



# **Sustainability Initiatives and Mizuho's Views on Shareholder Proposals**

Mizuho Financial Group

May, 2025



Innovating today. Transforming tomorrow.

## 1. Sustainability Progress

Managing Executive Officer

Head of Research & Consulting Unit and Group Chief Sustainability Officer (Group CSuO)  
of Mizuho Financial Group

Yasuhiko Ushikubo

## 2. Governance Structure / Mizuho's Views on Shareholder Proposals

Member of the Board of Directors

Chairperson of the Risk Committee

Hisaaki Hirama



## 1. Sustainability Progress

# Mizuho's general approach to sustainability

## Vision

Contributing to environmental conservation and the sustainable development and prosperity of both Japanese and global economies, industries, and societies, while enhancing corporate value through management that considers value creation for various stakeholders and Mizuho's sustainable and steady growth.

Take actions with an awareness of interconnectedness

Responses to climate change

Conservation of natural capital

Realization of circular economy

Respect for human rights

## Two pillars of promotion

### Maximizing opportunities (expanding positive impact)

- Providing financial and non-financial solutions to support our clients' steady transition toward 2030
- Supporting our clients' activities toward the future structural transformation of industries by financing next-generation technologies

### Mitigating risks (controlling negative impact)

- Continuous management of risks related to sustainability and enhancement/revision based on environmental changes
- Establishing and strengthening the management structure for responsible financing and investment to prevent and mitigate negative environment and social impacts



## Capability development

- Collaboration and co-creation with stakeholders such as clients, investors, communities, etc. (developing frameworks and environments to promote sustainability by establishing cooperative structures)
- Accumulation and expansion of knowledge and expertise (capability building through knowledge enhancement and deepening internal understanding of sustainability)

# Retrospective and actions taken in FY2024

## FY2021

- Commitment to address climate change (revision of the Environmental Policy, target setting for Scope 1 and 2)
- Japan's first member in PCAF and appointment as a Chair of PCAF Japan coalition

## FY2022

- Establishment of Net Zero Transition Plan
- Start of target setting for Scope 3
- Revision of Human Rights Policy
- Establishment of dedicated departments for promoting sustainability

## FY2023

- Setting sustainable finance target of JPY 100 trillion
- Formulation of Sustainable Business Strategy (focusing on hydrogen, carbon credit, and "Impact" )
- Completion of initial target setting for Scope 3

## FY2024

- Published Climate & Nature-related Report, with the addition of natural capital conservation to TCFD disclosures
- Declaration of "JPY2 trillion in hydrogen financing" and publication of " Impact Business Compass "
- Invested in companies with strengths in next-generation energy technologies and global environmental knowledge

### Initiative phases

Setting ambitious targets with a focus on sustainability

Determining the baseline plans and policies  
Establishing organizational structure for promotion of the strategy

