

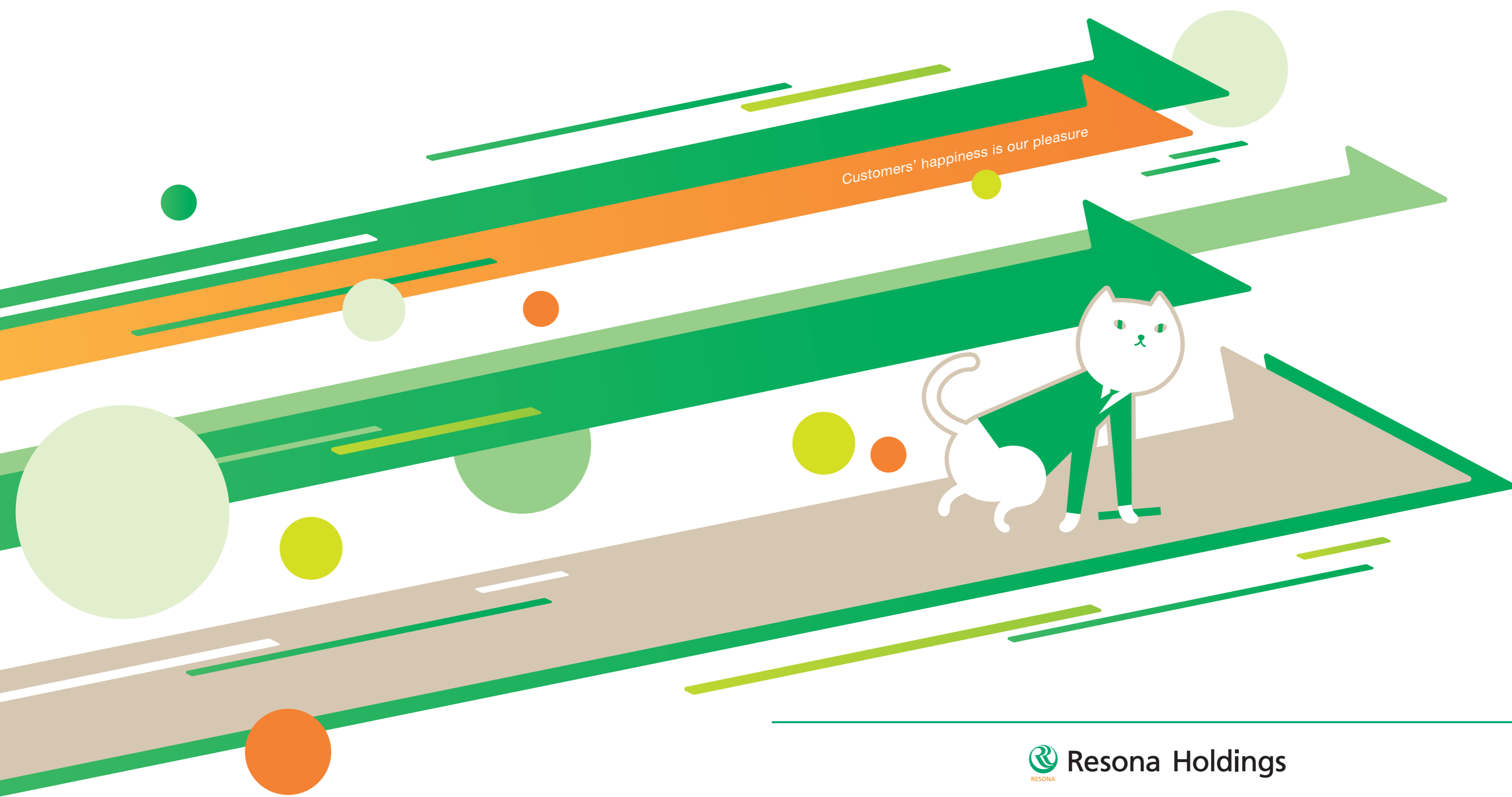


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Resona Group

Integrated Report 2023



Customers' happiness is our pleasure



Becoming the “Retail No. 1” Solution Group

Purpose

Beyond Finance, for a Brighter Future.

In a world that keeps changing, we're here to provide peace of mind so that we can welcome the future with hope and confidence.

To achieve this, we think beyond the framework of finance to address different challenges alongside each region.

At Resona, we persistently strive towards reform and creativity for a brighter future—one that is hopeful and reassuring, just as it is exciting.

Corporate Mission

The Resona Group aims at becoming a true “financial services group full of creativity.”

Towards this goal, the Resona Group will:

- 1) live up to customers' expectations,
- 2) renovate its organization,
- 3) implement transparent management, and
- 4) develop further with regional societies.

Long-Term Vision

Retail No. 1

—the “Solution Group” most supported by customers and regional societies as it walks with them into a brighter future together—

Corporate Promises / Behavior Guidelines

Resona WAY

Customers and Resona
Shareholders and Resona
Society and Resona
Employees and Resona

Resona STANDARD

For Customers
Taking on the Challenge of Reform
Sincere and Transparent Action
Responsible Business Conduct
Realizing Job Fulfillment
For Shareholders
Trust of Society



Concept Movie of the Resona Group's Purpose (Japanese only)

<https://www.resona-gr.co.jp/holdings/about/rinen/purpose/index.html>

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To Be a Good Company

“ A corporation’s reason for being is to deliver value to customers and the market. We therefore need to go back to the basics of business management and seriously ask ourselves a fundamental question: What do we offer society through our existence? For the Resona Group to grow sustainably, it must aim to be a good company consisting of employees with good personalities ”

These quotes from former Chairman Eiji Hosoya are featured at the top of the Resona Standards (Resona Group’s Behavior Guidelines), which provide specific examples of action to be taken to embody the Corporate Mission and the Resona WAY, to this day serving as a cornerstone for all Group employees.



Eiji Hosoya
 Deceased former Chairman

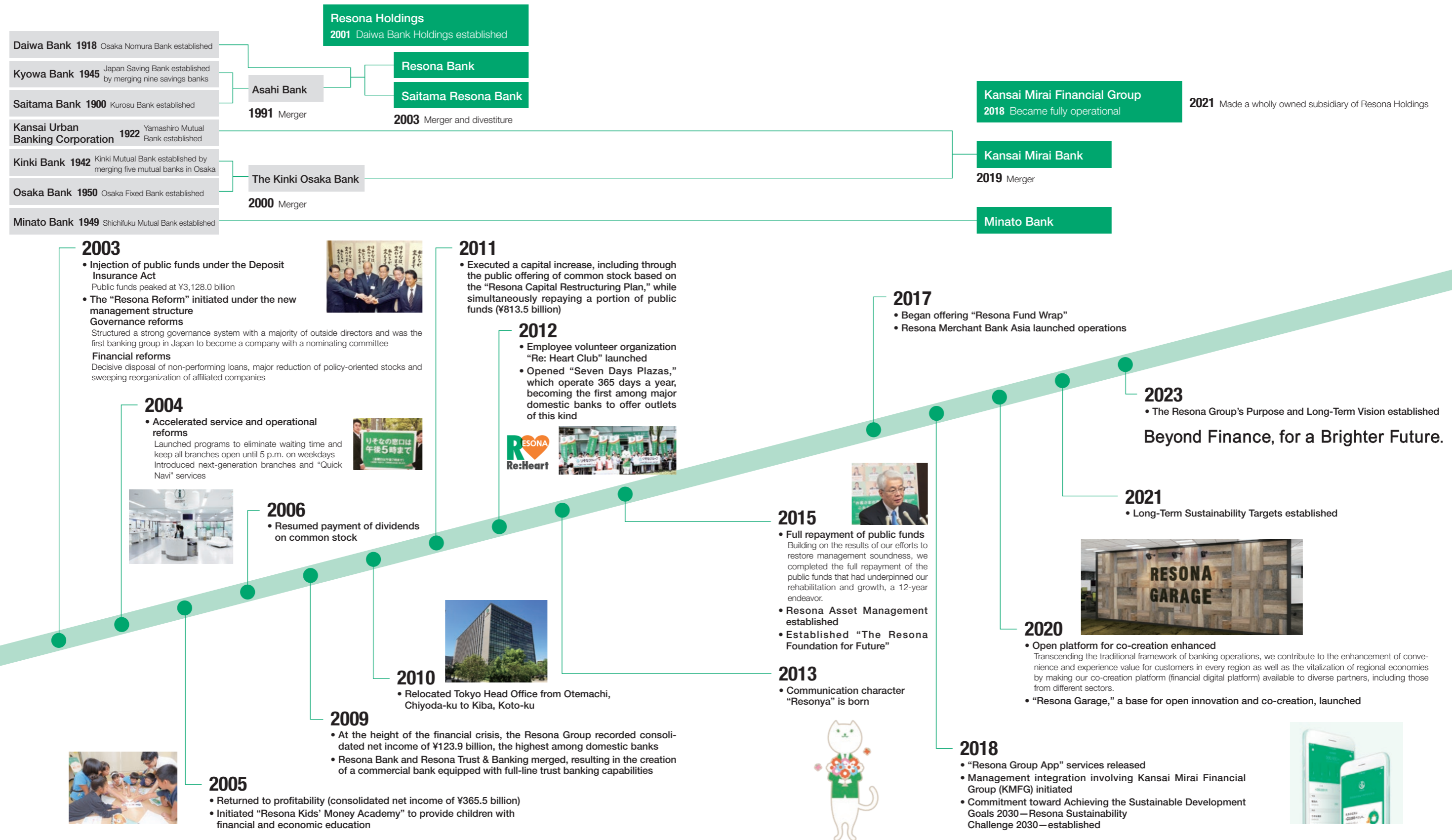
In June 2003, when the Resona Group was injected with public funds, he stepped aside from his former position as Vice President of East Japan Railway Company and assumed the office of Chairman at Resona Holdings to spearhead the “Resona Reform.”



Driving Force of Value Creation—Resona’s Footsteps

The Resona Group is taking full advantage of the robust retail base it has developed over many years and the “DNA of reform” it has engendered through the Resona reform following the injection of public funds in 2003. This is how we are pushing ahead with ongoing transformation from bank to financial service provider.

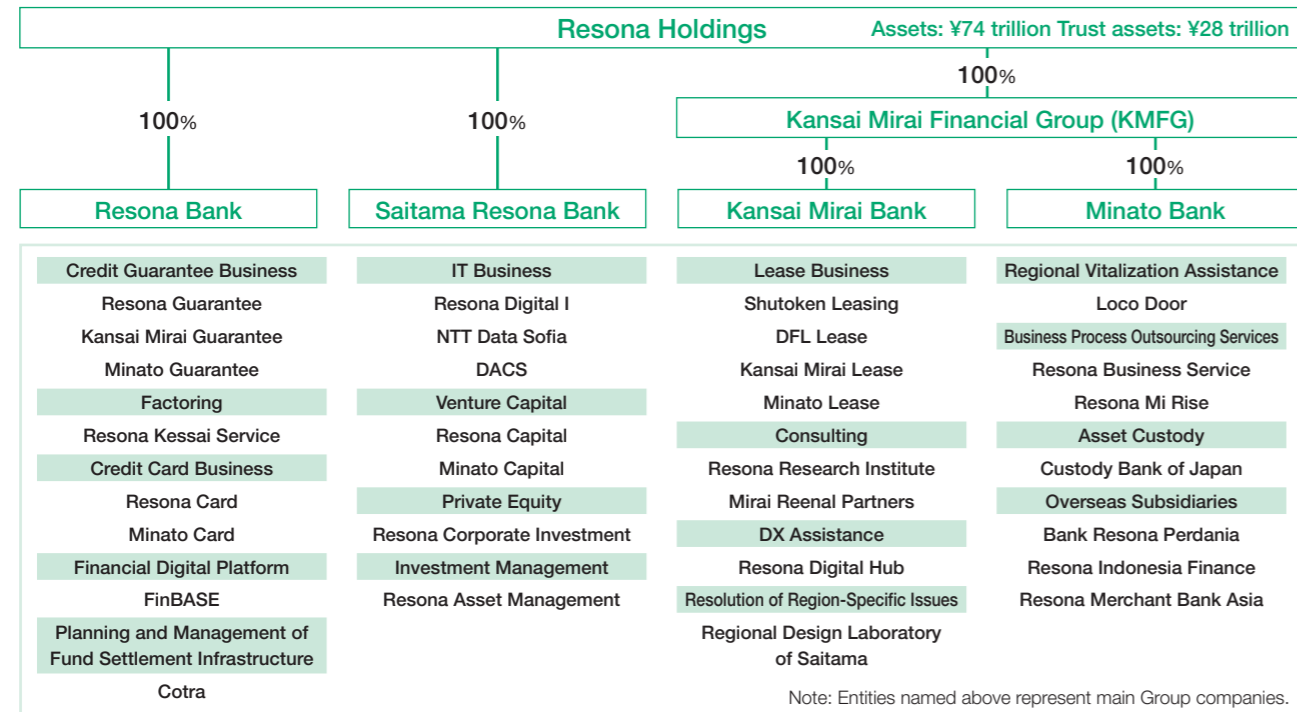
Track record spanning 100 years as a retail business specialist X DNA of reform



Driving Force of Value Creation—Resona's Strength and Group at a Glance

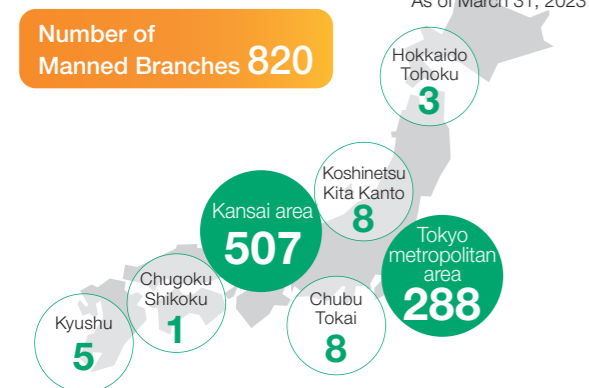
| Social capital | Human capital | Intellectual capital | Financial capital |
|---|------------------------------|---|--------------------------|
| An extensive channel network centered in the Tokyo metropolitan area and the Kansai area 16 million individual customers and 500,000 corporate customers Largest retail/commercial banking group in Japan with full-line trust banking capabilities | Diversity in human resources | Cutting-edge system / Digital infrastructure Sales approach / Business processes | Sound financial position |

Group Structure



Network Position

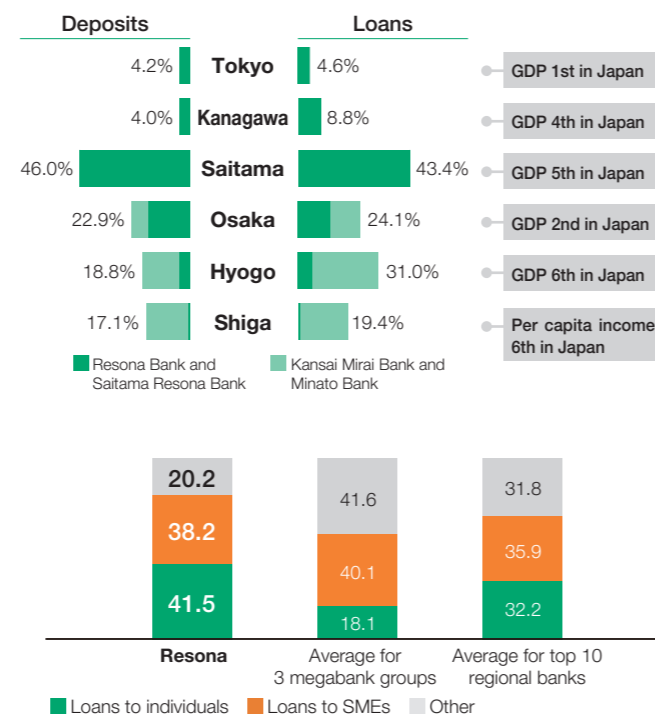
Number of Manned Branches in Japan As of March 31, 2023



Loan Portfolio² As of March 31, 2023

The Resona Group focuses on retail loans. Loans to individuals and SMEs account for approximately 80% of its loan portfolio.

Loan and Deposit Market Share¹ As of March 31, 2023



Diversity in Human Resources

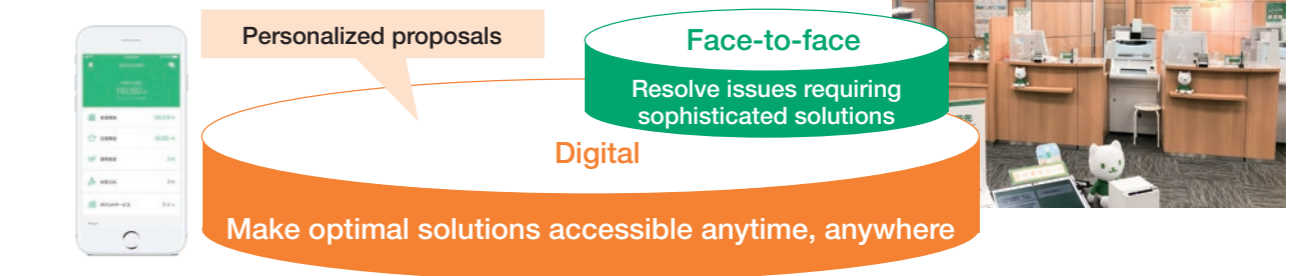
| Ratio of women | FY2022 |
|---|--------|
| Directors and executive officers (Resona Holdings) | 15.3% |
| Senior managers (six Group companies ³) | 13.4% |
| Line managers (six Group companies ³) | 31.4% |

| Number of employees with certification | March 31, 2023 |
|--|----------------|
| FP 1st grade | Approx. 1,370 |
| FP 2nd grade | Approx. 13,910 |
| Real estate notary | Approx. 5,840 |

Developing a human resource system designed to empower diverse human resources to achieve success

- 2008** Adopted the concept of the same wage for the same work ahead of other banks
- 2019** Instituted a post-retirement reemployment system in every job category for those aged 70 or younger
- 2021** Introduced a new human resource system ⇒ Began to offer the option of delayed retirement (up to age 65) / Multi-path personnel system (offering 19 distinct job categories from the start)
- 2023** Formulated human resource strategies aligned with the new medium-term management plan (MMP)

Integration of Digital and Face-to-Face Channels



Group App downloads **7.65 million**
 By Group customers 6.52 million
 By other customers 1.12 million

DX銘柄2023
 Digital Transformation

Sound Financial Position

| Metric | Credit Rating (Long Term) As of June 30, 2023 | | | |
|---------------------|---|-----|-----|-----|
| | Moody's | S&P | R&I | JCR |
| Resona Holdings | — | — | A+ | — |
| Resona Bank | A2 | A | AA- | AA- |
| Saitama Resona Bank | A2 | — | AA- | AA- |
| Kansai Mirai Bank | — | — | — | AA- |
| Minato Bank | — | — | — | AA- |

| Metric | Value |
|--|--------|
| NPL ratio (Total of Group banks, Financial Reconstruction Act criteria) | 1.29% |
| Capital adequacy ratio (consolidated basis of Resona Holdings, Japanese domestic standard) | 12.48% |

As of March 31, 2023

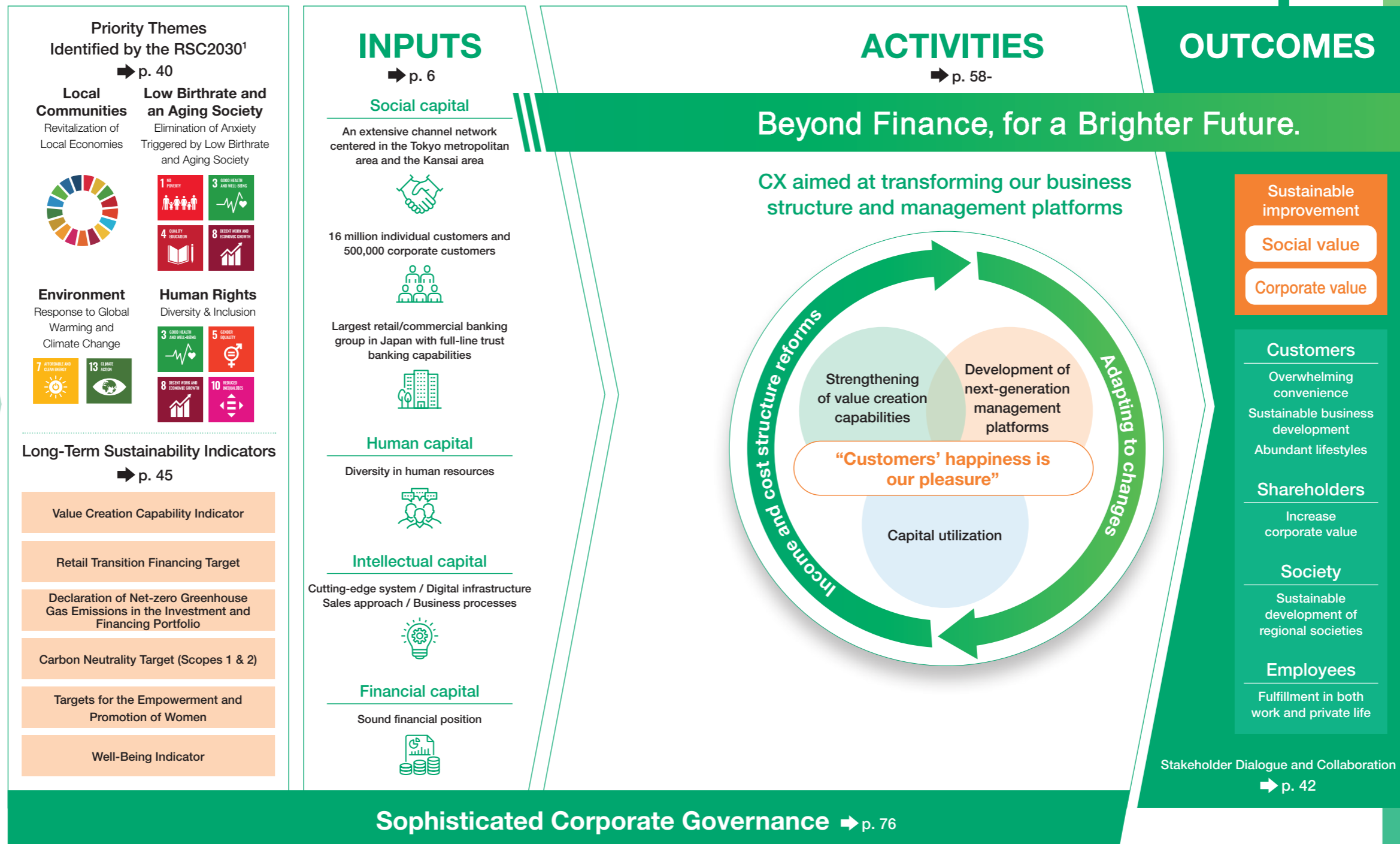
¹ Total of Group banks, market share based on deposits, and loans and bills discounted by prefecture (domestic banks licensed by BOJ).
² Resona: Total of Group banks (Resona Bank + Saitama Resona Bank + Kansai Mirai Bank + Minato Bank); 3 megabank groups (MUFG Bank + Mitsubishi UFJ Trust and Banking; Mizuho Bank + Mizuho Trust & Banking; and Sumitomo Mitsui Banking Corporation) Top 10 regional banking groups (Fukuoka FG, Concordia FG, Mebuki FG, Chiba Bank, Hokuohoku FG, Shizuoka FG, Kyushu FG, Hachijuni Bank, North Pacific Bank and Nishi-Nippon FHD). Figures are based on financial statements from each company.
³ Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, KMFG, Kansai Mirai Bank and Minato Bank.

Value Creation Model

Our value creation model starts with issues customers and society as a whole are confronting and prompts us to think deeply about how to bring solutions to such issues through our business operations. While leveraging strengths we have cultivated thus far, we will tackle corporate transformation (CX) for the Resona Group itself in order to create value that transcends the conventional framework of financial services. By doing so, we will help resolve the increasingly diverse issues requiring ever more sophisticated solutions that our customers and regional societies are confronting. Through these pursuits, we are aiming for sustainable improvement in social and corporate value as well as the realization of “Retail No. 1.”

SOCIAL CHANGES AND ISSUES

- A super-aging society
Need for vitalization of regional economies
- Changing industrial structure
Acceleration of digitalization
- Changes in the interest rate environment
Shift from savings to investment
- Global warming and climate change
Shift to a decarbonized society
- Increasing importance of corporate social responsibility
Diversifying lifestyles



REALIZING “RETAIL No. 1”

¹ Resona Sustainability Challenge 2030 announced in November 2018 to represent Resona’s commitment to facilitating global efforts aimed at achieving SDGs.

CEO Message



Masahiro Minami

Group CEO, Director, President and
Representative Executive Officer,
Resona Holdings, Inc.

Accelerating Our Initiatives to Realize “Retail No. 1”

Introduction

First of all, I would like to express my sincerest gratitude to all those who support our operations.

After a long period of economic struggle under the global shadow of the COVID-19 pandemic, initiatives to exit from pandemic-related restrictions are now gaining full momentum both in Japan and overseas.

Nevertheless, the business environment remains uncertain and its outlook unclear due to the acceleration of global inflation and other negative consequences attributable to a rise in geopolitical risks. Furthermore, we are now confronted by structural changes arising from such megatrends as widespread digitalization and increased data utilization as well as growing public calls for decarbonization and other sustainability measures. These changes are likely to continue over the long term. Moreover, the emergence of these trends is coming at a time when society is still reeling from the profound impact of the pandemic and other major once-in-a-century events. Accordingly, we expect that the issues our customers and regional societies are now confronting will become more diverse and complex, requiring even more sophisticated solutions.

In times of change like this moment, the Resona Group's priority is securing ongoing and further growth in tandem with customers, shareholders, regional societies and all other stakeholders. To that end, we deem it important to courageously take on challenges ourselves and agilely adapt to the changes we confront.

A Milestone Marking 20 years of Reform

In 2023, the Resona Group will mark a new milestone, having reached 20 years of operations since the injection of public funds in 2003 in accordance with the Deposit Insurance Act, an event that initiated the “Resona Rehabilitation.” The proportion of employees who have been part of our workforce since then is now short of 30% of our total headcount. At the same time, a number of individuals who joined the Group after 2003 are currently emerging as senior manager candidates. The “Resona Reform” began with intensive rehabilitation efforts that spared nothing, leaving no stone untouched. Guided by our “DNA of reform,” we implemented a variety of measures with the question of how to best serve our customers as the starting point. As we now mark a milestone that connects past, present and future, I personally find reflecting on these 20 years of reforms since 2003 to be quite significant.

First and foremost, we must never forget this fact; the Resona Group as it is today is the product of the ongoing support of

Importance of Governance

I would like to touch on my first-hand experience of the so-called “Resona Shock” and share what I felt in the course of handling tasks associated with the Resona Reform and the repayment of public funds as an employee assigned to a department in charge of corporate planning. The true cause of the Resona Shock was, ultimately, shortfalls in the Group’s corporate governance and risk management.

A bank cannot protect its customers or anybody else if it is incapable of maintaining an autonomous and unflinching corporate standing or conducting independent business management

DNA of Reform

The Resona Shock also reflected the Group’s failure to break away from conventional ways of thinking and customs as well as its dependence on precedence to determine future actions. This failure left the Group incapable of adapting to major changes in social and industrial structures. A corporation, like a living organism, is sustainable only if it succeeds in continuously adapting to the changing external environment. Today, we are at a point of profound transition and can expect to see the rapid and ongoing emergence of structural changes. As social and

customers, shareholders and regional societies over the course of those 20 years. Despite the passage of time, we need to continue to cultivate a sense of gratitude for this support and nurture a strong commitment to our mission by sincerely taking heed of the lessons we have learned over this course of history, assiduously passing down insights gained to future generations as the Resona Group’s “DNA” and utilizing these insights to achieve further growth. I believe that all of this constitutes an integral part of the responsibilities to be borne by every and each one of our acting Resona Group officers and employees. Furthermore, when restructuring led to the departure of more than 4,000 of their colleagues, the remaining members of our workforce strove in unison to overcome difficult circumstances. In this way, the Group’s rehabilitation was also supported by the dedication of individual officers and employees. I believe that this is another memory that we must hold fast.

irrespective of circumstances. Because of this, a bank should continuously strive to upgrade its functions related to governance, corporate ethics, compliance and risk management, which together constitute foundations of business management and support its ability to protect the invaluable assets entrusted to it by customers. This is the most important lesson I have learned from my own experience. Accordingly, going forward, I will continue to cherish independence as well as autonomy, both of which require self-discipline.

industrial structures shift, customers’ modes of financial behavior will change. This, in turn, will prompt changes in the rules of a game that we have long grown accustomed to playing by rote.

Given these expectations, it is important that we maintain a sound sense of shared crisis, choose not to be content with status quo and break away from ways of thinking that place greater value on maintaining harmony than taking on challenges. Therefore, we need to ensure that we practice such basics as “Thoroughly understanding customer circumstances,” “Employing an overarching perspective that takes the entire situation into account,” “Thinking on a long-term timespan,” “Aligning our approach to address changes,” “Thinking for ourselves based on external lessons,” and “Decisively taking action” so that they are entrenched in our corporate culture. If we are to deliver new value to customers, it is imperative that the Resona Group is able to quickly orient itself to changes in the landscape. Success in this area will ensure that the Resona Group will remain capable of protecting its customers while achieving sustainable growth.

Leveraging strengths arising from our “DNA of Reform,” we will, as a financial group, continue courageously taking on challenges and adapting to changes even as we shift away from dependence on conventional wisdom and value systems.

Value of Experience Gained in the Course of Rehabilitation

At one point, it was a struggle for the Resona Group to find ways to achieve rehabilitation while repaying public funds, which amounted to ¥3,128.0 billion at their peak, a sum that some had believed would never be fully repaid. However, in 2015, the Group completed the full repayment of these funds. Our journey toward rehabilitation left us with a wealth of valuable experience

that should never be forgotten. Accordingly, passing down lessons learned to the next generation of Group employees is an important mission for the current management team. We will translate this experience into a driving force supporting our endeavors to move the Resona Group forward and discover opportunities in the midst of adversity.



Establishment of the Purpose and a New Conceptual Structure

Today, the world is facing a profound moment of transition. Over the course of the next decade, the Resona Group will be called upon to prove itself genuinely capable of adapting to a changing world. We will be leaving the previous stage of rehabilitation behind and stepping forward to take on the new challenge of realizing “Retail No. 1.”

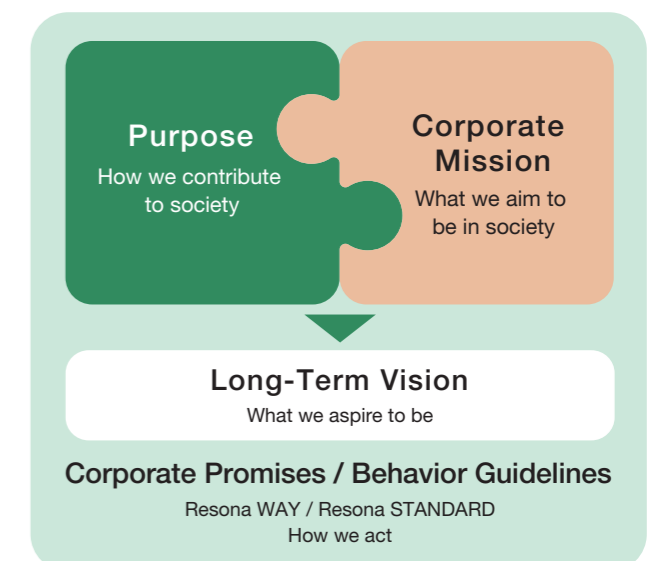
In this present era, business leaders can no longer expect the “right answers” to various challenges to be readily available to them. I feel that, to survive and prevail in these circumstances, it will be incumbent upon all Group officers and employees to once again clarify the concepts they rely upon and share the results of this clarification with their colleagues. The recent establishment of the Purpose, along with the reorganization of the Group’s conceptual structure, is aimed at providing a base from which the Resona Group can make a fresh start on initiatives aimed realizing “Retail No. 1.”

Our Purpose, “Beyond Finance, for a Brighter Future,” clarifies our commitment regarding “how we contribute to society,” starting from addressing issues our customers and society as a whole are confronting and representing our determination to fulfill this commitment. The Purpose was formulated by verbalizing underlying concepts supporting the Group’s operations. We aim to take an approach finely tuned to the needs of customers and society and to deliver diverse value by taking advantage of a wealth of ideas that transcend the conventional scope of finance. Moreover, we would like to work together with all stakeholders to create a brighter, more hopeful future in which people can live with peace of mind irrespective of changes in society. The Purpose encapsulates the strong aspirations behind these endeavors.

On the other hand, our Corporate Mission represents what we aim to be, and what we do, in society and is intended to be upheld first by corporate leaders, and then by our entire workforce.

Our Corporate Mission has been and is cherished by the Group, and we are strongly determined to pass it down to the next generation, without amending a single word, in order to preserve the lessons learned in the course of recovery from the “Resona Shock” as an integral component of the Group’s “DNA.”

Our Purpose, along with our unwavering Corporate Mission and Long-Term Vision of realizing “Retail No. 1,” is expected to serve as a cornerstone to be relied on by all of us whenever we face challenges or find ourselves lost so that we can regain confidence to move forward.



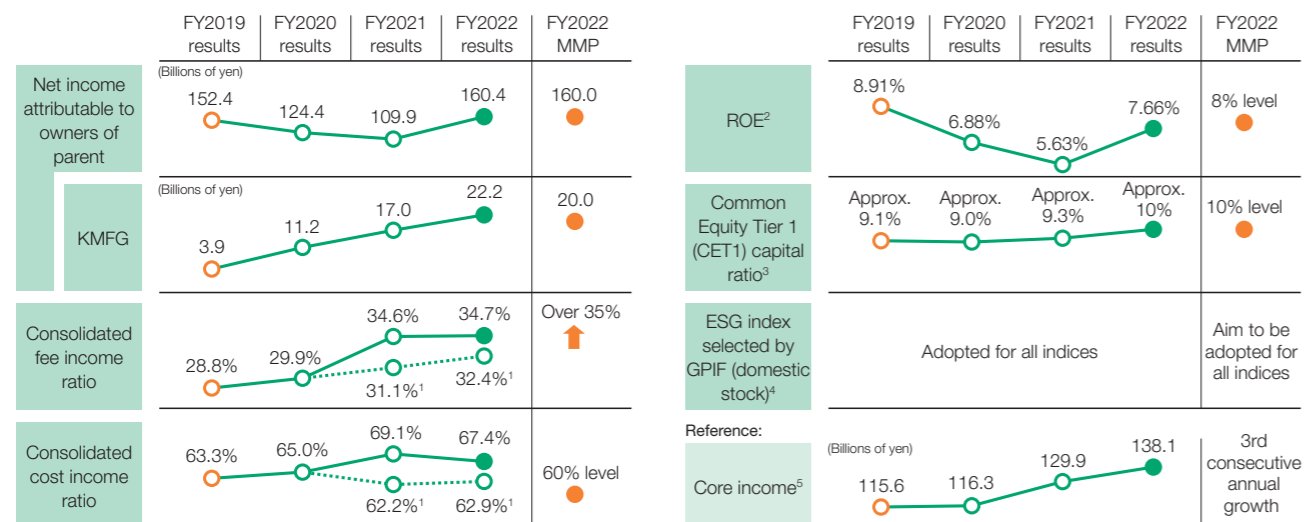
Review of the Previous Medium-term Management Plan (MMP)

Before discussing the new medium-term management plan (MMP), which was announced in May 2023 along with our Purpose and is expected to span the three years from FY2023 to FY2025, I would like to briefly review the outcomes of the previous MMP that started in FY2020 and ended in FY2022.

Under the previous MMP, we worked to establish a “Resonance Model,” to this end implementing (1) the further development of existing businesses, (2) taking on the new challenge of breaking free of the bank model and (3) rebuilding our foundations. Despite the ongoing COVID-19 pandemic and worldwide market fluctuations causing a harsher than expected business environment, net income attributable to owners of parent for the final year of this MMP amounted to ¥160.4 billion, meeting the target (¥160.0 billion) we had set. With regard to management integration involving Kansai Mirai Financial Group (KMFG), which became a wholly owned subsidiary in April 2021, we were successful in empowering KMFG to grow into a significant contributor to Resona Holdings’ consolidated

profit via the realization of synergetic effects regarding the two aspects of top-line income and costs. Meanwhile, our Common Equity Tier 1 (CET1) capital ratio reached 10% due to our progress in enhancing capital adequacy, which has long been an issue confronting the Resona Group. In addition, we have successfully maintained Resona Holdings’ inclusion into all the domestic ESG stock indices selected by the GPIF, a target we set from an ESG perspective.

On the other hand, although ROE (based on total shareholders’ equity) recovered to 7.66%, it has yet to reach our target of 8%. Also, our targets for consolidated fee income ratio and cost income ratio have yet to be met. However, we have made a turnaround in core income in FY2020 for the first time in 12 fiscal years as a result of ongoing income and cost structure reforms—the foremost priority under the previous MMP—and achieved a third consecutive year of growth in this indicator. As such, reforms progressed steadily and, I believe, have contributed to the ongoing positive trend supporting our transition to the new MMP.



1 Excluding the impact of measures undertaken to improve the soundness of the securities portfolio
 2 Net income attributable to owners of parent / Total shareholders’ equity (simple average of the balances at the beginning and end of the term)
 3 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities
 4 FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, S&P/JPX Carbon Efficient Index Series, MSCI Japan Empowering Women Index, and Morningstar Japan ex-REIT Gender Diversity Tilt Index
 5 The sum of net interest income from domestic loans and deposits, fee income and operating expenses

Long-Term Strategic Direction and the New MMP

In formulating the new MMP, we set the direction of our long-term strategies as “Structural Reforms: Corporate Transformation (CX).” Based on our vision of what we intend to have achieved 10 years into the future, we employed a back-casting approach to create the new MMP. The three-year period of the new MMP was then defined as “the first 1,000 days of taking on CX” to realize “Retail No. 1.” Rallying the overall strength of the Resona Group, we have thus started implementing forward-looking CX initiatives.

I will elaborate on the concepts underlying the new MMP. First, the pursuit of CX is imperative. I have repeatedly stated during the course of, or even before, the previous MMP that we need to eliminate gaps between our conventional earnings

structure and our operational structure, the latter of which is dependent on traditional concepts, conventional frameworks and a standard cost structure. Such change is unavoidable if we are to solidify our pathway toward becoming “No. 1” in next-generation retail financing. At the same time, these undertakings could prove pointless unless we take a forward-looking approach ahead of changes in the times and aim to achieve structural transformation. Accordingly, we will stay focused on addressing issues our customers are confronting while accelerating the enhancement of the Group’s earnings power and the diversification of its earnings sources.

This means that we will strive to significantly raise our consulting capabilities even as we enhance our financing capabilities.

Simultaneously, we will promote further business development via, for example, the integration of face-to-face and digital channels. In addition, we will take on such new challenges as those aimed at achieving inorganic growth, with the aim of rebuilding an optimal income mix that will, in turn, empower the next generation of the Resona Group. Also, we will transition from a conventional mode of operations supported by various structures, mechanisms, business processes and systems largely built on traditional concepts, to new management platforms capable of supporting next-generation retail financing. These are components of our CX aimed at resolving gaps between what we have been to date and what we aim to be going forward.

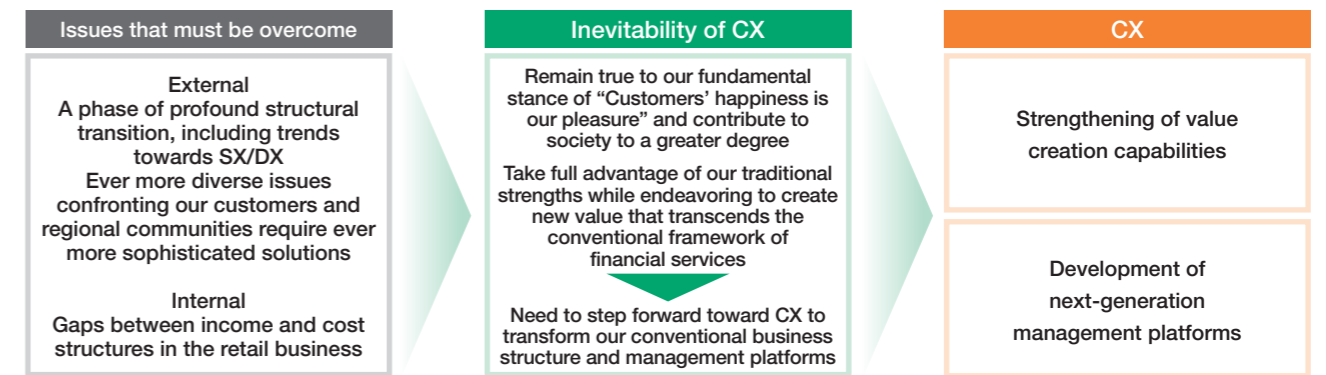
As I mentioned earlier, the new MMP is also referred to as the “first 1,000 days of taking on CX.” This phrase is intended to encourage each Resona Group officer and employee to take on the challenge of CX in a way that values what they can achieve in a single day amid an era of ever more rapid change like the current moment. Speed supports our competitiveness, and the daily accumulation of small but steady outcomes will eventually yield a big difference and increase the likelihood of the success of our CX.

Accordingly, based on a sound sense of shared crisis, we

would like to, day in and day out, leverage a speed-oriented approach to promote CX.

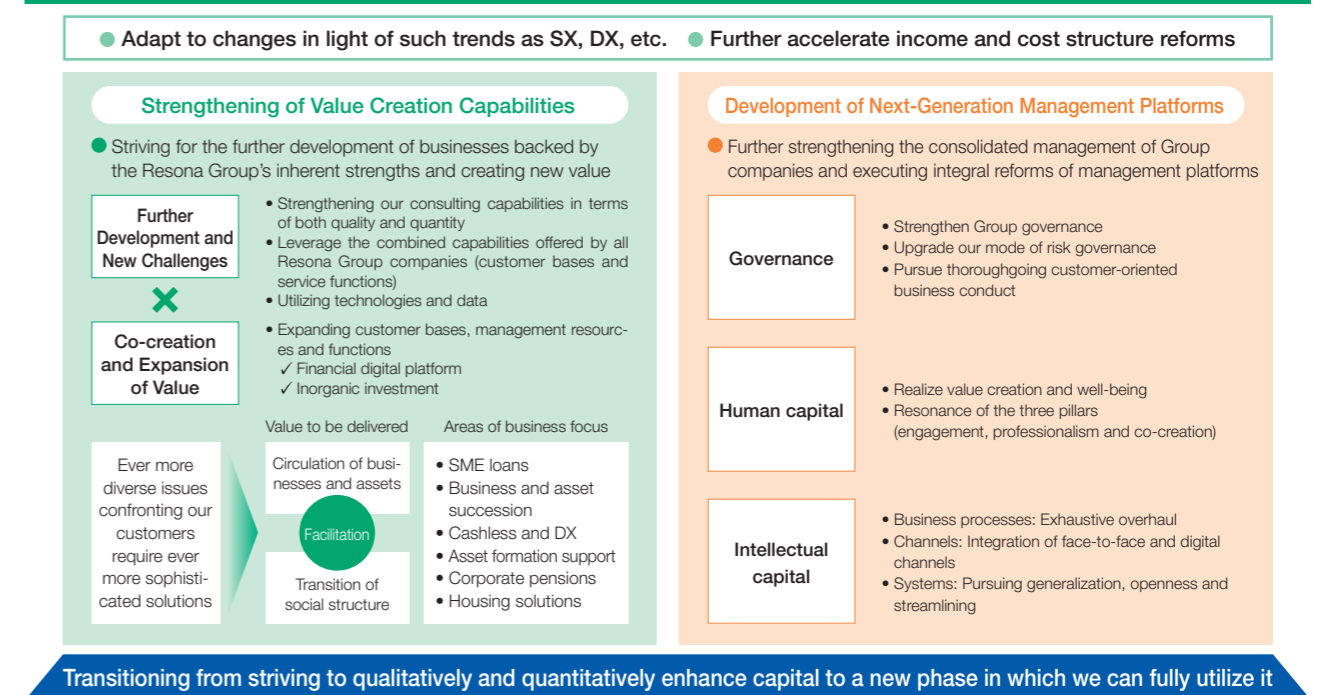
The launch of the new MMP happened to coincide with our transition to a new stage of capital utilization. It has been eight years since the full repayment of public funds, and we have to date promoted the strengthening of our capital. In both name and reality, we have thus graduated from the rehabilitation stage and are about to transition to a new stage of taking on new challenges and gearing up our efforts to realize “Retail No. 1.”

The formulation of the new MMP has involved reorganizing present issues that must be addressed by the Group to solidify the likelihood of realizing “Retail No. 1” even as we strive to grow into a financial institution sought after by customers to an even greater degree and capable of contributing to society in a significant way. Based upon our latest definitions of such issues, we have identified two pillars of the new MMP, namely, (1) Strengthening of value creation capabilities and (2) Development of next-generation management platforms, in order to adapt to changes attributable to such trends as sustainability transformation (SX) and digital transformation (DX) as well as further accelerate income and cost structure reforms.



Overview of the New MMP

Accelerate initiatives to realize “Retail No. 1”: The first 1,000 days of taking on corporate transformation (CX)
 – From rehabilitation to taking on new challenges –



Strengthening Our Value Creation Capabilities

Further Development and New Challenges

Now, I will briefly explain specific initiatives now under way as part of the new MMP, starting with those related to strengthening our value creation capabilities. Addressing the diverse customer needs that will arise in connection with the circulation of businesses and assets on the back of transitioning social structures will be at the core of solutions we aim to deliver going forward. On the other hand, the options available to customers seeking solutions must be expansive. In addition, the Resona Group's fundamental approach to sustainability management starts with addressing the issues customers and society as a whole are confronting and thinking deeply about how to resolve such issues through our business so that we

Co-creation and Expansion

It is also imperative to continuously explore new business possibilities by integrating external insights and skills with our own, fully utilizing technologies and data, and engaging in joint initiatives transcending the scope of the Group's customer base. These pursuits need to start from new ideas outside the conventional framework of finance. To this end, we should not only invigorate collaboration among Group members but also enter into alliances and other types of collaboration with partners from different sectors as well as regional financial institutions. Enhancing our overall organizational capabilities through these

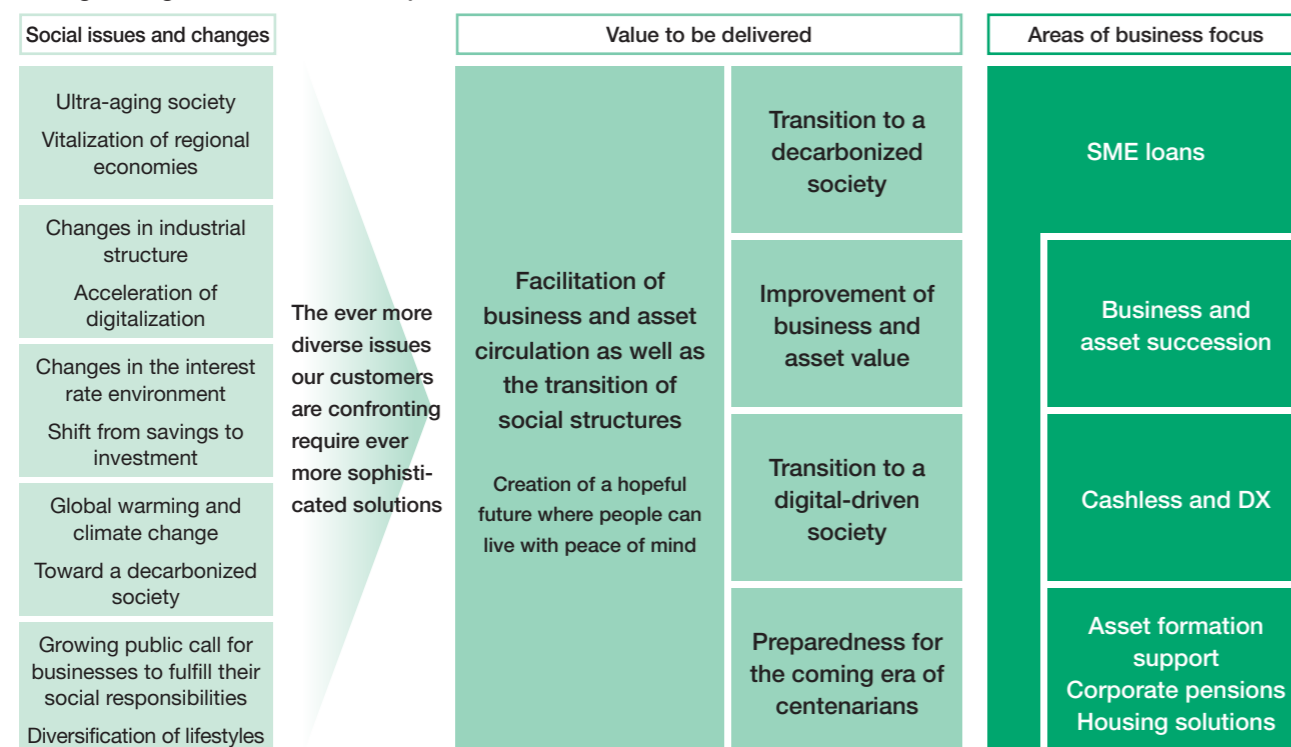
can deliver new value through a combination of our services with innovation. Accordingly, looking ahead, we will encourage employees to always start their thinking by asking themselves whose future they are contributing to and empower them to do their best to resolve the ever more diverse and complex issues requiring ever more sophisticated solutions that our customers are confronting.

