

# Sustainability Progress 2024

Actionable solutions for a sustainable future

April 12, 2024



Innovating today. Transforming tomorrow.



## Sustainable Business

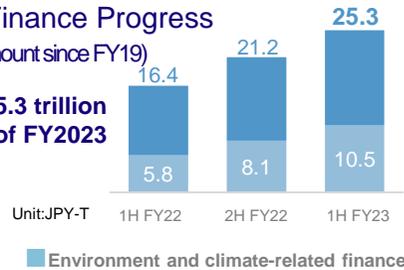
### 1. Supporting client's steady transition toward 2030

#### Finance

#### Sustainable Finance Progress

(Total cumulated amount since FY19)

**Totaled JPY 25.3 trillion**  
by the first half of FY2023



#### Supply Chain Wide Solutions

Increasing capabilities through investment in e-dash: a startup that provides CO<sub>2</sub> emissions visualization to reduction services

### 2. Supporting future-oriented clients' actions

#### Hydrogen

Providing finance and cutting-edge consulting to strengthen cross-sector initiatives on both supply and demand

#### Carbon Credit

Expanding global network through investing in Climate Impact X, a Singapore based trading platform

#### Impact

Providing finances domestically and internationally and increasing our global network

#### League Table



#### Deploying New Technologies

Accelerating the deployment of offshore wind/solar power, CCUS, hydrogen and ammonia



## Addressing Climate Change

### (Scope 1,2) Reduction of Our Own GHG Emissions

- Switching to renewable energy expected to achieve **-60%** in FY 2023 from FY2020

### (Scope 3) Medium-term Target of Reducing Financed Emissions

- Completed initial sector-specific target setting in accordance with NZBA guidelines by adding new targets for steel and real estate sectors

| Sector                     | (Target metrics)                                   | Target (FY30)  |
|----------------------------|--|--|
| Electric Power             | kgCO <sub>2</sub> e/MWh                            | <b>138 to 232</b>  |
| Oil and Gas                | Client Scope 1,2                                   | <b>4.2</b>   |
|                            | // 3   | MtCO <sub>2</sub> e From FY19 <b>-12 to -29%</b>           |
| Coal Mining (Thermal Coal) | MtCO <sub>2</sub> e                                | <b>OECD : Zero in FY2030<br/>Non-OECD : Zero in FY2040</b> |
| Automotive                 | Client Scope 1,2                                   | From FY21 <b>-38%</b>                                      |
|                            | New (Dec. 2023) // 3                               | gCO <sub>2</sub> e/vkm From FY21 <b>-31 to -43%</b>        |
| Maritime Transport         | New (Dec. 2023) Portfolio Climate Alignment score  | <b>≤ 0%</b>  |
| Steel                      | New (Apr. 2024) MtCO <sub>2</sub> e                | From FY21 <b>-17 to -23%</b>                               |
| Real Estate                | New (Apr. 2024) kgCO <sub>2</sub> e/m <sup>2</sup> | <b>33 to 42</b>  |

### Risk Control in Carbon-related Sectors

- Addition of evaluation criteria for "GHG emission reduction performance" and "alignment with 1.5 degree pathway" (FY2024)
- Steady progress in clients' response to the transition risk through engagement

### Initiatives for Natural Capital

- Support clients' initiatives through blue finance
- Analysis of Mizuho's loan portfolio by LEAP approach



## ES Policy

- Expanded the scope to various human rights issues
- Reviewed policies on specific sectors

Weapons and arms | Coal-fired power generation

- Added specific sectors

Woody biomass power generation | Mining | Fisheries & Aquaculture

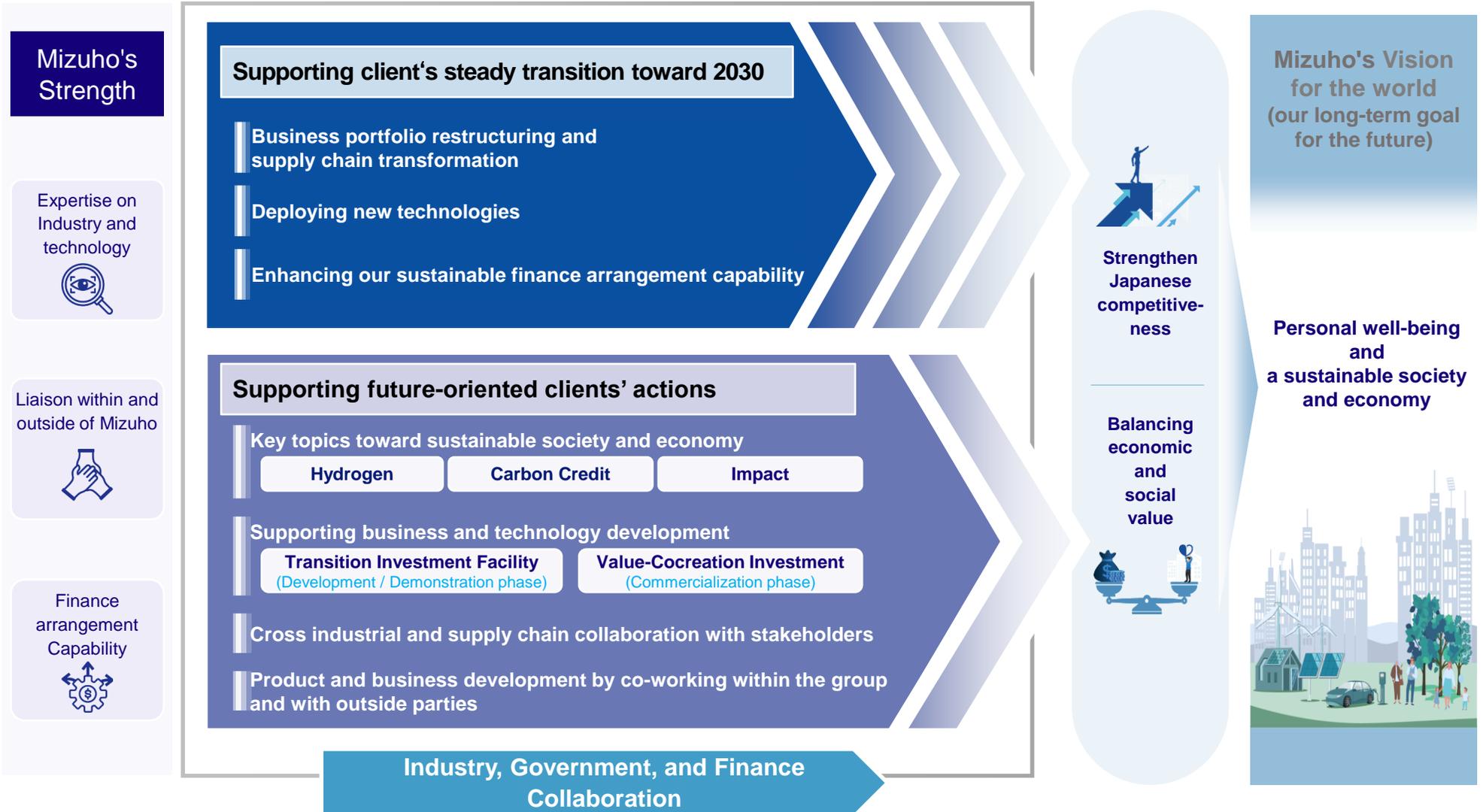


## Human Rights

Joined "Engagement and Remedy Platform" operated by JaCER and enhanced grievance mechanisms



■ Leading the structural transformation of industries toward decarbonization :To achieve Mizuho's Vision for the world



## Business Portfolio Restructuring and Supply Chain Transformation of Our Clients

### Structural Transformation of Industries

BK

SC

Conducted M&A approach to envision structural transformations pivoting around decarbonization, focusing on emission-heavy industries to advance the vision



### Capital and Business Alliance with e-dash

BK

IF

Entered into a strategic partnership with e-dash (a subsidiary of Mitsui & Co.), a platformer for emission visualization and reduction solutions in order to provide services for supply chain wide structural transformations



## Initiatives for Social Implementation of Clients' Next-generation Technologies

### Offshore Wind Power

BK

Arranged the financing for Kitakyushu Hibikinada Offshore Wind Farm, one of the largest project in Japan



### Solar Power

BK

RT

Provided consulting and accompanied support for the creation of new businesses in "HOUSmile\_e," a fixed-rate subscription service for residential energy systems (KYOCERA)



### CCUS

RT

Provided consulting service for the development of concrete and cement manufacturing technology using CO<sub>2</sub> as materials



### Hydrogen/Ammonia

BK

Executed transition loans for new technologies in the clean energy sector such as ammonia (IHI)

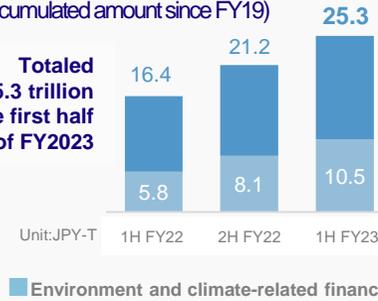


## Enhancing Sustainable Financing Capabilities (Target : JPY 100 trillion)

### Sustainable Finance Progress

(Total cumulated amount since FY19)

**Totaled JPY 25.3 trillion by the first half of FY2023**



### League Table

Global  
**#1 place**

Sustainable finance (loan)

(Jan. 2023 – Dec. 2023)

5 successive years

**#1 place**

SDGs bonds (Publicly offered SDGs bonds in Japan)

(Apr. 2023 – Mar. 2024)

Source: Refinitiv

### Circular Economy

SC

Arranged Aeon's Sustainability Link Bond, first publicly offered bond that adopted circular economy related KPI (Lead Book Runner, SA\*1)



### Natural Capital

SC

Arranged Iwate Prefecture's green/blue bond, first of its kind in local government. The finance targeted blue projects including building fishing port facilities equipped with high-level hygiene (Lead Book Runner, SA\*1)



### Social

SC

Arranged Kirin Holdings' acquisition finance for overseas health food firm. The social bond was one of the largest deals ever for food company in Japan (Lead Underwriter, SA\*1)



### Decarbonization

BK

Arranged JPY120 billion syndicated type of transition linked loan for The Chugoku Electric Power (Lead arranger)



SC

Arranged green equity bridge fund for Canadian Solar Group's acquisition of one of the largest solar power plant in eastern Japan (Arranger)



BK

Arranged Toranomon 1-chome East Urban Area Redevelopment Association's syndicated type of green loan of JPY97.5 billion, the first case for urban redevelopment association in Japan (Arranger)



BK

Executed a sustainability-linked loan and a sustainability-linked currency swap to a Hong Kong conglomerate



## Key Topics Toward Sustainable Society and Economy

### Decarbonizing Power, Heat, and Materials



#### Hydrogen

##### Collaboration with stakeholders

BK

Participated in the “Hydrogen Council”, a global initiative that promote utilizing hydrogen

FG

Published “Joint Proposal on Hydrogen for Realizing GX” by Mizuho and Development Bank of Japan



##### New product and business development

BK

Promoted establishing collaboration structure within Mizuho group to strengthen finance capabilities towards global hydrogen transactions

### Decarbonization and Technology Advancement through Finance



#### Carbon credit

##### Collaboration with stakeholders

FG

IF

Investment in Climate Impact X, a Singapore based carbon credit trading platform company

FG

BK

RT

Large-scale seminar for Japanese companies hosted with the London Stock Exchange Group

FG

BK

Concluded strategic partnership with KOKO Networks, a Kenya based climate tech company providing solutions for African fuel conversion and deforestation crisis

##### New product and business development

BK

The only financial institution to receive the Best Market Maker status from Tokyo Stock Exchange's carbon credit market

### Impact to Enhance Corporate Value



#### Impact

##### Collaboration with stakeholders

FG

Expanded networks through participation in Global Impact Investing Network, a leading organization in impact investment, as well as Asian Venture Philanthropy Network

##### New product and business development

BK

Contributed to Acciona to finance Europe's first green ninja loan that utilized sustainable impact finance framework of ESG Coordinator

BK

Provided sustainability linked loan for Eisai that utilized the social value of new dementia drug as the KPI

## Supporting for Establishment of New Technologies & Business Models in the Development or Commercialization Stage

### Transition Investment Facility

#### Objective

Accompany clients' social value creation initiatives that contribute to sustainable improvement of the environment and society

Targeting projects in the proof-of-concept and start-up stages, aiming to develop technologies and business models in areas that contribute to improving the environmental and social sustainability

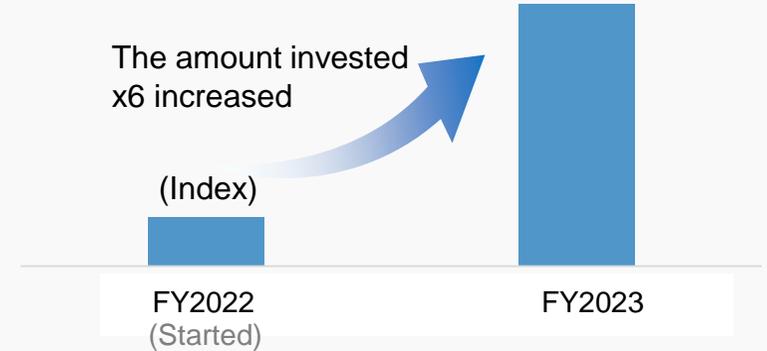
### Value-Cocreation Investment

#### Objective

Establishing new business models with our clients to respond to the social issues

The target clients are startups aiming to address social issues, generate new demand, and realize new business models.