Formulating specific strategies  
Defining key focus areas

Enhancing strategies and expanding actions into new areas

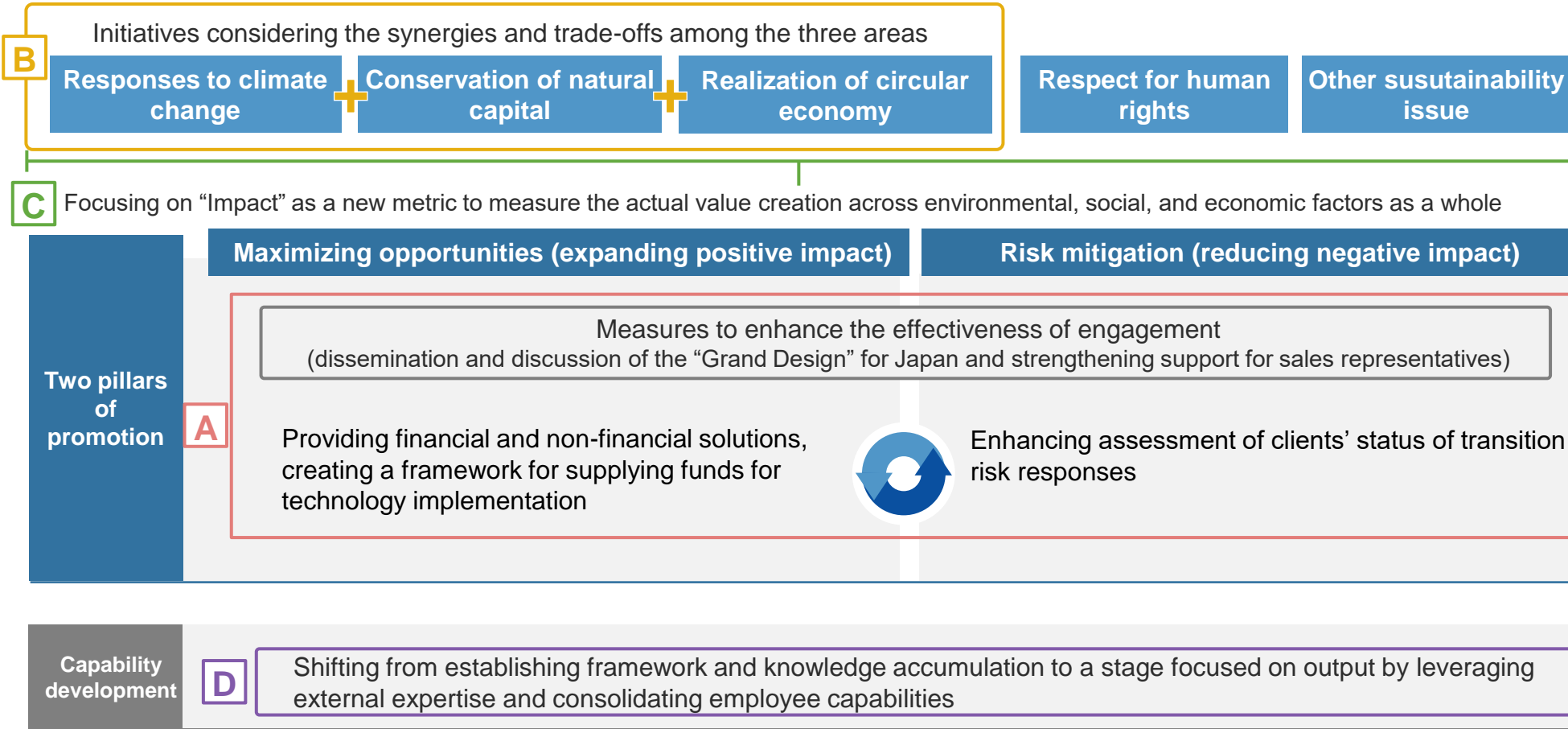
Changes in the external environment

Rising stakeholder expectations, strengthening disclosure regulations and the intensifying severity of climate change impacts ,etc.

# Major initiatives in FY2024

## Key implementation items in FY2024

- A** Reinforcing climate change response
- B** Integrated approach to natural capital and circular economy
- C** Presentation and promotion of the concept of “Impact”
- D** Strengthening the capability for further actions



## Support clients' decarbonization and transition

### Grand Design

Mizuho's vision based on its ambition of achieving carbon neutrality by 2050

#### 1 Enhancing the effectiveness of engagement

<Major progress in FY2024>

- Dialogue based on the Grand Design
- Strengthening dialogue based on GHG emission reductions

#### 2 Supporting clients' steady transition efforts

- Promoting the environment and climate-related finance target (JPY 50 trillion from FY2019 to FY2030)
- Supporting commercialization of decarbonization-related businesses

#### 3 Building the foundation for carbon neutrality

- Declaration of "JPY2 trillion in hydrogen financing"
- Investment in next-generation technologies
- Carbon credit

Mizuho's  
strengths

Expertise in industry  
and technology

Connecting within and  
outside of Mizuho

Finance arrangement  
capability

**Enhancing  
corporate value**  
Capturing opportunities  
Risk mitigation

**Facilitating real  
economy  
transitions  
for Japan**

## Risk management

- Establishing a framework to assess and monitor risk levels along two axes: clients' industry sectors and clients' status of responses to transition risks
- Continuing the implementation and review of the "Environmental and Social Management Policy for Financial Activities"

- Improving evaluation criteria for clients' status of responses to transition risks

