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The corporate governance policies, structure, systems and initiatives of Resona Holdings, Inc. (“Resona Holdings” or “the Company”) are presented as follows.

I. [Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Fundamentals](#)

1. **Basic Views** Update

Resona Holdings, Inc. (hereinafter the “Company”) has established the *Basic Corporate Governance Policy* to clarify its basic approach to and framework and operation policy for corporate governance, with the aim of facilitating the sustained growth and improvement of the corporate value of the Resona Group (hereinafter the “Group”) over the medium and long terms.

(Basic Approach to Corporate Governance)

- The Company, as the holding company of the financial services group, including Resona Bank, Limited, Saitama Resona Bank, Limited and Kansai Mirai Financial Group, Inc. (hereinafter the “Group Banks”), shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance 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 that enables all Resona Group members to engage in business operations in a concerted manner and, to this end, has positioned the Group’s “Purpose” together with the “Corporate Mission (Resona Group Management Philosophy)” as a cornerstone of business management, aiming to realize the “Long-Term Vision,” which represents ideals regarding what the Group should look like over the long term.

“Group’s Conceptual Structure”

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

(The Company’s Corporate Governance System)

- Based on the above-mentioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function, and adopt the form of “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.
- 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 (the Nominating Committee, the Compensation Committee and the Audit Committee) fulfill their functions.
- The Company shall ensure the autonomy of its Group companies and instruct the Group companies to manage their business activities based on the above-mentioned basic approach to corporate governance so that the Group will grow together with local communities.

Please also visit the Company’s website featuring its *Basic Corporate Governance Policy*.

https://www.resona-gr.co.jp/holdings/english/about/governance/pdf/bcg_policy.pdf

Reasons for Non-Compliance with the Principles of the Corporate Governance Code

The Company adopts all principles set forth by the Corporate Governance Code.

Disclosure Based on the Principles of Corporate Governance Code Update

The status of the implementation of the Company's measures based on the principles set forth in the Corporate Governance Code is presented in the "Basic Corporate Governance Policy" and this report.

Principle 1.3: Basic Strategy for Capital Policy

The Company intends to improve corporate value by utilizing capital to execute growth investment and enhance the content of shareholder returns while maintaining financial soundness. As a capital profitability indicator, the Company is also striving to achieve an ROE of 8%.

1. Financial soundness

The Company aims to raise its equity ratio to secure a sufficient level of capital vis-à-vis currently applicable domestic standards. Further, in light of internationally unified standards, the Company will also strive to achieve a Common Equity Tier 1 capital ratio (excluding unrealized gain on available-for-sale securities; based on regulations to be effective upon the full enforcement of the finalized Basel 3) of 10%.

2. Growth investment

In addition to extending lending to help customers resolve issues they are confronting, the Company will execute inorganic growth investment to enhance its customer base, management resources and functions.

3. Shareholder returns

While maintaining a stable stream of dividends, the Company will strive to raise its total shareholder return ratio to around 50%.

Principle 1.4: Cross-Shareholdings

With regard to its policy-oriented stockholdings,* the Company has established the *Policy for Holding Policy-Oriented Stocks* and the *Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks*. These policies and standards are disclosed through the following media.

Outline of *Policy for Holding Policy-Oriented Stocks*

Outline of *Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks*

Outline of *Process for verifying the appropriateness of the holdings of policy-oriented stocks*

https://www.resona-gr.co.jp/holdings/english/about/governance/pdf/related_policies2.pdf

* The Company's policy-oriented stockholdings are classified as (1) policy-oriented investment stocks and (2) strategic investment stocks in line with differing purposes of holdings. Of these, stockholdings in category (1) are subject to the Company's ongoing reduction efforts. Also included in this category are all the listed stocks held by subsidiary banks. Detailed definitions of these two categories are as follows.

(1) Policy-oriented investment stocks refer to stocks held by the Company or subsidiary banks for the purpose of developing stable, medium- to long-term transactional relationships by ensuring that both corporate customers and the Group enjoy sustainable improvements in corporate value. These stocks additionally include those held for such purposes as supporting regional vitalization or corporate rehabilitation.

(2) Strategic investment stocks refer to stocks held by the Company for the purpose of acquiring external resources or functions, for example, to secure alliances with external corporations.

Status of Initiatives

Since the massive infusion of public funds aimed at reinforcing the Company's capital, Resona Holdings has engaged in ongoing negotiations with its corporate clients to steadily reduce the volume of policy-oriented stocks held by Group entities, thereby mitigating its exposure to price fluctuation risks. Going forward, the Company will maintain a basic policy of reducing the balance of such stocks in light of environmental changes, such as changes to the Corporate Governance Code.

In addition, as of March 31, 2023, the Company verified the appropriateness of the holdings of policy-oriented stocks and concluded that the purpose of all the policy-oriented stock holding is in compliance with the Policy for Holding Policy-Oriented Stocks.

The stockholding verification process involved assessments of each investee's stock performance that examined profitability versus capital costs alongside medium- to long-term credit risk. In these assessments, the investee must satisfy certain profitability criteria and secure profitability in excess of capital costs even after the deduction of credit costs from profit.

- Profitability:

Profitability is calculated as profit less credit costs minus capital costs ((the sum of loans and stock-related risk weighted assets × targeted capital adequacy ratio + impairment VaR) × capital cost ratio)

These assessments revealed that the overall profitability of the Company's transactions with listed investees was in excess of capital costs and that the same applies to unlisted investees.

Taking a look at each investee, the Company confirmed that investees whose profitability surpasses capital costs account for approximately 70% of total investees. Currently, the Company is engaged in negotiations with investees failing to meet this profitability standard and other investees deemed to be in need of measures to improve profitability. Hereafter, the Company's decision whether or not to maintain a stockholding will depend on whether that investee is deemed likely to improve said profitability. At the same time, the Company will negotiate its divestment of their stock with those judged to be incapable of improving profitability.

Also, the Company regularly monitors the status of investees whose stock performance falls short of this standard while periodically checking on the progress of negotiations aimed at selling the stocks of underperforming investees.

In addition, as a result of the verification, there are instances when the Company sells stocks that are considered to be held fairly in consideration of market conditions and the Company's business and financial strategies.

As a result of the aforementioned activities, in fiscal 2022 the Company sold listed stock totaling ¥22.0 billion on an acquisition-cost basis.

Principle 1.7: Related Party Transactions

The Company has set forth procedures that should be followed prior to engaging in business transactions with related parties and presented said procedures in Article 5 of the *Basic Corporate Governance Policy* (Approval of Transactions with Parties Concerned).

Supplementary Principle 2.4.1: Ensuring Diversity in the Promotion of Core Human Resources

Concepts on ensuring diversity

Having experienced a management crisis ("Resona Shock") immediately after its inauguration in 2003, the Resona Group has positioned diversity management as a cornerstone for human resource management, striving to empower all employees, regardless of gender, age or nationality, to realize their full potential and achieve career success.

In recent years, the business environment has been evolving radically due to the ongoing globalization of economies and rapid advances in AI and other technologies, with new operational models quickly becoming obsolete and being superseded by another. Accordingly, businesses are constantly being called upon to take on the challenge of transformation in ways that defy past experience or prevailing norms.

To secure its ability to continuously deliver new value supporting its customers' happiness, the Resona Group continuously strives to transform itself into a financial service group rich with creativity. This striving involves securing diverse human resources and encouraging mutual respect among them so that they are better positioned to learn different ways of thinking and discover new ideas which, in turn, lead to innovation.

Furthermore, the Group expects its human resources to become true professionals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing the customers' happiness. When it comes to promoting employees, the Group is focused on appreciating the personalities of candidates and their aspirations toward self-motivated career goals, no matter their gender or years of service.

Based on the concepts discussed above, the Group is promoting diversity & inclusion to help diverse human resources realize their potential and take full advantage of input from differing value systems.

Current status of and targets for diversity

The Resona Group is striving to secure workforce diversity as outlined below 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.

a. Women

With the aim of empowering women to achieve ambitious career paths, the Company is engaged in proactive efforts involving all Group companies, and its ratio of female line managers*¹ to overall managerial positions (sum of six Group companies*²) surpassed 30% at the end of fiscal 2021. Also, the Group announced its targets for the empowerment and promotion of women as part of Long-Term Sustainability Targets disclosed in June 2021. Specifically, the Group aims to achieve the below presented ratios for the representation of women in various positions, an increase of 10% or more from the levels recorded at the time of the announcement, by the end of fiscal 2030.

- Ratio of female Directors and Executive Officers at Resona Holdings: 30% or more
- Ratio of female senior managers at six Group companies: 20% or more*²
- Ratio of female line managers at six Group companies: 40% or more*²

*¹ Those in managerial positions or above charged with overseeing staff

*² Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

Latest results

- Ratio of female Directors and Executive Officers at Resona Holdings: 15.3% (as of March 31, 2023)
- Ratio of female senior managers at six Group companies: 13.4% (as of March 31, 2023)
- Ratio of female line managers at six Group companies: 31.4% (as of March 31, 2023)

b. Foreign nationals and other human resources equipped with global perspectives

On an annual basis since fiscal 2014, the Resona Group has consistently hired several new graduates from among the contingent of foreign national students who complete their university education in Japan. Currently, these hires undergo training with an eye to promotion to managerial positions. Going forward, the Group intends to hire and train foreign nationals who will one day serve as key workforce components. In terms of recruiting mid-career hires, the Group is similarly focused on constantly hiring excellent human resources, irrespective of nationality, based on their skills in their areas of specialty.

The Resona Group also recognizes the need for human resources equipped with global perspectives and capable of assessing global economic trends, technological breakthroughs and changes in financial services in an accurate and timely manner. The Group thus deems it essential to secure and allocate such human resources, irrespective of nationality, not only to its international business but also to other businesses, ensuring that their competencies are leveraged in various operations at each business unit. Moreover, the Group is providing employees with ongoing assistance to help them develop global perspectives.

For employees who assume senior manager or higher positions, the Group has adopted a performance evaluation scheme that incorporates global perspectives as one of its indicators. Through the endeavors described above, the Group will expand its pool of globally capable human resources from the current level while striving to optimally allocate human resources on an ongoing basis.

In addition, a number of locally hired employees are playing key roles at the Group's overseas locations. For example, foreign national (non-Japanese) managers at Bank Resona Perdania in Indonesia account for a total of 59, or approximately 94%, of said bank's managerial positions. Meanwhile, nine (82%) of the managers at Resona Merchant Bank Asia in Malaysia are foreign nationals.

c. Mid-career hires

At the Resona Group, the number of mid-career hires being promoted to managerial positions currently totals 851. With regard to the promotion of mid-career hires, the Group takes their experience in previous employment into account while applying the same criteria as those applied to candidates who join the workforce as new graduates.

In April 2021, the Group revised its personnel system, instituting a multi-path personnel system designed to

help each employee enhance their strengths in their area of specialty. Building on this system, the Group is developing an environment in which mid-career hires are empowered to realize their full potential and play even greater roles in their respective fields. Moreover, the Group intends to promote mid-career hires so they serve as driving forces toward its goal of increasing the sophistication of its financial services for future generations. These efforts are also undertaken in line with the reform of the human resource portfolio to align with changes in the business model. Looking ahead, as the Group plans to raise the proportion of mid-career hires among new hires, the ratio of mid-career hires to the overall number of managers is expected to grow.

Policies for and the status of human resource training and the development of an in-house environment toward securing workforce diversity

To help diverse human resources achieve success, the Group is striving to increase work style options available to employees while extending assistance to those endeavoring to strike a balance between childrearing, nursing care or other life events and their duties. Moreover, the Group is developing an environment supportive of employees' autonomous career development efforts.

Increasing work style options available to employees

The Group is striving to offer a variety of work style options as part of efforts to develop a working environment in which every employee is empowered to pursue success regardless of time or other constraints.

To this end, employees in all job categories are allowed to adopt a variable working hour system. Furthermore, they are enabled to utilize a discretionary labor system or flextime under certain conditions so that they can choose optimal work styles in line with the nature of their respective duties. In addition to full-time employee and partner employee positions, the Group also introduced "smart employee" positions, in which employees are allowed to work shorter working hours and are given more limited jobs, an option designed to accommodate the need for optimal work-life balance.

The Group also expanded the scope of employees eligible for remote working to all employees while utilizing branch meeting rooms as satellite offices, with the aim of increasing options available to employees in terms of working locations.

Helping employees strike a balance between life events and duties

The Group maintains programs granting childcare-related leave and otherwise allowing cessation from work for childcare in addition to enabling employees taking on childrearing to adopt shortened working hours. Moreover, the Group extends assistance to those expecting to be reinstated from childcare leave by, for example, holding various seminars. In these ways, the Group strives to develop a supportive environment for those endeavoring to strike a balance between work and childrearing. In addition, the Group aims to encourage male employees who are fathers to transform their work styles and raise their awareness of the need to strike a balance between work and childrearing. To this end, the Group has identified a specific target for the ratio of male employees who take childcare leave and is striving to encourage the utilization of childcare leave among this employee group. In October 2022, the Group introduced a new system associated with cessation from work upon childbirth, which is deemed particularly important in postnatal child rearing, and designated the first 14 days of such cessation as paid leave to further promote the utilization of this system.

For employees engaged in nursing care, the Group endeavors to enhance the content of related programs, such as those granting nursing care leave and those allowing shortened working hours. The Group has also prepared a guidebook to ensure employee understanding of these programs while regularly holding seminars. These systematic efforts are intended to alleviate any sense of anxiety among employees regarding nursing care and enable them to utilize the above programs whenever necessary so that they can continue to work with confidence.