Furthermore, we will strive to raise our earnings power by rallying the overall strengths of the Resona Group even as we focus on such business fields as SME loans, business and asset succession, cashless and DX, asset formation support, corporate pensions and housing solutions.

wide-ranging collaborations is a matter of importance.

In this regard, we have made considerable progress in the development of our financial digital platform, through which we aim to enable regional financial institutions and partners from different sectors, as well as their customers, to establish and enjoy "win-win-win" relationships. Although the utilization of capital is defined as one of key initiatives under the new MMP, we are aiming for the further enhancement of our customer bases, management resources and functions by, for example, stepping up inorganic growth investment.

Strengthening of Value Creation Capabilities



Development of Next-Generation Management Platforms

Group Governance

My concepts regarding the importance of governance are as discussed earlier. Under the new MMP, we will endeavor to strengthen Group governance and further upgrade consolidated Group management. In this light, I feel that we have yet to fully utilize the potential of the Group in light of (1) the extensiveness of our customer base (consisting of 16 million individual customers and 500,000 corporate customers), (2) the diversity of Group functions, including those related to trust banking and real estate, and (3) the vast range of information available to us and needing to be utilized more effectively. Also, we are only halfway through the standardization of the back-office operations performed by every Group bank. Accordingly, it is undeniable that some aspects of our operational structure remain inefficient. The Resona Group's consolidated net income will be maximized only when the Group succeeds in rallying its comprehensive capabilities and thereby delivering even better solutions to as many customers as possible. To this end, we will work to establish a

Human Capital

Our initiatives to deliver the best possible value to customers are initiated by our human resources. Similarly, the success of the Group's sustainable growth, corporate innovation and all other undertakings hinges on our human resources. Right now, the Resona Group is poised on the threshold of a new stage in terms of investment in human resources.

Therefore, we will take an even more serious approach to the development of human resources even as we look into our ideals regarding what the Resona Group should look like and assess the changing times. This will involve reviewing our approach to human resource recruitment and training as well as wages. In these ways, we will proactively invest in our human resources.

Under the new MMP, we have set aside a cumulative total of ¥33.0 billion in additional funds for investment in human resources over its three-year course. Although forward-looking investment of this kind will not have an immediate effect, I consider it an important decision that should be executed at this point of time in light of the need to secure our competitiveness into the future.

We will also develop a framework for empowering Resona Group human resources to realize their full potential in diverse fields. Over the previous MMP period, we introduced a new, multi-path personnel system offering a total of 20 career courses under keywords of "specialty" and "diversity." The success of our operations going forward is dependent on whether the Resona Group can maintain a sound sense of shared crisis and continue to act as an originator of transformation. Accordingly, we will strive to ensure that our organization is robustly powered by a virtuous cycle in which individual employees spontaneously learn, think and take action. The

universal mode of operations for departments charged with indirect or back-office operations while striving for the early achievement of our goals of overhauling business processes. In this way, we will maximize the time allocated for employees to think and take action to best serve customers while breaking away from the inherently cost-intensive nature of our retail operations.

We also consider the thorough practice of a customer-centric business approach foundational to retail financing. Said approach focuses on protecting the assets entrusted to us by customers from a variety of threats and providing those customers with safe and secure transactions. This, in turn, helps us win and retain our customers' trust. At the same time, balancing aggressive and protective measures is essential to securing sustainable growth for the Group in the face of an unclear and uncertain business environment. Taking these factors into account, we will strive to further increase the sophistication of our mode of risk governance.

Resona Group will thus support employees' autonomous pursuit of personal growth and enable them to feel a greater sense of job fulfillment in a worker-friendly environment while creating a sustainable virtuous cycle of value creation and employee well-being. For details, please refer to CHRO Message (▶ pp. 30–31) and Development of Next-Generation Management Platforms: Human Resources (▶ pp. 66–73).



Intellectual Capital

The new MMP includes a IT investment plan amounting to approximately ¥120.0 billion, which is about 1.5 times as large as the investment budget under the previous MMP. We will promote DX by utilizing this investment and aim to update the customer experience and deliver new value to customers even as we aim for the reform of the cost structure of the Resona Group itself. Reflecting the scale of its involvement in digital service provision, in FY2023, the Resona Group was again included in the DX Stock selection. Due to the expertise and skills we have developed to date in the digital field via, for example, the enhancement of digital channels, we are now poised to take on the challenge of overhauling our traditional business processes. This overhaul will be the core of various transformative efforts under the new MMP. Just like investment in human resources, our forward-looking IT investment will not have an immediate effect. However, we are not postponing it and will decisively take on this challenge to secure sustainable growth for the Group.

By accelerating the integration of face-to-face and digital channels, we aim to transform contact points with customers and develop a foundation supporting next-generation retail financing. The establishment of a new mode of next-generation retail financing will require accommodating the growing trend toward digital-based connections with all customers. Leveraging these connections, we must also deliver in-depth consulting and other finely tuned face-to-face services. Moreover, the pace of the shift toward digital- and data-driven transactions has been clearly accelerating in the sphere of daily financial transactions. This accelerating shift can be seen among both corporate and individual customers. On the other

hand, for us to accommodate customer needs for the types of financing requiring highly sophisticated expertise, providing in-depth solutions centered on face-to-face consulting is essential. We believe that, accordingly, the latter type of financial services will be a focal point of our efforts to set the Resona Group apart from others. To secure our ability to respond to the shifts described above, it is extremely important to maintain diverse organizational capabilities within the Group as well as in-depth connections with external sources that can provide insights, including partners from different sectors. Fresh innovation often derives from a combination of different perspectives.

Among the initiatives to be undertaken during the new MMP period to update our face-to-face channels are the qualitative and quantitative enhancement of our consulting capabilities, the strengthening of customer contact points and the reallocation of management resources through the overhauling of business processes. Simultaneously, upon the integration of face-to-face and digital channels, we will push ahead with the further optimization of channel networks across the Group while clarifying the reason for maintaining branches in each region in which they are located.

In the digital field, we aim to raise the number of Banking App downloads to 10 million, which we have set as a milestone. We have identified another immediate target of increasing the usage ratio of branch-counter tablets to 50%, with an eye to breaking away from dependence on dedicated communication lines and terminals for use solely by financial institutions. Also, this field offers an ocean of possibilities with regard to ways in which we can deliver new value to customers through, for example, corporate settlement solutions.

Development of Next-Generation Management Platforms



Capital Management

Transitioning from the Qualitative and Quantitative Enhancement of Capital to a New Phase in Which We Can Fully Utilize It

We are now transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize such capital. Our aims under the new MMP are clarified below.

Since the injection of public funds in 2003, qualitatively and quantitatively enhancing its capital has been Resona Group's foremost issue. As of March 31, 2023, the end date of the previous MMP, our ongoing efforts to tackle this issue proved successful as we met our target and recorded a CET1 capital ratio¹ of approximately 10%. Over the course of the new MMP period,

we will stay conscious of maintaining our CET1 capital ratio¹ at the 10% level while strategically allocating capital to growth investment and shareholder returns. Specifically, we will execute growth investment aimed at securing greater returns in fields in which we pursue organic and inorganic growth through the utilization of capital. We will step up budgeting for shareholder returns, aiming for a total shareholder return ratio of around 50% even as we continue to deliver a stable dividend stream.

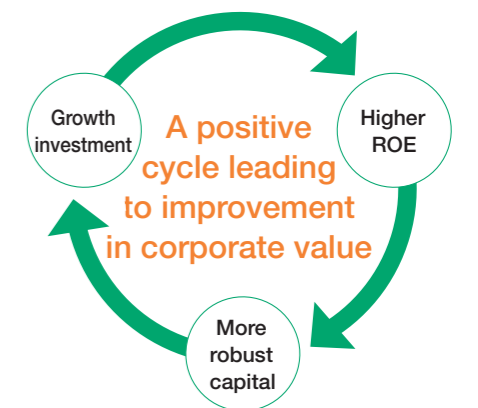
Numerical Targets

| | | Previous MMP | | New MMP |
|---------------------|--|---------------|----------------|------------|
| | | Target | FY2022 results | Target |
| Profitability | ROE (based on total shareholders' equity) ² | 8% | 7.6% | Aim for 8% |
| Financial soundness | CET1 capital ratio ¹ | 10% | Approx. 10% | 10% level |
| Shareholder returns | Total shareholder return ratio | Mid-40% range | 40.6% | 50% level |

¹ Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

² Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)

Utilize Capital to Improve Profitability (building a positive cycle of capital creation via capital utilization)



Initiatives to Improve Corporate Value

Currently, Resona Holdings' PBR is approximately 0.6 times (as of June 2023). Although stock prices are determined as a result of complex interactions among a variety of factors, I am personally frustrated by our current PBR, which largely falls short of 1.0, and take this situation seriously. I believe that for us to improve PBR, taking the twofold approach of improving

ROE and reducing capital costs is essential. Although specific measures to this end are described in CFO Message (pp. 22–28), I hereby express my determination to robustly promote initiatives to achieve the early improvement of PBR based on the approach described above.

Financial and non-financial approaches to improve corporate value

Toward the Improvement of PBR



KPIs under the New MMP

I would like to end this discussion of the new MMP by elaborating on the KPIs set out under it. Looking to the final year of the MMP, we are aiming for net income attributable to owners of parent of ¥170.0 billion. In addition, we will strive to achieve consolidated core income of ¥180.0 billion through the further acceleration of income and cost structure reforms while curbing consolidated cost income ratio to the lower half of the 60% range. These targets are premised on the interest rates staying at the current level for the next three years.

As for ROE (based on total shareholders' equity), we will continue to aim for 8%, a level exceeding capital costs. Our targets related to capital management are as described earlier. From the perspective of contributing to the realization of a sustainable society, we are also focused on being continuously chosen for inclusion in all domestic ESG stock indices selected by the GPIF. This is a target under the new MMP, as it was under the previous MMP.

KPIs under the MMP

| | FY2022 (Results) | FY2025 (Plan) | |
|--|--|-------------------------|-----------------------------|
| Realize income and cost structure reforms Optimization of the balance between financial soundness, growth investment and shareholder return | Net income attributable to owners of parent | ¥160.4 billion | ¥170.0 billion |
| | Consolidated core income ¹ | ¥163.6 billion | ¥180.0 billion |
| | Consolidated cost income ratio | 67.4% | Lower half of the 60% range |
| | ROE ² | 7.66% | 8% |
| | CET1 ratio ³ | Approx. 10% | 10% level |
| | Total shareholder return ratio | 40.6% | 50% level |
| Realize a sustainable society | ESG index selected by GPIF (domestic stock) ⁴ | Included in all indices | Included in all indices |

Assumptions for FY2025: Overnight call rate: (0.05)%, Yield on 10Y JGB: 0.40%, Nikkei 225: ¥28,000

¹ Net interest income from domestic loans and deposits + Interest on yen bonds, etc. (interest on yen bonds and income from interest rate swaps) + Fee income + Operating expenses

² Net income / Total shareholders' equity (simple average of the balances at the beginning and end of the term)

³ Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

⁴ FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, S&P/JPX Carbon Efficient Index series, MSCI Japan Empowering Women Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index

Long-Term Sustainability Indicators

In conjunction with the formulation of the new MMP, we have updated our Long-Term Sustainability Targets for FY2030 by newly incorporating Long-Term Sustainability Indicators, with the aim of accelerating our pursuit of sustainable improvement in social and corporate value. Along with conventional targets, newly included indicators (those marked with "NEW") are presented in the diagram featured in the upper half of the facing page.

First, the newly identified Value Creation Capability Indicator is designed to measure the degree of our success in delivering a diverse range of solutions to corporate and individual customers. We will strive to nearly double the annual number of solutions provided from 10.5 million cases as of March 31, 2023 to 20 million in FY2030. In line with this target, we will strive to become the "Retail No. 1" Solution Group focused on delivering

optimal value to customers. Second, we have issued a Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio. Based on this declaration, we aim to reduce greenhouse gas (GHG) emissions from this portfolio to net zero by 2050 and, to this end, have newly disclosed our interim target for FY2030 for the energy sector. Third, we have incorporated a Well-Being Indicator. This is measured by the ratio of positive responses to questions in employee surveys regarding a sense of fulfillment felt in work and private life. We will aim to improve this ratio from the current 69.3%. To this end, we will step up initiatives to enhance our human capital and implement a variety of measures to enable employees to stay healthy, emotionally and physically, even as they enjoy a greater sense of fulfillment in both work and private life.

Long-Term Sustainability Indicators

| Aiming for sustainable improvement in social and corporate value | | | |
|--|--|-------------------------------------|--|
| | | FY2022 (results) | FY2030 (target levels) |
| Value for customers and society | NEW Value Creation Capability Indicator Number of cases where solutions are provided | 10.5 million cases | 20 million cases |
| | Retail Transition Financing Target | Cumulative total: ¥1.865 trillion | ¥10 trillion |
| Environmental value | NEW Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio | — | (2050: Net zero) |
| | NEW Interim target for the energy sector (Portfolio carbon intensity) | 139 gCO ₂ e/kWh (FY2021) | 100–130gCO ₂ e/kWh |
| | Carbon Neutrality Target (Scopes 1 & 2) | vs FY2013 (56)% | Net zero |
| Social value | Targets for the Empowerment and Promotion of Women Ratio of female directors and executive officers (Resona Holdings) Ratio of female senior managers (6 Group companies ¹) Ratio of female line managers (6 Group companies ¹) | 15.3% | 30% or more |
| | | 13.4% | 20% or more |
| | | 31.4% | 40% or more |
| Value for employees | NEW Well-Being Indicator Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys | 69.3% | Increase the ratio of positive responses |

¹ Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

Final Words

The Resona Group is about to mark a major milestone on its journey, namely the 20th year since the injection of public funds under the Deposit Insurance Act, an event we call the "Resona Shock," in 2003.

The Resona Group as it stands today is the product of generous support extended by customers, shareholders, regional societies and other diverse stakeholders over the course of 20 years of radical changes.

As President, I would like to hereby express my wholehearted gratitude to all those who have supported our endeavors leading up to this milestone year.

At the same time, I believe that we must ensure that various lessons learned in the course of rehabilitation are properly passed down to the next generation and ingrained in the Group's "DNA." Furthermore, we need to move forward from the rehabilitation stage to take on new challenges of realizing "Retail No. 1" while, in this milestone year, refreshing our strong commitment to achieving a revival akin to the Group's re-founding.

Looking ahead, we will remain true to our fundamental stance of "Customers' happiness is our pleasure" and continue to do our utmost as a financial group to help resolve issues our customers and society as a whole are confronting.

We ask our stakeholders for their continued support and encouragement of the Resona Group's endeavors to take on new challenges.



CFO Message



Narunobu Ota
Executive Officer and
Group CFO

Review of Results for the Fiscal Year Ended March 2023 (FY2022)

In the fiscal year ended March 31, 2023, the Resona Group focused on successfully completing the previous medium-term management plan (MMP) and transitioning to the new MMP. To that end, the Group has striven to implement timely countermeasures against downside risks while pursuing the full achievement of its annual targets. Thankfully, our main operations enjoyed robust performances, while credit-related expenses remained low due to the reversal of reserve for possible loan losses on the back of progress in corporate rehabilitation assistance. Reflecting these and other factors, we have seen some indicators exceed planned targets, contributing to the aforementioned robust operating results. In particular, net income attributable to owners of parent surpassed not only our annual target of ¥150.0 billion, which has been set by factoring in costs for measures to restore the soundness of our securities portfolio, but also topped our MMP target of ¥160.0 billion.

We have also met our goal of achieving a third consecutive year of annual growth in core income, an indicator for measuring progress in income and cost structure reforms. Thus, over the three-year period of the previous MMP, we accomplished core income growth of ¥22.4 billion.

Although our ROE fell short of the MMP target of 8%, this indicator recovered to 7.66% in FY2022. Meanwhile, our Common Equity Tier (CET) 1 capital ratio reached our target of

10%. Under the new MMP, we are now shifting our focus to the central issue of how to best utilize our capital. Given this transition to a new phase of capital utilization, we can conclude that our initiatives under the previous MMP were largely successful.

In addition, we undertook a variety of endeavors to adapt to the rapidly evolving business environment. Here, I will explain two aspects of these endeavors.

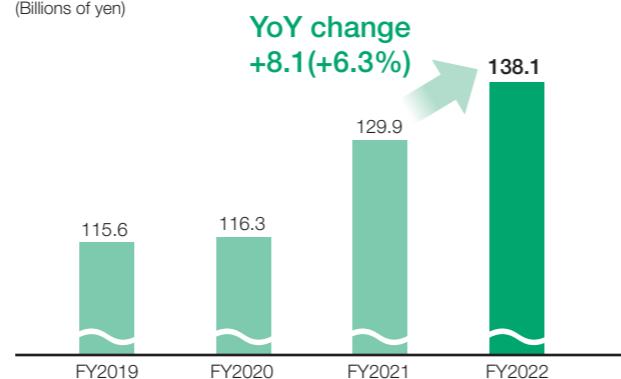
First, with an eye to aligning ourselves with monetary policy trends as well as market changes at home and abroad, we have formulated and executed diverse action plans. Since the collapse of Silicon Valley Bank in March 2023, we have received a growing number of inquiries regarding our approach to balance sheet management and administration. In this regard, the Resona Group takes an ALM approach backed by highly stable retail deposits. This helps us maintain a fairly sound balance sheet in terms of resilience against interest rate risks as well as liquidity.

Moreover, our yen bond portfolio is similarly backed by our abundant volume of retail deposits, ensuring that the risk of negative spread is limited. Taking these factors into account, we are confident of our ability to maintain this portfolio while curbing growth in unrealized losses even in the face of expected hikes in interest rates. At the same time, we will strive to seize upside profit opportunities arising from future shifts in monetary policies and resulting changes in the environment. With regard to our foreign bond portfolio, we have taken sufficient steps to counter most losses arising from low-margin bond holdings. Therefore, we have entered a phase of redeveloping this portfolio with an eye to securing stable returns over the medium to long term even as we stay on alert for a peak out in U.S. interest rates.

Second, we have striven to counter credit risks. In FY2022, credit-related expenses totaled ¥15.9 billion, a decrease of ¥42.7 billion year on year. The ratio of credit-related expense to total credit remained low at 3.9 bps. This was attributable to reversal gains due mainly to the upgrading of some major clients that have been subject to rehabilitation assistance. At the same time, even though the repercussions of the COVID-19 pandemic have been tapering off, we have seen negative signs of fallout from the depreciation of the yen and surges in resource prices in certain sectors. Looking ahead, we will engage in ongoing and in-depth dialogue with our customers while assiduously monitoring for signs of abnormalities and otherwise ensuring the early detection of any changes in their status. In this way, we will extend even more robust support to our customers. (Outline of Financial Results for FY2022 ➔ p. 29)

Trend in Core Income (Resona Holdings consolidated)

(Billions of yen)



Forecast for the Fiscal Year Ending March 2024 (FY2023)

For the fiscal year ending March 31, 2024, we have set our target for net income attributable to owners of parent at ¥150.0 billion, a year-on-year decrease of ¥10.4 billion. On the other hand, our annual forecast for common dividends per share is ¥22 per share, up ¥1 year on year. Primary factors behind the expected profit decrease suggested in our net income target include higher operating expenses due to forward-looking investments in human resources and digital transformation (DX). We are, however, convinced that these investments are essential to securing sustainable future growth backed by more robust employee engagement and higher productivity and, therefore, must be executed at this point in time. In addition, FY2022 operating results were partially supplemented by extraordinary gains arising from the reversal of credit-related expenses and higher proceeds from the sale of policy-oriented stockholdings. For FY2023, we expect the degree of contributions by these extraordinary positive factors to decline. This is yet another factor contributing to the above net income target.

The ongoing execution of income and cost structure reforms remains our foremost priority under the new MMP. We will continue to advance these reforms. Also, although we intend to continue focusing on improving core income, we have revised our definition of core income in light of such factors as

the revision of the Bank of Japan's yield curve control (YCC) policy in December 2022 and subsequent changes in the interest rate environment. While core income under the previous definition comprised the sum of net interest income from domestic loans and deposits, fee income and operating expenses, the newly defined core income under the new MMP now includes interest income on yen bonds, etc.

Here, I will explain our forecasts for FY2023 operating results, excluding the forecasts for operating expenses I touched on earlier, in comparison with FY2022 operating results. We expect interest income on yen bond, etc., to increase ¥0.6 billion. Although net interest income from domestic loans and deposits is expected to decline ¥1.7 billion, the breadth of decline will grow smaller, and we anticipate an upturn in this indicator during the course of the new MMP period. We also plan to secure an ongoing growth track for fee income, and forecast a year-on-year increase of ¥2.4 billion. Despite the expected temporary decrease in core income on the back of such factors as increasing operating expenses arising from forward-looking investments, we expect this indicator to achieve a turnaround and eventually grow stronger during the course of the new MMP period.

FY2023 Earnings Targets and Dividend Forecasts

Resona Holdings consolidated

| (Billions of yen) | Full-year targets | |
|---|-------------------|------------|
| | Full-year targets | YoY change |
| Net income attributable to owners of parent | 150.0 | (10.4) |
| Differences between consolidated and non-consolidated results | 17.5 | (1.2) |
| Core income (including interest income on yen bonds, etc.)* | 148.0 | (15.6) |

Common dividends per share

| | Dividends per share | YoY change |
|---|---------------------|------------|
| Common dividends per share (full-year forecast) | 22.0 | +1.0 |
| Interim dividends | 11.0 | +0.5 |

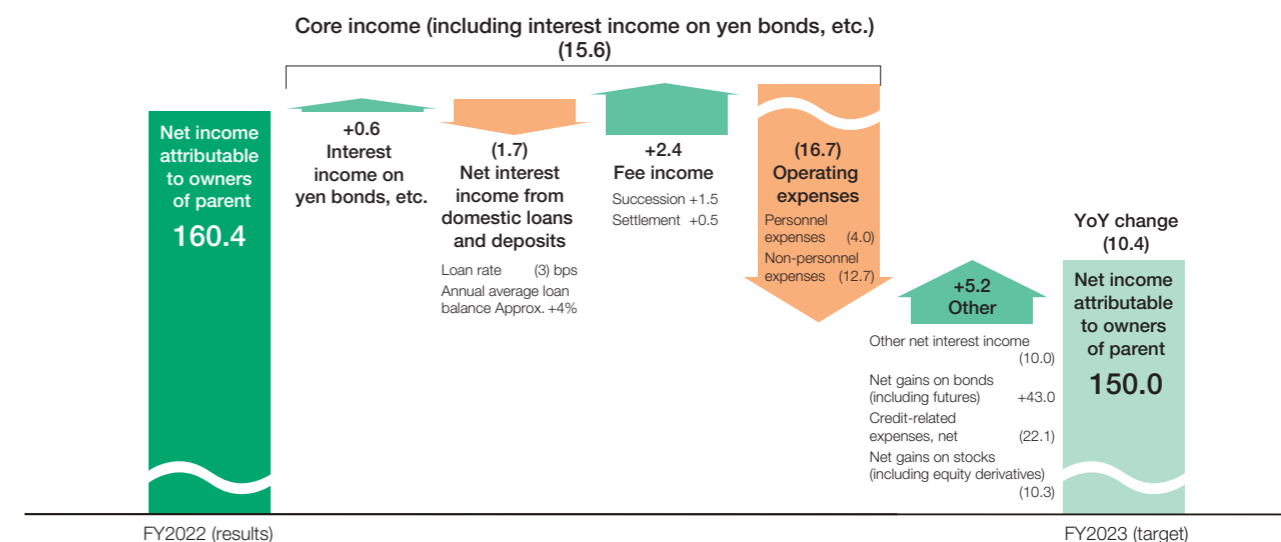
Total of Group banks

| (Billions of yen) | Total of Group banks | |
|--|----------------------|------------|
| | Full-year targets | YoY change |
| Gross operating profit | 575.5 | +31.3 |
| Operating expenses | (392.5) | (15.7) |
| Actual net operating profit | 183.0 | +15.7 |
| Net gains on stocks (including equity derivatives) | 44.0 | (10.3) |
| Credit-related expenses, net | (31.5) | (16.5) |
| Net income before income taxes | 184.0 | (14.0) |
| Net income | 132.5 | (9.1) |

* Net interest income from domestic loans and deposits + interest income on yen bonds, etc. (interest income on yen bonds and income from interest rate swaps) + fee income + operating expenses

Factors Contributing to Differences between FY2022 Operating Results and FY2023 Earnings Targets

(Billions of yen; changes are presented in approximate figures)



Earnings Roadmap under the New MMP

In the fiscal year ending March 31, 2026 (FY2025), the final year of the new MMP, we aim to achieve net income that is approximately ¥10.0 billion in excess of net income recorded in FY2022. As for assumptions used in the formulation of this earnings plan, we have not factored in the impact of a possible shift in domestic monetary policies but instead assumed that interest rates, both short and long term, will remain virtually unchanged from the current levels.

Reflecting our forward-looking approach to investments in human resources, IT infrastructure and other elements supporting our future viability, operating expenses will increase by around ¥26.0 billion over the three-year period of the new MMP. However, this increase will be more than offset by a ¥43.0 billion increase in top-line income over the same period. This will consist of a ¥6.0 billion increase in interest income on yen bonds, etc., a ¥10.0 billion increase in net interest income from loans and deposits and a ¥27.0 billion increase in fee income. Thus,

our plan is to achieve a net increase of ¥17.0 billion, or approximately 10%, in core income from operating results for FY2022.

Looking at core income per employee, we also plan to achieve growth in this indicator from ¥5.7 million to ¥6.5 million even as we robustly control total headcount.

We anticipate that the effect of forward-looking investments will not fully emerge until the close of the new MMP. However, we will expand investment in human resources to enhance employee engagement and to secure a robust pool of specialist human resources while pushing ahead with cost structure reforms via the strengthening of IT investment.

Through these and other endeavors, we will increase net income attributable to owners of parent to ¥170.0 billion. Simultaneously, we will achieve an ROE (based on total shareholders' equity) of 8% through, for example, expanded investment aimed at supporting inorganic growth as we enter a new phase of capital utilization.

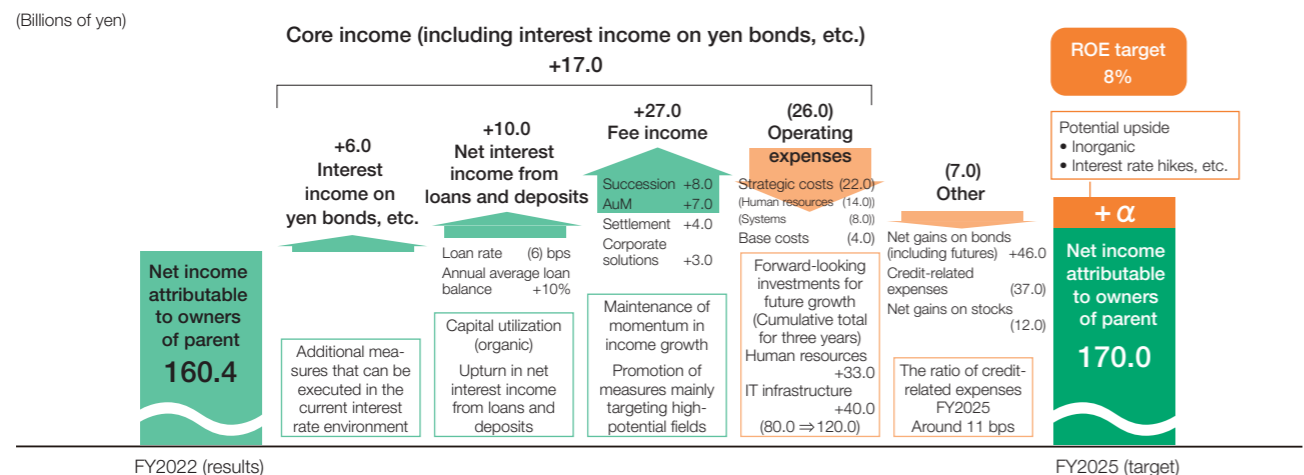
new MMP, we have upwardly revised this target and are currently aiming for a total shareholder return ratio of around 50%.

Based on this new target, in May 2023 we announced that we forecast annual common dividends per share of ¥22 per share, up ¥1 per share. Furthermore, we plan to execute share buybacks, with a maximum of ¥10.0 billion being set aside to this end. Given our current stock price, we consider executing share buybacks a quite rational means of utilizing capital. On

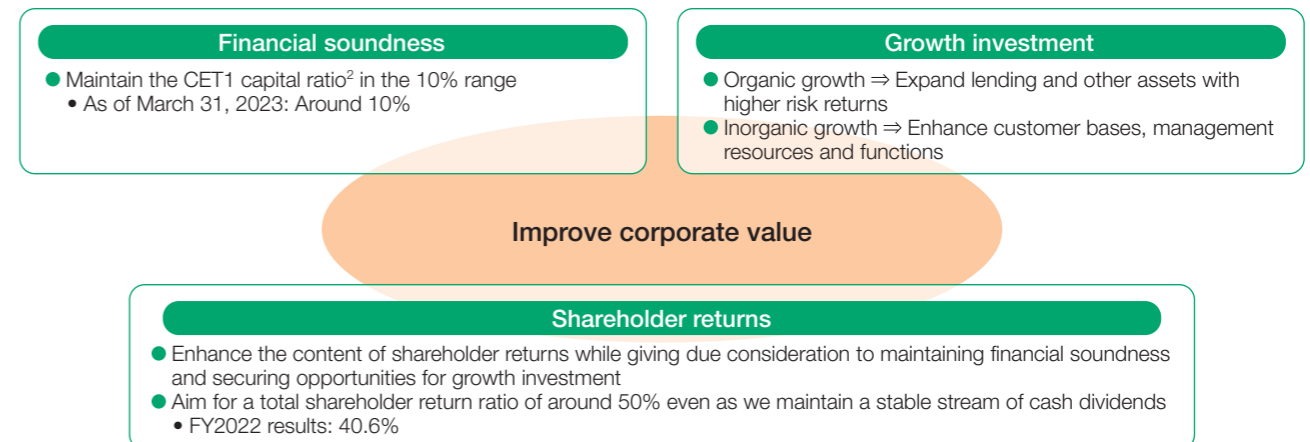
the other hand, members of the Group's management, including myself, have been frustrated by its stagnant PBR, which continually falls short of 1 time. Taking this situation into account, the above budget for share buybacks also represents management's determination to improve the stock price.

Looking ahead, we will keep our stakeholders robustly updated about the roadmap for achieving targets under the new MMP.

Income plan aimed at offsetting outflows arising from forward-looking investments to be undertaken to enhance employee engagement and productivity while achieving growth in core income and an ROE of 8%



Transitioning from striving to qualitatively and quantitatively enhance capital to a new phase in which we can fully utilize it ⇒ Aiming for ROE¹ of 8%



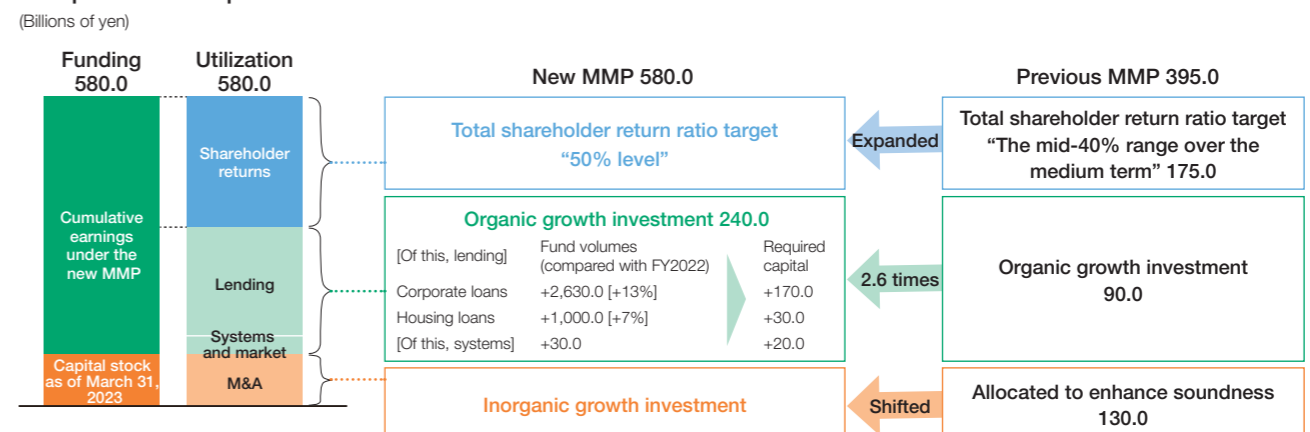
1 Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)
 2 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

The diagram below shows how we will utilize capital over the course of the new MMP period.

Mainly via lending, we will invest around ¥240.0 billion to pursue organic growth. This amount is 2.6 times as much as the ¥90.0 billion invested in the course of the previous MMP.

Moreover, although we had allocated ¥130.0 billion to the enhancement of our financial soundness under the previous MMP period, the similarly large budget set aside this time is earmarked mostly for investment for inorganic growth.

Composition of Capital Utilization



Capital Management

Here, I will explain the direction of our capital management under the new MMP.

Currently, we are transitioning from our previous focus on the qualitative and quantitative enhancement of capital to a new phase in which we can fully utilize said capital. Our basic policy is to pursue improvement in corporate value by utilizing capital to undertake growth investment and to enhance the content of shareholder returns in a way that maintains financial soundness. We also aim to achieve an ROE (based on total shareholders' equity) of 8% as an indicator for measuring capital profitability.

I will begin with an outline of our endeavors to date to maintain financial soundness. Under the previous MMP, we successfully met our CET1 capital ratio target of around 10% in March 31, 2023 (based on regulations to be effective upon the full enforcement of the finalized Basel 3; excluding net unrealized gains on available-for-sale securities). Having launched the

new MMP, we are now allocating capital to growth investment and shareholder returns while being conscious of maintaining this ratio in the 10% range. This new target factors in the regulatory minimum requirement of 4.5% (mandatory to banks to which the F-IRB approach is applied) along with a risk buffer of 4.5% and a strategic buffer of 1%. Accordingly, we consider this target to be sufficient in terms of risk resilience.

Next, let us turn to our concepts for growth investment. In addition to stepping up lending aimed at helping customers and regional societies resolve issues they are confronting, we will utilize capital to achieve both organic and inorganic growth. Specifically, we will pursue the enhancement of our customer bases, management resources and functions, with the aim of securing greater returns.

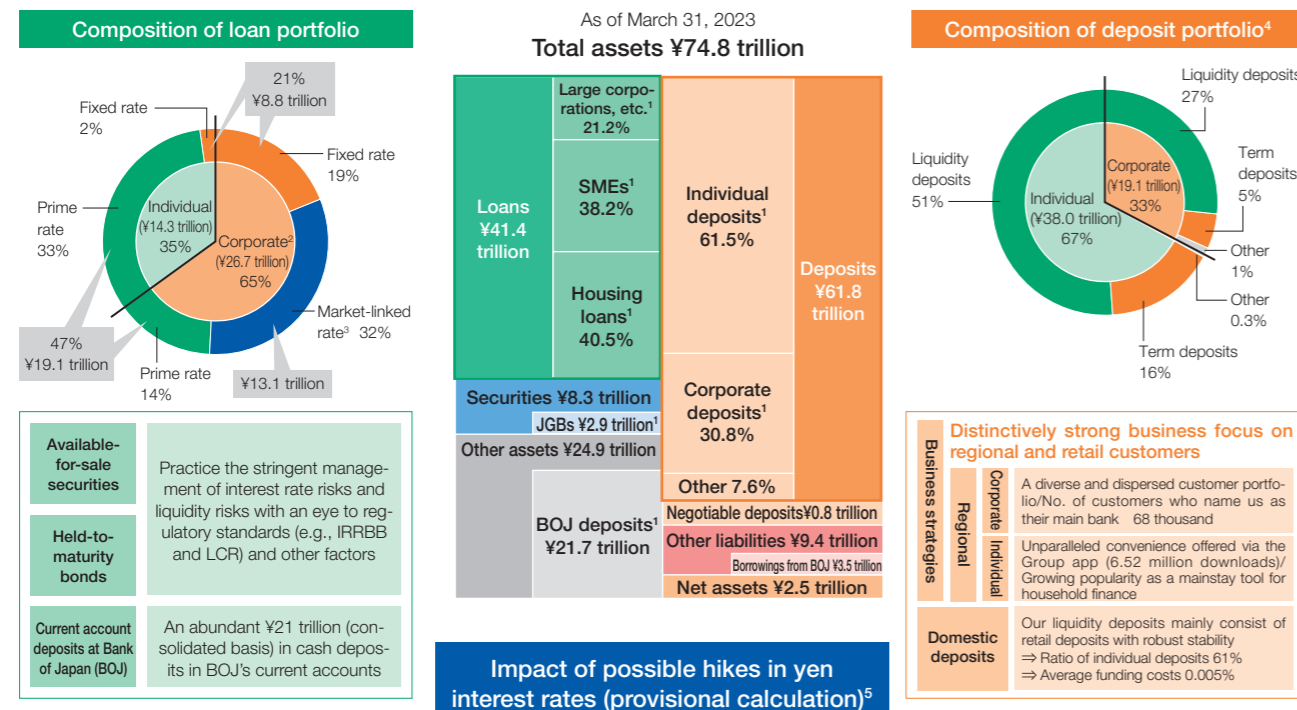
Lastly, with regard to our policy for shareholder returns, under the previous MMP, we had aimed for a total shareholder return ratio in the mid-40% range over the medium term. In line with

Balance Sheet Soundness / Impact of Possible Hikes in Yen Interest Rates (provisional calculation)

The new MMP is based on the premise that the current interest rate environment will continue. If Japan's monetary policies are revised going forward, however, we may expect the emergence of a positive profit effect on net interest income from loans and deposits, interest and dividends on securities and other indicators as our balance sheet is highly sensitive to interest rates.

Of course, a number of variables—such as the timing of monetary policy revisions, as well as their pace, depth and

methods used—must also be taken into consideration. Accordingly, the provisional calculation of such profit impact may differ considerably depending on the assumptions used. Here, we present results of our hypothetical calculations, with the abolition of the YCC policy and the lifting of the negative interest rate policy expected to result in upside impacts of around ¥20.0 billion and ¥10.0 billion, respectively.



- **Hikes in long-term interest rates (the abolishment of the YCC policy)**
 - A provisional calculation premised on shifting a portion of funds held in BOJ current accounts to Japanese government bonds, etc., targeting instruments in the five-year maturity zone (assuming an increase in margin to around 0.4%) ⇒ + ¥20.0 billion
- **Hikes in short-term interest rates (the lifting of the negative interest rate policy)**
 - A provisional calculation based on assumptions regarding prevailing trends at the time of lifting that takes into account the status of deposits and loans as well as changes in current account interest rates at BOJ at the time of the introduction of said policy ⇒ + ¥10.0 billion

1 Total of Group banks
 2 Including apartment loans
 3 Including loans with fixed interest rates (spreads) whose maturity is scheduled within one year
 4 Domestic individual deposits + domestic corporate deposits
 5 The provisional calculation for the impact on annual profit reflects expected circumstances after the full effect of interest rate fluctuations materializes

reduction totaling ¥32.6 billion, or 93% of this target, in the first four years, in May 2020 we revised the target, announcing a new goal of reducing such stockholdings by a further ¥30.0 billion in the three-year period (¥10.0 billion/year) beginning April 2020, accelerating the pace of reduction.

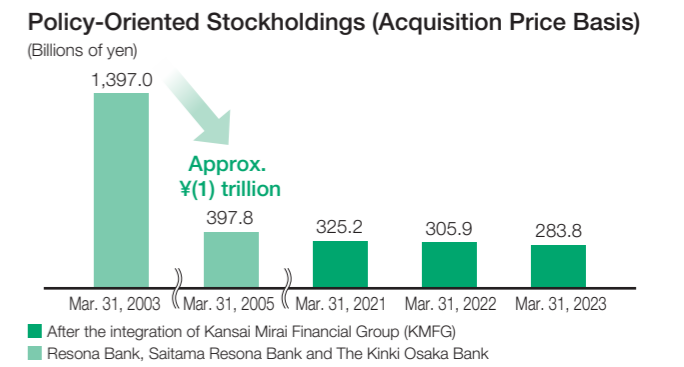
As a result, we have successfully reduced such stockholdings by ¥30.9 billion, which represents 103% of this new goal, over the course of the first two years. Thus, in May 2022 we again revised our reduction plan one year ahead of schedule, announcing the latest plan to reduce such stockholdings by ¥80.0 billion over a four-year period leading up to March 31, 2026. With the planned volume of annual reductions amounting to ¥20.0 billion, the pace of reductions was doubled from that under the previous plan.

In FY2022, the first year of aforementioned four-year period, we reduced policy-oriented stockholdings by ¥22.0 billion. This represents the robust progress of 27.5% toward the target for the four-year plan. Moreover, the pace of annual reductions amounts to 110.1% of the planned volume of annual reductions.

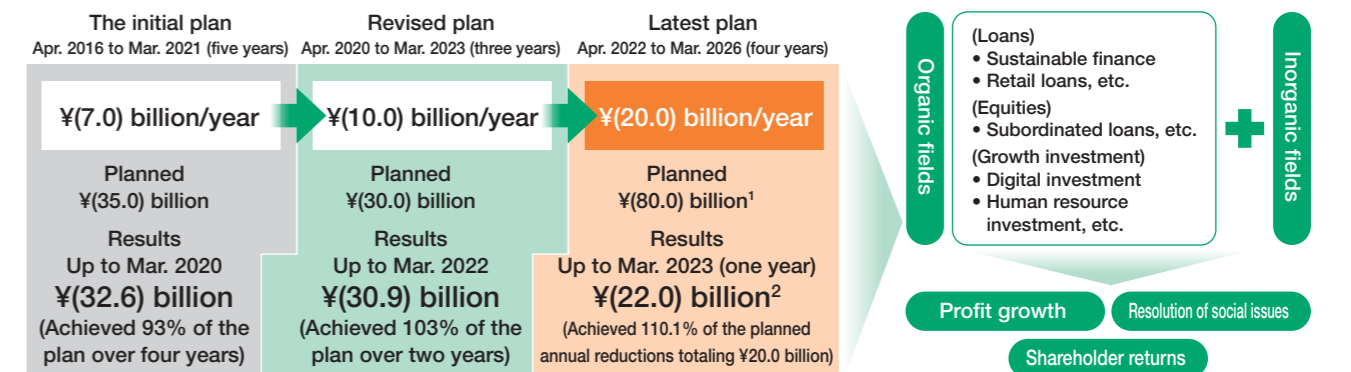
Based on a provisional calculation premised on the ratio of acquisition costs to the fair value of our entire portfolio of policy-oriented stockholdings at the time of the formulation of this

four-year plan (March 2022), we expect to be able to reduce such stockholdings by around ¥250.0 billion (fair value basis) over the four-year period. We will remain conscious of the volume of reductions thus far on a fair value basis while continuously striving to reduce such stockholdings.

Looking ahead, we will utilize capital freed up via the reduction of policy-oriented stocks to pursue robust organic and inorganic growth, especially in business fields in which we can help resolve issues confronting society and our customers.



- **Aim for Further Reductions in Policy-Oriented Stockholdings under the Latest plan Stipulating an Even Faster Pace of Reductions**
 - Current progress has been steady against the plan
 - Utilize capital in business fields in which we can help resolve issues confronting society and our customers



1 Reference: Reductions of around ¥250.0 billion on a fair-value basis (provisionally calculated based on the fair value of policy-oriented stocks held by Resona Holdings as of March 2022)
 2 Reference: Reductions of around ¥30.3 billion on a fair-value basis (Volume factor: ¥(72.4) billion; Fair-value factor: +¥42.1 billion)

Please refer to the following webpage for our policy for holding policy-oriented stocks, verification process for the valuation of holdings of policy-oriented stocks and standards for the exercise of voting rights of policy-oriented stocks.
<https://www.resona-gr.co.jp/holdings/english/about/governance/cg/relatedpolicies.html>

Tax-Compliance Initiatives

The Resona Group upholds a basic policy of complying with the tax-related laws and regulations enforced in all countries and regions in which it undertakes business activities and is committed to appropriately fulfilling its taxpayer responsibilities

with respect for the spirit as well as the rule of such laws and regulations. Accordingly, the Group has established and announced a Tax Policy as outlined below.

Tax Policy

Basic Policy

In line with the Resona Standards, the Resona Group shall comply with tax-related laws and regulations while appropriately managing tax-related expenses via the maintenance of a proper tax compliance structure, with the aim of improving its corporate value.

Also, the Resona Group shall take proper action aimed at ensuring that its business bases maintain appropriate tax compliance in conformity with the laws and regulations enforced by countries and regions in which it operates and that it abides by international taxation guidelines announced by relevant authorities.



Reduction in Policy-Oriented Stockholdings

Since the 2003 injection of public funds, we have shrunk our holdings of policy-oriented stocks via a course of financial reform, well ahead of other Japanese banks, achieving a reduction amounting to approximately ¥1 trillion. This has significantly decreased our exposure to equity price fluctuation risk.

In recent years, we have steadily reduced our policy-oriented stockholdings in line with a target of reducing such stockholdings by approximately ¥35.0 billion over a five-year period (¥7.0 billion/year) that began in April 2016. Having achieved a

Initiatives to Improve Corporate Value

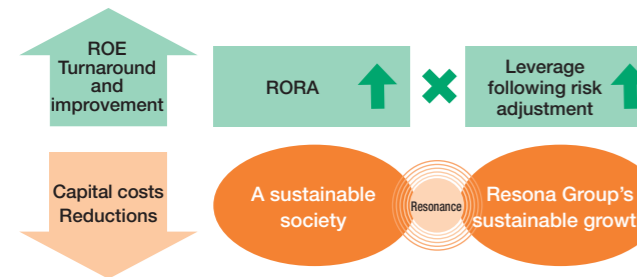
In the following, I explain concepts behind our pursuit of higher market ratings, including a PBR of more than 1 time, as part of initiatives to improve corporate value.

For us to improve PBR, it is important to pursue both higher ROE and lower capital costs. Below are measures to be implemented under the new MMP to achieve this twofold aim.

The following diagram shows the breakdown of ROE components based on the DuPont Analysis following risk adjustments in light of the nature of the banking industry. Over the course of the previous MMP period, our ROE remained on a downward trend for the first two years before achieving recovery in the final year.

We believe that there were two major factors behind this

Toward the Improvement of PBR



ROE trend. First, we saw a rapid expansion of our balance sheet during the COVID-19 pandemic. This resulted in a growing volume of assets with low utilization. With this in mind, we need to further improve risk-return by, for example, adopting a more proactive approach to risk-taking endeavors. Second, downside risks have materialized and affected profit/loss in the form of major credit-related costs and outlays resulting from measures to restore foreign bond portfolio soundness. To counter these risks, we need to further upgrade our mode of risk governance.

Aware of the issues discussed above, we intend to robustly strive for the improvement of profitability and asset efficiency through the effective utilization of capital.

- Accelerate income and cost structure reforms
- Fully utilize capital
- Pursue more sophisticated balance sheet management
- Risk governance/High-quality, stable profit
- A financial service group that is the most significant contributor to customer success in SX
- Enhance employee engagement via investment in human capital
- Enhance the disclosure of both financial and non-financial information

Breakdown of ROE components

| | ROE | RORA | Leverage following risk adjustment | Total assets accounted for as of the fiscal year-end |
|---|--|--------|------------------------------------|--|
| | $ROE = \frac{\text{Net income}}{\text{RWA}^*} \times \frac{\text{RWA}^*}{\text{Shareholders' equity}}$ | | | |
| FY2019 | 8.9% | 0.7% | 11.9 times | ¥60.5 trillion |
| FY2020 | 6.8% ↓ | 0.6% ↓ | 11.3 times ↓ | ¥73.6 trillion |
| FY2021 | 5.6% ↓ | 0.5% ↓ | 10.7 times ↓ | ¥78.1 trillion |
| FY2022 | 7.6% ↑ | 0.7% ↑ | 9.9 times ↓ | ¥74.8 trillion |
| (Average of the period from FY2020 to FY2022) | 6.7% | 0.6% | 10.6 times | ¥75.5 trillion |

*Based on the full enforcement of the finalized Basel 3 regulations

Initiatives to be implemented over the course of the new MMP period

| Improve profitability and asset efficiency via the proactive utilization of capital | |
|--|--|
| (Organic) Enhance higher risk-return lending assets, etc. | (Inorganic) Enhance customer bases, management resources and functions |
| Step up investment in human capital ⇒ Further Development & New Challenges × Co-Creation & Expansion Core income + ¥17.0 billion (target) | |
| Upgrade our mode of risk governance | |
| Enhance the content of shareholder returns A total shareholder return ratio target of around 50% | |
| Seize upside profit opportunities that arise at the time of interest rate hikes | Further reduce policy-oriented stockholdings Planned annual reductions of ¥20.0 billion |

Dialogue with Shareholders and Investors

We also place emphasis on maintaining constructive dialogue with shareholders and investors. Seeking to secure sustainable corporate growth and medium- to long-term improvement in the Group's corporate value, we strive to ensure that our shareholders and investors have an accurate understanding of, confidence in and a fair evaluation of the Group's management strategy and financial condition and engage them in various forms of discussion to garner their input, which we reflect in our actions.