### Investment Balance Increase



### Major projects

BK

Invested CAD 5M in Bison Low Carbon Ventures, a Canadian startup with Carbon dioxide Capture and Storage (CCS) technology



BK

Invested USD10M in Oishii Farm Corp., an advanced vertical farming startup contributing to food sustainability and reduction of environmental impact



BK

Invested US\$5M in Ideation3X, a company engaged in a recycling-oriented waste treatment business model in India, which also produces alternative fuels from waste



BK

Invested in Exergy Power Systems, which endeavors to resolve vulnerabilities in power systems at the time of massive introduction of renewable energy, by using power storage system and contributing to BCP sophistication



## Stakeholder Collaborations (Cross Industry/Supply Chain)

FG

- Initiative: Sustainability Data Standardization Consortium
- As a board member, contributed to create a handbook targeting SMEs and unlisted companies to promote sustainable business management



BK

- Initiative: ACT FOR SKY
- Joined as the first financial institution
- Aim to commercialize and expand market for SAF produced in Japan



(Quote from ACT FOR SKY website)

BK

- Initiative: The Consumer Goods Forum
- The only internationally recognized organization that brings together consumer goods retailers and manufacturers from around the world
- Joined as the global first financial institution



## Product and Business Development

BK

RT

- New product development: using a proprietary evaluation methodology

Human Capital-based Management  
Impact Finance



BK

- Along with a startup firm, Mizuho structured Kao's virtual PPA deal, one of the largest deals in Japan



BK

- As part of the SENBOKU Smart City Consortium, Mizuho worked with project partners, Nankai Electric Railway, NSD, Morinaga Milk Industry
- Contribute to a program visualizing health status to enhance residents' perception of health product and service effects

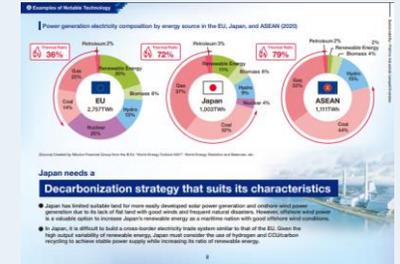
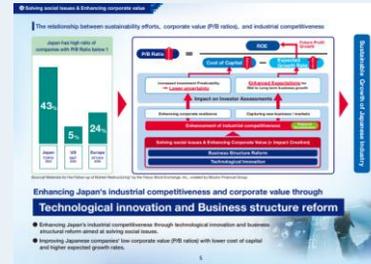


## Continuing information outreach by combining our abundant knowledge of sustainability and industry insights

### “Mizuho Sustainability Focus” Report : Focusing on sustainability × corporate value improvement (Dec.2023)



This report is targeting a wide range of audience both domestic and abroad; to promote understanding on how Japanese industry's efforts towards achieving sustainability link to enhancing industrial competitiveness



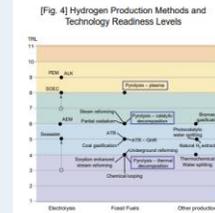
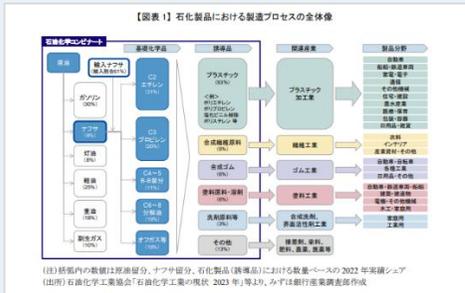
## Reports on Innovative Technologies that Contribute to Structural Transformation of Industries

### “Transition Pathway for Petrochemical Industry”(Feb 2024)

### “Cross Industrial Clustering through Introduction of Offshore Wind” (Sep 2023)

### “Innovative Technology Series: The Potential of Turquoise Hydrogen” (Dec 2023)

### “Utilizing Electricity Data to Achieve Carbon Neutrality” (Sep 2023)



- In order for every member of Mizuho to proactively initiate sustainable actions, we provide educational opportunities to raise awareness about importance of sustainability

## Sustainability Enlightenment and Education

### Executive Dialogue

- Executive Dialogue session was held between Group CEO, Masahiro Kihara and Paul Polman, former CEO of Unilever, a leading sustainability management expert
- Employees participated in Q&A sessions



### CSuO Dialogue

- Group CSuO, Yasuhiko Ushikubo held 34 dialogue sessions in branches and offices gathering approx. 1,000 employees in total
- These sessions provided engagement opportunities for managerial side and employees to communicate about challenges and requests to promote sustainability in Mizuho



### Internal Event M-DIM

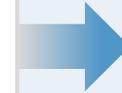
- Dr. Tadaaki Imaizumi, editor of “Sad Animal Facts” held a workshop “Wonderful Organisms” to educate about biodiversity and other topics



## Sustainability Talents

### Sector Consultants: : Environment / Energy Expertise

FY2022  
Approx. 130 consultants



FY2023  
**Approx. 140 consultants**



### Sustainable Management Experts SME

FY2022  
Approx. 1,300 experts



FY2023  
**Approx. 1,650 experts**



### SME RM Study group

Knowledge Enhancement

18 sessions, averaged  
approx. **200** participants  
per session

### Large Company RM Study Group

Strengthening  
Practical Skills

4 sessions, averaged  
approx. **600** participants  
per session

- Enhanced our involvement in international rulemaking and stating our views through working groups hosted by government offices and research institutes

## Participation in Policy Making Discussions

- Participated in policy making discussions at various Councils and Conference

| Organizer  | Committees and Conferences   |
|--|--|
| Ministry of Economy, Trade and Industry (METI)                         | <ul style="list-style-type: none"> <li>Advisory Committee for Natural Resources and Energy, Natural Resource and Fuel Committee, Subcommittee on Natural Resources Development and Fuel Supply</li> <li>Industrial Structure Council Green Innovation Project Subcommittee</li> <li>Working Group on Transition Finance Development</li> <li>The Japan Public and Private Working Group on Financed Emissions to Promote Transition Finance</li> </ul> |
| Financial Services Agency  | <ul style="list-style-type: none"> <li>Expert Panel on Sustainable Finance</li> </ul>  |
| Ministry of the Environment  | <ul style="list-style-type: none"> <li>Study Group on Green Finance</li> </ul>   |
| Organization for Cross-regional Coordination of Transmission Operators | <ul style="list-style-type: none"> <li>Study Group on Future Power Scenarios</li> </ul>  |

## Cross-industrial Sustainability Initiatives

| Name  | Summary of Activities   |
|---|---|
| TCFD Consortium   | <ul style="list-style-type: none"> <li>From April 2023, participated in the Planning Committee</li> </ul>   |
| Study Group and Symposium on Integrated Assessment in the Field of Sustainability | <ul style="list-style-type: none"> <li>From November 2023, RT organized a total of 3 study sessions (11 academic experts and 18 private companies participated)</li> <li>In March 2024, "Sustainability Symposium 2024" was co-hosted by the National Institute for Environmental Studies and RT</li> </ul> |

## Stating Our Views through International Initiatives

- Enhanced our involvement in rulemaking and stating views through participations in PCAF and GFANZ/NZBA

### PCAF

#### Activities as Chair of the PCAF Japan Coalition

- Appointment as a Chair since its establishment in November 2021
- While leading 26 member companies, Mizuho initiated the sophistication of measurement/disclosure of GHG emissions through financial activities



#### Participation in PCAF Global Core Team/WG

- The only Japanese financial institution to join the Core Team, formed with 13 member companies that leads the development of measurement standards at PCAF Global
- Appointment as Co-Chair of the Transition Finance & Green Finance Working Group established under the Core Team

### GFANZ/NZBA

- Has been participating as a financial institution since 2021 in GFANZ/NZBA, a global initiative to promote net zero
- Participated in the core working group of GFANZ Japan Chapter
- Involved in developing a report on Managed Phaseout by GFANZ APAC Network

- Our Brand Website for sustainability transformation, “MIZUHO SX”, has been launched to introduce our sustainability business strategy and to showcase sustainability transformation projects cases in a timely manner

## SX (Sustainability Transformation) Vision

“ Actionable solutions for a sustainable future ”

## Brand Website, MIZUHO SX

MIZUHO  
**SX** 未来に先手を  
社会に打ち手を

〈みずほ〉のSX（サステナビリティ・トランスフォーメーション）への取り組みについて、詳しくはこちら。



## Extensive Project Cases on Sustainability Transformation Support for Customers

Showcasing examples of specific solution support



014

国内最大規模の「バーチャルPPA」で、前例なき再生可能エネルギー調達に挑む。

カーボンニュートラル 太陽光発電  
再生可能エネルギー対応支援

製造

2024年2月7日

Read More



013

衛星データと現地調査を掛け合わせたサービスで、企業のネイチャーポジティブなビジネス実現をサポート。

自然資本 生物多様性 人権  
みずほネイチャーポジティブ・デザイン

サービス 電力・エネルギー

2024年1月5日

Read More



011

消費から循環へ。家電量販業界初の「グリーンローン」組成で、新たな資源循環システムを創る。

サーキュラー・エコノミー グリーンファイナンス

小売

2023年9月7日

Read More

Currently only available in Japanese

## Special Feature Stories

Dialogue with Development Bank of Japan about “Joint Statement on Hydrogen Initiatives”



October 6, 2023

Mizuho and Development Bank of Japan issued a joint statement to lead Japan and the world toward social implementation of hydrogen

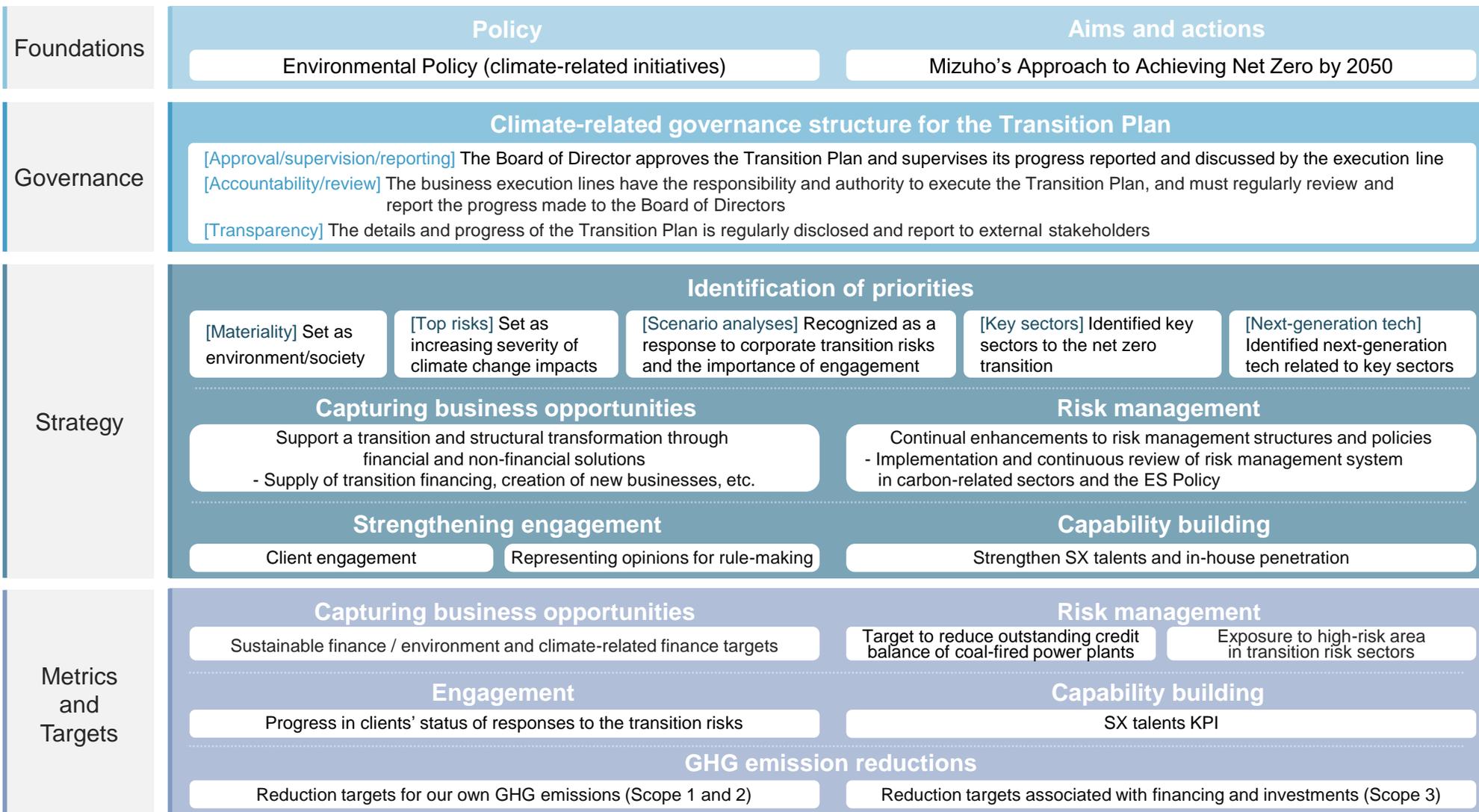
Dialogue on human capital management with IHI, between which Mizuho entered into the first human capital management impact finance



December 1, 2023

Co-creation with IHI using new finance as a starting point to move human resource management to the next stage

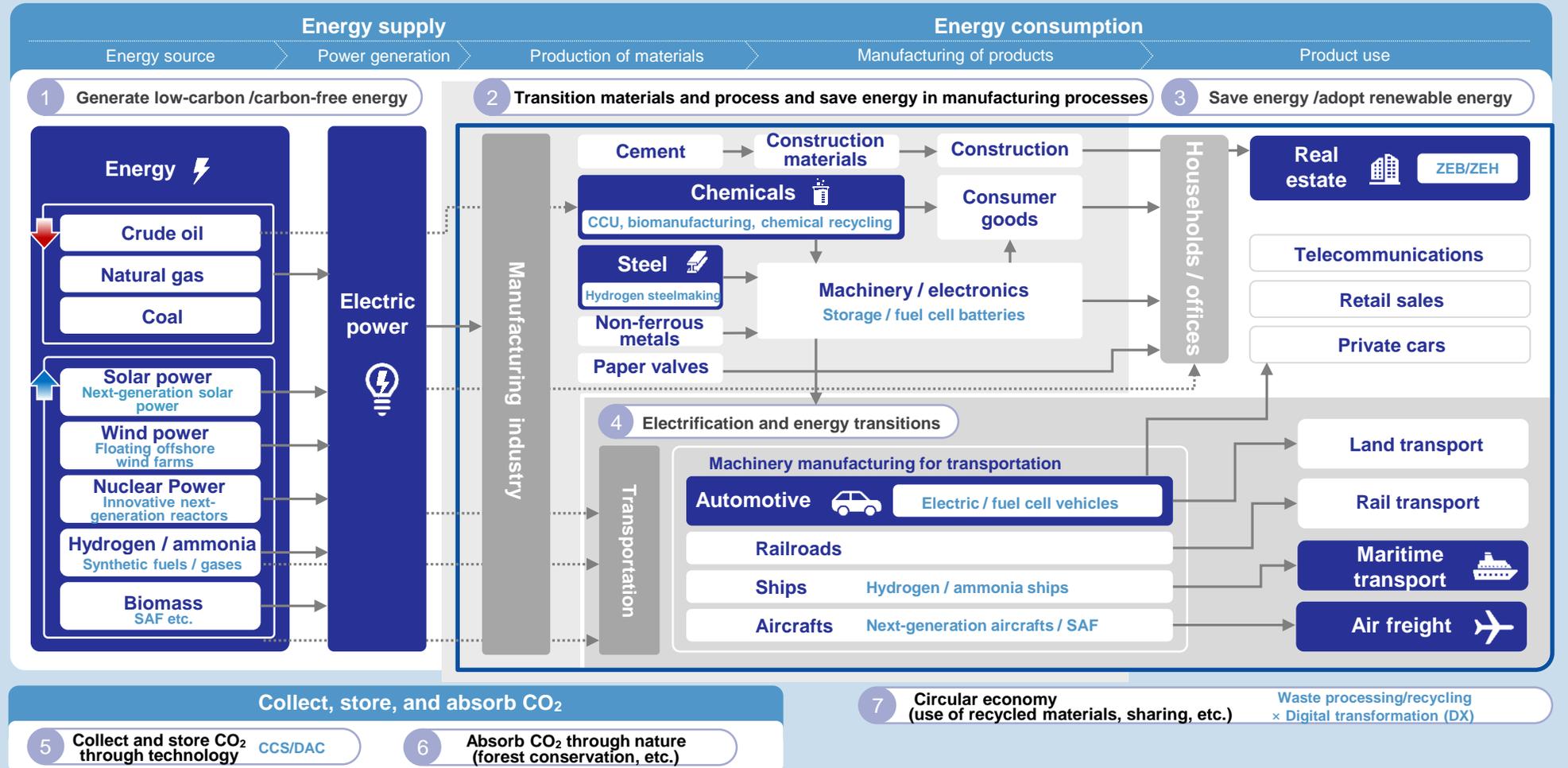
- Promoted integrated approach to climate change response from the perspectives of real economy transition, capturing business opportunity, and risk management based on the Net Zero Transition Plan