Assistance for autonomous career development

Upon the April 2021 revision of the personnel system, the Group adopted a multi-path personnel system to promote the transition to a human resource portfolio with a greater focus on securing diverse workers boasting strengths in their areas of specialty. The new system is a course-based system that offers a total of 20 career paths* encompassing various operational areas. Furthermore, we began providing employees with options regarding retirement age, which can range between age 60 and age 65, as part of efforts to push ahead further with diversity & inclusion.

In conjunction with the revision of the personnel system, the Group has established a helpdesk through which specialist staff provide career counseling and has also restructured an existing system for internally soliciting candidates for personnel transfer in line with their desires for new assignments. We also began holding round-table meetings aimed at helping attendees learn about operations handled by headquarters as well as the details of the aforementioned courses offered via the new personnel system. As such, we are striving to develop a comprehensive structure for assisting employees in their autonomous career development efforts.

* In April 2023, “AML/CFT specialist course” was added to the conventional list of 19 career courses.

For details on the Group’s diversity & inclusion initiatives, please visit the following page of our corporate website.
https://www.resona-gr.co.jp/holdings/english/sustainability/sdgs/human_rights/diversity.html

Principle 2.6: Roles of Corporate Pension Funds as Asset Owners

The Group established a fund-based corporate pension system. Resona Bank and Saitama Resona Bank have established Resona Corporate Pension Fund. Kansai Mirai Bank and Minato Bank have established Kansai Mirai Corporate Pension Fund. These various Funds (hereinafter the “Funds”) are charged with the management of pension assets associated with defined benefit pension plans, the payment of pensions and other pension-related administrative tasks. The Group Banks are systematically allocating to their respective Funds human resources with the appropriate skills for managing assets. For example, Resona Holdings assigns to the Resona Corporate Pension Fund and the Kansai Mirai Corporate Pension Fund human resources who have worked for such subsidiaries as Resona Bank and who are equipped with experience in securities management and pension trusts. In this way, the Group Banks are ensuring that their respective Funds are capable of independently determining asset management methodologies as well as undertaking proactive risk management and thus fulfilling specialist roles as asset owners. In addition, the Resona Corporate Pension Fund has announced its adherence to Japan’s Stewardship Code.

The Funds mandate that such important matters as making changes to their constitutions, drafting annual budgets, business reporting, announcing financial results and managing pension assets must be approved by their respective boards of representatives. The Funds also mandate that one half of the membership of the Group Banks’ boards of representatives consists of those appointed by their respective companies, with the other half consisting of those elected from among pension beneficiaries via mutual election. Moreover, directors elected from among the members of a board of representatives and the Group Banks’ personnel in charge of human resources, financial affairs, market-related operations and other key operations attend periodic Asset Management Committee meetings to engage in discussions aimed at formulating and reviewing basic policies for asset management. In these ways, the Group Banks are ensuring the proper management of conflicts of interest between corporate pension beneficiaries and themselves.

Principle 3.1: Full Disclosure

1. Company objectives (e.g., business principles), business strategies and business plans

The Company has positioned the Resona Group’s “Purpose” together with the “Corporate Mission (Resona Group Management Philosophy)” as a cornerstone of business management and aims to realize the “Long-Term Vision,” which represents ideals regarding what the Group should look like over the long term.

“Group’s Conceptual Structure”

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

In addition, the Company announced its “New Medium-term Management Plan” in May 2023.

<https://www.resona-gr.co.jp/holdings/english/about/strategy/plan.html>

2. Basic views and guidelines on corporate governance

Presented under I. 1. “Basic Views” of this report.

3. Board policies and procedures in determining the remuneration of the senior management and directors

Policies and procedures adopted by the Company’s Compensation Committee to determine the remuneration of

the Company's directors and executive officers are presented under II. 1. "Remuneration for Directors and Executive Officers, Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" of this report and Articles 13 (Compensation Committee) and 14 (Compensation System) of the *Basic Corporate Governance Policy*.

4. Board policies and procedures in the appointment and dismissal of the senior management and the nomination of directors

Policies and procedures adopted by the Company's Nominating Committee to appoint candidates for the Company's directors and those adopted by the Board of Directors to appoint candidates for executive officers (including Representative Executive Officer) are presented under II. 1. "Independent Directors, Matters Relating to Independent Directors, Outline of the 'Standards for Electing Director Candidates'" of this report and Articles 11 (Election of Executive Officers, etc.) and 12 (Nominating Committee) of the *Basic Corporate Governance Policy*. In addition, the Company is striving to ensure the effectiveness of its policies and procedures through the following measures, with the aim of systematically securing objectivity, timeliness and transparency in the dismissal of executive officers. Specifically, the Board of Directors, whose majority is accounted for by outside directors, is authorized to dismiss executive officers, including the President, if, for example, their accomplishments have been deemed insufficient. Also, members of the Nominating Committee are kept informed about evaluation results for each executive officer's performance while regularly deliberating on the suitability of key individuals serving as executive team members and President.

5. Reasons for the election of director candidates, including those who will concurrently serve as Representative Executive Officers

Reasons for the election of such director candidates are presented in reference documents attached to the Notice of Convention of the 22th Ordinary General Meeting of Shareholders.

<https://www.resona-gr.co.jp/holdings/english/investors/stock/meeting/pdf/notice20230526.pdf>

Supplementary Principle 3.1.3: Initiatives on Sustainability and Investments in Human Capital and Intellectual Properties

Initiatives on sustainability

The Resona Group has defined "Beyond Finance, for a Brighter Future" as its Purpose, thereby clarifying how it contributes to society well into the future as it moves toward achieving sustainable improvement in social and corporate value. Guided by this Purpose, along with its long-cherished "*Corporate Mission*," the Group has also identified a Long-Term Vision of realizing "Retail No. 1" and becoming "The 'Solution Group' most supported by customers and regional societies as it walks with them into a brighter future together," the Group's long-term ideals regarding what it should look like.

In addition, the Company announced its new medium-term management plan (MMP) in May 2023. This MMP was formulated using a backcasting approach that takes into account what needs to be done to realize the Purpose and the Long-Term Vision, with the MMP period defined as the "first 1,000 days of taking on corporate transformation (CX)" aimed at moving the Group toward a new stage of value creation. Thus, the MMP consists of initiatives with two main objectives, namely, the "Strengthening of Value Creation Capabilities" and the "Development of Next-Generation Management Platforms" with the aim of securing the Group's ability to help resolve increasingly diverse issues its customers are now confronting.

For the detail of the MMP, please refer to our corporate website.

<https://www.resona-gr.co.jp/holdings/english/about/strategy/plan.html>

For details on the Resona Group's sustainability initiatives and the status of information disclosure in accordance with the TCFD guidance, please refer to the section titled "Initiatives to Improve Corporate Value" featured in the Integrated Report issued by the Company.

https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/pdf/22/ir23_15.pdf

Investments in human capital and intellectual properties

The Company has positioned investment in human capital and intellectual capital as a key element supporting the realization of its Long-Term Vision.

The medium-term management plan (MMP), which was announced in May 2023, consists of initiatives with two main objectives, namely, the “Strengthening of Value Creation Capabilities” and the “Development of Next-Generation Management Platforms.” The Company considers investment in human capital and intellectual capital to be an important driver for the latter initiative.

Please also refer to the Integrated Report issued by the Company for its concepts on and KPIs for human capital- and intellectual capital-related investment to be undertaken during the MMP period.

- “CEO Message” (*Integrated Report*)

https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/pdf/22/ir23_05.pdf

- “Initiatives to Improve Corporate Value” (*Integrated Report*)

https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/pdf/22/ir23_15.pdf

Supplementary Principle 4.1.1: The Scope and Content of Matters Delegated to the Management

The scope of matters delegated to Executive Officers is defined by the Company’s Board of Directors and presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

Supplementary Principle 4.1.3: The Succession Plan for Management Personnel

Aiming for sustained improvements in corporate value, the Group introduced a succession plan in June 2007 that serves as a mechanism to ensure the succession of management roles and responsibilities to be borne by presidents and other officers at Resona Holdings, Kansai Mirai Financial Group and Group subsidiary banks in a way that secures the transparency of the process of selecting and nurturing officers.

The scope of the succession plan covers various candidates, from those nominated to the position of President at Resona Holdings, Kansai Mirai Financial Group and Group subsidiary banks to those who are new candidates for officer positions. The process of selecting and nurturing successors is carried out steadily according to a schedule, matching qualified candidates to the appropriate rank. The Group maintains 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 various aspects of candidates’ characters.

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, Resona Holdings has set forth seven competencies that define the ideal individual for the position of officer. Resona Holdings is striving to ensure that the directors in the Nominating Committee as well as officers share common ideals established thusly. This ensures that the standards for the evaluation and nurturing of successors are clear and that the entire process is impartial.

Supplementary Principle 4.2.2: Basic Policy for the Company’s Sustainability Initiatives

The Company’s Board of Directors has defined a basic policy regarding the Resona Group’s initiatives aimed at living up to the expectations and trust placed in it by society through its business activities and thereby ensuring resonance between the creation of a sustainable society and the Group’s sustainable growth.

This policy includes a statement that the Board of Directors will verify and supervise the status of sustainability promotion initiatives in a periodic manner via the use of an overarching perspective, with the aim of fulfilling its duty of accountability to stakeholders.

For specific details regarding the Resona Group Sustainability Policy, please refer to our corporate website.

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

Moreover, the Resona Group has defined “Beyond Finance, for a Brighter Future” as its Purpose, thereby clarifying how it will contribute to society well into the future as it moves toward achieving sustainable improvement in social and corporate value. Guided by this Purpose, along with its long-cherished “*Corporate Mission*,” the Group has also identified a Long-Term Vision of realizing “Retail No. 1” and becoming “The ‘Solution Group’ most supported by customers and regional societies as it walks with them into a brighter future together,” the Group’s long-term ideals regarding what it should look like.

The medium-term management plan (MMP) announced in May 2023 was formulated under the supervision and guidance of the Board of Directors via the use of a backcasting approach that takes into account what needs to be done to realize ideals described above. In the course of formulating the MMP, the Group has also examined areas of particular concern in terms of delivering value to society as well as in its priority business fields against the backdrop of an ever-faster evolving business environment and with regard to the allocation of management resources, including human capital and intellectual capital, to support value creation and other key business initiatives. The status of progress under the MMP is regularly monitored by the Board of Directors, which works to maintain a robust supervisory structure over MMP initiatives.

Principle 4.8: Effective Use of Independent Directors

The Company’s policies on the number of its directors, including independent directors, and the minimum proportion of independent directors in the Board are presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

As of the date of the announcement of this report, the Company’s Board of Directors consists of 12 members, eight of whom are independent directors.

Principle 4.9: Independence Standards and Qualification for Independent Directors

The independence standards and qualifications for outside directors set forth by the Company are presented under II. 1. “Independent Directors, Matters Relating to Independent Directors, Outline of the ‘Standards for Election Director Candidates,’ Independence of Outside Directors” of this report.

Supplementary Principle 4.11.1: Views on the Balance, Diversity and Size of the Board

The Company’s views on the knowledge and experience of members of its Board of Directors as well as the balance, diversity and size of the Board as a whole are presented under Article 3 (System and Role of the Board of Directors) of the *Basic Corporate Governance Policy*.

The Company considers ensuring diversity and active discussion informed by the varied experience and specialties of each Director will lead to enhanced supervisory and decision-making functions of the Board of Directors.

The skills especially expected from each Director are presented in the Notice of Convention of the 22th Ordinary General Meeting of Shareholders.

<https://www.resona-gr.co.jp/holdings/english/investors/stock/meeting/pdf/notice20230526.pdf>

Supplementary Principle 4.11.2: The Status of Directors’ Concurrent Positions

The status of director positions concurrently held by the Company’s outside directors is presented under II. 1. “Outside Directors, Outside Directors’ Relationship with the Company (2)” of this report.

None of the other directors holds a concurrent position as a senior executive or a director at a listed company.

Supplementary Principle 4.11.3: Analysis and Self-Evaluation of the Board’s Overall Effectiveness

Outline of method and results of evaluation of the Board of Directors for the fiscal year ended March 31, 2023:

As set out in Article 9 (Self-Assessment) of the Basic Corporate Governance Policy, the Company’s Board of Directors conducts an analysis and evaluation of its overall effectiveness based upon each Director’s evaluation of and opinions on the roles, functions and operation of the Board of Directors. The Company strives to improve the effectiveness of the Board of Directors on a continued basis by discussing the operation of the Board of Directors during the next fiscal year based on the results of such analysis and evaluation, determining the measures

to be taken for such fiscal year and executing such measures.

(1) Outline of the evaluation of the Board of Directors for the fiscal year ended March 31, 2023

From January to February 2023: Distributed a questionnaire to, and collected it from, each Director;

March 2023: Compiled responses and the results of the evaluation;

Early April 2023: Outside Directors, without others, discussed the following points based on the compiled results: “Current state of the Board of Directors and how the Board should be”, “contents of the agenda items”, “how the materials for the Board of Directors meetings should be”, “responses by the business execution departments following the discussions by the Board of Directors”, “management of the meeting by the Chairperson”, etc.

Late April 2023: The Board of Directors discussed the results of the self-assessment and future measures.

