolition of important organizations;

(xvi) Approval of financial statements, business reports and supplementary schedules, temporary financial statements, and consolidated financial statements;

(xvii) Distribution of surplus and other matters the Board of Directors is authorized to determine pursuant to the provisions of the Articles of Incorporation;

(xviii) Determination of approval of transfers of stock acquisition rights with restriction on transfers; and

(xix) Determination of filing for bankruptcy in the recovery plan (under the Deposit Insurance Act)

(xx) Determination of the contents of "Indemnification agreement for directors and officers" or "Directors and Officers Liability Insurance"

(xxi) Establishment of, revisions to, and abolition of particularly important internal regulations.

(3) Important matters concerning the management of subsidiaries, etc.

(i) Matters concerning transfer of particularly important subsidiaries and other entities administered by the Company

(ii) Basic matters concerning risk governance, risk management, compliance, and internal auditing of the core group companies (meaning the "core group companies" as provided in the Group Management Administration Regulations)

(iii) Appointment of, removal of, and commission to executive officers as defined in our internal regulations with special titles of management category A1 companies (companies categorized into "management category A1" under the Group Management Administration Regulations)

(4) Other matters provided for in laws and regulations or the Articles of Incorporation, or resolved at a General Meeting of Shareholders

(5) Any other matter that a Director believes should be proposed at a meeting of the Board of Directors

2. The Supplementary Provisions of the Regulations of the Board of Directors shall apply as the operating standards with respect to the matters to be resolved in the preceding paragraph.

CHAPTER VI

REPORTS, ETC. TO THE BOARD OF DIRECTORS

Article 11. *(Business Execution Reports)*

1. Executive officer(s) as defined in the Companies Act shall report to the Board of Directors at least once every three (3) months on the status of the execution of his or her duties.
2. Each person appointed by the Nominating Committee, the Compensation Committee, or the Audit Committee from among their members shall report without delay to the Board of Directors on the status of the execution of the duties of that committee.
3. The Supplementary Provisions of the Regulations of the Board of Directors shall apply as the operating standards with respect to the matters to be reported to the Board of Directors.

Article 12. *(Other Reports, etc.)*

1. The Board of Directors may, when necessary, have executive officers as defined in the Companies Act, executive officers as defined in our internal regulations, and employees of the Company, and directors, executive officers as defined in our internal regulations, and employees of subsidiaries, etc., of the Company, and outside experts, etc., attend meetings of the Board of Directors and seek their reports and opinions.

2. If an executive officer as defined in the Companies Act, executive officer as defined in our internal regulations or employee of the Company, or a director, executive officer as defined in our internal regulations or employee of subsidiaries, etc. of the Company receives a request from the Board of Directors, that person shall attend a meeting of the Board of Directors and explain matters requested by the Board of Directors.

CHAPTER VII

EXECUTIVE OFFICERS AS DEFINED IN THE COMPANIES ACT WITH SPECIAL TITLES AND EXECUTIVE OFFICERS AS DEFINED IN OUR INTERNAL REGULATIONS WITH SPECIAL TITLES

Article 13. *(Executive Officers as Defined in the Companies Act with Special Titles)*

1. The Board of Directors shall, by its resolution, appoint a President & CEO from among the executive officers as defined in the Companies Act.
2. The Board of Directors may, by its resolution, appoint one or more Deputy President & Executive Officer from among the executive officers as defined in the Companies Act.

Article 14. *(Executive Officers as Defined in our Internal Regulations with Special Titles)*

The Board of Directors may, by its resolution, appoint one or more Deputy Chairman & Executive Officer and Deputy President & Executive Officer from among the executive officers as defined in our internal regulations.

CHAPTER VIII

PRESIDENT & CEO

Article 15. *(Duties of the President & CEO)*

The President & CEO shall oversee the business of the Company as the chief executive officer of the Mizuho Group (Group CEO).

Article 16. *(Delegation to the President & CEO)*

The determination of businesses other than the matters provided for in Article 10 of these Regulations shall be delegated to the President & CEO.

CHAPTER IX

DIRECTORS WITH SPECIAL TITLES

Article 17. *(Directors with Special Titles)*

The Board of Directors may, by its resolution, appoint a Chairman, Deputy Chairman, and other directors with special titles from among the Non-Executive Directors.

CHAPTER X

MINUTES

Article 18. *(Minutes)*

The minutes of meetings of the Board of Directors shall be prepared in writing or by electromagnetic file as provided for in laws and regulations, and the Directors present thereat shall affix their names and seals thereon or electronic signatures thereto.

CHAPTER XI

OTHER MATTERS

Article 19. *(Amendment and Abolition)*

These Regulations and the Supplementary Provisions of the Regulations of the Board of Directors may be amended or abolished by a resolution of the Board of Directors.

Article 20. *(Division in Charge)*

The division in charge for administering these Regulations is the Corporate Secretariat.

[Translation]

[Supplementary Provisions of the Regulations of the Board of Directors]

MATTERS TO BE RESOLVED BY THE BOARD OF DIRECTORS

Matters to be Resolved	Operating Standards
1. Important matters concerning the management policy of the Mizuho Group	
(1) Basic matters concerning the management of the Mizuho Group	• Among the matters forming the "basic management policy," matters that constitute overriding concerns of matters displayed in the following paragraphs (a) Corporate Identity (b) Corporate Governance Guidelines (c) Other basic policies pertaining to matters such as business models and business portfolio strategies
(2) Basic matters concerning annual business plans and mid- and long-term business plans of the Mizuho Group	• Fundamental perspectives regarding mid-term business plans and annual business plans (being matters that constitute the fundamental outline of basic policies and similar matters) (a) Basic policies and priority strategies of the Mizuho Group (b) Basic policies of in-house companies, units and groups (c) Key financial targets of the Mizuho Group (d) Profit plans of the Mizuho Group (net business profits, consolidated net income) (e) Profit plans of in-house companies (net business profits, net income, expense ratio, ROE) (f) Management resource plans of the Mizuho Group (expenses, investments, new risk based capital, risk capital, human resources) (g) Management resource plans of in-house companies (new risk based capital) For reference, "basic matters" do not include the following: – Specific priority strategies and measures of in-house companies, units and groups, ones planned under basic policies of the Mizuho Group – Management resource plans of in-house companies, units and groups, excluding new risk based capital – Operation policies, priority strategies, profit plans and management resource plans of the core group companies