## Grand Design

Ideal Japanese industrial structure in 2050

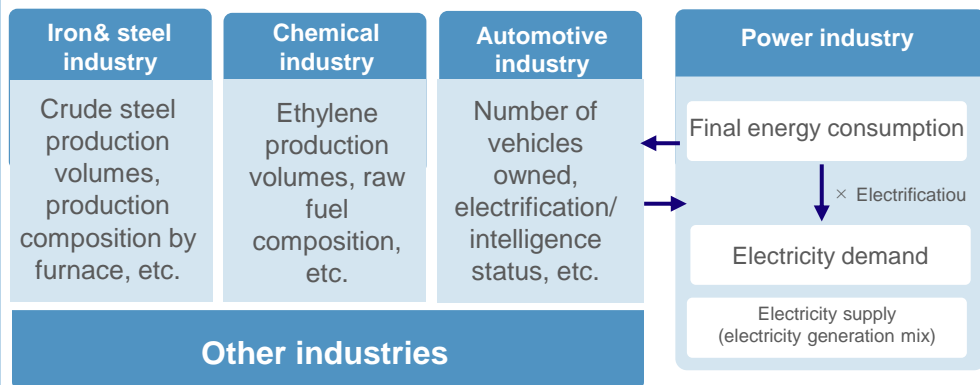
### Vision

**A balance of carbon neutrality and sustainable economic growth**

Ideal Japanese industrial structure:

**A hybrid of goods and services**

### Industries (factors to consider)



### Preconditions

**2050 carbon neutrality**

**Nominal GDP growth rate 2%**

**Stable supply of electricity**

### Dialogue based on the Grand Design

- Engaging in discussions with domestic electric power companies, steel companies, and relevant government ministries and agencies based on the Grand Design to explore the ideal structure of Japan's industries and sectors.

### Dialogue in the sectors with Scope 3 targets

- Engaging in dialogues focused on GHG emissions reduction with approximately 100 client companies, which account for 70–90% of emissions in the target sectors.

### Dialogue with clients in transition risk sectors

- Engaging in dialogues with approximately 550 client companies across transition risk sectors, regardless of credit exposure, to assess their responses to transition risks.

### Initiatives to enhance engagement effectiveness

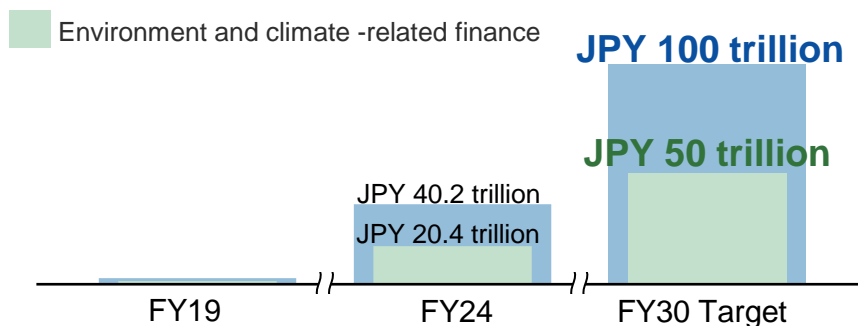
- Client relationship managers responsible for engagement are supported by specialized departments with advanced industry expertise.
- In FY2024, we provided industry-specific support books on emission reduction to facilitate proactive dialogues.



Support book  
(Example)



## Sustainable finance progress / evaluation



Numbers are approximate and reflect cumulative totals since FY2019.



SDGs bonds  
(publicly offered SDGs  
bonds in Japan)

Source: Capital Eye  
(Apr. 2024 - Mar. 2025)



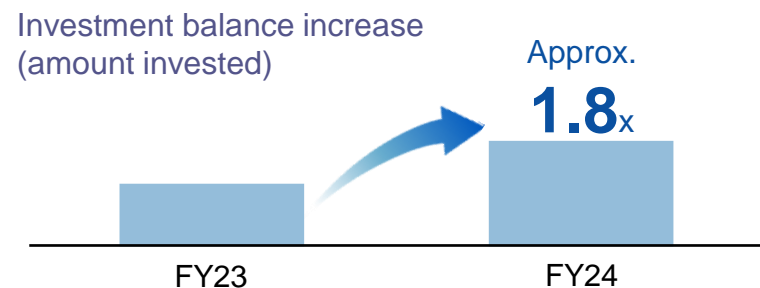
Sustainable finance  
(loan)

Source: LSEG  
(Jan. 2024 - Dec. 2024)



At the 6th ESG Finance Awards Japan sponsored by the Ministry of the Environment, Mizuho Bank received the Gold Award (Minister of the Environment Award) in the Indirect Financing category, while Mizuho Securities received the Bronze Award in the Financial Services category, marking its fifth consecutive year of recognition.