*Main items featured in the questionnaire

- Roles and functions of the Board of Directors (roles of the Board and the Chairperson going forward)
- Size and composition of the Board of Directors’ membership (the number of members, proportions of inside and Outside Directors, the balance of the members’- knowledge, experience and expertise)
- State of the Board of Directors’ operations (meeting frequency, time, the content of agenda items, the content and quality of meeting materials, management by the Chairperson, etc.)
- Response to the issues identified in the previous year
- Compositions, roles and the status of operation of the committees (Nominating, Compensation and Audit)
- System for supporting Outside Directors
- Relationships with investors and shareholders
- Governance structure of the Company and overall effectiveness of the Board of Directors
- Self-assessment of each Director’s own performance

(2) Outline of the results of evaluation of the Board of Directors for the fiscal year ended March 31, 2023

From April to June 2022, the Board of Directors had several discussions over topics such as “how the Board of Director of Resona Holdings should be.” Then, led by the Outside Director who newly assumed the position of the Chairperson of the Board of Directors, the Board had an opportunity after the Board of Directors meeting held on the day of the General Meeting of Shareholders in June 2022 to share concerns and ideas on the operation of the Board of Directors and exchange opinions freely on the manner of future operation.

In addition, since a big theme of the fiscal year ended March 31, 2023 was the establishment of a new medium-term management plan, the Board of Directors had discussions in July on the competitiveness analysis and the evaluation of the progress of the medium-term management plan at the time, and had further discussions from October onwards on various business strategies and human resources strategies to support such business strategies, thereby continuously having discussions from the Group-wide perspectives for medium- to long-terms. As a result of the foregoing initiatives, in the evaluation of the Board of Directors for the fiscal year ended March 31, 2023, high evaluations were made for most of the items such as the roles and functions of the Board of Directors, as well as the management of meetings by the Chairperson of the Board, and the Company considers that its Board of Directors continues to be effectively functioning.

On the other hand, the Company believes that improvements should continuously be made to make the points of discussion clearer for deeper discussions and for further activation of communication among the inside and Outside Directors and with the business execution departments.

The Company believes that, in order to respond to the drastic changes in the internal and external environments and continuously increase the Resona Group’s corporate value, it is essential for the Company to further strengthen the functions of the group governance. To achieve these goals, further improvement of the effectiveness of the Board of Directors of Resona Holdings, which plays a central role in the group governance, is needed, and the Company will continue to adequately implement the PDCA cycle for the evaluation of the Board of Directors.

Measures to improve effectiveness of the Board of Directors during the fiscal year ending March 31, 2024:

To further deepen the discussion on “How the Board of Directors of Resona Holdings should be,” which has been the point of discussion to date and further improve the effectiveness of the Board of Directors, the Company has clarified the roles of Resona Holdings and the Group subsidiary banks as follows:

Resona Holdings: Conduct discussions from the perspectives of longer terms and concerning the governance and monitoring of the Group as a whole and the future directions and allocation of management resources;

Group subsidiary banks: Conduct discussions from the perspectives of execution of various businesses by each company and improving profitability.

Based on the roles clarified as above, the Company will take on the following measures during the fiscal year ending March 31, 2024:

- (1) Measures to realize more fruitful discussions and enhance coordination among the Board of Directors
 - Reorganize the agenda items for the Board of Directors based on the foregoing roles and make efforts to secure opportunities and time for more productive discussions by narrowing down agenda items and other measures.
 - Make follow-up on the newly started medium-term management plan as one of the main themes for the fiscal year ending March 31, 2024 and promote more discussions on the allocation of the Group's management resources in order to pursue not only the "defensive governance" but also the "offensive governance" that supports sound risk taking for the enhancement of the corporate value.
 - Further enhance the supervising function through sharing of the points of concerns among Outside Directors.
 - Strengthen the coordination between the Board of Directors of the Company and each bank by promoting exchange of opinions between the chairperson of each Board of Directors to better function the group governance.
- (2) Improvement of the operation to further improve the effectiveness of the Board of Directors
 - Further promote discussions at the Board of Directors by clearly stating the point of discussions for each agenda item and the expectations from the business execution side on what should be discussed at the Board of Directors.
 - Promote open and substantial discussions and take measures to promote active communication among the inside and Outside Directors and with the business execution departments to facilitate mutual understanding in order to more fully reflect the outcome of the discussions at the Board of Directors on the actual execution of business.

Note: For details of fiscal 2022 self-evaluation results, please also refer to the following material posted on the Company's website.

<https://www.resona-gr.co.jp/holdings/english/about/governance/cg/boardofdirectors.html#04>

Supplementary Principle 4.14.2: Training Policies for Directors

The Company's policies for the training of its directors are presented under Articles 6 (Qualifications and Roles of Directors) and 8 (Acquisition of Information by Outside Directors and Information Sharing) of the *Basic Corporate Governance Policy*.

Principle 5.1: Policy for Constructive Dialogue with Shareholders

The Company established the *Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.*, and discloses the policy through the following medium.

Outline of *Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.*

http://www.resona-gr.co.jp/holdings/english/about/governance/pdf/related_policies1.pdf

For more details on the Company's IR activities and the status of stakeholder dialogue, please also refer to III. 2. "IR Activities" of this report.

In addition, the status of stakeholder dialogue is also featured in the Integrated Report (please click on the following URL and refer to pages 28 and 42).

<https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/pdf/22/ir23.pdf>

Principle 5.2: Establishing and Disclosing Business Strategy and Business Plan

● The Resona Group is determined to remain true to its fundamental philosophy of "Customers' happiness is our pleasure." By doing so, we will strive to maximize our social and corporate value, with the aim of becoming the "Retail No. 1 Solution Group" most supported by customers and regional societies as it walks with them into a brighter future together."

● In May 2023, the Company formulated and announced the medium-term management plan (MMP), which aims to accelerate initiatives to realize "Retail No. 1" and spans the period from fiscal 2023 to fiscal 2025.

<https://www.resona-gr.co.jp/holdings/english/about/strategy/plan.html>

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

With regard to action taken by the Company to improve capital costs and stock prices, please refer to the presentation material for the Investor Relations Meeting for FY2022 and the latest edition of the Integrated Report, both available from its corporate website.

Presentation material for the Investor Relations Meeting for FY2022 (page 46)

https://www.resona-gr.co.jp/holdings/english/investors/ir/presentation/pdf/20230518_2a.pdf

Integrated Report (page 28)

<https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/pdf/22/ir23.pdf>

2. Capital Structure

Percentage of Foreign Shareholders:	More than 30%
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[Status of Major Shareholders] [\[Explanation\]](#)

Shareholder	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (Trust Account)	393,684,500	16.56
Custody Bank of Japan, Ltd. (Trust Account)	169,738,900	7.14
STATE STREET BANK AND TRUST COMPANY 505223	76,918,015	3.23
The Dai-ichi Life Insurance Company, Ltd.	75,145,200	3.16
STATE STREET BANK AND TRUST COMPANY 505001	64,227,605	2.70
Nippon Life Insurance Company	54,355,095	2.28
AMUNDI GROUP	45,133,700	1.89
STATE STREET BANK WEST CLIENT = TREATY 505234	38,467,091	1.61
SSBTC CLIENT OMNIBUS ACCOUNT	37,073,981	1.55
Daido Life Insurance Company	28,590,000	1.20

Controlling shareholder (except for parent company)	None
Parent company	None

Supplementary Explanation

None

3. Corporate Profile

Listed Stock Market and Market Section:	Prime Market, Tokyo Stock Exchange
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Fiscal Year-End:	March 31
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Type of Business:	Bank
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Number of Employees (consolidated) as of the End of the Previous Fiscal Year:	More than 1000
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Sales (consolidated) as of the End of the Previous Fiscal Year:	¥100 billion to less than ¥1 trillion
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Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year:	10 to less than 50
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4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with a Controlling Shareholder

None

5. Other Special Circumstances That May Have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, the Execution of Business, and Management Oversight

1. Organizational Composition and Operation

Organization Form:	Company with a nominating committee, etc.
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation:	15
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Term of Office Stipulated in Articles of Incorporation:	1 year
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Chairman of the Board of Directors	Outside Director
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Number of Directors Update	12
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[Outside Directors]

Number of Outside Directors: Update	8
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Number of Outside Directors Designated as Independent Directors Pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange Update	8
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Outside Directors' Relationships with the Company (1) **Update**

Name	Status	Relationship with the Company (Note)										
		a	b	c	d	e	f	g	h	i	j	k
Chiharu Baba	Appointed from another company								○			
Kimie Iwata	Appointed from another company								○			
Setsuko Egami	Appointed from another company								○			
Fumihiko Ike	Appointed from another company								○	△		
Sawako Nohara	Appointed from another company								○			
Masaki Yamauchi	Appointed from another company								○			
Katsuyuki Tanaka	Lawyer											
Ryuji Yasuda	Appointed from another company											

Note: Nature of the relationship with the Company is indicated using the following symbols:

○: Indicates the situation described below applies at present or in the recent past

△: Indicates the situation described below applied in the past

●: Indicates the situation described below applies to a close family member of the individual at present or in the recent past

▲: Indicates the situation described below applied to a close family member of the individual in the past

- a. Engages in business execution at the listed company or its subsidiary
- b. Engages in business execution at the listed company's parent company or serves as a non-executive director
- c. Engages in business execution at a fellow subsidiary of the listed company
- d. Engages in business transactions with the listed company as his/her main business partner or engages in business execution at a company that engages in such transactions
- e. Acts as a main business partner of the listed company or engages in business execution at a company that acts as a main business partner of the listed company
- f. Serves as a consultant, accounting specialist or attorney-at-law for the listed company and receives a considerable amount of remuneration or compensation other than executive remuneration
- g. Holds considerable equity in the listed company or engages in business execution at a company that holds such equity
- h. Engages in business execution at a company that has business transactions with the listed company (excluding the above "d," "e" or "f"; this clause does not apply to family members of outside directors)
- i. Engages in business execution at a company that is in an inter-directorial relationship with the listed company (this clause does not apply to family members of outside directors)
- j. Engages in business execution at a company that is a beneficiary of the listed company (this clause does not apply to family members of outside directors)
- k. Other

Outside Directors' Relationships with the Company (2) Update

Name	Membership of Committees (Nominating, Compensation or Audit committees)	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Chiharu Baba	Compensation Committee	Independent Director	<p style="text-align: center;"><Important Concurrent Positions></p> <p style="text-align: center;">Outside director of MIRAIT' ONE Corporation</p>	<p>Mr. Baba proactively brings sound opinions and advice to management, especially from the perspective of organizational management, compliance and risk management, based on his knowledge and experience as a financial expert and robust insight in corporate finance and accounting. Leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Baba will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Baba attended all of the 16 Board of Directors meetings, all of the 15 Audit Committee meetings and all of the eight Compensation Committee meetings held during fiscal 2022. Mr. Baba had held his position as an outside director of Resona Holdings for a period of six years as of the close of the Company's General Meeting of Shareholders held in June 2023.</p>
Kimie Iwata	Nominating Committee	Independent Director	<p style="text-align: center;"><Important Concurrent Positions></p> <p style="text-align: center;">Audit and inspection commissioner of the Tokyo Metropolitan Government</p> <p style="text-align: center;">Outside director of Sumitomo Corporation</p> <p style="text-align: center;">Outside director of Ajinomoto Co., Inc.</p>	<p>Ms. Iwata proactively brings sound opinions and advice to management, especially from the perspectives of sustainability and diversity & inclusion, as she has built a solid track record in corporate management in the manufacturing field and thereby developed robust conceptualization capabilities. She also boasts experience as a government official. Leveraging her experience and abilities as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Iwata will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Ms. Iwata attended 14 of the 16 Board of Directors meetings, 12 of the 13 Nominating Committee meetings and all of the eight Compensation Committee</p>

				meetings held during fiscal 2022. Ms. Iwata had held her position as an outside director of Resona Holdings for a period of four years as of the close of the Company's General Meeting of Shareholders held in June 2023.
Setsuko Egami	Nominating and Compensation committees	Independent Director	<p><Important Concurrent Positions> Outside Director of Japan Securities Finance Co., Ltd.</p>	<p>Ms. Egami proactively brings to bear her opinions and advice, especially from the perspectives of compliance, risk management and diversity & inclusion, based on her experience in spearheading corporate management reforms. Leveraging her experience and abilities as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Egami will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Ms. Egami attended all of the 16 Board of Directors meetings, all of the 13 Nominating Committee meetings and all of the eight Compensation Committee meetings held during fiscal 2022. Ms. Egami had held her position as an outside director of Resona Holdings for a period of three years as of the close of the Company's General Meeting of Shareholders held in June 2023.</p>
Fumihiko Ike		Independent Director	<p><Important Concurrent Positions> Outside director of NTT DATA Corporation Outside director of Eisai Co., Ltd.</p>	<p>Mr. Ike proactively brings to bear his opinions and advice, especially from the perspective of compliance, risk management and IT- & digital-driven business operations, based on his expertise in IT and his experience as a manager in the field of global manufacturing. Leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Ike will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Ike attended 15 of the 16 Board of Directors meetings, 12 of the 13 Nominating Committee meetings and all of the four Audit Committee meetings held during fiscal 2022 while he was a member. Mr. Ike had held his position as an outside director of Resona Holdings for a period of two years as of the close of the Company's General Meeting of Shareholder held in</p>