# Net Zero Transition: Key Sectors/Related Next-generation Technologies

- Identified key sectors of particular focus for Mizuho from the perspective of decarbonization, and promote initiatives in conjunction with related next-generation technologies

Key : Drivers for a low-carbon/decarbonized society Reduce supply toward 2050 Increase supply Sectors of focus Blue: Next-generation technologies



# Status of Medium-term Scope3 Targets by Sector

- Based on the target sectors specified in the NZBA, we sequentially set FY2030 medium-term targets for Scope 3 (financed emissions) by taking account in each sector's transition risk assessment, credit exposure, GHG emissions, feasibility, etc.
- Newly set medium-term targets for steel and real estate sectors and completed initial target setting based on NZBA guidelines

[Targets already set] **Electric power, Oil & Gas, Coal mining (thermal coal), Automotive, Maritime transport**  
 [Targets set this time] **Steel, Real estate**

\* Of NZBA-specified high-emitting sectors, cement, aluminum, and agriculture are excluded for target-setting due to a small amount of EXP and emissions in Mizuho's portfolio

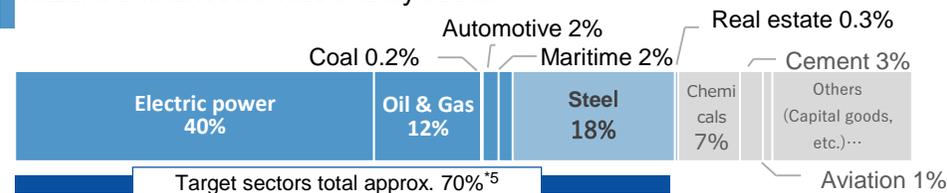
## Coverage of Target Sectors [Transition risk and exposure by sector]

Key: **Sectors with targets**

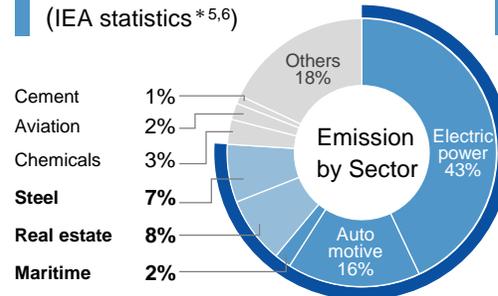
|   |               |               |                                  |   |   |             |  |
|---|---------------|---------------|----------------------------------|---|---|-------------|--|
| Credit exposure <sup>*1</sup> (JPY)             | Over 10Tn     |               | <b>Real estate</b>               |   |   |             |  |
|   | 5Tn - 10Tn    | Capital goods |                                  | <b>Automotive</b><br>Chemicals  | <b>Electric power</b><br><b>Oil &amp; Gas</b> |             |  |
|   | 1Tn - 5Tn     | Insurance     | Railroads<br>Packaged foods/meat | <b>Maritime</b><br>Metal/Mining <sup>*3</sup><br>Construction materials | <b>Steel</b>                                  |             |  |
|   | Less than 1Tn | Beverage      |                                  | Agriculture<br>Aviation<br>Paper and forest products                    | Cement  | <b>Coal</b> |  |
|   |               | Very Low      | Low                              | Medium  | High  | Very high   |  |
| <b>Transition risk assessment <sup>*2</sup></b> |               |               |                                  |   |   |             |  |

## Coverage of Target Sectors [GHG emissions by sector]

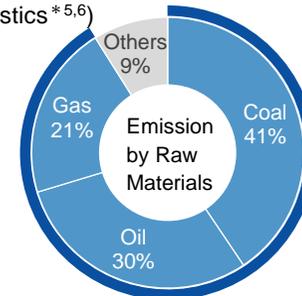
Mizuho's financed emissions by sector <sup>\*4</sup>



Final energy consumption (IEA statistics <sup>\*5,6</sup>)



Energy supply (IEA statistics <sup>\*5,6</sup>)



■ Targets already set ■ Targets set this year ■ Others

\*1 Based on March 31, 2023 \*2 Qualitative evaluation based on evaluation criteria such as GHG emissions and carbon efficiency etc. for 19 sectors, taking into account items recommended for disclosure in TCFD Recommendations.

\*3 Of the metal and mining sector, the aluminum sector accounts for less than 10%. \*4 FE measurement results for Scope 1 and Scope 2 in the portfolio companies.

\*5 Targets are set for a part of the value chain in the relevant sector (e.g. Oil and gas covers upstream production including integrated type, coal covers coal mining (thermal coal)) \*6 IEA WEO 2022 (World)

- New medium-term targets set for steel and real estate sectors to reduce GHG emissions through financing and investment
- Targets are set by adopting indicators and scenarios, which factor in each sector’s emission structure, regional characteristics, technology trends, etc.

## Steel Sector Medium-term Target (Summary)

|   |   |
|---|---|
| <b>Target value chain</b>                   | Companies and projects with steel making (manufacturing by blast furnace/electric furnace, continuous casting/rolling) as main businesses |
| <b>Target scope</b>                         | Emissions from steelmaking operations (Scope 1, 2)  |
| <b>Metrics</b>                              | Absolute emissions (MtCO <sub>2e</sub> )  |
| <b>Base year results</b>                    | FY2021 <b>17</b> MtCO <sub>2e</sub>   |
| <b>Target value</b><br>(Benchmark scenario) | FY2030<br>Compared to FY2021 <b>-17%</b> (MPP-TM*1) to <b>-23%</b> (IEA NZE*2)  |

## Real Estate Sector Medium-term Target (Summary)

|   |   |
|---|---|
| <b>Target value chain</b>                   | Companies, REITs, SPCs (Special Purpose Companies) in Japan, with real estate lending as main business    |
| <b>Target scope</b>                         | Emissions from properties in use (Scope 1,2 and Scope 3 Category 13 *3)                                   |
| <b>Metrics</b>                              | Emission intensity (kgCO <sub>2e</sub> / m <sup>2</sup> )   |
| <b>Base year results</b>                    | FY2021 <b>69</b> kgCO <sub>2e</sub> / m <sup>2</sup>  |
| <b>Target value</b><br>(Benchmark scenario) | FY2030<br><b>33</b> to <b>42</b> kgCO <sub>2e</sub> / m <sup>2</sup><br>(CRREM*4 1.5°C) (CRREM Below 2°C) |

(See Appendix for details on targets for steel/real estate sectors)

\*1 MMP: Mission Possible Partnership / A global public-private partnership aimed at the decarbonization of industrial sectors. TM: Technology Moratorium / Scenario assuming full-scale introduction and transition of innovative technologies after 2030. \*2 NZE: Net Zero Emissions by 2050 Scenario. \*3 Scope 3 Category 13: Emissions from properties leased to third parties.

\*4 CRREM: Carbon Risk Real Estate Monitor / International initiative to calculate and publish GHG emissions pathways for commercial real estate consistent with the Paris Agreement.

# Progress of Medium-term Scope 3 Targets

- Medium-term targets in five sectors have been set to date and promoted emission reduction efforts
- Progress of emission reductions in each sector is as follows (preliminary figures of FY2022)

| Sector  | Target scope | Indicator                                    | FY2030 Medium-term target (Benchmark scenario)   | Base year results | FY2021 results      | FY2022 Results [Preliminary figures] | Compared with base year | Compared with FY2021 |
|---|--------------|--|--|-------------------|---------------------|--------------------------------------|-------------------------|----------------------|
|  Electric power             | Scope 1      | Emission intensity (kgCO <sub>2e</sub> /MWh) | 138 to 232 (IEA NZE to IEA SDS)                  | 388               | 353                 | 368                                  | -5%                     | +4%                  |
|  Oil & Gas                  | Scope 1,2    | Emission intensity (gCO <sub>2e</sub> /MJ)   | 4.2 (IEA NZE)                                    | 6.6               | 6.5                 | 5.6                                  | -15%                    | -14%                 |
|   | Scope 3      | Absolute emissions (MtCO <sub>2e</sub> )     | From FY2019 - 12 to - 29% (IEA NZE to IEA SDS)   | 60.6              | 43.2                | 34.8                                 | -43%                    | -19%                 |
|  Coal mining (thermal coal) | Scope 1,2,3  | Absolute emissions (MtCO <sub>2e</sub> )     | OECD: Zero in FY2030<br>Non-OECD: Zero in FY2040 | 5.1               | 1.7                 | 0.6                                  | -88%                    | -62%                 |
|  Automotive               | Scope 1,2    | Absolute emissions (ktCO <sub>2e</sub> )     | From FY2021 - 38% (SBTi 1.5°C standard)          | 934*1             | same as on the left | 827                                  | -11%                    | same as on the left  |
|   | Scope 3      | Emission intensity (gCO <sub>2e</sub> /vkm)  | From FY2021 - 31 to - 43% (IEA NZE to SBTi B2D)  | 198               | same as on the left | 183                                  | -7%                     | same as on the left  |
|  Maritime transport       | Scope 1      | Portfolio climate alignment score            | 0% or less (IMO GHG emission reduction target)   | +1.82%            | same as on the left | - 1.55%                              | -3.37%                  | same as on the left  |

\*1 Base year results have been revised due to re-measurement following data vendor's review in EVIC values (740 ktCO<sub>2e</sub> as of December 2023 disclosure)

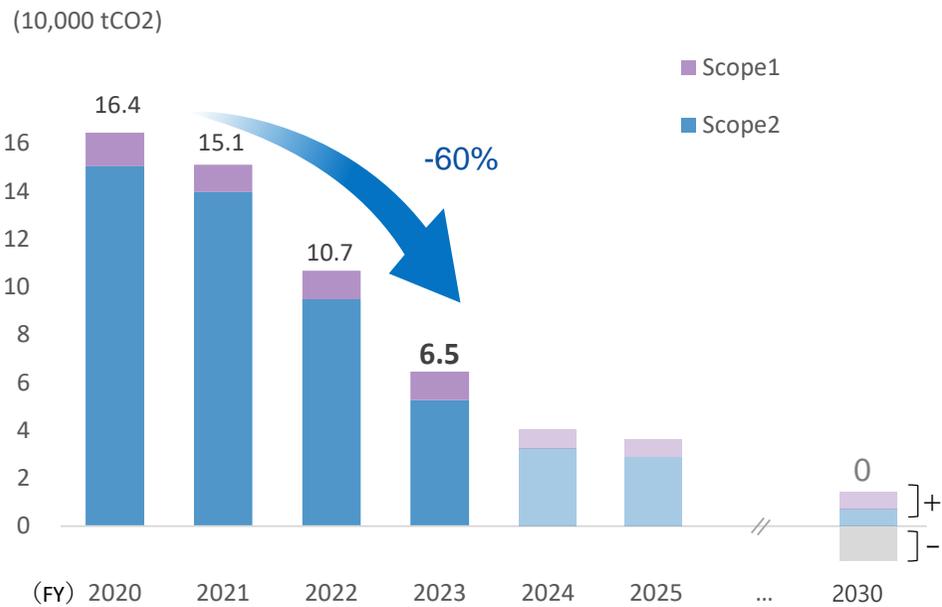
# Efforts to Reduce Scope 1 and 2 (GHG emissions from our own business activities)

- To achieve carbon neutrality by FY2030, we are switching to renewable energy for electricity emissions in Japan, which account for the majority of carbon emissions
- Going forward, we will continue to reduce Scope 1 emissions and switch to renewable energy at leased properties (Scope 2), which requires coordination with third parties

## Reduction of Scopes 1, 2 Emissions

- From FY2022, promote switching to renewable energy mainly under our own contracts in Japan
- Scope 1 and 2 emissions in FY2023 (estimated): approx.- 60% compared to FY2020 level

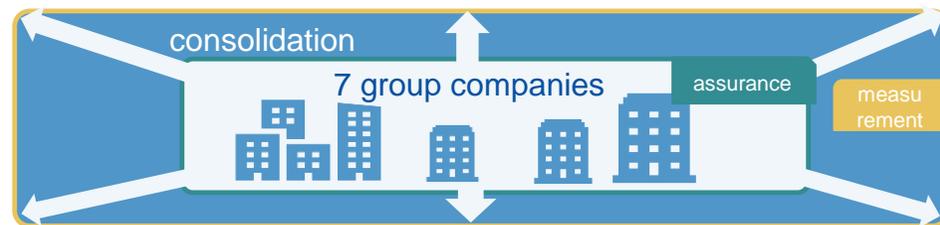
18



\* Target / scope of data collections: Seven group companies (FG, BK, TB, SC, RT, AM-One, Mizuho Americas)