In FY2022, we constantly enhanced our digital-based approach to investors in addition to engaging in a growing number of face-to-face interviews, approaching each in a manner aligned with their differing circumstances and needs. For example, we visited investors abroad as part of overseas IR activities. In sum, we have striven to increase opportunities for both face-to-face and online communications with investors.

Opinions voiced by shareholders and investors are regularly reported to the Board of Directors and other bodies to improve our management strategy. At the same time, we endeavor to facilitate employee understanding of the market reputation of and market expectations regarding the Resona Group's business performance.

In addition, one of our aims under the MMP is to ensure our ongoing inclusion in all of the ESG indices selected by the Government Pension Investment Fund (GPIF). To that end, we are constantly enhancing the content of information disclosure, including disclosure related to our SX initiatives and other non-financial information. In addition, in our efforts to disclose information fairly and impartially, we remain conscious of the need to reduce capital costs through the elimination of informational asymmetry. In these ways, we strive to enhance the content of dialogue with shareholders and investors.

Outline of Financial Results for FY2022

Net income attributable to owners of parent was ¥160.4 billion, up ¥50.4 billion, or 45.8%, year on year, representing 106.9% of the initial target of ¥150.0 billion.

Consolidated gross operating profit declined ¥1.8 billion from FY2021 to ¥600.0 billion. On the other hand, actual net operating profit rose ¥9.6 billion year on year to ¥195.7 billion.

Net interest income from domestic loans and deposits decreased ¥3.8 billion from the previous fiscal year to ¥334.1 billion and thus trended in line with the plan. The annual average loan balance grew 3.20% year on year, while the loan rate declined 4bps. The decline in the loan rate stayed small, indicating that this decline can be mostly offset by growth in lending volume.

Fee income rose ¥0.3 billion year on year to ¥208.6 billion hitting an all-time best since the inauguration of Resona Holdings for two years in a row. Primary contributors to this achievement included fee income from insurance, settlement-related operations and real estate.

Net gains on bonds (including futures) resulted in net losses of ¥47.7 billion, albeit representing a ¥6.1 billion improvement from the previous fiscal year. This was due mainly to the implementation of measures to improve the soundness of our portfolio of foreign bonds and other instruments, outlays for which had similarly served as a major factor behind net losses on bonds in FY2021.

We have also recorded operating expenses of ¥404.7 billion, a year-on-year decrease of ¥11.6 billion. This decrease included ¥4.7 billion reductions in personnel expenses, reflecting the success of such initiatives as the control of the total headcount in line with optimal staff allocation on a Group-wide basis, despite the progressive increase of wages per employee. Non-personnel expenses similarly declined ¥4.5 billion as we have benefitted from the downward revision of deposit insurance premiums, which, in turn, allowed us to successfully offset the growing volume of depreciation costs associated with the launch of new branch systems and other major projects.

Net gains on stocks (including equity derivatives) rose ¥6.7 billion year on year to ¥53.9 billion, reflecting progress in the reduction of policy-oriented stockholdings and other factors.

Credit-related expenses decreased ¥42.7 billion from the

previous fiscal year to net expenses of ¥15.9 billion, representing only 41.9% of the annually planned expenses of ¥38.0 billion. This is due mainly to reversal gains recorded in connection with the upgrading of, and collection from, some major clients subject to rehabilitation assistance.

(Billions of yen)

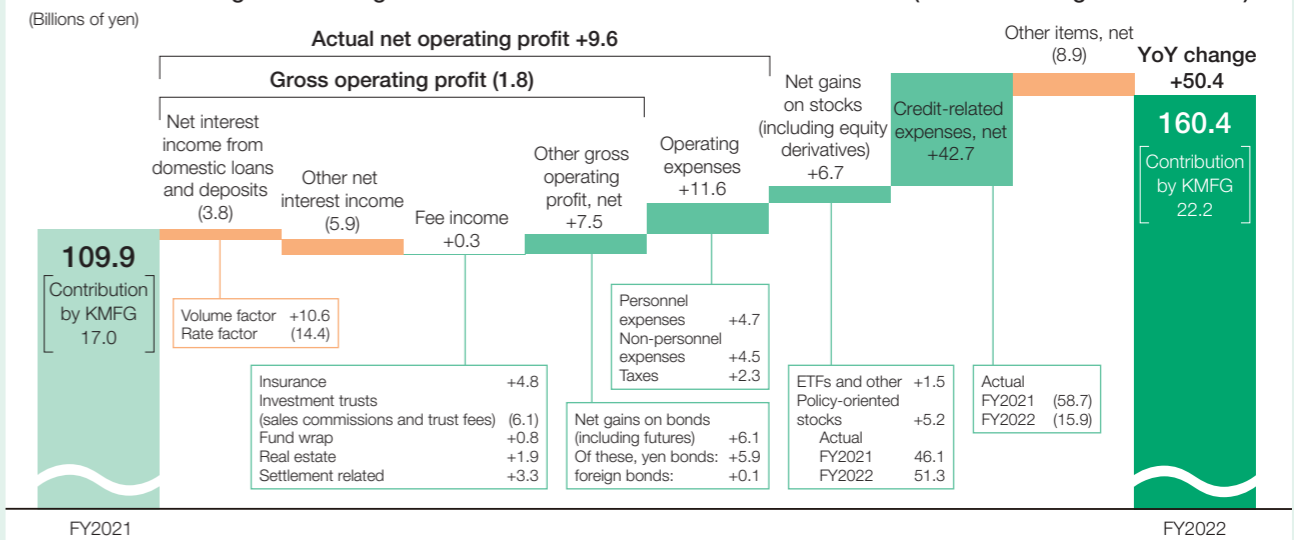
| Resona Holdings consolidated | FY2022 | |
|---|--------------|--------------|
| | | YoY change |
| Net income attributable to owners of parent | 160.4 | +50.4 |
| Earnings per share (EPS) (yen) | 67.48 | +22.07 |
| Book-value per share (BPS) (yen) | 1,065.31 | +40.30 |
| ROE (based on total shareholders' equity) ¹ | 7.66% | +2.03% |
| Gross operating profit | 600.0 | (1.8) |
| Net interest income | 419.3 | (9.8) |
| Net interest income from domestic loans and deposits ² | 334.1 | (3.8) |
| Interest income on yen bonds, etc. ³ | 25.4 | +2.2 |
| Fee income | 208.6 | +3.0 |
| Fee income ratio | 34.7% | +0.1% |
| Other operating income | (27.9) | +7.5 |
| Net gains on bonds (including futures) | (47.7) | +6.1 |
| Operating expenses (excluding Group banks' non-recurring items) | (404.7) | +11.6 |
| Consolidated cost income ratio | 67.4% | (1.7)% |
| Actual net operating profit | 195.7 | +9.6 |
| Net gains on stocks (including equity derivatives) | 53.9 | +6.7 |
| Credit-related expenses, net | (15.9) | +42.7 |
| Other gains, net | (8.7) | +10.1 |
| Net income before income taxes and non-controlling interests | 225.0 | +69.3 |
| Income taxes and other | (63.3) | (17.7) |
| Net income attributable to non-controlling interests | (1.3) | (1.1) |

1 Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)

2 Net interest income from domestic loans and deposits: Total of Group banks, banking-book basis (including negotiable deposits)

3 Interest income on yen bonds and income from interest rate swaps

Factors Contributing to the Changes in Net Income Attributable to Owners of Parent (Resona Holdings Consolidated)



Human Resource Strategies—CHRO Message



Hideo Sekiguchi
Group CHRO and Executive Officer
Resona Holdings

CHRO: Chief Human Resource Officer

Aiming for Value Creation and Well-Being

Since its founding, the Resona Group has been taking on the challenge of reform. Based on the realization that “bankers’ norms do not necessarily coincide with common sense held by external people,” we have pursued a variety of transformative efforts to address issues confronting our customers and regional societies. Today, the Resona Group is about to transition from the rehabilitation stage to a new phase of taking on challenges. Thus, the Group will be striving to achieve its own corporate transformation (CX) in line with the new medium-term management plan (MMP).

To continuously take on the challenge of reform, the Resona Group needs to secure human resources with diverse value

A Workplace Employees Recommend: Engagement

Creating a workplace that enables employees to work vibrantly and earn success is an integral part of efforts to enhance employee well-being. Moreover, such a workplace will serve as the foremost driving force of value creation.

Our annual awareness surveys targeting all employees reveal that the ratio of respondents who give positive answers to questions regarding the openness of their workplaces is trending upward. In the latest survey, this ratio amounted to approximately 80%. Moreover, a number of respondents use the provided blank spaces to leave positive comments, suggesting general improvement in employee engagement.

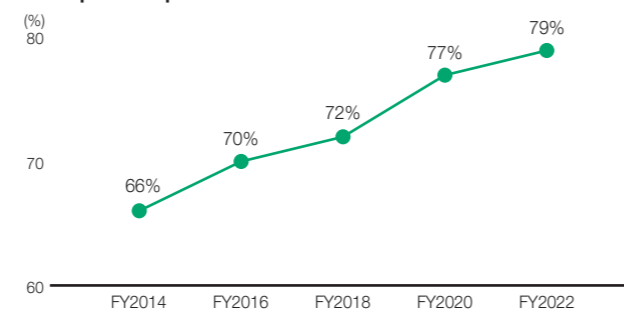
Looking ahead, we will take heed of employees’ diverse needs with regard to flexible workstyle options designed to accommodate varying individual circumstances corresponding to life events, assistance for autonomous career development and fair evaluation and wages that properly reward their dedication. By doing so, we will implement measures that are finely tuned to meet their needs.

systems and ensure that they can freely exchange their unfettered opinions. With this in mind, we have taken the lead in the banking community to incorporate the concept of diversity & inclusion (D&I) into our personnel system and thus develop an environment in which diverse human resources are empowered to realize their full potential irrespective of their gender, age, job category, etc. At the same time, robustly moral and ethical corporate conduct (integrity) underlies the reputation for reliability and trustworthiness we have earned over the course of many years and, of course, is essential to being a good company capable of achieving sustainable growth. Everything we do, therefore, rests on the unwavering spirit of taking on the challenges of reform, ensuring D&I, and maintaining integrity. These elements are also basic to our organizational culture and must be cherished by present and future generations of Group officers and employees.

Meanwhile, the business environment surrounding the Group is radically evolving, as is people’s perception of work. Taking these changes into account, we have reorganized our human resource strategies (➔ p.66) to clarify the general direction of human resource management aimed at simultaneously supporting the creation of value by the Group and the well-being of employees, based on an approach that places the Company on an equal footing with employees. In times of radical change like the current moment, no one is positioned to foresee the future with confidence. However, we can conclude that, no matter what occurs, the creation of value to be delivered to our customers and regional societies always starts with human resources, the most important asset for the Group. Having established our Purpose, “Beyond Finance, for a Brighter Future,” we will work side by side with human resources who aspire to embody it and facilitate resonance among them based on the organizational culture we have cherished to date. As we do so, we will aim to support both the creation of value to be delivered to customers and society as a whole as well as the enhancement of well-being for employees.

Through these initiatives, we aim to make the Resona Group the workplace of choice for as many employees as possible and ensure that they can wholeheartedly recommend working here to others.

Workplace Openness: Ratio of Positive Answers



Do you think that your workplace is an open-minded one in which you can casually address your supervisor, staff and colleagues when presenting a report or seeking consultation and that allows for free two-way communication?

Diverse Fields of Specialty: Professionals

Employees’ pursuit of personal growth is essential to delivering optimal solutions and creating value to meet the needs of customers and regional societies. At the same time, employees who achieve personal growth and gain greater capabilities to contribute to customers and regional societies feel a greater sense of fulfillment, an important component of their well-being.

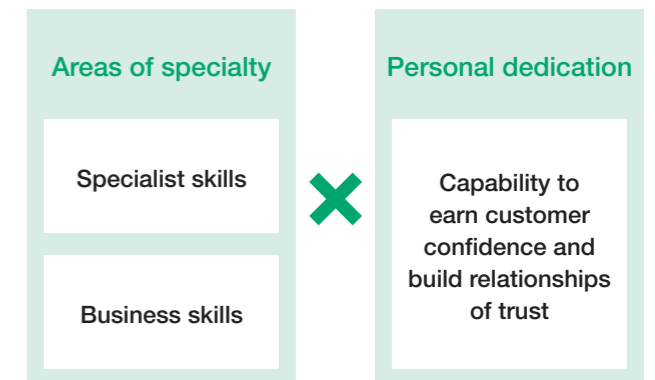
The Resona Group defines professional human resources as “individuals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing customers’ happiness.” In line with this definition, we aim to empower all employees to serve as professional human resources in their respective duties.

To date, we have strongly focused on nurturing professional human resources by, for example, introducing a multi-path personnel system, extending robust support to autonomous career development and updating our staff training structure.

Looking ahead, we will strive to empower all employees to become professional human resources and, to this end, review and upgrade initiatives undertaken thus far. In these ways, we will help employees to achieve personal growth at an even faster pace and support their pursuit of individual career goals.

Definition of “Professional Human Resources”

Individuals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing customers’ happiness



Empowering Each Employee to Embody the “Beyond Finance” Concept and Transcend Boundaries while Engaging in Co-Creation

Our customers are now facing increasingly complex issues requiring ever more sophisticated solutions. To help resolve such issues, we need to employ ideas and perspectives that transcend the conventional framework of financial services. Therefore, each employee tasked with assessing what our customers really need to resolve these issues is expected to embrace the concept of “Beyond Finance” on their own terms. To that end, we will proactively encourage them to gain experience in transcending conventional boundaries, whether self-defined, corporate or cultural. Specifically, we will secure abundant opportunities for them to engage in co-creation with

external human resources and specialists equipped with outstanding insights and know-how in different sectors while stepping up exchanges of human resources to enable them to gain business experience at multiple Group entities. We will also enhance the recruitment of mid-career hires as part of efforts to promote the diversity of our workforce. Through these initiatives, we will enable employees to acquire fresh perspectives not readily available solely through in-house operations. This is how we aim to empower each employee to embody “Beyond Finance” in their own terms and work for a brighter future for customers and regional societies as well as for themselves.

Creating a Prosperous Future via Resonance with a Diverse Range of Partners within and Outside the Group

The recently announced new MMP includes our declaration to invest a cumulative total of more than ¥33.0 billion in additional funds in human resources over its three-year period. This investment will be allocated to improving wages, developing human resources and stepping up recruitment. By enhancing investment in human resources, we aim to create a virtuous cycle that starts with encouraging employees to transform how they behave and enabling them to achieve professional growth. At the same time, by nurturing employee’s self-enhancement of well-being, both in their work and private lives, this cycle will, in turn, facilitate value creation while underpinning sustainable

growth for the Resona Group. Once on track, this cycle will eventually yield greater profit that can be reinvested in human resources.

Looking ahead, we will strive to develop an environment in which everyone can work vibrantly to bolster the Resona Group’s abilities to create value that goes beyond finance based on resonance between diverse professional human resources and partners within and outside the Group. In this way, we will continue to take on new challenges in order to play an even greater role in creating a prosperous future for all stakeholders.

Resona's Initiatives to Promote Digital Transformation (DX) –CDIO Message



Shinichiro Isa
Group CDIO and Executive Officer
Resona Holdings

The Resona Group has identified (1) innovating customer experience, (2) delivering new value to customers and (3) overhauling our cost structure as the three priority objectives of DX.

This means that digital technologies are principally a means to an end. Based on this premise, we are strongly focused on how we accomplish digital-driven corporate transformation (CX).

Realizing the Integration of Digital and Face-to-Face Channels

Since the 2018 release of the Resona Group App for individual customers, we have enhanced our digital channels, with our smartphone app at the center of this endeavor. Through the use of the customer perspective, we have designed this app with a strong emphasis on enhancing user interface (UI) and user experience (UX) and have since improved it on a constant basis. Thanks to these efforts, our Group App has become our most frequently used customer transaction channel. We have seen not only the widespread use of the app among individual customers but also emerging demand for an easy-to-use and convenient transactional interface for SME customers. With this in mind, we will take on the challenge of enhancing digital channels in the corporate transaction field as well.

On the other hand, Resona's foremost strength lies in its capabilities to provide face-to-face consulting and meticulously accommodate the needs of customers according to their differing circumstances. Moreover, in addition to practicing this consulting approach, each branch cultivates deep roots in its surrounding community, setting the Resona Group clearly apart from other banks. We need to further enhance our capabilities in this area.

It is also essential to enable both individual and corporate customers to choose from various channels based on timing, occasion, need, desired transactional type and objective. Previously, banks have striven to herd customers into specific channels based on their own convenience, but such an approach is outdated and no longer relevant. Today, it is essential to secure a robust structure that accommodates the

transactional needs of customers through the channels of their choice, be it digital or face-to-face.

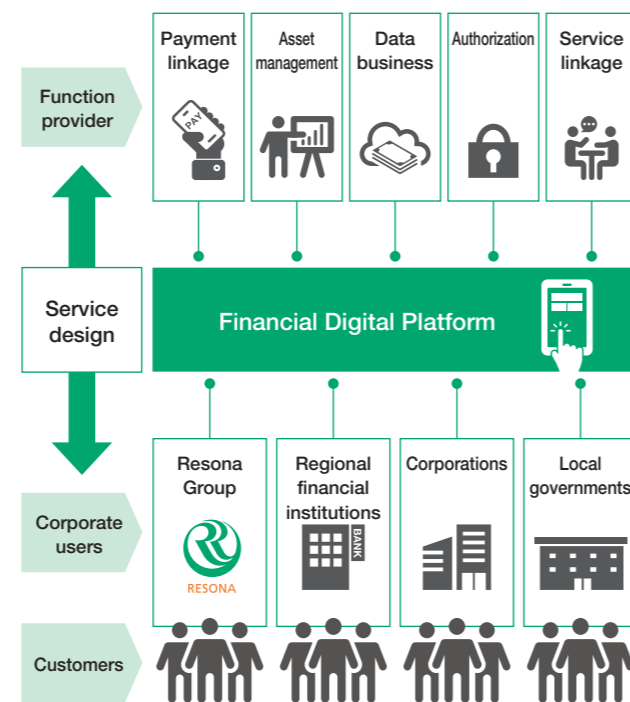
Pursuing Co-Creation with External Partners to Deliver Even Better Services to as Many Customers as Possible

The "money" handled by banks is merely a means for customers to, for example, obtain services or achieve other objectives. Accordingly, we need to maintain the ability to accurately understand how and why customers are using their money because, if we fail to grasp what they genuinely need, our role as a bank could become obsolete. We feel a strong sense of urgency in this regard.

We are thus developing an open financial digital platform that will be made available to a variety of corporations. Through this platform, we aim to achieve co-creation with external partners in a way that breaks free from the conventional finance framework.

Our efforts to build up this platform will also transcend constraints arising from in-house development and will help us form alliances with diverse partners, including those in non-financial sectors. In this way, we will enhance the content of our services aimed at supporting daily lives of individual customers as well as those aimed at helping corporate customers address their management challenges.

In addition, our collaborative efforts with regional financial institutions are backed by our aspirations to deliver excellent services to customers in regions around Japan and, to this end, consolidate access to functions afforded by players across the financial industry. Therefore, we will expand the scope of equal partnerships with regional financial institutions so that our platform can deliver even better services in a swifter and more efficient manner. This will, we believe, enhance the competitiveness of Japan's financial industry as a whole.



Resona's Initiatives to Promote Digital Transformation (DX) –CIO/CPRO Message



Mikio Noguchi
Group CIO, Group CPRO,
Director and Executive Officer
Resona Holdings

CIO: Chief Information Officer
CPRO: Chief Process Reengineering Officer

Breaking away from the inherently cost-intensive nature of our retail business has been an important management issue for the Resona Group. I therefore believe that the Group needs to promote the DX-driven, exhaustive overhauling of business processes.

Aiming for the DX-Driven Innovation of Customer Experience while Breaking Free of Dependence on Conventional Procedures

Currently, our branch-counter operations still include transactions that use paper documents and personal seals as well as banknotes and other physical instruments and are manually processed. However, we will push ahead further with DX to break away from conventional procedures, with the aim of delivering innovative and more convenient customer experience backed by the integration of branch-counter and digital channels.

We will also simplify and streamline our business processes to enable our customers to easily complete procedures at any of our branches while promoting paperless and cashless transactions via the widespread utilization of Resona Group tablets and teleconferencing-based consulting.

Meanwhile, we are accelerating initiatives to deliver solutions that reflect the combined efforts of all Resona Group members. To this end, we aim to establish universal back-office operational practices for the entire Group while rebuilding business processes. These improvements will maximize the time employees are able to allocate to the provision of face-to-face services through branch counters and to take action on behalf of customers.

Transition from a Traditional to an Open System Structure with an Eye to Leveraging Fast-Advancing Technologies

Currently, structural reforms promoting system generalization, openness and streamlining are under way. We refer these initiatives as "Resona NEXT." In conjunction with the launch of the new medium-term management plan (MMP) in FY2023, these reforms have entered the second stage.

The aim of "generalization" is to break away from dependence on dedicated terminals used solely by financial institutions

through the DX of branch-counter operations. We are presently promoting the replacement of costly dedicated branch-counter terminals that cannot be used by anyone other than well-trained branch staff, with general-use PCs via the development of low-code tools. Thus far, approximately 70% of these terminals have been successfully replaced.

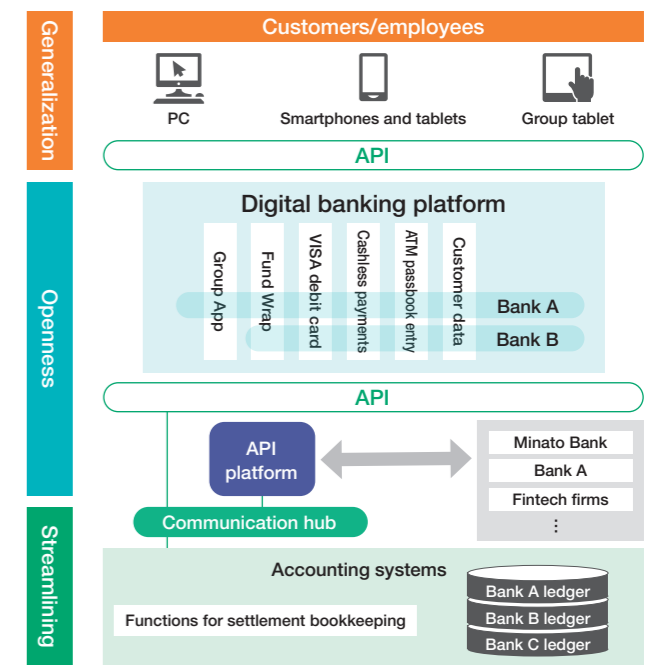
The aim of "openness" and "streamlining" is to develop a simpler system infrastructure that can be used not only by Group banks but also by external partners and that is easy to coordinate and connect with such partners' infrastructure. These efforts will involve the drastic streamlining of systems, low-code development and the enhancement of an agile development structure implemented in tandem with the overhaul of business processes and the integration of back-office systems in place at Minato Bank. We will thus establish a universal back-office operational practices for all Group companies.

Advancing IT Governance for Both Aggressive and Protective Governance Measures

As part of aggressive IT governance measures, we have formulated IT strategies aimed at realizing "Resona NEXT" and other priority initiatives. Our system development staffing, costs and schedules are now being determined by these strategies. Moreover, we proactively utilize AI and other new technologies while promoting such innovative workstyles as remote working.

To optimally allocate personnel in order to support strategic planning and execution, we are enhancing the IT skills of those at business divisions in addition to securing a robust pool of IT specialists and appropriately assigning them to each business unit. Measures now in place include those aimed at strengthening overall IT/DX skills of the entire workforce and better motivating employees to promote DX.

Meanwhile, because businesses around the world are subject to increasingly sophisticated cyberattacks with growing severity, we need to upgrade our risk governance by enhancing information security and other measures. We will properly respond to the growing call for robust cybersecurity measures by enhancing the Group's IT governance in addition to playing our part in Anti Money Laundering/ Countering the Financing of Terrorism (AML/CFT) and upholding the Act on Economic Security Promotion.



A Message from the Chairman of the Board

Resona Holdings' Board of Directors at a Point of Transition

My Impressions of the Past Year since Assuming the Office of Chairman of the Board

It seems to me that the year since I became Chairman of the Board has passed so quickly. When I assumed the office, the first issue I became aware of was the need to determine an ideal image of what Resona Holdings' Board of Directors should look like.

Immediately after my appointment was finalized, I gathered all the outside directors for a discussion of what our Board of Directors should look like. With each attendee bringing to bear their insights backed by diverse experience, we confirmed that there was no clear-cut set of ideals describing what a holding company's board should look like. Following the injection of the public funds, which we call the "Resona Shock," the repayment of those funds was the Resona Group's foremost management issue. In fact, the Group's current Resona Bank-centric governance system seems to be aligned with initiatives undertaken to achieve the full repayment of public funds and its development to date reflects this. However, it has been eight years since the Group accomplished the full repayment. And, over the course of these eight years, the Group has made significant progress in capital accumulation. Because of this achievement, it is time, I believe, for the Resona Group to take a step forward toward a new phase. Against this back-

How I Handle Discussions as Chairman

First and foremost, I strive to always stay conscious of providing a place for and fostering an atmosphere supporting constructive discussions focused on truly essential matters. This is my role as Chairman responsible for the facilitation of discussions. As Resona Holdings' outside directors are equipped with abundant experience and a wealth of expertise, they don't have to be nudged by Chairman to speak. Rather, all of them

Status of Discussions at Board of Directors Meetings

Over the past year, we spent the greatest amount of time on discussing the formulation of the Purpose and how to achieve transition under the new MMP to make a step forward toward a new phase. Taking advantage of free discussion sessions, members of the Board engaged with executives to address the aforementioned subjects from the draft proposal stage. Our discussions were thus intensive and constructive, with more time spent on these issues than spent on the deliberation of legally mandatory agenda items. In addition, we received multiple rounds of follow-up reporting from executives until the Board's resolution was finalized. In summary, it is my judgement that the Board was able to engage in high-quality discussions.

Although the Board of Directors now boasts greater abilities



Fumihiko Ike
Chairman of the Board

drop, my hope for our Board of Directors is that it adopts an overarching perspective that takes the entire Group into account and fulfills its roles and functions as the holding company's board to the greatest possible extent. In this light, the new medium-term management plan (MMP) places great emphasis on developing governance functions like those described above. Moreover, the formulation of the new MMP reflects discussions over the past year that have focused strongly on the profound issue of how to navigate the Group in times of transition like this moment.

have been proactive in contributing their opinions and have delivered a number of constructive suggestions. Accordingly, as a Chairman, I focus on summarizing points to be addressed going forward to ensure that discussions under way will continue to address essential issues and yield specific conclusions even as I keep an eye on the schedule.

to utilize a long-term perspective and address strategic subjects, we need to monitor the status of the new MMP on an ongoing basis to confirm whether its execution is effective. This is essential as the Group is confronting radical changes in the operating environment, social structure and other various areas. For the time being, this monitoring will remain the most important issue in connection with the Board of Directors' effectiveness.

Due to the breakout of the COVID-19 pandemic, the trend toward non-face-to-face, contactless and other digital transactional channels has gained significant momentum, leading to major changes in people's behavior as well as the socio-economic structure. I believe that our Group employees are assiduously taking on their day-to-day operations with a keen

awareness of the changes of the times and a sense of shared crisis. However, I also assume that many of those at Group banks may think that there will never be a day in which banks become completely obsolete. I would say that, in reality, the ongoing viability of banks as they are now is not guaranteed, considering that fast-advancing digital technologies are now empowering one new player after another to enter the financial

Promoting In-Depth Discussions at Resona Holdings' Board of Directors

The role of Resona Holdings is to formulate overarching strategies that each Group company can coordinate their own strategies under and to determine the direction of business management for the entire Resona Group. One of the Group's strengths lies in the finely tuned business approach each subsidiary bank employs to accommodate the circumstances of the region in which it operates. While leveraging this strength, Resona Holdings needs to fulfill the primary functions of clearly determining the direction the entire Group needs to take and demonstrating leadership via transformative actions that align the Group with the changing times. Although I can see that Resona's executive officers have begun to take on a fresh perspective with regard to navigating the Group through changing

My Future Goals as Chairman

I am the Resona Holding's first ever Chairman chosen from among outside directors. In the course of facilitating discussions at the Board room as Chairman, I strive to lead the Board away from simply hurling a barrage of opinions and requests at executives, which would serve only to weigh them down and hamper their ability to proceed with their execution of duties. Despite the constraints arising from informational asymmetry, directly managing executives is not a genuine role of the Board. For the Board to function effectively, it is of course important to provide outside directors with sufficient explanations of agenda items through Board of Directors meetings. At the same time, I believe that the Board shouldn't get in the way of the daily execution of business even if its Chairman is an outside director. As a Board in place at a company with nominating committee, we should delegate authority over the execution of business to executives and focus on monitoring their duties. Nevertheless, I also believe that, based on the aforementioned premise, the Board should not only put a halt to ill-advised decisions to avoid foreseeable emergencies but also robustly support the Company's endeavors, even those that involve some risk, to step forward beyond the scope of finance. As the Resona Group has identified "Beyond Finance" as a key component of its Purpose, a major role of our Board of Directors is,

Final Words

I believe that the Chairman is responsible for enhancing the Board of Directors' effectiveness, which, in turn, helps improve corporate value. The Chairman is also positioned to communicate the Board's collective opinions to executives. Accordingly, I would like to hear frank opinions from a variety of stakeholders, including shareholders and market participants, be it their

industry. To effectively devise the Group's future growth strategies, the Board needs to be capable of adopting the consumer perspective in its in-depth discussions and to send alerts to management based on its acute recognition of major changes in society. This, in my opinion, is another of the essential functions to be fulfilled by the Board of Directors.

waters, it falls on outside directors, including myself, to monitor the status of discussions to ensure that the issues described above are regularly deliberated and, if necessary, correct the course of the Board's discussions. This will, in turn, enable the Board of Directors to play a significant role in enhancing the effectiveness of the integrated management of the Group.

Recently, Resona Holdings appointed a Group Chief X Officer (CXO), a highly commendable move. By making this appointment, the Company is signaling that it has set its sights higher, updating its previous focus on the integrated management of Resona Holdings and Resona Bank to the integrated management of the entire Group.

I believe, to navigate the Company accordingly in this pivotal era of change. To this end, leading the Board of Directors to focus even more strongly on addressing truly essential matters through constructive discussion is my mission as Chairman.

The full repayment of public funds was a major success for Resona and a great accomplishment. On the other hand, I believe that the Resona Group has been under various constraints that impeded it from taking on challenges for long enough. I assume that the Group's management had to be strongly focused on being patient until those funds were fully repaid. Such a level of determined patience may well have become embedded in Resona's corporate culture. Although it has been quite a while since the Group finished the repayment of public funds, I sometimes feel that many people at Resona are still influenced by this deeply entrenched culture. I know that executives are, day in and day out, very serious about their duties. However, although the Resona Group has announced its policy of going beyond finance in line with the new MMP, I feel that its measures to that end could have been even bolder in light of radical changes in the environment. Looking ahead, I hope to contribute to the Board of Directors' discussions to explore the future direction of efforts to achieve a bold transformation and formulate specific measures to be undertaken.

expectations for the Resona Group or concerns regarding issues it is now facing. These inputs can only help improve the Board of Directors' effectiveness and, ultimately, the Group's corporate value. Looking ahead, I ask for their continued support and cooperation.

Roundtable Discussion among Outside Directors



Chiharu Baba
Chairperson of
Compensation Committee

Kimie Iwata
Chairperson of
Nominating Committee

Masaki Yamauchi
Chairperson of Audit Committee
Member of Nominating Committee

Unique Functions of Resona's Three Committees and How the Board of Directors Operates

Director Baba's Resolution as the Newly Appointed Chairperson of the Compensation Committee

—Please describe the activities undertaken by the Compensation Committee.

Baba Over the past year, the committee has been engaged in ongoing discussions regarding the revision of the Company's compensation system under the leadership of its former chairperson, Ms. Iwata. This revision will update the Company's compensation system for the first time in three years, bringing it in line with the most recently formulated medium-term management plan (MMP). Although the committee's current discussions address a diverse range of factors, I personally place emphasis on the following two points. First, we have incorporated a perspective aimed at securing the integrated management of the Group. Second, we have updated the criteria by which executive performance is evaluated via the addition of items associated with sustainability management. The inclusion of the latter is due to growing public calls for sustainability management.

Corporations' business activities now include an extremely diverse scope of operations, with each customer having unique needs. Accordingly, the Company aims to address this diversity of needs by rallying the Group's overall strengths. Moreover,

with Kansai Mirai Financial Group (KMFG) having become a wholly owned subsidiary, each subsidiary bank is being called upon to be keenly conscious of practicing a unified mode of business management in order to secure robust coordination throughout the Group. These are among the factors that informed our discussions of the revision of the compensation system. Consequently, the revised system allocates greater weight to a variable portion of compensation linked with consolidated business performance.

In summary, this revision was clearly intended to ensure that the incentives linked with the Company's success in executing business strategies formulated under the new MMP are firmly embedded in the new system, with all executives on the same page about the significance of these strategies.

—Please elaborate on topics that were discussed most intensively.

Iwata With regard to securing the integrated management of the Group, compensation systems in place at Resona Holdings, Resona Bank and Saitama Resona Bank were identical when we began. The systems in place at KMFG and its

subsidiary banks differed somewhat, despite the consolidation of KMFG, which was made a wholly subsidiary in April 2021. The revision of the compensation system was thus deliberated intensively in a way that took into account the history of each Group company and its background in order to identify its ideal configuration and to secure our ability to practice integrated Group management.

We also engaged in multiple rounds of discussion regarding the incorporation of sustainability elements into the compensation system. These discussions encompassed such issues as which evaluation indicators to adopt and whether we should employ external evaluation agencies to finalize the details of the updated evaluation criteria.

—Please share your resolution as the chairperson of the Compensation Committee.

Baba I believe that securing a robust understanding of the objectives of the revision among recipients is an immediate matter of importance. In addition, I deem it essential to ensure that the new system takes root and operates properly as a mechanism for evaluating executive performance.

Meanwhile, the operating environment surrounding financial institutions has been constantly evolving. Accordingly, I anticipate that the Company will need to consider revising its business strategies and structures as well as addressing other matters. I believe that executive compensation systems should

Director Iwata's Resolution as the Newly Appointed Chairperson of the Nominating Committee

—Please describe the activities undertaken by the Nominating Committee.

Iwata Although I have experience as an outside director at other companies and thus served as a member of several advisory bodies, including nominating committees, Resona Holdings' Nominating Committee's extremely in-depth involvement in the development and evaluation of future top management candidates clearly sets itself apart from others. This was what surprised me most when I assumed the office of outside director at the Company. The committee spends a great amount of time in discussion, sometimes even meeting on a Saturday or Sunday, while interviewing a number of officers every year. These interviews provide the committee with a



be closely linked with business strategies. In other words, the objective of such compensation systems is to ensure that the direction of management is translated into tangible actions that further business strategies. Accordingly, in a way that as much as possible employs a future-oriented perspective, I intend to lead the committee's discussions and examination of the appropriateness of systems and modes of evaluation.

I also think that the status of the revised system needs to be monitored via a PDCA cycle so that we can determine whether said system works as well as intended.

basis for the evaluation of current top management and the development of proposals on next top management candidates. Interviewing officers thus constitutes a significant part of the committee's duties. In addition, committee members have to date engaged in such activities as taking part in training programs for officers, joining attendees in discussion.

—Please explain the Board of Directors' future composition. How do you intend to proceed with discussions regarding the skill matrix?

Iwata Prior to selecting specific candidates, we annually review the skill matrix. In the course of this review, the committee addresses a variety of opinions from members, including whether the skill matrix should remain the same and, if it should not, what areas should be strengthened.

That being said, the Board of Directors comprises a limited number of directors and is not designed to include specialists from each and every field. Accordingly, our discussions focus on determining the types of backgrounds that should be found among members of the Board of Directors.

—Please share your approach as the chairperson of the Nominating Committee.

Iwata Formulating a CEO succession plan is the most important aspect of the committee's duties. My personal ideal for CEO succession goes like this. First, a list of candidates for the next CEO is prepared at the earliest possible juncture after the appointment of a new CEO. The Nominating Committee then promotes the ongoing development and evaluation of candidates by focusing on those listed while reviewing their lineup



annually. In this way, we can ensure that candidates are narrowed down to one person before the acting CEO steps aside from his position. To further enhance the effectiveness of the

Director Yamauchi's Resolution as the Newly Appointed Chairperson of the Audit Committee

— Please describe the activities undertaken by the Audit Committee.

Yamauchi It has been just one year since I became an outside director, but I can conclude that Resona Holdings' Audit Committee is taking an impressively detailed approach to audits while robustly addressing truly essential issues that require attention. I believe that the committee's secretariat has been serving as a strong supporter of these activities. Moreover, executives are supported by the internal audit division, while the Audit Committee is in place at Resona Holdings and similar committees at Group companies. These bodies work in collaboration to share essential information and set agenda items that must be addressed collectively. This collaboration is a noteworthy feature of the Resona Group's audit structure.

Within this structure, our Audit Committee's role is to exercise supervision and, from the perspective of maintaining management soundness, to confirm whether the Company (1) mitigates risks that must be avoided and (2) takes risks that must not be avoided. Over the past year, I felt that the Company has been more focused on mitigating risks than taking them.

Also, in terms of supervising the soundness of the Company's business itself, it is important to understand diverse aspects of

CEO succession plan, I intend to work to establish the various evaluation and development processes described above so that they are stably implemented as the committee's routines.

its business activities, including how it carries out business and the status of frontline operations. In this regard, the committee should set its sight beyond the scope of audits. The committee is able to confirm the presence or absence of risks and problems that could potentially affect business operations through monthly reports from the heads of each division. In sum, the Audit Committee is being operated in a way that prevents it from losing touch with the frontlines. I feel that this is quite heartening.

— What are matters you believe the committee needs to discuss in context of enabling the Company to take risks?

Yamauchi I consider the new MMP to be a turning point for Resona. Although the Resona Group has built up a strong financial position since the full repayment of public funds, it is now time for the Group to answer calls to not only solidify its existing bases but also develop foundations to move forward toward a next growth stage. I feel that it is high time for the Group to switch from defense to offence.

With regard to the types of risks that the Group should proactively take on, the Audit Committee needs to exercise robust supervision over risk factors that require close monitoring and to define areas where the Company should adopt a risk-mitigation approach. That is my personal vision regarding how the Audit Committee should function to support the execution and promotion of business strategies.

— Looking ahead, the Resona Group will face a variety of risks. Could you share your personal principles for addressing business risks?

Yamauchi The Resona Group has identified "Beyond Finance" as a key component of its Purpose. Banks operating in today's society are being called upon to deliver solutions that transcend the conventional scope of financing. They need to maintain a keen awareness of various changes in industries across society and should strive to share their insights among them. Although Resona needs to base its initiatives on this urgent call for solutions that go beyond finance, I believe that the Company is well-equipped with the capabilities it needs to do so. Accordingly, I would like to lead the committee in a way that helps the Company fully realize such capabilities.

Formulation of the New MMP and the Purpose

— The recent announcement of the new MMP and the Purpose clarified the new direction the Resona Group aims to take. Please describe how the discussions undertaken by the Board of Directors went.

Baba I believe that the new MMP we have formulated will serve as a profoundly important plan that will enable the Group to navigate amid a radically and ever faster changing business environment. With regard to the discussions that led to the formulation of this plan, we focused on three areas. First, we

established the Purpose. Our Purpose was formulated by reorganizing the relationship of the Corporate Mission, which has long been cherished since the "Resona Reform" initiated by Mr. Eiji Hosoya (now deceased former Chairman), with Resona's latest definitions of how to best contribute to society. This reorganization, I believe, represents a significant step forward in terms of transitioning to a new direction in business management. Second, we engaged in discussions focused on clearly determining the allocation of management resources aligned with business

strategies from both the human resources and capital perspectives. Third, we redefined our concepts regarding how to best secure the integrated management of the Group from the viewpoint of updating the management structure and governance systems.

Iwata The new MMP has a quite easy-to-understand structure consisting of two pillars, namely, the strengthening of value creation capabilities and the development of next-generation management platforms supporting such capabilities. As our human resource strategies constitute one of key components of the latter, we have dedicated multiple rounds of Board of Directors meetings to addressing said strategies. The Resona Group is currently moving toward a new stage of development and this makes the positioning of the new MMP profoundly unique. Specifically, the Resona Group has concluded the stage of rehabilitation and normalization and is about to shift its focus to how to utilize accumulated capital to

secure growth and how to use a portion of surplus to deliver robust shareholder returns. These things are clearly stipulated in the new MMP. I have repeatedly stated at Board of Directors meetings that the new MMP should include a policy of robustly rewarding employees for their dedication. I am glad to see that these proposals came to fruition in the form of the MMP.

Yamauchi Our discussions of the new MMP developed from the earliest phases of basic concept design with the incorporation of a variety of opinions. Taking a look at issues that must be tackled by the Board of Directors going forward, the MMP's execution must be robustly monitored and every effort should be made to enable the Company to achieve the MMP targets. And, of course, we will highly likely encounter changes in the environment in the future. Therefore, the Board needs to remain flexible and take a proactive stance toward altering the course of the MMP in line with such changes.

How We Contribute to the Resona Group and the Roles We Fulfill

Baba For the Resona Group, proving the effectiveness of its business model will be a quite challenging endeavor. I feel proud of being a part of such endeavor as a member of the Resona Group. Although the Group is now confronting radical changes in the business environment, some of the changes we are seeing now are akin to those witnessed in the past. With this in mind, I would like to inform the Board's collective decision making associated with diverse matters as a specialist in the financial industry and, to this end, contribute as much insight as possible. Furthermore, I hope to take advantage of my knowledge of the industry to serve as a translator able to resolve gaps in awareness between external stakeholders and internal executives regarding various issues.

Iwata My experience in corporate management has long been centered on human resource management and sustainability. I believe that I have contributed to the advancement of the Group in these areas, and will continue to work to make contributions. In recent years, the positioning of a corporation's management activities in non-financial fields has changed.

These activities are now considered to be essential to corporate growth strategies. Although the Resona Group has been a top runner in this regard, the Group will be quickly outraced by other companies if it becomes content with its current status. Accordingly, I would like the Group to set its sights higher. Taking advantage of insights I have accumulated thus far, I aim to help the Resona Group improve its corporate value through the integration of its financial and non-financial value.

Yamauchi The Resona Group boasts a quite unique standing as a banking group that does not belong in either the megabank or regional bank category. This lends the Group the potential to accomplish what other banks cannot do. As the new MMP opens a pathway for the Group to move forward toward a new stage, I have great expectations for future endeavors of the Resona Group. I would like to leverage my experience in the retail logistics industry to contribute my opinions to help the Board determine what is needed and what must be done via the use of the corporate and individual customer perspectives.



Material Social Issues That Should Be Tackled by Resona

Having analyzed various environmental and social issues, including those specified by United Nations Sustainable Development Goals (SDGs), we have identified four priority

themes that represent fields in which Resona must actively tackle issues confronting society in light of their significant affinity with the Resona Group's business operations. These

priority themes are disclosed via the announcement of "Resona Sustainability Challenge 2030 (RSC2030)."
In addition, we anticipate that our initiatives to address

these priority themes will affect the accomplishment of all 17 SDGs directly and indirectly due to our relationships with diverse stakeholders.

Our Process for Identifying Material Social Issues



Opportunities and Risks Associated with the Four Priority Themes and Their Relationships with Resona's Areas of Business Focus

| Main Opportunities and Risks | | Relationships between Social Issues and Resona's Areas of Business Focus | | | | | | |
|---|--|--|-------------------------------|---------------|-----------------------|---------------|----------------------------|--------------------|
| Opportunities | Risks | Strengthening of Value Creation Capabilities | | | | | | |
| | | SME Loans | Business and Asset Succession | Cashless / DX | Asset Formation (AUM) | Housing Loans | Financial Digital Platform | Inorganic Strategy |
| <ul style="list-style-type: none"> Growing need for SX-related assistance services among SMEs Growing need for DX solutions Fundraising and capital funding needs on the back of the evolving macro environment | <ul style="list-style-type: none"> Shrinkage of regional economies due to population decline Delays in adaptation to changes in social and industrial structures The prolongation of the depreciation of the yen and surges in raw material prices as well as the resulting impact on corporate customers' business performance Deterioration of strategic execution capabilities due to the lack of essential human resources | ● | ● | ● | ● | ● | ● | ● |
| <ul style="list-style-type: none"> Need for solutions that ensure the smooth succession of businesses and assets Need for long-term asset formation and a shift from savings to investment Need for solutions in preparation for growing future anxiety | <ul style="list-style-type: none"> Delays in corporate customers' response to public calls for carbon neutrality Occurrence of a natural disaster causing severe damage to business bases and housing | ● | ● | ● | ● | ● | ● | ● |
| <ul style="list-style-type: none"> Need for fundraising aimed at realizing carbon neutrality Need for financial products designed to address environmental concerns Need for fundraising aimed at securing preparedness against ever more frequent natural disasters | <ul style="list-style-type: none"> Delays in corporate customers' response to public calls for carbon neutrality Occurrence of a natural disaster causing severe damage to business bases and housing | ● | ● | ● | ● | ● | ● | ● |
| <ul style="list-style-type: none"> Enhancement of competitiveness and productivity thanks to the consolidation of inputs from workers with diverse value systems Emergence of new markets in step with the diversification of value systems | <ul style="list-style-type: none"> Deterioration in product and service quality as well as a loss of human resource and organizational vitality due to the stagnation of diversity-related initiatives | | | ● | | ● | ● | ● |

* Resona Sustainability Challenge 2030 to represent Resona's commitment to facilitating global efforts aimed at achieving SDGs

Stakeholder Dialogue and Collaboration (Engagement)

We practice stakeholder engagement on three fronts: ① Relevant departments in place at each Group company directly engage with key stakeholder groups to address specific themes; ② Relevant departments in place at each Group company conduct intragroup engagement based on input gleaned via dialogue with stakeholders and ESG evaluation agencies; and ③ Relevant departments in place at each

Group company participate in and declare support for various initiatives. Taking advantage of a variety of methods, we are striving to maintain robust engagement so that we can accurately assess opinions, expectations and other inputs from diverse stakeholders and reflect such inputs in business management in order to enhance the qualitative and quantitative aspects of our corporate value.



① Dialogue and Collaboration with Key Stakeholder Groups

The Resona Group has established the Resona WAY (the Resona Group Corporate Promises), which translates its Corporate Mission into a basic stance toward each stakeholder group. With the aim of achieving sustainable improvement in

social and corporate value, relevant departments at each Group company work to engage in constructive stakeholder dialogue in line with the Resona WAY.

Resona WAY (Resona Group Corporate Promises) | Direction of Dialogue and Collaboration (Co-Creation of Value) and Main Initiatives

Customers

Resona cherishes relationships with customers.

We strive to deliver ever better services and solutions, including those designed to assist in our customers' pursuit of SX, by drawing on feedback gleaned in the course of customer communications via multilateral channels, including bank counters, sales staff, call centers and our corporate website.

Main Initiatives

- Holding customer interviews on SX ➡ p. 47
- Enhancing product and service lineups for customers
- Creating frameworks for heeding customer opinions (questionnaires, call centers, etc.)
- Implementing initiatives for socially responsible investing and lending ➡ p. 57

Resona staff engaging in customer dialogue

Shareholders

Resona cherishes relationships with shareholders.

We work to achieve sustainable growth for the Group and medium- to long-term improvement in corporate value by maintaining in-depth and constructive dialogue with shareholders and investors via the General Meeting of Shareholders, shareholder seminars and other IR activities.

Main Initiatives

- Pursuing IR activities targeting individual investors
- Engaging in dialogue with domestic and overseas institutional investors and analysts ➡ p. 28
- Holding the General Meeting of Shareholders and shareholder seminars
- Ensuring fair, timely and appropriate information disclosure

Shareholder seminar

Seminar employing YouTube-based streaming

Society

Resona places importance on its ties with society.

We endeavor to help realize a sustainable society by engaging in social contribution activities, providing financial and economic education and participating in government-private collaboration aimed at vitalizing regional communities.

- Main Initiatives**
- Social contribution activities
 - Dialogue and collaboration with local communities
 - Dialogue with investee companies
 - Dialogue and collaboration with NPOs

Number of Employees Participating in Re: Heart Club¹ Activities

2012–Cumulative total: Approx. 58,000

Number of Children Who Attended Resona / Mirai Kids' Money Academy

2005–Cumulative total: Approx. 44,000

Expansion of the Scope of Initiatives Aimed at Realizing a Sustainable Society

TOPICS 1 Initiatives related to Expo 2025 Osaka, Kansai

In anticipation of Expo 2025 Osaka, Kansai, we began recruiting corporations to exhibit in the Osaka Healthcare Pavilion.