Matters to be Resolved	Operating Standards
(3) Basic matters concerning the capital policy of the Mizuho Group	• Fundamental perspectives regarding overall capital policy (a) Basic policy on capital policy (b) Policy on shareholder-return
(4) "System to ensure the properness of operations" of the Mizuho Group (the "Internal Control System")	• Matters prescribed in Article 416, Paragraph 1, Items 1 (b) and (e) of the Companies Act, and Article 112 of the Ordinance for the Enforcement of the Companies Act (a) Determination of development of systems necessary to ensure that the execution of duties by executive officers as defined in the Companies Act, complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of the corporate group consisting of the Company and subsidiaries A. Systems for the safekeeping and management of information on the execution of duties by executive officers as defined in the Companies Act of the Company B. Regulations and other systems for managing the risk of loss of the Company C. Systems to ensure the efficient execution of duties by executive officers as defined in the Companies Act of the Company D. Systems to ensure that the duties of employees of the Company are executed in compliance with laws, regulations and the Articles of Incorporation E. Systems listed below and other systems to ensure the propriety of business operations within the corporate group consisting of the Company and subsidiaries i. Systems concerning reports to the Company on matters regarding the execution of duties by directors and other persons equivalent thereto (in iii. and iv., "Directors, Etc.") of the Company's subsidiaries ii. Regulations and other systems concerning management of the risk of loss of the Company's subsidiaries iii. Systems to ensure the efficient execution of duties by Directors, Etc. of the Company's subsidiaries

Matters to be Resolved	Operating Standards
	iv. Systems to ensure that the duties of Directors, Etc. and employees of the Company's subsidiaries are executed in compliance with laws and regulations and the Articles of Incorporation
	(b) Determination of matters necessary to execute the duties of the Audit Committee
	A. Matters concerning directors and employees posted as assistants to the Company's Audit Committee
	B. Matters concerning measures for ensuring that directors and employees described in A. above remain independent from the Company's executive officers as defined in the Companies Act
	C. Matters concerning measures for ensuring effective instructions to the directors and employees described in A. above by the Company's Audit Committee
	D. Systems listed below and other systems concerning reports to the Company's Audit Committee
	i. Systems for the Company's directors (excluding those that are members of the Audit Committee), executive officers as defined in the Companies Act and employees to report to the Company's Audit Committee
	ii. Systems for directors, corporate auditors, other persons equivalent to either, and employees of the Company's subsidiaries, or anyone that has received a report from such persons, to report to the Company's Audit Committee
	E. Systems to ensure that persons in D. above that submitted a report do not receive disadvantageous treatment for submitting such report
	F. Matters concerning policies relating to procedures for the advance payment or reimbursement of expenses arising from the execution of duties of the Company's Audit Committee members (limited to expenses relating to the execution of duties of the Audit Committee) and other handling of expenses or debt arising from the execution of such duties

Matters to be Resolved	Operating Standards
	G. Other systems to ensure the effectiveness of audits by the Company's Audit Committee
(5) Matters concerning changes of particularly important companies in the Mizuho Group	• Any purchase, sale, establishment, integration, dissolution, split, merger, change in strategic position, etc. that has a material influence on the "basic management policy"
(6) Basic matters concerning risk governance, risk management, compliance, and internal auditing of the Mizuho Group	(a) Fundamental matters regarding the risk appetite framework (including risk appetite policies, risk appetite metrics, and their levels and matters regarding the stress testing)
	(b) Establishment and revision of risk appetite statement
	(c) Fundamental matters regarding comprehensive risk management
	(d) The amount of allocated risk capital for the fiscal year
	(e) Fundamental matters regarding credit risk management
	(f) Fundamental matters regarding credit limit management
	(g) Fundamental matters regarding market risk management
	(h) Fundamental matters regarding liquidity risk management
	(i) Fundamental matters regarding operational risk management
	(j) Fundamental matters regarding information technology risk management
	(k) Fundamental matters regarding cybersecurity risk management
	(l) Fundamental matters regarding operations risk management
	(m) Fundamental matters regarding legal risk management
	(n) Fundamental matters regarding human resources risk management
	(o) Fundamental matters regarding tangible asset risk management
	(p) Fundamental matters regarding regulatory change risk management
	(q) Fundamental matters regarding reputational risk management

Matters to be Resolved	Operating Standards
	(r) Fundamental matters regarding model risk management
	(s) Fundamental matters regarding climate-related risk management
	(t) Fundamental matters regarding third-party risk management
	(u) Fundamental matters regarding risk data management
	(v) Fundamental matters regarding the recovery plan
	(w) Fundamental matters regarding the resolution plan for U.S. operations
	(x) Fundamental matters regarding compliance including the development and modification of compliance programs
	(y) Fundamental matters regarding the management of customer protection, etc. including the development and modification of plan related to Customer Protection
	(z) Fundamental matters regarding internal audit including the development and modification of basic internal audit plans
	(aa) Other important matters pertaining to Internal Control System
(7) Fundamental matters regarding Mizuho Group's Sustainability	
2. Important matters concerning the Company	
(1) Determination of convocation of general meetings of shareholders and agenda thereof	(a) Determination of convocation of general meetings of shareholders
	(b) Determination of agenda for general meetings of shareholders (excluding any proposal concerning the appointment and dismissal of directors or accounting auditors and any proposal concerning non-reappointment of accounting auditors)
(2) Determination of person authorized to convene general meetings of shareholders and the Chairman thereof (including the order in which substitutes are to be determined)	
(3) Appointment and removal of directors with special titles	
(4) Appointment and dismissal of executive officers as defined in the Companies Act	
(5) Appointment and removal of representative executive officers as defined in the Companies Act and executive officers as defined in the Companies Act with special titles	

Matters to be Resolved	Operating Standards
(6) Matters concerning the interrelationship between Executive officers as defined in the Companies Act, including the commission to executive officers as defined in the Companies Act, and hierarchy of commands of executive officers as defined in the Companies Act	• The following commissions are excluded – Commissions for positions in Divisions, Offices, temporary organizations, and other positions equivalent thereto – Commissions due to reorganization or similar matters and not accompanied by substantial changes – Temporary commissions accompanying the resignation or similar matters of executive officers as defined in the Companies Act and delay in approval (however, this is limited to cases where the term of commission is three month or less)
(7) Appointment of, removal of, and commission to executive officers as defined in our internal regulations with special titles	• The following commissions are excluded – Commissions for positions in Divisions, Offices, temporary organizations, and other positions equivalent thereto – Commissions due to reorganization or similar matters and not accompanied by substantial changes – Temporary commissions accompanying the resignation or similar matters of executive officers as defined in our internal regulations with special titles and delay in approval (however, this is limited to cases where the term of commission is three month or less)
(8) Approval of competitive transactions and conflicting interest transactions by directors and executive officers as defined in the Companies Act	
(9) Determination of person authorized to convene meetings of the Board of Directors and the Chairman thereof (including the order in which substitutes are to be determined)	
(10) Determination of director to receive demands for convocation of meetings of the Board of Directors from executive officers as defined in the Companies Act	
(11) Appointment and removal of members who constitute the Nominating Committee, the Compensation Committee, and the Audit Committee	
(12) Appointment and removal of the Chairman of each of the Nominating Committee, the Compensation Committee, and the Audit Committee	

