IR Day 2026: Summary of Q&A

1. Mass Market Retail / WM&AM in Japan

Q: Regarding the retail strategy, while growth in number of accounts, app usage & card issuance are stronger than expected, growing deposit balances appears to be an issue. Do you believe the current strategy is sufficient as is?

A: (Inomata, Co-Head of RBC) We are considering various options to increase deposits, but we see the “Mizuho-Rakuten Card” as a particularly powerful tool. By encouraging customers to use accounts linked to the card for everyday transactions, we aim to achieve sustained deposit retention. We have recently lifted some “restrictions” on the card’s point services to further promote daily usage. The launch of “term deposits” has just begun but is off to a very strong start. In parallel, we are also advancing app upgrades and digital investments to capture shifts in customer behavior amid the current positive interest rate environment.

Q: What is the positioning of the retail business at Mizuho Securities?

A: (Inomata, Co-Head of RBC) Whilst Mizuho Securities is focused on face-to-face services for high-net-worth individuals and business owners. They also collaborate with RMs at Mizuho Bank and specialists at Trust Bank to provide advanced wealth management services, such as to family offices. In the non-face-to-face domain, we are leveraging the Rakuten Securities channel, and we are observing a complementary relationship here.

Q: What are the goals for UPSIDER BANK by Mizuho?

A: (Inomata, Co-Head of RBC) UPSIDER BANK by Mizuho primarily targets SMEs with needs for growth support. Our goals are to reach a cumulative total of 100,000 accounts and 500 billion yen in online loan execution by FY2030. While these figures may seem small compared to competitors, this is a reflection of a differing target customer base and approach.

Q: Please explain the customer segment strategies, differentiation points, and strengths in the wealth management business, as well as initiatives in workplace business (services for employees of corporate clients).

A: (Inomata, Co-Head of RBC; Sato, Head of AMC; Sugawara, Head of CIBC)

In wealth management, we clearly assign sales roles based on clients’ asset size and life stage.

For mass affluent clients, we are increasing efficient and appropriate proposal opportunities by combining digital contact points with call centers tailored to customer characteristics and time periods during the day. For affluent and above, branch wealth managers work together with head office specialists leveraging securities and trust functions to address more complex asset management and succession needs.

We are broadly engaged in workplace business, capturing corporate human capital management and employee stock ownership needs through ESOPs, stock compensation trusts, corporate DC, iDeCo, etc., expanding client touchpoints. Mizuho has a large industry share here, and our differentiation lies in not just implementation/operation, but continuing wealth management support over their life cycle—from asset formation to retirement and succession. With 25 years since the start of corporate DC, it is now important to capture the asset management needs of the retiring generation.

Among large companies, employee share ownership is also a major trend, and as J-ESOP reforms allow handling of unlisted pre-IPO shares, Mizuho's trust strengths can also be leveraged.

<u>Q: Thoughts and initiatives for improving ROE and allocation of management resources.</u>

A: (Inomata, Co-Head of RBC; Sato, Head of AMC)

Improving ROE in mass market retail depends on capturing revenue opportunities from interest rate changes and strategically allocating limited expenses to key areas. The top priority is acquiring deposits and accounts, enhancing digital touchpoints like our online banking app, and upgrading marketing functions to accurately capture customer needs. By leveraging AI, we aim to approach each customer at the right time with the right content, building a sticky deposit base that justifies acquisition costs.

In Wealth Management, we are enhancing expertise in succession and finance for face-to-face segments. In Mass Retail we are maximizing efficiency through digital and marketing. Branches are not just for collecting deposits but are important touchpoints for providing high-value-added services to local corporate and individual clients. We believe the current branch network is a sufficient size and do not plan to reduce it.

In Asset Management, our policy is to use low-cost passive products as entry points, while increasing the share of higher-value-added and more profitable active and private asset products/services thereafter.

<u>Q: Approach to alliances and capital relationships in the mass market retail domain (e.g., potential to expand collaboration with Rakuten Bank, synergies from alliances with Orient Corporation and</u>

Muninova Holdings).

A: (Inomata, Co-Head of RBC) With Rakuten Bank, we are discussing collaboration mainly in the corporate domain, linking their deposit base with Mizuho's balance sheet solutions. No additional investment is being considered at this time.