## Progress of Transition Investment Facility and Value Co-creation Investments



### Investment in chemical recycling technology (Sept. 2024)



- Invested in R Plus Japan Ltd., which is developing innovative, environmentally friendly plastic recycling technology

### Investment in biotechnology (Sept. 2024)



- Invested in CHITOSE BIO EVOLUTION, the holding company of the Chitose Group based in Singapore, which is engaged in large-scale algae production

### Investment in Lithium-ion battery (LiB) recycling technology (Mar.2025)



- Invested in Altium Metals Limited, a UK-based company operating a demonstration plant that recycles LiBs used in electric vehicles and produces low-carbon, sustainable battery materials

## // Initiatives for energy transition



### Hydrogen, etc

#### Mizuho's vision

#### First-call bank for hydrogen in Japan and Asia

- In May 2024, we announced a goal of providing JPY 2 trillion in financing for the production and supply of hydrogen and the related technologies by 2030. As a unified group, we are actively engaged in overseas hydrogen production projects and have secured the role of Financial Advisor for multiple projects.
- In March 2025, we signed a memorandum of understanding with five companies, including IHI, to explore investment in a green ammonia production project in India, with an annual capacity of approximately 400,000 tons.



### Next-generation technology

- In October 2024, we invested in Zap Energy Inc., a U.S. based firm focused on commercializing fusion energy, through Mizuho Innovation Frontier Co., Ltd.



A conceptual design of a pilot plant using Z-pinch fusion technology

## // Initiatives toward CO<sub>2</sub> capture and offset



### Carbon credits

#### Mizuho's vision

#### The top solution provider in Japan

- Promoting carbon credit trading to Japanese companies in collaboration with Climate Impact X, Singapore's carbon credit exchange operator.
- In February 2025, we have signed a memorandum of understanding with GenZero, which is an investment platform established by Singapore sovereign wealth fund Temasek, to form a strategic partnership for transition credits aimed at encouraging the early retirement of coal-fired power generation plants.
- In March 2025, we joined as a buyer of the "NextGen CDR Facility," established by Mitsubishi Corporation and South Pole, to support the creation and development of the market for technology-based Carbon Dioxide Removal (CDR) credits.



Frederick Teo, CEO of GenZero (right), and Tsunoda, Operating Officer & GM of Sustainable Business Promotion Department, Mizuho Bank

# A Framework on climate-related risk management

## Newly added evaluation criteria

④ **Certain GHG emission reductions have been achieved relative to targets**

This criterion was added to assess the progress of clients toward their GHG emissions reduction targets, in light of the growing external focus on companies' progress toward such goals.

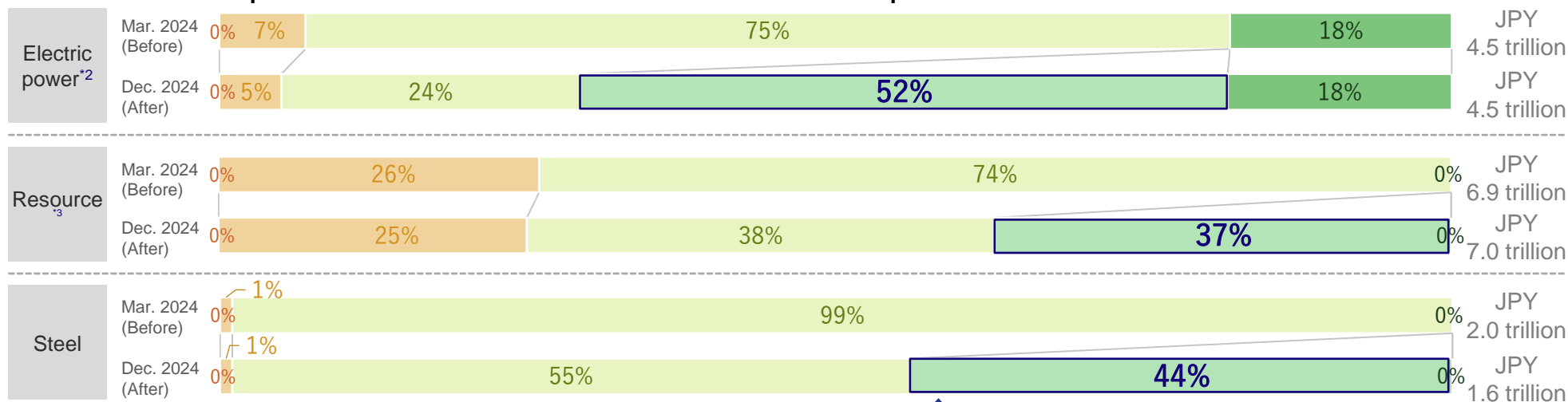
⑤ **Target and performance are consistent with the 1.5 degree-aligned pathway**