Matters to be Resolved	Operating Standards
(13) Determination of a person to represent the Company in any action between the Company and a member of the Audit Committee	
(14) Matters concerning business transfers, etc. (including transfers of shares or equity of subsidiaries), mergers, absorption-type company splits, incorporation-type company splits, share exchanges, and share transfers of the Company which require the approval of a general meeting of shareholders	
(15) Establishment, modification, and abolition of important organizations	(a) Establishment, modification, and abolition of in-house companies, units,groups (b) Modification and abolition of Corporate Secretariat and Audit & Supervisory Committee Office
(16) Approval of financial statements, business reports and supplementary schedules, temporary financial statements, and consolidated financial statements	
(17) Distribution of surplus and other matters the Board of Directors is authorized to determine pursuant to the provisions of the Articles of Incorporation	
(18) Determination of approval of transfers of stock acquisition rights with restriction on transfers	
(19) Determination of filing for bankruptcy in the RCP (under the Deposit Insurance Act)	
(20) Determination of the contents of "Indemnification agreement for directors and officers" or "Directors and Officers Liability Insurance"	A Directors and Officers liability insurance contract shall cover the cases where a new contract is concluded or a contract is renewed as a policyholder.
(21) Establishment of, revisions to, and abolition of particularly important internal regulations	– Mizuho Code of Conduct – Human Rights Policy – Environmental Policy – Code of Ethics for Financial Professionals – Tax Policy – Regulations of the Board of Directors – Supplementary Provisions of the Regulations of the Board of Directors – Regulations of the Nominating Committee – Regulations of the Compensation Committee

Matters to be Resolved	Operating Standards
	– Regulations of the Audit Committee
	– Regulations of the Risk Committee
	– Regulations of the Human Resources Review Meeting
	– Regulations of the Executive Management Committee
	– Regulations of the Business Policy Committees
	– Regulations of the Company Strategy Conferences
	– Regulations of the Internal Audit Committee
	– Regulations of the Executive Officer Disciplinary Measures Committee
	– Regulations of the Computer System Failure Response Verification Committee.
	– Organization Regulations
	– Authorization Regulations
	– Group Management Administration Regulations
	– Supplementary Provisions of the Group Management Administration Regulations
	– Regulation for Operation of “In-House Company System”
	– Basic Policy for Business Continuity Management
	– Regulations for the Management of Recovery Plan
	– Regulation for Management of Settlement of Account
	– Regulations for Management of Tax Operations
	– Accounting Policy
	– Accounting Regulations
	– Regulations Regarding the Scope Qualifications of Subsidiaries and Affiliates in Consolidated Financial Statements
	– Basic Policy on Disclosure Controls and Procedures
	– Disclosure Policy
	– Basic Policy on Sustainability Initiatives
	– Basic Policy on Management of Finance Facilitation

Matters to be Resolved	Operating Standards
	– Basic Policy Concerning Operation of Risk Appetite Frameworks – Stress Testing Management Regulations – Basic Policy for Risk Data Management – Basic Policy for Comprehensive Risk Management – Regulations for Risk Capital Allocation & Management – Basic Policy for Credit Risk Management – Credit Codes – Credit Limit Management Regulations – Basic Policy for Market Risk Management – Basic Policy for Liquidity Risk Management – Basic Policy for Operational Risk Management – Basic Policy for Information Technology Risk Management – Basic Policy for Cybersecurity Risk Management – Basic Policy for Operations Risk Management – Basic Policy for Legal Risk Management – Basic Policy for Human Resources Risk Management – Basic Policy for Tangible Asset Risk Management – Basic Policy for Regulatory Change Risk Management – Basic Policy for Reputational Risk Management – Basic Policy for Model Risk Management – Basic Policy for Climate-Related Risk Management – Basic Policy for Third-Party Risk Management – Compliance Manual – Basic Policy of Compliance – Basic Approach for Group Business Management Concerning Information Management – Information Security Policy – Privacy Policy Regarding Customer Information – Privacy Policy Regarding Shareholder Information

Matters to be Resolved	Operating Standards
	– Privacy Policy Regarding Employee Information – Privacy Policy Regarding Applicant Information – Basic Policy for Management of Protection of Customers, etc. – Regulations for Handling Incidents – Basic Policy on Internal Audit – Regulations for Executive Officers as Defined in the Companies Act – Regulations on Retirement Benefit for Directors, etc. – Regulations on Housing for Directors, etc. – Regulations on Company Funeral for Directors, etc – Regulations on Financial Transactions by Directors, etc. – Regulations Regarding Disciplinary Measures for Executive Officers These regulations may be amended by a resolution of the Board of Directors. However, revisions accompanying changes in the organization, name, etc., and revisions that have only a minor impact on the meaning and purpose of the Regulations and do not entail substantial changes may be made by decision of the President and CEO. The contents of revisions made by the decision of the President & CEO other than changes in organization, name, etc. shall be clearly indicated in the report on the status of execution of duties by executive officers as stipulated in Article 11, Paragraph 1 of the Regulations of the Board of Directors.

3. Important matters concerning the Management of Subsidiaries, Etc.

(1) Matters concerning transfer of particularly important subsidiaries and other entities administered by the Company	• Any purchase, sale, establishment, integration, dissolution, split, merger, change in strategic position, etc. that has a material influence on the "basic management policy"
(2) Basic matters concerning risk governance, risk management, compliance, and internal auditing of the core group companies	• Any matter that has a material influence on the "basic management policy" or any important matter pertaining to Mizuho Group's Internal Control System
(3) Appointment of, removal of, and commission to executive officers as defined in our internal regulations with special titles of management category A1 companies	• The following commissions are excluded – Commissions for positions in Divisions, Offices, temporary organizations, and other positions equivalent thereto

Matters to be Resolved	Operating Standards
	– Commissions due to reorganization or similar matters and not accompanied by substantial changes – Temporary commissions accompanying the resignation or similar matters of executive officers as defined in our internal regulations with special titles and delay in approval (however, this is limited to cases where the term of commission is three month or less)
4. Other matters provided for in laws and regulations or the Articles of Incorporation, or resolved at a general meeting of shareholders	
5. Any other matter that a Director believes should be proposed at a meeting of the Board of Directors	• Any matter that has a material influence on the "basic management policy" or any important matter pertaining to Mizuho Group's Internal Control System • Any other matter considered necessary by the Chairman of the Board of Directors, an appointed member of the Nominating Committee, Compensation Committee, or Audit Committee, or President & CEO

– Matters to be Resolved 1.(1) to (3) form the "basic management policy" under Article 416, Paragraph 1, Item 1 (a) of the Companies Act.

– "Mizuho Group" means the Company and any subsidiary, etc. administered by the Company.