				June 2023.
Sawako Nohara	Compensation Committee	Independent Director	<p><Important Concurrent Positions></p> <p>Representative Director and President of IPSe Marketing, Inc.</p> <p>Outside director of Daiichi Sankyo Company, Limited</p> <p>Outside director of Keikyu Corporation</p>	<p>Ms. Nohara proactively brings to bear her opinions and advice, especially from the perspective of IT- and digital-driven business operations, compliance and risk management, based on her extensive experience and robust specialist expertise in the IT field. Leveraging her knowledge and experience as well as her independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Ms. Nohara will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Ms. Nohara attended all of the 12 Board of Directors meetings and all of the six Compensation Committee meetings held during fiscal 2022 after assuming her current position at the Company. Ms. Nohara had held her position as an outside director of Resona Holdings for a period of one year as of the close of the Company's General Meeting of Shareholder held in June 2023.</p>
Masaki Yamauchi	Audit and Nominating committees	Independent Director	<p><Important Concurrent Positions></p> <p>Outside director of Persol Holdings Co., Ltd.</p> <p>Outside Director, Seiko Epson Corporation</p>	<p>Mr. Yamauchi proactively brings to bear his opinions and advice, especially from the perspective of organizational management and sustainability, based on his concept-building capabilities and experience as a corporate manager in the logistics sector. Leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Yamauchi will continue to oversee the affairs of the Company without causing conflicts of interest with general shareholders. Mr. Yamauchi attended all of the 12 Board of Directors meetings and all of the 11 Audit Committee meetings held during fiscal 2022 after assuming his current positions at the Company. Mr. Yamauchi had held his position as an outside director of Resona Holdings for a period of one year as of the close of the Company's General Meeting of Shareholder held in June 2023.</p>
Katsuyuki Tanaka	Audit Committee	Independent Director	<p><Important Concurrent Positions></p> <p>Lawyer; Tokyo Seiwa Sogo Law Office</p>	<p>Mr. Tanaka is expected to proactively bring to bear his opinions and advice, especially from a legal and compliance perspective, based on his professional knowledge and</p>

			Outside Audit & Supervisory Board Member of Money Forward, Inc.	experience concerning corporate legal matters. Mr. Tanaka has not participated in the management of a corporate entity in the past other than to serve as an outside Audit & Supervisory Board member. However, leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Tanaka will be able to oversee the affairs of the Company without causing conflicts of interest with general shareholders.
Ryuji Yasuda	Audit Committee	Independent Director	<p><Important Concurrent Positions></p> <p>Outside Director of Yakult Honsha Co., Ltd.</p> <p>Chairman of Tokyo Woman's Christian University</p>	Mr. Yasuda is expected to proactively bring to bear his opinions and advice, especially from the perspective of growth strategy and organizational reform based on his knowledge and rich experience as an expert in corporate strategy and sufficient knowledge of finance and accounting, as well as his experience as an outside director of Kansai Mirai Financial Group, Inc. Leveraging his knowledge and experience as well as his independent status vis-à-vis the management of the Company's daily business, Resona Holdings anticipates Mr. Yasuda will be able to oversee the affairs of the Company without causing conflicts of interest with general shareholders.

[Committees]

Committee Composition and Chairs Update

	Total Number of Committee Members	Full-time Members	Inside Directors	Outside Directors	Chair
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Nominating Committee	3	0	0	3	Outside Director
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Compensation Committee	3	0	0	3	Outside Director
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Audit Committee	4	1	1	3	Outside Director
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[Executive Officers]

Number of Executive Officers:	20
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Status of Concurrent Positions Update

Name	Representative Authority	Concurrent Position Held (Director)	Concurrent Position		Concurrent Position Held (Employee)
			Nominating Committee	Compensation Committee	
Masahiro Minami	Yes	Yes	X	X	No
Shigeki Ishida	No	Yes	X	X	No
Mikio Noguchi	No	Yes	X	X	No
Shoichi Iwanaga	No	No	X	X	No
Satoshi Fukuoka	No	No	X	X	No
Kazuhiro Nishiyama	No	No	X	X	No
Yuzuru Takeno	No	No	X	X	No
Koichi Akiyama	No	No	X	X	No
Hideki Tahara	No	No	X	X	No
Koichi Ogawa	No	No	X	X	No
Narunobu Ota	No	No	X	X	No
Yukinobu Murao	No	No	X	X	No
Hideo Sekiguchi	No	No	X	X	No
Shinichiro Isa	No	No	X	X	No
Koki Katayama	No	No	X	X	No
Nobuki Iwadate	No	No	X	X	No
Shogo Harato	No	No	X	X	No
Kunio Matsui	No	No	X	X	No
Nonitsugu Yamamoto	No	No	X	X	No
Akihiko Nishida	No	No	X	X	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee:	Yes
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■ Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

Established under the direct control of the Audit Committee, the Office of the Audit Committee is composed of specialist personnel who support the Audit Committee in the execution of its duties. In order to ensure the strict independence of such specialist personnel from executive officers, the Board of Directors stipulates that all relevant appointments and personnel transfers require the prior consent of the Audit Committee.

■ Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee receives reports from the Internal Audit Division with regard to such important matters as the *Internal Audit Basic Plan* and engages in discussions thereon. In addition to receiving reports on audit results furnished by said division, the committee may give specific instructions to the division regarding the execution of further inspections, if necessary, while requesting the submission of reports on such inspections. As such, the Company maintains an auditing structure that facilitates frequent and flexible collaboration between the Audit Committee and the Internal Audit Division. At the same time, the Audit Committee regularly receives reports from accounting auditors regarding the progress status of their auditing activities as well as audit results. Moreover, the chair of the Audit Committee and full-time committee members attend monthly meetings with accounting auditors and the Internal Audit Division to exchange opinions, with the aim of ensuring cooperation between the committee, the division and accounting auditors—the three key entities engaged in auditing.

As explained above, at Resona Holdings, the Audit Committee, accounting auditors and the Internal Audit Division maintain collaborative relationships with each other to ensure management transparency and objectivity and thereby improve the effectiveness of corporate governance throughout the Resona Group.

[Independent Directors] Update

Number of Independent Directors:	8
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■ Matters Relating to Independent Directors

Outline of the “Standards for Electing Director Candidates”

Resona Holdings ensures that director and outside director candidates are chosen from among persons who have sufficient competencies for the supervision of management by having its Nominating Committee conduct thorough assessments based on “Standards for Electing Director Candidates” formulated by said committee. In addition, the eligibility of outside director candidates is also carefully examined in light of their independence from the Company in accordance with requirements set forth in said standards.

Summary of Standards

(Director Candidates)

The director candidates under these Standards shall meet the following conditions:

- (1) The person is suitable for the duty of supervising management from the viewpoint of facilitating the sustainable creation of Resona Group’s corporate value;
- (2) The person has the personality and knowledge required of a director, and has the willingness and ability required for faithfully performing his/her duties;
- (3) The person can secure the time necessary for faithfully performing his/her duties; and
- (4) The person meets the requirements of a director as specified by laws and regulations.

(Independence of Outside Directors)

1. The independent outside directors under these Standards shall meet the requirements for an outside director as specified by laws and regulations and shall fall under none of the following subparagraphs:

- (1) The person is an operating director, executive officer or other employee (hereinafter “operating person”) of the Company or its affiliate, or has been an operating person of the Company or its affiliate during a period of 10 years before assuming the office of a director;
- (2) The person is a large shareholder having voting rights of 5% or more of all voting rights of the Company, or the person is an operating person of a corporation, organization, etc., which has voting rights of 5% or more of all voting rights of the Company;
- (3) The person is an operating person of a company which has an important business relationship (Note 1) with the Company or its affiliate, or of its parent company or of its important subsidiary;
- (4) The person has received compensation or other property benefits in the amount of ¥10 million or more (the annual average over the past three years) as attorney, consultant, etc., of the Company or its affiliate, in addition to officer’s compensation of the Company; or the person is an operating person of a corporation, organization, etc., of which sales to the Company or its affiliate account for 2% or more of the consolidated sales of the corporation, organization, etc.;
- (5) The person is an accounting auditor of the Company or its affiliate, or an employee, etc., of the accounting auditor;
- (6) The person is an operating person of a corporation, organization, etc., which received a donation from the Company or its affiliate in the amount of ¥10 million or more (the annual average over the past three years), or 30% of the annual total expenses of the corporation, organization, etc., whichever is the larger;
- (7) The person falls under any of the subparagraphs (2) through (6) during the period of past five years;
- (8) The spouse or a relative within the second degree of the person falls under any of the subparagraphs (1) through (6);
- (9) The person is an operating person of a corporation, organization, etc., which receives a director from the Company or its affiliate, or of its parent company, subsidiary, etc.;
- (10) A person whose term of office of outside director exceeds eight years in total; and
- (11) A person for whom a substantive conflict of interest could arise constantly in connection with general shareholders of the Company for any reasons other than those specified in above subparagraphs (1) through (10).

(Note 1) Important business relationship shall mean transactions, etc., which fall under any of the following:

- (i) Usual transaction is 2% or more of the consolidated operating gross profit of the Company, or of consolidated gross sales of the client.
- (ii) The balance of loans payable to the Company or its affiliate is specified in the business report of the client, and it is determined that such loan balance cannot be paid by other fund procurement means in a short period of time.

2. Even in the case that the person falls under any of the subparagraphs (1) through (11), if the Nominating Committee comprehensively judges his/her independence and determines that the person is qualified as an independent outside director, the person can be elected as an independent outside director candidate. In such case, the Nominating Committee shall explain the reasons, etc., for determining that the person is qualified as an independent outside director.

(Determination of director candidates)

1. When determining director candidates, the Nominating Committee shall select those director candidates who meet the requirements of director candidates as specified in these Standards and have various backgrounds and experience.
2. In addition to the above, when determining director candidates, the Nominating Committee shall ensure, in principle, that a majority of the Board of Directors are independent outside directors as specified in these Standards.

[Incentives]

Incentive Policies for Directors and/or Executive Officers:	Resona Holdings has adopted a performance-based
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	compensation system
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Supplementary Explanation

Please see the section, “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods,” below.

Recipients of Stock Options:

Supplementary Explanation

[Remuneration for Directors and Executive Officers]

Disclosure of Individual Director Remuneration:	Individual amounts are not disclosed
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Disclosure of Individual Executive Officer Remuneration:	Individual amounts are not disclosed
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Supplementary Explanation **Update**

[Total Amounts of Compensation for Directors and Executive Officers]

(Period covered: April 1, 2022 to March 31, 2023) (Units: Number of individuals, Millions of yen)

	No. of Individuals	Compensation Paid			
		Total	Basic compensation	Performance-based variable portion	
				Cash compensation	Non-cash compensation
Directors (excluding Outside Directors)	3 (3)	24 (39)	24 (39)	— (—)	— (—)
Executive Officers	17 (19)	266 (607)	166 (392)	50 (123)	49 (92)
Outside Directors	7 (7)	104 (104)	104 (104)	— (—)	— (—)

Notes:

- Amounts of compensation paid are rounded down to the nearest million yen.
- No. of individuals represents the number of recipients among directors and executive officers who held office in fiscal 2022 and includes three directors who assumed the office on June 24, 2022, two directors and one executive officer who retired on the same day, and four executive officers who stepped aside from their positions on March 31, 2023.
- For officers that held the concurrent positions of director and executive officer, compensation as a director was not paid.
- Basic compensation paid consists of the position-based fixed portion and the duty-based additional fixed portion.
- Non-cash compensation presented above represents the amounts recorded as expenses during fiscal 2021 in connection with Share Benefit Trust in place to secure incentives for executive officers. .
- In addition to the amounts presented above, the Company has posted a reversal of allowance totaling ¥7,000,000 (¥17,000,000 on a consolidated basis) and ¥2,000,000 (¥8,000,000 on a consolidated basis), respectively, for cash and non-cash compensation for four executive officers who stepped aside from their positions on March 31, 2022.

7. Yen figures in parentheses above present the sums of compensation received by the Company's directors, executive and other officers for their duties as directors or executive officers at the Company and consolidated subsidiaries. In the first column, figures in parentheses indicate the total numbers of such individuals. Please note that compensation as an executive officer was not paid to two executive officers who held concurrent positions of Representative Director and President at, respectively, Resona Bank, Limited and Saitama Resona Bank, Limited, both Group banks. Cash compensation was paid to an executive officer who held the concurrent position of Representative Director and Executive President at KMFG for the purpose of enabling the acquisition of shares in KMFG and Kansai Mirai Bank, Limited as part of officer compensation systems in place at these Group companies.

<i>Policy on Determining Remuneration Amounts and Calculation Methods:</i> Update	Yes
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■ Disclosure of *Policy on Determining Remuneration Amounts and Calculation Methods*

Basic Concepts behind the Company's Compensation Systems for Directors and Executive Officers

- 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.

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 allowances based on the burdens arising from these responsibilities.

Note: For more details on the compensation system for directors and executive officers, please see the webpage below.

<https://www.resona-gr.co.jp/holdings/english/about/governance/cg/about.html#04>

[Support System for Outside Directors] **Update**

As part of the support structure and system, specialist personnel (from the Corporate Governance Office) are appointed to provide information to outside directors. The Corporate Governance Office assists in the affairs and operations of the Board of Directors, the Nominating Committee and the Compensation Committee. The Office

is charged with the responsibility of supporting directors in the execution of their supervisory and decision-making functions. The Office provides outside directors with prior explanations of matters to be discussed at scheduled Board of Directors meetings. Questions, opinions and suggestions from outside directors who received prior explanations, including those voiced by individuals who plan to be absent at upcoming Board of Directors meetings, are compiled by the Corporate Governance Office and then relayed to the relevant and responsible divisions and related departments in addition to being presented at the Board of Directors meeting to spur active discussions. The appropriate executive officers and personnel of responsible divisions and departments provide direct explanations to outside directors in the cases of urgent and specific items.