This criterion was added to evaluate clients that are proactively advancing their transition efforts, by assessing the alignment of their targets and performance with a 1.5 degree-aligned pathway.

## Evaluation criteria for “clients’ status of responses to transition risks”



## “Clients’ status of responses to the transition risks” based on the amount of exposure

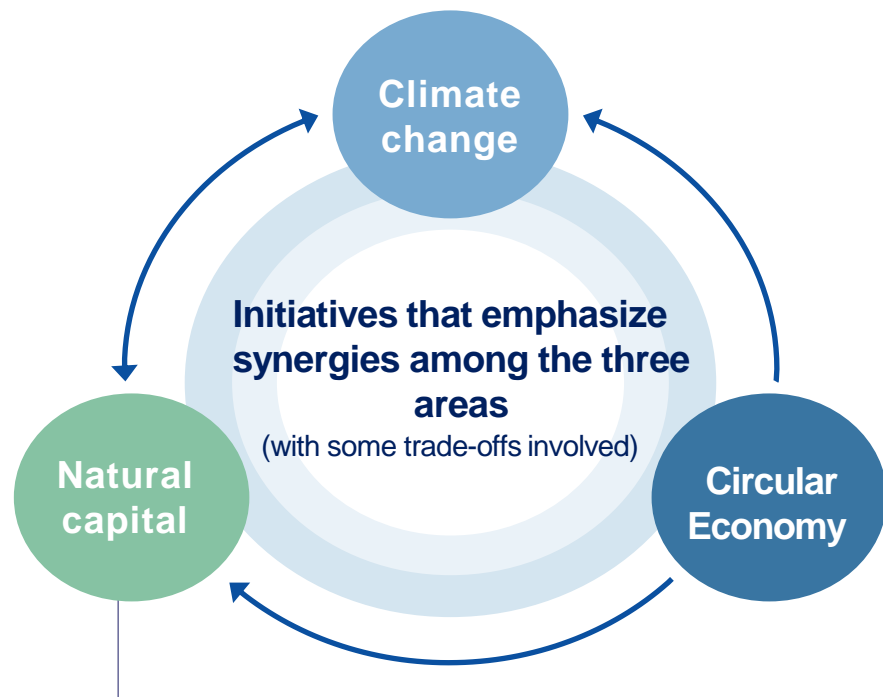


\*1 Science Based Targets, etc.

\*2 Coal/oil/gas/thermal power generation

\*3 Coal mining/oil and gas

Among the clients categorized under “Clients’ status of responses to transition risks” (3), those that have achieved certain GHG emissions reductions have been reclassified as (4), providing a clearer visualization of progress in addressing transition risks



### Exploring business opportunities and risks related to natural capital

- Deeper analysis of dependencies and impacts on natural capital and sectors most material to Mizuho at clients and Mizuho operational sites
- Supporting clients' transition to nature-positive
- Revision of “Environmental and Social Management Policy for Financial Activities” (ES Policy)

### Strengthening efforts in the circular economy business

- Leveraging Mizuho's strength in connecting businesses, local communities, and the public and private sectors
  - ✓ 【Connecting businesses】 A broad client base ranging from small and medium-sized enterprises to large enterprises
  - ✓ 【Connecting communities】 A regional network with offices in all prefectures across Japan
  - ✓ 【Connecting public and private sectors】 Extensive track record of supporting government agencies and companies
- Promoting a dual approach based on “regional-base within Japan axes” and “resource-specific axes”
  - ✓ 【Regional-base within Japan axes】 Establishing a regional recycling system that connects the upstream and downstream (arterial and venous) flows / Fostering core companies that bridge upstream (arterial) and downstream (venous) industries
  - ✓ 【Resource- specific axes】 Involvement in building recycling systems in emerging fields
- Aiming to become an “organizer” that will help build the circular economy industry