## Key Initiatives in FY2023

- Switched to renewable energy at group companies **Scope 2** - Marunouchi head office building, etc.
- Commenced operation of corporate PPA **Scope 2**
- Expanded the scope of emissions measurement from seven group companies to consolidated subsidiaries
- Expanded the scope of third-party assurance from BK (Japan) to seven group companies

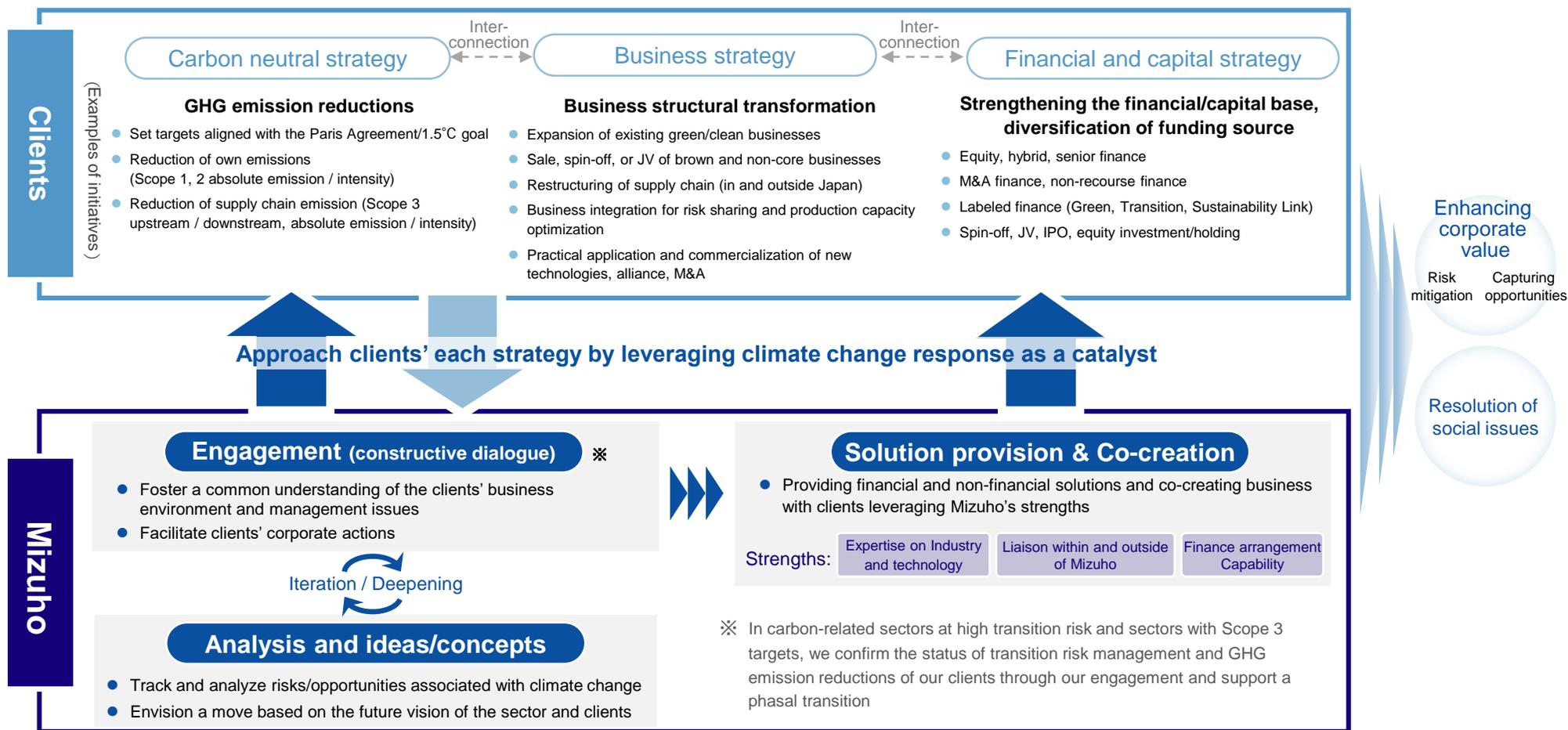


## Initiatives from FY2024 and beyond

- Switch from gasoline-powered company cars to electric vehicles **Scope 1**
- Promote switching to renewable energy in Japan and at overseas properties - Call for action on the owners of leased properties **Scope 2**
- Expand the scope of third-party assurance to consolidated companies and globally

- Approach clients' carbon neutral strategy, business strategy, financial and capital strategies by way of "Analysis and ideas/concepts," "Engagement (constructive dialogue)," and "Solution Provision and Co-creation"
- Contribute to enhancing corporate values for both Mizuho and clients (transition risk mitigation and acquisition of profit opportunities) by supporting clients' transition

## Overview of Mizuho's Client Engagement



**Mizuho**

- Engagement (constructive dialogue)** ※
  - Foster a common understanding of the clients' business environment and management issues
  - Facilitate clients' corporate actions
- Analysis and ideas/concepts**
  - Track and analyze risks/opportunities associated with climate change
  - Envision a move based on the future vision of the sector and clients

Iteration / Deepening

**Solution provision & Co-creation**

- Providing financial and non-financial solutions and co-creating business with clients leveraging Mizuho's strengths

Strengths:

- Expertise on Industry and technology
- Liaison within and outside of Mizuho
- Finance arrangement Capability

※ In carbon-related sectors at high transition risk and sectors with Scope 3 targets, we confirm the status of transition risk management and GHG emission reductions of our clients through our engagement and support a phasal transition

- Focused on engagement with clients, governments, etc., and transition supports in view of each sector's characteristics and challenges. Compiled "Grand Designs" for some sectors as envisioned by Mizuho, and strengthened engagement
- In the electric power, oil & gas, and steel sectors, engaged and supported transitions by deeply involving in the clients' management and business strategies

## Electric power

### Engagement with clients

- Various discussions on energy mix and changes in business structure

### Transition support

- Supported transitioning to decarbonized power sources, strengthening of power networks, and implementing next-generation technologies (See p.4, 5 for supported examples)
- Considered cases of early retirement of coal-fired power plants mainly in Southeast Asia (Clarified the concept of support regarding early retirement in ES policy (See p.26))
- Organized requirements when considering support for ammonia co-firing technology

[Mizuho's approach on financing for ammonia co-firing for coal-fired power generation]

To support transitions based on the energy situation and industry characteristics of each country and region, finance will be considered in light of the criteria of "alignment with 2050 Net Zero and transition strategies (roadmaps) of each country," "developing strategies of appropriate transition by the relevant operators," "use of low-carbon ammonia," "ammonia co-firing ratio of 20% or more", and not falling under new construction or expansion prohibited by Mizuho's ES policy

## Oil and Gas

### Engagement with clients

- Discussion on inorganic strategies for launching non-oil related businesses

### Transition support

- Support business portfolio restructuring and hydrogen value chain development for future fuel conversion
- Support study related to the strengthening and restructuring of petrochemical businesses, and commercialization of SAF production projects

## Steel

### Engagement with clients

- Discussion on initiatives to reduce emissions from iron- and steel-making processes
- Discussion on optimal procurement methods to secure funding for carbon neutral investments

### Engagement with governments

- Contribution to opinion dissemination and rulemaking for the development of a competitive environment, including the low-carbonization of the blast furnace method and the practical application of direct hydrogen reduction

■ Engaged with clients, and supported their transition and practical application of next-generation technologies also in the automotive, maritime transport, real estate, aviation, and chemicals sectors

## Automotive

### Engagement with clients

- Discussion on rechargeable battery strategies, renewable energy procurement, off-site PPAs, etc., with a focus on finished car manufacturers

### Transition support

- Financing arrangements to implement decarbonization strategies, such as procurement of renewable energy and technological development
- Proposals for visualization of GHG emissions throughout the supply chain, and data management services, etc.
- Origination of Green Loan for battery EV development (SUBARU)

## Maritime transport

### Engagement with clients

- Discussion on compliance with international standards for vessels set by IMO (International Maritime Organization)

### Transition support

- Financial support to expand the introduction of vessels with low carbon fuels

## Real estate

### Transition support

- Established renewable energy procurement scheme and financial support
- Visualized GHG emissions, endorse non-fossil certificates and environmental certifications
- Originated Mizuho Green/Sustainable Real Estate Non-recourse Loans
- Started offering Mizuho Real Estate Non-Recourse Sustainability-Linked Loans

## Aviation

### Support for next-generation technology

- Joined ACT FOR SKY, an organization dedicated to the commercialization, promotion and expansion of SAF in Japan (BK)

### Transition support

- Originated the first project finance in Japan for a solar power generation project in which a concession airport operator is the purchaser of electricity (Kansai Airport Group, ORIX)

## Chemicals

### Engagement with clients

- Discussion on fuel conversion (decarbonization of crackers -pyrolysis furnaces), raw material conversion (recycling of waste plastics), and raw material recycling (bioplastics), etc.
- Discussion on strategy based on the downstream demand for eco-friendly materials
- Discussion on the restructuring of industrial complexes optimized for adoption of low-carbon technologies and production capabilities
- Discussion on GX-related government support

- In risk control framework for carbon-related sectors, we evaluate degree of risk for each client along to two axes: (1) the client's sector and (2) the status of clients' responses to transition risks. We support clients in medium- and high-risk areas through our engagement in their effort to tackle transition risks and move their business structures to lower-risk areas

## Risk Assessment Mapping for Carbon-Related Sectors

### (2) Clients' Status of responses to transition risks

|   |  |  |  |
|---|--|--|--|
| ①   | ②  | ③  | ④  |
| * Has no policy to address transition risks<br>* Has set no targets | * Has a strategy to address transition risks<br>* Has set quantitative targets | * Has set targets aligned with the Paris Agreement<br>* Implementing specific initiatives based on those targets | * Has had a third-party certification*2 to confirm that the company is on track to achieve its targets<br>* Certain to achieve those targets |

|                     |   |  |   |                      |  |
|---------------------|---|--|---|----------------------|--|
| (1) Clients' sector | Electric utilities<br>Main business: Coal-fired power generation<br>Main business: Oil- and gas-fired power generation, etc.<br>Main business: Renewable energy, nuclear power / power transmission, etc. | <b>High-Risk Area</b> <sup>*1</sup><br>(JPY1.5 trillion in total)                  | <b>Medium-Risk Area</b>   | <b>Low-Risk Area</b> |  |
|                     | Resources<br>Coal (thermal coal)<br>Coal (coking coal)<br>Oil & Gas   | (% in carbon-related sector EXP: 9%)*1   | <b>Encourage and support clients' responses to transition risks</b> <sup>*3</sup> |                      |  |
|                     | Materials<br>Steel<br>Cement  | <b>Support for business structural transformations leading to lower risk areas</b> |   |                      |  |
|                     | Other sectors   |  |   |                      |  |
|                     |   |  |   |                      |  |

\*1: Amount of EXP as December 31, 2023. High-risk area includes project finance for EXP of coal-fired power plants. \*2: Science Based Targets, etc. \*3: Set a "transition support framework" to provide more active support for clients' responses to transition risks and business structural transformations, etc., by setting the fulfillment of international standards as our requirements.

Actions (FY2024)

**Upgrade evaluation criteria** of (2) Clients' status of responses to transition risks

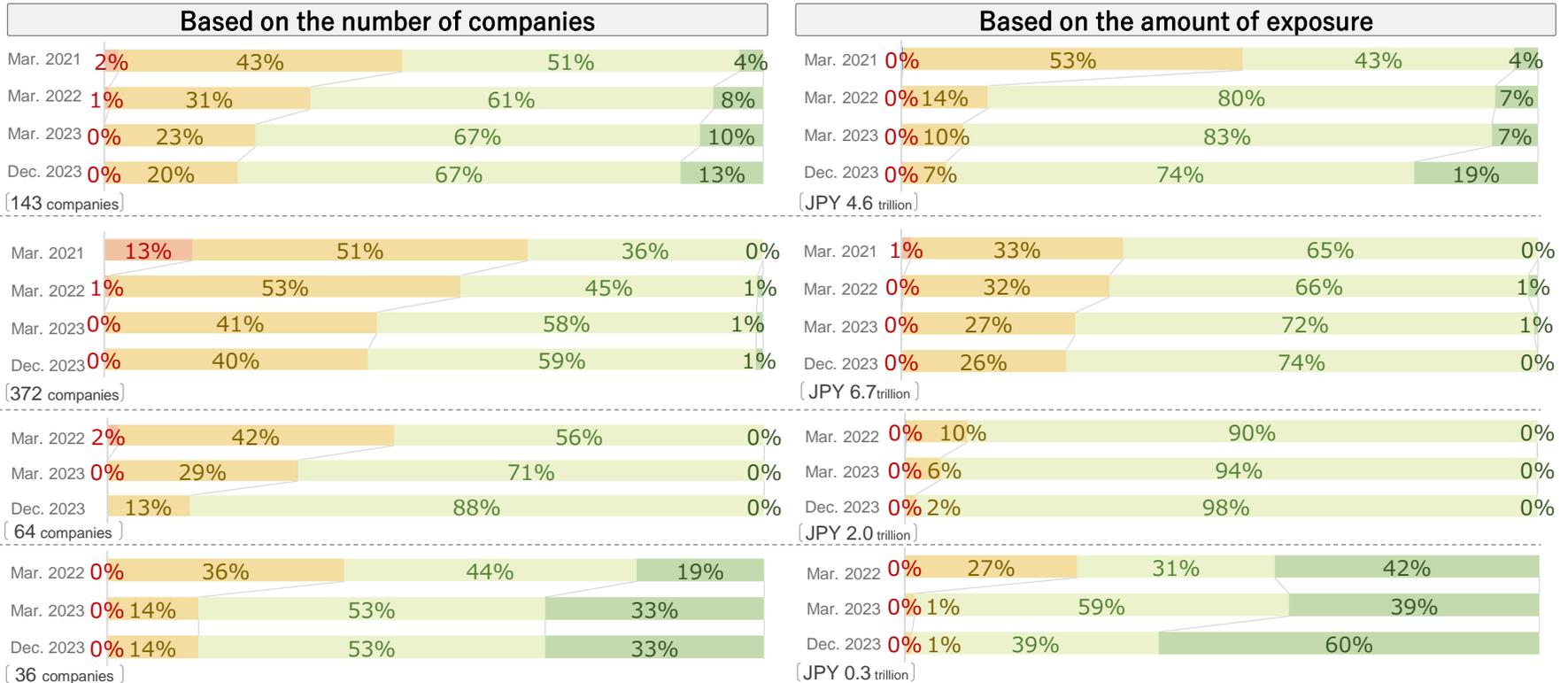
**Clients' status of responses to transition risks ③**  
 Levels are subdivided based on the criteria of **"Certain GHG emission reductions have been achieved relative to targets"**

**Clients' status of responses to transition risks ④**  
 Add **"Target and performance are consistent with the 1.5 degree-aligned pathway"** as one of the criteria for determining this level

# Clients' Status to Response to the Transition Risks

- Mizuho confirms the progress of clients' response to the transition risks of clients through engagement and supports the development of efforts toward transitions in stages
- The progress of clients' response to the transition risks has been advanced in each sector compared to previous fiscal years
- The progress will be continued to be monitored after upgrading the evaluation criteria described on the previous page

## Developments in the Clients' Status to Response to the Transition Risks\*1



\*1 Target: Corporate credit for electric power (coal, oil and gas, and thermal power generation; excluding renewable energy, nuclear power, and power transmission), resources (coal mining, oil and gas), steel, and cement \*2 Science-Based Targets, etc.