– "Core group companies" mean the "core group companies" provided for in the Group Management Administration Regulations.

– "Management category A1 companies" mean companies with respect to which "management category A1" has been established under the Group Management Administration Regulations.

[Translation]

[Supplementary Provisions of the Regulations of the Board of Directors]

MATTERS TO BE REPORTED TO THE BOARD OF DIRECTORS

Matters to be Reported	Operating Standards
1. Matters to be Regularly Reported	
(1) Status of the execution of duties by executive officers as defined in the Companies Act (compiled report at least once every three months)	(a) Matters delegated to executive officers as defined in the Companies Act, in connection with transformation of the Company into what is currently called a Company with Three Committees A. Particularly important matters concerning the Mizuho Group – Important changes in shareholder composition – Disposal of and acceptance of assignment of important assets that are important to group strategies – Exemption from large debts and similar matters that are important to group strategies – Large and exceptional loans and similar matters that are important to group strategies – Management support for Mizuho Group companies that is important to group strategies – Establishment, change, and abolition of important organizations in management category A1 companies – Execution of important contracts – Important applications and reports and submission of important documents to the outside – Agenda items for the General Meeting of Shareholders of management category A1 companies – Important matters concerning important system project (including system integration) management of management category A1 companies

Matters to be Reported	Operating Standards
	B. Particularly important matters concerning the Company – The disposal of and acceptance of assignment of important assets * Acquisition or loss and lease of movable property and real property exceeding 0.3% of the nonconsolidated total net assets of the Company per case * Amortization of claims exceeding 0.3% of the nonconsolidated total net assets of the Company per case * Donations exceeding JPY 300,000,000 per case * Loan(s) exceeding 0.3% of the nonconsolidated total net assets of the Company – Borrowing in a significant amount * Borrowing exceeding 0.3% of the nonconsolidated total net assets of the Company – Appointment and dismissal of executive officers as defined in our internal regulations, and important employees (including personnel with a rank of Division General Manager or Office General Manager (Office with the same rank as a Division) or higher) – Establishment, modification, and abolition of important organizations (excluding the matters to be resolved) – Determination of important matters concerning the offering of company bonds – Determination of corporate restructuring acts that do not require the approval of a general meeting of shareholders such as short-form mergers or simplified mergers – Determination of the features of class shares whose outline has been provided for in the Articles of Incorporation – Determination of the acquisition price, etc. of own shares (excluding acquisition from the market) and acquisitions from subsidiaries – Determination of the acquisition date of shares subject to call and stock acquisition rights subject to call, and the shares to be acquired

Matters to be Reported	Operating Standards
	– Cancellation of own shares and own stock acquisition rights
	– Reduction of share units
	– Share splits and allotment of shares without contribution
	– Auctions, etc. of shares of shareholders whose whereabouts are unknown
	– Determination, etc. of the terms and conditions of shares for subscription and stock acquisition rights for subscription
	– Acquisition of own shares equivalent to the total sum of any fraction
	– Consent to handling of shares in the book-entry transfer settlement system
	– Reduction in the amount of stated capital or reserves concurrently with an issuance of shares
	(b) Particularly important matters
	A. Particularly important matters concerning the Mizuho Group
	– Decisions on and approval of changes to the appointment and dismissal of and commission to executive officers as defined in our internal regulations of management category A1 companies
	B. Particularly important matters concerning the Company
	– Ex-post-facto reporting of competitive transactions and conflicting interest transactions by directors and executive officers as defined in the Companies Act
	– Approval of competitive transactions and conflicting interest transactions by executive officers as defined in our internal regulations
	– Determination of and changes to commissions and areas of responsibilities of executive officers as defined in our internal regulations
	– Order in which substitutions of the person authorized to convene and the Chairman of meetings of the Executive Management Committee are to be made
	– Order in which substitutions of the authorization of President & CEO are to be made
	– Order in which substitutions of the Chairman of the Internal Audit Committee are to be made

Matters to be Reported	Operating Standards
	– Appointment of special committee members of the Internal Audit Committee
	– Appointment of the Chairmen of the Business Policy Committees
	(c) Status of the execution of other important operations
(2) Important matters concerning risk governance, risk management, compliance, and internal auditing of the Mizuho Group (in principle, quarterly reports)	(a) Status of risk appetite level of the Mizuho Group as well as in-house companies and units (*)
	(b) Status of risk management (**)
	(c) Status of compliance management (***)
	(d) Matters to be resolved by and important matters to be reported to the Internal Audit Committee Status of implementation of internal audits
	(*) Report on important matters stipulated in the Basic Policy Concerning Operation of Risk Appetite Frameworks
	(**) Report on important matters stipulated in the Basic Policy for Comprehensive Risk Management, etc
	(***) Report on important matters stipulated in the Basic Policy of Compliance and Basic Policy for Management of Protection of Customers, etc
(3) Matters such as status of the execution of duties by the Nominating Committee, the Compensation Committee, and the Audit Committee (to be reported without delay)	(a) Status of the execution of duties by the Nominating Committee
	(b) Appointment of members of the Nominating Committee who are to report to the Board of Directors on status of the execution of duties by the Nominating Committee
	(c) Order in which substitutions of the Chairman of the Nominating Committee are to be made
	(b) Status of the execution of duties by the Compensation Committee
	(e) Appointment of the members of the Compensation Committee who are to report to the Board of Directors on status of the execution of duties by the Compensation Committee
	(f) Order in which substitutions of the Chairman of the Compensation Committee are to be made
	(g) Status of the execution of duties by the Audit Committee

Matters to be Reported	Operating Standards
	(h) Appointment of members of the Audit Committee who are to report to the Board of Directors on status of the execution of duties by the Audit Committee
	(i) Order in which substitutions of the Chairman of the Audit Committee are to be made
	(j) If a member of the Audit Committee finds that a director or executive officer as defined in the Companies Act, engages in misconduct, or is likely to engage in misconduct, or that there is any fact in violation of laws and regulations or the Articles of Incorporation or any grossly improper fact, that matter
(4) Status of the execution of duties by other committees (to be reported without delay)	(a) Status of the execution of duties by the Risk Committee
	(b) Status of the execution of duties by the Human Resources Review Meeting
	(c) Status of the execution of duties by other committees excluding the Outside Director Session
(5) Important matters concerning Mizuho's environment-related initiatives (in principle, annually reports)	(a) Status of Mizuho's Environmental Initiatives
(6) Important Matters Concerning Mizuho Group's Human Rights Initiatives (Annual Report in Principle)	(a) Mizuho Group's Human Rights Initiatives
(7) Important Matters Concerning Mizuho Group's Sustainability Initiatives (Annual Report in Principle)	(a) Mizuho Group's Sustainability Initiatives
(8) Annual agenda plans for the Board of Directors and the Risk Committee (Annual Report in Principle)	
2. Matters to be Reported on a Case-by-case basis	
(1) Particularly important matters concerning the Mizuho Group	(a) Results of important external audits and inspection by authorities, etc.
	(b) Process and resolution of "emergency situations" as provided for in the Basic Policy for Business Continuity Management
	(c) Matters concerning financial results (financial statements, consolidated financial statements, capital ratio, etc.)
	(d) Particularly important matters concerning risk management, compliance, and internal auditing