# Mizuho's initiatives to promote impact

## AM-One

- Asset Management One signed for the “Japan Impact-driven Financing Initiative”

## BK

- Mizuho Bank signed for the “Japan Impact-driven Financing Initiative”
- Joined the “SDG Impact Training by UNDP” as the first participant globally

## FG

- Joined the “Impact Startup Association”

## Enhancing impact expertise and strengthening organizational capabilities

### FG

- Published the “Impact Business Compass”
- Published the “Avoided Emissions Focus Report”
- Collaboration with United Nations Development Programme (UNDP), to offer advisory and training services for the development of impact-driven investment frameworks

2021

2022

2023

2024

## BK

- Launched the “Mizuho Human Capital Management Impact Finance”
- Invested in a DeepTech-focused impact fund

## BK

- Invested in an environment-related innovation fund

## BK

- Launched “Mizuho Positive Impact Finance”
- Launched the Mizuho Positive Impact Finance for SMEs

## Development of impact-related products

### BK

- Mizuho Impact Deposit
- Mizuho Natural Capital Impact Finance
- GHG Visualization Impact Finance

### TB/RT

- Evaluation framework for social impact real estate

# D Strengthening the capability for further actions

Past

FY2024

Future

- Establishing a framework for stakeholder engagement
- Providing input to enhance employees' sustainability knowledge

- Effectively leveraging external expertise through investments and business partnerships
- Employee-driven output leveraging accumulated knowledge

**Collaboration and co-creation with stakeholders**

**Effective utilization of external expertise**

Invested in and partnered with Pollination, a firm with expertise in climate change and natural capital, to strengthen the provision of sustainability-related solutions and services overseas

**Policy engagement**

Leveraging industry expertise to provide policy recommendations through study groups organized by government ministries and agencies, while also leading working groups within international initiatives such as PCAF

**Strengthen collaboration and engagement with external parties**

**Raising employee awareness and consolidating their capabilities**

**Knowledge acquisition and internal communication**

Fostering human resources for SX (Sustainability Transition), conducting study sessions, evolving the CSuO Dialogue into "SX Time!" (held 22 times with approximately 1,150 participants), and actively gathering employee feedback

**Encouraging employee-initiated actions**

Holding employee-driven working groups through the Mizuho Sustainability Transformation Project and ideathons, encouraging employee-initiated actions

**Encouraging proactive action within the organization**

**Maximizing effectiveness by strengthening both capabilities inside and outside the company**

## About Pollination Global Holdings



Established in 2019 (UK)

Climate, Nature and Investment Experts	180+ members
Major Advisory Clients (Advisory services)	Over 200 companies
Offices	7 Offices
Countries with Pollination Presence	5
Languages Spoken	25+ languages

## Holding employee-driven working groups through the Mizuho Sustainability Transformation Project





# Action plan for FY2025

## Key priorities

## Action Plan for FY2025

1

### Strategic and effective promotion of climate change response

- Focusing on supporting clients in their GHG emissions reduction actions (transition efforts)
- Demonstrating our capabilities in strategic approaches tailored to regional and sector-specific characteristics, as well as serving as a bridge and offering policy recommendations for medium- to long-term challenges
- Developing a more integrated framework for driving transition plans from the perspectives of opportunities, risks, and real economy transition

2

### Promoting approaches that create new businesses and development markets in our business focus areas

- Steadily advancing initiatives to create new businesses in four future-oriented focus areas
  - Hydrogen, etc : Supporting the development of key infrastructure for value chain formation
  - Carbon credits: Acquire expertise in credit trading and finance transactions, and contributing to market development
  - Impact: Exploring the development of impact assessment methodologies through product development, case creation, and platform building
  - Circular economy: Promoting the development of recycling systems across regions and sectors by leveraging network of our domestic operational sites

3

### Compliance with sustainability disclosure regulations

- Preparations for disclosure based on the SSBJ criteria
- Strengthening internal controls by establishing a group-wide (consolidated) data collection framework in preparation for mandatory sustainability disclosures

4

### Continuous strengthening of capabilities for sustainability promotion

- Deepening collaboration frameworks to more effectively leverage the capabilities of investee companies
- Supporting voluntary actions through the implementation of employee-driven ideas and the expansion of training tools, with the aim of having all employees embrace sustainability as their own responsibility