- Mizuho recognizes the loss of natural capital as critical issues relevant to climate change. Through financing and consulting, we support our clients' initiatives to transition to a nature-positive economy
- The analysis using LEAP approach was tested to see the relationship between Mizuho's loan portfolio and natural capital

## Supporting Clients with Natural Capital as a Starting Point

### Blue Finance Arrangement

- Provide financings to infrastructure development and new water-related projects by companies and local government bodies

### Providing "Mizuho Nature-Positive Design"

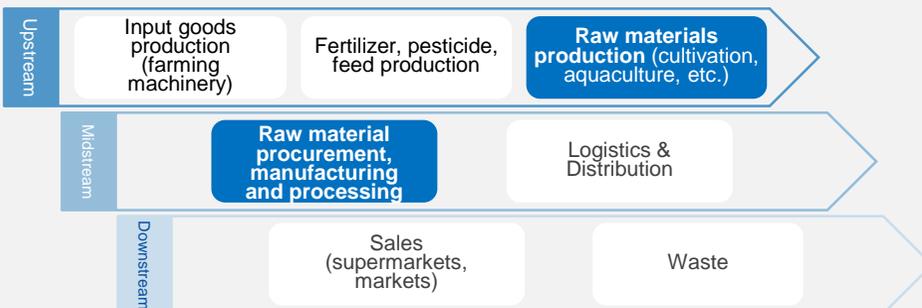
- Use satellite data to support procurement of sustainable raw materials

## Mizuho's Financing Portfolio Analysis

- ENCORE analysis, executed in FY2022, identified major sectors that are especially impacted and dependent on by "water" and "biodiversity." Of these sectors, food, chemicals, and general wholesale/retail sectors were selected for analysis using **LEAP** (Locate, Evaluate, Assess, Prepare) **approach** in FY2023
- Using the results of the analysis, we will consider capturing business opportunities related to natural capital and appropriate risk management going forward

Through value chain analysis of food, chemicals, and general wholesale/retail sectors, we identified the production processes with large impacts on and dependencies on "water" and "biodiversity"

(e.g.) Food sector's water and biodiversity value chain analysis



All of these sectors are highly impacted/dependent on by "the raw materials collection/production" process (including the manufacturing process for the food sector)

By selecting "priority locations" at a high risk of contact with nature, which has major impacts and dependencies on "water" and "biodiversity", we analyzed risks of the client's site located in such areas

(e.g.) Risk analysis at sites located in the "priority locations"

|                            |  |  |
|----------------------------|--|--|
| Company                    | Food manufacturer, A                                 |  |
| Site                       | Thailand   | China  |
| Production process         | Manufacturing processed food/beverages               |  |
| Identified high risk items | <b>Biodiversity</b><br><b>Water supply and input</b> | <b>Cultural diversity</b><br><b>Contaminated substance</b> |

Items at high risks were different even in the same sector, company and production process, depending on the location

- Continued to enhance our framework on respecting human rights in view of globally increasing importance of respect for human rights and response to human rights issues as a financial institution and a global corporation

## Strengthening Grievance Mechanisms



- Joined the “Engagement and Remedy Platform” --- a non-judicial grievance platform that complies with the UN “Guiding Principles on Business and Human Rights” operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)
- Provided a fair dialogue remedy process through a professional and neutral third party to accept reports on human rights violations from all stakeholders

## Participation in Human Rights Networking Activities



- Participated in the Financial Institutions Practitioner Circle (FIs Circle), a platform that aims to step up efforts of financial institutions to respect human rights, which is run by Shift, a non-profit organization of business and human rights experts
- New knowledge gained through exchanges of views with global peers will be used step up Mizuho's efforts to respect human rights

## Status of Conducting Human Rights Due Diligence

- In FY2023, a total of 12 human rights incidents were inspected more elaborately through enhanced due diligence

| Type of human rights issues                             | # of Cases |
|---|------------|
| Forced labor/Child labor                                | 8          |
| Human rights violations of indigenous people            | 1          |
| Harsh working environment / unjust dismissal            | 2          |
| Inadequate response to environmental and climate change | 1          |

| Current status                        | # of Cases |
|---------------------------------------|------------|
| Examining the incidents and responses | 0          |
| Suspended new transactions            | 1          |
| Ongoing monitoring                    | 7          |
| Confirmed appropriate response        | 4          |

- In FY2024, we plan to introduce **a process to determine the priority of conducting enhanced due diligence** for each incident based on the criteria including severity and likelihood , with the aim of preferentially addressing significant incidents

- Mizuho has established the Environmental and Social Management Policy for Financing and Investment Activity (ES Policy) to prevent and mitigate negative environmental and social impacts through financing and investment
- Following extensive discussion at business execution line and supervisory line, the policy was revised to strengthen our response to climate change, natural capital loss, and human rights issues

| Scope   | Major revisions (Effective date: July 1, 2024)   | Results of executive and supervisory discussion on revisions   |
|---|--|--|
| Human rights issues                                   | <ul style="list-style-type: none"> <li>■ Expand the types of human rights issues covered by the ES Policy from “forced labor, child labor, and human trafficking” to various human rights issues</li> </ul>  | <ul style="list-style-type: none"> <li>➢ Expanded scope of application based on the importance of human rights</li> </ul>  |
| Coal-fired power generation                           | <ul style="list-style-type: none"> <li>■ Financing and investment aimed at enabling the early retirement of existing coal-fired power plants can be considered as an exception even in cases that fall under coal-fired power generation prohibition clauses</li> </ul>  | <ul style="list-style-type: none"> <li>➢ Since early retirement of power plants can contribute to decarbonization, even if the case falls under coal-fired power generation prohibition clauses, exceptionally consider the transaction</li> </ul>   |
| Weapons & Arms  | <ul style="list-style-type: none"> <li>■ Prohibit financing and investment which will be used for the manufacture, sales, or distribution of nuclear weapons</li> <li>■ Prohibit transactions with companies engaged in sales and distribution of cluster munitions, anti-personnel mines, and biological and chemical weapons, as well as those engaged in their manufacture</li> </ul> | <ul style="list-style-type: none"> <li>➢ Revised the policy in light of changes in the global situation and humanitarian perspectives</li> </ul>   |
| Woody biomass power generation (mono-fuel combustion) | <ul style="list-style-type: none"> <li>■ Newly Establish the policy and verify environmental and social risks                             <ul style="list-style-type: none"> <li>• Verify the measurement of life cycle GHGs, evaluate fuel sustainability and cascade use</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>➢ A new policy for woody biomass power generation was formulated as it has risks of impacting negatively to the environment and society such as increased life cycle GHG associated with transport from remote areas while it has various benefits</li> </ul> |
| Mining (Excluding quarrying)                          | <ul style="list-style-type: none"> <li>■ Newly Establish the policy and verify environmental and social risks                             <ul style="list-style-type: none"> <li>• Verify tailings<sup>*1</sup> disposal, forced and child labor, rights of indigenous people and local communities, etc.</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>➢ A new policy for mining and fisheries/aquaculture was formulated as they are recognized as sectors with material risk of human rights issues and high dependencies and impacts on nature</li> </ul>   |
| Fisheries & Aquaculture                               | <ul style="list-style-type: none"> <li>■ Newly Establish the policy and verify environmental and social risks                             <ul style="list-style-type: none"> <li>• Verify IUU fishing<sup>*2</sup>, destructive and indiscriminate fishing practices, etc.</li> </ul> </li> </ul>  |  |

- Mizuho acknowledges that it is absolutely essential to make a phased transition from demand of oil and gas to reach net-zero emissions by 2050, while also emphasizing an orderly transition, based on our recognition that it is important to reconcile its efforts to decarbonization with a stable energy supply and the economics & stability of energy prices
- Amid this context, Mizuho examined the policy once again in light of the current international agreements, energy supply and demand, and national policies, etc. Given the importance of stable energy supply, Mizuho decided not to introduce the across the board prohibition clause for new financing and investment for oil and gas extraction projects in this revision
- When making new financing and investment for oil and gas extraction projects, Mizuho verifies the environmental and social impacts, including the sufficiency of greenhouse gas emission reduction measures, alignment with national policies for stable energy supply and decarbonization, and the clients' transition strategy/status of measures for the transition, before making a decision on the transaction, and this operation will continue also in FY2024

\*1 Waste material containing water mixed with fine metal or mineral particles produced in the metals and minerals recovery process

\*2 Illegal, unreported and unregulated fishing activities that do not comply with national laws and/or international fishery rules in each country



## Sustainable Business

- **Support client’s steady “transition” toward 2030**
  - Reinforce our capability to supply sustainable finance
  - Promote clients’ business portfolio restructuring and promote supply chain transformation
  - Promote clients’ social implementation of next-generation technologies
- **Encourage clients’ corporate actions to correspond to future change**
  - Strengthen our efforts to address key topics for a sustainable society and economy
  - Deepen cooperation with stakeholders across industries and supply chains
  - Promote development of new products and businesses in coordination with the Group internally and externally
- **Capability building**
  - Further efforts to make sustainability pervasive among all employees
  - Enhancement of expertise of sustainability human resources



## Addressing Climate Change

- **Execute and enhance Net Zero Transition Plan**
  - Enhance client engagement strategies
  - Express opinions on rulemaking toward decarbonization
  - Consider quantifying climate change financial impacts with disclosure regulations in mind
- **Address our own emissions (Scopes 1, 2)**
  - Promote replacement of existing vehicles to EV and shift to renewable energy in leased properties
- **Responses to emissions through investments and loans financed emissions (Scope3)**
  - Enhance progress monitoring and consider necessary additional measures in sectorial medium-term targets
  - Consider enhancing emission disclosure based on disclosure regulations and guidance
- **Climate-related risk management**
  - Risk control in carbon-related sectors: Upgrade evaluation criteria of clients’ responses to transition risks



## ES Policy

- Review the financing and investment policy that appropriately capture environmental and social circumstances



## Respect for Human Rights

- Strengthen education and dissemination to further increase frontline awareness and literacy on business and human rights



## Initiatives on Natural Capital

- Consider appropriate risk management method and capturing business opportunity related to natural capital by utilizing LEAP Analysis results
- Disclosure based on the TNFD Recommendations



Appendix

- We set targets for Scope 1 and 2 emissions of steelmakers as the steelmaking processes accounts for 97% of total emissions from the steel sector

|                           |   |  |
|---------------------------|---|--|
| Targeted value chain      | <b>Companies and projects whose primary business is steelmaking</b><br>(production involving blast furnace or electric furnace, continuous casting and rolling)   |  |
| Targeted assets           | Loans (total of corporate and project finance) <sup>1</sup>   |  |
| Targeted emissions        | GHG emissions from steel production operations (Scope 1, 2)   |  |
| Metric                    | <b>Absolute GHG emissions (MtCO<sub>2e</sub>)</b>   |  |
| Metric formula            | $\sum \left[ \text{GHG emissions of each company or project} \times \frac{\text{Loan balance from Mizuho to each company or project}}{\text{Corporate value}^2 \text{ of each company or project}} \right]$ | * Aggregate of the attribution of Mizuho's loans to the emissions of each company or project |
| Base year/<br>Target year | Base year: FY2021 Target year: FY2030   |  |
| Base-year result          | 17.3 MtCO <sub>2e</sub>   |  |
| Benchmark scenarios       | <b>(1) IEA: Net Zero Emissions by 2050 (NZE) [1.5°C] – (2) MPP<sup>3</sup>: Technology Moratorium [Well-below 2°C]</b>  |  |
| <b>Numerical targets</b>  | <b>FY2030: Reduce by 17% (2) – 23% (1) from FY2021 level</b>  |  |
| Data sources              | Information disclosed by clients (sustainability report, website, etc.), Bloomberg, CDP, estimates (PCAF emission factor)   |  |

1. Aggregate for Mizuho Bank and Mizuho Trust & Banking

2. In line with the PCAF Standard, we adopt EVIC (sum of market capitalization of ordinary and preferred shares and book values of Interest-bearing debt and non-controlling interests) for listed companies, and the corporate value (sum of total equity and interest-bearing debt) for private companies