Matters to be Reported	Operating Standards
	– Occurrence of misconduct, etc. that has a material effect on management – Occurrence of incidents that have a material effect on management – Results of important internal audits that has a material effect on management
(2) Particularly important matters concerning the Company	(a) Matters concerning the Audit Committee – Audit policies, audit plans, and audit methods of the Audit Committee – Important matters among matters resolved at a meeting of the Audit Committee (b) Among the matters to be reported to the Board of Directors on a case-by-case basis as necessary prescribed in the particularly important internal regulations of the Company, matters that directors able to convene meetings of the Board of Directors in accordance with Article 5, Paragraph 1 or Paragraph 2 of the Regulations of the Board of Directors, or directors or executive officers as defined in the Companies Act, able to request a convocation of meetings of the Board of Directors in accordance with Paragraph 4 of the same Article believe should be reported
(3) Any other matter that a Director believes should be reported to a meeting of the Board of Directors	

– Matters to be reported to the Board of Directors do not include matters that are to be resolved at a meeting of the Board of Directors.

– "Mizuho Group" means the Company and any subsidiary, etc. administered by the Company.

– "Management category A1 companies" mean companies with respect to which "management category A1" has been established under the Group Management Administration Regulations.

Exhibit 1.3

[Translation]

This is a translation of a document written in Japanese,
and has been prepared for reference purpose only.

Share Handling Regulations

(as of September 1, 2022)

Mizuho Financial Group, Inc.

SHARE HANDLING REGULATIONS
OF
MIZUHO FINANCIAL GROUP, INC.

SECTION 1

GENERAL PROVISIONS

Article 1. *(Purposes)*

Operations relating to shares of the Company and handling fees therefor shall be governed by these Regulations pursuant to the provisions of the Articles of Incorporation, as well as the rules of Japan Securities Depository Center, Incorporated (hereinafter referred to as "JASDEC") and the account management agencies, such as the securities companies, etc. (hereinafter referred to as the "Securities Companies, Etc."), with which a shareholder has opened a transfer account.

Article 2. *(Shareholder Register Manager)*

The shareholder register manager of the Company and its handling office shall be as follows:

Shareholder Register Manager:
Mizuho Trust & Banking Co., Ltd.
3-3,Marunouchi 1-chome, Chiyoda-ku, Tokyo

Handling Office:
Stock Transfer Agency Department of the Head Office of Mizuho Trust & Banking Co., Ltd.
3-3,Marunouchi 1-chome, Chiyoda-ku, Tokyo

SECTION 2

COMMON STOCK

CHAPTER I

GENERAL PROVISIONS

Article 3. *(Applicability of this SECTION)*

The provisions of SECTION 1, this SECTION and SECTION 4 shall apply to common stock of the Company listed on a stock exchange.

CHAPTER II

RECORDS IN THE REGISTER OF SHAREHOLDERS, ETC.

Article 4. *(Records in the Register of Shareholders)*

1. The matters described in the register of shareholders shall be changed upon the provision of a notice from JASDEC, such as a notice to all shareholders (excluding the notice (hereinafter referred to as the "Individual Shareholder Notice") provided for in Article 154, Paragraph 3 of the Law Concerning Book-entry Transfer of Corporate Bonds and Shares, Etc. (hereinafter referred to as the "Transfer Law")).

2. In addition to the provisions of the preceding paragraph, in the case of the issuance of new shares or in any other case provided for in the laws and regulations, the matters described in the register of shareholders shall be changed without notice from JASDEC.

3. Records in the register of shareholders shall be made using the characters/symbols designated by JASDEC.

Article 5. *(Reports Concerning Matters Described in the Register of Shareholders)*

1. Shareholders shall report their names, or trade names, and addresses to the Company through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC. The same procedures shall be taken in the case of any change in the shareholders' names, or trade names, and addresses.

2. Notwithstanding the provisions in the preceding paragraph, the matters that are not subject to the reporting obligation to the Company through the Securities Companies, Etc. and JASDEC shall be reported to the shareholder register manager in the designated form.

Article 6. **(***Representative of a Corporate Shareholder)*

A shareholder that is a corporation shall report one (1) of the representatives to the Company through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC. The same procedures shall be taken in the case of any change in such representative.

Article 7. *(Representative of Shareholders Who Jointly Own Shares)*

Shareholders who jointly own shares shall appoint one (1) representative and report his/her name, or trade name, and address to the Company through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC. The same procedures shall be taken in the case of any change in such representative.

Article 8. *(Legal Representative)*

A legal representative of a shareholder, such as an agent of a person having parental authority or guardian, shall report his/her name, or trade name, and address to the Company through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC. The same procedures shall be taken in the case of any change or removal of such legal representative.

Article 9. *(Reports of an Address to Which Notices Shall Be Sent to Shareholders, etc., Residing Overseas)*

Shareholders and registered stock pledgees or their legal representatives who reside outside Japan shall, either appoint a standing proxy in Japan or designate an address in Japan to which notices shall be sent, and report to the Company, through the Securities Companies, Etc. and JASDEC, pursuant to the rules of JASDEC, the name, or trade name, and address of such standing proxy or an address to which notices shall be sent. The same procedures shall be taken in the case of any change or removal of such standing proxy.

Article 10. *(Method of Identification through JASDEC)*

Reports that are submitted to the Company from a shareholder through the Securities Companies, Etc. and JASDEC shall be deemed to have been submitted by such shareholder himself/herself.

CHAPTER III

Identification of Shareholder

Article 11. (*Identification of Shareholder)*

1. In case a shareholder (including a shareholder who provided the Individual Shareholder Notice) makes requests or exercises any other shareholder rights (hereinafter referred to as the "Requests, Etc."), such shareholder shall attach to the Requests, Etc., or provide a document certifying that such Requests, Etc. were made by such shareholder himself/herself (hereinafter referred to as the "Evidence"), except where the Company is able to confirm that such Requests, Etc. were made by such shareholder himself/herself.
2. In case the Requests, Etc. are submitted to the Company by a shareholder through the Securities Companies, Etc. or JASDEC, such Requests, Etc. shall be deemed to have been made by such shareholder himself/herself, and no Evidence is required.
3. In case the Requests, Etc. are made by a proxy, a power of attorney, on which a shareholder signed or affixed his/her name and seal, shall be attached to the Requests, Etc., in addition to the procedures provided for in preceding two paragraphs. The names, or trade names and addresses of the proxy shall be stated in the power of attorney.
4. The provisions of the first paragraph and the second paragraph shall apply *mutatis mutandis* to the proxy.