## 2. Governance Structure / Mizuho's Views on Shareholder Proposals



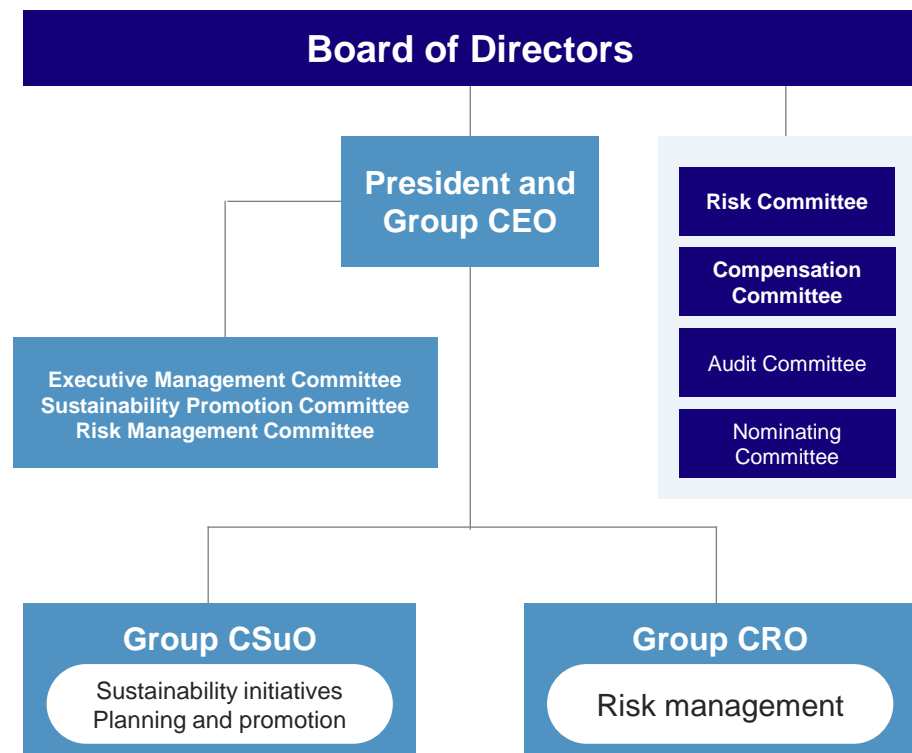
Governance Structure

# Governance structure related to sustainability

- Under the oversight of the Group CEO, the Group CSuO and Group CRO are leading initiatives in their respective areas related to Sustainability.
- On the execution side, discussions and deliberations are conducted in the Executive Management Committee, the Sustainability Promotion Committee, and the Risk Management Committee.
- On the supervisory side, directors and Risk Committee members receive reports from the executive side and make various recommendations mainly in the meetings of the Board of Directors and the Risk Committee.

## Supervision and execution structure

■ Supervision ■ Execution



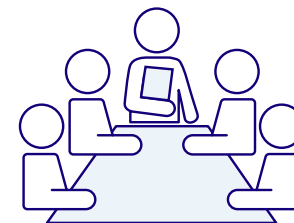
## Providing input to outside directors and Risk Committee members

〈Recent examples〉

- Current trends in Sustainability and policies
- Management System for Responsible financing and Investment
- Compliance with Sustainability Disclosure Regulations

Number of times sustainability-related topics were addressed

**FY2024 results**



**Board of Directors**

**2 times / 13 times**

**Risk Committee**

**3 times / 7 times**

# Status of discussions at the supervisory level

- The Risk Committee, as an advisory body to the Board of Directors, provides recommendations to the Board of Directors on risk governance and related matters by leveraging the expertise of its members, including outside directors and external experts. Sustainability is one of the most important topics discussed by the Risk Committee.

## // Topics discussed by the Risk Committee in FY2024 // Outside directors and external experts serving as Risk Committee members

### Main comments by Risk Committee members

- To support the transition, need to elevate the level of action, such as formulating the cross-sectoral “Grand Design” for Japan and expanding sectoral coverage to assess the clients’ status of responses to transition risks
- Engagement is needed across all industries, not only in high-emission sectors, as biodiversity and human rights grow in importance alongside decarbonization
- Given the growing concerns about greenwashing in society, it is essential to conduct in-depth assessments of the appropriateness of clients’ GHG emissions reduction targets, the progress of their strategies, and the challenges and risks involved in their implementation