3. MPP: Mission Possible Partnership, a global public-private partnership aimed at the decarbonization of industrial sectors. Think-tanks, steel-makers and experts were involved in drawing up scenarios for the steel industry

|  |  |
|--|--|
| <p>Reasons for selecting the steel sector</p>                  | <ul style="list-style-type: none"> <li>● Being a <u>large emitter accounting for some 7% of the emissions from the global energy-consuming sectors, over 10% of the emissions in Japan, almost 40% of the total emissions from Japanese industry, as well as some 18% of Mizuho's financed emissions<sup>1</sup></u>, the steel sector is the key to realizing carbon neutrality through further reductions in emissions</li> <li>● Since steel materials have a huge impact on downstream industries such as the construction and automotive industries, <u>decarbonization of this sector is essential for promoting the transition of the real economy</u></li> </ul>   |
| <p>Approach to targeted value chain and targeted emissions</p> | <ul style="list-style-type: none"> <li>● We <u>focus on the companies and projects whose primary business is steelmaking (production involving blast furnace or electric furnace, continuous casting and rolling)</u>, as the steelmaking process accounts for most of the value chain emissions in the steel industry</li> <li>● We <u>focus on Scope 1 and 2 emissions</u>, as most of the emissions of steelmakers come from their own steel production operations</li> </ul>   |
| <p>Approach to metrics</p>                                     | <ul style="list-style-type: none"> <li>● We <u>set targets in absolute GHG emissions</u> as a measure of emission reduction efforts by steelmakers including through business structural transformations (improvement of production efficiency, expansion of overseas operation, etc.) and development of decarbonizing technologies</li> </ul>  |
| <p>Benchmark scenarios</p>                                     | <ul style="list-style-type: none"> <li>● To pursue efforts to limit the global temperature increase to 1.5°C, we <u>adopted the IEA NZE scenario [1.5°C] as a benchmark scenario</u></li> <li>● As regards innovative technologies essential for the decarbonization of the steel industry (hydrogen direct reduction steelmaking, CCUS), the IEA NZE scenario assumes near zero-emission production commences at scale in the 2020s, accounting for more than 8% of primary production by, whereas technology roadmaps in Japan only envisage commercial in the 2030s and beyond, pointing to <u>challenges in the speed of realizing next-generation technologies</u></li> <li>● Since the feasibility of next-generation technologies must be taken into account in promoting the transition, we assume that rapid progress in the introduction of, and transition to innovative technologies will only happen in 2030 and beyond. We thus <u>set our target within the range indicated in the MPP Technology Moratorium scenario [well-below 2°C]</u></li> </ul> |
| <p>Initiatives for achieving targets</p>                       | <ul style="list-style-type: none"> <li>● Centered on engagement with clients, we promote support including for business structural transformations by steelmakers and the development of decarbonizing technologies (decarbonization of the blast furnace process, dissemination of the electric furnace process, practical use of hydrogen direct reduction steelmaking)</li> <li>● Through engagement with relevant government agencies, we promote policy measures to improve the surrounding environment</li> </ul>  |

1. Share of our actual financed emissions measured for FY2021 in Scope 1 and 2 emissions of the beneficiaries



- We set targets for in-use emissions from commercial property owned or leased by real estate companies, REITs, etc., as most of the emissions from the real estate sector originate in the use of property

|                        |  |   |
|------------------------|--|---|
| Targeted value chain   | <b>Companies whose primary business is real estate lending, REITs and SPCs<sup>1</sup> in Japan</b>  |   |
| Targeted assets        | Loans (corporate finance and non-recourse loans) <sup>2</sup>  |   |
| Targeted emissions     | <b>Scope 1, 2 (emissions from owned property) and Scope 3, Category 13 (emissions from leased property)</b>  |   |
| Metric                 | GHG emission intensity (kgCO <sub>2e</sub> /m <sup>2</sup> )   |   |
| Metric formula         | $\sum \left( \text{GHG emission intensity of each company} \times \frac{\text{Loan balance to each company}}{\text{Total loan balance across target portfolio}} \right)$                               | * Weighted average of the GHG emission intensity of each company depending on outstanding loans (loan balance to each company as a share of total loan balance across the target portfolio) |
| Base year/ Target year | Base year: FY2021 Target year: FY2030  |   |
| Base-year result       | 69 kgCO <sub>2e</sub> /m <sup>2</sup> (cf.) Absolute emissions: 361 ktCO <sub>2e</sub>   |   |
| Benchmark scenarios    | <b>(1) CRREM 1.5°C Pathway<sup>3</sup> [1.5°C] – (2) CRREM 2°C Pathway<sup>4</sup> [Well-below °C]</b>   |   |
| Numerical targets      | <b>FY2030: 33 kgCO<sub>2e</sub>/m<sup>2</sup> (1) – 42 kgCO<sub>2e</sub>/m<sup>2</sup> (2)</b> (Cf. Reduction rate from the base year: 52% - 39%)  |   |
| Data sources           | Information disclosed by clients (sustainability report, data published under the Act on Promotion of Global Warming Countermeasures (the Act), etc.), estimates (emission factor under the Act, etc.) |   |

1. Targeted value chain includes:

- (1) Real estate companies: Large-scale companies (classified as such under the Companies Act, listed companies, etc.) whose primary business is real estate lending;
- (2) REITs: All listed REITs, plus private REITs whose major sponsor (owning over 50% of the REIT's asset management company) is a real estate company as defined in (1) above;
- (3) SPCs (special purpose companies): SPCs whose consolidated parent is a real estate company as defined in (1) above

2. Aggregate for Mizuho Bank and Mizuho Trust & Banking

3. CRREM (Carbon Risk Real Estate Monitor) is an international initiative calculating and publishing GHG emission pathways for commercial property aligned with the Paris Agreement. This scenario adopts the CRREM Pathways Version 2, published in March 2023

4. CRREM Pathways Version 2 does not include a science-based well-below 2°C scenario. This scenario was calculated with reference to the difference between the 1.5°C and 2°C (well-below 2°C) pathways in CRREM Version 1



|   |  |
|---|--|
| <p>Reasons for selecting the real estate sector</p> | <ul style="list-style-type: none"> <li>● Real estate (residential and commercial) <u>accounts for some 26% of the emissions from the global energy-consuming sectors</u></li> <li>● Given that real estate is part of the infrastructure that supports people’s living and economic activities, and global demand for real estate is expected to increase toward 2050, <u>decarbonization of the real estate sector is essential for ensuring the transition to a low-carbon society</u></li> </ul>  |
| <p>Approach to targeted finance</p>                 | <ul style="list-style-type: none"> <li>● <u>We focus on corporate finance for real estate companies and REITs whose primary business is operating and leasing commercial property, as well as real-estate non-recourse loans through special purpose companies (SPCs)</u></li> <li>● We focus on <u>business entities in Japan</u>, which account for over 80% of our portfolio, in view of the availability of disclosed data</li> <li>● While a wide range of business entities are involved in the real estate sector, the availability of disclosed data is limited. Accordingly, we defined the targeted supply chain as follows:             <ul style="list-style-type: none"> <li>(1) Real estate companies: <u>Large-scale companies (classified as such under the Companies Act, listed companies, etc.) whose primary business is real estate lending;</u></li> <li>(2) Listed REITs: <u>All of them, plus private REITs: Included where the major sponsor (owning over 50% of the REIT’s asset management company) is a real estate company as defined in (1) above;</u></li> <li>(3) Special purpose companies (SPCs): <u>Included where their consolidated parent is a real estate company as defined in (1) above.</u></li> </ul> </li> </ul> |
| <p>Approach to targeted emissions</p>               | <ul style="list-style-type: none"> <li>● We target <u>Scope 1 and 2 (direct emissions of the company) and Scope 3, Category 13 (emissions from leased property)</u>, because emissions from property in use accounts for most of the lifecycle emissions from real estate</li> </ul>   |
| <p>Approach to metrics</p>                          | <ul style="list-style-type: none"> <li>● We set targets <u>in terms of GHG emission intensity</u> to improve the efficiency, and promote the decarbonization of energy used, while meeting the increasing demand for real estate</li> </ul>  |
| <p>Benchmark scenarios</p>                          | <ul style="list-style-type: none"> <li>● Since transition pathways differ in the real estate sector depending on the region and property type concerned, <u>we adopted CRREM, which develops and provides 1.5°C scenarios by region and property type</u></li> <li>● Decarbonization of the real estate sector depends on the reduction of emissions from electricity, which accounts for almost 70% of the in-use emissions from property. Reaching the level envisaged in the 1.5°C scenario requires (1) increasing the share of renewable energy in the regional energy mix, as well as (2) procurement of renewable electricity and energy certificates by companies themselves, whereas the supply capacity of the renewable energy market is limited, hindering stable procurement. We thus <u>set targets within the range of 1.5°C - well-below 2°C scenarios<sup>1</sup></u></li> <li>● These targets were calculated based on the property mix as of FY2021. They do not include <u>data centers, which are expected to increase in the future</u>, due to lack of adequate data and scenarios. Thus, <u>we will review the targets as appropriate when better data and scenarios become available in future</u></li> </ul>                       |
| <p>Initiatives for achieving targets</p>            | <ul style="list-style-type: none"> <li>● Centered on engagement with clients, we provide financial and non-financial support including through assistance in procuring renewable electricity and energy certificates, and financial arrangements for the execution of decarbonization strategies, such as expansion of ZEB<sup>2</sup> and other types of energy efficient property</li> <li>● Aiming at the decarbonization of electricity, we promote engagement with, and support the initiatives of clients operating electric power businesses, in light of our emission reduction target for the electric power sector (set in 2022)</li> </ul>  |

1. Version 2 does not include a science-based well-below 2°C scenario. This scenario was calculated with reference to the difference between the 1.5°C and 2°C (well-below 2°C) pathways in CRREM Version 1

2. Net Zero Energy Building, defined as a building that effectively consumes no primary energy



# [Automotive Sector] Setting Scope3 Medium-term Targets (Disclosed Dec. 2023)

- Over 80% of the GHG emissions in the automotive sector are Scope 3 emissions (primarily GHG emissions from running vehicles). Therefore, when setting our targets, we covered Scope 3, Category 11<sup>1</sup> emissions (indirect) as well as Scope 1 and 2 emissions (direct)

|                        |  |  |
|------------------------|--|--|
| Targeted value chain   | Companies whose primary business is (finished) vehicle production  |  |
| Targeted assets        | Loans (corporate finance) <sup>2</sup>   |  |
| Targeted emissions     | Scope 1, 2   | Scope 3 (Category 11 <sup>1</sup> )  |
| Metrics                | Absolute GHG emissions (ktCO <sub>2e</sub> )   | Average GHG emission intensity for new LDVs <sup>3</sup> (gCO <sub>2e</sub> /vkm) (Well-to-Wheel <sup>4</sup> )<br>* Emissions per distance traveled   |
| Metric formula         | $\sum \left( \text{GHG emissions of each company} \times \frac{\text{Balance of loans from Mizuho to each company}}{\text{Corporate value}^5 \text{ of each company}} \right)$ | $\sum \left( \text{GHG emission intensity of each company} \times \frac{\text{Balance of loans from Mizuho to each company}}{\text{Total loan balance across the target portfolio}} \right)$ |
| Base year/ Target year | Base year: FY2021  | Target year: FY2030  |
| Base-year result       | FY2021: 934 ktCO <sub>2e</sub> <sup>6</sup>  | FY2021: 198 gCO <sub>2e</sub> /vkm <sup>7</sup><br>(of which) Well-to-Tank (energy production process): 40<br>Tank-to-Wheel (running vehicle emissions): 158                                 |
| Benchmark scenarios    | 1.5°C-aligned scenario under the SBTi absolute-based approach  | (1) IEA Net Zero Emissions by 2050 Scenario (NZE) <sup>8</sup> [1.5°C]<br>(2) SBTi (IEA ETP) Beyond 2°C Scenario (B2D) <sup>9</sup> [Well-below 2°C]   |
| Numerical targets      | <b>FY2030: Reduce by 38% from FY2021 level</b>   | <b>FY2030: Reduce by 31% (2) – 43% (1) from FY2021 level</b>   |
| Data sources           | Information disclosed by clients, etc.   | S&P Global Mobility, 2023, etc.  |

1. Emissions from use of sold products. 2. Aggregate for Mizuho Bank and Mizuho Trust & Banking.  
3. LDV (Light-Duty Vehicle) refers to any passenger vehicle weighing 6t or less, including small-sized commercial vehicles.  
4. Emission metric covering emissions from energy production process and emissions from running vehicles.  
5. In line with the PCAF Standard, we adopt EVIC (sum of market capitalization of ordinary and preferred shares and book values of Interest-bearing debt and non-controlling interests) for listed companies, and the corporate value (sum of total equity and interest-bearing debt) for private companies  
6. Base year results have been revised due to re-measurement following data vendor’s review in EVIC values (740 ktCO<sub>2e</sub> as of December 2023 disclosure)  
7. Well-to-Wheel absolute emissions amount to 33 MtCO<sub>2e</sub>. 8. Calculation based on IEA World Energy Outlook 2022. 9. As of September 2023.



# [Maritime transport Sector] Setting Scope3 Medium-term Targets (Disclosed Dec. 2023)

- We set targets for emissions from vessel operation, which is the source of 98% of GHG emissions in the maritime transport sector
- In considering targets for the maritime transport sector, we referred to the concept of portfolio carbon intensity measurement under the International Maritime Organization (IMO) Strategy on Reduction of GHG Emissions<sup>1</sup> and the Poseidon Principles<sup>2</sup>, and decided to set targets for ship finance in terms of GHG emission intensity

|                                     |  |  |
|-------------------------------------|--|--|
| Targeted value chain                | Vessels of 5,000 gross tonnage and above, excluding domestic shipping vessels  |  |
| Targeted assets                     | Finance secured by vessel mortgages  |  |
| Targeted emissions                  | Scope 1 (vessel operation)   |  |
| Metric                              | Portfolio climate alignment score <sup>3</sup>   |  |
| Metric formula                      | $\sum \left[ \text{Climate alignment score of each vessel}_{((2) \text{ below})} \times \frac{\text{Balance of loans from Mizuho to each vessel}}{\text{Total loan balance across target portfolio}} \right]$  |  |
| Formula for climate alignment score | <p>Calculate AER<sup>4</sup> (1) for each vessel and then the portfolio-level weighted average of climate alignment score (2), defined as the difference between AER and the decarbonization trajectory for each vessel.</p> $(1) \text{ AER} = \frac{\text{Annual CO}_2 \text{ emissions for voyage}}{\text{Annual distance traveled} \times \text{Deadweight at maximum summer draught}^5}$ $(2) \text{ Climate alignment score} = \frac{\text{AER of each vessel } (1) - \text{Trajectory for each vessel}}{\text{Trajectory for each vessel}}$ |  |
| Base year/ Target year              | Base year: FY2021  | Target year: FY2030                              |
| Base-year result                    | Portfolio climate alignment score in FY2021 <sup>6</sup> : +1.82%  | (cf.) Absolute emissions: 3.5 MtCO <sub>2e</sub> |
| Benchmark scenarios                 | IMO's GHG reduction target / CII regulation value set in line with the target <sup>6</sup>   |  |
| Numerical target                    | <b>Climate alignment score in FY2030: 0% or less</b> (whole portfolio aligned with decarbonization trajectory)   |  |
| Data sources                        | VesselsValue, a Veson Nautical solution  |  |

1. In 2018, IMO adopted a Strategy on Reduction of GHG Emissions as a uniform emission reduction target for international maritime transport. In 2023, it revised the target to achieving net zero GHG emissions by around 2050.

2. The Poseidon Principles are a voluntary agreement reached among financial institutions in 2019 designed to help achieve IMO's GHG reduction target through finance.