Artists' rendering of the pavilion

TOPICS 2 Collaboration with universities and opening of an endowed course

We have endowed courses at diverse universities, mainly to encourage discourse on corporate and investor initiatives aimed at contributing to SDGs and issues associated with regional economies.

An endowed course at Saitama University

TOPICS 3 Resona YOUTH BASE opened to provide a place for child support activities

In October 2022, we opened "Resona YOUTH BASE" on the third floor of Saitama Resona Bank's Sengandai Branch. This facility is currently made available at no cost to local child-support organizations to run charge-free learning assistance programs and otherwise create a place for children to flourish. In addition, a number of our employees voluntarily participate in these activities.

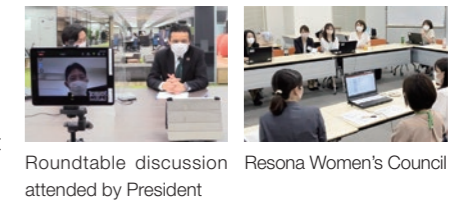
A charge-free learning assistance program

Employees

Resona highly regards employees' dignity and personality.

We work to develop and ensure an employee-friendly workplace environment in which everyone can feel a greater sense of job fulfillment via awareness surveys targeting the entire workforce and the direct exchange of opinions between management and employees, with the aim of becoming a model bank for future generations.

- Main Initiatives**
- Employee awareness surveys
 - Town hall meetings in which top management and employees exchange opinions
 - Roundtable discussions involving the President and employees
 - Resona Women's Council² ➡ p. 51



② Intragroup Engagement and Collaboration

Based on input gleaned via engagement with stakeholders and ESG evaluation agencies, relevant departments at Group companies engage in dialogue themed on business strategies, ESG issues and other subjects in an effort to push ahead further with

their initiatives and enhance the content of information disclosure. The status of progress and improvement in these initiatives is reported to the Board of Directors, the Executive Committee, the Group Sustainability Promotion Committee and other bodies.

③ Participation in Initiatives

In light of requests from international society and our role as a financial institution, we promote across-the-board efforts to realize a sustainable society and, to this end, participate in and declare our support of various initiatives at home and abroad.



¹ A volunteer organization run by Resona Group employees
² An advisory body operating directly under top management, the council was created to reflect the voices of female employees in business management

Toward the Creation of a Sustainable Society Beyond Finance, for a Brighter Future.

Retail No. 1

The “Solution Group” most supported by customers and regional societies as it walks with them into a brighter future together

Promoting Sustainability Transformation (SX)

A corporation can maintain and expand its business only when it delivers value to customers and society as a whole.

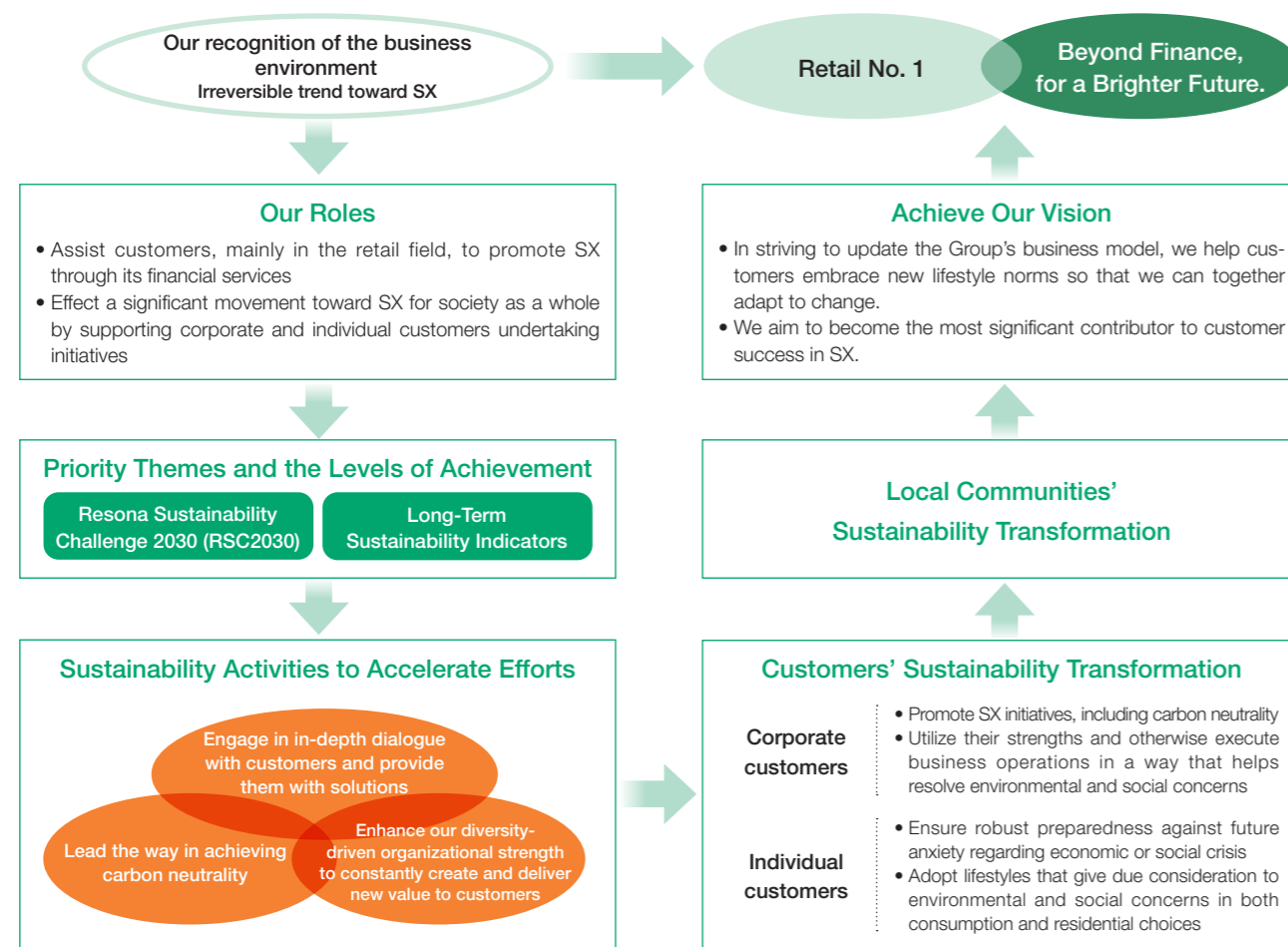
Today, we are seeing major changes, such as those associated with sustainability transformation (SX) and digital transformation (DX), transpiring in society and gradually altering people's value systems. Amid this environment, the Resona Group is being called upon to drastically rethink how it delivers value.

To secure sustainable growth it is therefore essential for the Group to extrapolate a future beyond the constantly evolving present and learn to adapt itself to these major changes.

The Resona Group has always achieved growth in tandem

with regional societies and customers. In order for the Resona Group to sustainably improve its corporate value going forward, it must promote SX. This means we need to assist our customers, the Group's principal supporters to date, in their efforts to respond to the tides of change and adapt to the trend toward the realization of a sustainable society.

With this in mind, the Resona Group is promoting SX based on the framework described below in order to ensure that its policies for SX-related initiatives are practiced by all Group members and to accelerate the pace of such initiatives.



RSC2030 (Priority Themes)

Local Communities
(Revitalization of Local Economies)

Low Birthrate and Aging Society
(Elimination of Anxiety Triggered by the Low Birthrate and an Aging Society)

Environment
(Response to Global Warming and Climate Change)

Human Rights
(Diversity & Inclusion)



Long-Term Sustainability Indicators

To accelerate the initiatives to achieve sustainable improvement in social and corporate value, in May 2023 we updated the Long-Term Sustainability Targets announced in June 2021 by incorporating additional long-term indicators.

We will continue to address issues our customers and society as a whole are confronting to become a company capable of contributing to the enhancement of diverse value for multiple stakeholder groups.

| | | FY2022 (results) | FY2030 (target levels) |
|---------------------------------|--|-------------------------------------|--|
| Value for customers and society | NEW Value Creation Capability Indicator Number of cases where solutions are provided | 10.5 million cases | 20 million cases |
| | Retail Transition Financing Target | Cumulative total: ¥1.865 trillion | ¥10 trillion |
| Environmental value | NEW Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio | — | (2050: Net zero) |
| | NEW Interim target for the energy sector (Portfolio carbon intensity) | 139 gCO ₂ e/kWh (FY2021) | 100–130gCO ₂ e/kWh |
| | Carbon Neutrality Target (Scopes 1 & 2) | vs FY2013 (56)% | Net zero |
| Social value | Targets for the Empowerment and Promotion of Women Ratio of female directors and executive officers (Resona Holdings) Ratio of female senior managers (6 Group companies ¹) Ratio of female line managers (6 Group companies ¹) | 15.3% | 30% or more |
| | | 13.4% | 20% or more |
| | | 31.4% | 40% or more |
| Value for employees | NEW Well-Being Indicator Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys | 69.3% | Increase the ratio of positive responses |

About the New Indicators

Value Creation Capability Indicator
The Value Creation Capability Indicator has been devised to measure our degree of success in the creation and provision of solutions designed to help resolve the increasingly diverse issues requiring ever more sophisticated expertise that our customers and society as a whole are confronting. We aim to double our score under this indicator over the long term. In this way, we will facilitate initiatives to enhance diverse value for customers and society.

Well-Being Indicator
Our pursuit of value creation and the development of next-generation management platforms hinge on the dedication of Resona Group employees. Accordingly, we recognize that it is essential to help them enjoy a sense of fulfillment in both work and private lives. We have thus identified and are striving to improve the Well-Being Indicator as one of our Long-Term Sustainability Indicators, with the aim of facilitating initiatives to enhance value for employees.

Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio / Interim Target for the Energy Sector
We have declared our intention to reduce greenhouse gas (GHG) emissions from our investment and financing portfolio to net zero by 2050 in addition to continuously pursuing the Carbon Neutrality Target we have already identified. We have also identified the interim target for the energy sector as a milestone to be achieved in FY2030 in the course of our efforts to live up to this declaration.

The energy sector is an infrastructure component supporting all industries as well as people's daily lives. Accordingly, pursuing the decarbonization of this sector is essential to facilitating decarbonization among our retail customers, who account for a major portion of the Group's investment and financing portfolio. Therefore, we will strive for the popularization of renewable energy while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we will contribute to the realization of carbon neutrality in the regional societies in which the Resona Group's business foundations lie.

¹ Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

1 Retail Transition Financing Target ▶ **Promote In-Depth Dialogue with Customers and Strengthen Our Solutions**

Cumulative total of transition financing from FY2021 to FY2030: **¥10 trillion**

Financing Coverage Financing aimed at helping retail customers update their awareness, transform their modes of behavior and stably move forward from their current situation
(Including financing for such green projects as renewable energy generation, as well as large-scale corporate financing involving third-party verification)

FY2022 results: Approximately ¥1,019.8 billion (of this, ¥303.5 billion for environment-related fields)

Breakdown of Financing

Investment and financing aimed at supporting or facilitating initiatives to promote social or business sustainability
Investment and financing requiring recipients to use such funds for the resolution of social issues
(Main examples)

- Sustainability Linked Loans, Resona SX Framework Loans and SME loans with conditions linked to ESG target accomplishments
- Financing for social infrastructure development, regional vitalization, etc.
- SDGs Consulting Fund and private placement SDGs promotion bonds
- SDGs- and ESG-related funds¹

Financing in environment-related fields

Investment and financing aimed at supporting or facilitating initiatives to address environmental issues
(Main examples)

- Financing for renewable energy power generation businesses, including project finance and private placement Green Bonds
- Sustainability Linked Loans, Resona SX Framework Loans, SME loans with conditions linked to ESG target accomplishments (setting targets in environment-related fields)
- Housing loans with conditions linked to conformity with prescribed energy-saving standards
- SDGs- and ESG-related funds¹ (to help tackle environmental issues)

Review of FY2022 Accomplishments and Future Initiatives

In FY2022, we focused the Group's overall strength on promoting in-depth dialogue with customers and delivering or upgrading solutions to match the stages of their initiatives.

As a result, we extended a consolidated total of ¥1,019.8 billion (up 20% year on year) in transition financing, bringing the cumulative total amount extended over the course of two years to approximately ¥1,865.0 billion. This represents a progress ratio of 18.6% against our target of ¥10 trillion.

Looking at a breakdown of the financing, funds extended to support or facilitate initiatives to address environmental issues totaled ¥303.5 billion (up 53% year on year), accounting for 30% of the overall balance. In addition, the total balance of funds extended as financing in conformity with external sustainability standards, such as the Green Loan Principles and Sustainability Linked Loan Principles, stood at ¥447.0 billion (up 55% year on year). As such, the balance of financing in this area indicates a higher growth rate.

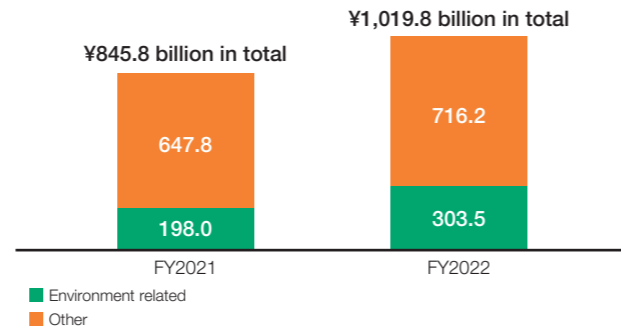
In addition, the number of cases in which solutions were delivered to corporate customers² amounted to approximately 7,000, about three times as much as the number recorded in the previous fiscal year.

These year-on-year improvements in extending transition finance to retail customers demonstrate the effectiveness of in-depth customer dialogue and the provision of enhanced solutions in helping customers update their awareness and transform their behavior.

On the other hand, we have discovered that there are a number of retail customers who are stalled midway through initiating tangible SX initiatives.

In FY2023, we will focus on helping customers systematically assess and visualize their current situation by employing an overarching perspective. We will also further enhance our capabilities to deliver optimal solutions that empower customers to steadily move forward based on a shared recognition of the management challenges they need to tackle to increase their business sustainability. In these ways, we will achieve our vision, namely, "In striving to update the Group's business model, we help customers embrace new lifestyle norms so that we can together adapt to change" and "We aim to become the most significant contributor to customer success in SX."

Balance of Transition Financing Extended
(Billions of yen)



Promoting In-Depth Dialogue and Enhancing Solutions

The questionnaires conducted in FY2021 targeting approximately 31,000 SME customers revealed that around 80% of the respondents were facing such issues as "lack of employee understanding and insufficient employee awareness" or "No idea what to do."

With this in mind, in FY2022 we launched ESG-focused business potential assessment, with the aim of helping SME customers visualize various risks and opportunities confronting them from the aspect of sustainability so that they can maintain and enhance business continuity and profitability. At the same time, we focused on delivering such solutions as loan products with conditions linked to ESG target accomplishment and a simplified, charge-free CO₂ emission calculation service.

In-Depth Customer Dialogue (FY2021)

- Number of corporate customers interviewed by the Group on SX topics: Approx. 31,000

Enhanced Solutions (FY2022)

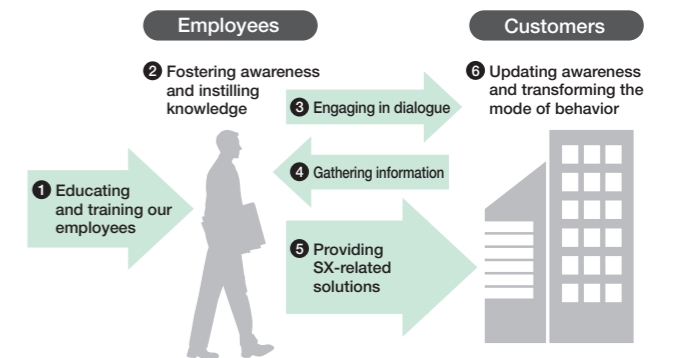
- Number of cases in which SX-related financing³ was delivered: Approx. 4,400 (+90% year on year)
- Number of cases in which the simplified CO₂ emission calculation service was delivered: Approx. 2,600 (new)
- Number of cases in which fee-based SX-related consulting was provided: Approx. 85 (+90% year on year)

Steps of Our Response Aimed at Helping Customers Update Their Awareness and Transform Their Modes of Behavior

We have taken the various types of organizational action we are able to take to help customers update their awareness and transform their modes of behavior and arranged them as six steps as illustrated in the diagram on the right. Every year, we specify a step for particular focus.

In FY2022, the corporate division positioned "engaging in dialogue" (step ③) as its focus and worked to encourage customers to transform their behavior and utilize the solutions we offer. In line with this positioning, we rallied the Group's overall strength to promote the initiatives specified in this step.

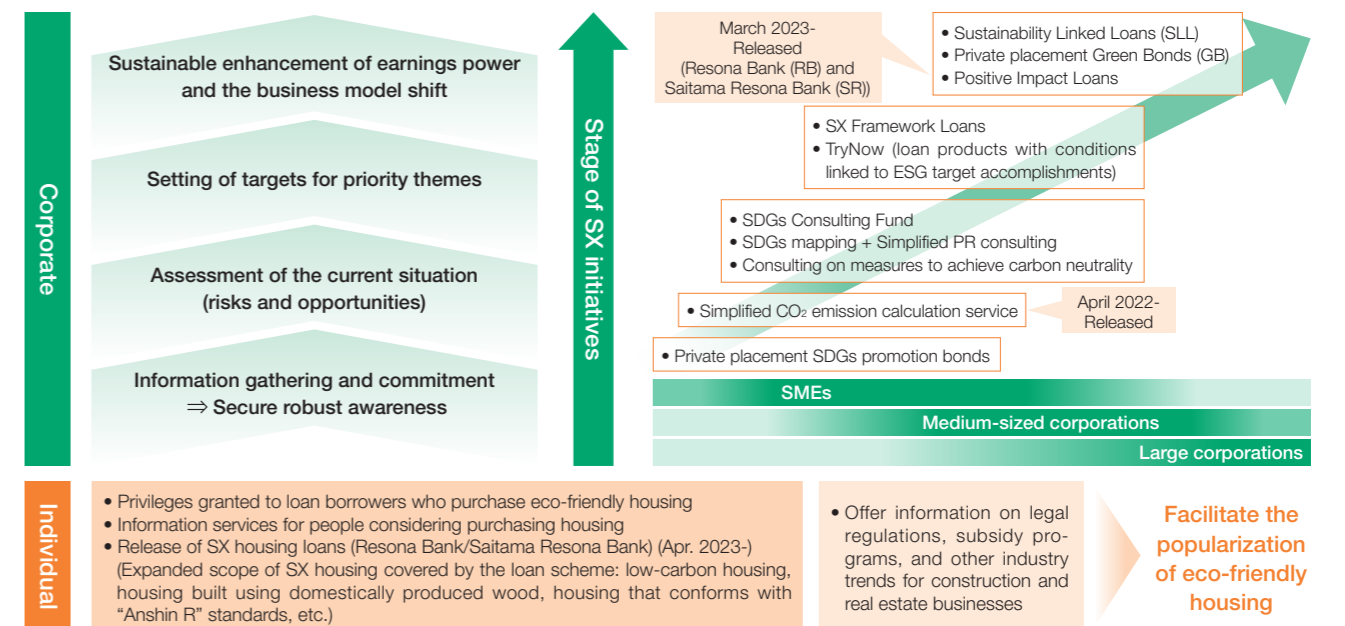
For FY2023, the two steps we are focusing on are "gathering information" (step ④), i.e., helping customers systematically assess their current situation via the use of a broader perspective, and "providing SX-related solutions" (step ⑤).



Delivering SX-Related Solutions Appropriate to the Stages of Customer Initiatives

The status of sustainability efforts undertaken by SMEs and the management resources they can afford to allocate to such efforts vary greatly by company. Accordingly, we deliver and continually work to upgrade our diverse solution lineup to best assist each SME seeking to push ahead with sustainability initiatives appropriate to their current situation. For individual customers, we

released "Resona SX Housing Loans," which cover an even broader scope of housing than previous similar loans. Based on the updated definition of eco-friendly housing, borrowers who purchase such housing are eligible to receive a variety of peripheral services under the SX Housing Loan scheme.



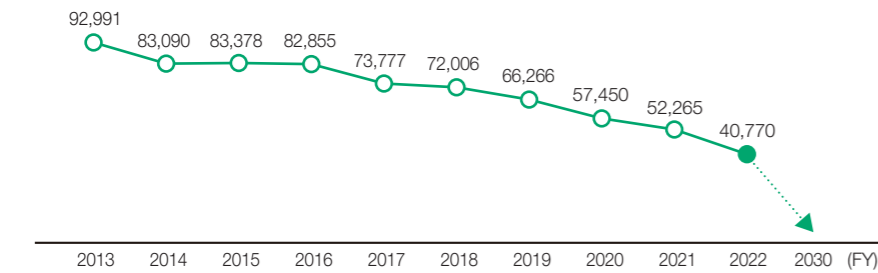
1 Investment trusts and investment advisory services run by Resona Asset Management
2 Number of cases in which relevant financing, a charge-free, simplified CO₂ emission calculation service and/or fee-based consulting was provided
3 Private placement SDGs promotion bonds, SDGs Consulting Fund, loan products with conditions linked to ESG target accomplishments, SX Framework Loan, SLL, Green Loans, etc.

2 Carbon Neutrality Target ▶ Contribute to the Popularization of Energy-Saving Measures and the Realization of Carbon Neutrality in Regional Societies

Reduce CO₂ emissions¹ attributable to energy used by the Group to net zero by the end of FY2030 via a proactive switchover to renewable energy

FY2022 results: **56%** reduction from the FY2013 level (a year-on-year decrease of **11,495 t-CO₂**)

CO₂ Emissions Volume² (t-CO₂)



Breakdown of FY2022 Emissions (Provisional)

| | |
|-------------------------------|---------------|
| Scope 1 | 5,079 |
| Scope 2 | 35,691 |
| Emissions from energy sources | 34,446 |
| Total | 40,770 |

Since approximately 90% of CO₂ emissions from Group operations are attributable to energy use, we initiated a phased switchover to energy procured from renewable energy sources in FY2021, starting with energy-intensive facilities.

In FY2022, we implemented energy-saving activities on a Groupwide basis in light of public concerns regarding the possible worsening of energy demand-supply balance in summer and winter, to this end visualizing the status of energy consumption volumes at each base. Simultaneously, we promoted the introduction of renewable energy at each Group company facility.

As a result, the volume of CO₂ emissions attributable to the Resona Group's operations in FY2022 decreased by 56%

(provisional basis) compared with the FY2013 level. This also represented a year-on-year decrease of 11,495 t-CO₂.

In FY2023, we became a member of the "GX League" promoted by the Ministry of Economy, Trade and Industry. In line with the GX League concept, we intend to formulate interim emission reduction targets for FY2030.

Going forward, we will continue to promote energy-saving activities across the board to curb the financial impact of the current surge in energy prices and offset costs associated with the switchover to renewable energy to ensure that we can lead the way in the energy transition of our own operations.

Facilities That Introduced Renewable Energy

| FY2021 | FY2022 | |
|--|--|--|
| <ul style="list-style-type: none"> Osaka Head Office of Resona Group Head Office of Saitama Resona Bank Biwako Building of Kansai Mirai Bank Head Office of Minato Bank Chichibu and Fukaya branches of Saitama Resona Bank | <ul style="list-style-type: none"> Shinsaibashi Main Office of Kansai Mirai Bank Seishin Building of Minato Bank System Center (West Japan) Shimane Customer Center 49 branches of Kansai Mirai Bank 2 branches of Saitama Resona Bank | <ul style="list-style-type: none"> Approximately 19% of annual total energy consumption was replaced by renewable energy in FY2022 Aiming for the 100% switchover of energy procured by the Resona Group's own properties to renewable energy, etc., by FY2025 |

Obtaining a Third-Party Assurance

Every year since FY2020, our data regarding the volume of CO₂ emissions (Scopes 1 and 2) has been verified by an independent third-party assurance organization.

Continuing this process, we plan to obtain a third-party assurance for data regarding the volume of CO₂ emissions in FY2022.

ESG Data
<https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/index.html>

¹ Sum of Scope 1 and Scope 2

² Calculated by retrospectively incorporating CO₂ emissions from the precursors of Kansai Mirai Financial Group and its subsidiaries prior to management integration. Scope 1 and Scope 2 CO₂ emissions attributable to Group banks are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Figures for FY2019 and earlier are calculated by multiplying emissions volumes by the basic emission factors of each electricity supplier. Figures for FY2020 and later are calculated by multiplying emissions volumes by the adjusted emission factors of each electricity supplier. CO₂ emissions attributable to fuel consumption by Company-owned cars are determined via a simplified calculation method using the Group's annual fuel costs and publicized figures for the annual and national average price of gasoline and the emissions coefficient.

³ The Company's sector classification consists of Energy, Real estate / Construction, Automotive / Transportation, Material, Agriculture / Food, Pulp / Forestry products, and Banking / Life Insurance.

⁴ Calculated with reference to methods developed by the PCAF

⁵ Comparison with the 2030 carbon emission intensity (165g CO₂e/kWh) envisioned in the NZE2050(WEO2022)

⁶ Coverage ratio by sector, a lending-balance basis

⁷ Data quality score defined by the PCAF

Initiatives to Reduce the Volume of Greenhouse Gas (GHG) Emissions from Our Investment and Financing Portfolio (Scope 3, Category 15)

In May 2023, we declared our intention to reduce the volume of GHG emissions attributable to our investment and financing portfolio (Scope 3, Category 15) to net zero by 2050. At the same time, we announced interim reduction targets for the energy sector.

Going forward, we will regularly disclose results of financed emissions associated with the energy sector, including our investees in the power generation industry, while assessing financed emissions from and formulating interim targets for other sectors.

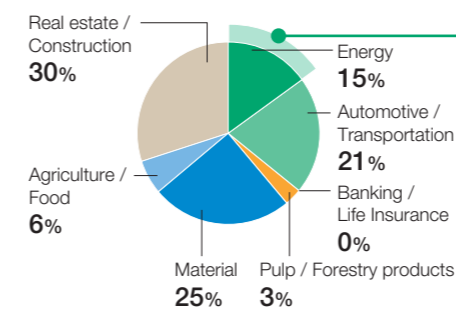
Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio

The Resona Group will strive to reduce the volume of GHG emissions from its investment and financing portfolio to net zero by 2050.

About the interim target for the energy sector

| Initiatives being undertaken thus far | New initiatives (identification of interim target) |
|--|--|
| <ul style="list-style-type: none"> Identified "Real estate / Construction," "Automotive / Transportation" and "Energy" as priority sectors in light of such factors as the potential impact of climate change on carbon-related sectors specified by the TCFD,³ the size of our portfolio, and a sector-based analysis of financed emissions determined using simple calculation methods. Further analyses, including quantitative risk assessments, were also conducted. | <ul style="list-style-type: none"> Implemented the assessment and analysis of financed emissions, emphasizing the energy sector over other priority sectors as it has already seen advances in the development of measurement methods and data accumulation Measurements of three sector components were conducted⁴: "Energy (electric power)," "Oil / Gas" and "Coal." |

Sector-Based Breakdown of Financed Emissions



Financed Emissions from the Energy Sector

| | Scope subject to GHG emission calculation | Indicator | Results (Mar. 31, 2022) | Amount of investment and financing |
|-------------------------|---|------------------------------------|----------------------------|------------------------------------|
| Energy (electric power) | Power generation Scope1 | Physical carbon emission intensity | 139 gCO ₂ e/kWh | ¥276.0 billion |
| Oil / Gas | Mining Scopes 1 to 3 | Absolute volume | 0.17 MtCO ₂ e | ¥7.4 billion |
| Coal | Mining Scopes 1 to 3 | Absolute volume | — | (Not applicable) |

Taking the above factors into account, we have identified an interim target for the energy sector (targets have not been set for "Oil / Gas" and "Coal" as the number of customers in these fields is very low)

| | |
|--|--|
| Concepts behind target setting for the energy sector | <ul style="list-style-type: none"> The current carbon emission intensity, which amounts to 139gCO₂e/kWh, falls short of the standard for 2030 envisioned in the 1.5°C scenario (NZE2050),⁵ due mainly to the general termination of new project financing for coal-fired power generation businesses and proactive lending to domestic borrowers engaged in renewable energy-related businesses. On the other hand, the energy sector is an infrastructure component supporting all industries as well as people's daily lives. Accordingly, pursuing the decarbonization of this sector is essential to helping retail customers achieve decarbonization. Therefore, we will strive for the popularization of renewable energy, which is integral to nationwide decarbonization, while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we aim to reduce emissions from the energy sector to a level that is substantially lower than the global standard stipulated in the 1.5°C target. |
| The interim target | Carbon emission intensity in FY2030: 100 to 130gCO₂e/kWh |

Basis for the calculation of financed emissions

The volume of GHG emissions from each investee/borrower corporation is multiplied by the attribution factor (Balance of investment and financing / Sum of assets and liabilities) and the resulting numerical values for all investee/borrower corporations are aggregated

| | Formula | Coverage ratio ⁶ | Data quality score ⁷ |
|---------|---|-----------------------------|---------------------------------|
| Energy | $\sum \left(\text{Carbon emission intensity of investees/borrowers (gCO}_2\text{e/kWh)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Total value of investment/financing by the Company for all investees/borrowers subject to calculation}} \right)$ | 85% | 2.1 |
| Oil/Gas | $\sum \left(\text{Volume of emissions from investees/borrowers (MtCO}_2\text{e)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Sum of borrowings and capital held by investees/borrowers}} \right)$ | 100% | 3.0 |

3 Targets for the Empowerment and Promotion of Women ▶ Create New Value on Diverse Fronts to Achieve Our Vision of Realizing “Retail No. 1”

Achieve the below presented ratios for the representation of women in various positions, an increase of 10% or more from the levels at the beginning of FY2021 (by the end of FY2030)

- ◎ Ratio of female directors and executive officers at Resona Holdings: 30% or more
- ◎ Ratio of female senior managers at six Group companies: 20% or more¹
- ◎ Ratio of female line managers at six Group companies: 40% or more¹

| Ratio of women | 2021 ² | 2023 ² | FY2030 targets |
|---|-------------------|---------------------------|----------------|
| Directors and executive officers (Resona Holdings) | 19.2% | 10.3% ³ | 30% or more |
| Senior managers (6 Group companies ¹) | 10.5% | 13.4% | 20% or more |
| Line managers (6 Group companies ¹) | 29.7% | 31.4% | 40% or more |

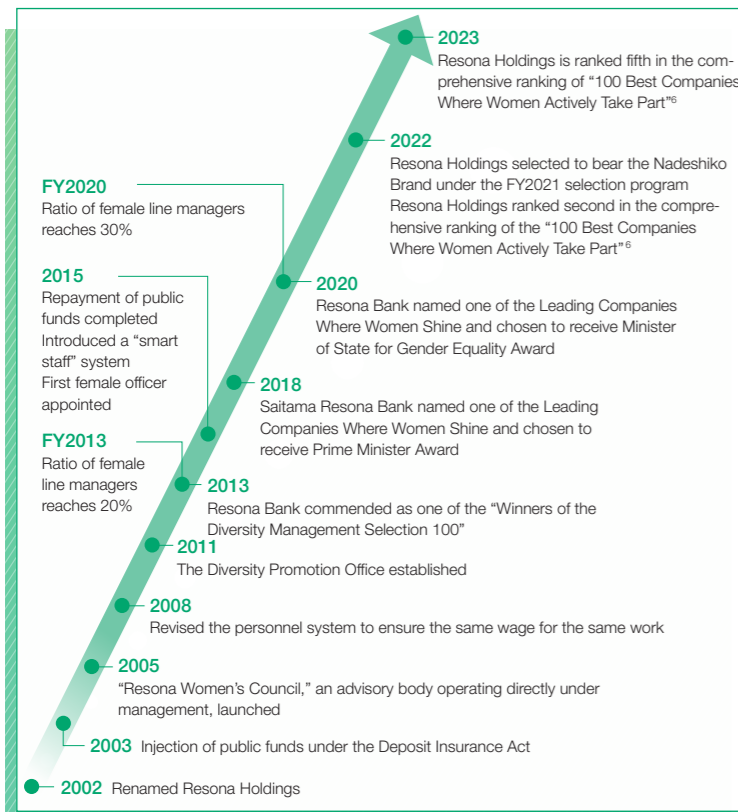
As presented above, the ratio of women among senior managers and line managers rose in FY2022, with the ratio of female line managers steadily growing for the 11th consecutive year.

On the other hand, the ratio of women in executive officer positions at Resona Holdings dropped from the level at the beginning of FY2021 due to an increase in the overall number of executive officers at Resona Holdings as well as the appointment to Resona Bank and Saitama Resona Bank of internal female officers to serve as directors. Reflecting this move, the ratio of female directors at Resona Bank and Saitama Resona Bank rose from 9% and 15% at the beginning of FY2021 to 27% and 23%, respectively. Also, as of June 30, 2023, the ratio of female directors at Resona Holdings is 25%.

In FY2022, we introduced a branch-manager trainee system⁴ as part of measures to enable female employees to gain

experience in an even broader range of operations and equip them to assume higher-ranking positions at branches specializing in individual customer transactions. This system was created in response to opinions voiced by female employees. Also, to encourage male employees to play greater roles in child rearing and homemaking, we have newly established a system that allows eligible male employees to opt for cessation from work upon childbirth (nicknamed “postnatal paternity childcare leave”)⁵ and decided that the first 14 days of cessation shall be paid leave.

In FY2023, we will focus on nurturing candidates for all managerial ranks, including officers, senior managers and line managers, by, for example, providing many female employees with opportunities to gain experience in a diverse range of operations.



External Recognitions

“Gold” rating under the Pride Index for the sixth consecutive year (Resona Holdings)

work with Pride

Fifth place in the 2023 round of the comprehensive ranking of “100 Best Companies Where Women Actively Take Part” (Resona Holdings)⁶

“Platina Kurumin” certification (Four Group banks)

“Eruboshi” certification (Four Group banks)

Certified under the 2023 Certified Health and Productivity Management Organization Recognition Program (Resona Holdings and Kansai Mirai Financial Group)

2023 健康経営優良法人 Health and productivity

1 Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank
 2 The ratio of female directors and executive officers is as of June 30, 2023; the ratios of female senior managers and line managers in 2021 and 2023 are as of April 1 and March 31, respectively.

3 Due to the increase in the overall number of executive officers and the appointment of female internal officers to serve as directors at Resona Bank and Saitama Resona Bank
 4 A trainee system designed to enable female employees who have been mainly engaged in branch-counter clerical work to acquire the skills necessary to assume branch manager positions at branches specializing in individual customer transactions.
 5 Please refer to page 72 for details.
 6 Survey of Workplace Opportunities for Female Workers undertaken by Nikkei WOMAN

Activities of the “Resona Women’s Council”

Since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration, our human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age or job category. We stepped up this approach, aiming to become a workplace of choice for women across society while striving to remove any barriers that may cause them to give up on lasting career development. To that end, in April 2005 we established the “Resona Women’s Council,” an advisory body operating directly under top management, based on a belief that updating how we manage business from the perspective of women, who account for a half of population, is essential.

The membership of the “Resona Women’s Council” consists of more than a dozen female employees selected from Group companies, including non-bank affiliates. With the aim

of creating a company that attracts women’s support, the council is engaged in deliberations covering a variety of measures, such as those aimed at developing a better working environment and supporting women’s career development. Every year, the council concludes its annual activities by holding a final reporting session in which members deliver proposals to the presidents of Group companies.

These proposals have resulted in a number of measures being implemented at the Resona Group. In sum, the council’s activities are now seen as a symbol of women’s empowerment.

Moreover, female employees who had taken part in the council are currently acting as key players at various workplaces within the Group, with their involvement in the process of developing tangible measures based on their own proposals causing them to grow their aspirations to take on leadership positions and pursue long-lasting careers with a sense of job fulfillment.



A final reporting session hosted by council members chosen via the 12th round of member selection

| Examples of Tangible Measures Developed Based on Proposals from Female Employees, Including Resona Women’s Council Members | |
|--|---|
| Mentoring system | A system in which female employees who are selected as senior managerial candidates are assisted via mentoring by officers, branch managers and individuals other than their immediate supervisors |
| My Career Training | A training program designed to empower female employees to develop a stronger awareness of their ability to become candidates for managers and senior managers |
| Introductory Parenting Seminar | A streaming-based seminar designed to provide employees who are expecting a child with explanations of helpful support systems, procedures to follow and advice on such topics as how to strike a balance between work and child rearing |
| Working Mothers Assistance Seminar | A seminar aimed at supporting mothers reinstated after childcare leave through the provision of lectures focused on time management and other tips that help smooth the transition to post-reinstatement workstyles |
| Housing loans for women “lin” | Housing loans specifically designed for women that offer lower interest rates and other privileged conditions to accommodate needs arising from the growing trend toward women’s participation in the workforce and the diversification of their lifestyles |

Roundtable Talk among Resona Women’s Council Members (chosen via the 12th selection, with the period of their activities spanning April 2022 to March 2023)



(From left)
 Resona Research Institute
 Yoko Iwai
 Resona Bank
 Saori Tanikita
 Saitama Resona Bank
 Marie Tsutsumi

— Please share your impressions regarding council activities over the past year.

Iwai: First off, we had to identify issues, examine possible solutions and schedule our activities all by ourselves. Moreover, since the council consisted of members with diverse backgrounds, it was rare for us to quickly reach a consensus on any subject. Accordingly, we spent a great amount of time in discussion at every meeting.

Tanikita: Although I have on many occasions thought about Resona Bank, I had never thought deeply about other Group companies. I was able to acquire a number of new insights through participation in the council over the past year.

Tsutsumi: I was prompted to think more deeply about the Company’s future as well as my own. Although I had hardly pondered these matters previously, I came to realize, through my involvement in the council, that it is up to me to transform my behavior.

— What are your takeaways from interactions among members from different generations and different specializations?

Tsutsumi: I found out that one of members was a branch general manager, but she addressed me casually. I was able to frankly communicate my opinions and tell her what I really think.

Iwai: Despite the differences among us in terms of standpoints and working environments, we were all equally serious about making the Resona

Group’s future, as well as our own, even brighter. It was genuinely amazing to engage in the uncompromising discussions among these members. I hope that some of us will again come into contact with each other in the course of regular duties.

Tanikita: With members working at locations in Kanto and Kansai areas, our activities were often separated to cover the eastern and western parts of the network of Group bases. However, whenever important matters were tabled for discussions, we strove to get together in one place to engage in robust discussions.

— Please describe how your participation in the council transformed your awareness regarding work and careers.

Tsutsumi: Before joining the council, I was preoccupied with daily operations and not able to think so much about developing my own career. However, in the course of discussions at the council, I have heard from a peer about her aspirations to increase the number of employees capable of acting spontaneously. This prompted me to apply for an in-house job posting during the period of council activities. As a result, I was promoted to manager. In summary, I was inspired by a proactive stance another member was taking toward her careers.

Iwai: Engaging in discussions with members whom I hadn’t been in contact with previously, I was able to understand the status of the entire Group, including challenges confronting it. Although my present job is to secure coordination among four Group banks, I would like to expand the scope of my duties to handling coordination with other Group companies.

Tanikita: At the final reporting session, we received feedback from outside directors even as we provided the presidents of Group companies with our proposals face to face based on the conclusions reached in our discussions. This was a valuable opportunity to develop a sense of familiarity with top management. As I am working at a headquarters department, I would like to plan and advocate for initiatives to empower those who face difficulties in developing their careers or skills to take a step forward toward their goals.



Governance

The Resona Group Sustainability Policy and other important policies related to sustainability are determined by the Board of Directors.

The status of initiatives undertaken based on these policies provided by the Board of Directors is reported to and discussed by the Board at least once a year, while matters deemed particularly important are addressed by it on an as necessary basis. In this way, we have secured a robust structure that ensures proper supervision over sustainability initiatives.

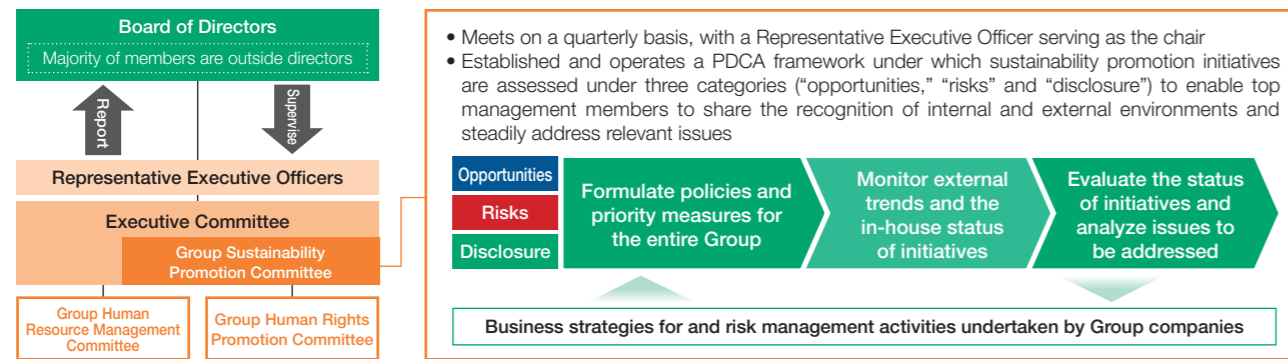
With outside directors constituting its majority, the Board of Directors engages in multifaceted discussion and reflects its conclusions in the Group's business strategy, risk management and other undertakings.

In addition, the Group Sustainability Promotion Committee, chaired by the president of Resona Holdings, is tasked with exercising the consolidated supervision of and spearheading

measures to address specific issues associated with sustainability and deemed important. Members of this committee include the presidents of Kansai Mirai Financial Group, Group banks and Resona Asset Management as well as the heads of the Corporate Administration Division and risk management divisions in addition to officers in charge of corporate and retail banking.

This committee also invites external specialists to contribute their opinions on diverse subjects, such as the direction and pace of the Group's initiatives. These inputs are reflected in discussions undertaken by top management.

Moreover, the Group Human Resource Management Committee and the Group Human Rights Promotion Committee are charged with the consolidated management of important matters associated with human capital management as well as human rights promotion among all Group employees.



Main Content of Relevant Agenda Items Submitted to and Other Subjects Discussed by the Board of Directors (July 2022 to June 2023)

- Establishment of the Group's Purpose
- Outcomes of FY2022 sustainability initiatives and issues to be addressed going forward
- Top risks to be addressed during the course of the new medium-term management plan (MMP) (climate change-related risks positioned among top risks)
- Formulation of reduction targets for greenhouse gas (GHG) emissions from the investment and financing portfolio (Scope 3, Category 15)
- Enhancement of stakeholder dialogue in the shareholder relations (SR) field, with ESG issues considered priority subjects

Main Opinions Contributed by Board Members on Outcomes of FY2022 Sustainability Initiatives and Issues to Be Addressed Going Forward

Main Achievements

- Made progress in initiatives to achieve each component of the Long-Term Sustainability Targets, while there were further positive changes in employee awareness and behavior
- Formulated reduction targets for Scope 3 emissions
- Began carrying out ESG-focused business potential assessment, established a human rights due diligence process and otherwise ensured that systems developed in FY2021 are operating on an ongoing basis
- Maintained the Group's inclusion in ESG indexes selected by the GPIF, etc.

Issues That Must Be Addressed Going Forward and Priority Measures

- Develop a framework for helping customers systematically assess and visualize their current situation in terms of SX via the use of an overarching perspective and strengthen frontline employee capabilities to conduct dialogue and provide solutions
- Step up collaboration with external organizations, local governments and other partners
- Enhance initiatives to promote social inclusion, such as providing financial literacy education for all ages and extending financial assistance to help resolve children's poverty
- Respond to the need to preserve biodiversity, etc.

Main Opinions Voiced by Outside Directors

- It is necessary to make it possible to measure the degree of improvement in the environmental and social value of corporate customers via Resona's initiatives
- The Group needs to provide internal and external stakeholders with an even clearer message that it will responsibly assist SME customers in their transition while disclosing its strategies to this end in a more tangible manner
- It is necessary to accelerate initiatives to reduce Scope 3 (Category 15) emissions to net zero
- With regard to the empowerment of women, the Group is called upon to not only monitor various indicators but also take heed of opinions voiced by employees in order to stay attuned to changes in employee mindset and awareness.

Process for Determining Compensation for Executive Officers in Step with the Evaluation of Their Sustainability-Related Achievements

The Company's policies for the determination of compensation for directors and executive officers are determined by the Compensation Committee, whose membership consists exclusively of independent outside directors. The compensation system in place for executive officers takes into account ESG indicators designed to provide objective evaluations to determine the content of medium- to long-term incentives via

the use of an external perspective. In addition, evaluation criteria for determining the content of annual incentive paid under this system include the annual results of initiatives to achieve Long-Term Sustainability Targets. As such, compensation for executive officers is linked to evaluations granted to the recipients in terms of sustainability initiatives. (▶ p. 81)

Our Response to Global Warming and Climate Change (initiatives related to the TCFD recommendations)

The Group has identified responding to global warming and climate change as an environmental and social priority issue. Accordingly, we have declared our intention to proactively take on the reduction of environmental burdens deriving from society as a whole.

Moreover, the Group has identified reduction targets for the volume of GHG emissions from its energy use and those from its investment and financing portfolio.

Governance

The Board of Directors exercises robust supervision over the Group's response to climate change, positioning this response as an essential component of sustainability initiatives.

For details on the status of supervision, please also refer to the article titled "Governance" on the left-hand page.

Management Strategy

Business Opportunities and Risks Arising from Climate Change

To measure the impact of climate change, which is highly unpredictable, we have undertaken qualitative and quantitative evaluations of opportunities and risks based on two different scenarios involving, respectively, a 1.5°C and a 4°C rise in

global temperatures.

This evaluation includes the assessment of estimated impact in the short-, medium- and long-terms, which are defined as approximately 5-, 15- and 35-year periods, respectively.

1.5°C scenario (reference: IEA Net-Zero Emissions by 2050, IPCC RCP2.6 and other publicly approved scenarios)

| Projected developments | Impact on the financial industry | Time frame |
|---|---|--------------------|
| <ul style="list-style-type: none"> • GHG emissions from businesses are severely restricted by government-led policies and laws. • Advances in and the popularization of low-carbon technologies enhances the availability of low-carbon alternatives to existing products and services. • Frequency of sudden occurrences of abnormal weather remains virtually unchanged. | Financing streams will be ever more focused on measures to alleviate climate change impact. | Short to long term |

Projected financial impact

| Category | Item | Description | |
|---------------|--|---|--|
| Opportunities | Product and service markets | Growing funding needs among businesses for the development of low-carbon products and services and capital expenditure aimed at reducing their GHG emissions Increased opportunities for the Group to offer financial services due to growing public awareness of climate change | |
| | Resource efficiency, energy sources, and market resilience | Reduction in business costs due to enhanced resource and energy efficiency Shift to low-carbon energy sources and the resulting alleviation of the future impact of carbon price surge Growth in the Group's corporate value due to the implementation of a sustainability-focused business model | |
| Risks | Transition risks | Policy and legal | Introduction of stringent government-led policies and regulations negatively affecting the operations of corporate customers and reducing the value of the Group's loan assets |
| | | Technology and market | Advances in low-carbon technologies and changes in consumer preferences prompting a shift to alternative products and services and negatively affecting the operating results of corporate customers, resulting in a reduction in the value of the Group's loan assets |
| | Reputation | A decline in Resona Holdings' share price due to inconsistencies between strategy and actions or insufficient disclosure of information about climate change | |
| | Physical risks | Acute | Virtually unchanged frequency of sudden occurrences of abnormal weather (hence, no major financial impact is expected) |
| Chronic | | No chronic and irreversible climate change (hence, no major financial impact is expected) | |

4°C scenario (reference: IPCC RCP8.5 and other publicly approved scenarios)

| Projected developments | Impact on the financial industry | Time frame |
|--|---|--------------------|
| <ul style="list-style-type: none"> • Without notable breakthroughs in climate change countermeasures, the volume of overall GHG emissions continues to grow at the current pace. • Due to an increase in the number of sudden occurrences of abnormal weather, society suffers even more significant damage. • Chronic and irreversible changes, such as a sea level rise, affect economic activities undertaken by businesses and individuals. | Financing streams will be ever more focused on measures to adapt to climate change effects. | Short to long term |

Projected financial impact

| Category | Item | Description |
|---------------|--|---|
| Opportunities | Product and service markets | Growing demand for funding for public projects and capital expenditure aimed at alleviating physical damage attributable to abnormal weather |
| | Resource efficiency, energy sources, and market resilience | Reduction in business costs due to enhanced resource and energy efficiency |
| Risks | Transition risks | No significant breakthroughs in climate change countermeasures (hence, no major financial impact is expected) |
| | Physical risks | Acute: Reduction in the value of the Group's loan assets due to the impact of climate change, such as the suspension of business induced by damage to corporate customers' facilities, the absence of such customers' employees due to damage to their homes, or a decline in the value of collateral assets due to such damage Chronic: Suspension of the Group's operations due to damage to its facilities or injuries to its employees because of a disaster |

Ratio* of lending to energy and utility sectors in the entire portfolio (based on definitions under the Task Force on Climate-related Financial Disclosures (TCFD) recommendations)

| As of March 31, 2020 | As of March 31, 2021 | As of March 31, 2022 | As of March 31, 2023 |
|----------------------|----------------------|----------------------|----------------------|
| 1.3% | 1.2% | 1.2% | 1.3% |

* Total of loans and bills discounted, acceptances and guarantees, foreign exchange, etc. (sum of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank)

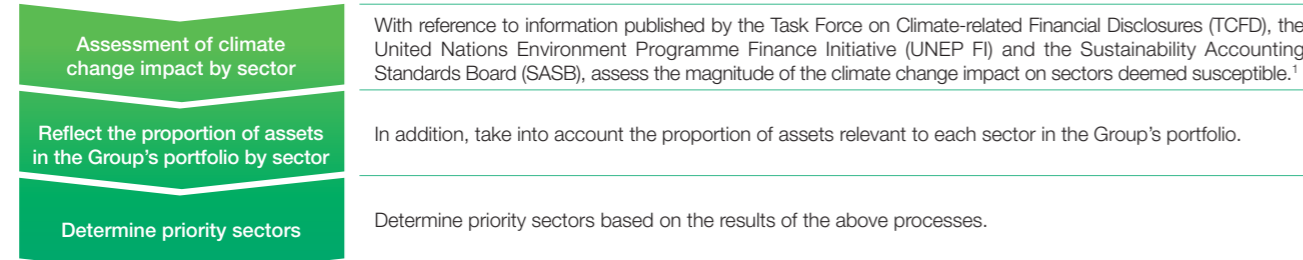
In-Depth Qualitative Analysis of Climate Change Scenarios

The proportion of lending extended to the energy and utility sectors in the Group's entire portfolio is not considered significant. Nevertheless, we must assume that the possible impact of climate change-related risks on a broad range of sectors could be profound. Also, the form and magnitude of such impact and the timing of its materialization may differ largely by sector.

deemed particularly susceptible¹ to climate change-related impact based on assessments of the potential magnitude of such impact while taking into account the proportion of relevant assets in the Group's portfolio. Targeting these sectors, we conducted an in-depth qualitative analysis of our existing climate change scenarios.