CHAPTER IV

PROCEDURES FOR EXERCISE OF SHAREHOLDER RIGHTS

Article 12. *(Requests for Delivery of Documents in Paper Form and Statements of Objections)*

Any requests for the delivery of documents in paper form stating such matters concerning which electronic provision measures will be taken as provided for in Article 325-5, Paragraph 1 of the Companies Act, including the reference materials, etc. for a general meeting of shareholders, (hereinafter referred to as the "Requests for Delivery of Documents in Paper Form"), and any statements of objections as provided for in Paragraph 5 of the same article of the same act, shall be made in writing in the designated form; provided, however, that the Requests for Delivery of Documents in Paper Form made through the Securities Companies, Etc. and JASDEC shall be made in accordance with the rules of the Securities Companies, Etc. and JASDEC.

Article 13. *(Minority Shareholder Rights)*

In case a shareholder directly exercises against the Company the minority shareholder rights, etc., provided for in Article 147, Paragraph 4 of the Transfer Law, the shareholder shall exercise such rights upon providing a document affixed with his/her signature, or name and seal thereon, together with the receipt of the Individual Shareholder Notice.

Article 14. *(Description of Matters that are Proposed by Shareholders in Reference Materials for General Meeting of Shareholders)*

If a shareholder proposes matters to be discussed at a general meeting of shareholders and if the Company sets forth a description with regard to reasons for the proposal or matters concerning the appointment of Director(s) or Corporate Auditor(s), etc., in the reference materials for a general meeting of shareholders, and such description exceeds 400 characters, such description may be set forth in the form of an outline pursuant to Article 93, Paragraph 1 of the Regulations for Enforcement of the Companies Act.

Article 15. *(Method of Request for Purchase of Shares Constituting Less Than One (1) Unit)*

In the case of a request to purchase shares constituting less than one (1) unit, such request shall be made through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC.

Article 16. *(Method of Determination of Purchase Price)*

1. The purchase price per share of shares constituting less than one (1) unit requested for purchase pursuant to the preceding Article shall be the last reported price on the market established by the Tokyo Stock Exchange on the day on which the request for purchase provided for in the preceding Article is received at the handling office of the shareholder register manager; provided, however, that if the shares are not traded on the market established by the Tokyo Stock Exchange on such day, or if such day falls on a holiday of the said Stock Exchange, the purchase price per share of shares constituting less than one (1) unit shall be the price at which the shares were first sold on the market established by the Tokyo Stock Exchange thereafter.
2. The purchase price of shares constituting less than one (1) unit shall be the amount obtained by multiplying the purchase price per share of shares constituting less than one (1) unit provided for in the preceding paragraph by the number of such shares constituting less than one (1) unit requested for purchase.

Article 17. *(Payment of Purchase Price)*

1. Unless otherwise provided by the Company, the Company shall pay to the person who has requested for purchase the purchase price determined pursuant to the preceding Article after deducting therefrom the handling fees provided for in Article 53, on the fourth (4th) business day commencing on the day following the day on which the purchase price per share of shares constituting less than one (1) unit is determined, pursuant to the rules of JASDEC; provided, however, that if the purchase price reflects the rights to receive dividends from surplus (including interim dividends, the same shall apply hereinafter) or stock split, etc., such payment shall be made not later than the relevant record date.
2. The person who has requested for purchase may request that the payment be made by way of transfer to a bank account designated by him/her or by cash payment at Japan Post Bank *(Yucho Ginko Genkinbarai)*.

Article 18. *(Transfer of Purchased Shares)*

The shares constituting less than one (1) unit requested for purchase shall be transferred to the transfer account of the Company on the day on which the payment or the payment procedures provided for in the preceding Article have been completed.

Article 19. *(Method of Request for Additional Purchase of Shares Constituting Less Than One (1) Unit)*

In case a holder of the shares constituting less than one (1) unit requests the Company to sell to the holder of the shares constituting less than one (1) unit such a number of shares that would, together with the number of shares constituting less than one (1) unit owned by such holder, constitute one (1) unit of shares (hereinafter referred to as the "Request for Additional Purchase"), such request shall be made through the Securities Companies, Etc. and JASDEC pursuant to the rules of JASDEC.

Article 20. *(Request for Additional Purchase of Number of Shares Exceeding the Remaining Number of Shares of Treasury Stock, etc.)*

If an aggregate number of shares for which the Requests for Additional Purchase were made on the same day exceeds the number of shares reserved by the Company as treasury stock for sale and the order in which such Requests for Additional Purchase were received is unknown, none of such Requests for Additional Purchase made on such day shall become effective.

Article 21. *(Effective Date of Request for Additional Purchase)*

The Request for Additional Purchase shall become effective as of the date on which the written Request for Additional Purchase is received at the handling office of the shareholder register manager.

Article 22. *(Determination of Additional Purchase Price)*

1. The additional purchase price per share of shares constituting less than one (1) unit, for which the Request for Additional Purchase has been made, shall be the last reported price on the market established by the Tokyo Stock Exchange as of the effective date of the Request for Additional Purchase; provided, however, that if the shares are not traded on the market established by the Tokyo Stock Exchange on such day, or if such day falls on a holiday of the said Stock Exchange, the additional purchase price per share of shares constituting less than one (1) unit shall be the price at which the shares were first sold on the market established by the Tokyo Stock Exchange thereafter.

2. The additional purchase price of shares constituting less than one (1) unit shall be the amount obtained by multiplying the additional purchase price per share of shares constituting less than one (1) unit provided for in the preceding paragraph by the number of such shares constituting less than one (1) unit, for which the Request for Additional Purchase has been made.

Article 23. *(Transfer of Additionally Purchased Shares)*

With respect to the shares of treasury stock in the number equivalent to the number of shares for which the Request for Additional Purchase has been made, pursuant to the rules of JASDEC, the shareholder who made a Request for Additional Purchase shall apply for a transfer of such shares of treasury stock to the transfer account of the shareholder who made the Request for Additional Purchase on the day on which it is confirmed that the aggregate amount of the additional purchase price and the handling fees provided for in Article 53, as consideration for additional purchases, have been remitted to the bank account designated by the Company.

Article 24. *(Suspension Period of Request for Additional Purchase)*

1. In each year the Company shall suspend acceptance of the Request for Additional Purchase during the period of ten (10) business days before all of the following dates:

   (1) March 31;

   (2) September 30; and

   (3) Any other date determined by JASDEC, such as the determination date of shareholders.

2. Notwithstanding the preceding paragraph, the Company may, whenever it deems necessary, establish any other period during which the Company shall suspend acceptance of the Request for Additional Purchase.