3. Climate alignment score indicates how much the GHG emission intensity of a vessel diverges from the decarbonization trajectory.

4. AER (Annual Efficiency Ratio) refers to average CO<sub>2</sub> emissions for a 1-mile voyage carrying 1t of cargo.

5. Under the CII regulation, gross tonnage is used for vehicle carriers, ro-ro cargo ships and ferries. 6. IMO regulation on ship's energy efficiency. Since the regulation was not in place in FY2021, actual performance was calculated using an original benchmark.(Reference Line × 3% reduction rate).

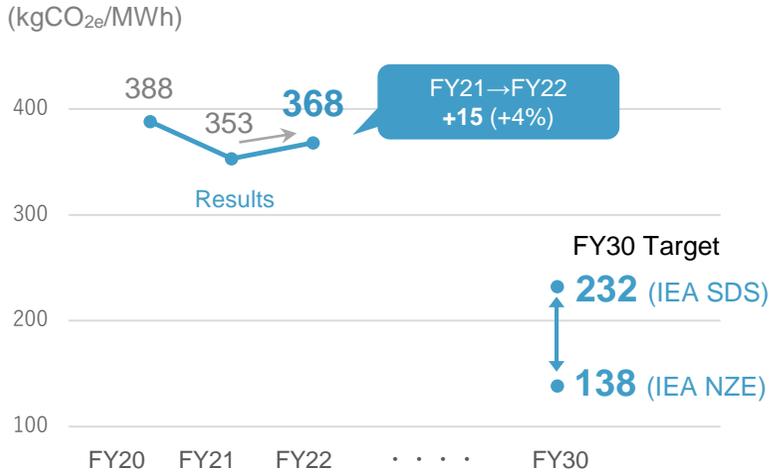
- We have set our medium-term targets with reference to the NZBA’s guidelines for climate target setting<sup>1</sup>, and they have been approved by the Board of Directors of Mizuho Financial Group. We will continue striving to enhance our setting of medium-term targets and our monitoring of performance based on the following approach

|  |   |                          |                        |                        |                    |                    |                        |     |
|--|---|--------------------------|------------------------|------------------------|--------------------|--------------------|------------------------|-----|
| <b>Methods for including companies and projects in the portfolio</b> | <ul style="list-style-type: none"> <li>● We select the companies or projects whose primary businesses are in the relevant sector value chain as our target portfolio.</li> <li>● We determine sectors and primary businesses based on the clients’ largest component of the sales from business activities.</li> <li>● About our classification method, we determine sectors based on the industry classification established by the Bank of Japan.</li> </ul>  |                          |                        |                        |                    |                    |                        |     |
| <b>Measurement coverage ratio</b>                                    | <ul style="list-style-type: none"> <li>● When we are not able to obtain emissions data, production data, financial data, or other such data for companies in the target portfolio and are consequently unable to calculate the necessary metric (GHG emission intensity or absolute GHG emissions), we consider them outside the scope of measurement.</li> <li>● We have been able to cover the following percentages of the portfolio loan balances for the sectors for which we have set new targets. Through engagement, we regularly confirm and update our records of our clients’ primary businesses. Because of this, the portfolio and percentage of the portfolio subject to measurement may change going forward.</li> </ul> <table border="1" data-bbox="582 651 1446 729"> <tr> <td rowspan="2">Newly target-set sectors</td> <td>Steel sector</td> <td>99%</td> </tr> <tr> <td>Real estate sector</td> <td>100%</td> </tr> </table> | Newly target-set sectors | Steel sector           | 99%                    | Real estate sector | 100%               |                        |     |
| Newly target-set sectors   | Steel sector  |                          | 99%                    |                        |                    |                    |                        |     |
|  | Real estate sector  | 100%                     |                        |                        |                    |                    |                        |     |
| <b>Data quality score</b>  | <ul style="list-style-type: none"> <li>● Following the Partnership for Carbon Accounting Financials’ Global GHG Accounting &amp; Reporting Standard for the Financial Industry, we calculated the average GHG emissions data quality weighted by amount of lending<sup>2</sup>. The results are as follows.</li> </ul> <table border="1" data-bbox="582 825 1725 911"> <tr> <td rowspan="2">Newly target-set sectors</td> <td>Steel sector</td> <td>Absolute GHG emissions</td> <td>2.1</td> </tr> <tr> <td>Real estate sector</td> <td>GHG emission intensity</td> <td>1.6</td> </tr> </table>   | Newly target-set sectors | Steel sector           | Absolute GHG emissions | 2.1                | Real estate sector | GHG emission intensity | 1.6 |
| Newly target-set sectors   | Steel sector  |                          | Absolute GHG emissions | 2.1                    |                    |                    |                        |     |
|  | Real estate sector  | GHG emission intensity   | 1.6                    |                        |                    |                    |                        |     |
| <b>Approach to carbon offsets</b>                                    | <ul style="list-style-type: none"> <li>● We do not currently take carbon offsets into account.</li> <li>● We will continue to look into approaches to them while tracking the direction of international discussions and development of international standards.</li> </ul>   |                          |                        |                        |                    |                    |                        |     |
| <b>Ongoing data enhancement</b>                                      | <ul style="list-style-type: none"> <li>● Calculating financed emissions requires relevant data on emissions and production aligned with consistent global standards. At present, consistent corporate disclosure data is limited. We have had to rely on data from external vendors with expert insight into the automotive sector and the maritime transport sector to calculate our results.</li> <li>● Our figures for GHG emissions and GHG emission intensity may change going forward as companies expand and enhance their emissions disclosures. We will continue endeavoring to improve the accuracy of our methods for collecting data and aggregating results in line with our findings from engagement with clients, the development of our clients’ disclosures, and other factors. We will consider revising our results and targets as needed.</li> </ul>  |                          |                        |                        |                    |                    |                        |     |

1. Net-Zero Banking Alliance (NZBA)’s Guidelines for Climate Target Setting for Banks.

2. A score of 1 indicates high data quality (data from disclosures, certified by a third party) and a score of 5 indicates low data quality (data from estimates, based on asset balances).

## 💡 Electric power (Set in May 2022)



### [Scope 1 (emissions from power generation) emission intensity]

FY2022 results (preliminary figures): **368 kgCO<sub>2e</sub>/MWh** (▲5% from the base year/ +5% YoY)

- Increased year-on-year due mainly to an increase in the ratio of thermal power generation following a decline in the operating rate of nuclear power plants in Japan and the start of operation of thermal power plants in Japan and overseas

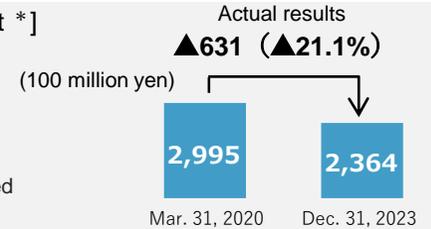
<Reference> Absolute emissions in target portfolio. FY21 → FY22 results (preliminary figures)  
Scope 1 : 45.3 → 40.1 MtCO<sub>2e</sub>

### [Credit balance reduction target for coal-fired power plant \*]

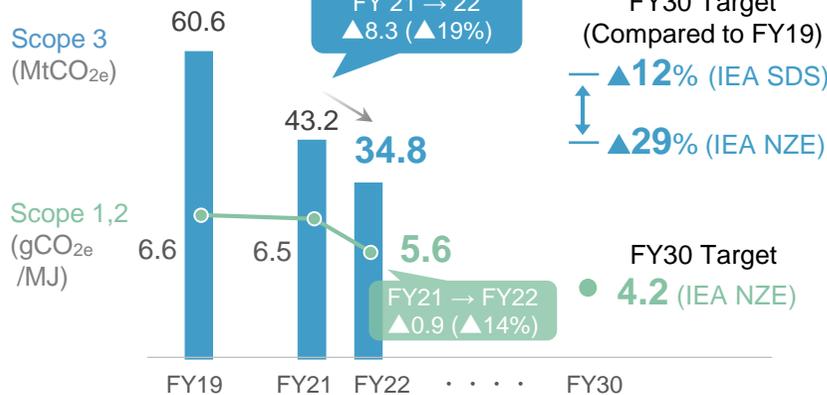
**FY2030 ▲50%** (compared with March 31, 2020)

**FY2040 Zero Balance**

\* Aggregation Targets: Credit cases where the funds are used for the construction or expansion of coal-fired power plants, which is prohibited under the ES policy.



## 🏗️ Oil and Gas (Set in Dec. 2022)



### [Scope 1, 2 emission intensity]

FY2022 results (preliminary figures): **5.6 gCO<sub>2e</sub>/MJ** (▲15% from base year / ▲14% YoY)

- Decreased year-on-year due to lower loan balance for projects with high emission intensity and lower emission intensity at clients

### [Scope 3 absolute emissions]

FY2022 results (preliminary figures): **34.8 MtCO<sub>2e</sub>** (▲43% from base FY / ▲19% YoY)

- Year-on-year decrease due to decrease in loans as mentioned above and a smaller share of Mizuho (attribution factor) resulting from increased market capitalization. Emission levels hover around the FY30 target level

<Reference> Absolute emissions in target portfolio FY21 → FY22 results (preliminary figures)  
Scope 1 : 4.4 → 2.8 MtCO<sub>2e</sub>, Scope 2 : 0.5 → 0.3 MtCO<sub>2e</sub>

## Coal mining (thermal coal) (Set in Dec. 2022)



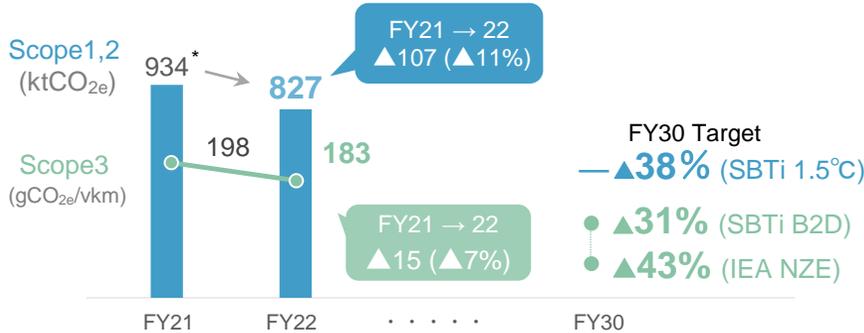
[Scope 1, 2, 3 absolute emissions]

FY 2022 results (preliminary figures): **0.6** MtCO<sub>2e</sub> (▲88% from the base year / ▲62% YoY)

- Decreased year-on-year mainly due to lower loan balances in target portfolio

\*Target loan to the thermal coal sector decreased from 22.6 billion yen (end of March 2022) to 10.6 billion yen (end of March 2023) and to 8.7 billion yen (end of December 2023)

## Automotive (Set in Dec. 2023)



\* Base year results were revised due to re-measurement following the review of EVIC values by data vendors

[Scope 1, 2 absolute emissions]

FY2022 results (preliminary figures): **827** ktCO<sub>2e</sub> (▲11% from the base year/ YoY)

- Decreased year-on-year due to steady progress in emission reductions by major clients

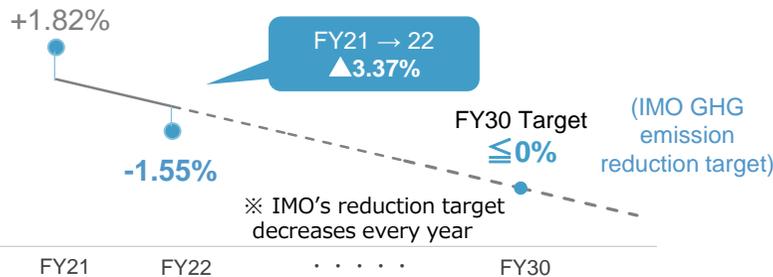
[Scope 3 emission intensity (Well-to-Wheel) ]

FY2022 results (preliminary figures): **183** gCO<sub>2e</sub>/vkm (▲7% from the base year/YoY)

- Decreased year-on-year due to progress in the shift to more fuel-efficient vehicles sold and to electric vehicles (battery EVs, hybrids, etc.)

<Reference> Absolute emissions in target portfolio FY21→ 22 results (preliminary figures)  
Scope 3: 33.4 → 33.6 MtCO<sub>2e</sub>

## Maritime transport (Set in Dec. 2023)



※ IMO's reduction target decreases every year

[Portfolio climate alignment score\*]

FY2022 results (preliminary figures): **-1.55%**

- Improved operational efficiency of existing vessels and changes in the mix of vessel portfolio led the alignment level of the entire portfolio below the reference value of vessel fuel regulations

<Reference> Absolute emissions in target portfolio FY21→ 22 results (preliminary figures)  
Scope 1: 3.5 → 2.9 MtCO<sub>2e</sub>

\*Evaluated the alignment level based on the deviation rate between the reference value and actual values of the fuel consumption regulations for vessels specified by the IMO. (Since the regulation was not in place in FY21 and FY22, actual performance was calculated using an original benchmark.)