In light of these factors, we have identified priority sectors

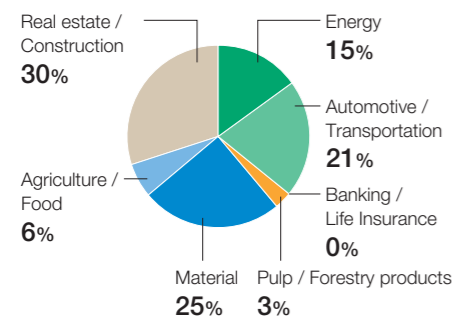
● Process used to select priority sectors



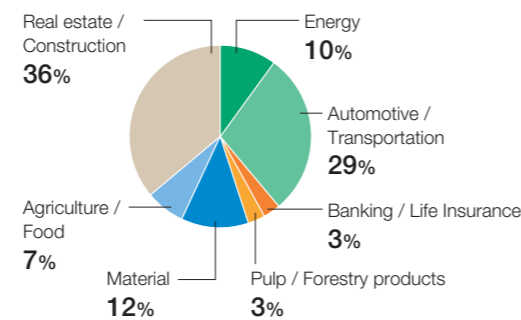
| Sector | Climate change impact | Portfolio size ² | Selection results |
|-----------------------------|-----------------------|-----------------------------|-------------------------------|
| Real estate / Construction | Medium | High | Selected as a priority sector |
| Automotive / Transportation | High | Medium | Selected as a priority sector |
| Energy | High | Small | Selected as a priority sector |
| Material | High | Small | Not selected ³ |
| Agriculture / Food | Medium | Small | Not selected |
| Pulp / Forestry products | High | Small | Not selected |
| Banking / Life Insurance | Medium | Small | Not selected |

● We have confirmed that the above results coincide with results of sector-based analysis of financed emissions calculated with reference to methods stipulated by the PCAF standards.⁴

Breakdown of Financed Emissions by Sector

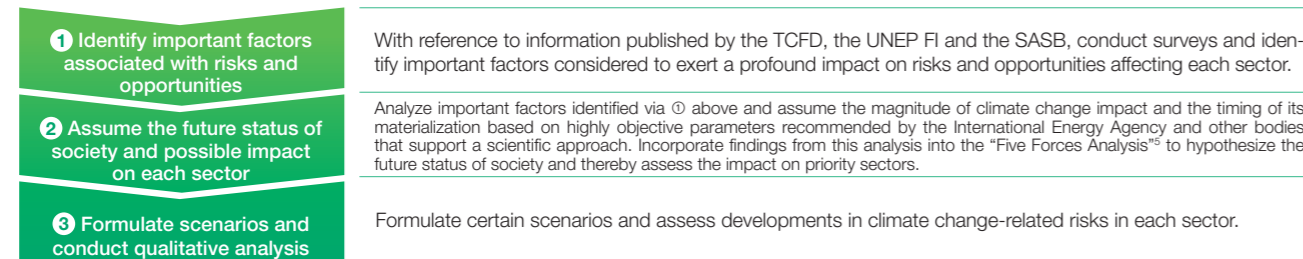


Balance of Financing by Sector



● Formulation of scenarios for each priority sector and the qualitative analysis of developments in climate change-related risks

Targeting each priority sector, we formulated scenarios and conducted a qualitative analysis regarding the magnitude of climate change impact and the timing of its materialization.



① Important Factors Associated with Risks and Opportunities in Each Sector

| | Real estate / Construction | | Automotive / Transportation | | Energy |
|---------------|---|-------------------|---|---------------------|---|
| Policy | Introduction and/or heightening of carbon tax | Policy | Introduction and/or heightening of carbon tax | Policy | Introduction and/or heightening of carbon tax |
| Legal | Strengthening of environment-related building regulations | Legal | Tightening of GHG emission regulations | Legal | Tightening of GHG emission regulations |
| Market | Shift in customer needs to buildings with higher environmental performance | Market | Rising energy prices | Market | Popularization of renewable energy |
| Acute | Increasingly frequent occurrences of flooding and other natural disaster damage | Technology | Transition to electric vehicles | Reputational | Higher customer awareness regarding the need to address environmental concerns |
| | | Acute | Operational impact of a catastrophic disaster | Acute | Surging expenses for the reinforcement of disaster countermeasures and the emergence of physical damage |
| | | Chronic | Damage to railroads due to heat expansion and rising air conditioning expenses (transportation) | | |

② The Future Status of Society and Possible Impact on Each Sector

| | | Future status of society | Impact on sector |
|------------------------------------|-------|--|---|
| Real estate / Construction | 1.5°C | Initiatives aimed at achieving carbon neutrality advance significantly, leading to the enforcement of carbon taxation, the introduction of building materials with low carbon footprint and the growing popularization of renewable energy | The construction of facilities designed to reduce environmental burden progresses at an ever-faster pace |
| | 4°C | Rising physical risks lead to growing demand for buildings with greater disaster resilience | While the construction of facilities equipped with greater resilience against flooding and other disasters progresses, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs |
| Automotive / Transportation | 1.5°C | Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax, the popularization of renewable energy and EVs and the acceleration of modal shift in the transportation sector | Toward carbon neutrality, the use of eco-friendly vehicles and rail cars gains growing popularity, resulting in the acceleration of modal shift |
| | 4°C | Physical risks rise as the transition to a low carbon society fails to gain further momentum | While the market environment remains unchanged, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs |
| Energy | 1.5°C | Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax and the growing popularization of renewable energy | The use of renewable energy gains popularity at an ever-faster pace with the move toward carbon neutrality |
| | 4°C | Ongoing dependence on fossil fuel results in higher physical risks | While fossil fuel demand grows solidly, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs |

③ Developments in Climate Change-Related Risks

■ Low risk ■ Medium risk ■ High risk

| Priority sectors | Transition risks: 1.5°C Scenario | | | | | Physical risks: 4°C Scenario | | | | | | |
|-----------------------------|----------------------------------|------|------|------|------|------------------------------|------|------|------|------|------|------|
| | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
| Real estate / Construction | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Automotive / Transportation | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |
| Energy | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low | Low |

| Priority sectors | Transition risks: 1.5°C Scenario | Physical risks: 4°C Scenario |
|------------------------------------|--|---|
| Real estate / Construction | Risk remains low based on an assumption that an increase in costs attributable to the need to lower energy consumption intensity will be offset by growing revenue backed by rising demand for net-zero energy buildings (ZEB) in 2040 | Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20% |
| Automotive / Transportation | Risk remains medium based on an assumption that demand for vehicles with internal combustion engines (ICEs) will significantly decline in 2030 due to carbon taxation and the enforcement of stricter regulations on such vehicles However, risk becomes constantly high from 2035 onward due to the enforcement of domestic regulations on the marketing of new ICE vehicles in the 2030s, provided that falling demand is not compensated for by demand for eco-friendly vehicles | Risk rises to and remains medium from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20% |
| Energy | Risk becomes constantly high from 2030 onward based on an assumption that the use of fossil fuel will decrease due to the enforcement of carbon taxation, across-the-board efforts to achieve carbon emission reduction targets and changes in the energy mix | Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%, and then subsides to medium in line with an assumed increase in crude oil prices (approximately 30%) in 2040 and resulting growth in revenue |

1 The Resona Group's sector classification: Energy, Automotive / Transportation, Material, Pulp / Forestry products, Agriculture / Food, Real estate / Construction, and Banking / Life insurance
 2 Portfolio size classification is as follows: Large: More than ¥5 trillion; Medium: ¥1 trillion to ¥5 trillion; Small: Less than ¥1 trillion
 3 Not selected, as risk characteristics vary largely by type of material and, therefore, the sector's impact on the Group's portfolio is dispersed
 4 Analysis results obtained via the FY2021 Portfolio Carbon Analysis Pilot Program Assistance Project led by the Ministry of the Environment
 5 A method for sector analysis in light of impacts attributable to sellers, buyers, newcomers and alternatives, with policies considered as an element affecting all the other factors

In-Depth Quantitative Analysis of Climate Change Scenarios

Based on the qualitative analysis, we conducted a quantitative analysis of the impact on the Group's financial performance of transition and physical risks.

● Transition Risks (1.5°C Scenario)

The characteristics and magnitude of transition risks' financial impact vary by sector. Also, these factors may be altered going forward by measures undertaken by businesses pursuing carbon neutrality. Accordingly, our qualitative analysis has targeted priority sectors selected via qualitative analysis.

In addition, we have positioned "introduction and/or heightening of carbon tax" as an important risk factor to be used as

an assumption for our scenario in light of the universal impact of such taxation on each sector. Moreover, in reference to publicly approved scenarios, we have assumed a 1.5°C rise in global temperature to assess the resulting future impact on our clients. In this way, we estimated our exposure to credit risks that may emerge during the period leading up to 2050.

| | |
|-------------------------------------|---|
| Target Sectors | All the priority sectors (Real estate / Construction, Automotive / Transportation and Energy) |
| Assumptions for the Scenario | The assumed impact on the Group's credit risk exposure is based on additional expenses that would be incurred by clients due to the introduction and/or heightening of carbon tax as well as future business responses to the growing public call for carbon neutrality |
| Reference Scenarios | IEA Net-Zero Emissions by 2050 and IPCC 2.6 |
| Analysis Period | Present to 2050 |
| Risk Indicator | Estimated increase in credit-related expenses |
| Analysis Results | Credit-related expenses could increase during the period leading up to 2050 by a maximum of around ¥81.0 billion |

● Physical Risks (4°C Scenario)

Physical risks are considered to have a differing degree of impact on clients depending on the locations of both their businesses and real estate properties pledged as collateral for loans in addition to sector-specific characteristics of their operations. Taking this into account, our quantitative analysis targeted business corporations in general.

Due to restrictions in data available for analysis, we have positioned flood damage resulting from the materialization of

acute risk as an important factor to be used as an assumption for our scenario. In reference to publicly approved scenarios, we have thus estimated the impact of a 4°C rise in global temperature on the business performance of our clients and real estate properties pledged as collateral for loans, determining its impact on the Group's credit risk exposure during the period leading up to 2050.

| | |
|-------------------------------------|--|
| Target Sectors | Business Corporations in General |
| Assumptions for the Scenario | Based on analyses of hazard maps and natural disaster models, we have estimated the frequency of flooding arising from the materialization of acute risk and resulting growth in flood damage. Having assessed the impact of the above factors on the business performance of clients and their real estate properties pledged as collateral for loans, we have thus determined the extent to which the Group's credit exposure would be affected. |
| Reference Scenarios | IPCC RCP8.5 |
| Analysis Period | Present to 2050 |
| Risk Indicator | Estimated increase in credit-related expenses |
| Analysis Results | Credit-related expenses could increase during the period leading up to 2050 by a maximum cumulative total of around ¥18.0 billion |

● Issues to be Addressed Going Forward

Results of the above analysis suggest that the impact of transition and physical risks on credit-related expenses is considered to be limited. However, we believe that these results do not indicate that the impact on the Group's overall risk exposure is limited as the above analysis has taken into account only a portion of risk factors while using various assumptions in the course of damage estimation.

The analysis of climate change impact requires the study of a diverse range of risk factors and intertwining relationships between them. Moreover, the spillover effect of climate change-related risks could take differing courses depending on various underlying factors. Therefore, we will continue to research diverse analytic methods while enhancing the content of data for use in analysis.

At the same time, even though we are in the process of developing more precise analysis methods, we are convinced that climate change is highly likely to have a financial impact on

our loan assets, the largest category of assets in the Group's possession. Accordingly, we clearly recognize that the opportunities and risks our clients face will directly affect the Group.

The majority of the Group's loan assets are accounted for by loans furnished to individual and SME customers. This suggests that climate change-related lending risks are dispersed throughout our overall portfolio. However, it was confirmed that, compared with large corporations, the status of SMEs' climate change responses varies widely by company, indicating a diverse range of underlying issues confronting this customer group.

Looking ahead, we will continue striving to assess and reduce the volume of financed emissions from our entire portfolio even as we engage in in-depth customer dialogue and enhance our diverse solution lineup designed to meet the needs of customers facing differing situations and issues. We will thus assist customers in their pursuit of carbon neutrality by acting as their "running partner."

Risk Management

The Resona Group has positioned climate change-related risks as top risks that are deemed to possess a high possibility of impacting heavily on its operations. In line with this positioning, we have developed a consistent risk management structure placing the foremost emphasis on managing these risks.

Top risks are determined via discussion at the Executive Committee, the Board of Directors and other important bodies. Through top risk management, the Company helps Group members share risk recognition while striving to enhance risk governance, prevent the emergence of significant risks, ensure swift response to risk materialization and curb the spread of risk repercussions.

Having identified climate change-related risks as contributing to uncertainty, the Group is operating a risk management framework (▶ p. 85) based on its own definitions of risk categories, such as credit risk, operational risk and reputational risk, determined in line with the characteristics of such risks.

To address credit risk, which is considered to have a particularly strong impact on the Group's operations, we are working to step up risk management via, for example, "Initiatives for Socially Responsible Investing and Lending" described below. Simultaneously, we are developing a structure enabling us to help realize a carbon-neutral society through our financial functions.

Initiatives for Socially Responsible Investing and Lending

<https://www.resona-gr.co.jp/holdings/english/sustainability/management/sri/>

Loan Business

In line with the Group Credit Policy adopted based on a Board of Directors resolution, the "Basic Stance on Lending" clarifies the Group's intention to maintain a dialogue with customers who have not yet fully committed to addressing social and environmental issues with the purpose of encouraging their involvement. In addition, it explains the Group policy of abstaining from financing projects associated with coal-fired thermal power generation, except when it finds compelling reasons for financing such projects, such as to realize economic restoration following a disaster. The Group is engaged in the screening and selection of candidate projects accordingly.

In December 2020, we updated the above document to include a policy of not extending new loans to projects deemed to possibly exert a major negative impact on the environment, such as coal mining employing specific mining methods.

Investment

In connection with trust assets managed by Resona Asset Management, the "Responsible Investment Policy" mandates that, in addition to assessing investees' financial performance, the Group exercise due diligence in confirming their non-financial performance, for example, the sufficiency of their initiatives aimed at addressing ESG issues to help them enhance corporate value and achieve sustainable growth from a medium- to long-term perspective. Through such endeavors, the Group is increasing the value of trust assets.

Furthermore, the Responsible Investment Committee strives to ensure the appropriateness of the Group's investment initiatives by consolidating insights offered by committee members, including officers in charge of trust asset management divisions.

● Overview of the "Basic Stance on Lending"

| | Policy | Business description |
|---------------------------------------|--|---|
| Stance on Lending Across Sectors | Prohibition of lending to the following borrowers | • Those involved in child or forced labor or human trafficking, etc. |
| | Prohibition of lending to the following projects or businesses | • Businesses that exert a seriously negative impact on wetland sites designated by the Ramsar Convention, the World Heritage Sites designated by UNESCO • Businesses in violation of the Washington Convention |
| | Due consideration given to environmental and social impacts in the course of lending to the following businesses | • Businesses that negatively affect indigenous local communities and other areas of high conservation value • Businesses that entail the involuntary resettlement of residents resulting from the appropriation of land |
| Stance on Lending to Specific Sectors | Prohibition of lending to the following borrowers | • Those involved in the development, etc., of weapons of mass destruction, such as nuclear weapons, chemical weapons and biological weapons, and / or inhumane weapons such as cluster bombs |
| | Prohibition of lending to the following projects or businesses | • Coal-fired power generation (except where there are compelling reasons, such as to realize restoration following a disaster) • Coal mining projects employing the Mountain Top Removal (MTR) method • Palm oil farm development projects involving illegal practices or lacking sufficient improvement measures |
| | Due consideration given to environmental and social impacts in the course of lending to the following businesses | • Large-scale hydroelectric power generation |

Metrics and Targets

The Resona Group established the following targets for its long-term initiatives aimed at mitigating climate change-related risks and increasing opportunities.

The details of each target, progress thus far in initiatives to achieve it and our relevant future action plans are featured on preceding pages.

Retail Transition Financing Target

• The mitigation of climate change-related risks and the discovery of new business opportunities in tandem with customers through in-depth dialogue and the enhancement of our solutions (▶ pp. 46–47)

Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio Interim target for 2030 for the energy sector

The reduction of GHG emissions from our investment and financing portfolio (▶ p. 49)

Carbon Neutrality Target (Scopes 1 & 2)

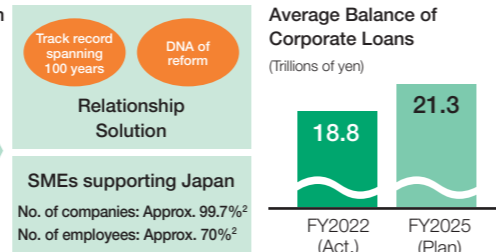
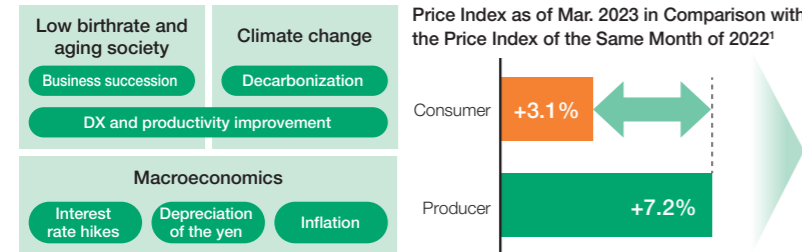
• The reduction of GHG emissions from our own energy use (▶ p. 48)

Medium-term Management Plan (MMP) – Strengthening of Value Creation Capabilities

Business for SMEs

Strengthen Our Ability to Accommodate Funding Demand That Emerges with Changes in the Environment

Diverse and complex issues



The business environment surrounding SMEs is now undergoing radical changes. Specifically, these businesses are now facing the emergence of new needs and customer issues due to such evolving mega trends as SX and DX as well as the progressing aging of the population and other shifts in social and industrial structure. Furthermore, the current macroeconomic environment is expected to give rise to new fundraising needs as economies pick up with the termination of COVID-19 pandemic-related restrictions in addition to the depreciation of the yen and a divergence between the growth rate of the producer price index and that of the consumer price index.

Amidst these circumstances, the Resona Group is acting as a “running partner” for customers, working to deliver diverse solutions while taking full advantage of its strengths backed by networks and relationships developed over the course of more than 100 years of specialization in the retail business. This approach now constitutes a distinctive feature of our business operations. Under the new MMP, we will strive to further upgrade these and other features that set us apart from others through the qualitative and quantitative enhancement of our consulting and financing capabilities.

To this end, we plan to additionally allocate approximately

200 staffs to the corporate lending field over the course of three years leading up to March 31, 2026, with the aim of further strengthening our face-to-face consulting sales capabilities. Meanwhile, the number of SMEs undertaking SX and DX initiatives remains fewer than the number of large corporations engaged in such initiatives. Aware of this situation, we will continuously step up dialogue with SME customers to help them understand the necessity of such initiatives and how relevant they are to business operations.

We have positioned transitioning to a new phase of capital utilization as a key endeavor under the new MMP and, accordingly, plan to significantly increase the balance of general lending. This pursuit will be at the core of our organic growth investment (▶ p. 25). In addition to meeting funding demand via the use of existing solutions, we will promote the further development and expansion of risk-taking endeavors, such as extending financial assistance to venture startups and taking on new types of structured financing.

Through these and other endeavors, we aim to raise the balance of general lending to ¥21.3 trillion in FY2025, achieving an increase of approximately ¥2.5 trillion from the FY2022 level.

Act as a “running partner” for customers at various stages, to this end raising our ability to provide them with assistance via the allocation of human resources and the proactive utilization of capital

Strengthen our consulting and financing capabilities in terms of both quality and quantity

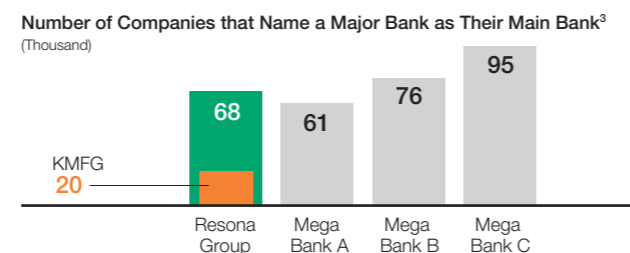
- Increase staffing for corporate lending
 - FY2022: Approx. 3,150 staffs → FY2025 (plan): Approx. 3,350 staffs
- Promote in-depth dialogue
 - No. of corporate customers interviewed by the Group on SX topics: Approx. 31,000 (FY2021)



- Collect questionnaires regarding DX: About 13,000 companies (FY'22)
- Further development and expansion of business fields in which we engage in risk-taking endeavors in a way that aligns with changes in the environment
 - Establish an organization specializing in venture incubation
 - Take on the challenge of providing a novel type of structured financing

Our Group network centered on two major metropolitan areas

The number of companies naming the Resona Group as their main bank places us among the top banks in Japan

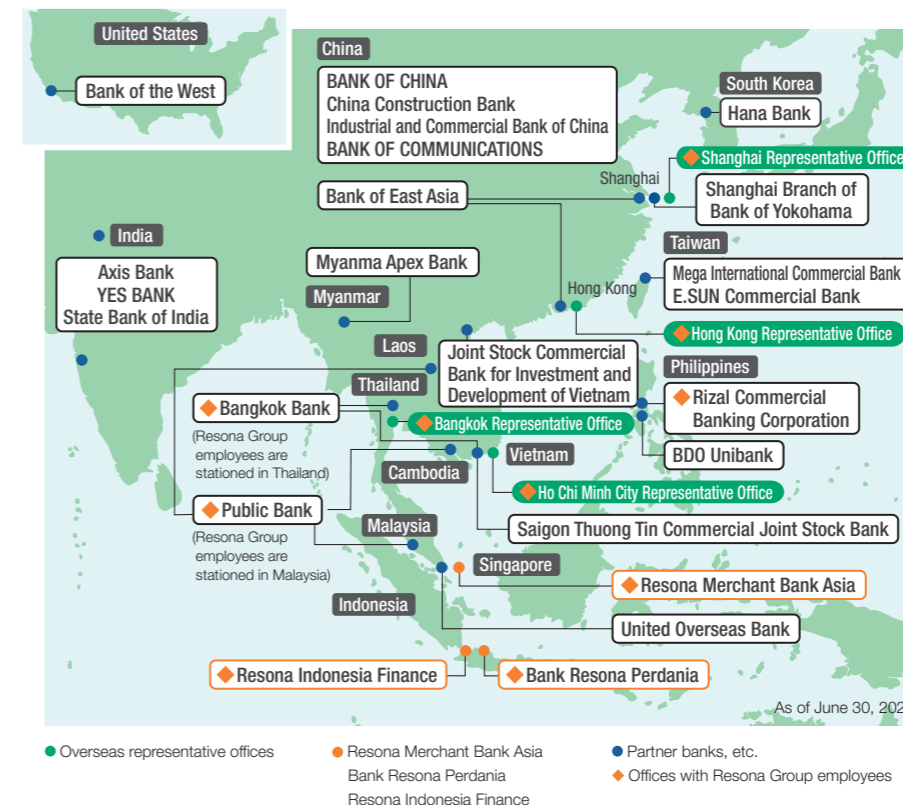


Resona Group's Ranking by Prefecture³
 Saitama 1st Osaka 1st
 Hyogo 2nd Shiga 2nd

1 Consumer: MIC “Consumer Price Index 2020-Base Consumer Price Index (Mar. 2023),” Producer: BOJ “Monthly Report on the Corporate Goods Price Index (Preliminary Figures for Mar. 2023)”
 2 The Small and Medium Enterprise Agency “2023 White Paper on Small and Medium Enterprises in Japan”
 3 TEIKOKU DATABANK (2022)

International Business

Help Customers Align with Changes in the Business Environment via the Use of Our Overseas Network



The Resona Group maintains 10 overseas bases in which its expatriates are stationed. With this network focused on the entire Asian region as well as the United States, we accommodate a broad range of customer needs for global expansion assistance, fundraising and other undertakings.

In Indonesia, Bank Resona Perdania, which boasts a business track record spanning more than 65 years, offers full-line banking services, while the Singapore-based Resona Merchant Bank Asia strives to meet needs for fundraising, M&A and other solutions among customers in ASEAN nations, Hong Kong and India.

Going forward, we will upgrade our structure for supporting customers by upgrading our overseas network and enhancing our capabilities to deliver international business solutions.

Management Support Initiatives for SME Customers

The Resona Group provides management support for customers. To this end, the Group companies cooperate with each other and collaborate with other financial institutions and external professionals to precisely address various needs, aligning their services with the different growth phases of customers.

Support during the Startup and Growth Phases

When engaging with customers in the startup phase, we look at both their financial status and potential for business growth, taking a proactive approach when extending financing and operational support. During the growth phase, we also provide a diverse array of loan products and various solutions, including business matching, global expansion assistance and other support to advance their development.

Support during the Maturity and Transition Phases

We are capable of delivering a diverse range of solutions, including those supporting business and asset succession as well as human resource referrals and DX assistance, to enable customers in the maturity and transition phases to move forward toward a next stage. To this end, we start by closely understanding the owner's vision for the business and thoughts about succession. We then identify optimal solutions and countermeasures.

Turnaround Support

We provide the support and expertise that a customer requires to turn their company around. This ranges from restructuring the repayment terms of loans to overhauling management, revitalizing businesses and restructuring operations.

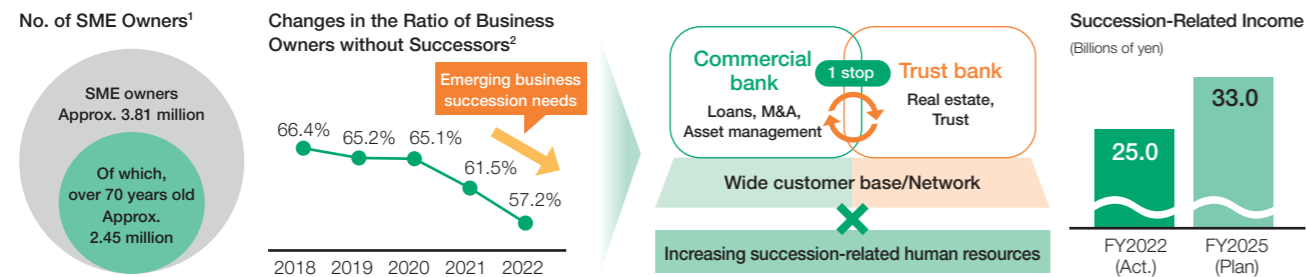
Initiatives to Revitalize Communities

With a corporate mission that affirms our commitment to the further development of regional communities, we energetically support the management of SME customers and the revitalization of regional economies. As part of these efforts, we have entered into comprehensive partnership agreements with prefectural and other local governments while acting as a proactive participant in industry-academia collaboration with local educational institutions. Moreover, our Business Plazas offer the following three key

solutions. First, we provide business matching that takes advantage of the Group's network of approximately 500,000 corporate customers to support the expansion of customers' marketing channels. Second, we offer startup assistance to newly launched corporations. Third, we propose solutions for various human resource-related issues. Thus, we act as an information intermediary to help customers resolve issues they are confronting.

Business and Asset Succession

Accommodate Emerging Needs Associated with Succession via the Provision of Diverse Solutions Backed by Our Strength as a Retail Commercial Bank Equipped with Full-line Trust Banking Capabilities



With the aging of a growing number of SME business owners, the ratio of SMEs lacking management successors has long remained high. In the wake of the COVID-19 pandemic, however, this ratio has declined somewhat. Also, our data suggests the emergence of growing needs for business and asset succession.

On the other hand, the succession-related issues our customers are confronting differ largely by said customers' individual desires and circumstances. It is thus essential to provide face-to-face, in-depth consulting to resolve these issues and, where needed, deliver tailored solutions, including those leveraging our lending, trust and real estate functions, M&A deals that draw on our network and those backed by asset management.

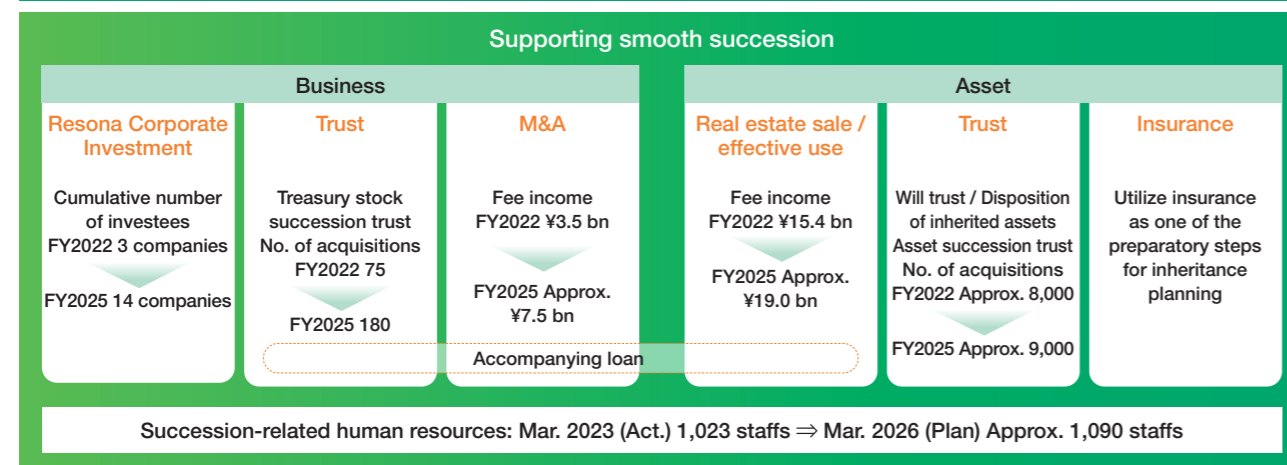
The Resona Group boasts unique strengths as a retail/commercial bank equipped with full-line trust banking capabilities. These strengths enable us to deliver one-stop solutions designed to address diverse issues. We also began employing such new methods as acquiring majority stakes in customer SMEs through Resona Corporate Investment, a subsidiary established in January 2021. This subsidiary had already invested in three SMEs by the end of FY2022 while receiving a

growing number of inquiries.

Against this backdrop, our staff dealing with succession-related issues totaled 1,023 as of March 31, 2023, and plans call for the additional allocation of around 70 employees to this area over the course of three years of the new MMP. In these and other ways, we are continuously allocating our management resources to business and asset succession to take advantage of the major growth potential of these operations. In FY2022, succession-related income amounted to ¥25.0 billion, an increase of ¥4.7 billion compared with FY2019. In FY2025, this income is expected to grow to ¥33.0 billion, an additional increase of ¥8.0 billion.

Our succession-related businesses help resolve structural issues arising from the aging of SME business owners through the provision of solutions designed to support the smooth transition of businesses and assets. Furthermore, these operations enable the Resona Group to secure lasting, wide-ranging and in-depth transactional relationships with customers, including their successors, in a way that transcends generations.

Act as a "running partner" for as many customers as possible by further enhancing our portfolio of specialist human resources

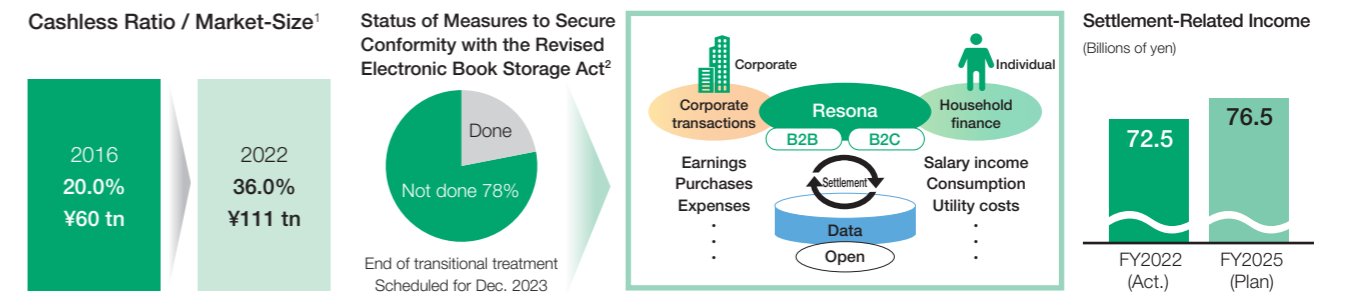


Continue to act as a "running partner" for customers to enable them to better navigate business activities/life events after succession

¹ The Comprehensive Package of Measures for Supporting SMEs in Business Succession to Third Parties formulated by the Small and Medium Enterprise Agency
² Nationwide Trend Survey of the Ratio of Corporations Lacking Successors by TEIKOKU DATABANK (2022)

Cashless and DX Solution

Offer Convenience for Household Finance and Corporate Transactions



The domestic cashless market is expanding at an ever-faster pace in the aftermath of the COVID-19 pandemic. At the same time, there is a growing need for digital transformation (DX) solutions that will update the mode of business-to-business (B2B) settlement and secure conformity with, for example, the revised Electronic Book Storage Act.

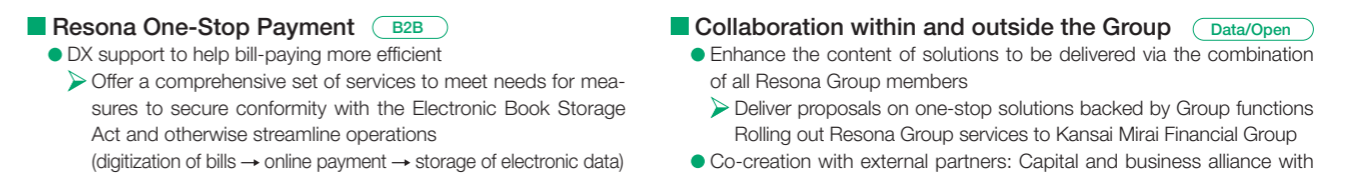
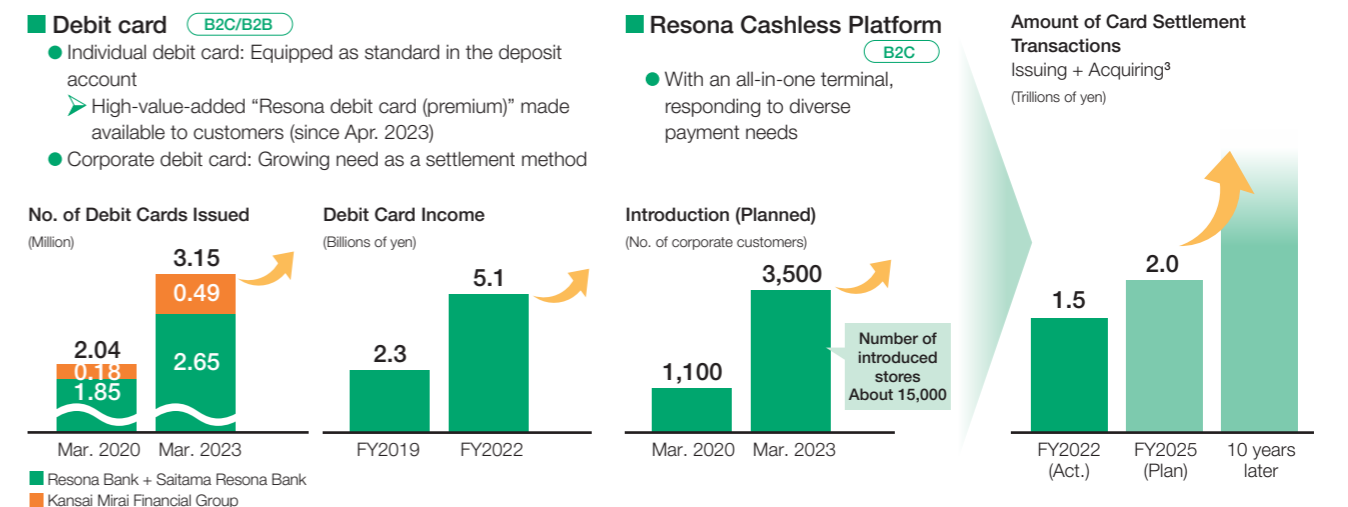
The Resona Group aims to accommodate needs for cashless and digitized solutions for use in diverse settlement processes for both individual household finance and corporate transactions. To this end, we deliver a variety of products and services while constantly enhancing contact points with customers, with the aim of delivering even better customer experience.

The use of debit cards, which are standard with individual deposit accounts, has gained significant popularity, with income from debit cards growing over the course of the previous MMP period from ¥2.3 billion in FY2019 to ¥5.1 billion in FY2022.

Having embarked on the new MMP period, we expect this income to grow further via the release of "Resona debit card (premium)" for individual customers and the enhancement of services for corporate customers. Moreover, we plan to raise the value of card settlement transactions which include transactions to be acquired by the Resona Cashless Platform (RCP), which provides retailers and other businesses with business-to-consumer (B2C) settlement solutions, by ¥0.5 trillion from ¥1.5 trillion in FY2022 to ¥2.0 trillion in FY2025.

In addition, we intend to resolve settlement-related issues confronting our customers through the provision of DX assistance that employs Resona One-Stop Payment, a B2B solution for corporate purchasing, etc., the enhancement of solutions backed by diverse functions and networks afforded by all Resona Group companies, and the expansion of co-creation initiatives in tandem with external partners.

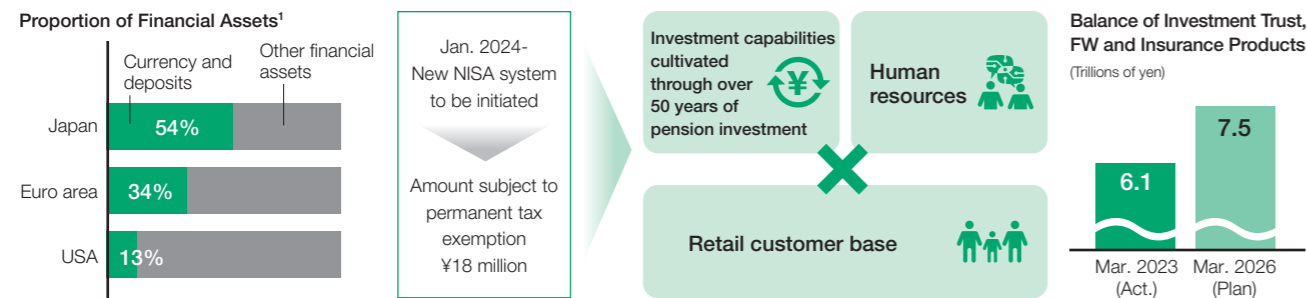
Offer a diverse range of services to meet the need for cashless and digital operations



¹ Ministry of Economy, Trade and Industry. News release dated April 6, 2023
² Research by RAKUS Co., Ltd. (As of Jan. 2023)
³ Including group companies

Asset Formation Support

Help Customers Secure Economic Preparedness in the Coming Era of Centenarians via a Shift from Savings to Investment



The majority of individual financial assets in Japan still comprises cash and deposits. In an era where people are living to 100 years old, supporting a major shift from savings to investment is an integral part of our mission as a financial institution. Moreover, investment needs are expected to grow even stronger in anticipation of the introduction of the New NISA System in January 2024, with a significant expansion to ¥18 million in the amount subject to permanent tax exemption. Meanwhile, we are equipped with a robust retail customer base that has been developed by the Group banks over the course of their long history. With this in mind, we will deliver services backed by the corporate pension asset management know-how we have amassed over more than 50 years to best serve our customers and help them realize their individual desires for asset formation.

As of March 31, 2023, the balance of assets under management in form of investment trusts, the fund wrap (FW) and insurance amounted to ¥6.1 trillion. We plan to raise this balance by ¥1.4 trillion to ¥7.5 trillion by March 31, 2026.

By bringing to bear a combination of our asset management capabilities and leading-edge technologies, we also aim

to blaze a new trail in the field of asset formation.

More specifically, our plans call for newly incorporating an asset formation assistance tool into the Resona Group App. In this way, we will enhance digital-based contact points with customers in all age groups.

Meanwhile, the balance of the fund wrap handled by Group companies and external partners has been growing. In January 2023, the fund wrap was made available via The 77 Bank, Ltd., the third external partner bank that came forward to handle this product. Through the combination of asset management capabilities and technologies, we will aim for significant growth in both the fund wrap balance and the number of customers who use funded investment trusts.

In the field of corporate pension trusts, we will leverage our strength as a retail commercial bank equipped with full-line trust banking capabilities, which enable us to provide one-stop solutions for issues SMEs are now confronting. In this way, we will conduct meticulous consulting and thereby secure an increase in the balance of pension assets under our administration.

Integrate our asset management capabilities, cultivated through corporate pension fund management, with technologies



One-stop solutions backed by our strength as commercial bank equipped with full-line trust banking capabilities

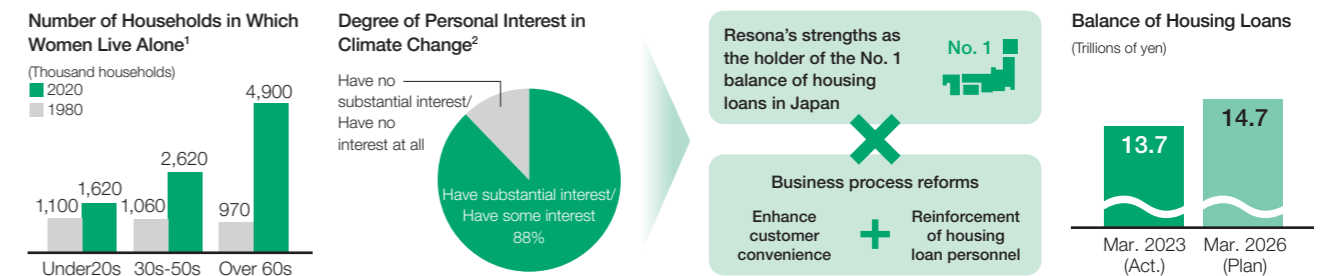


1 Prepared based on "Flow of Funds: Overview of Japan, the United States, and the Euro area" in Aug. 2022, Bank of Japan Research and Statistics Dept.

2 Including corporate FWs and including FW balance in banks other than Group banks

Housing Loans

Deliver Diverse Solutions Aligned with Changes in Customer Behavior



Historically, the Resona Group has been particularly strong in the field of housing loans, boasting the highest housing loan balance in Japan. On the other hand, we have seen the diversification of individual customer lifestyles, with a growing number of customers now developing a personal interest in climate change. Due to these and other factors, the business environment surrounding the loan business is evolving. Amid these circumstances, the Resona Group will align itself to accommodate these changes while taking full advantage of its competitiveness thanks to merits of scale, with the aim of meeting a diverse range of customer needs.

As of March 31, 2023, the balance of residential housing loans stood at ¥13.7 trillion. We plan to raise this balance by ¥1.0 trillion to ¥14.7 trillion by March 31, 2026.

In addition, we are taking on new challenges, such as expanding the volume of end-user transactions via online channels. With the introduction of a new housing loan system scheduled for the first half of FY2023, we expect to secure a framework that will enable customers to complete all housing loan procedures ranging from preliminary applications to the signing of contracts. Furthermore, we are accelerating the pace at which we develop new products and measures that set us apart from other banks by being better tailored to accommodate the diverse lifestyle needs of our customers. These products

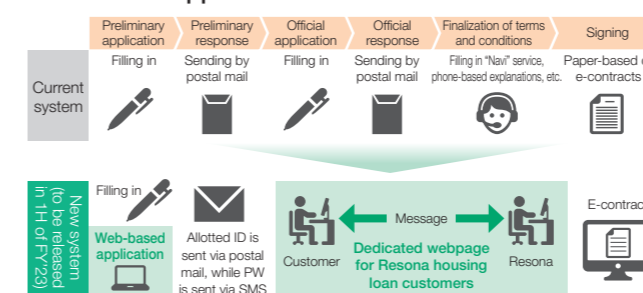
include *Danshin Kakumei* housing loans that cover a wide range of risks related to illness and injuries, housing loans for women and housing loans taken out jointly requiring couples. Furthermore, we updated lending to customers who purchased eco-friendly housing to additionally include "purchasers of low-carbon housing with superior energy-saving performance, etc." into the definitions of borrowers eligible to privileges. Also, the number of customers who prefer loans with ultra-long-term fixed interest rates is now gradually growing on the back of signs of changes in monetary policies. Accordingly, we will robustly accommodate these changes in customer needs. While advancing business process reforms for housing loans, we will pursue improvement in both customer convenience and the efficiency of our banking operations.

Maintaining transactional relationships with customers once we have extended housing loans to them is a long-standing issue. Today, however, we are able to secure bidirectional communications with 90% of such customers through the Resona Group App.

Although our housing loans naturally position us to accumulate a robust volume of transactions with customers, we are convinced that, going forward, we can provide such customers with a greater diversity of solutions on a lifelong basis by meeting their various needs arising from a growing array of life events.

Strengthen our approach in both online and face-to-face channels

Our online approach to end users



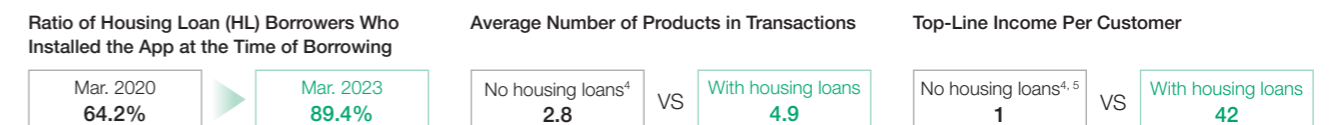
Relationships with real estate companies

- Loan Plaza replacement and personnel reallocation according to market

Products and measures to be released to accommodate customer needs and set us apart from other banks

- *Danshin Kakumei* (Providing coverage for 3 major diseases as well as 16 type of other diseases in addition to injuries and conditions requiring nursing care), Loans for women, Housing loans taken out jointly by couples, A privileged special plan for borrowers who intend to purchase eco-friendly housing³
- Increased sophistication of risk pricing
- Accommodate need for long-term fixed interest rates in light of the interest rate outlook held by customers

Bidirectional communications afforded by Resona Group App ⇒ Deliver solutions aligned with customer life events



1 Prepared based on White Paper on Gender Equality 2022 issued by the Cabinet Office

2 Prepared based on a 2020 opinion poll undertaken by the Cabinet Office regarding climate change

3 ZEH (Net Zero Energy House), certified long-life quality or with solar panels

4 Comparison with potential II and III (as of Mar. 31, 2023, Resona Bank + Saitama Resona Bank + Kansai Mirai Bank)

5 Indexed to average top-line income per client for No housing loans = 1

Financial Digital Platform

Co-Creation through Wide-Ranging External Collaboration That Transcends the Conventional Framework

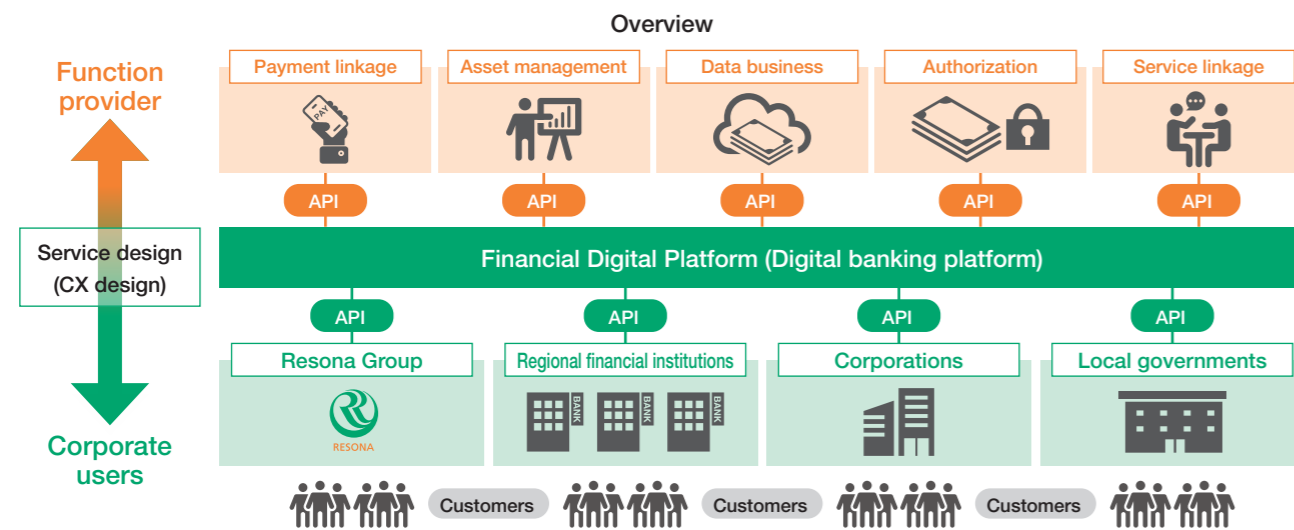
Our financial digital platform (PF) is aimed at developing and expanding an ecosystem in which all PF participants can enjoy win-win relationships through wide-ranging external collaboration that transcends the conventional framework.