In addition, seminars are held for newly appointed outside directors on particular aspects of the highly specialized banking business, with lectures presented by Executive Officers from the supervising sections of such directors.

Name	Title and position	Main activities	Employment conditions	Date of retirement from the office of President	Current term of office
Kazuhiro Higashi	Senior Advisor to Resona Holdings and Resona Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2020	One year (with option for renewal)
Kazuyoshi Ikeda	Senior Advisor to Saitama Resona Bank	Taking concurrent position at external entities	Part time with compensation	March 31, 2020	One year (with option for renewal)

Notes:

1. The above table indicates the status of individuals who serve as senior advisors to the Resona Group after stepping down from the office of Chairman or President at Resona Holdings, Resona Bank or Saitama Resona Bank.
2. Although Resona Holdings has in place no advisor system for itself, the Group is equipped with a senior advisor system to provide assistance to the Resona Group members and help them enhance their corporate value. Under this system, individuals who have retired from the office of President, etc., at Resona Holdings, Resona Bank, Saitama Resona Bank or Kansai Mirai Financial Group may sign a senior advisor contract with either of these companies. They provide “assistance” in the form of activities centered on contributing their expertise as managers of financial institutions in the fields of community contribution, public welfare and other social contribution initiatives that are not associated with decision making by the Company’s management. These activities may, where necessary, involve taking concurrent positions at external entities operating in these fields upon the request of Resona Bank or Saitama Resona Bank.
3. The roles of senior advisors, the upper limit of compensation paid to them, their terms of office and other factors associated with the senior advisor system are subject to the approval of the Nominating Committee. Thanks to this, the Company believes, the senior advisor system operates in a way that secures its objectivity and transparency.
4. The Company mandates that the appointment of senior advisors, including their reappointment, and any changes in the senior advisor system require the approval of the Nominating Committee.
5. In addition, because advisors of Kansai Mirai Bank and Minato Bank under the Kansai Mirai Financial Group, including the former Representative Director and President, engage in highly local and public social contribution initiatives, there are instances where they assume roles in public office at external organizations as needed. The advisory positions of each executive officer are listed below.

Name	Title and position	Main activities	Employment conditions	Date of retirement from the office of President	Current term of office
Kazumasa Hashimoto	Special Advisor to Kansai Mirai Bank	Taking concurrent position at	Part time with compensation	March 31, 2023	One year (with option for renewal)

		external entities			
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Special advisors are not associated with the Company's decision making and do not provide regular reports.

2. Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Update**

An overview of the current management structure and the status of activities undertaken within this structure is as follows.

Board of Directors

The Board of Directors fully ensures that management engages in substantial discussion in fulfilling its responsibilities of making decisions about important Group management issues and supervising the execution of business activities by executive officers and directors. The Board of Directors consists of 12 directors, eight of whom are outside directors, and the numbers of male and female directors are nine and three, respectively. One of the specific features of the Committees Governance Model as a company with a nominating committee, etc., is that while the Board of Directors makes decisions regarding important management issues and supervises the execution of operations, clearly defined roles give executive officers responsibility for the execution of operations, thus strengthening the Board of Directors' supervisory and decision-making functions. In addition, the presidents of Resona Bank, Saitama Resona Bank, and the Kansai Mirai Financial Group concurrently serve as executive officers of Resona Holdings in order to ensure the enhanced supervisory functions of the holding company vis-à-vis these banks. In fiscal 2022, the Board of Directors met 16 times, with an average attendance rate among the directors of 97.4%.

Kazuhiro Higashi 4/4, Masahiro Minami 16/16, Mikio Noguchi 16/16, Takahiro Kawashima 4/4, Hisahiko Oikawa 12/12, Hidehiko Sato 15/16, Chiharu Baba 16/16, Kimie Iwata 14/16, Setsuko Egami 16/16, Fumihiko Ike 15/16, Sawako Nohara 12/12, Masaki Yamauchi 12/12

Note: On June 24, 2022, Mr. Kazuhiro Higashi and Mr. Takahiro Kawashima retired from the office of director, while, on the same date, Mr. Hisahiko Oikawa, Ms. Sawako Nohara and Mr. Masaki Yamauchi were appointed as directors.

In fiscal 2022, the Board of Directors focused on the matters described below.

(i) Formulation of the new medium-term management plan (MMP) and the Purpose

In July 2022, the Board of Directors launched an analysis of the Company's competitiveness and assessment of progress under the previous MMP, as the Board was working to formulate the new MMP by the end of fiscal 2022. From October 2022 onward, the Board focused on various business strategies as well as human resource strategies supporting such business strategies. Along with formulating the new MMP, the Board of Directors also engaged in intensive discussion aimed at newly establishing a Purpose in order to clarify how the Resona Group contributes to customers and society—starting with addressing issues they are confronting—and rally all Group officers and employees to pursue concerted activities to this end. Based on conclusions reached by the Board, the Company thus announced the new MMP and the Purpose in May 2023.

(ii) Initiatives to upgrade the mode of group governance

The Board of Directors intensively deliberated initiatives aimed at securing the Group's ability to swiftly adapt to changes and pursuing the overall optimization of its operations through the appropriate exercise of the Company's functions in line with roles to be fulfilled by the holding company, with the aim of achieving medium- to long-term improvement in the Group's corporate value amid radical fluctuations in the internal and external environments.

(iii) Development of structures to align with changes in the environment

The Board of Directors also focused on discussing the further development of an AML/CFT risk management structure in place at the Group to step up measures to secure compliance with international financial regulations while addressing the operational status of the market division and its initiatives to deal with issues it is confronting as it strives to adapt to radical hikes in interest rates.

Nominating Committee

The Nominating Committee comprises three committee members, with all of the members being outside directors.

The committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the shareholders meeting, based on the specific qualities that the Group should seek in its directors as well as the “Standards for Electing Director Candidates” both of which have been discussed and decided on at the committee’s meetings. This committee met 13 times in fiscal 2022. In June 2007, the Nominating Committee introduced a succession plan that serves as a mechanism to ensure that the most appropriate candidates fill top management roles and responsibilities with the aim of accelerating the Group’s management reform and realizing the enhancement of corporate value on a sustainable basis. The status of the implementation of the succession plan is examined by the Nominating Committee and reported to the Board of Directors. The average attendance rate of Nominating Committee members amounted to 94.2% in fiscal 2022. The status of each member’s attendance is as follows: Hidehiko Sato 12/13, Kimie Iwata 12/13, Setsuko Egami 13/13, Fumihiko Ike: 12/13

In line with its Rules on the Nominating Committee, the Company has defined the following items as matters to be determined by the Nominating Committee.

- The content of proposals regarding the selection of directors
- The content of proposals regarding the dismissal of directors
- Other matters stipulated under laws, regulations, the Company’s Articles of Incorporation and these Rules as well as matters deemed to require deliberation by the committee in the course of execution of its duties

Based on these definitions, in fiscal 2022 the committee engaged in deliberation centered on the following matters.

(i) Deliberation of the lineup of Group officers

The committee discussed the composition of the Board of Directors and the status of human resource allocations to business units whose duties require highly sophisticated specialist expertise, especially those related to IT and digital transformation (DX).

(ii) Discussions and determination of succession plans

The committee discussed and determined the content of the succession plan to be executed in fiscal 2022. This succession plan consists of various process for selecting and nurturing Group officers, including external assessments, interviews with Nominating Committee members and training programs outside the Group. In fiscal 2022, the committee placed particular emphasis on upgrading its methods for the multifaceted assessment of officer competencies, to this end introducing multiple rounds of external assessments.

(iii) Monitoring over the implementation of the succession plan

The committee examined the results of these external assessments and other inputs to monitor the implementation status of the succession plan.

Date of committee meetings	Points discussed
May 2022	Discussions and determination of the fiscal 2022 succession plan
July 2022	Deliberation on the lineup of Group officers
September 2022	Deliberation on the lineup of Group officers and the monitoring of the succession plan (reporting on results of the assessments conducted thus far)
October 2022	Monitoring of the succession plan (reporting on results of the assessments conducted thus far)
November 2022	Deliberation on the lineup of Group officers and monitoring of the succession plan (reporting on results of the assessments conducted thus far)
December 2022	Interviews of individual Group officers by Nominating Committee members (Unofficial activity outside the scope of committee duties)
January 2023	Deliberation on the lineup of Group officers
February 2023	Deliberation on the lineup of Group officers and the review of the fiscal 2022 succession plan

Audit Committee

The Audit Committee comprises four directors, including three outside directors, one of whom serves as the chair, and another director who serves full-time. Audit Committee members are selected from among those with the requisite experience and abilities as well as appropriate knowledge of finance, accounting, and laws as is necessary to conduct audits. In particular, at least one of the members is equipped with sufficient expertise in finance and accounting.

In addition to auditing the execution of duties by executive officers and directors, this committee makes decisions regarding proposals for the selection and dismissal of accounting auditors, which are submitted to the General Meeting of Shareholders. The Audit Committee receives reports from the Internal Audit Division with regard to such important matters as the Internal Audit Basic Plan and engages in discussions thereon. In addition to receiving reports on the audit results furnished by said division, the committee may give specific instructions to the division regarding the execution of further inspections, if necessary, while requesting the submission of reports on such inspections. As such, the Company maintains an auditing structure that facilitates frequent and flexible collaboration between the Audit Committee and the Internal Audit Division. Furthermore, the committee works with the Compliance Division, the Risk Management Division, the Finance and Accounting Division, and other divisions to supervise and verify internal control systems and make the necessary responses, advising executive officers and other responsible personnel to make essential improvements. This committee met 15 times in fiscal 2022. The Audit Committee also carries out the periodic analysis and evaluation of its overall effectiveness based on each committee member's assessments of and opinions regarding the operations of the committee, agenda items being submitted to it and its functions. The average attendance rate of Audit Committee members amounted to 100.0% in fiscal 2022. The status of each member's attendance is as follows: Chiharu Baba 15/15, Hidehiko Sato 15/15, Fumihiko Ike 4/4, Masaki Yamauchi 11/11, Takahiro Kawashima 4/4, Hisahiko Oikawa: 11/11

Note: On June 24, 2022, Mr. Fumihiko Ike and Mr. Takahiro Kawashima retired from the office of Audit Committee member, while, on the same date, Mr. Masaki Yamauchi and Mr. Hisahiko Oikawa were appointed to the Audit Committee.

The Audit Committee formulates audit policies and plans while deliberating compensation for accounting auditors and whether they should be reappointed at the ends of their terms. In addition, the committee examines reports from full-time Audit Committee members and exchanges opinions with executive officers to monitor and verify the appropriate functioning of the internal control system. Summaries of matters discussed by the Audit Committee are provided to the Board of Directors, the membership of which mainly comprises outside directors, upon the close of each committee meeting.

Primary audit items discussed by the Audit Committee in fiscal 2022 are as listed below.

1. Strengthening of corporate group audits based on the Group's business management structure
 - Status of the Company's initiatives to upgrade its mode of group governance going forward
 - Status of initiatives to strengthen IT governance
2. Compliance management structure
 - Status of initiatives aimed at strengthening the AML/CFT management structure
 - Implementation status of educational and training programs to foster and raise compliance awareness among employees
3. Progress status of the development of business models aimed at realizing "Retail No. 1"
 - Ideals regarding what DX-related divisions should look like (the promotion of DX in banking operations, the provision of DX-drive value to customers, assistance to customer DX, etc.)
 - Progress status of the reform of back-office operations undertaken by branches
4. Effective utilization of human resources and the structure for handling labor issues
 - Status of discussions undertaken by human resource service divisions to formulate the new MMP
5. Risk management structure aligned with internal and external environments involving a greater degree of volatility and uncertainty
 - Status of special reserve recorded in connection with the COVID-19 pandemic
6. Structure for ensuring appropriate response to the revision of financial regulations, accounting systems, laws and regulations, etc.

- Status of financial reporting aimed at improving the quality of internal control
 - Disclosure status of sustainability-related information
7. Management structure for preventing accounting fraud and ensuring the appropriateness of finance and tax affairs
- Key Audit Matters (KAM)
 - Status of communications between accounting auditors and Audit Committee members, top management members, etc.

An outline of specific activities undertaken by the Audit Committee in fiscal 2022 is presented below.

Board of Directors meeting: Reporting on the content of discussions by the Audit Committee (11 times per year)
 Executive officers, etc.: Exchange of opinions with representative executive officers (twice a year), the exchange of opinions with representatives from each Group entity (once a year), the review of reports received from each executive officer and the exchange of opinions with them (once to three times a year)

Internal Audit Division: Review of reports received from the executive officer in charge of the division and the exchange of opinions with said person, etc. (ad-hoc basis)

Full-time Audit Committee members from Group bank entities: Review of reports on daily activities of audit committees (twice to four times a year)

Group companies: Exchange of opinions with representative directors of Group companies (four Group companies per year)

Accounting auditors: Exchange of opinions regarding the status of accounting audits, etc. (five times a year on a face-to-face basis, twice a year on a document basis)

In addition, in May of each year the Audit Committee conducts a self-assessment to examine the effectiveness of its operations and the content of its activities.

This assessment is based on questionnaires that ask each Audit Committee member to undertake an assessment of the above-named matters and otherwise contribute their opinions. The committee then aggregates the results of the questionnaires and addresses concerns voiced by its members.

Compensation Committee

The Compensation Committee comprises three committee members, with all of the members being outside directors. This committee makes decisions about policies regarding benefits for individual directors and executive officers as well as the actual benefits for specific individuals. In addition, the committee considers the role a director compensation system should play in enhancing the Group's corporate value. In fiscal 2022, the committee met eight times. The committee abolished the directors' retirement benefit system and introduced a performance-based compensation system in fiscal 2004. In addition, the committee adopted a compensation system that grants Performance Share Units in fiscal 2017.