In restructuring Orient Corporation's business, we recognized the need for expertise beyond Mizuho. Muninova Holdings brings outstanding digital application know-how, and there are discussions on cooperation with Orient Corporation.

Mizuho's basic approach to alliances and strategic relationships is an open strategy, flexibly considering partnerships that enhance customer convenience, data/digital utilization, and service coverage.

2. Supporting the Growth of Japanese Companies

Q: Approach to government-led strategic investments

A: (Sugawara, Head of CIBC) We view the government's strategic investments not just as a short-term measure but as a part of a long-term industrial policy that enhances the competitiveness of Japanese companies. Leveraging expertise from our Industry Research function and Mizuho Research Institute, we formulate equity stories in promising fields and act as a bridge between government agencies, large corporates, startups, and domestic/foreign investors. We support corporate growth with comprehensive solutions beyond lending, including capital policy advisory, M&A, and capital market fundraising.

Q: Collaboration with Rakuten Bank on CLOs

A: (Sugawara, Head of CIBC) We will issue CLOs to Rakuten Bank, combining Mizuho's functions of Banking, Trust Banking & Securities to leverage high-quality loan assets. The aim here is to improve our capital efficiency, secure liquidity, and diversify funding. While we the details of the structure and underlying assets are not disclosed, this is part of a group approach to balance sheet management that we will continue going forwards.

Q: Outlook for domestic large corporate lending spreads.

A: (Sugawara, Head of CIBC) We have improved spreads for lending to large corporates through portfolio rebalancing and profitability discipline. Currently, there are temporary fluctuations due to repayments of high-yield mezzanine deals, strategic responses to large deals, and more aggressive stances from competitor banks. However, as corporate investment and financing needs grow while access to capital become more constrained, there is increasing demand for more complex and specialized financing. Considering this supply-demand balance and deal quality, we see room for medium- to long-term spread improvement here.

It is also important to expand the value chain beyond simple lending spreads, generating overall profitability through providing M&A, DCM, risk management, and overseas expansion support.

<u>Q: Future direction for regional collaboration</u>

A: (Sugawara, Head of CIBC) In regional collaboration, our main pillars are Japan and the US, while also leveraging India's Avendus, the US's Greenhill, and the UK's Augusta with strengths in renewable energy. We aim to connect local expertise and global capital market functions in regions where Japanese companies seek growth opportunities.

<u>Q: Challenges in revitalizing Japan's direct financing market and Mizuho's role</u>

A: (Sugawara, Head of CIBC; Adachi, Co-Head of RBC; Sasaki, Co-Head of GMC) Indirect financing still dominates in Japan, but there are signs of a shift towards direct financing, such as the reduction of cross shareholdings, deeper engagement between companies and capital markets, increased foreign bond issuance, and corporate and ESG bonds. Non-investment grade and unrated companies are also increasingly issuing bonds, an area where Mizuho has strengths. To foster growth strategies in areas like deep tech and space, we need to help create capital markets for innovative companies.

As corporate funding needs increase, it is necessary to strengthen mechanisms to circulate domestic and foreign investor money into business funding, not relying solely on our balance sheet.

Challenges include the size of the corporate bond market, secondary market liquidity, and we still need to develop market infrastructure to make trading easier for investors. For example, developing the repo market and improving price transparency are important for expanding the investor base. By integrating origination for companies, providing products and investment opportunities to investors, and supplying liquidity in the secondary market, we will connect Japanese companies with domestic and overseas investors, enhancing market depth and functionality.

<u>Q: Reasons why RORA for Supporting the Growth of Japanese Companies' domain (CIBC & RBC Corporate) is below the company average</u>

A: (Sugawara, Head of CIBC; Samejima, Group CFO) RORA in corporate growth support is inherently lower because it is an asset-consuming business, unlike company-wide RORA, which includes asset-light businesses like deposits. In lending and finance, it is important to improve capital efficiency by carefully balancing risk and return.