For example, “corporate users,” including such participants as regional financial institutions and private business corporations, can easily utilize a variety of functions available on the PF. Currently, our banking app and fund wrap are made available to six partner regional banks (of five corporate groups) and, therefore, can be utilized by their own customers.

Meanwhile, as we act as a “function provider” ourselves, we are now looking into the possibility of new businesses

through co-creation with partners from different sectors. The most recent examples include a capital and business alliance with BrainPad in the field of data utilization, a similar alliance with Digital Garage in the settlement field, and the establishment of a consortium to handle facial recognition-based individual authorization.

Moving forward, we will push ahead with co-creation through external collaboration and expand the scope of alliance partners while enhancing the menu of functions to be offered to participants. In these ways, we will expand the volume of PF-based transactions.



Make diverse functions and services available to as many regional financial institutions as possible irrespective of capital relationships

Current Status of the Menu Delivered

As of Mar. 31, 2023 or FY2022 [vs previous year]

| | Banking App No. of DL | Fund wrap balance ¹ |
|-------------------|-----------------------|--------------------------------|
| Within the Group | 6.52 mil [+1.50 mil] | ¥688.1 bn [¥(27.8) bn] |
| Outside the Group | 1.12 mil [+0.42 mil] | ¥56.1 bn [+¥15.2 bn] |
| Total | 7.65 mil [+1.93 mil] | ¥ 744.2 bn [¥(12.6) bn] |

→ Fund wrap income: ¥9.0 bn [+¥0.8 bn]

Aim for further expansion within and outside the Group

Targets for Mar. 31, 2026

| Banking App No. of DL | Fund wrap balance ¹ |
|-----------------------|--------------------------------|
| 10 mil | ¥1.4 tn |

¹ Based on market value, including corporation

² Resona HD, JCB, Dai Nippon Printing and Panasonic Connect

Look into the possibility of new businesses via co-creation in tandem with partners from different sectors

Examples of New Endeavors Now Being Considered

- Data**
 - **Brain Pad (Capital and business alliance)**
 - Consider developing and delivering new services to regional financial institutions
 - Consider business development involving financial × non-financial functions (advertising, marketing, etc.)
- Settlement**
 - **Digital Garage (Capital and business alliance)**
 - Strengthen collaboration in the settlement field while promoting next-generation fintech business
- Individual authorization**
 - **Multi-channel platform for individual authorization**
 - Four companies² established a consortium
 - 30 participants companies
 - Exchange and discuss among participant companies actual cases of and know-how for the use of the platform
 - Consider providing individual authorization services to partners outside the platform in the future

Inorganic Strategy

Step up Inorganic Investment as We Enter a Phase of Capital Utilization

To date, the Resona Group has promoted inorganic growth strategies on various fronts by, for example, making Kansai Mirai Financial Group (KMFG) a wholly owned subsidiary as part of the pursuit of Group synergies and entering into capital and business alliances with partners related to DX and SX fields under the banner of open innovation.

We consider our transition to a new phase of capital utilization under the new MMP to be a major change in the internal environment. Therefore, the positioning of inorganic strategy is expected to become more important than before.

The formulation of the Resona Group’s inorganic strategy starts with asking ourselves a question of “What value can we offer customers?” and, accordingly, is centered on three perspectives described below.

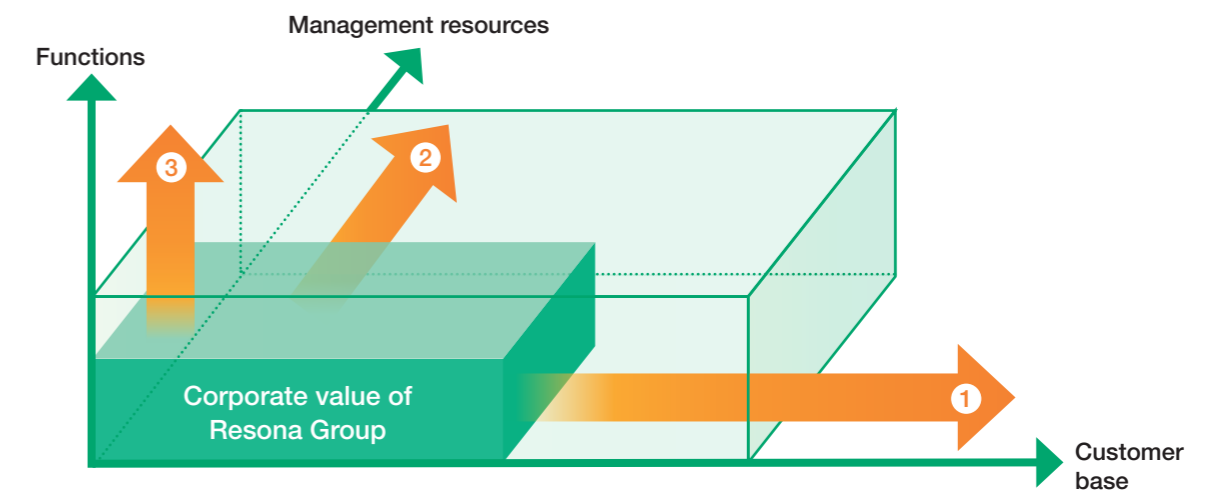
First, we aim to expand our customer base by reaching out

to a growing scope of customers who had never been in contact with Resona.

Second, we strive to secure management resources, including human resources equipped with outstanding professional skills.

Third, we endeavor to acquire new functions, which not only include those having strong affinity with our existing operations but also encompass those transcending the scope of the conventional framework and enabling us to deliver new value to customers and society as a whole.

Based on these perspectives, we will examine a broad range of partner candidates without setting limitations while choosing optimal methods for inorganic growth from options aligned with each deal, from strategic alliance without capital relationships to M&A.



Results for the Previous MMP Period

| Company | Date | Details |
|------------------|-----------|----------------------------------|
| KMFG | Apr. 2021 | Making a wholly owned subsidiary |
| BrainPad | Feb. 2022 | Capital and business alliance |
| Digital Garage | Nov. 2022 | Capital and business alliance |
| Wastebbox | Mar. 2023 | Capital and business alliance |
| Resona Digital I | Jan. 2021 | Raised our equity stake |
| DACS | Jul. 2022 | Raised our equity stake |

Medium-term Management Plan (MMP) – Development of Next-Generation Management Platforms

Human Resources

Human Resource Strategies Aimed at Supporting Our Pursuit of Value Creation as well as Employee Well-Being

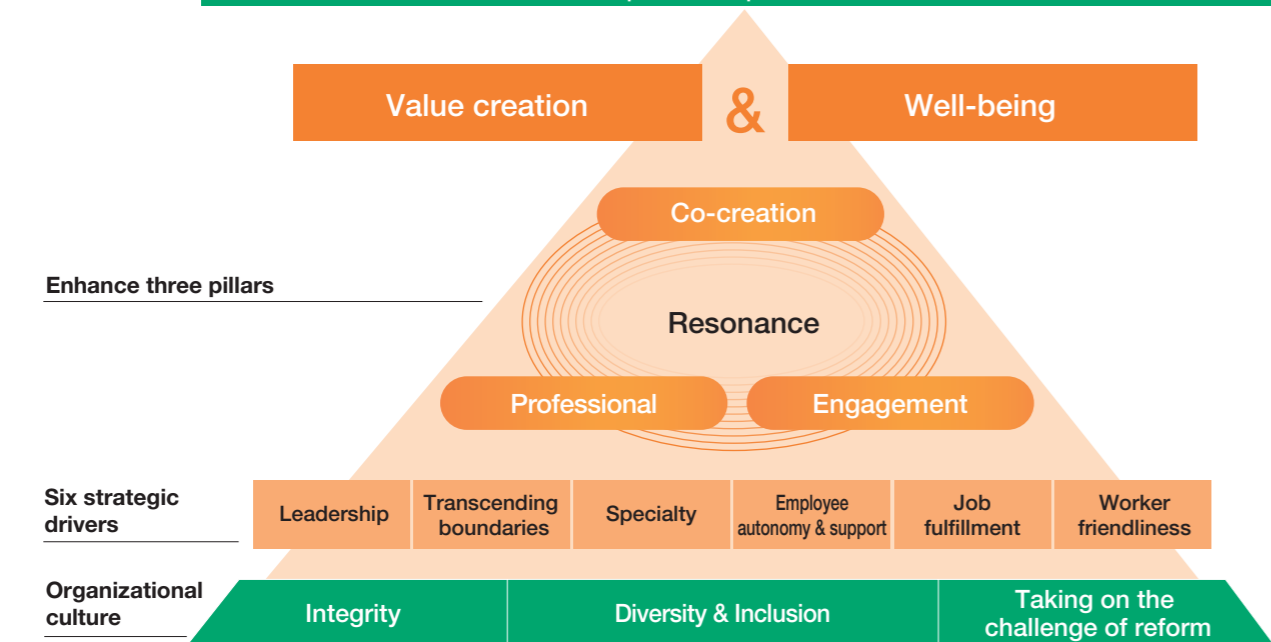
Ever since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration, our human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age, job category, etc. In conjunction with the establishment of the Purpose, we have formulated new human resource strategies to underpin our efforts to embody this Purpose, as well as our Corporate Mission, with the aim of realizing our Long-Term Vision “Retail No. 1.”

These strategies target facilitating (1) resonance between employees and the Company to improve employee engagement, (2) resonance among professionals to create synergies from the combination of their expertise in various fields of specialty and (3) resonance between the Company and external

partners to promote co-creation. With these three types of resonance as pillars of our human resource strategies, we aim to realize a virtuous cycle of promoting value creation and enhancing employee well-being.

The Resona Group’s long-cherished organizational culture values integrity, promotes diversity & inclusion and embraces the challenge of reform. Building on this foundation and taking into consideration the constant evolution of management strategies and people’s perception of work, we have identified the six strategic drivers that will ensure that our culture is always up to date and relevant into the future. These drivers are (1) Leadership, (2) Transcending boundaries, (3) Specialty, (4) Employee autonomy & support, (5) Job fulfillment and (6) Worker friendliness. We have set goals for each of these drivers and are currently promoting initiatives accordingly.

Overview of Human Resource (HR) Strategies



Goals We Aim to Achieve through the Power of Six Drivers

| Drivers | Goals | Initiatives |
|-----------------------------|--|--|
| Leadership | <ul style="list-style-type: none"> Push ahead further with D&I to promote co-creation involving diverse human resources within and outside the Group Nurture and secure leaders with diverse value systems and experience | <ul style="list-style-type: none"> Assistance programs aimed at empowering women Step up the hiring of mid-career employees Job rank-based training for selected candidates <p>p. 68</p> |
| Transcending boundaries | <ul style="list-style-type: none"> Facilitate career building and networking that transcends organizational boundaries to help individual employees achieve personal growth and to enhance teamwork capabilities Empower employees to attain further growth in a way that goes beyond finance by allowing them to spontaneously gain experience in working with partners from different cultures | <ul style="list-style-type: none"> Dispatch employees to external training or second them to external entities Employee secondment among Group companies Alumni and referral recruitment <p>p. 68</p> |
| Specialty | <ul style="list-style-type: none"> Enable all employees to develop as professional human resources¹ Enhance our solution capabilities through collaboration and coordination among human resources equipped with strengths in various fields of specialty | <ul style="list-style-type: none"> Multi-path personnel system Step up investment in human resource development Enhance the content of support programs for those seeking to acquire skill certification <p>p. 69</p> |
| Employee autonomy & support | <ul style="list-style-type: none"> Foster an organizational culture that encourages individuals who spontaneously think, learn and take on challenges Secure growth for both the Company and employees by providing an environment supportive of those pursuing personal growth and offering career development opportunities | <ul style="list-style-type: none"> In-house job-posting system Comprehensive career support system Introduce LMS and TMS² <p>p. 70</p> |
| Job fulfillment | <ul style="list-style-type: none"> Ensure that all Group workplaces allow employees to work with confidence and able to express what makes them unique Employees are able to understand the significance of their jobs in terms of contribution to the Company and society as a whole and achieve tangible personal growth and career fulfillment | <ul style="list-style-type: none"> Secure psychological safety Invigorate communications (via one-on-one meetings, etc.) Improve wages <p>p. 71</p> |
| Worker friendliness | <ul style="list-style-type: none"> Enable each employee to strike a work-life balance At the Resona Group, each employee is assured of a workplace that will support their emotional and physical health over the long term | <ul style="list-style-type: none"> Work style reforms Help employees engaging in child rearing or nursing care as well as those battling diseases, etc., strike a balance between work and private lives Health management <p>p. 72</p> |

Indicators and Targets³

| Drivers | Non-financial targets | FY2021 | FY2022 | Targets | | Strengthening three pillars | Value creation |
|-----------------------------|---|--------|--------|---------|--------|---|----------------|
| | | | | FY2025 | FY2030 | | |
| Leadership | ▶ Ratio of female line managers | 30.5% | 31.4% | 33% | 40% | Co-creation Professional Engagement | Well-being |
| | ▶ Ratio of mid-career employees to the overall number of managers | 9.5% | 10.2% | 13% | 18% | | |
| Transcending boundaries | ▶ Ratio of mid-career employees to the number of newly appointed senior managers, including those from different sectors ⁴ | 32% | 42% | 60% | 100% | | |
| Specialty | ▶ No. of human resources with highly specialized expertise ⁵ | 2,438 | 2,481 | 2,650 | 3,000 | | |
| Employee autonomy & support | ▶ Cumulative total number of individuals selected via in-house job postings (FY2021 – FY2030) | 366 | 684 | 1,750 | 4,000 | | |
| Job fulfillment | ▶ Ratio of positive responses in employee awareness surveys | 68% | 66% | ↗ | ↗ | | |
| | (i) A sense of fulfillment in work (ii) Openness of workplace communications | 79% | 79% | | | | |
| Worker friendliness | ▶ Ratio of annual paid leave utilized | 76.4% | 77.6% | 85% | 88% | | |

1 Individuals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing customer happiness
 2 LMS: Learning Management System; TMS: Talent Management System
 3 Of companies in the scope of consolidation, applicable to Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

4 Individuals in overseas assignments or dispatched or seconded to external entities
 5 Number of individuals with high-ranking certification acquired via in-house specialist training courses or similar certification

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

Human Resource Strategies (Six Drivers)

Leadership: Nurturing Diverse Leaders

We are striving to secure a diverse portfolio of human resources who can serve as leaders and, to this end, nurturing candidates with varying attributes in terms of, for example, gender, experience and age. These endeavors are aimed at facilitating a greater degree of entrenchment of diversity & inclusion (D&I) in our workforce and promoting the co-creation of value among diverse human resources from within and outside the Group.

Specifically, we provide job rank-based training programs designed to help employees enhance their management and leadership skills as well as similar programs for selected candidates. We also enable employees to work in tandem or interact with those with different cultures through secondment and external training. Moreover, we conduct 360-degree feedback sessions that provide multifaceted assessments aimed at improving employees' self-awareness and updating their perception of their duties. In these ways, we offer a diverse range of training opportunities in a way that gives due consideration to each employee's competencies and aptitudes.

Also, as part of efforts to secure specialist human resources and promote D&I, we are focusing on recruiting mid-career hires. As a result, we have seen a steady increase in the number of mid-career hires who leverage their skills and experience accumulated at external corporations to play active roles as managers. Going forward, we will strive to empower these human resources to find even greater success at the Resona Group by upgrading the content of onboarding programs and otherwise developing an environment that allows them to assume leadership roles.

In addition, our targets for the development and promotion of female leaders are included in our Long-Term Sustainability Indicators. We consider women's empowerment a matter of particular importance and therefore provide female workers with ongoing career development assistance.

Our specific initiatives to this end include a mentoring system

through which female employees who have been newly appointed as senior managers are given appropriate support touching on aspects of their duties and emotional health. We also offer leadership training to foster our female employees' career awareness. Furthermore, we introduced a trainee system designed to prepare them for the challenge of handling unfamiliar operations.

Meanwhile, the "Resona Women's Council," has been active since 2005 as an advisory body operating directly under management. This council consists of female employees chosen from business units across the Group. Each of the council's members has taken the lead in developing workplace environments, assisting women's career development and otherwise proposing a variety of measures. The council is now considered a symbol of women's empowerment at Resona Group. (▶ p. 51)

Results of and Plan for the Recruitment of Mid-Career Hires

| FY2020 | FY2021 | FY2022 | FY2023 (Plan) |
|------------|------------|-------------|---------------|
| 30 persons | 72 persons | 135 persons | 360 persons |



Transcending Boundaries: Familiarizing Employees with Diverse Value Systems and Developing Interpersonal Networks

We aim to enable employees to acquire fresh perspectives and expand their openness to different cultures while helping them develop diverse interpersonal networks that promote co-creation. Accordingly, we offer them opportunities to gain experience that transcends boundaries of the business units they belong to and interact with peers within and outside the Group.

For example, we implement secondment programs that place employees at external corporations and government agencies or enroll them in university graduate schools in addition to conducting co-creation activities involving collaboration between Resona Group employees and human resources from different sectors to help them gain experience in the development of new businesses. When determining where we will send an employee, we take into account that employee's competencies and aptitudes. In addition, as part of efforts to assist employees in their pursuit of self-motivated learning, we introduced an in-house posting program that sends employees to external business schools. These and other programs are intended to offer opportunities for employees to autonomously interact with people from external corporations.

Furthermore, a growing number of Group employees are now seconded to Group companies other than those they initially joined. Through the robust exchange of human resources, we are giving employees opportunities to gain new experience and achieve personal growth even as we strengthen the integrated management of the Group.

In summary, we encourage employees to proactively take on new challenges outside the Group to help them achieve professional growth that goes beyond the framework of finance. In addition to enabling them to gain new experience and interact with an even more diverse range of external human resources, we are currently planning to introduce measures to facilitate the in-house sharing of such employees' takeaways from participation in boundary-transcending activities via roundtable talk events attended by individuals who can serve as role models and otherwise expand the scope of our initiatives in this area.



Specialty: Nurturing and Securing Professional Human Resources Capable of Addressing Diverse Issues

The Resona Group is striving to enable all employees to become professional human resources, namely, individuals equipped with strong specialist skills enabling the resolution of diverse issues customers are confronting and with a personal dedication to enhancing customer happiness. To that end, we maintain a multi-path personnel system consisting of 20 distinct career courses and have established training systems aligned with each course to help employees enhance their strengths in their fields of specialty via On-the-Job (OJT) training and other in-house and external training programs. These initiatives are annually reviewed and updated to ensure that they dovetail with our management strategies and other initiatives to address organizational issues.

In addition, we assist employees in their efforts to acquire certification, especially that recommended to employees in light of skills expected of them due to their chosen career course. In FY2022, we expanded the scope of such assistance available to employees in order to support their pursuit of further professional growth.

Also, as we aim to help them acquire necessary skills to

align their mode of operations with changes of the time, we implement various initiatives to support reskilling. Currently, we strive to enable employees to obtain DX, SX and AML knowledge as well as to raise their practical capabilities to handle these matters. At the same time, we provide them with learning and training content on liberal arts.

We believe that genuine professionals need to have not only business knowledge and skills but also the ability to build relationships of trust with customers, deeply understand the issues they are confronting and propose solutions to such issues. Based on this belief, we offer a program that involves in-house posting and that provides selected employees with a broad range of cultural literacy education. In these and other ways, we strive to help employees raise their social skills.

Along with the initiatives described above, we have been expanding the number of mid-career hires as well as new graduates earmarked for specific specialist courses, with the aim of raising the proportion of these specialist human resources to 30% of overall hiring. By doing so, we aim to secure a diverse range of human resources even from the hiring stage.

20 Courses Offered Under the Multi-Path Personnel System

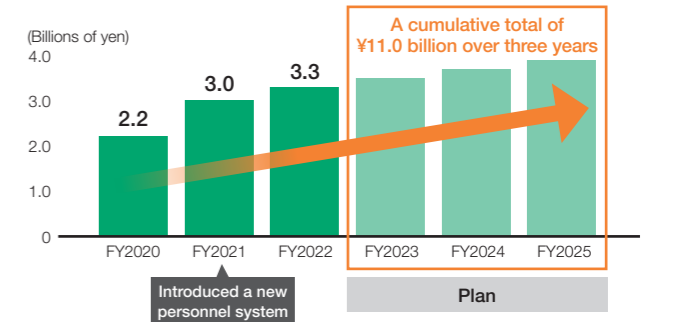
Established a Structure Encompassing 20 Career Courses to Empower All Employees to Develop as Professionals

| | | | | | | | |
|-------------------------------------|---------------------|------------------------|-----------------------|----------------------------|--------------------------|---------------|-------------------|
| Client relations/ Lending and FX | Services | Business turnaround | Private banking | Corporate solutions | Management consulting | Real estate | Trust/ Pension |
| Corporate planning | Asset management | Markets | Risk management | Finance | Data scientist | DX specialist | IT specialist |
| Facility management | Legal affairs | Audit | AML/CFT specialist | ← Applied since April 2023 | | | |

Stepping up Investment in Human Resource Development

We are stepping up investment in human resource development from the perspectives of supporting value creation and enhancing employee well-being. This investment includes that aimed at empowering employees to develop as professional human resources via, for example, the expansion of the content of learning programs involving boundary-transcending activities, the proactive utilization of external insights, the enhancement of career development support extended to individuals who take on the challenge of pursuing self-determined career goals, personal growth and career fulfillment. Looking ahead, we will strengthen investment in human resource development to enhance the corporate value of the Resona Group.

Funds Invested in Education and Training



Note: Figures show the sum of actual investment and opportunity costs (personnel expenses incurred in connection with hours spent on education or training); total of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

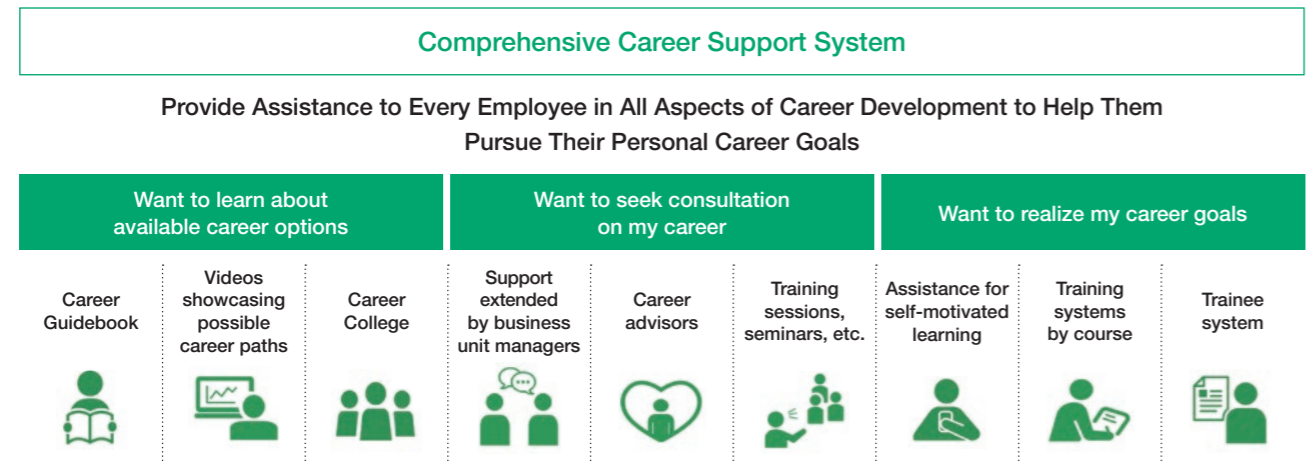
Employee Autonomy & Support: Assisting Every Employee in Their Autonomous Pursuit of Career Development

To encourage employees to autonomously pursue career development, we instituted a comprehensive career support system in conjunction with the 2021 introduction of the multi-path personnel system. This career support system aims to help employees navigate through various career development processes (learning about available career options, seeking consultation on career development and taking action to realize career goals). To accommodate the needs of those who want to learn about available career options, we host biannual Career College programs. As part of each round of these programs, roundtable talk events and workshops are held by more than 30 departments, and, over the course of FY2021 and FY2022, a cumulative total of approximately 3,000 employees participated. For those seeking consultation on career development, we provide career design training, while business unit managers and other supervisors stand ready to provide support. In fact, all employees in supervisor positions undergo training to enhance their career counseling capabilities. For employees about to take action to realize their career goals, we have developed career course-based training systems and organized the means of acquiring the necessary skills and certification for each course. Employees engaged in this process are thus able to assess gaps in their current status vis-à-vis

their goals and formulate their own skills development plans that, in turn, are shared with their supervisors and will inform their career development initiatives thereafter. We have also made available tools that support employees' self-motivated learning efforts and have instituted a trainee system. In these and other ways, we assist employees in their autonomous pursuit of personal growth.

In FY2021, we renovated our in-house job-posting system and updated it to create a Career Challenge System through which employees can apply for transfer to their desired career courses. Thus, in addition to extending career development assistance through the aforementioned comprehensive career support system, we offer abundant opportunities to pursue autonomous personal growth as well as diverse career options in order to provide employees with an environment in which they can spontaneously take on the challenge of career development.

Empowering every employee to pursue autonomous career development and work with a sense of fulfillment is key to securing sustainable improvement in corporate value. We will continue to enhance the content of the career development assistance available, provide even more abundant opportunities to take on new challenges and otherwise step up efforts to empower our employees to realize their own career visions.



| An In-House Job-Posting System to Support Autonomous Career Development | |
|---|--|
| Career Challenge System | This system allows each employee to spontaneously apply for transfer between each career course, with the aim of supporting their autonomous career choices. |
| Trainee System | This system provides applicants with opportunities to receive about three to 12 months of on-the-job training in line with their desired career courses, thereby helping them acquire necessary professional skills. |
| Post-Challenge System | This system proactively offers career advancement opportunities to ambitious individuals by assisting them in the pursuit of graduate school education aimed at acquiring an MBA, promoting them to managerial positions, entrusting them with the launch of new projects and allowing them to apply for specific positions. |
| Free Agent (FA) System | Under this system, individuals whose performance is outstanding or who have otherwise earned high evaluations are given the opportunity to request a transfer to their desired type of assignment or department, with the aim of helping them achieve career fulfillment. |

Job Fulfillment: Securing an Open-Minded Workplace Environment That Allows Employees to Thrive in Their Jobs while Discovering a Sense of Fulfillment

Enabling Each Employee to Spontaneously Choose from among Career Options and Take on the Challenge of Career Development

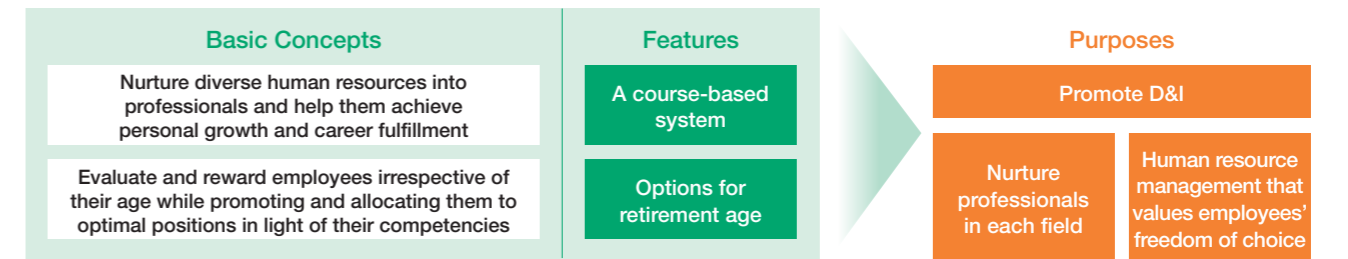
The business environment surrounding banks is expected to evolve radically going forward. Cognizant of this, the Resona Group revised its human resource system in April 2021 in line with its aim of securing an environment in which all employees are empowered to realize their full potential irrespective of their gender, age, job category or other attributes. This revision was also intended to develop a system designed to enable each employee to develop as a professional.

As a result, a multi-path personnel system has been instituted, with 20 career courses now available to employees to promote the transition to a human resource portfolio with a greater focus on securing diverse workers boasting strengths in their areas of specialty. At the same time, we are encouraging employees to take on the challenge of career development in a way that leverages their unique strengths, to this end enabling them to make spontaneous choices regarding career options. Moreover, a number of the individuals recruited as mid-career hires and new graduates are earmarked for specific career courses. In this way, we strive to develop an environment in which individuals can fully

leverage their competencies and strengths in their areas of specialty and earn success in their chosen business fields.

Furthermore, we are providing employees with options regarding retirement age, which can range between 60 and 65, and have made available a “senior smart employee” system that allows individuals in this age group to cut back on their working hours and days. By doing so, we ensure that each employee can spontaneously select their work style in their 60s. In October 2019, we also decided to allow those past retirement age to continue working until they are 70. We are thus striving to empower employees to remain active members of the workforce over the long term.

In addition to offering equal opportunities for employees regardless of gender, age, job category, etc., the revised human resource system is aimed at better positioning our diverse human resources to pursue business success. This is one way the Resona Group promotes D&I and enhances its corporate value via the incorporation of diverse thoughts and ideas while ensuring that individual employees find their jobs rewarding.



Developing a Workplace Environment That Respects Diversity and Ensures a Robust Sense of Psychological Safety

To ensure a diverse workforce of active and engaged employees, it is essential to develop a workplace environment in which they respect each other's diversity even as they feel a robust sense of psychological safety. Such an environment will, in

turn, enhance organizational resilience, facilitate vigorous discussion and create a culture supportive of individuals taking on challenges, thereby improving corporate value.

Advocating for the Understanding of Diversity and Respect for Human Rights

Every year, we implement various training programs for all employees to facilitate mutual understanding among employees and create an open-minded workplace environment. In FY2022, these programs were focused on countering unconscious biases and ensuring respect for human rights, with heads of each workplace unit serving as lecturers to help

employees gain a deeper understanding of these topics.

We also provide all employees with annual e-learning program aimed at preventing the occurrence of sexual harassment and power harassment and teaching how, if such an incident were to emerge, to correctly handle the situation before it escalates and provide remedy for the victim.

Inigorating Communications

We introduced one-on-one meetings to create an open-minded workplace through the further invigoration of communication between managers and their staff and to assist the latter in their autonomous pursuit of personal growth.

In FY2022, we also provided training for managers looking to enhance the quality of one-on-one meetings as well as improve employee engagement among their staff and better motivate them to pursue personal growth. Furthermore, since 2003 we have hosted town hall meetings in which employees and members of top management exchange opinions. These

meetings provide opportunities to ensure that employees and top management share the same vector while encouraging the former to develop a sense of ownership regarding business management and otherwise acquire new perspectives.

Meanwhile, Kansai Mirai Financial Group (KMFG) introduced the new communication tool “Mechal!” in April 2023 as part of its efforts to create an organizational culture that encourages employees to commend one another and to foster an atmosphere that ensures psychological safety.

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

Worker Friendliness: Developing an Environment in Which Employees Can Work with Confidence and Strike a Work-Life Balance while Promoting Health Management

As part of efforts to create an environment in which employees can work with confidence, we are providing them with diverse work style options aligned with their lifestyles and life stages

while promoting initiatives to help them improve their emotional and physical health.

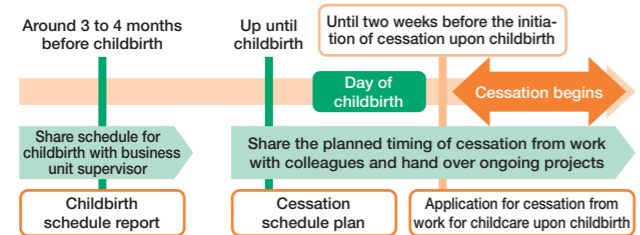
Helping Employees Strike a Balance between Work and Family Duties

To develop an environment supportive of employees striving to strike a balance between work and child rearing, we maintain childcare-related leave programs while enabling eligible employees to opt for cessation from work or to shorten their working hours for child rearing. At the same time, to aid in the smooth reinstatement into the workforce of employees returning from childcare leave we have introduced a program that includes various seminars. Also, in FY2022 we introduced a childbirth support programs to help employees undergoing infertility treatment strike a balance between work and treatment. Simultaneously, we established a postnatal paternity childcare leave system to step up our efforts to encourage male employees to play a greater role in child rearing.

In addition to designating the first 14 days of postnatal

paternity childcare leave as paid leave, we formulated a “cessation schedule plan” document format designed to lay out the timing of relevant leave and the content of tasks to be handed over to other employees. Through the use of this format, employees who are about to take paternity leave are able to share these details with their immediate supervisors. The format also serves as a helpful guide when discussing the respective roles they will take regarding child rearing and homemaking with their spouses. Today, the ratio of eligible male employees who have opted for cessation from work for child rearing rose to 98.2% as a result of our efforts to develop an environment that makes it easier to choose this option and to raise employee awareness regarding the importance of a balance between work and child rearing.

Flow of Cessation from Work for Childcare upon Childbirth



Male Employees' Status of Childcare-Related Leave

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|-------|-------|
| Ratio of male employees taking spousal paternity leave | 100% | 100% | 100% | 100% | 100% | 100% |
| Ratio of male employees taking childcare leave | — | — | — | — | 80.3% | 98.2% |

Work Style Reform Initiatives

With the aim of securing a broad range of options that meet the needs of employees for optimal work-life balance, the Resona Group maintains smart employee positions. Smart employee positions allow employees to cut back on working hours or limit the scope of their assigned tasks while ensuring long-term employment comparable to that offered with full-time positions. Currently, the Company's smart employee roster comprises individuals who have transitioned from full-time positions due to their need to engage in childrearing or nursing

care along with those who have been promoted from partner employee positions.

Moreover, we promote flexible work styles in terms of when and where employees work, for example, by allowing them to work remotely or utilize satellite offices as well as to, under certain circumstances, opt to work under a discretionary labor or flextime system. Along with encouraging the utilization of annual paid leave, we are thus striving to help employees improve their work-life balance and raise productivity.

Health Management

The Resona Group has established the Health Management Policy, which informs initiatives aimed at helping employees maintain and improve their emotional and physical health and at creating a comfortable and hygienic workplace environment. In addition to appointing industrial physicians, we assign staff specializing in industrial health and tasked with patrolling and visiting each department and branch to provide health guidance, confirm the status of workplace environments and, if necessary, give instruction on addressing shortfalls. Such personnel work in collaboration with health supervisors at each department and branch to improve the working environment

and make it even more employee friendly.

With regard to health checkups, we not only implement legally mandated periodic checkups but also provide comprehensive medical checkups at Company-designated healthcare facilities to employees in their 35th year and, in years when their age is an even number, to those over 40. Moreover, we conduct stress checks, host various mental health-related seminars and otherwise support employees' health management efforts.

In addition, from April 2020, a smoking ban has been enforced during working hours to encourage all employees to strive to improve their health.

Supporting Employees' Financial Wellness

We also aim to help employees resolve anxieties regarding their finances and livelihoods and ensure an environment in which they can work at the Resona Group over the long term with confidence, believing that doing so will contribute to both their well-being and higher productivity. Based on this belief, we have introduced systems to support their asset formation efforts and encourage them to appropriately utilize such systems, empowering them to gain robust financial literacy and otherwise supporting their asset management efforts.

| | |
|--------------------------------------|--|
| Asset formation support | Pension (corporate DB/DC + matching contribution) Employees shareholding association (ESOP trust and subsidies) Asset formation savings |
| Asset management support (education) | Implement sessions on various asset formation support measures as part of new recruit training Implement annual investment education for all employees (e-learning) |

Note: Other measures include providing loan conversion assistance to help employees secure financial stability as well as making various welfare programs available to them in step with life events

Resona's Human Resources Working in Various Fields

In-house job posting X Specialty

- Introduced a human resource system with a multi-path structure focused on securing a pool of diverse employees with specialist strengths and launched the Career Challenge System, which is built on an in-house job-posting system via the incorporation of in-house internship options in Apr. 2021
- ✓ Approx. 190 individuals were assigned to their desired positions (Cumulative total from FY2021 to FY2022)



Ryo Ogura
Manager, Structured Finance Office

- Selected via in-house job posting under the first round of Career Challenge and assigned to the “real estate specialist course” as an intern
- Having gained experience in real estate financing, he is now tasked with taking a key role in the Structured Finance Office, a business unit established in 2022 after reorganization

In-house job posting X Transcending boundaries

- Further accelerate human resource exchanges aimed at pursuing Group synergies after making KMFG a wholly owned subsidiary in Apr. 2021
- ✓ No. of employees seconded to Group companies as of Mar. 31, 2023 (e.g., from KMFG to Resona Bank): Approx. 650 (Up approx. 500 compared to Mar. 31, 2020)



Maiko Sakaguchi
Manager, Private Banking Office

- Applied and selected for transfer from Minato Bank to Resona Bank business unit handling succession business in 2021, thereby becoming a member of the Private Banking Office via intragroup secondment
- In 2022, while assigned to said office, she was promoted to a managerial position

Alumni recruitment X Leadership

- Established separate hiring systems for alumni recruitment and referral recruitment in 2020, which previously had not been clearly distinguished between
- ✓ Proactively approach ex-employees who have built successful careers at other companies or other human resources with personal connections to acting employees



Shoichiro Futaba
General manager, Omiya-nishi Branch

- Joined the Resona Group as a new graduate in 1994
- Left the Group in 2001 to launch his own company
- Rehired by the Group under alumni recruitment in 2005
- Since then, has tackled an array of frontline tasks at branches by taking full advantage of his management capabilities backed by robust external experience

Mid-career recruitment X Specialty

- Reviewed our recruitment portfolio in conjunction with the revision of the human resource system; raised the proportion of mid-career hires and new graduates earmarked for specific specialist courses to 30% of overall hiring
- ✓ Results of mid-career recruitment (No. of personnel): 23 in FY2019 → 135 in FY2022 → 360 in FY2025 (plan)



Toshiyuki Shimizu
Chief Manager,
DX Planning Department

- Joined the Resona Group in 2021 as a mid-career hire after gaining experience in the credit card industry
- Amassed an extensive track record in cashless transaction-related and other initiatives by leveraging sophisticated expertise and industry networks
- Promoted to a senior management position (chief manager) in 2023

Transition to a full-time position X Leadership

- Began practicing diversity management as part of human resource management ahead of other banks since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration
- ✓ No. of individuals transitioned from non-full-time to full-time positions: Approx. 70 per year (results) → Approx. 100 per year (FY2025 plan)



Masayo Hiki
Operation and Administration Officer,
Tanashi Branch

- Joined the Resona Group as a partner employee in 2004
- Transitioned to a full-time employee in 2007; gained experience in branch-counter sales and other operations involving direct contact with customers
- Promoted to a senior management position in 2022

Mid-career recruitment X Transcending boundaries

- Develop multiple new businesses that transcend the scope of the conventional bank model while utilizing the framework of an “advanced banking service company” under the Banking Act
- ✓ Established Regional Design Laboratory of Saitama in 2021, commercializing our endeavors to resolve region-specific issues



Teppei Oyama
Advisor, Regional Design
Laboratory of Saitama

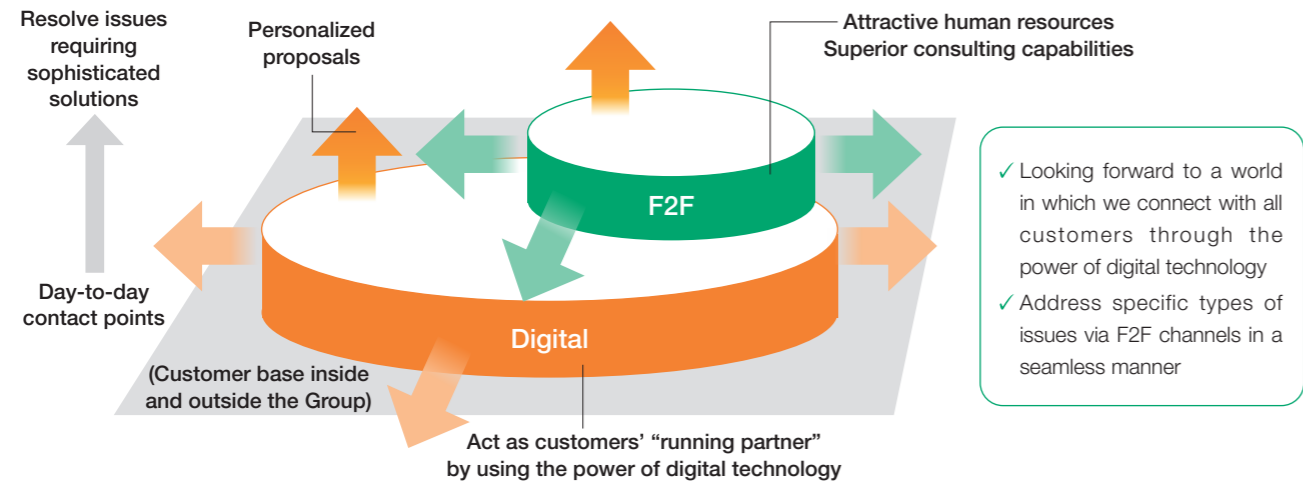
- Experienced the planning of new businesses, etc., at a major trust bank
- Joined the Resona Group in 2022 as a mid-career hire and is currently playing a key role as an advisor for the sale department of Regional Design Laboratory of Saitama

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

Integration of Real and Digital Channels

Deliver New Value via the Integration of Face-to-Face (F2F) and Digital Channels

Ideals for what we should look like over the medium to long term



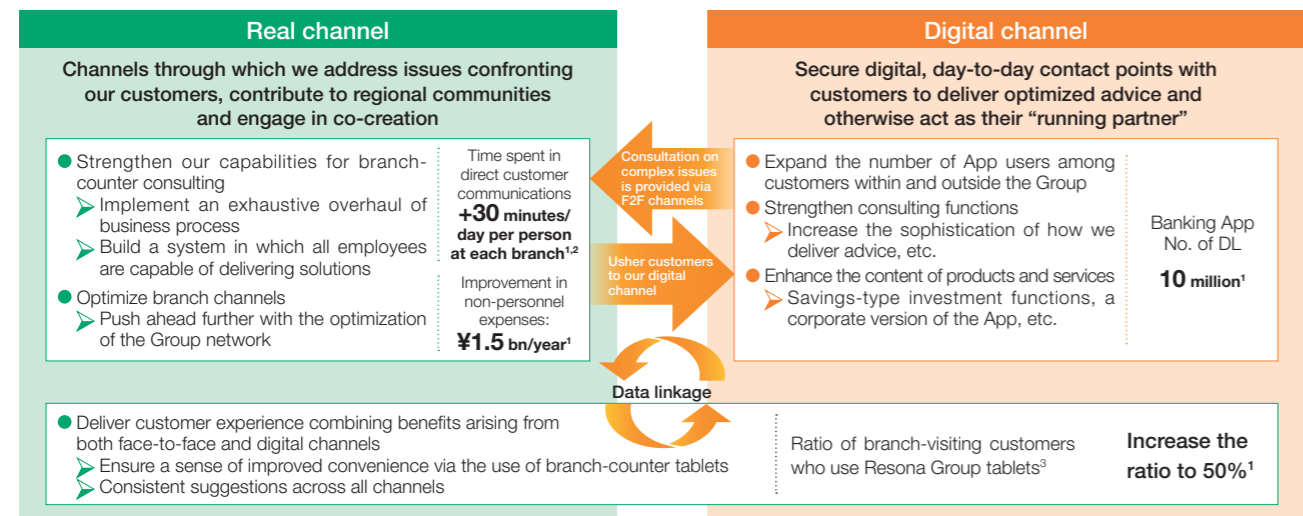
The Resona Group aims to deliver an innovative customer experience through data-driven coordination among and the integration of face-to-face and digital channels. Specifically, we are striving toward securing digital-based connections with all customers in order to accommodate their daily transactional needs while endeavoring to become capable of providing them in-depth, face-to-face consulting whenever they confront issues that require more sophisticated solutions, with our professional human resources equipped with robust specialist expertise engaging in such consulting. These are our ideals for what we should look like over the medium to long term.

With this in mind, we have defined branch counters as channels through which we address issues confronting our customers, contribute to regional communities and engage in co-creation. Based on this definition, our new medium-term management (MMP) initiatives to upgrade face-to-face channels

include overhauling business processes and strengthening our branch-counter consulting capabilities. Through these initiatives, we aim to increase the time spent in direct customer communication by each branch staff member who handles such duties by 30 minutes per day. At the same time, taking full advantage of the power of digital technology, we hope to improve the sense of convenience that customers experience and thus raise the ratio of branch-visiting customers who use Resona Group tablets to 50%.

With regard to digital channels, we will continue striving to expand the number of App users among customers within and outside the Group. To this end, we will increase the sophistication of how we deliver advice and push ahead with the installation of new functions, such as those related to savings-type investment. Through these efforts, we will strive to achieve the milestone of 10 million downloads.

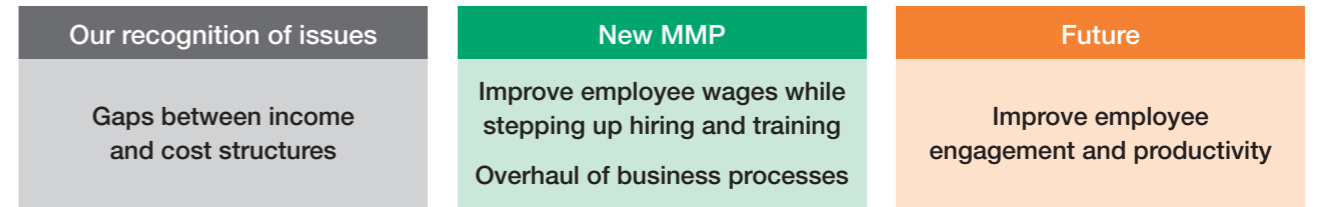
Initiatives to integrate face-to-face and digital channels



1 FY2025 target
2 Enable approximately 5,000 employees charged with branch-counter services to dedicate the time they need to deliver solutions by, for example, consolidating back-office operations; three Group banks (Resona Bank, Saitama Resona Bank and Kansai Mirai Bank)
3 Ratio of branch-counter transactions in which individual customers use Resona Group tablets to overall number of such transactions

Expand Forward-Looking Investment for Sustainable Growth

Greatly Expand Investment in Human Resources and IT



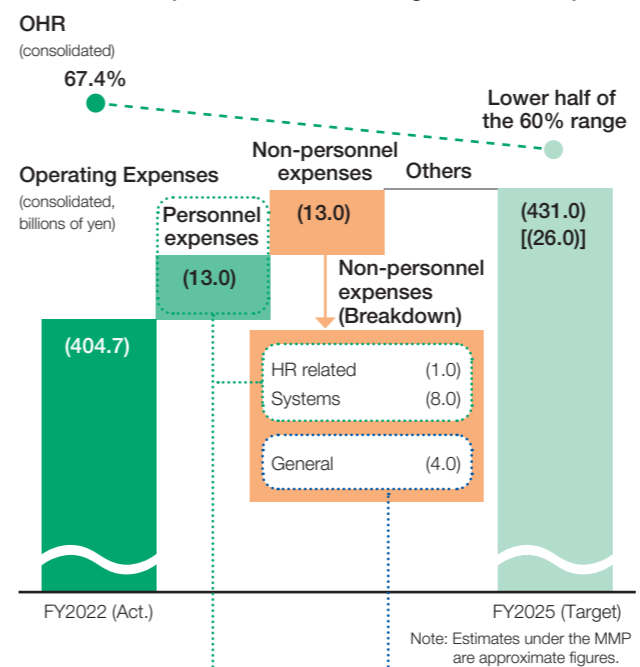
Amid radical changes in the external environment, the Resona Group is currently confronting gaps between its income structure and the operational structure supporting it, the latter of which has long defined its cost structure. We consider these gaps a priority challenge that must be overcome as soon as possible. Accordingly, we intend to further accelerate two initiatives aimed at enhancing employee engagement and productivity under the new MMP to secure foundations for future growth. Specifically, we will (1) improve wages and step up human resource development and recruitment while striving to (2) overhaul business processes. Although these initiatives are expected to result in growth amounting to approximately ¥26.0 billion in strategic costs and other expenses over the next three years, we are convinced that forward-looking investment in the development of human resources and next-generation management platforms is essential to the Group's sustainable growth and, therefore, must be done at this point in time.

