

June 10, 2020

To our shareholders:

Mizuho Financial Group, Inc.

### Proposal 5 at the 18<sup>th</sup> Ordinary General Meeting of Shareholders

#### 1. Opposition to Shareholder's Proposal

The Board of Directors opposes shareholder Proposal 5 (hereafter "the Proposal")<sup>1</sup> which was submitted for the 18<sup>th</sup> Ordinary General Meeting of Shareholders.

We have been proactively disclosing our business strategy, including goals which are based on the Paris Agreement, in our TCFD Report in addition to our annual Integrated Report.

The Proposal calls for our company to stipulate in the Articles of Incorporation a provision stating that the business strategy "be disclosed in its annual reporting". However, we have already stipulated similar provisions in our Environmental Policy, one of our key policies with equivalent weight to our Human Rights Policy. We oppose the Proposal as we believe it is inappropriate in light of the conventional positioning of the Articles of Incorporation describing the company's purpose, name, and other such matters.

#### 2. Concerning the indication that we are "the world's biggest lender to coal-fired power enterprises"

The Proposal states "Currently, the company is the largest lender in the world to coal power developers" as the reason for the Proposal. Similar statements are cited in proxy advisory reports issued by two proxy advisors (Institutional Shareholders Services Inc. and Glass Lewis & Co., LLC). To the best of our company's knowledge, this is based solely on the Report<sup>2</sup> published by the German NGO Urgewald, and other authors.

The statement in this Report that "we have provided USD 16.8B in direct loans to coal plant developers since January 2017" does not reflect the reality, and we believe that there are problems with the accuracy and appropriateness of such amounts.

Specifically, it is compiled using only publically available data for certain transactions and countries.

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<sup>1</sup> The following provision is stipulated in the Articles of Incorporation "Noting the company's support for the Paris Agreement and the Task Force on Climate-related Financial Disclosures (TCFD), the company shall disclose in its annual reporting a plan outlining the company's business strategy, including metrics and targets, to align its investments with the goals of the Paris Agreement"

<sup>2</sup> Banks and Investors Against Future: NGO Research Reveals Top Financiers of New Coal Power Development  
([https://coalexit.org/sites/default/files/download\\_public/COP25\\_PR3.pdf](https://coalexit.org/sites/default/files/download_public/COP25_PR3.pdf))

We have identified problems such as the fact that commitment facility amount and loans are counted in duplicate each time those are renewed, the commitment facility amount is used instead of outstanding loan balance, and the figures include working capital unrelated to such companies' coal-fired power generation businesses.

### 3. Why our company's credit balance reduction target is limited to project finance

In our group, financing is provided after confirming the purpose for which the funds will be used. Financing for the construction of coal-fired power plants is available only through project finance, not through corporate finance. Therefore, we have disclosed our credit balance of project finance to coal-fired power generation facilities as of the end of FY2019 as JPY 299.5B, and have set targets to reduce this balance to 50% by FY2030 and to zero by FY2050.

We believe that that it is our role to conduct in-depth dialogue, i.e. engagement, with clients such as utility companies and energy companies, and to support such clients' efforts to develop renewable energy and new technologies by way of financing, through support for innovation and business restructuring, thereby aiming to realize a low-carbon society together.