The average attendance rate of Compensation Committee members was 100.0% in fiscal 2022. The status of each member's attendance is as follows: Kimie Iwata 8/8, Setsuko Egami 8/8, Chiharu Baba 8/8, Sawako Nohara 6/6

Note: On June 24, 2022, Ms. Sawako Nohara was appointed to the Compensation Committee.

In line with its Rules on the Compensation Committee, the Company has defined the following items as matters to be determined by the Compensation Committee.

- Policies for the determination of compensation and other benefits for individual directors and executive officers
- Content of compensation and other benefits for individual directors and executive officers
- Establishment, amendment and abolishment of standards and procedures necessary to determine the content of compensation and other benefits for individual recipients based on policies as defined above
- Other matters stipulated under laws, regulations, the Company's Articles of Incorporation and these Rules as well as matters deemed to require deliberation by the committee in the course of execution of its duties

Based on these definitions, in fiscal 2022 the committee engaged in deliberation centered on the following matters.

(i) Deliberation on a new compensation system for Group officers

The committee has been engaged in ongoing deliberation toward the formulation of a new compensation system for Group officers scheduled to come into effect in fiscal 2023. An outline of the discussion is as follows.

Date of committee meetings	Points discussed
September 2022	Ideals regarding the compensation system for directors and executive officers
November 2022	Ideals regarding the compensation system for Group officers and the level of compensation for top management members
January 2023	The appropriate level of compensation for officers at each Group company and the composition of compensation
February 2023	Concepts regarding the direction the committee should take in the course of the review of incentives
March 2023	Overview of the new compensation system

(ii) Management and monitoring of the compensation system

The committee managed and monitored the compensation system in an appropriate manner based on fiscal 2022 policies determined independently and with its peers at main subsidiaries with regard to compensation for officers at the Company and said subsidiaries.

Executive Committee

Resona Holdings set up the Executive Committee as a body to deliberate and report on generally important management items and important matters in the execution of operations to support the decision-making process in the execution of operations. The Executive Committee consists of representative executive officers as well as executive officers and employs serious debate to ensure the transparency of decisions regarding significant management issues. In fiscal 2022, this committee met 39 times. Important issues related to the execution of the Company's business are reported to and discussed at this committee.

Internal Auditing Council

As a body to deliberate and report on important matters related to internal audits, Resona Holdings has established an Internal Auditing Council that is independent from the Executive Committee that serves as a body for the execution of business. The council is composed of all representative executive officers, a full-time Audit Committee member, the executive officer in charge of the Internal Audit Division, the general manager of the Internal Audit Division and other personnel involved with internal auditing. The content of deliberations and reports are conveyed to the Audit Committee and the Board of Directors. The council met 15 times in fiscal 2022 and, in addition to discussing the internal auditing plan, it reported on the results of internal audits.

The Status of Audits

As a part of its audit structure and system, Resona Holdings established the Internal Audit Division, which operates under the Board of Directors. This division maintains strict independence from divisions in charge of the execution of Group operations and is headed by an executive officer who has been specially appointed to oversee the audit function. As of April 2023, the Internal Audit Division was composed of 167 members. The Internal Audit Division takes a risk-based approach to audits encompassing business operations and all operating divisions and departments excluding the Office of Audit Committee. This division strives to ensure healthy and appropriate business operations and to enhance corporate value through recommendations aimed at resolving problems and issues. Specifically, taking into consideration the degree of inherent risk present within individual operations, the risk management framework of each operating division and department and the efficacy and efficiency of internal audits, the Internal Audit Division prepares a basic policy and plan for internal auditing for each fiscal year, specifying audit activity policies, target business units and priority areas subject to auditing. After obtaining the opinions of the Audit Committee and the Company's accounting auditor, the Internal Audit Division submits this policy and plan to the Board of Directors for approval.

In addition to the results of internal audits, the results of executing recommended improvement measures at departments subject to audits is reported to the Board of Directors, the Audit Committee and the Internal Auditing Council. If the situation merits, the Audit Committee will directly instruct the Internal Audit Division to carry out and report on further inspections.

<External Recognition>

In 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 receives periodic reports from accounting auditors with regard to audit results and the status of their auditing activities. Moreover, the division and accounting auditors work in close collaboration, regularly exchanging information so as to pool knowledge pertaining to internal control systems other relevant matters.

Deloitte Touche Tohmatsu LLC was appointed as the Company's accounting auditor for fiscal 2022. The relevant accounting audit was conducted by the following certified public accountants.

Deloitte Touche Tohmatsu LLC (19 years, including the two-year period in which Deloitte engaged in joint audits with Ernst & Young ShinNihon LLC)

Mitsuo Kimura (One year)

Arata Otake (One year)

Taketsugu Ishizaka (Two years)

(Other support staff (36 persons): 18 CPAs, ten individuals who have passed CPA exams and eight others)

Note: Figures in parentheses are the number of consecutive accounting audit years.

3. Reasons for Adoption of Current Corporate Governance System

In June 2003, Resona Holdings adopted the Committees Governance Model (currently known as the company with a nominating committee, etc., governance model) based on its recognition that said model was the best suited for the Company's goal of securing a clear separation between functions for supervision and execution of business operations and strengthening the ability of its Board of Directors as a management oversight and decision-making body. Since then, the Company has maintained a corporate governance system under this governance model.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Promote the Smooth Exercise of Voting Rights Update

Supplementary Explanations

Early Notification of General Shareholder Meeting:	Distributed convocation notices 16 days prior (June 7) to the General Meeting of Shareholders date (June 23)
Scheduling Annual General Shareholder Meetings Avoiding the Peak Day:	Held the Annual General Meeting of Shareholders six days prior (June 23) to the peak shareholder meeting date (June 29).
Allowing Electronic Exercise of Voting Rights:	Electronic exercise of voting rights was implemented from the fiscal 2006 Annual General Meeting of Shareholders.
Participation in Electronic Voting Platform:	<p>A voting rights electronic exercise platform for institutional investors has been established for use from the fiscal 2007 Annual General Meeting of Shareholders.</p> <p style="text-align: center;">For the Company's 22nd Ordinary General Meeting of Shareholders, the convocation notice was posted on the Company's website and the Tokyo Stock Exchange on May 29, 2023, nine days prior to the physical mailing of such notice (June 7)</p>
Providing Convocation Notice in English:	Prepared convocation notices, reference materials and business reports in English and posted them on the voting rights electronic exercise platform for institutional investors and on Resona Holding's website since the fiscal 2011 Annual General Meeting of Shareholders
Other	<p>The Company recognizes shareholder meetings as an important forum for communication with its shareholders. Accordingly, Resona Holdings is making sincere efforts to present its various reports and information in an easy-to-understand format by significantly increasing the use of visual aids. As a part of these efforts, the Company has posted copies of its convocation notice and related reference materials as well as its Articles of Incorporation and Stock Handling Regulations on its website. These documents are available in Japanese only.</p> <p style="text-align: center;">Since the 2021 Ordinary General Meeting of Shareholders, the Company has been live streaming the meeting of shareholders to all shareholders</p>

2. IR Activities Update

	Presentation by the Representative Director	Supplementary Explanations
Preparation and Publication of Disclosure Policy	—	Resona Holdings has formulated basic guidelines for information disclosure and financial reporting. These policies are posted on disclosure materials as well as the Company's website. (http://www.resona-gr.co.jp/holdings/english/investors/ir/guideline/)
Periodic Investor Briefings for Individual Investors:	Yes	<p>The Company provides briefings on the Group's business, financial performance and business strategies as well as other important information through the following initiatives.</p> <ul style="list-style-type: none"> ● Live corporate briefings via the Internet, with the President & Group CEO giving presentations. The content of briefings is available upon demand. Corporate briefings were also held at branches of securities companies on a face-to-face basis. ● Live corporate briefings via the Internet at securities companies' branch offices, with the Group CFO giving presentations

		<ul style="list-style-type: none"> Corporate briefing videos uploaded to YouTube
Periodic Investor Briefings for Analysts and Institutional Investors:	Yes	<p>The Company holds biannual presentation meetings, each following the close of the six-month and full-year operating periods. The meetings target sell-side analysts and institutional investors, with the President & Group CEO and the Group CFO giving presentations on the Company's business strategies and financial performance. On the dates of disclosure for its quarterly financial statement, the Company holds earnings conference calls, with the Group CFO giving a presentation on financial performance. In addition, the Company holds presentation meetings to discuss individual business strategies. The Company also holds individual and joint meetings to which sell-side analysts and institutional investors are invited.</p>
Periodic Investor Briefings for Overseas Investors:	Yes	<p>The Company participates in domestic conferences (web-based conferences) hosted by securities companies for overseas investors, providing briefings on details of the Group's business and financial performance, business strategies and other important information.</p> <p>Video recordings of briefings made to domestic institutional investors covering the Company's full-year and six-month operating results are accessible through the Company's website, with simultaneous translation into English provided for overseas viewers.</p> <p>In addition to the above, the President & Group CEO and the Group CFO hold numerous online meetings with individual overseas investors, while the President & Group CEO visits these investors in person. Both executives also host various individual meetings in Japan with investors from overseas.</p>
Posting of IR and Other Materials on Website	Yes	<p>IR presentation materials, financial results reports, securities reports and integrated reports as well as the Company's credit rating, Basel 3 information (capital adequacy), information and financial disclosure guidelines and <i>Basic Policy for Promoting Constructive Dialogues with Shareholders, Investors, etc.</i>, are posted on the Company's website:</p> <p>https://www.resona-gr.co.jp/holdings/english/investors/ir/index.html</p> <p>Presentation materials used at the aforementioned briefings on its operating results and the video and audio recordings of such briefings are available through the Company's website along with summaries of presentations and ensuing question and answer sessions (in both Japanese and English).</p>
Establishment of Department and/or Manager in Charge of IR	—	<p>(IR Department): Finance and Accounting Division; (IR Executive Officer): Narunobu Ota (IR Inquiries): Finance and Accounting Division, Kenichi Sugano, General Manager</p>

3. Measures to Ensure Due Respect for Stakeholders Update

Supplementary Explanations

<p>Stipulation of Internal Rules for Respecting the Position of Stakeholders</p>	<p>The Resona Group has established its Purpose, “Beyond Finance, for a Brighter Future,” to clarify its intent to contribute to society well into the future by achieving sustainable improvement in social and corporate value. Moreover, the Group’s <i>Corporate Mission</i> defines a set of core values shared by all officers and employees and provides guidelines for their business conduct. The <i>Resona Way</i> (Resona Group Corporate Promises) determines the fundamental stance of the Group toward each stakeholder group (customers, shareholders, employees and society as a whole). Furthermore, the <i>Resona Standards</i> (the Resona Group’s Behavior Guidelines) provide specific guidelines about the behavior expected from directors and employees under the aforementioned values.</p>
<p>Implementation of Environmental Preservation, CSR and Other Activities</p>	<p>Initiatives to Promote Sustainability</p> <p>The Resona Group has established its “Purpose” and striven to remain true to its “Corporate Mission.” In addition, the Company’s Board of Directors has defined the Group Sustainability Basic Policy. This basic policy is intended to guide the Resona Group’s initiatives aimed at living up to the expectations and trust placed in it by society through its business activities. In line with this policy, the Company is determined to pursue resonance between the creation of a sustainable society and the Group’s sustainable growth. At the same time, the Resona Group has identified “Local communities (revitalizing local economies),” “Low birthrate and an aging society (eliminating future uncertainty caused by a low birthrate and aging society),” the “Environment (addressing global warming and climate change)” and “Human rights (diversity and inclusion)” as priority themes that it should tackle based on the assessment of environmental and social issues currently requiring attention.</p> <p>Addressing these four priority themes, the Company announced the Resona Sustainability Challenge 2030 (RSC2030), which represents its commitment to contributing to the realization of the United Nations Sustainable Development Goals (SDGs) in 2030 and, to this end, vitalizing regional communities via the provision of financial services. To further accelerate these initiatives, the Resona Group clarified its role and vision for realizing a sustainable society in addition to establishing and announcing Long-Term Sustainability Targets for 2030.</p> <p>Regarding the “Environment (addressing global warming and climate change)” issues of priority environmental and social issues, the Group discloses information in line with the international TCFD guidance.</p> <p>For the details regarding the content and initiatives described above, please also refer our integrated reports and other materials posted on our corporate website.</p> <p>Integrated Report https://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/index.html</p> <p>Corporate Website (sustainability section) https://www.resona-gr.co.jp/holdings/english/sustainability/index.html</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>The Resona Group formulated its <i>Basic Policy on Information Disclosure and Financial Reporting</i> with the aims of promoting the open, fair and timely disclosure of relevant information, the reliability of financial reports and the efficacy of information disclosure control. Important matters regarding information disclosure and information disclosure control are reported to and discussed at meetings of the Executive Committee. The Group goes beyond the mandatory disclosure items set forth in the timely disclosure rules of the stock exchanges and provides shareholders, investors and customers with timely and up-to-date management information through a wide range of media. These disclosure activities include briefings and press conferences conducted by the top management of the Group and a full program of investor relations activities.</p>
<p>Other</p>	<p>Initiatives to Promote Diversity & Inclusion</p> <p>Policies and Structures for Diversity Promotion</p> <p>Proactively promoting diversity & inclusion, the Resona Group’s top management regularly provides employees with messages aimed at communicating its belief that a workforce comprising diverse human resources who respect each other and are open to learning diverse ways of thinking will facilitate innovation and help Resona become an even stronger and more creative financial service company.</p> <p>In 2005, the Resona Women’s Council, an advisory group, was formed to directly reflect women’s perspectives and opinions</p>

in the Group's top management. The Council focuses on proposing a variety of measures aimed at raising female workers' awareness of career development opportunities and assisting those endeavoring to strike a balance between their duties and such life events as child rearing. In line with its objective of realizing greater corporate value through the creation of a working environment that encourages women to aim for success, the Council has succeeded in getting a number of their proposals on track.