With regard to investment in human resources, we are

planning an additional cumulative investment of around ¥33.0 billion over the next three years. As for the total headcount, our plans call for reducing the overall number of employees by approximately 700 via, for example, the streamlining and downsizing of branch-counter clerical operations even as we reinforce staffing in corporate sales, succession, DX and other fields of focus as well as risk governance-related fields. As a result, we will improve wages per employee and step up investment in human resource development while robustly controlling the total headcount.

With regard to IT investment, we have decided to set aside ¥121.0 billion. Under a three-year budget, this amount represents an increase of approximately ¥40.0 billion from ¥83.0 billion set aside under the previous MMP and will be used to underpin expanded investment in the development of lending-, loan-, trust- and pension-related systems as well as in the creation of new businesses and other strategic fields. In these ways, we aim to raise top-line income while advancing structural reforms.

Estimated expenses to be used during the new MMP period



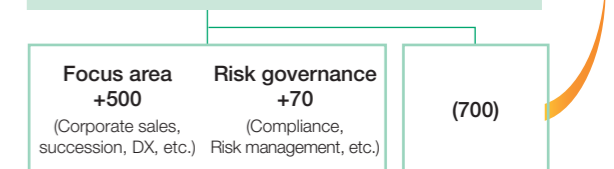
Strategic costs (22.0) and Base costs (4.0).
● Advance the expansion of investment in human resources and IT
● Expect increase due mainly to measures necessary to secure conformity with new legal systems and inflation even as we maintain stringent cost management

Investment in human resources

- +¥33.0 billion (Cumulative total for three years)
- Expand investment in training and improve wages per employee while controlling the total headcount



● Shift human resources to our fields of focus
Streamlining and downsizing (1,270) (Back office, HQ, etc.)



Investment in IT

- +¥40.0 billion (Cumulative total for three years; compared with the previous MMP period)
- Expand strategic investment aimed at enhancing top-line income and supporting structural reforms

Amount of System Investment

| | Previous MMP | New MMP |
|------------------------------------|--------------|---------|
| Cumulative total (billions of yen) | 83.0 | 121.0 |
| General investment | 70.0 | 65.0 |
| Strategic investment | 13.0 | 56.0 |

Corporate Governance

Cutting-Edge Corporate Governance Structure

In 2003, Resona Holdings became the first domestic banking group to adopt the company with a nominating committee system, aiming to secure management soundness and transparency. Upon the transition to the new system, Resona Holdings appointed individuals from outside the Group to the post of Chairman and six outside director seats. This ensured that a sufficient number of highly independent outside directors were assigned membership in the Board of Directors and the three committees (the Nominating, Audit and Compensation committees) so as to constitute a majority in all of these bodies. Since thus renewing its management structure, Resona Holdings has striven to upgrade its governance systems by, for example, promoting young individuals to executive officer positions and introducing a highly transparent and objective framework for the evaluation of director performance based on assessments and interviews conducted by a third-party agency.

In May 2015, the Company formulated the "Basic Corporate Governance Policy," which defines Resona Holdings' fundamental approach to, framework for and practice of corporate governance. This policy stipulates that "The Board of Directors shall consist of directors having diversified and extensive knowledge" and that "in principle, highly independent outside directors shall constitute a majority of the Board." With regard to the Nominating and Compensation committees, the policy mandates that these bodies shall consist of, in principle, highly independent outside directors and be

chaired by outside directors. Similarly, the policy requires outside directors to constitute the majority of the Audit Committee, which, in principle, shall be chaired by an outside director.

Of the 12 directors currently constituting the Board of Directors, eight are independent outside directors, who together account for the majority and possess extensive knowledge and/or experience in corporate management. The Resona Group aims to avoid making decisions based solely on established norms within the banking industry. Instead, it seeks to incorporate external perspectives and engage in multifaceted discussions to reach the right conclusions through the exchange of a diverse range of opinions. By doing so, the Group strives to achieve sustainable growth and improvement in corporate value.

Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group (KMFG) have similarly secured clear separation between management supervision and business execution by adopting the company with an audit and supervisory committee system. All three of these companies have appointed to their boards multiple qualified individuals as highly independent outside directors.

Not content with establishing the governance systems described above, Resona Holdings strives to enhance its role and functions as a company with a nominating committee, to this end taking advantage of such input as findings from the annual evaluation of the Board of Directors' effectiveness.

Overview of Upgrading of Resona Holdings' Corporate Governance Structure

| 2003-2023 | |
|------------------------------|--|
| Form of governance structure | <ul style="list-style-type: none"> 2003 Became the first in the domestic banking industry to transition to a company with a nominating committee, etc. 2015 Formulated a Basic Corporate Governance Policy |
| Board of Directors | <ul style="list-style-type: none"> 2003 Independent outside directors formed majority in the Board of Directors 2020 Appointed Chairman of the Board of Directors from among non-executive directors 2022 Appointed Chairman of the Board of Directors from among independent outside directors |
| Nominating Committee | <ul style="list-style-type: none"> 2006 Established "Standards for Electing Director Candidates" for the selection of outside director candidates 2007 Introduced a succession plan 2012 Committee members consist solely of independent outside directors |
| Compensation Committee | <ul style="list-style-type: none"> 2004 The directors' retirement benefit system was abolished, and the Board of Directors introduced a performance-based compensation system 2010 Introduced a share-based compensation system 2012 Committee members consist solely of independent outside directors 2017 Introduced Performance Share Units (PSUs) 2020 Introduced a Share Benefit Trust as an incentive for executive officers 2023 Adopted ESG indicators to evaluate executive performance |
| Audit Committee | <ul style="list-style-type: none"> 2016 Established a dual-reporting line system that designates the Audit Committee as the primary body to receive reporting from the internal audit divisions |
| Other | <ul style="list-style-type: none"> 2005 Presidents of Group banks began concurrently serving as executive officers at Resona Holdings 2015 Named a "Winner Company" under the Corporate Governance of the Year program sponsored by the Japan Association of Corporate Directors 2019 Resona Bank and Saitama Resona Bank adopted the company with an audit and supervisory committee system |

Basic Approach to Corporate Governance

Resona Holdings has established the "Basic Corporate Governance Policy" to facilitate the sustained growth and improvement of the corporate value of the Resona Group over the medium and long term.

- The Company, as the holding company of the financial services group, including Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group, shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance

The Company's Corporate Governance System

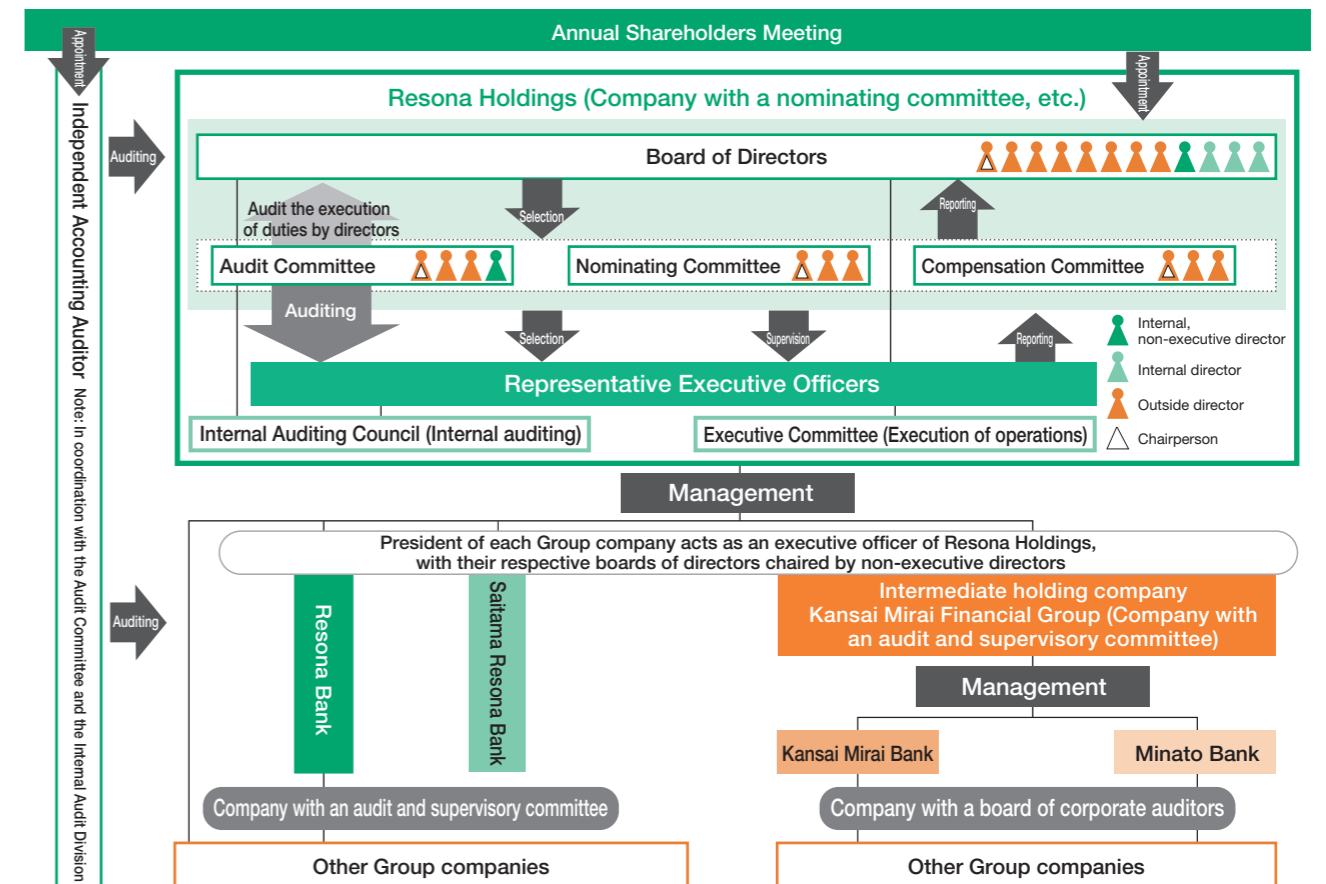
- Based on the aforementioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function and adopt the form of a "company with a nominating committee, etc.," as a corporate governance system because the Company determines that this system can enhance the supervision and decision-making functions of the Board of Directors.

so that the Company can make decisions rapidly and decisively in response to environmental changes, including economic and social changes.

- The Company shall develop a structure to enable the Group to rally its overall capabilities to pursue business operations that embody the Purpose and the Corporate Mission, which together constitute the cornerstone of business management, and realize the Long-Term Vision, which defines ideals regarding what it should look like in the long term.

- The Company shall fully utilize external views in its business management and secure transparency and fairness in management by ensuring the Board of Directors, on which highly independent outside directors constitute a majority, and the three committees (Nominating Committee, Compensation Committee and Audit Committee) fulfill their functions.
- The Company shall ensure the autonomy of its subsidiaries and instruct the subsidiaries to manage their business activities based on the aforementioned basic approach to corporate governance so that the Group will grow together with regional communities.

Group Corporate Governance Framework

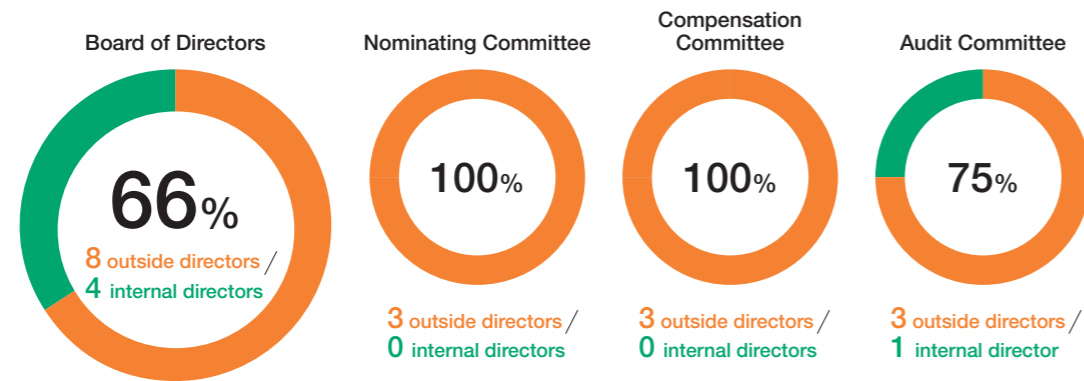


Supervisory Structure

Chairman of the Board and Chairpersons of each committee are appointed from among independent outside directors

| | |
|---|--|
| Board of Directors ◎ Independent outside directors form the majority of the membership ◎ Ratio of female directors 25% ◎ Chairman of the Board Since June 2022, an independent outside director has been serving as Chairman | Nominating Committee ◎ Committee members consist solely of independent outside directors • 2007 Introduced a succession plan Set forth the competencies that define the ideal candidate for the position of director and has since striven to implement the succession plan in an objective manner, drawing on input from external consultants, etc. |
| | Compensation Committee ◎ Committee members consist solely of independent outside directors • 2017 Introduced Performance Share Units (PSUs), a full-fledged share-based compensation plan • 2020 Converted PSUs to a Share Benefit Trust as an incentive for executive officers • 2023 Adopted ESG indicators to evaluate executive performance |
| | Audit Committee ◎ Independent outside directors form the majority of the membership • 2016 Established a dual-reporting line system |

Ratio of Outside Directors



A Glass-Walled Board Room

Resona Holdings boasts a Board of Directors with a majority of outside directors as members and was the first domestic banking group to adopt the company with a nominating committee system. We are striving to upgrade our governance structure to secure management transparency and fairness.

Operations of the Board of Directors

In FY2020, Resona Holdings made it a rule to assign the position of Chairman to an internal director holding no concurrent position as an executive officer of the Company, with the aim of securing even clearer functional separation between management supervision and business execution. Furthermore, since June 2022, an independent outside director has been serving as Chairman.

In addition to directors, Board meetings are attended by the presidents of Resona Bank (RB), Saitama Resona Bank (SR), Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank as observers to ensure the effective management of Group operations, which leads to active discussions at Board meetings.

Also, sufficient time is allocated to question and answer sessions.

In FY2022, the Board of Directors met 16 times, with an average attendance rate among the directors of 97.4%. The average meeting length was one hour and 23 minutes, and the average number of agenda items discussed per meeting amounted to 6.5.

From April 2021 onward, joint explanation meetings have been held prior to each Board of Directors meeting, with representatives from departments in charge of relevant matters directly providing outside directors with briefings on the outline and points of agenda items. These briefings also address questions, opinions, and other feedback gleaned from outside directors in advance, with the aim of helping spur discussion by the Board of Directors.

FY2022 Initiatives

Over the period spanning April to June 2022, the Board of Directors engaged in intensive discussions regarding such subjects as what the Board of Resona Holdings should look like. After the close of the Board of Directors meeting convened on the day of the Ordinary General Meeting of Shareholders in June 2022, the latter meeting approved the new appointment of a Chairman of the Board from among the outside directors. Said individual subsequently began taking the lead in deliberations on various agenda items to ensure that all Board members are aware of issues to be addressed in the course of the Board's operations and on the same page regarding concepts to be applied to this end. Moreover, Board members engaged in free exchanges of opinions

with regard to future policies for the Board's initiatives.

Furthermore, in July 2022 the Board of Directors engaged in an analysis of the Company's competitiveness and assessment of progress under the previous medium-term management plan (MMP), with the formulation of the new MMP being the foremost topic discussed by the Board over the course of FY2022. From October 2022 onward, the Board focused on discussing various business strategies as well as human resource strategies supporting such business strategies, applying a Group-wide, medium- to long-term perspective to ongoing deliberations of key management issues.

In addition, please refer to (▶ p. 52) for the status of the Board's discussions regarding the promotion of sustainability.

Main Initiatives (FY2022)

| | 2022/Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | 2023/Jan. | Feb. | Mar. |
|--|--|--|--|------|---|--|--|--|---|----------------------------|---|---|
| Agenda items (other than those related to financial results) | FY2021 self-evaluation of the Board of Directors' effectiveness | Financial performance trend of other banks | Status of credit risk management | | | Initiatives that take an integrated approach in which KMFG is involved | Issues confronting the market division and responses to said issues | Financial performance trend of other banks | Status of credit risk management | | How the stock price is trending and the status of IR activities | Formulation of the Purpose |
| | | Sustainability-related initiatives | | | | Results of verification of policy-oriented stockholdings | | Status of IT governance initiatives | | | Status of compliance and employee awareness surveys | Formulation of the new MMP |
| | | Issues confronting the market division and responses to said issues | | | | Management status of policy-oriented stockholdings | | Status of risk management and risk countermeasure implementation | | | | Further enhancement of group governance |
| MMP related | | | | | Competitiveness analysis | | Direction of strategies relating to individual customers | Direction of strategies relating to corporate customers | Outline of the next MMP | Direction of DX strategies | Formulation of the next MMP | |
| | | | | | Status of discussions regarding the formulation of the next MMP and the Purpose | | | Direction of private banking operations | Direction of international strategies | | Human resource strategies | |
| Other | Initiatives undertaken by the Kansai Strategy Office (Expo 2025 related) | | What Resona Holdings' Board should look like | | | | Direction of discussions regarding the enhancement of group governance | | | | | |
| Facility tours and networking meetings | | Joint tours of RB's Shinbashi, Toranomon and Akasaka branches attended by RB's outside directors | | | | Networking meetings in which outside directors from RB and SR interacted with each other | | | Joint facility tours attended by KMFG's outside directors | | | |

May 2023 Announcement of the current MMP

Self-Evaluation of the Board of Directors

The Company's Board of Directors conducts an annual analysis and evaluation of its overall effectiveness based on the assessments of individual directors with regard to the operations and functionality of the Board as well as matters discussed at the Board of Directors meetings.

The Board's FY2022 self-evaluation revealed that it has earned high marks with regard to the majority of the items related to its roles and functions. Moreover, the Chairman's handling of discussions was highly appreciated. Accordingly, it was concluded that functions of the Company's Board of Directors remain robust. Looking at areas requiring improvements, the self-evaluation suggested that the Board needs to continuously strive to identify and clarify points up for discussion and thereby better enable its members to engage in in-depth deliberations. It must also work to further invigorate communications among internal and outside directors and between these directors and representatives of divisions in charge of business execution. It was also suggested that in order for the Resona Group to adapt to radical changes in its internal and external environments and sustainably improve its corporate value, the further enhancement of its group governance functions is of importance. In this light, the self-evaluation determined that Resona Holdings' Board of Directors, which plays a

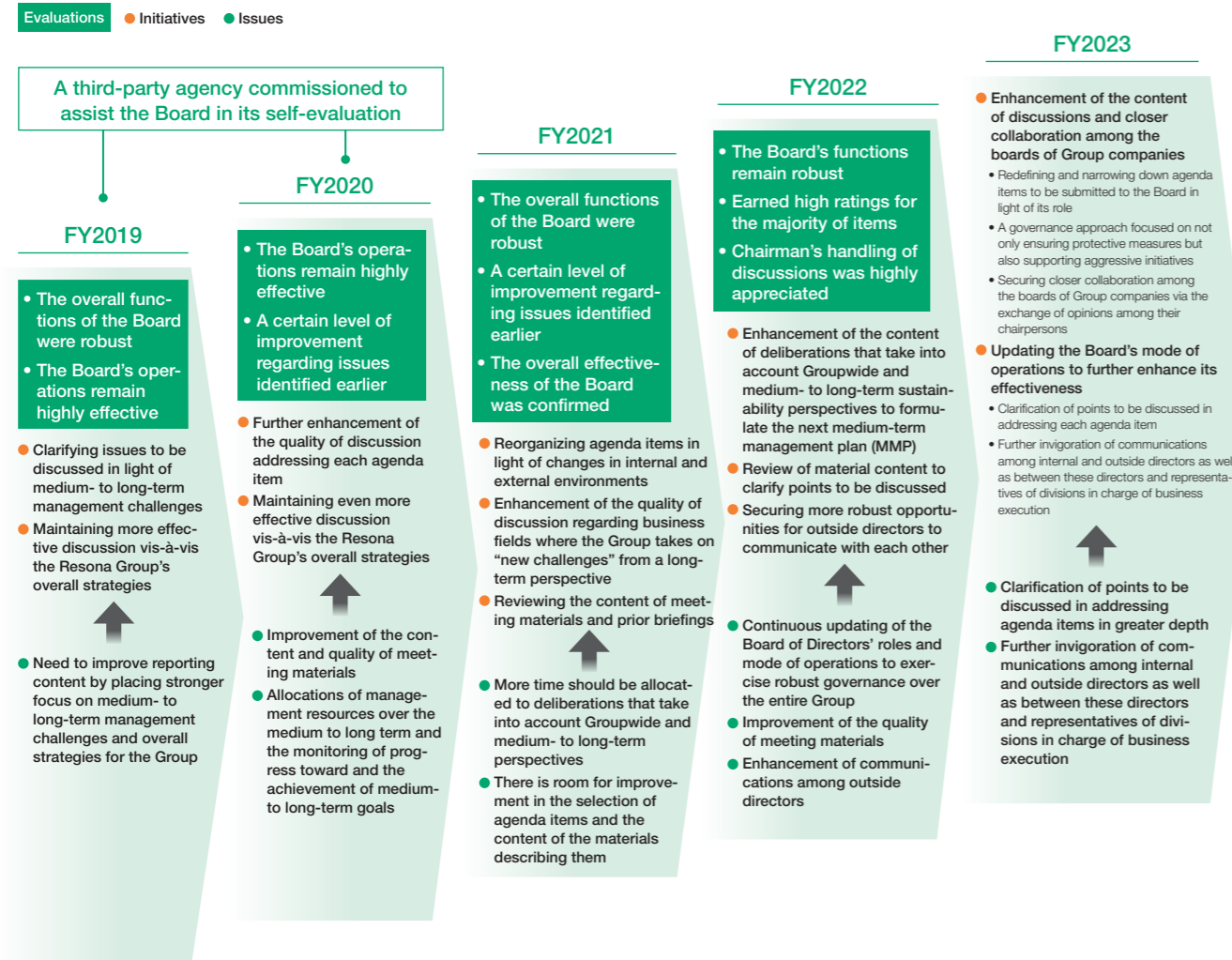
central role in group governance, should achieve further improvement in its effectiveness. Therefore, the Board of Directors will continue to implement a proper PDCA cycle through the self-evaluation of its effectiveness.

Also, the Board of Directors aims to further improve its effectiveness and, to this end, promote in-depth deliberations based on conclusions reached via intensive discussions it has engaged in thus far to identify the ideals describing what Resona Holdings' Board should look like. With this in mind, the Board has redefined the roles to be borne by itself as the Board of Resona Holdings and by the boards of Group subsidiary banks as described below.

- Resona Holdings: Discussions placing greater emphasis on medium- to long-term issues, the monitoring of governance for the entire Group and deliberations on the future direction of its operations and management resource allocations
- Group subsidiary banks: The execution of their various business- es and engagement in deliberations on how to improve profit

In line with the above definitions, in FY2023 the Board of Directors will 1) work to improve the quality of its discussions and secure closer collaboration among boards of Group companies while 2) striving to update the mode of its operations to further enhance its effectiveness.

Initiatives to Enhance the Board of Directors' Effectiveness



Resona Succession Plan

Aiming for sustained improvements in corporate value, the Company, KMFG and their subsidiary banks introduced succession plans in June 2007 that serve as a mechanism to ensure the successions of the top management roles and responsibilities at these Group entities and secure the transparency of the process of selecting and nurturing directors.

The scope of the succession plans covers various candidates for the Company, KMFG and their subsidiary banks, ranging from those who are presidents to those who are new candidates for executive officer positions. The process of selecting and nurturing successors is carried out at a measured pace according to a schedule. The Group ensures the objectivity of this process by drawing on the advice of external consultants. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving reports on candidate evaluations, members of the Nominating

Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects. The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Through the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and enhanced where appropriate.

In addition, the Company has set forth seven competencies that define the ideal candidate for the position of director. By ensuring that the directors in the Nominating Committee as well as the other directors share common ideals regarding candidates, the Company clarifies standards for the evaluation and nurturing of successors and thereby aims to realize impartiality during the entire process.

Compensation for Directors and Executive Officers

Overview of Compensation Policy

The Company's compensation policy is determined by the Compensation Committee, which consists solely of independent outside directors. The current compensation policy is as outlined below

1. Basic Approach

- Compensation systems in place at the Resona Group are designed to provide recipients with sound incentives for supporting its sustainable growth and a medium- to long-term improvement in corporate value in addition to securing proper supervisory functions.
- Remuneration for directors and executive officers is, in principle, determined by the Compensation Committee, which consists only of outside directors who are independent from management, following objective and transparent procedures.

2. Policy for the Determination of the Composition of Compensation and Other Benefits for Individual Directors and Executive Officers

- (1) Position-based compensation
The position-based portion is determined by the nature and scope of responsibilities held by each individual.
- (2) Annual incentive
Executive officers are offered an annual incentive in line with the Resona Group's annual performance and individual achievements.

In principle, the performance-based portion of this incentive is more heavily weighted for individuals in higher positions than it is for those in lower positions.

(3) Medium- to long-term incentive

Executive officers are also offered a medium- to long-term incentive in line with the Group's performance over the medium-term management plan (MMP) period.

In principle, the performance-based portion of this incentive is more heavily weighted for individuals in higher positions than it is for those in lower positions.

(4) Duty-based additional compensation

Directors who concurrently serve as executive officers or act as members of the Nominating, Compensation or Audit Committee are offered duty-based additional compensation based on responsibilities associated with the recipient's duties. This compensation is also paid to directors and executive officers who concurrently serve as directors or corporate auditors at Group banks, etc.

(5) Additional allowance

Outside directors who chair the Board of Directors, the Nominating Committee, Compensation Committee or Audit Committee are offered additional allowance based on the burdens arising from these responsibilities.

Compensation System for Directors

| Name | Type | Calculation methods, etc. | Payment method |
|-----------------------------|---------------------------------------|--|----------------|
| Position-based compensation | Fixed compensation, Cash compensation | • Determined based on responsibilities associated with the recipient's position and duties | Paid monthly |

In addition to the compensation described above, officers named below are eligible to receive the following compensation.
 Duty-based additional compensation: Fixed compensation paid to individuals who are appointed to act as members of the Nominating, Compensation or Audit Committee or concurrently serve as directors or corporate auditors at Group banks, etc.
 Additional allowance: Fixed compensation paid to outside directors who are appointed to chair the Board of Directors, the Nominating Committee, Compensation Committee or Audit Committee

Compensation System for Executive Officers

| Name | Type | Calculation methods, etc. | Payment method |
|--|---|--|---|
| Position-based compensation 33%-65% | Fixed compensation | • Determined based on responsibilities associated with the recipient's position and duties | Paid monthly |
| Annual incentive 19%-33% | Variable compensation (performance-based compensation) Cash compensation | <ul style="list-style-type: none"> • Calculated based on assessments of 1) the Group's financial and 2) non-financial performance as well as 3) individual achievements in the previous fiscal year • Allocable amount varies from as low as zero to as high as 1.7 times the standard amount <p>(1) The Group's financial performance: Assessed based on the degree of achievement relative to the following assessment indices stipulated for annual plans</p> <ul style="list-style-type: none"> • Resona Holdings' net income attributable to owners of parent • Resona Holdings' consolidated core income <p>Note: Allocable amount will be reduced to zero if the Common Equity Tier (CET) 1 ratio falls short of a certain level</p> <p>(2) The Group's non-financial performance: Assessed based on annual corporate achievements relative to Long-Term Sustainability Targets</p> <ul style="list-style-type: none"> • Medium- to long-term targets • Annual targets • Initiatives to foster and spread a risk culture <p>(3) Individual achievements: Assessed based on annual individual achievements and other factors</p> <p>(1) Financial performance assessments 50% + (2) Non-financial performance assessments 10% + (3) Individual performance assessments 40% = Annual incentive</p> | Paid annually Paid based on assessments of corporate and individual performance achieved in the previous fiscal year |
| Medium- to long-term incentive 16%-33% | Non-cash compensation | <ul style="list-style-type: none"> • Calculated in line with a performance-linked coefficient determined based on consolidated ROE, relative TSR and ESG indices in the final year of the MMP The performance-linked coefficient varies from as low as zero to as high as 170% <p>Consolidated ROE X Relative TSR + ESG indices = Medium- to long-term incentive</p> | Paid once every three years (In principle, upon the closure of the MMP period) |

In addition to compensation described above, officers named below are eligible to receive the following compensation.
 Duty-based additional compensation: Paid in a fixed amount to individuals who concurrently serve as directors at Resona Holdings or directors or corporate auditors at Group banks, etc.

Resona Holdings Directors

Outside Directors (8 members)



Outside Director and Chairperson of Compensation Committee

Chiharu Baba

Number of Resona Holdings shares held
Common stock: 19,000 shares

Joined The Industrial Bank of Japan, Limited in 1973. Assumed the office of Deputy President and Representative Director of Mizuho Trust & Banking Co., Ltd. in 2005. Assumed the current position of Outside Director of the Company in 2017.



Outside Director and Chairperson of Nominating Committee

Kimie Iwata

Number of Resona Holdings shares held
Common stock: 10,200 shares

Joined the Ministry of Labour in 1971. Assumed the office of Representative Director, Executive Vice President of Shiseido Company, Limited in 2008. Assumed the current position of Outside Director of the Company in 2019.



Outside Director, Member of Nominating Committee and Member of Compensation Committee

Setsuko Egami

Number of Resona Holdings shares held
Common stock: 16,400 shares

Became the chief editor of Travail, a job magazine issued by Recruit Co., Ltd., in 1983. Became a Professor of the Faculty of Sociology of Musashi University in 2009. Assumed the current position of Outside Director of the Company in 2020.



Outside Director and Chairman of the Board

Fumihiko Ike

Number of Resona Holdings shares held
Common stock: 10,000 shares

Joined Honda Motor Co., Ltd. in 1982. Assumed the position of Chairman and Representative Director in 2013. Assumed the current position of Outside Director of the Company in 2021.



Outside Director and Member of Compensation Committee

Sawako Nohara

Number of Resona Holdings shares held
Common stock: 1,700 shares

Joined Mitsubishi Petrochemical Co., Ltd. in 1980. Assumed the position of Representative Director, President and President of IPSe Marketing, Inc. in December 2001 (incumbent). Assumed the current position of Outside Director of the Company in 2022.



Outside Director, Chairperson of Audit Committee and Member of Nominating Committee

Masaki Yamauchi

Number of Resona Holdings shares held
Common stock: 1,700 shares

Joined Yamato Transport Co., Ltd. in 1984. Assumed the position of Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. in 2011 and Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd. in 2015. Assumed the current position of Outside Director of the Company in 2022.



Outside Director and Member of Audit Committee

Katsuyuki Tanaka

Number of Resona Holdings shares held
Common stock: 0 shares

Registered as attorney-at-law in 1993. Currently acting as Partner at Tokyo Seiwa Sogo Law Office. Assumed the current position of Outside Director of the Company in 2023.



Outside Director and Member of Audit Committee

Ryuji Yasuda

Number of Resona Holdings shares held
Common stock: 19,500 shares

Joined McKinsey & Company, Inc. in 1979. Became a Professor of the Graduate School of International Corporate Strategy of Hitotsubashi University in 2004. Assumed the position of Outside Director of Kansai Mirai Financial Group, Inc. in 2018. Assumed the current position of Outside Director of the Company in 2023.

Internal Directors (4 members)



Group CEO, Director, President and Representative Executive Officer

Masahiro Minami

Number of Resona Holdings shares held
Common stock: 45,500 shares

Assumed the position of Executive Officer and General Manager of Omni-Channel Strategy Division and Group Strategy Division of the Company in 2017. Assumed the position of Director and Executive Officer in 2019. Assumed the current position of Director, President and Representative Executive Officer in 2020.



Group CSO, Group CRO, Deputy President and Executive Officer

Shigeki Ishida

Number of Resona Holdings shares held
Common stock: 14,400 shares

Assumed the position of Executive Officer in charge of Credit Risk Management Division of the Company in 2017. Assumed the current position of Group CSO, Group CRO, Deputy President and Executive Officer in charge of Group Strategy Division, Risk Management Division, Credit Risk Management Division and Group Strategy Division (corporate and lending business reform) of the Company in 2023. Concurrently serving as Director of Resona Bank, Ltd.



Group CIO, Group CPRO, Director and Executive Officer

Mikio Noguchi

Number of Resona Holdings shares held
Common stock: 18,200 shares

Assumed the position of Executive Officer in charge of Information Technology Planning Division of the Company in 2017. Assumed the current position of Director and Executive Officer in charge of Information Technology Planning Division, Omni Channel Strategy Division and Group Strategy Division (systems reform) of the Company in 2020. Concurrently serving as Senior Managing Executive Officer of Resona Bank, Ltd.



Director and Member of Audit Committee

Hisahiko Oikawa

Number of Resona Holdings shares held
Common stock: 15,300 shares

Assumed the position of Executive Officer in charge of Compliance Division in 2018. Assumed the current position of Director and member of Audit Committee in 2022. (Concurrently serves as Director of Resona Bank, Ltd.)

CEO: Chief Executive Officer
CIO: Chief Information Officer

CSO: Chief Strategy Officer
CPRO: Chief Process Reengineering Officer

CRO: Chief Risk Officer

Skills Expected of Directors

The basic policy for corporate governance provides that the Board of Directors shall consist of Directors possessing diversified and extensive knowledge.

In line with this policy, the Company has defined the skills, experience and knowledge expected of each candidate for Director as described below.

| | | Organizational management | Legal/ Compliance/ Risk management | Finance/ Accounting | Areas of focus in terms of the pursuit of the "Retail No. 1" financial services group | | | |
|------------------|------------------|---------------------------|------------------------------------|---------------------|---|----------------|-----------------------|---------------|
| | | | | | IT/Digital | Sustainability | Diversity & Inclusion | Globalization |
| Masahiro Minami | | ● | ● | ● | ● | ● | ● | ● |
| Shigeki Ishida | | | ● | | | | | |
| Mikio Noguchi | | | | | ● | | | |
| Hisahiko Oikawa | | | ● | | | | | |
| Chiharu Baba | Outside Director | ● | ● | ● | | | | ● |
| Kimie Iwata | Outside Director | ● | | | | ● | ● | |
| Setsuko Egami | Outside Director | | ● | | | ● | ● | |
| Fumihiko Ike | Outside Director | ● | ● | | ● | | | ● |
| Sawako Nohara | Outside Director | | ● | | ● | | ● | |
| Masaki Yamauchi | Outside Director | ● | | | | ● | | |
| Katsuyuki Tanaka | Outside Director | | ● | | | | | |
| Ryuji Yasuda | Outside Director | | ● | ● | | | | ● |

Risk Appetite Framework

Framework for Accelerating the Formulation and Execution of Strategies to Realize “Retail No. 1”

The Resona Group has defined the purpose of its risk appetite framework as maximizing returns on risk and cost via the optimal allocation of management resources. The Group has thus positioned this framework as an essential component of its

Formulation of Management Strategies and Plans

In formulating management strategies, the Group clarifies the business areas in which it actively takes risks in line with its role in solving the increasingly diverse issues requiring ever more sophisticated solutions that its customers and regional societies are confronting. This strategic formulation process is also informed by the results of analyses of internal and external environments as well as top risks.

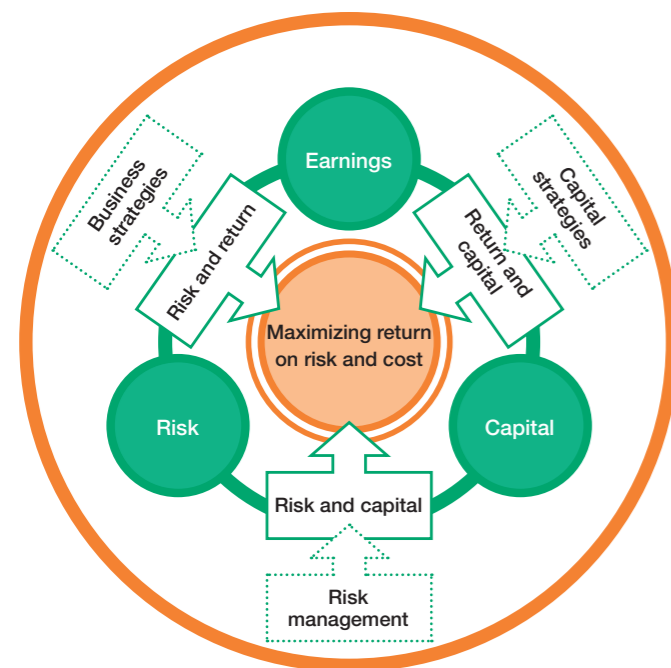
Based on multifaceted and sufficient discussions, management strategies are decided at the Board of Directors meeting of Resona Holdings, the majority of which consists of outside directors.

Operation and Management of Plans

Progress under these plans is regularly reported to the Board of Directors. In an effort to realize management strategies, the Board of Directors then engages in in-depth discussion of these plans.

In FY2022, the Board analyzed the current status of the Resona Group’s competitiveness and evaluated progress under the previous medium-term management plan (MMP) while promoting discussions to establish its Purpose. The Board also engaged in intensive discussions regarding various business strategies as well as human resource strategies, the

Operational Process of the Risk Appetite Framework



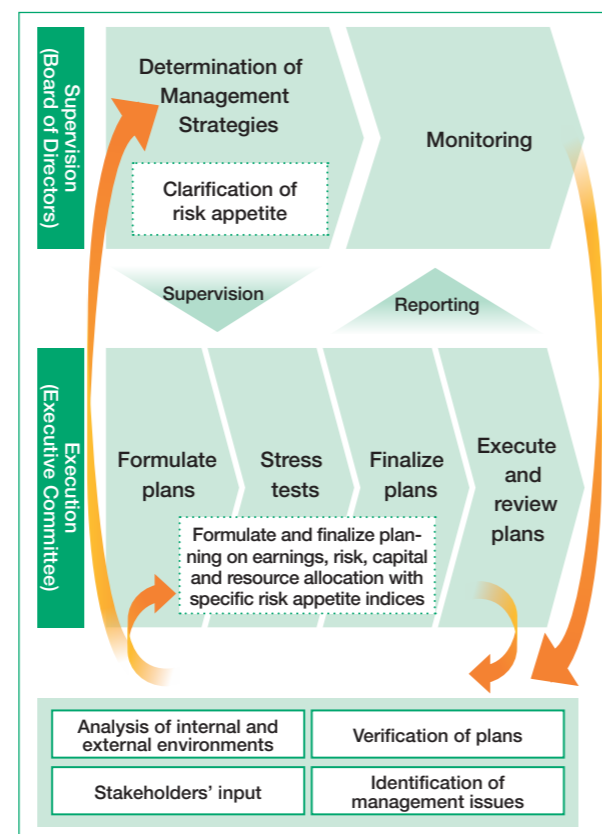
governance and management structure for accelerating the formulation and execution of its strategies aimed at realizing “Retail No. 1.”

The divisions in charge of business execution then act on such resolutions, formulating various plans associated with such matters as funding and earnings, investments and costs, staffing, risk limits and the capital adequacy ratio.

Before each plan is finalized, risk appetite indices are set to confirm that management resources are optimally allocated to maximize returns on risk and cost and that stress tests are sufficiently carried out to establish a rationale for risk taking and the feasibility of risk control.

latter of which serve as a supportive foundation for the former, while deliberating such key topics as the formulation of the new MMP and the Purpose. In addition, the Board has been focused on monitoring the status of the market division’s operations and its initiatives to address various issues.

To enhance the feasibility of business strategies, the results of discussions are reflected in flexible reviews of risk appetite under the new MMP and operational management during the period.



Risk Management

Risk Management System

Basic Approach to Risk Management

We deeply regret the serious concern and inconvenience that the application for an injection of public funds in May 2003 caused the people of Japan, our customers and other stakeholders.

Consequently, we have established the three risk management principles to enhance our risk management systems and methods as well as risk control. The Resona Group conducts its risk management activities with an eye to securing the soundness of operations and enhancing profitability.

Risk Management Policies and Systems

The Resona Group is exposed to various types of risk, including those associated with business strategies, the violation of laws and regulations and systems failures as well as those related to business outsourcing (e.g., suspensions of operations and information leaks involving vendors).

As it aims to appropriately handle these risks in adherence to the three risk management principles, Resona Holdings has established the Group Risk Management Policy. This policy is intended to clarify types and definitions of risks to be managed and the organizational structure for risk management as well as the fundamental risk management framework, with the aim of developing a robust risk management system for the Group.

Specifically, the policy classifies risks as shown in the table below, and stipulates that risk management divisions specializing in each risk category must be in place in addition to divisions tasked with comprehensively managing enterprise risks (comprehensive risk management divisions), ensuring that

Three Risk Management Principles

1. We will not assume levels of risk in excess of our economic capital.
2. We will deal promptly with losses that we have incurred or expect to incur.
3. We will take risks appropriate for our earnings power.

optimal risk management methods are used by these divisions in light of risk characteristics.

As stipulated by the Group Risk Management Policy, Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group and its group banks (the “Group banks”) have established risk management policies that are tailored to their operations, unique characteristics and the risks they must address while maintaining risk management divisions handling risks in each risk category as well as comprehensive risk management divisions.

Principal Group companies other than the banks have also established risk management policies that are tailored to their own operations, special characteristics and risks. These policies establish guidelines for avoiding risks outside their fundamental business areas. These Group companies have also established risk management departments for managing different categories of risk and risk management divisions for comprehensive risk management.

Primary Risk Category, Definition and Management Methods

| Risk Category | Definition | Risk Management Methods |
|-------------------|--|--|
| | | Comprehensive risk management (setting risk limits, assessing risk, allocation of risk capital, stress tests, etc.) |
| Credit risk | Risk of losses that arises when the value of assets (including off balance sheet assets) declines or is destroyed as a result of the deterioration of the financial position of obligors | Setting risk limits, credit rating system, portfolio management, credit analysis and management, etc. |
| Market risk | Risk of losses that may occur when the prices of assets and liabilities (including off-balance sheet assets and liabilities) change because of fluctuations in market risk factors, including interest rates, foreign currency exchange rates and stock prices | Setting risk limits, setting loss limits, setting position limits, etc. |
| Liquidity risk | Risk of losses that may occur when a party has difficulty in raising the necessary funds or is forced to raise such funds at higher than normal rates | Recognition of liquidity emergencies, response system for emergencies, guidelines for liquidity risk management indicators, etc. |
| Operational risk | Risk of losses that may occur when internal processes, personnel and/or systems function improperly or fail to function and when external factors result in such losses | Control self-assessments (CSAs), analysis of loss data, risk indicators, etc. |
| Reputational risk | Risk of losses that may occur when the media reports rumors, false information or unfounded assertions have a detrimental effect on a company’s reputation | Dissemination of timely and appropriate information, monitoring of media, etc., preparation of crisis management systems |

Risk Management

Group Management by Resona Holdings

Qualitative Risk Management

The Company provides Group banks and other Group companies (hereinafter collectively "Group companies") with direction and suggestions regarding risk management policies, standards and systems that must be shared by all Group members.

When making decisions on important matters related to risk management, Group companies confer with the Company in advance and base their decisions on those consultations or

Quantitative Risk Management

The Company and the Group banks have in place comprehensive risk management systems, as described later, with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

Furthermore, the Company maintains the quantitative management of risks each Group company is handling through prior consultation on limits and guidelines or through the exchange of opinions.

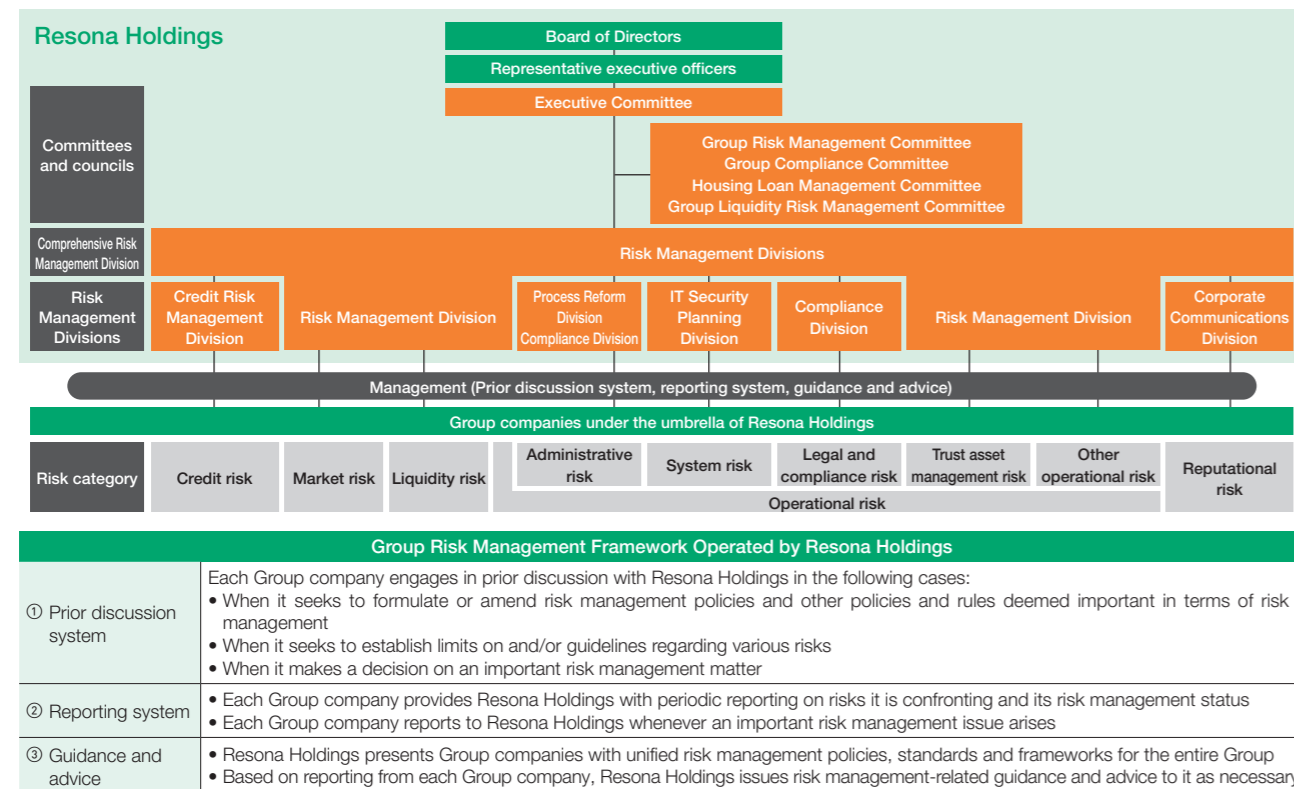
decide matters through the exchange of opinions, and report those decisions to the Company as necessary.

Based on the framework described above, the Company maintains a firm grip on risk management policies, standards and systems in place at each Group company, thereby ensuring qualitative risk management for the Group.

Group companies must report to the Company regarding the risk conditions and their management on a regular and as-needed basis so that the holding company can provide guidance and advice as necessary.

As shown by the figure below, we have formed risk management divisions by risk category within the Company for managing each type of risk on a Group-wide basis.

Group Risk Management System



Top Risk

The Company has positioned risks that are deemed to possess a high possibility of impacting heavily on the Resona Group as top risks in order to develop a consistent risk management structure, placing the foremost emphasis on managing these risks.

Among this category are "risks that could have a grave impact on the Resona Group's operations and are highly likely to materialize or are expected to gain a high possibility of materialization within a period of approximately one year going forward." In addition to quantifiable risks, top risks include risks

arising from the execution of strategies, deterioration in the Group's reputation and other factors. In line with these definitions, top risks are determined via discussion at the Executive Committee, the Board of Directors and other important bodies.

Through top risk management, the Company helps Group members share risk recognition while striving to enhance risk governance, prevent the emergence of significant risks, ensure swift response to risk materialization and curb the spread of risk repercussions.