| Sector                            | Before revision  | After revision <span style="border: 1px solid red; padding: 2px;">*Revised point stated in red</span>  |
|-----------------------------------|--|--|
| <p><b>Human rights issues</b></p> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies exposed to risk of forced labor, child labor and human trafficking</li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Forced labor, child labor and human trafficking are the extremely serious human rights issues that international conventions and laws prohibit.</li> <li>Companies have a risk of causing or contributing to forced labor, child labor and human trafficking through their business operations.</li> <li>Companies have a risk that forced labor, child labor, and human trafficking are directly linked to their operations, products, or services.</li> </ul> <p>Policy</p> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize. More specifically, Mizuho will perform human rights due diligence.</li> </ul> <p><b>Human rights due diligence</b></p> <p>(1) Identification and assessment of our client’s adverse impacts on human rights</p> <p>With the aim of eliminating forced labor, child labor, and human trafficking from our business and value chain, Mizuho will strengthen our human rights due diligence process and check if our clients have any risks of forced labor, child labor and human trafficking:</p> <ul style="list-style-type: none"> <li>When starting new financing and investment transaction with a company with no existing financing and investment transactions, or</li> <li>With regard to a company with existing financing and investment transactions, an external party shared findings or a public organization provided credible information.</li> </ul> | <p>Scope of application</p> <ul style="list-style-type: none"> <li><b>Companies exposed to risk of human rights issues</b></li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li><b>Companies have a risk of causing or contributing to adverse impacts on human rights through their business operations.</b></li> <li><b>Companies have a risk that adverse impacts on human rights are directly linked to their operations, products, or services.</b></li> <li><b>Forced labor, child labor and human trafficking are the extremely serious human rights issues that international conventions and laws prohibit.</b></li> </ul> <p>Policy</p> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize. More specifically, Mizuho will perform human rights due diligence.</li> </ul> <p><b>Human rights due diligence</b></p> <p><b>(1) Identification of our client’s adverse impacts on human rights</b></p> <p>Mizuho will identify its client’s adverse impacts on human rights in the following way:</p> <ul style="list-style-type: none"> <li>When starting new financing and investment transaction with a company with no existing financing and investment transactions, Mizuho will examine whether the company is involved in any adverse impacts on human rights*.</li> <li>With regard to a company with existing financing and investment transactions, an external party shared findings or a public organization provided credible information, Mizuho will examine whether the company is involved in any adverse impacts on human rights.</li> </ul> <p><b>* ‘Being involved in adverse impacts on human rights’ means any of the following situations: (1) causing adverse impacts on human rights (2) contributing to adverse impacts on human rights (3) adverse impacts on human rights are directly linked to the operations, products, or services by a business relationship.</b></p> <p><b>(2) Assessment of our client’s adverse impacts on human rights</b></p> <p>Mizuho will assess the identified adverse impacts on human rights, including their severity and likelihood. If Mizuho determines that the client is involved in significant adverse impacts on human rights, it will consider responses.</p> |

| Sector                            | Before revision  | After revision <span style="border: 1px solid red; padding: 2px;">*Revised point stated in red</span>  |
|-----------------------------------|--|--|
| <p><b>Human Rights issues</b></p> | <p>(2) Measures to be taken by Mizuho if clients have any risks of forced labor, child labor and human trafficking</p> <p>A. When the client is causing forced labor, child labor or human trafficking</p> <p>(a) If Mizuho has no existing financing and investment transactions with the client</p> <ul style="list-style-type: none"> <li>• Mizuho will not provide financing and investment to the company, if it is evident that forced labor, child labor, or human trafficking is caused by the company.</li> </ul> <p>(b) If Mizuho has existing financing and investment transaction with the client</p> <ul style="list-style-type: none"> <li>• If the client is evidently causing forced labor, child labor, or human trafficking, Mizuho will require the client to provide remedy and prevent recurrence.</li> <li>• If the client does not respond to our requirements after a certain period of time, Mizuho carefully considers whether or not to continue our business with them.</li> </ul> <p>B. When the client is contributing to forced labor, child labor, or human trafficking, or when forced labor, child labor, or human trafficking is directly linked to the client’s operations, products, or services</p> <ul style="list-style-type: none"> <li>• Mizuho will engage in dialogues with the client to prevent and mitigate adverse impacts. More specifically, Mizuho will require the client to:                     <ul style="list-style-type: none"> <li>- Report the progress of measures taken against the relevant issue</li> <li>- Take additional measures if measures taken by the client is unsatisfactory</li> </ul> </li> </ul> | <p><b>(3) Mizuho’s responses to significant adverse impacts</b></p> <p>A. When the client is causing forced labor, child labor or human trafficking</p> <p>(a) If Mizuho has no existing financing and investment transactions with the client</p> <ul style="list-style-type: none"> <li>• Mizuho will not provide financing and investment to the company, if it is evident that forced labor, child labor, or human trafficking is caused by the company.</li> </ul> <p>(b) If Mizuho has existing financing and investment transaction with the client</p> <ul style="list-style-type: none"> <li>• If the client is evidently causing forced labor, child labor, or human trafficking, Mizuho will require the client to provide remedy and prevent recurrence.</li> <li>• If the client does not respond to our requirements after a certain period of time, Mizuho carefully considers whether or not to continue our business with them.</li> </ul> <p>B. When the client is contributing to forced labor, child labor, or human trafficking, or when forced labor, child labor, or human trafficking is directly linked to the client’s operations, products, or services</p> <ul style="list-style-type: none"> <li>• Mizuho will engage in dialogues with the client to prevent and mitigate adverse impacts. More specifically, Mizuho will require the client to:                     <ul style="list-style-type: none"> <li>- Report the progress of measures taken against the relevant issue</li> <li>- Take additional measures if measures taken by the client is unsatisfactory</li> </ul> </li> </ul> <p><b>C. When the client is involved in other adverse impacts on human rights</b></p> <ul style="list-style-type: none"> <li>• Mizuho will engage in dialogues with the client to prevent and mitigate adverse impacts. More specifically, Mizuho will require the client to:                     <ul style="list-style-type: none"> <li>- Report the progress of measures taken against the relevant issue</li> <li>- Take additional measures if measures taken by the client is unsatisfactory</li> </ul> </li> </ul> |

| Sector                                    | Before revision   | After revision <span style="border: 1px solid red; padding: 2px;">*Revised point stated in red</span>   |
|---|---|---|
| <p><b>Coal-fired power generation</b></p> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies which run coal-fired power plant operations</li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Coal-fired power generation has a risk of causing climate change or air pollution because it emits more greenhouse gas than other type of power generation and releases sulfur oxide and nitrogen oxide.</li> </ul> <p>Policy</p> <p><b>Prohibitions</b></p> <ul style="list-style-type: none"> <li>Mizuho will not provide financing and investment to:                             <ul style="list-style-type: none"> <li>Companies with no existing financing and investment transactions and whose primary business is coal-fired power generation</li> </ul> </li> <li>Mizuho will not provide financing and investment which will be used for:                             <ul style="list-style-type: none"> <li>New construction of coal-fired power plant</li> <li>Expansion of existing coal-fired power plant</li> </ul> </li> </ul> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> <li>Mizuho will support development of innovative, clean, and efficient next-generation technology that will contribute to the energy conversions that lead to a low-carbon society by 2050.</li> </ul> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies which run coal-fired power plant operations</li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Coal-fired power generation has a risk of causing climate change or air pollution because it emits more greenhouse gas than other type of power generation and releases sulfur oxide and nitrogen oxide.</li> </ul> <p>Policy</p> <p><b>Prohibitions</b></p> <ul style="list-style-type: none"> <li>Mizuho will not provide financing and investment to:                             <ul style="list-style-type: none"> <li>Companies with no existing financing and investment transactions and whose primary business* is coal-fired power generation</li> </ul> </li> <li>Mizuho will not provide financing and investment which will be used for:                             <ul style="list-style-type: none"> <li>New construction of coal-fired power plant</li> <li>Expansion of existing coal-fired power plant</li> </ul> </li> </ul> <p>* 'Primary business' means any of the following situations: (1) the target business accounts for more than 50% of total sales or total power generation (2) Although not falling under (1), the target business accounts for the largest proportion in total sales or total power generation.</p> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> <li>Mizuho will support development of innovative, clean and efficient next-generation technology that will contribute to the energy conversions that lead to a low-carbon society by 2050.</li> <li>For financing and investment aimed at enabling the early retirement of existing coal-fired power plant, Mizuho may provide financing or investment after verifying the reliability and effectiveness of the plans for progress towards decarbonization.</li> </ul> |

| Sector                         | Before revision  | After revision <span style="border: 1px solid red; padding: 2px;">*Revised point stated in red</span>   |
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| <p><b>Weapons and arms</b></p> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies whose primary business is weapons manufacturing, sale or distribution</li> <li>Companies which manufacture:                             <ul style="list-style-type: none"> <li>Cluster munitions, antipersonnel landmines and biochemical weapons</li> </ul> </li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Companies which engage in the weapons business have an adverse social risk from the perspective of humanitarian due to its ability to be used as tools of killing, wounding or destruction in a war and/or military conflict.</li> </ul> <p>Policy</p> <p><b>Prohibition</b></p> <ul style="list-style-type: none"> <li>Mizuho will not provide financing and investment to:                             <ul style="list-style-type: none"> <li>Companies which manufacture cluster munitions, antipersonnel mines, and biochemical weapons</li> </ul> </li> </ul> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> </ul> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies which engaged in the manufacturing, sales or distribution of weapons and arms                             <ul style="list-style-type: none"> <li>* Excluding those used for sports and leisure.</li> </ul> </li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Companies which engage in the weapons and arms business have a risk of criticism from the perspective of social justice due to the lethal and destructive nature of the products.</li> <li>As a result of the use of weapons and arms, there is a risk of causing human rights abuse, violations of international laws and/or other such issues.</li> </ul> <p>Policy</p> <p><b>Prohibition</b></p> <ul style="list-style-type: none"> <li>Mizuho will not provide financing and investment to:                             <ul style="list-style-type: none"> <li>Companies which engage in the manufacture, sales and distribution of cluster munitions, antipersonnel mines, and biological and chemical weapons</li> <li><b>Mizuho will not provide financing and investment which will be used for:</b> <ul style="list-style-type: none"> <li><b>The manufacture, sales and distribution of cluster munitions, antipersonnel mines, biological and chemical weapons, and nuclear weapons</b></li> <li><b>The manufacture, sales and distribution of other weapons and arms than those indicated above (only when the purpose is the legitimate national security or UN peacekeeping operations, Mizuho may provide financing or investment based on careful consideration)</b></li> </ul> </li> </ul> </li> </ul> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> </ul> |

| Sector  | Before revision  | After revision  | *Revised point stated in red |
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| <p><b>Woody biomass mono-fuel combustion power generation</b></p> | <p>No policy</p> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies which run woody biomass mono-fuel combustion power plant</li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Woody biomass power generation has a risk of increased greenhouse gas emissions throughout its entire lifecycle in the cases where large-scale logging and peatland development are involved in fuel production or fuel is transported from remote areas.</li> <li>Production of woody biomass fuel has a risk of impacts on ecosystems and damages to biodiversity due to large-scale deforestation.</li> <li>Production of woody biomass fuel has risks as follows: violation of the rights of indigenous peoples resulting from logging, unsafe or unhealthy working conditions, troubles with local communities resulting from environmental destruction, and competition with important land uses such as food production.</li> </ul> <p>Policy</p> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> </ul> |                              |

| Sector | Before revision | After revision   | *Revised point stated in red |
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| Mining | No policy       | <p>Scope of application</p> <ul style="list-style-type: none"> <li>Companies which engage in mining*</li> </ul> <p>* Includes the exploration, development, mining, and processing of precious metals, base metals, iron and non-ferrous metals, non-metallic minerals such as limestone and diamonds, and metallurgical coal. Excludes quarrying of stones, aggregates, gravel, and sand for building materials. For thermal coal, refer to thermal coal mining sector, and for oil and gas, refer to oil and gas sector.</p> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>Mining has a risk of enormous adverse impacts on the environment including those on ecosystems resulting from the removal of vegetation and topsoil in the development process, soil and water pollution resulting from harmful substances such as acid mine drainage, heavy metals, and cyanide compounds, and impacts on water resources by using a large volume of water.</li> <li>Mountaintop removal coal mining involves the use of explosives to remove all vegetation and topsoil above the coal seam and disposal of the rubble in nearby valleys, which has a significant impact on ecosystems and water quality.</li> <li>Mining has risks as follows in the absence of proper management of the mining sites: mining accidents such as cave-ins and tailings dam failures, forced labor of mineworkers, and human rights abuse such as involuntary resettlement of indigenous peoples and local communities caused by development project.</li> <li>Artisanal and small-scale mining is often operated without legal permits, which heightens the risk of the adverse impacts on the environment and society indicated above.</li> <li>In the states with weak governance, corruption is likely to occur in such occasions as acquisition of mining concession, which heightens the risk of the adverse impacts on the environment and society indicated above.</li> <li>In the states with weak governance and conflict areas, there are risks as follows unless the mining company properly manages the relationship with security contractors: human rights abuses against people involved in protests, and exacerbation of conflicts by aiding military/paramilitary groups.</li> </ul> <p>Policy</p> <p><b>Prohibition</b></p> <ul style="list-style-type: none"> <li>Mizuho will not provide financing and investment which will be used for:                             <ul style="list-style-type: none"> <li>Mountaintop removal metallurgical coal mining</li> </ul> </li> </ul> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> </ul> |                              |

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| <p><b>Fisheries and aquaculture</b></p> | <p>No policy</p> | <p>Scope of application</p> <ul style="list-style-type: none"> <li>• Companies which engage in fisheries</li> <li>• Companies which engage in aquaculture</li> </ul> <p>Overview of risks that Mizuho should recognize</p> <ul style="list-style-type: none"> <li>• Fisheries have risks as follows: impacts on ecosystems and damages to biodiversity due to IUU fishing*, destructive and indiscriminate fishing methods, overfishing and bycatch, and human rights abuse such as forced labor, child labor, and impacts on the traditional livelihoods of indigenous peoples.</li> <li>• Aquaculture has risks as follows: impacts on ecosystems and damages to biodiversity at construction of fish farms, eutrophication, red tide, and water pollution caused by antibiotics and other chemicals.</li> </ul> <p>* Fishing activities that are illegal, unreported, and unregulated. These refer to fishing activities that do not comply with national laws or international operational rules.</p> <p>Policy</p> <p><b>Other policies</b></p> <ul style="list-style-type: none"> <li>• To prevent and mitigate adverse impacts, Mizuho will make transactional decisions after verifying the measures taken by the client based on the risks that Mizuho should recognize.</li> <li>• Mizuho will not provide financing and investment if a risk assessment reveals that the client has not properly addressed environmental and social agenda and as a result faces crucial difficulty continuing its business.</li> </ul> |                              |

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| FG     | Mizuho Financial Group, Inc.             |
| BK     | Mizuho Bank, Ltd.                        |
| TB     | Mizuho Trust & Banking Co., Ltd.         |
| SC     | Mizuho Securities Co., Ltd.              |
| MSUSA  | Mizuho Securities USA LLC.               |
| AM-One | Asset Management One Co., Ltd            |
| RT     | Mizuho Research & Technologies, Ltd.     |
| FT     | Mizuho-DL Financial Technology Co., Ltd. |
| LS     | Mizuho Leasing Company, Limited          |
| IF     | Mizuho Innovation Frontier Co., Ltd      |

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| RBC   | Retail & Business Banking Company             |
| CIBC  | Corporate & Investment Banking Company        |
| GCIBC | Global Corporate & Investment Banking Company |
| GMC   | Global Markets Company                        |
| AMC   | Asset Management Company                      |
| GTU   | Global Transaction Banking Unit               |
| RCU   | Research & Consulting Unit                    |

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