CHAPTER V

EXCEPTIONS FOR SPECIAL ACCOUNTS

Article 25. *(Exceptions for Special Accounts)*

Identification of the shareholder for whom a special account is opened and any other handling matters concerning such special account shall be governed by the rules of the account management agencies for such special account as well as the rules of JASDEC.

SECTION 3

PREFERRED STOCK

CHAPTER I

GENERAL PROVISIONS

Article 26. *(Applicability of this SECTION)*

The provisions of SECTION 1, this SECTION and SECTION 4 shall apply to preferred stock of the Company that is not listed on a stock exchange.

Article 27. *(Liaison Offices of Shareholder Register Manager)*

The liaison offices of the shareholder register manager for preferred stock shall be as follows:

All branches in Japan of Mizuho Trust & Banking Co., Ltd.

Article 28. *(Method of Requests and Reports, etc., for Preferred Stock)*

1. All procedures for requests and reports with respect to the business delegated to the shareholder register manager by the Company shall be made to the shareholder register manager.
2. All procedures for requests and reports provided for in this Article shall be made in the form prescribed by the Company with the seal impression affixed which has been reported in accordance with the provisions of Article 34.
3. If any requests and reports provided for in the preceding paragraph shall be made by a proxy, a document certifying the authorization of such proxy shall be submitted.
4. If any requests and reports provided for in the second paragraph shall be required to be made with the consent of a curator (*hosanin*) or an assistant (*hojonin*), a document certifying such consent shall be submitted.

Article 29. *(Mutatis Mutandis Application of Procedures for Exercise of Shareholder Rights)*

The provisions of Article 12, Article 13 (excluding "together with the receipt of the Individual Shareholder Notice") and Article 14 shall apply *mutatis mutandis* to preferred stock.

CHAPTER II

RECORDS IN THE REGISTER OF SHAREHOLDERS, ETC.

Article 30. *(Registration of Transfer of Preferred Stock)*

1. In the case of a request for the written or electronic records on the register of shareholders (hereinafter referred to as the "Registration of Transfer of Preferred Stock"), a designated written request therefor bearing the signatures of both the current shareholder of preferred stock and the acquirer of shares of the preferred stock shall be submitted.
2. In the case of a request for the Registration of Transfer of Preferred Stock acquired as the result of inheritance, testament or merger of companies, etc. other than assignment, a document certifying such acquisition shall be submitted, in addition to the procedures provided for in the preceding paragraph.

Article 31. (*Registration of Transfer of Preferred Stock Where Special Procedure is Required by Laws or Regulations)*

In case where the special procedure is required by laws or regulations for the Registration of Transfer of Preferred Stock, a designated written request therefor shall be submitted, together with a document certifying the completion of such procedures.

CHAPTER III

REGISTRATION OF PLEDGES AND INDICATION OF TRUST ASSETS

Article 32. *(Registration of Pledges and Cancellation Thereof)*

In case registration of a pledge or change or cancellation thereof is requested in respect of preferred stock, a designated written request therefor bearing signatures of both the pledgor and the pledgee in respect of preferred stock shall be submitted.

Article 33. *(Indication of Trust Assets and Cancellation Thereof)*

In case indication of trust assets or cancellation thereof is requested in respect of preferred stock, a designated written request therefor shall be submitted either by the trustor or the trustee.

CHAPTER IV

NOTIFICATIONS

Article 34. *(Reports of Addresses, Names, and Seal Impressions of Shareholders, etc.)*

1. The shareholders of preferred stock and the registered preferred stock pledgees or their legal representatives shall report their addresses, names and seal impressions by submitting shareholders' cards, etc.; provided, however, that a foreigner who has the custom of affixing his/her signature may substitute his/her specimen signature for such seal impression.
2. The same procedures shall be taken in the case of any change in the matters referred to in the preceding paragraph.

Article 35. *(Reports of an Address to Which Notices Shall Be Sent to Shareholders, etc. Residing Overseas)*

1. The shareholders of preferred stock and the registered preferred stock pledgees or their legal representatives who reside outside Japan shall, either appoint a standing proxy in Japan or designate an address to which notices shall be sent, and report thereof, in addition to the procedures provided for in the preceding Article.
2. The provisions of the preceding Article shall apply *mutatis mutandis* to the standing proxy.

Article 36. *(Representative of a Corporation)*

1. In case where a shareholder of preferred stock or a registered preferred stock pledgee is a corporation, the name of one (1) of the representatives of such corporation shall be notified.
2. In the case of any change in the representative provided for in the preceding paragraph, a designated written report therefor shall be submitted, together with such certificate of matters to be registered, etc.

Article 37. *(Representative of Shareholders Who Jointly Own Shares)*

1. The shareholders of preferred stock who jointly own preferred stock shall appoint one (1) representative and report thereof.
2. The same procedures shall be taken in the case of any change in the representative provided for in the preceding paragraph.

Article 38. *(Representative of Unincorporated Organization)*

1. In case where a shareholder of preferred stock or a registered preferred stock pledgee is an unincorporated organization, the name of one (1) of the representatives of such organization shall be notified.
2. The same procedures shall be taken in the case of any change in the representative provided for in the preceding paragraph.

Article 39. *(Change in the Register of Shareholders)*

In case where a shareholder of preferred stock makes any changes in entry in the register of shareholders for any of the following reasons, a designated report therefor shall be submitted, together with a certified copy of extract of the family register or a certificate of matters to be registered, etc. as the case may be.

(1) Change of family name or given name;

(2) Appointment, change or removal of a legal representative such as an agent of a person having parental authority, guardian, etc.;

(3) Change of trade name or name of a juridical person; or

(4) Change of corporate organization.

Article 40. *(Mutatis Mutandis Application)*

The provisions in this Chapter shall apply *mutatis mutandis* to the trustor and the trustee of trust assets.

CHAPTER V

PURCHASE OF SHARES OF PREFERRED STOCK CONSTITUTING LESS THAN ONE (1) UNIT

Article 41. *(Method of Request for Purchase of Shares of Preferred Stock Constituting Less Than One (1) Unit)*

In the case of a request to purchase shares of preferred stock constituting less than one (1) unit, a designated written request (hereinafter referred to as the "Written Request for Purchase") therefor shall be submitted at the handling office of the shareholder register manager provided for in Article 2 or any of the liaison offices of the shareholder register manager provided for in Article 27.

Article 42. *(Method of Determination of Purchase Price)*

The purchase price of preferred stock constituting less than one (1) unit requested for purchase shall be determined in accordance with the method provided for in the laws and regulations.