Moreover, in 2011 the Company established the Diversity Promotion Office. Not content with simply providing support for women, the Resona Group is striving to create an even more inclusive workplace in which everyone can pursue their full potential and work vibrantly no matter their age, disability, sexual orientation or gender identity.

For Group officers and employees, the Company has in place an evaluation system that places greater emphasis on their attitude toward the maintenance of a favorable workplace environment especially in terms of diversity. By doing so, the Company is steadily practicing diversity management.

In addition, the status of workforce diversity and the Company's performance vis-à-vis targets are periodically shared among the President and executive officers and then reported to and discussed by the Board of Directors, and Board members' opinions and evaluations are reflected in future initiatives.

- Diversity & Inclusion: Message from Management (corporate website)
https://www.resona-gr.co.jp/holdings/english/sustainability/sdgs/human_rights/diversity.html

Examples of Diversity Promotion Initiatives:

■ Helping women develop robust careers

To help female employees raise their career awareness and facilitate networking among them, the Company is providing various job rank-based training programs and seminars for female manager and officer candidates. These include establishing a "Mentoring System" and providing such training sessions as "My Career Training (advance and basic)." Also, the Company proactively dispatches employees to participate in external training programs and seminars for female workers.

■ Helping employees who endeavor to strike a balance between family duties and work

- The Company prepares easy-to-understand guidebooks aimed at helping resolve a variety of issues parents may go through in the course of nurturing future generations. In these ways, the Company ensures that all employees are well-versed in the assistance programs available to them.
- The Company is striving to offer optimal assistance to those expecting to take childcare leave, those currently on childcare leave and those who have been reinstated following childcare leave. To this end, the Company hosts the "Introductory Parenting Seminar," which covers topics on various childrearing-assistance programs, as well as the "Resona Reinstating Support Seminar" and the "Working Mothers Assistance Seminar." These seminars are designed to help attendees get a clearer picture of what it takes to strike a balance between work and child rearing, inform them about the support systems available to them and to help them consider their ideal career path after reinstatement by, for example, having employees who have gone through similar experiences serve as lecturers.
- The Company also provides all employees with Diversity Training designed to help raise their awareness, call their attention to the significance of diversity and encourage them to address issues arising from unconscious biases that often inhibit diversity promotion.
- The Company mandates that all employees complete e-learning programs aimed at nurturing managers who proactively assist their staff's engagement in childrearing. At each workplace, there are heads of business units who have completed the seminars and declared their commitment to assisting their staff with the pursuit of an optimal work-life balance.
- The Resona Group encourages male employees to play a greater role in childrearing. In October 2022, the Group introduced a new system associated with cessation from work upon childbirth, which is deemed particularly important in postnatal child rearing, and designated the first 14 days of such cessation as paid leave to further promote the utilization of this system. Thanks to these efforts, the percentage of all eligible male employees who took childcare-related leave amounted to 100.0% (total of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank) in fiscal 2022. Also in fiscal 2022, 98.2% of eligible male employees opted for cessation from work for childcare (total of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank).*
- The Company holds "Nursing Care Seminars" periodically and has created the "Work and Nursing Balance Support Guidebook" to raise awareness of various programs related to nursing as well as a pamphlet illustrating specific examples

of such balance.

* Figures stated above represent the percentage of eligible employees who took childcare-related leave or opted for cessation from work during the April 2022–March 2023 period. In accordance with the standard stipulated by the Ministry of Health, Labour and Welfare, these figures include individuals who began taking leave and individuals whose spouses gave birth to the child during the fiscal year subject to calculation. Accordingly, resulting figures may exceed 100%.

■ Helping employees adopt flexible working styles

- The Group has in place a “home ground area” system, which sets an employee’s working location based on his/her choice, as well as a “smart employee”* system, in which employees are allowed to work shorter hours and are given more limited job duties compared with other employees. The “Job Category Conversion System” allows for temporary switches between full-time employment, “smart employee” and “partner employee” positions. Furthermore, the “Job Return” system enables women who have resigned from the Group for child rearing and nursing care to get reinstated as “smart employees.” Through the introduction of these systems, the Group is encouraging its employees to proactively develop their careers while striving to remove factors that may hamper their serving at Group workplaces over the long term.
 - The Group has also designated “smart day(s)” to help all employees take annual paid leave at least once a month while granting the option of taking a half-day leave. As such, the Resona Group is helping employees across the board utilize annual paid leave and strike an optimal work-life balance.
 - Other initiatives include introducing flextime, establishing satellite offices and allowing employees to work at home. As such, the Group is promoting diverse working styles and removing conventional restrictions in terms of time and location.
- *Smart employee: The Kansai Mirai Financial Group uses the term “select workers” to serve the same meaning

<Current Status and Future Target for Promoting Female Workers>

The Company has been implementing and further enhancing initiatives aimed at aiding female workers’ career development, and has established the following indicators for fiscal 2030 as one of our long-term sustainability goals with the aim of expanding the Company’s business.

- Proportion of female officers at the Company: 30% or more
- Proportion of female workers in senior management in six Resona Group companies*: 20% or more
- Proportion of female workers in managerial or higher positions in six Resona Group companies*: 40% or more

*Six Resona Group companies: Resona Bank, Limited; Saitama Resona Bank, Limited; Kansai Mirai Financial Group, Inc.; Kansai Mirai Bank; and Minato Bank

Latest results

- Proportion of female directors at the Company: 15.3% (as of the end of March 2023)
- Proportion of female workers in senior management in six Resona Group companies: 13.4% (as of the end of March 2023)
- Proportion of female workers in managerial or higher positions in the six Resona Group companies: 31.4% (as of the end of March 2023)

The results of women’s participation in 2022 assessed by other indicators is as follows.

- Proportion of women among new recruits (full-time employees)
 - Resona Bank, Limited and Saitama Resona Bank, Limited: 42.4%
 - Kansai Mirai Bank and Minato Bank: 35.0%
- The number of female workers in line manager positions

Sum of six Group companies: 1,356

<External Recognition>

Resona Holdings was selected to bear the Nadeshiko Label under the fiscal 2021 labeling program run by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry, in recognition of its track record as an excellent employer in terms of empowering women.

In addition, Resona Bank was commended as one of the “Winners of the Diversity Management Selection 100” a commendation program cosponsored by the Ministry of Economy, Trade and Industry in 2013, and in 2019, was chosen to receive

the “Grand Prize for Vibrant Workplaces Promoting Gender Equality” under the “Osaka Prefecture Vibrant Workplaces Promoting Gender Equality” program. In 2020, the Company received the Minister of State for Special Missions (Gender Equality Bureau Cabinet Office) Award under a program titled “Leading Companies where Women Shine” under the auspices of the Cabinet Office. Meanwhile, Saitama Resona Bank was rated as a “Platinum-level Company” by Saitama Prefecture in 2012 for the diverse working styles it has made possible. In 2018, Saitama Resona Bank was also chosen to receive the Prime Minister Award under a program titled “Leading Companies where Women Shine” under the auspices of the Cabinet Office.

In 2019, Kansai Mirai Bank received the Empowerment Award at the Fourth Osaka Sakuyahime Awards sponsored by the Osaka Chamber of Commerce and Industry and, in 2022, was chosen to receive the Grand Prize for Vibrant Workplaces Promoting Gender Equality under the Osaka Prefecture Vibrant Workplace Promoting Gender Equality program. In 2014, Minato Bank was granted an Encouragement Award from the Hyogo Labor Bureau Director in both the Equal Opportunity Category and the Family-Friendly Corporation Category under the Excellent Equal Opportunity/Work and Family-Life Balance Companies commendation program sponsored by the Ministry of Health, Labour and Welfare. In 2015, this bank was also chosen to receive a Hyogo Prefectural Award for Companies Empowering Women under the commendation program sponsored by Hyogo Prefecture and, in 2023, was recognized as a Hyogo Kobe Women’s Empowerment Business (Mimoza Company).

The Resona Group is also endeavoring to ensure equality for members of the LGBT community from the perspective of raising human rights awareness among employees and promoting diversity in its workforce. This endeavor helped the Company obtain a “Gold” rating, the highest such under the Pride Index 2022 rating program sponsored by work with Pride (wwP), an NPO aimed at assisting sexual minorities in their pursuit of equal rights, for the sixth consecutive year.

IV. Matters Related to the Internal Control Systems

1. Basic Views on Internal Control Systems and the Progress of System Development Update

To enhance its corporate value, Resona Holdings' Board of Directors formulated the Group's *Basic Policies for Group Internal Control Systems* with the aim of simultaneously realizing and entrenching the best possible internal control systems in order to ensure appropriate operations.

Basic Policies for Group Internal Control Systems

(1) Statement

The Company and other companies of the Group* view seriously the fact that the Group had to accept a massive infusion of public funds to reinforce its capital. In order to prevent the recurrence of such a situation, the Group has formulated the *Basic Policies on Group Internal Control Systems*.

In accordance with these basic policies, the Group aims to establish internal control systems that are most appropriate to its needs and strives to manage and maintain these systems in optimal condition to ensure their efficacy, with a view to enhancing the Group's corporate value.

* Refer to companies set forth under Article 2, item 3 of the Companies Act and Article 3 of the Ordinance for Enforcement of the Companies Act. Hereinafter the same.

(2) Purpose of Internal Control Systems (Basic Principles)

In accordance with generally accepted evaluation standards for internal control systems, the Resona Group shall adopt as the Group's basic principles on internal controls the fulfillment of the following four goals.

- a. Improve the efficacy and efficiency of operations**
- b. Assure the reliability of financial disclosure**
- c. Comply with legislation**
- d. Maintain the soundness of assets**

(3) Constructing Internal Control Systems (Basic Guidelines)

Resona Holdings shall develop internal control systems composed of the basic elements required for the systems to fulfill their purposes, including a control framework, risk evaluation and response system, internal control activities, information and communication systems, monitoring standards and IT systems.

Upon the establishment of the *Corporate Mission* shared throughout the Group and based on these policies, Resona Holdings determined the following basic guidelines for constructing systems to ensure that the Group's operations are conducted in an appropriate manner.

- a. Guidelines to ensure that business operations of Resona Holdings' Executive Officers and employees as well as directors, executive officers and employees at each Group company are executed in compliance with legislation and Group regulations
- b. Guidelines concerning the storage and management of information related to the execution of operations by executive officers
- c. Guidelines concerning the management of loss risk that may arise at Resona Holdings or its Group companies and related systems
- d. Guidelines to ensure that the responsibilities of Resona Holdings' executive officers and each Group company's directors and executive officers are carried out effectively
- e. Guidelines to ensure that the operations of the corporate group, consisting of Resona Holdings and all Group companies, are conducted appropriately (including a system to ensure that the execution of operations by directors and executive officers at each Group company is reported to Resona Holdings)
- f. Guidelines concerning assistants to the operations of the Audit Committee
- g. Guidelines to ensure the independence of the specialist personnel mentioned above in relation to executive officers and that instructions to said personnel are carried out effectively
- h. Guidelines concerning a reporting system for Resona Holdings' directors (excluding those concurrently serving as members of the Audit Committee), executive officers and employees and each Group company's directors, corporate auditors, executive officers and employees as well as persons who receive reports from the foregoing personnel to report to the Audit Committee
- i. Guidelines concerning a system to ensure that a person who made the abovementioned reporting is not treated

disadvantageously

- j. Guidelines concerning the treatment of expenses incurred in connection with the execution of duties by the members of the Audit Committee
- k. Guidelines to ensure that audits by the Audit Committee are conducted effectively

Status of Internal Control Systems

The Resona Group is making every effort to properly develop and manage sound internal control systems, in accordance with the provisions of the *Basic Policy for Group Internal Control Systems*. The Resona Group is also working to ensure the efficacy of these systems.

(1) Status of Group Management Systems

The Resona Group strives to continuously strengthen its corporate governance by establishing responsible management systems and strengthening its supervision as well as surveillance functions while working to improve the transparency of management.

In June 2003, Resona Holdings became the first banking institution in Japan to adopt the Committees Governance Model (currently known as the company with a nominating committee, etc., governance model) with outside directors representing a majority of its Board of Directors to stimulate debate. The Group also assigned responsibility for decision making on crucial business matters and management surveillance to the Board of Directors and the execution of operations to the executive officers, aiming to reinforce the surveillance and decision-making functions of the Board of Directors.

At the same time, we allow each subsidiary to engage in autonomous management while ensuring that the Group's fundamental approach to corporate governance is embraced in the course of their business operations. To this end, we are centralizing group governance, with Resona Holdings playing the primary role in the management of each subsidiary.

(2) Status of Internal Auditing Systems

The Resona Group recognizes that internal auditing plays an important function in supporting and enhancing its corporate value through the assessment, evaluation and improvement of the status of management activities aimed at ensuring the soundness of its business operations and securing the trust of society.