Top Risks for the Resona Group

| Top risks | Main risk scenarios |
|---|---|
| Deterioration in competitiveness, etc., due to changes in social and industrial structures | <ul style="list-style-type: none"> The nullification of the effect of strategic investment executed thus far due to evolving conditions in the competitive environment Deterioration in the Group's strategic execution capabilities due to a lack of essential human resources Loss of growth opportunities and the deterioration of corporate value due to delays in the response to climate change, etc. |
| Changes in the earnings structure and deterioration in profitability, etc., due to the revision of laws, regulations, government policies, etc. | <ul style="list-style-type: none"> Changes in the earnings structure due to the introduction or revision of laws and regulations as well as shifts in monetary policies Deterioration of corporate value due to the absence of information disclosure practices that can be considered by external stakeholders to be sufficient |
| Increase in credit-related expenses | <ul style="list-style-type: none"> Deterioration in the corporate performance of transactional clients in the face of radical shifts in monetary and economic environments, the enforcement of economic sanctions upon the materialization of geopolitical risks, disruption of supply chains, etc. The deterioration of performance in sectors to which the Group extends massive credit and the resulting decline in the corporate performance of transactional clients operating in such sectors |
| Deterioration in unrealized gains on available-for-sale securities | <ul style="list-style-type: none"> Deterioration in unrealized gains on available-for-sale securities due to stock price plunges, interest rate hikes or other phenomena arising from a shift in monetary and economic environments, the absence of timely monetary policy revisions or growth in geopolitical risks |
| Destabilization of foreign currency funding | <ul style="list-style-type: none"> Increase in costs associated with foreign currency funding and other detrimental financing conditions arising from turmoil in financial markets, growth in geopolitical risks, unexpected cash outflows, the deterioration of market liquidity, etc. |
| Operational suspension, etc., due to the emergence of a serious incident at the Group's own key bases or vendor facilities | <ul style="list-style-type: none"> The suspension of settlement and other services or the leakage of customer information as a result of a failure of important infrastructure, including third-party owned infrastructure, due to human error, system failure, cyberattack, etc. |
| Operational suspension, etc., due to the violation of laws and regulations, compliance-related failure | <ul style="list-style-type: none"> The receipt of an operational suspension order due to flaws in the Group's countermeasures aimed at preventing money laundering, etc. The deterioration of corporate value due to corporate conduct that runs contrary to the Group's policy of pursuing customer-centric business management or improper response to human rights-related issues |
| Operational suspension, etc., due to the occurrence of natural disasters | <ul style="list-style-type: none"> Operational suspension or other serious consequences, including a threat to human life, due to a major natural disaster, such as an earthquake, massive wind or flooding, or a pandemic |

Comprehensive Risk Management and Capital Allocation

Comprehensive risk management divisions have been formed within the Company and the Group banks, and these divisions are each responsible for the comprehensive risk management of their respective Group company or bank.

Each Group bank measures the volume of credit risk, market risk and operational risk using the risk management indicator value at risk (VaR*) and establishes risk limits (makes risk capital allocations) on these types of risk. Risk management is conducted to control risk within these established limits.

When the Group banks set their risk limits, the Company verifies the details of the limits to be established to confirm the soundness of the Group as a whole. In addition, the Company receives periodic reports from the Group banks regarding the status of risk management and confirms the status of

comprehensive risk management of the Group.

In addition, although the Company is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical risk management methods. The Group strives to study and understand the incompleteness and specific weak points of the VaR method, thereby assessing and recognizing the impact of such limitations on risk measurement.

For risks that cannot be identified or quantified by the VaR method, the Company and the Group banks conduct qualitative assessment through various stress testing and the use of risk-assessment mapping. In this way, the Group aims to enhance the quality of its comprehensive risk management.

Stress Tests

The Group carries out a variety of stress tests, each assuming a massive economic deceleration, turmoil in financial markets or other similar scenarios aimed at confirming its resilience against and capital adequacy in a stressful environment and thereby verifying the appropriateness of its management plan and assessing the impact of differing risk factors on its operations.

Stress tests being carried out in the course of formulating a management plan employ multiple stress scenarios, including some deemed highly likely to materialize and some that would

gravely impact the Group's operations. In this way, the Group measures the possibility of an increase in losses associated with its risk-weighted assets and fluctuations in profit due to deterioration in revenues over a period spanning multiple fiscal years.

Stress tests are utilized to evaluate the stability of the Group's revenues, assess how its capital adequacy would be impacted by the assumed stresses and prevent excessive risk-taking.

* VaR, or value at risk, is a risk management indicator that is calculated using statistical methods to measure the maximum loss that may occur within a specified confidence interval (probability) and over a specified period.

Compliance

Basic Activities

The Resona Group defines compliance as the strict observance not only of laws and regulations, but also of social norms. This includes striving to live up to the expectations of our customers and society as a whole. Based on these concepts, the Group has positioned compliance as a key management issue.

Moreover, we have established the Resona Way and the

Group Management System

Group Compliance Management System

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Group-wide. In

System for Protecting Group Customers

The Company, Group banks and other Group companies are working proactively to make improvements in the quality of explanations to customers, responses to customer inquiries and complaints, the management of customer information and the management of conflicting interests in banking transactions

Management of Customer Information

The protection of customer information is one of the most important factors that enable customers to use the Group's services with peace of mind. We strive to properly manage customer information by publicizing the Promise to Protect

Initiatives to Prevent Money Laundering and Financing for Terrorism and to Ensure Compliance with Economic Sanctions

The Resona Group is well aware of the growing risk of criminal activities that exploit financial services along with the growing public call for the prevention of such activities. Accordingly, the Group considers the prevention of money laundering and financing for terrorism as well as compliance with economic sanctions (hereinafter collectively referred to as "financial crime countermeasures") to be important management issues.

To facilitate compliance with domestic and international legal regulations and to support our efforts to counter financial

Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Based on this belief, the Group's basic approach is to not engage in transactions with anti-social forces and to prevent them from intervening in transactions with customers through

Initiatives to Prevent Corruption

Having clarified its approach to the prevention of corruption as part of efforts to fulfill its corporate social responsibilities, the Resona Group established the Policy on the Prevention of Corruption to provide a set of action guidelines to be thoroughly observed by all Group members.

The Resona Standards stipulate such precepts as "Do not misuse your position or authority for personal gain or advantage" (III-2), "Refrain from offering gifts or entertainment that

Resona Standards, which together represent our corporate philosophy structure and are designed to provide specific guidance regarding the actions we take to embody our Purpose (how we contribute to society) and Corporate Mission (what we aim to be in society), with the aim of realizing our Long-Term Vision (what we should look like in the future).

addition, the Group has secured a robust structure for discussing and evaluating all issues related to Group compliance by, for example, forming the Group Compliance Committee.

and other areas so that we can provide better responses and more convenience for customers. Specifically, we deliberate initiatives with responsible divisions and individuals in the Group Compliance Committee.

Personal Information of All Group Companies, establishing a framework for protecting against leakage or loss of personal information and conducting ongoing and thorough employee education.

crimes, we have formulated a financial crime countermeasures policy for the Group. At the same time, we have continued to develop our organizational structure as well as training and personnel systems to educate our directors and employees and nurture a robust pool of human resources.

Looking ahead, we will constantly upgrade the structure supporting these countermeasures in a manner that properly aligns with changes in the internal and external environments.

our corporate activities or by imposing unjust demand on us. The Group has set specific internal rules and regulations. It also provides ongoing training and education on these compliance issues for directors and employees. In addition, we have formed cooperative relationships with external specialist organizations to prevent and terminate transactions with anti-social forces.

could possibly induce public distrust or draw suspicion" (VII-2) and "Maintain transparent and clean relationships with politicians and government officials" (VII-3) in addition to featuring specific examples of desirable ways of thinking and situations that require caution. As such, the Group is striving to ensure that its prohibition against any form of corrupt act, including the provision or receipt of bribes, is upheld by all.

Internal Auditing

Group Internal Auditing

We believe that the role of internal auditing is extremely important if we are to "live up to customers' expectations" and "implement transparent management" as set forth in the Resona Group's Corporate Mission. Accordingly, we have established internal audit divisions at Resona Holdings and at main Group companies.

In order to ensure sound and appropriate operations and to gain social trust in the business management systems established by the Company and Group companies, the internal audit divisions serve the essential function of facilitating improvements in corporate value by verifying and evaluating the systems from an independent standpoint and promoting improvements as needed in all management activities.

The Company's Internal Audit Division has introduced auditing methods in conformity with the Institute of Internal Auditors (IIA),* a leading international association in the field of internal audits, thereby practicing risk-based audits and ensuring that its peers at Group companies follow suit. In addition, the division monitors the activities of internal audit divisions at such

Organization

The Company and Group companies have established independent internal audit divisions and other bodies under each board of directors.

Moreover, we have formed the Internal Audit Council, separate from the Executive Committee, to serve the Company and Group companies by discussing important matters related to internal auditing.

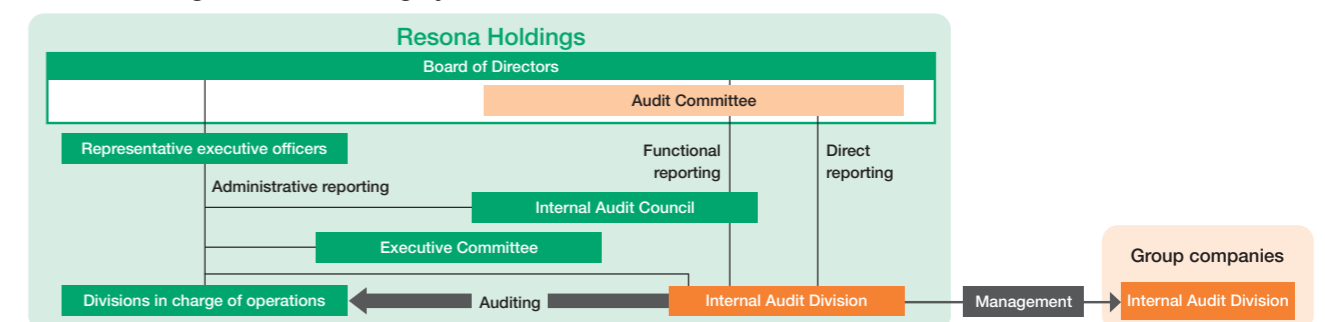
companies while striving to improve the quality of internal audits by, for example, providing various information and training and supporting employees seeking qualification as certified internal auditors and/or to acquire other audit-related certification.

In September 2021, Resona Holdings was chosen by the Institute of Internal Auditors (IIA)–Japan to receive the 35th IIA Japan Chairman's Award (Internal Audit Excellence Award).

The winning of this award reflects high ratings granted by the IIA Japan's review committee regarding the Company's enthusiastic initiatives to upgrade its internal audit system as part of efforts to strengthen corporate governance, backed by its keen awareness of the importance of internal audits as a component of essential governance functions. At the same time, this is a testament to IIA Japan's growing expectations regarding the Company's future initiatives in light of the current circumstances surrounding Japan's business community in which corporations are being called upon to assign more significant roles to their internal audit functions in securing robust corporate governance.

The Internal Audit Division of the Company reports to the Board of Directors and the Audit Committee for its functions and to the representative executive officers for its administration. In addition, by ensuring a direct reporting line from the Audit Committee to the Internal Audit Division, we strengthen the monitoring and check and balance functions the Company exerts over the representative executive officers and representative directors of the Group companies.

Resona Holdings' Internal Auditing System



Functions and Roles

To guide the drawing up of plans for internal auditing, the Internal Audit Division of the Company formulates the Annual Internal Audit Basic Plan for the Company and the Group, including the Group's annual policies, the targets of auditing and key items, and secures the approval of the Board of Directors after discussion with the Audit Committee.

The internal audit division of each Group company formulates its Annual Internal Audit Basic Plan based on the business management policies of the Internal Audit Division of the Company

and secures the approval of each respective board of directors.

The internal audit divisions at the Company and Group companies conduct audits based on the Annual Internal Audit Basic Plan.

The results of the internal audits of the Company are reported to the Board of Directors and representative executive officers. The results of the internal audits of Group companies are reported to their respective boards of directors and representative directors as well as the Company.

* An organization that formulates professional standards for internal auditors, engages in the research of theories and practices associated with internal auditing and promotes other activities aimed at providing leadership for the global profession of internal auditing.

Financial Highlights

Five-Year Summary of Major Financial Data

Financial Results Report
https://www.resona-gr.co.jp/holdings/english/investors/financial/results_c/index.html

(Billions of yen)

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---------|---------|---------|---------|----------------|
| Summary of Consolidated Statements of Income | | | | | |
| Gross operating profit | 644.1 | 658.6 | 639.1 | 601.9 | 600.0 |
| (1) Net interest income | 435.9 | 431.1 | 417.4 | 429.1 | 419.3 |
| (2) Trust fees | 19.2 | 19.0 | 19.2 | 20.8 | 21.6 |
| (3) Fees and commission income | 174.5 | 171.1 | 172.2 | 187.4 | 187.0 |
| Fee income ratio [(2)+(3) / Gross operating profit] | 30.08% | 28.88% | 29.96% | 34.60% | 34.77% |
| (4) Other operating income | 14.4 | 37.3 | 30.1 | (35.5) | (27.9) |
| Net gains on bonds (including futures) | (7.8) | 11.3 | 14.0 | (53.8) | (47.7) |
| Operating expenses (excluding Group banks' non-recurring items) | (420.5) | (417.1) | (415.5) | (416.3) | (404.7) |
| Cost income ratio (OHR) | 65.29% | 63.33% | 65.01% | 69.17% | 67.44% |
| Actual net operating profit | 225.6 | 241.9 | 224.0 | 186.0 | 195.7 |
| Net gains on stocks (including equity derivatives) | 7.1 | 9.3 | 37.2 | 47.1 | 53.9 |
| Credit-related expenses, net | (1.3) | (22.9) | (57.4) | (58.7) | (15.9) |
| Other gains, net | 7.1 | (16.2) | (19.5) | (18.8) | (8.7) |
| Income before income taxes | 238.6 | 212.1 | 184.3 | 155.6 | 225.0 |
| Income taxes and other | (63.4) | (59.7) | (59.8) | (45.6) | (64.6) |
| Net income attributable to owners of parent | 175.1 | 152.4 | 124.4 | 109.9 | 160.4 |

(Negative figures represent items that would reduce net income)

Summary of Consolidated Balance Sheet

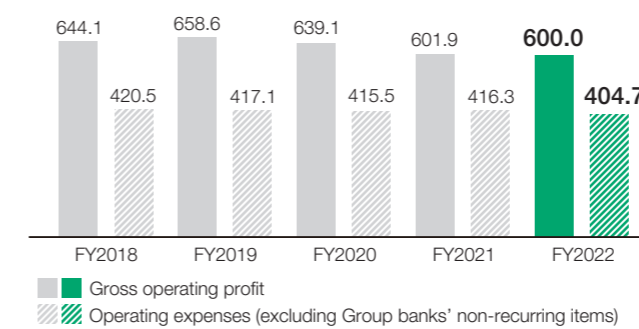
| | | | | | |
|--|----------|----------|----------|----------|-----------------|
| Total assets | 59,110.0 | 60,512.4 | 73,697.6 | 78,155.0 | 74,812.7 |
| Cash and due from banks | 14,848.5 | 15,329.5 | 25,223.1 | 27,999.3 | 22,391.5 |
| Loans and bills discounted | 36,134.4 | 36,645.5 | 38,978.9 | 39,597.9 | 41,357.2 |
| Securities | 5,387.8 | 5,555.6 | 7,147.7 | 7,732.5 | 8,386.2 |
| Total liabilities | 56,753.8 | 58,195.9 | 71,178.0 | 75,696.0 | 72,278.6 |
| Deposits and NCDs | 52,303.9 | 53,852.8 | 59,430.3 | 61,897.6 | 62,796.8 |
| Total net assets | 2,356.1 | 2,316.5 | 2,519.6 | 2,459.0 | 2,534.0 |
| Total stockholders' equity | 1,661.1 | 1,757.6 | 1,860.3 | 2,044.1 | 2,140.3 |
| Total accumulated other comprehensive income | 449.8 | 320.6 | 456.9 | 398.0 | 375.4 |
| Trust assets under management and custody | 27,852.9 | 28,450.6 | 31,930.3 | 31,841.1 | 28,874.4 |

Major Financial Indicators

| | | | | | |
|---|---------------------|----------------------|----------------------|----------------------|------------------------------------|
| Capital adequacy ratio (Japanese domestic standard) | 10.10% | 11.17% | 11.54% | 11.82% | 12.48% |
| (Reference) Common Equity Tier 1 (CET1) ratio (International standard) [excluding net unrealized gains on available-for-sale securities] | 11.47% [(9.30%)] | 12.28% [(10.54%)] | 13.31% [(10.81%)] | 13.43% [(11.26%)] | 14.10% [(12.09%)] |
| Annual cash dividends per share (DPS) (yen) | 21 | 21 | 21 | 21 | 21 |
| Net assets per share (BPS) (yen) | 911.17 | 904.60 | 1,008.82 | 1,025.01 | 1,065.31 |
| Net income per share (EPS) (yen) | 75.63 | 66.27 | 54.19 | 45.41 | 67.48 |
| Return on equity (ROE) ¹ | 10.85% | 8.91% | 6.88% | 5.63% | 7.66% |
| Return on assets (ROA) ² | 0.32% | 0.25% | 0.18% | 0.14% | 0.20% |
| NPL ratio (Total of Group banks, Financial Reconstruction Act Criteria) | 1.18% | 1.14% | 1.12% | 1.32% | 1.29% |
| Number of shares of common stock excluding treasury shares (shares in billions) | 2.316 | 2.297 | 2.296 | 2.382 | 2.361 |
| Share price at fiscal year-end (yen) | 479.7 | 325.2 | 464.8 | 524.1 | 639.5 |
| Market capitalization (billions of yen) | 1,111.3 | 747.1 | 1,067.6 | 1,248.7 | 1,510.2 |

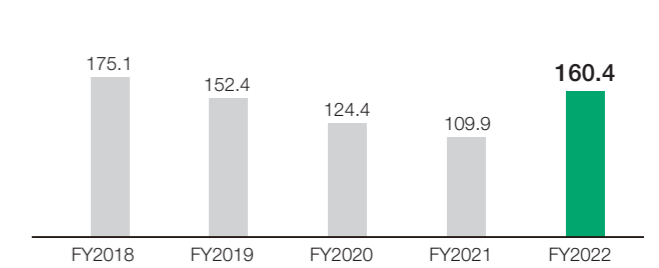
Gross Operating Profit and Operating Expenses (consolidated)

(Billions of yen)



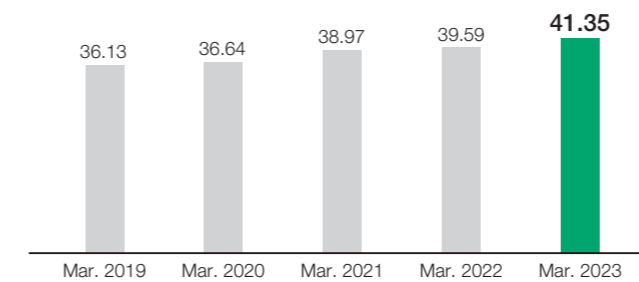
Net Income Attributable to Owners of Parent

(Billions of yen)



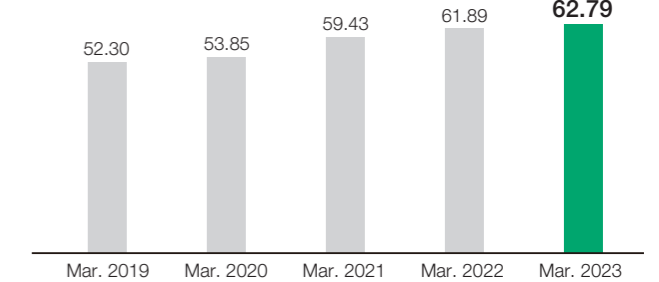
Balance of Loans and Bills Discounted (consolidated)

(Trillions of yen)



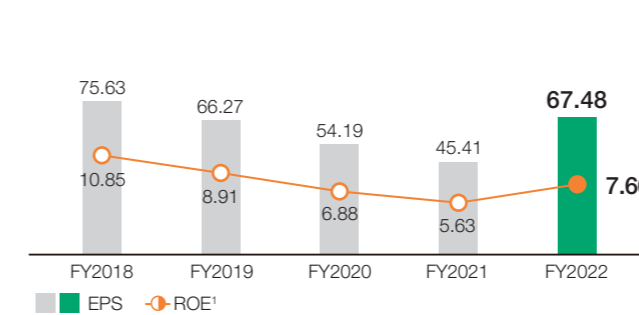
Balance of Deposits and NCDs (consolidated)

(Trillions of yen)



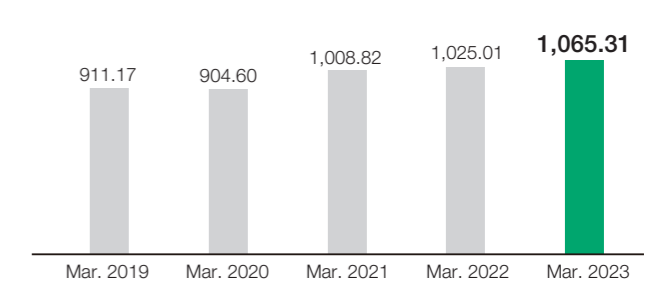
Net Income per Share (EPS) / Return on Equity (ROE)¹

(EPS: Yen; ROE: %)



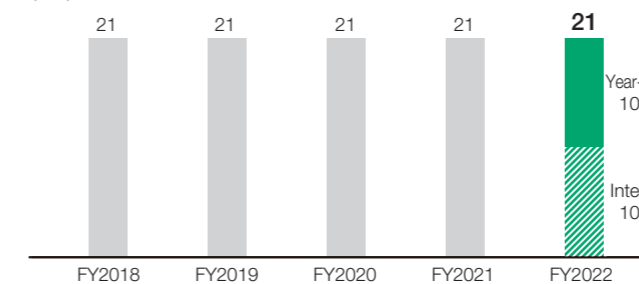
Net Assets per Share (BPS)

(Yen)



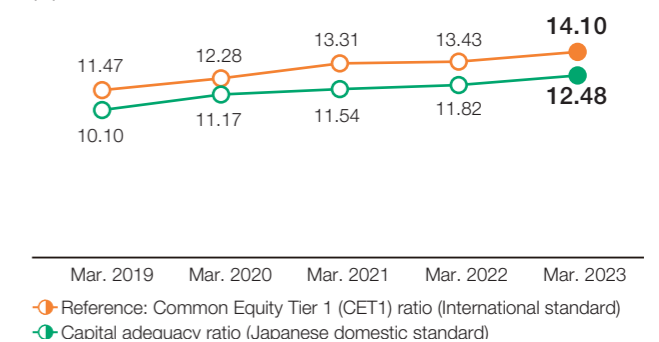
Dividends per Share (DPS)

(Yen)



Capital Adequacy Ratio (consolidated)

(%)



¹ Net income attributable to owners of parent / Shareholders' equity (simple average of the balances at the beginning and end of the term)
² Net income attributable to owners of parent / Total assets (simple average of the balances at the beginning and end of the term)

Non-Financial Highlights

Five-Year Summary of Non-Financial Data

ESG Data
<https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/index.html>

Environmental¹

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 ² | | |
|--|-----------------------------|--------------------------------------|---------|---------|---------------------|---------|---------|
| CO ₂ emissions volume (Scopes 1 and 2) | | | | | | | |
| Basic emissions factor (t-CO ₂) | 72,006 | 66,266 | 56,944 | 56,514 | 49,277 | | |
| Adjusted emissions factor/Market base (t-CO ₂) | — | — | 57,450 | 52,265 | 40,770 | | |
| Direct emissions from energy use (Scope 1) | 6,499 | 5,949 | 5,428 | 5,208 | 5,079 | | |
| Indirect emissions from energy use (Scope 2) | | | | | | | |
| Basic emissions factor | 65,507 | 60,317 | 51,516 | 50,946 | 44,198 | | |
| Adjusted emissions factor/Market base | — | — | 52,023 | 47,057 | 35,691 | | |
| Energy consumption volume | Direct energy consumption | Heavy oil (kl) | 20 | 38 | 19 | 24 | 33 |
| | | Town gas (1,000 m ³) | 1,370 | 1,265 | 1,194 | 1,174 | 1,115 |
| | | Gasoline (kl) | 1,452 | 1,295 | 1,161 | 1,081 | 1,071 |
| | Indirect energy consumption | Electricity consumption volume (MWh) | 140,913 | 132,898 | 125,742 | 119,875 | 114,031 |
| | | Of which, renewable energy (MWh) | — | — | — | 8,407 | 21,664 |
| | | Hot water (GJ) | 6,371 | 6,675 | 6,982 | 5,719 | 6,508 |
| | | Cold water (GJ) | 15,541 | 15,213 | 14,226 | 15,361 | 15,342 |

Social

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|--|--------|--------|--------|--------|--------|
|--|--------|--------|--------|--------|--------|

Human Resources¹

| | | | | | | |
|--|--|--------|--------|--------|--------|--------|
| Employment status of employees | Total employees (persons) ³ | 29,479 | 28,371 | 27,829 | 26,472 | 25,367 |
| | Full-time employees (persons) | 19,209 | 18,642 | 18,486 | 18,283 | 17,759 |
| | Average age of full-time employees (years) | 40.4 | 40.3 | 40.3 | 40.7 | 41.2 |
| | Average employee tenure (years) | 16.3 | 16.1 | 16.3 | 16.6 | 17.1 |
| | New graduates (persons) | 993 | 840 | 844 | 573 | 478 |
| | Mid-career hires (persons) | 33 | 38 | 41 | 76 | 156 |
| Diversity & Inclusion | Percentage of female full-time employees (%) | 46.1 | 47.1 | 47.5 | 48.1 | 48.2 |
| | Percentage of new graduates who are women (%) | 56.8 | 53.5 | 50.0 | 46.1 | 42.1 |
| | Percentage of women hired as career-track employees | 51.5 | 21.1 | 31.7 | 25.0 | 38.5 |
| | Wage gaps between male and female employees (%) ⁴ | — | — | — | — | 65.5 |
| | Percentage of female line managers (%) ^{5, 6} | 28.3 | 29.1 | 30.4 | 30.5 | 31.4 |
| | Of which, percentage in senior management positions (%) ⁶ | 8.4 | 8.7 | 10.2 | 12.1 | 13.4 |
| Promotion of work-life balance | Percentage of people with disabilities in the workforce ⁷ | 2.14 | 2.19 | 2.20 | 2.27 | 2.39 |
| | Average percentage of annual paid leave utilized (%) ⁸ | 77.2 | 76.4 | 73.1 | 76.4 | 77.6 |
| | Of which, average percentage of annual paid leave utilized by full-time employees ⁸ | 69.8 | 70.2 | 66.1 | 69.7 | 70.4 |
| | Percentage of male employees taking childcare leave (%) | — | — | — | 80.3 | 98.2 |
| Percentage of male employees taking spousal paternity leave (%) ⁹ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |

Financial and Economic Education

| | | | | | |
|---|-------|-------|----|-------|-------|
| "Resona Kids' Money Academy" events held (number) ¹⁰ | 231 | 222 | — | 10 | 144 |
| Total number of participants in "Resona Kids' Money Academy" events (persons) | 4,002 | 3,988 | — | 1,579 | 1,685 |
| On-site lectures and work experience programs offered (number) | 105 | 93 | 15 | 21 | 58 |

Governance

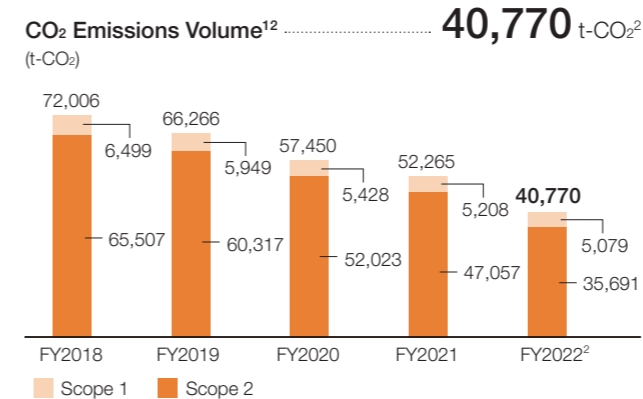
| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | |
|--|---|--------|--------|--------|--------|------|
| Status of directors and their activities | Board members (persons) | 10 | 11 | 10 | 9 | 10 |
| | Outside directors (persons) | 6 | 6 | 6 | 5 | 7 |
| | Independent directors among outside directors (persons) | 6 | 6 | 6 | 5 | 7 |
| | Female directors (persons) | 1 | 2 | 2 | 2 | 3 |
| | Average attendance of directors at board meetings (%) | 96.7 | 98.6 | 98.7 | 97.1 | 97.4 |

ESG-Related External Evaluations¹¹

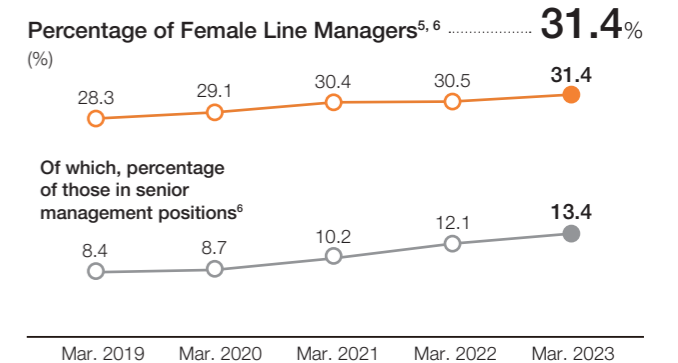
As of June 30, 2023

| ESG rating / ESG score | Inclusion in indices based on ESG evaluations | Logo |
|--|---|------|
| FTSE (Full score is set at 5.0) | 3.5 FTSE Blossom Japan Index FTSE Blossom Japan Sector Relative Index FTSE4Good Index | |
| MSCI (Third grade in the seven-grade system from AAA to CCC) | A MSCI Japan ESG Select Leaders Index | |
| S&P (Decile ranking system) | 7 S&P/JPX Carbon Efficient Index series | |
| MSCI (Gender diversity score) (Full score is set at 10) | 7.8 MSCI Japan Empowering Women Index (WIN) | |
| Morningstar (Five-grade system in which businesses are classified into Groups numbered 1 to 5) | Group 1 Morningstar Japan ex-REIT Gender Diversity Tilt Index | |

Environmental



Social



Governance

Composition of the Board of Directors (As of June 30, 2023)



1 Scope of calculation: Four main Group companies (Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank)

2 Preliminary figures

3 Including part-time employees

4 Full-time employees

5 Employees in managerial positions or above charged with overseeing staff

6 Figures for FY2018 to FY2020 are based on data from Resona Bank and Saitama Resona Bank. Figures for FY2021 and later are based on data from the four main Group companies.

7 Percentage as of June 1 of each fiscal year based on the exceptional calculation standard applied to eligible corporate groups

8 Figures for FY2018 to FY2019 are based on data from Resona Bank and Saitama Resona Bank. Figures for FY2020 and later are based on data

from the four main Group companies.

9 Figures for FY2018 to FY2020 are based on data from Resona Bank and Saitama Resona Bank. Figures for FY2021 are based on data from Resona Bank, Saitama Resona Bank and Kansai Mirai Bank. Figures for FY2022 and later are based on data from the four main Group companies.

10 The FY2021 round of events was hosted online

11 <https://www.resona-gr.co.jp/holdings/english/sustainability/award/index.html>

12 Scope 1 and Scope 2 CO₂ emissions are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Figures for the period leading up to the end of FY2019 are calculated by multiplying the basic emission factors of each electricity supplier. Figures for FY2020 and later are calculated by multiplying the adjusted emission factors of each electricity supplier.

SASB INDEX

SASB INDEX
<https://www.resona-gr.co.jp/holdings/english/sustainability/data/sasb/index.html>

The Resona Group has striven to upgrade its information disclosure in line with recommended standards issued by the U.S.-based Sustainability Accounting Standards Board (SASB).

Based on this approach and in accordance with SASB industry classifications, the Resona Group hereby discloses certain

items defined under the categories of Asset Management & Custody Activities, Commercial Banks, Consumer Finance and Mortgage Finance in light of their particular relevance to designated business areas. Looking ahead, we will strive to further enhance the content of information disclosure.

The letters at the beginning of the code assigned to each item bear the following meanings.

FN-AC: Asset Management & Custody Activities; FN-CB: Commercial Banks; FN-CF: Consumer Finance; CF-MF: Mortgage Finance

| Accounting Metrics | Category | Unit of Measure | Code | Response |
|--------------------|----------|-----------------|------|----------|
|--------------------|----------|-----------------|------|----------|

Data Security

| | | | | |
|---|-------------------------|---|------------------------------|--|
| Description of approach to identifying and addressing data security risks | Discussion and Analysis | — | FN-CB-230a.2 FN-CF-230a.3 | In line with its Cyber Security Management Declaration, the Resona Group aims to strengthen its cyber security measures under top management's initiative and thereby counter cyber threats that have become ever more serious and sophisticated. Furthermore, the Group strives to address risks arising from cyber vulnerability and, to this end, based on its Personal Information Protection Declaration, it regularly reviews, updates and improves its policies, organizational structure and rules aimed at ensuring the proper handling of information as well as initiatives aimed at ensuring the reliable protection of information. Declaration of Cyber Security Management Personal Information Protection Declaration https://www.resona-gr.co.jp/holdings/other/privacy/hd.html (Japanese only) |
|---|-------------------------|---|------------------------------|--|

Financial Inclusion & Capacity Building

| | | | | |
|---|--------------|-----------------|--------------|---|
| (1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development | Quantitative | Millions of yen | FN-CB-240a.1 | Since the SASB definition of "programs designed to promote small business and community development" is based on the laws and regulations of the United States, we disclose alternative information based on the laws and regulations of Japan. In Japan, SMEs are defined as businesses whose capital amounts to ¥300 million or below (¥100 million in the case of the wholesale industry and ¥50 million in the case of retail, restaurant and goods leasing industries) or businesses with a total of 300 employees or fewer (100 in the case of wholesale and goods leasing industries and 50 in the case of retail and restaurant industries). Balance of loans to SMEs (total of Group banks; as of March 31, 2023): ¥33,043.2 billion Resona Group Disclosure Book 2023 Data Edition Resona Bank: p. 131; Saitama Resona Bank: p. 229; Kansai Mirai Bank: p. 362; Minato Bank: p. 439 https://www.resona-gr.co.jp/holdings/investors/ir/disclosure/pdf/23/hd.pdf (Japanese only) |
| Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers | Quantitative | Number | FN-CB-240a.4 | As defined by SASB, the "unbanked" have no bank accounts at all, the "underbanked" have bank accounts but usually use non-banks for financing, and the "underserved" cannot receive sufficient financial services, definitions that are in line with U.S. laws and regulations. We disclose corresponding information based on Japanese laws and regulations. The Resona Group provides financial and economic education for elementary, junior high and high school students who will lead future generations so that they can acquire monetary literacy in a fun way. Financial and Economic Education https://www.resona-gr.co.jp/holdings/english/sustainability/sdgs/aging/education.html |

Employee Diversity & Inclusion

| | | | | |
|--|--------------|---|--------------|---|
| Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees | Quantitative | % | FN-AC-330a.1 | The Resona Group is promoting diversity & inclusion to achieve value creation supported by diverse employees who strive to understand each other's differences in ways of thinking, respect and inspire one another and proactively incorporate new ideas from their peers. To this end, the Group has introduced a variety of programs aimed at helping women achieve career success and encouraging employees to embrace diverse working styles. As a result, the ratio of women in the overall number of directors at Resona Holdings is 25.0%. Moreover, the ratio of women in the total headcount is 48.2% for Group banks (Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank). In addition, the ratio of female line managers is 31.4% for Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank. As of June 2022, the ratio of people with disabilities is 2.39%. Diversity & Inclusion ESG Data https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/index.html Non-Financial Highlights: p. 92 |
|--|--------------|---|--------------|---|

Incorporation of ESG factors in the Investment Management & Advisory

| | | | | |
|---|-------------------------|---|--------------|---|
| Description of approach to the incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies | Discussion and Analysis | — | FN-AC-410a.2 | In line with its "Responsible Investment Policy," the Resona Group undertakes, in the course of managing trust assets, the close assessment and analysis of investees' non-financial performance, including their response to ESG issues, in addition to assessing their financial performance. By doing so, the Group encourages investees to work to improve their corporate value and achieve sustainable corporate growth on a medium- to long-term basis. Chapter 1 (pp. 30–35) of Responsible Investment Section, SUSTAINABILITY REPORT 2022/2023 issued by Resona Asset Management Co., Ltd. https://www.resona-am.co.jp/investors/pdf/sus_report2022-2023en.pdf |
| Description of proxy voting and investee engagement policies and procedures | Discussion and Analysis | — | FN-AC-410a.3 | The Resona Group is aware of its responsibilities with regard to the improvement of investees' corporate governance as well as the profound impact its investment activities can have on the environment and society as a whole. The Group also recognizes that these changes in the environment and society will affect investment performance. Taking the aforementioned factors into account, the Group has established the Global Governance Principles, which aim to provide standards for the exercise of voting rights associated with domestic and overseas stocks. Chapter 1–5 (pp. 30–85) of Responsible Investment Section, SUSTAINABILITY REPORT 2022/2023 issued by Resona Asset Management Co., Ltd. https://www.resona-am.co.jp/investors/pdf/sus_report2022-2023en.pdf |

| Accounting Metrics | Category | Unit of Measure | Code | Response |
|--------------------|----------|-----------------|------|----------|
|--------------------|----------|-----------------|------|----------|

Incorporation of ESG Factors in Credit Analysis

| | | | | |
|--|-------------------------|-----------------|--------------|---|
| Commercial and industrial credit exposure, by industry | Quantitative | Millions of yen | FN-CB-410a.1 | For details regarding credit exposure by industry, please refer to the page 7 in the PDF file titled "Status of Capital Adequacy/Basel Data Section (FY2022)" posted on the following section of our corporate website. Annual Report (Status of Capital Adequacy/Basel Data Section) https://www.resona-gr.co.jp/holdings/english/investors/financial/annual/ |
| Description of approach to incorporation of ESG factors in credit analysis | Discussion and Analysis | — | FN-CB-410a.2 | In line with its "Basic Stance on Lending," the Resona Group aims to contribute to the creation of a sustainable society and, to this end, is proactively assisting customers in their efforts to tackle social and environmental issues via the development and provision of products and services designed to help them address social and environmental concerns. The Group also maintains a structure and procedures aimed at properly assessing and evaluating the environmental impact of large projects and environmental initiatives undertaken by customers. Initiatives for Socially Responsible Investing and Lending https://www.resona-gr.co.jp/holdings/english/sustainability/management/sri/ |

Business Ethics

| | | | | |
|--|-------------------------|---|------------------------------|---|
| Description of whistleblower policies and procedures | Discussion and Analysis | — | FN-AC-510a.2 FN-CB-510a.2 | The Resona Group maintains a whistleblowing system comprising both in-house and external hotlines that are accessible to all employees (including those who have resigned) and their families. The Group also prohibits the detrimental treatment of whistleblowers while taking thoroughgoing measures to ensure that the content of whistleblowing is kept secret. Furthermore, the Group is promoting the use of its whistleblowing system via posters and intranet pages designed to provide employees with the overview of the system and contacts to hotlines. Compliance Advisory Resources https://www.resona-gr.co.jp/holdings/english/about/compliance/#01 |
|--|-------------------------|---|------------------------------|---|

Systemic Risk Management

| | | | | |
|---|-------------------------|---|--------------|--|
| Global Systemically Important Bank (G-SIB) score, by category | Quantitative | — | FN-CB-550a.1 | As of March 31, 2023, the Resona Group has not been selected as a G-SIB. |
| Description of approach to the incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities | Discussion and Analysis | — | FN-CB-550a.2 | The Resona Group believes that in order to maintain sound and stable business operations, securing sufficient capital to cover risk is extremely important. Based on this belief, the Group is engaged in capital management aimed at maintaining its capital adequacy ratio at a sufficient level. In formulating management strategies, the Company clarifies the business areas in which it actively takes risks based on its social mission. Capital Management https://www.resona-gr.co.jp/holdings/english/about/capital/index.html Risk Appetite Framework p. 84 |

Activity Metrics

| | | | | |
|---|--------------|-----------------|-------------|---|
| (1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business | Quantitative | Millions of yen | FN-CB-000.A | Since the index that the SASB recommends for disclosure takes into consideration the laws and regulations of the United States, we disclose alternative quantitative data based on the laws and regulations of Japan. Consolidated Balance Sheet/Domestic Deposit (total of Group banks; as of March 31, 2023) <ul style="list-style-type: none"> Individual: ¥38,072.3 billion Corporate: ¥19,109.6 billion For more details, please refer to the following PDF file and see "II. Loans and Bills Discounted and Other, 8. Balance of deposits and loans, Domestic breakdown of individual, corporate and other deposits" (p. II-18). Consolidated Financial Results for Fiscal Year 2022 (April 1, 2022–March 31, 2023/ Unaudited) https://www.resona-gr.co.jp/holdings/english/investors/financial/results_c/download_c/files/20230512_3a.pdf |
| (1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate | Quantitative | Millions of yen | FN-CB-000.B | Since the index that the SASB recommends for disclosure takes into consideration the laws and regulations of the United States, we disclose alternative quantitative data based on the laws and regulations of Japan. (Total of Group banks; as of March 31, 2023) <ul style="list-style-type: none"> Balance of domestic loans and bills discounted: ¥41,427.6 billion Of which, balance of loans to SMEs: ¥33,043.2 billion Of which, balance of apartment loans: ¥3,066.4 billion Of which, balance of residential housing loans: ¥13,715.3 billion Resona Group Disclosure Book 2023 Data Edition Resona Bank: pp. 130, 131; Saitama Resona Bank: pp. 228, 229; Kansai Mirai Bank: pp. 361, 362; Minato Bank: pp. 438, 439 https://www.resona-gr.co.jp/holdings/investors/ir/disclosure/pdf/23/hd.pdf (Japanese only) |
| (1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial | | | FN-MF-000.A | |

The following items are defined based on the FICO Score in line with the U.S. laws and regulations. Accordingly, we believe that it does not apply to reporting under the current system in Japan.

FN-CF-270a.2: Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660

FN-CF-270a.3: (1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660

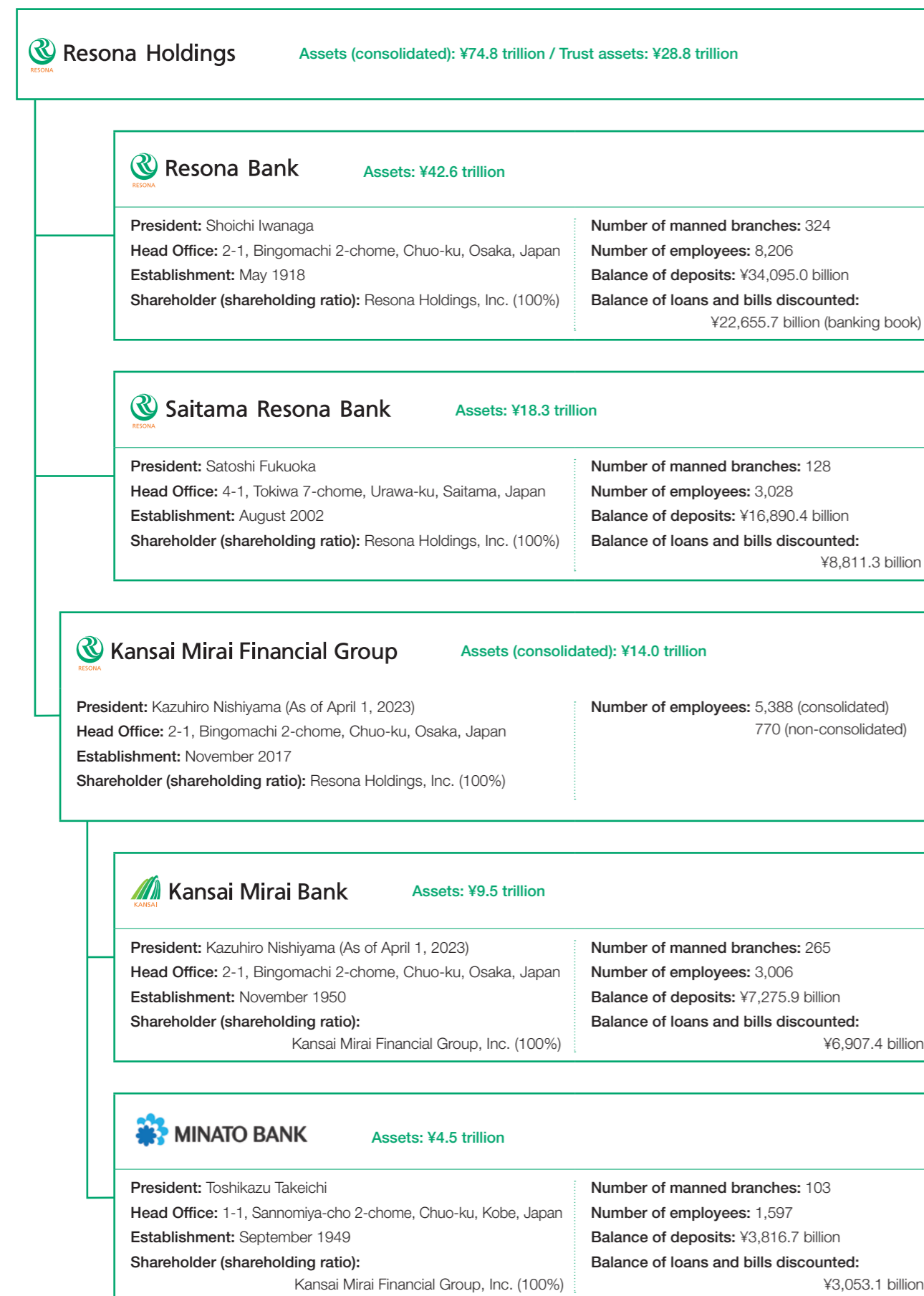
FN-MF-270a.1: (1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate and (d) Total, by FICO scores above and below 660

FN-MF-270a.2: (1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660

FN-MF-270b.1: (1) Number, (2) value and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660

Corporate Data

Outline of Group Banks (As of March 31, 2023)



Corporate Profile (As of March 31, 2023)

| | |
|----------------------------|--|
| Company Name | Resona Holdings, Inc. |
| President | Masahiro Minami |
| Head Office | (Tokyo Head Office) 5-65, Kiba 1-chome, Koto-ku, Tokyo 135-8582, Japan (Osaka Head Office) 2-1, Bingomachi 2-chome, Chuo-ku, Osaka 540-8608, Japan |
| Establishment | December 2001 |
| Number of Employees | 19,283 (consolidated) 1,554 (non-consolidated) |
| Lines of Business | Formulation of Group management and business strategies, allocation of management resources within the Group, and supervision of subsidiaries' operations and other ancillary businesses |



Tokyo Head Office

Osaka Head Office

Resona Holdings Website
<https://www.resona-gr.co.jp/holdings/english/>

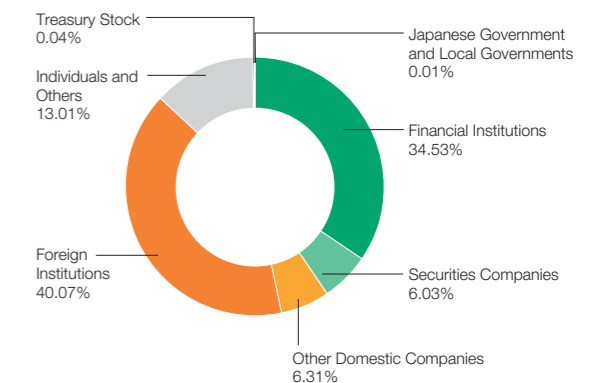
Stock Information (As of March 31, 2023)

| | |
|-------------------------------------|------------------------|
| Issued Stock | 2,377,665,966 shares |
| Number of Shareholders | 286,369 (Common stock) |
| Major Shareholders (Top Ten) | Common stock |

| Name of shareholder | Percentage of total shares issued (%)* |
|--|--|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 16.56 |
| Custody Bank of Japan, Ltd. (Trust Account) | 7.14 |
| STATE STREET BANK AND TRUST COMPANY 505223 | 3.23 |
| The Dai-ichi Life Insurance Company, Limited | 3.16 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 2.70 |
| Nippon Life Insurance Company | 2.28 |
| AMUNDI GROUP | 1.89 |
| STATE STREET BANK WEST CLIENT-TREATY 505234 | 1.61 |
| SBTC CLIENT OMNIBUS ACCOUNT | 1.55 |
| DAIDO LIFE INSURANCE COMPANY | 1.20 |

*Calculated after deduction of treasury shares

Composition of Stockholders



On Issuing This Integrated Report

This publication is an integrated report that aims to explain in a simple manner to all stakeholders the Resona Group's strengths and measures undertaken to create sustainable corporate value. Our hope is that, through this report, readers will understand the reasoning behind our goal of becoming the "Retail No. 1" Solution Group.

Also, forward-looking statements contained in this report are based upon certain assumptions that may be significantly affected by the following factors: fluctuations in domestic stock prices; changes in policies enforced by the national government and the Bank of Japan, as well as laws, regulations and industrial practices and their interpretations; the bankruptcy of a major corporation(s); changes in the economic environment at home and abroad; and other factors beyond the control of the Resona Group. Accordingly, forward-looking statements contained in the report in no way guarantee the Group's future business performance or the realization of other trends. Readers are advised

that actual results may differ materially from these statements. Financial data, non-financial data and other detailed information are available on our website.

Referenced guidelines

- The IIRC Framework issued by the IFRS Foundation
- Guidance for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry
- GRI Standards
- SASB Standards

Coverage

Period: FY2022 (April 2022–March 2023); The report includes some information on the Group's initiatives carried out in April 2023 and later.

Scope: Resona Holdings, its subsidiaries and its affiliates