Article 43. *(Payment of Purchase Price)*

1. Unless otherwise provided by the Company, the Company shall pay to the person who has requested for purchase, the purchase price determined pursuant to the preceding Article after deducting therefrom the handling fees provided for in Article 53, on the fourth (4th) business day commencing on the day following the day (in case where the purchase price pursuant to the preceding Article has not yet been

decided up to such day, the day shall be the decision date of the purchase price pursuant to the same Article) on which the Written Request for Purchase provided for in Article 41 is received at the handling office of the shareholder register manager; provided, however, that if the purchase price reflects the rights to receive dividends from surplus or stock split, etc., such payment shall be made not later than the relevant record date.

2. The person who has requested for purchase may request that the payment be made by way of transfer to a bank account designated by him/her or by cash payment by Japan Post Bank *(Yucho Ginko Genkinbarai)* to the address of such person. If this is the case, the payment of the purchase price shall be deemed to be completed, concurrently with arrangement for payment by transfer or by voucher for disbursement through Japan Post Bank *(Hurikaeharaidashi-shousho)*.

Article 44. *(Transfer of Title to Purchased Shares of Preferred Stock Constituting Less Than One (1) Unit)*

The title to the shares of preferred stock constituting less than one (1) unit, for which a Request for Purchase has been made, shall be transferred to the Company on the day on which the payment procedures provided for in the preceding Article have been completed.

CHAPTER VI

ADDITIONAL PURCHASE OF SHARES OF PREFERRED STOCK CONSTITUTING LESS THAN ONE (1) UNIT

Article 45. *(Method of Request for Additional Purchase of Shares of Preferred Stock Constituting Less Than One (1) Unit)*

In case where a holder of shares of preferred stock constituting less than one (1) unit requests that the Company sell to the holder of the shares of preferred stock constituting less than one (1) unit such number of shares of preferred stock that would, together with the number of shares of preferred stock constituting less than one (1) unit owned by such holder, constitute one (1) share of preferred stock (hereinafter referred to as the "Request for Additional Purchase"), a designated written request (hereinafter referred to as the "Written Request for Additional Purchase") therefor shall be submitted at the handling office of the shareholder register manager provided for in Article 2 or any of the liaison offices of the shareholder register manager provided for in Article 27.

Article 46. *(Request for Additional Purchase of Number of Shares of Preferred Stock Constituting Less Than One (1) Unit Exceeding the Remaining Number of Shares of Preferred Stock Reserved as Treasury Preferred Stock, etc.)*

If an aggregate number of shares of preferred stock constituting less than one (1) unit for which the Requests for Additional Purchase were made on the same day exceeds the number of shares of preferred stock reserved by the Company as treasury stock for sale, none of such Requests for Additional Purchase made on such day shall become effective.

Article 47. *(Effective Date of Request for Additional Purchase)*

The Request for Additional Purchase shall become effective as of the date on which the Written Request for Additional Purchase provided for in Article 45 is received at the handling office of the shareholder register manager.

Article 48. *(Suspension Period of Request for Additional Purchase)*

1. In each year the Company shall suspend acceptance of the Requests for Additional Purchase during the period of ten (10) business days before all of the following dates:

   (1) March 31;

   (2) September 30; and

   (3) Any other date determined by JASDEC, such as the determination date of shareholders.

2. Notwithstanding the preceding paragraph, the Company may, whenever it deems necessary, establish any other periods during which the Company shall suspend acceptance of the Requests for Additional Purchase.

Article 49. *(Method of Determination of Additional Purchase Price)*

The additional purchase price of preferred stock constituting less than one (1) unit, for which a Request for Additional Purchase has been made, shall be determined in accordance with the method provided for in the laws and regulations.

Article 50. *(Transfer of Title to Shares of Preferred Stock Constituting Less Than One (1) Unit Purchased Additionally)*

The title to the shares of preferred stock constituting less than one (1) unit, for which a Request for Additional Purchase has been made, shall be transferred to the holder of shares of preferred stock constituting less than one (1) unit who made such Request for Additional Purchase on the day on which the Company duly receives the aggregate amount of the additional purchase price provided for in the preceding Article and the handling fees provided for in Article 53, as consideration for the additional purchase.

CHAPTER VII

REQUEST FOR ACQUISITION OF PREFERRED STOCK

Article 51. *(Method of Request for Acquisition)*

1. In case an acquisition of preferred stock is requested, a designated written request therefor shall be submitted at the handling office of the shareholder register manager provided for in Article 2 or any of the liaison offices of the shareholder register manager provided for in Article 27.

2. The request for acquisition may not be withdrawn after submission of such request.

Article 52. *(Effectiveness of Acquisition)*

The acquisition shall be effective concurrently with arrival of the request provided for in the preceding Article at the handling office of the shareholder register manager.

SECTION 4

HANDLING FEES

Article 53. *(Handling Fees)*

Handling fees in connection with shares of the Company shall be as follows:

1. There shall be no handling fees in the case of purchase of shares constituting less than one (1) unit pursuant to Article 15 (*Method of Request for Purchase of Shares Constituting Less Than One (1) Unit*) and Article 41 (*Method of Request for Purchase of Shares of Preferred Stock Constituting Less Than One (1) Unit)* and in the case of the sale of shares constituting less than one (1) unit pursuant to Article 19 (*Method of Request for Additional Purchase of Shares Constituting Less Than One (1) Unit*) and Article 45 (*Method of Request for Additional Purchase of Preferred Stock Constituting Less Than One (1) Unit).*

Exhibit 12.1

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Masahiro Kihara, certify that:

1. I have reviewed this annual report on Form 20-F of Mizuho Financial Group, Inc. (the "company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 28, 2023

By: /s/ Masahiro Kihara
Name: Masahiro Kihara
Title: President & Group CEO

Exhibit 12.2

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Takefumi Yonezawa, certify that:

1. I have reviewed this annual report on Form 20-F of Mizuho Financial Group, Inc. (the "company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 28, 2023

By: /s/ Takefumi Yonezawa
Name: Takefumi Yonezawa
Title: Senior Executive Officer and Group Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the annual report of Mizuho Financial Group, Inc. on Form 20-F for the fiscal year ended March 31, 2023 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the United States Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Masahiro Kihara, President & Group CEO, and Takefumi Yonezawa, Senior Executive Officer and Group Chief Financial Officer of Mizuho Financial Group, Inc., each certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Mizuho Financial Group, Inc.

Date: June 28, 2023

By: /s/ Masahiro Kihara
Name: Masahiro Kihara
Title: President & Group CEO

By: /s/ Takefumi Yonezawa
Name: Takefumi Yonezawa
Title: Senior Executive Officer and Group Chief Financial Officer

Exhibit 15

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-266555) of Mizuho Financial Group, Inc. and in the related Prospectus of our reports dated June 28, 2023, with respect to the consolidated financial statements of Mizuho Financial Group, Inc., and the effectiveness of internal control over financial reporting of Mizuho Financial Group, Inc., included in this Annual Report (Form 20-F) for the year ended March 31, 2023.

/s/ Ernst & Young ShinNihon LLC

Tokyo, Japan
June 28, 2023