In line with this recognition, Resona Holdings has formulated the *Basic Policy on Group Internal Auditing*. Under the initiative of the Board of Directors, the Company also established the Internal Audit Division, which maintains strict independence from divisions in charge of the execution of the Group operations and is headed by an executive officer who has been specially appointed to oversee the audit function. Furthermore, with the aim of enhancing corporate governance through the strengthening of audit functions, relationships between the Internal Audit Division, the Board of Directors, the Audit Committee and representative executive officers are clearly defined. Specifically, communication between the Board of Directors and the Audit Committee serves as a reporting line of primary importance in the overall audit structure. Meanwhile, the committee has an explicit reporting line with the Internal Audit Division, through which it gives direct instructions and receives reports. This structure aims to secure solid supervision over representative executive officers and provide check-and-balance functions over their activities.

If a major issue arises concerning management at a Group company, Resona Holdings' Internal Audit Division performs audits with the internal auditing department of that Group company.

The Internal Audit Division of the Company conducts risk-based audits utilizing the standard auditing methods of the Institute of Internal Auditors (IIA),* which is a global auditing leader, and is also expanding the use of these methods among Group companies. In addition, while monitoring the activities of the internal audit divisions of each company, the division supports the improvement of the quality of internal audits in part by providing information, conducting training, and supporting the acquisition of such qualifications as Certified Internal Auditor.

* Institute of Internal Auditors (IIA): An organization that plays a global leading role in the internal auditing field, the IIA is credited with establishing internal auditing as a profession and is recognized as a leading research body

on the theory and practice of internal auditing

(3) Compliance Systems

The Resona Group has established its Purpose (which defines how it contributes to society), the *Corporate Mission*, (which defines what it aims to be in society) and the Long-Term Vision (which represents ideals regarding what it should look like). To embody these concepts, we have also established the *Resona Way* (Resona Group Corporate Promises) and the *Resona Standards* (the Resona Group's Behavior Guidelines).

Resona Holdings and the Group companies have prepared the *Basic Policy regarding Compliance*, which makes clear, from a compliance point of view, the roles of directors and employees as well as a basic framework for organizational systems and training programs. Each Group company formulates and implements its own *Compliance Program* every fiscal year as an action plan for strengthening its compliance posture. This approach allows Group companies to take the initiative in enhancing their own compliance structures.

Meanwhile, the *Resona Legal Counsel Hotline* and the *Resona Compliance Hotline* are available for employees seeking advice and wishing to report on compliance issues. We are constantly striving to strengthen these internal reporting systems. Specifically, we have clarified internal rules to make the systems safe for Group employees to use.

Moreover, the *Resona Accounting Audit Hotline* is in place and open to reports from external persons regarding fraudulent or inappropriate employee conduct in the course of settling accounts, accounting-related internal control activities and accounting audits.

Run by external law firms, the *Resona Legal Counsel Hotline* and the *Resona Accounting Audit Hotline* are independent from the Company's management. However, all incidents reported to these hotlines are directly reported to the outside director who serves as the chair of the Audit Committee. In these ways, we are striving to improve the reliability and transparency of these systems.

With regard to our compliance structure, we have established a Compliance Division at Resona Holdings and Group companies while appointing officers in charge of compliance at each bank branch, division and department within the Group. We have also established a Group Compliance Committee, which deliberates on compliance issues within the Group.

In addition, we have clearly defined the specific responsibilities of management divisions at Resona Holdings and each Group bank for handling customer relations, which include safeguarding customers, improving convenience, explaining our services clearly, providing consulting services, responding to complaints and securely handling customer information. If operations are outsourced to a third party, the management divisions in charge are responsible for ensuring the appropriate handling of customer data and the quality of services provided. We have also specified divisions responsible for managing conflicts of interest.

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 crimes, we are developing an organizational structure and providing training to officers and employees based on a financial crime countermeasures policy for the Group, with compliance divisions in place at each Group company responsible for the execution of these endeavors. 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.

(4) Status of Risk Management Systems

Resona Holdings has established the *Group Risk Management Policy* as its basic policy for conducting risk management within the Group. This policy clarifies the types and definitions of various risks, organizations and structures required for effective risk management and the basic risk management framework to create a robust risk management system. Specifically, Resona Holdings has established a Risk Management Division in charge of comprehensive risk management as well as category-specific risk management divisions based on a policy of developing a risk management structure. All of these divisions are working to strengthen Groupwide risk management through: (1) the presentation of risk management policies and standards to Group companies; (2)

engagement in preparatory discussions on important matters concerning risk management at Resona Bank, Saitama Resona Bank, and Kansai Mirai Financial Group, Inc.; and (3) the receipt of periodical reports on the status of Group companies' risk management and exposure. Meanwhile, individual Group companies formulate their own risk management policies that coincide with the *Group Risk Management Policy*, factoring in their business scale, operations involved, business characteristics and risk management and exposure status in order to achieve the most efficient and appropriate risk management system for each company.

In particular, credit risk is a major risk category for banking operations. We define credit risk as “a risk that arises when the value of assets (including off-balance sheet assets) declines or disappears as a result of the deterioration of the financial position of obligors.” Having established a unified *Group Credit Policy*, which lays out a standard set of basic principles for credit management for the Group as a whole, the Resona Group conducts strict credit risk management. An overconcentration of credit extended to certain obligors and industries as well as an inadequate framework for individual credit in the past, put Resona Holdings in a situation where it had to accept an injection of public funds. Based on this experience, the *Group Credit Policy* focuses on two facets of credit risk management: stringent credit score management and portfolio management that emphasizes risk diversification.

Also, we endeavor to manage market, liquidity, operational, reputational and other risks by: (1) setting necessary limits; (2) creating applicable guidelines; (3) assessing risks; (4) formulating contingency plans; and (5) employing other measures required according to the nature of each risk category.

Moreover, Resona Holdings and its Group companies have taken preparatory measures for cases where a risk materializes due to a disaster, system failure (including failure induced by cyberattacks) or other cause and is of such significance that it cancels out all their risk management efforts and develops into a crisis. In more specific terms, we have established a comprehensive crisis management structure, including the formulation of a basic crisis management policy, so that we will be able to counter any crisis efficiently and effectively and to ensure continued operations during such crisis, effecting quick operational recovery to normal conditions.

2. Basic Views on Eliminating Anti-Social Forces

Basic Approach to 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. Our basic approach is to intervene in and nullify transactions that would cause the corporate activities of Resona Holdings and Group companies to support anti-social forces.

Status of Measures to Eliminate Anti-Social Forces

a. Internal Rules and Regulations

The Resona Group hereby declares that it will adopt a resolute stance when dealing with anti-social forces and in no way tolerate criminal activities. Specific internal rules and regulations exist based on the *Basic Policy regarding Compliance*.

b. Divisions and Managers Responsible for Preventing Illicit Demands

Resona Holdings and Group companies have designated their compliance divisions as the departments responsible for countering anti-social forces. The compliance divisions take appropriate measures to prevent and nullify transactions with anti-social forces.

Group banks have managers at each business base in charge of preventing illicit demands. These managers are registered at the nearest police station and receive special training by the Public Safety Commission, and they are responsible for preventing and resolutely resisting illicit demands from anti-social forces.

c. Cooperation with External Professional Organizations

The compliance divisions at Resona Holdings and Group companies have formed cooperative relationships with law enforcement agencies, law firms and other professional organizations, and branch offices communicate and consult with nearby police stations on safety issues.

d. Collecting and Managing Information on Anti-Social Forces

The compliance divisions of Resona Holdings and Group companies collect, analyze and uniformly manage internal and external information about anti-social forces.

e. Compliance Manual

Sections of Resona Holdings and Group companies' *Compliance Manual* are dedicated to providing guidance on resolutely acting as an organization to counter anti-social forces.

f. Training

The *Basic Policy regarding Compliance* clearly describes that preventing and eliminating transactions with anti-social forces is a matter of crucial importance for Resona Holdings and Group companies. We provide ongoing training and education on these compliance issues for directors and employees, spreading awareness throughout the organization.

g. Introduction of Terms of Crime Syndicate Elimination

Resona Holdings has introduced “terms of crime syndicate elimination” at its Group banks. Prior to entering into transactional or other kind of relationships with customers, we require those potential customers to declare and ensure that they are not, nor will they become, antisocial forces. If a customer violates his/her commitment or is deemed to be an antisocial force, we use the terms of commitment as a legal ground to terminate transactions with this customer. Through the use of the terms, Resona Holdings is working to prevent any transactions with antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures:	No
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■ Supplementary Explanation

Resona Holdings has not prepared any specific defense against takeover measures, such as the issuance of new stock or stock options for reasons other than raising capital for business purposes. Resona Holdings aims to enhance corporate value and shareholder returns without having to resort to such measures.

2. Other Matters Concerning the Corporate Governance System

Overview of Internal System for Timely Disclosure

1. Deliberation and Reporting Concerning Timely Disclosure

With the aim of ensuring the reliability of the Group's financial reporting and the appropriateness of its information disclosure, important matters regarding information disclosure and information disclosure control are reported to and discussed at meetings of the Executive Committee.

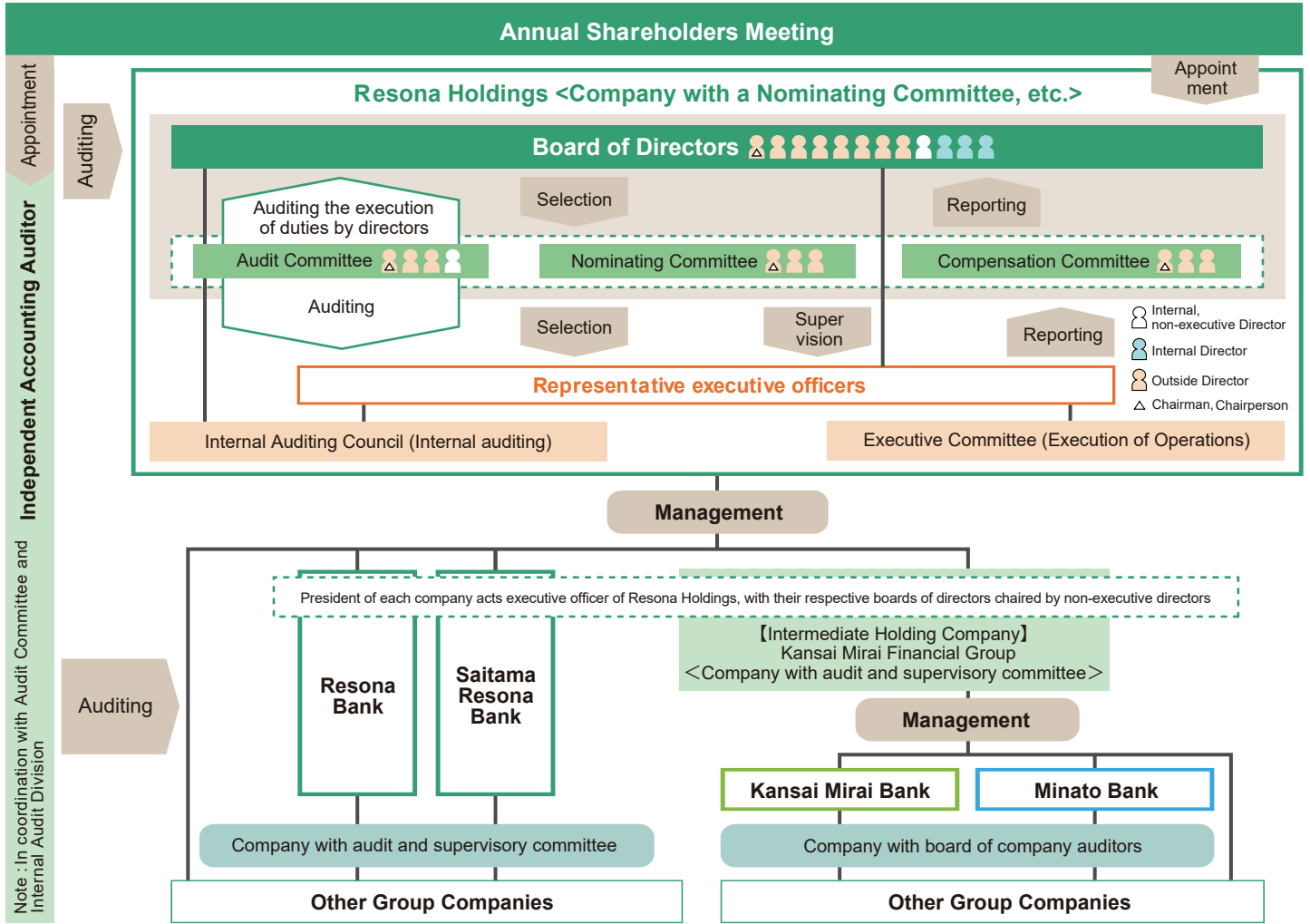
2. Formulation of Internal Rules Concerning Timely Disclosure

To ensure the appropriateness of its timely disclosure, Resona Holdings and its Group companies have formulated guidelines for timely disclosure.

3. Assignment of Dedicated Departments Responsible for Timely Disclosure

Resona Holdings has assigned certain departments to be responsible for timely disclosure. To promote timely disclosure, these departments enter into discussions with the relevant department once they obtain information to be disclosed, and they follow prescribed procedures to ensure that the disclosure of such information is done in an appropriate manner. These departments are also responsible for amending internal rules and regulations concerning timely disclosure and for reviewing, and revising when necessary, items and standard monetary amounts for consideration before making decisions concerning disclosure. These amendments and revisions are disseminated throughout the Group by these departments.

[Group Corporate Governance Framework]



[Resona Group Timely Disclosure System]