To improve, we are expanding investment banking for mid-sized companies and increasing higher-spread and fee-rich areas like LBO, mezzanine, and growth company finance. We are also increasing solution provision linked to lending to boost non-interest income. Reducing cross shareholdings is particularly important for reducing RWAs and improving capital efficiency. By increasing high-value-added income (numerator) and tightly controlling capital and risk assets (denominator), we aim to improve RORA and ROE. On a net income-based ROE, we are already achieving a high level.

3. Global CIB Business

Q: What is the sustainable ROE target for GCIBC and GMC, and what is the timeline for raising their ROE to the group level?

A: (Matsuura, Head of GCIBC; Sasaki, Co-Head of GMC) For the CIB business, it is necessary to consider Banking and Markets as a whole. The same goes for cost reductions. While it is undecided when we will reach the group's ROE level, our thinking is to move closer to that level within the timeframe for achieving 50 billion yen in cost reductions by 2028.

Markets is a relatively efficient business in terms of ROE, but again, it shouldn't be considered separately to Banking. We want to reallocate assets within CIB to higher-profit areas over about three years.

Even within Banking, returns vary by region and product, and there is room for growth here. Going forward, we will review capital allocation across Banking, Markets, and domestic/overseas businesses on a group-wide basis.

Q: Background for expanding US know-how to other regions

A: (Matsuura, Head of GCIBC) Firstly, we will of course continue to focus on expanding market share in the Americas, but we are also rolling out the capabilities developed there to EMEA, APAC, and Japan. For example, in EMEA investment banking, bulge bracket firms using the US model are dominant. By actively deploying our US model in other regions, we aim to expand our share by 0.5 to 1 percentage point and foster revenue pillars outside the Americas.

Q: Are you satisfied with the current status of talent acquisition? Any challenges?

A: (Matsuura, Head of GCIBC; Bakhshi, Deputy President) We are very satisfied with the quality and retention of our talent. Having visited offices worldwide, we believe our people are as capable

as those at any competitor. Mizuho's culture of "co-creation" with clients attracts even more talent, creating a virtuous cycle. For example, the Pune office of Mizuho Global Services, opened in May, grew from 40 to about 300 people in just six months, driven by the management's energy.
In FY2024, we had about 700 open positions in the US, and received around 90,000 applications. Our strong brand is driving talent acquisition.

<u>Q: How do you view the current capital investment cycle for AI?</u>

A: (Matsuura, Head of GCIBC) Regarding AI, both for Mizuho and the market as a whole:
- At Mizuho, AI use is still at an early stage, but results are emerging—for example, using AI-driven development in core system upgrades has halved investment costs, and AI in audit operations has enabled more thorough checks. However, these have not yet significantly contributed to P&L.
- Market-wide, data center deals are increasing, but we are cautious, assessing not only sponsors but also offtaker risk. With supply chain challenges, we expect some delay in construction completions, and hence an adjustment in the pace of new deals going forward.

<u>Q: What is the most concerning risk factor now, and how will you strengthen global risk governance?</u>

A: (Matsuura, Head of GCIBC; Bakhshi, Deputy President) We are watching the impact of inflation and rising interest rates on client performance, but with about 70% of our portfolio investment-grade and well-diversified, concerns are limited. We are more focused on the macroeconomic impact if overall market overvaluation corrects.
In a global organization, risk culture is critical—especially the rapid and proper sharing of risk information globally, not just locally. Mizuho achieves this, with talented people at each site collaborating across borders.
From a risk governance perspective, we strictly comply with local regulatory requirements while building a framework for regional CROs to leverage information globally. Kihara GCEO has a strong awareness of tail risks, and combined with robust CRO functions across regions, we have a strong risk governance system.

<u>Q: How does Mizuho view the trend of growing Markets revenues using the balance sheet, as seen at Western banks?</u>

A: (Sasaki, Co-Head of GMC) We have traditionally been strong in FICC, but going forward, we plan to strengthen our equities business as well. While competitors operate equity businesses via alliances with foreign financial institutions, Mizuho is committed to growing independently, building a global equities platform to support Japanese corporate funding. As a result, our equities business has grown to about 200 billion yen in revenue out of 600 billion yen for the entire Markets division, capturing the current buoyancy in equity markets. We are not focusing on the commodities business overseas at this time.