### **Examples of executive initiatives based on discussions**

- Formulation of the cross-sectoral Grand Design
- Expansion of sectors targeted for engagement
- Establishment of a support framework for sales representatives to strengthen engagement efforts
- Strengthening efforts in the circular economy business

#### Outside directors



#### **Izumi Kobayashi**

- Member of the Working Group on Disclosure and Assurance of Sustainability-related Financial Information
- Served as President of Merrill Lynch Japan Securities Co., Ltd. and Executive Vice President of the Multilateral Investment Guarantee Agency of the World Bank Group



#### **Yumiko Noda**

- Chairman and Representative Director of Veolia Japan GK
- Vice Chair of KEIDANREN, Chair of Committee on Environment, KEIDANREN

#### External experts



#### **Rintaro Tamaki**

- President of Japan Center for International Finance
- Served as Vice Minister of Finance for International Affairs, Ministry of Finance, and Deputy Secretary-General of the OECD



#### **Hiroshi Naka**

- Professor of School of Policy Studies, Kwansei Gakuin University
- Served as Deputy Director-General of Minister's Secretariat, Ministry of Finance, and Vice President and Auditor General of World Bank



## Mizuho's Views on Shareholder Proposals

# Opinion of Board of Directors on Shareholder Proposal

## Oppose shareholder proposals for the following reasons

### Proposal 1

#### Partial amendment to the Articles of Incorporation (Disclosure of financial risk audit by Audit & Supervisory Board)

- Maintain appropriate risk control through top risk management through the establishment and operation of a comprehensive risk management system. Governance system in which in-depth discussions are conducted mainly in the Risk Committee and supervised by the Board of Directors and the Audit Committee
- Audit Committee has audited the legality and appropriateness of the execution of duties by directors and executive officers (as defined in the Companies Act) and the establishment and management of the internal control system and related matters, and regarding the audit results for fiscal year 2024, no specific issues have been identified, as stated in the Audit Report.
- Given the wide scope of the matters audited by the Audit Committee, it would be inappropriate for the Audit Report to be required to always include information regarding specific areas

#### Reference

Integrated Report P.94  
This document P.18-19

Convocation Notice of  
23<sup>rd</sup> Ordinary General  
Meeting of Shareholders

### Proposal 2

#### Partial amendment to the Articles of Incorporation (Disclosure of assessment of clients' climate change transition plans)

- Toward Net Zero by 2050, while promoting the transition to the real economy and increasing corporate value by supporting customers' decarbonization and transition, upgraded our framework for climate-related risk management and disclose assessments of response to transition risks
- Maintain appropriate risk management through risk control in high-risk areas and credit risk assessment through scenario analysis
- Determining whether to continue business with customers solely based on the evaluation criteria of their alignment with the 1.5°C target may hinder customers' transition efforts, which in turn could delay the transition of the real economy and damage our corporate value
- Furthermore, the Board of Directors is opposed to the shareholder proposal as it would also be inappropriate to stipulate such matters in the Articles of Incorporation, which should set out the fundamental structure of the company and other basic items

This document P.7-11

No	Document	URL
1	Timely disclosure (Full Shareholder Proposal and Opinion of Board of Directors)	<a href="https://www.mizuhogroup.com/news_release/20240515_3release_eng.html">https://www.mizuhogroup.com/news_release/20240515_3release_eng.html</a>
2	Integrated Report	<a href="https://www.mizuho-fg.co.jp/investors/financial/annual/data2403/pdf/data2403_all_browsing.pdf">https://www.mizuho-fg.co.jp/investors/financial/annual/data2403/pdf/data2403_all_browsing.pdf</a>
3	Convocation Notice of the 23rd Ordinary General Meeting of Shareholders*	<a href="https://www.mizuhogroup.com/investors/financial-information/stock-information/meeting">https://www.mizuhogroup.com/investors/financial-information/stock-information/meeting</a>

# Definitions & Abbreviations

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

Forward-looking Statements Financial information in this presentation uses figures under Japanese GAAP unless otherwise stated (including management accounting basis). This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Such forward-looking statements do not represent any guarantee of future performance by management. Further information regarding factors that could affect our financial condition and results of operations is included in our most recent Form 20-F and our report on Form 6-K. We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange. Information on companies and entities outside Mizuho group that is recorded in this presentation has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by Mizuho group and cannot be guaranteed. This presentation does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities