

# **Business Results for 1H of FY2022 and Future Management Direction**



**Resona Holdings**

**November 16, 2022**

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- Abbreviations and definitions of the figures presented in this material are as follows:

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,  
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank\*, [MB] Minato Bank  
\* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

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Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any change related to the government's and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

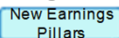
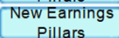
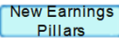
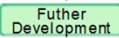
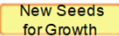
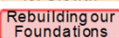
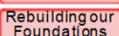
These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.

# Table of Contents

## Outline of Business Results for 1H of FY2022 and Updates on Major Businesses

- p4 Outline of Financial Results for the 1H of FY2022
- p5 Review of the 1H of FY2022
- p6 Breakdown of Financial Results
- p7 Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)
- p8 Trend of Loans and Deposits (Domestic Account)
- p9 Term-end Balance of Loans and Deposits
- p10 Housing Loan Business
- p11 Fee Income
- p12 Major Fee Businesses(1)  
(Asset Formation Support Business)
- p13 Major Fee Businesses(2)  
(Trust, Corporate Solution, Real Estate Business)
- p14 Credit Costs and NPL
- p15 Securities Portfolio
- p16 Capital Adequacy Ratio
- p17 Earnings Targets for FY2022
- p18 (Reference) Outline of Financial Results of Each Segment
- p19 (Reference) Outline of Financial Results of Customer Divisions
- p20 KPIs under the MMP

## Efforts for Sustainable Growth

- p22 Our vision / Realizing the “Retail No. 1”
- p23 Progress of Income and Cost Structure Reforms
- p24  Integrate Face-to-Face and Digital Channel
- p25  Promote Digitization to Support the Creation of New Customer Value
- p26  Further Evolution of KMFG
- p27  Settlement Business
- p28   Asset Formation Support Business
- p29  Asset and Business Succession
- p30  Business for SMEs
- p31  Loans for Individuals
- p32  Financial Digital Platform(1)
- p33  Financial Digital Platform(2)
- p34  New Businesses that Break Away from the Bank Model
- p35  Reform of Sales Styles and Channel Networks
- p36  System Structure Reform ~ Resona NEXT ~
- p37  Cost Structure Reform
- p38  Human Resources Management
- p39  Investment in Human Resources Capable of Supporting Sustainable Growth
- p40  Initiatives to Assist Employees in Autonomous Career Development

## Capital Management

- p42 Capital Management

## ESG Initiatives (p44~)

## Reference Material (p56~)

# Outline of Business Results for 1H of FY2022 and Updates on Major Businesses

Efforts for Sustainable Growth

Capital Management

ESG Initiatives

Reference Material

# Outline of Financial Results for the 1H of FY2022

## ■ Net income attributable to owners of parent: JPY82.6 bn

- Up JPY1.8 bn, or 2.2%, YoY  
Progress rate against the full year target\*1 : 55.1%

## ■ Actual net operating profit: JPY88.7 bn

Down JPY28.0 bn, or 24.0%, YoY

**Core income [Net interest income from domestic loans and deposits + Fee income + Operating expenses] : Up JPY4.8 bn, YoY**

## ● Gross operating profit: JPY291.4 bn

Down JPY31.7 bn, or 9.8%, YoY

- Net interest income from domestic loans and deposits:  
Down JPY2.2 bn, YoY  
Average loan balance: +2.13%, YoY, Loan rate: down by 3bps, YoY  
[Excluding loans to the Japanese government and others]  
Average loan balance: +1.63%, YoY, Loan rate: down by 3bps, YoY  
**Loans bal. surpassed the plan, loans rate was in line with the plan.**
- Fee income: Up JPY3.2 bn, YoY, Fee income ratio: 37.3%  
**Increased driven by growth in insurance and succession-related. Record-high fee income for the first half period.**
- Net gains on bonds (including futures): Down JPY36.5 bn, YoY  
**Implemented to restore soundness of securities portfolio.**

- **Operating expenses: JPY202.8 bn**, Improved by JPY3.8 bn, YoY  
**Both personnel and non-personnel expenses decreased.**

## ■ Credit related expenses: JPY7.7 bn (cost)

Decreased by JPY9.2 bn, YoY

**Credit costs have posted 20.3% against the full year plan [JPY38.0 bn]**

## ■ Full year target of JPY150.0 bn and full year dividend forecast of 21 yen remain unchanged

## ■ Share buyback up to JPY15.0 bn

[ Period of acquisition : Nov. 14, '22 – Dec. 30, '22 ]

Plan to cancel all of the treasury shares to be acquired on Jan. 20, '23 ]

	HD consolidated (JPY bn)	FY2022 1H (a)	YoY change		Progress rate vs. Target*1 (d)
			(b)	% (c)	
<b>Net income attributable to owners of parent</b>	(1)	<b>82.6</b>	<b>+1.8</b>	<b>+2.2%</b>	<b>55.1%</b>
EPS (yen)	(2)	34.68	+1.59	+4.8%	
BPS (yen)	(3)	1,017.62	(38.83)	(3.6)%	
Gross operating profit	(4)	291.4	(31.7)	(9.8)%	
Net interest income	(5)	212.2	(1.8)		
NII from loans and deposits <sup>*2</sup>	(6)	167.5	(2.2)		
Fee income	(7)	108.8	+3.2		
Fee income ratio	(8)	37.3%	+4.6%		
Trust fees	(9)	10.7	+0.6		
Fees and commission income	(10)	98.0	+2.6		
Other operating income	(11)	(29.6)	(33.2)		
Net gains on bonds (including futures)	(12)	(39.7)	(36.5)		
Operating expenses (excluding group banks' non-recurring items)	(13)	(202.8)	+3.8	+1.8%	
Cost income ratio (OHR)	(14)	69.5%	+5.6%		
<b>Actual net operating profit</b>	(15)	<b>88.7</b>	<b>(28.0)</b>	<b>(24.0)%</b>	
Net gains on stocks (including equity derivatives)	(16)	36.3	+11.8		
Credit related expenses, net	(17)	(7.7)	+9.2		
Other gains, net	(18)	(2.1)	+5.7		
<b>Net income before income taxes and non-controlling interests</b>	(19)	<b>115.2</b>	<b>(1.1)</b>	<b>(0.9)%</b>	
Income taxes and other	(20)	(32.1)	+3.6		
Net income attributable to non-controlling interests	(21)	(0.3)	(0.6)		

\*1. Full year target of FY2022: JPY150.0 bn

\*2. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

# Review of the 1H of FY2022

## Accelerate initiatives for sustainable growth in the final year of the MMP

### ■ Steady progress in income and cost structure reforms

- Core income: Progress rate against the earnings targets for FY2022 (total of group banks basis): 52.1%

### ■ Expansion consulting business based on F2F

- Term-end loan balance reached JPY40 tn level
- Succession-related income: JPY12.1 bn (+16.5%, YoY)

### ■ Focused business has grown to "earnings pillar"

- # of App DL: 5.83 million (+35.0%, YoY), and external group 0.90 million
- Fund wrap income: JPY4.6 bn (+19.8%, YoY) Balance of fund wrap\*1: JPY745.1 bn (+10.9%, YoY) Of which, external group JPY49.0 bn
- Debit card income: JPY2.3 bn (+17.2%, YoY) # of debit card issued: 3.16 million (+16.9%, YoY)

### ■ Breaking free of the bank model / Initiatives for next growth

#### Progress of financial digital platform

- Basic agreement on fund wrap business with the 77 Bank [ Released in Aug. '22. Scheduled to be handled from Jan. '23 ]

#### Strengthen DX-related business

- Capital and business alliance with Digital Garage, Inc. [ Nov. '22 ]

#### Retail Transition Finance

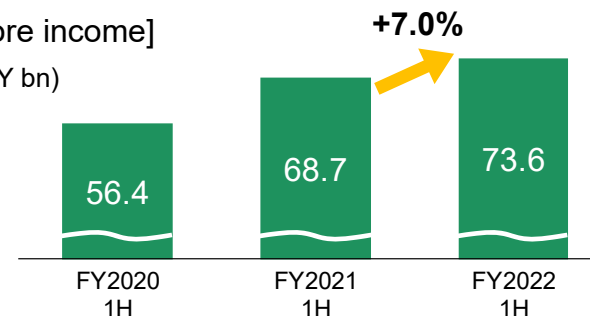
- Cumulative total : JPY1,258.5 bn [ - 1H of FY 2022 ]

### ■ Expand investment in human resources

- Transformation into a human resources portfolio that emphasizes diversity and expertise
- Enhancing a total career support system that allows all personnel to grow into a professional

[Core income]

(JPY bn)



## Respond to changes in a timely manner in a highly uncertain environment

### ■ Implemented to restore soundness of securities portfolio

- Costs to restore securities portfolio soundness in 1H of FY2022: Approx. JPY37.0 bn
  - Completed the initial plan and significantly reduced the risk volume
 

'21/3	'22/9
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  - ✓ BPV (foreign bonds): (0.51) ⇒ (0.26)
- Improving the yield of foreign bonds

### ■ Progress of the reduction of policy-oriented stocks

- Balance of listed stocks disposed in 1H of FY'22\*2: JPY13.8 bn
- Net gain on sale in 1H of FY'22: JPY33.1 bn

### ■ Response to credit risk

- Strengthen credit monitoring in light of yen depreciation and soaring resource prices
- COVID-19 related preemptive provisioning : As of Sep. '22 JPY7.7 bn

Plan to reduce JPY80.0 bn level in 4 years  
→ Progress rate compared to expected pace [JPY20.0 bn per year]: 69.2%

\*1. Including corporation and external group \*2. Total of group banks, acquisition cost basis

# Breakdown of Financial Results

	(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank		Saitama Resona Bank		Total of group banks under KMFG		Difference (a)-(c)
		(a)	YoY (b)	(c)	YoY (d)	(e)	YoY (f)	(g)	YoY (h)	(i)	YoY (j)	
<b>Gross operating profit</b>	(1)	<b>291.4</b>	<b>(31.7)</b>	<b>263.7</b>	<b>(30.8)</b>	<b>140.9</b>	<b>(25.2)</b>	<b>55.0</b>	<b>(4.4)</b>	<b>67.6</b>	<b>(1.1)</b>	<b>27.6</b>
Net interest income	(2)	212.2	(1.8)	209.3	(1.0)	113.6	(0.4)	41.5	(2.3)	54.0	+1.7	2.9
NII from domestic loans and deposits	(3)			167.5	(2.2)	86.8	(0.6)	33.6	(0.9)	47.0	(0.6)	
Net gains on cancellation of investment trusts *1	(4)	(0.2)	(0.6)	(0.1)	(0.5)	(0.3)	(0.3)	—	(0.2)	0.1	(0.0)	(0.1)
Fee income	(5)	108.8	+3.2	84.7	+3.4	54.8	+2.3	16.8	+2.2	13.1	(1.1)	24.0
Fee income ratio	(6)	37.3%	+4.6%	32.1%	+4.5%	38.9%	+7.3%	30.5%	+6.0%	19.3%	(1.3)%	
Trust fees	(7)	10.7	+0.6	10.8	+0.6	10.8	+0.6	0.0	+0.0	0.0	(0.0)	(0.0)
Fees and commission income	(8)	98.0	+2.6	73.9	+2.7	44.0	+1.6	16.7	+2.2	13.1	(1.1)	24.1
Other operating income	(9)	(29.6)	(33.2)	(30.3)	(33.2)	(27.5)	(27.0)	(3.3)	(4.3)	0.5	(1.7)	0.6
Net gains on bonds (including futures) *1	(10)	(39.7)	(36.5)	(39.7)	(36.4)	(34.5)	(29.8)	(4.3)	(4.6)	(0.7)	(1.9)	(0.0)
Operating expenses (excluding group banks' non-recurring items)	(11)	(202.8)	+3.8	(188.9)	+4.6	(103.0)	+2.1	(37.2)	+0.8	*2 (48.7)	+1.6	(13.8)
Cost income ratio (OHR)	(12)	69.5%	+5.6%	71.6%	+5.9%	73.0%	+9.8%	67.5%	+3.6%	72.0%	(1.2)%	
<b>Actual net operating profit</b>	(13)	<b>88.7</b>	<b>(28.0)</b>	<b>74.7</b>	<b>(26.2)</b>	<b>37.9</b>	<b>(23.1)</b>	<b>17.8</b>	<b>(3.6)</b>	<b>18.9</b>	<b>+0.5</b>	<b>14.0</b>
Core net operating profit *3 (excluding gains on cancellation of investment trusts)	(14)			<b>114.4</b>	<b>+12.2</b>	<b>72.7</b>	<b>+7.7</b>	<b>21.8</b>	<b>+1.7</b>	<b>19.7</b>	<b>+2.8</b>	
Net gains on stocks (including equity derivatives)	(15)	36.3	+11.8	36.5	+12.2	30.8	+10.2	4.3	+1.1	1.3	+0.8	(0.1)
Credit related expenses, net	(16)	(7.7)	+9.2	(7.0)	+7.8	(4.7)	+5.2	(0.6)	(0.0)	(1.6)	+2.6	(0.6)
Other gains, net	(17)	(2.1)	+5.7	(2.1)	+4.7	(0.2)	+3.5	(0.7)	+0.4	(1.1)	+0.7	(0.0)
<b>Net income before income taxes</b>	(18)	<b>115.2</b>	<b>(1.1)</b>	<b>102.0</b>	<b>(1.3)</b>	<b>63.8</b>	<b>(4.0)</b>	<b>20.7</b>	<b>(2.0)</b>	<b>17.4</b>	<b>+4.7</b>	<b>13.2</b>
Income taxes and other	(19)	(32.1)	+3.6	(28.3)	+2.8	(17.0)	+3.1	(6.3)	+0.5	(5.0)	(0.7)	
Net income attributable to non-controlling interests	(20)	(0.3)	(0.6)									
<b>Net income (attributable to owners of parent)</b>	(21)	<b>82.6</b>	<b>+1.8</b>	<b>73.6</b>	<b>+1.4</b>	<b>46.8</b>	<b>(0.8)</b>	<b>14.4</b>	<b>(1.5)</b>	<b>12.4</b>	<b>+3.9</b>	

\*1. Losses on cancellation of investment trusts are posted in the net gains on bonds since net of the losses and dividends from investment trusts become negative

1H of FY'21(RB): Losses on cancellation of investment trusts: JPY(5.1) bn, dividends from investment trusts: + JPY2.3 bn → net amount: JPY(2.8) bn

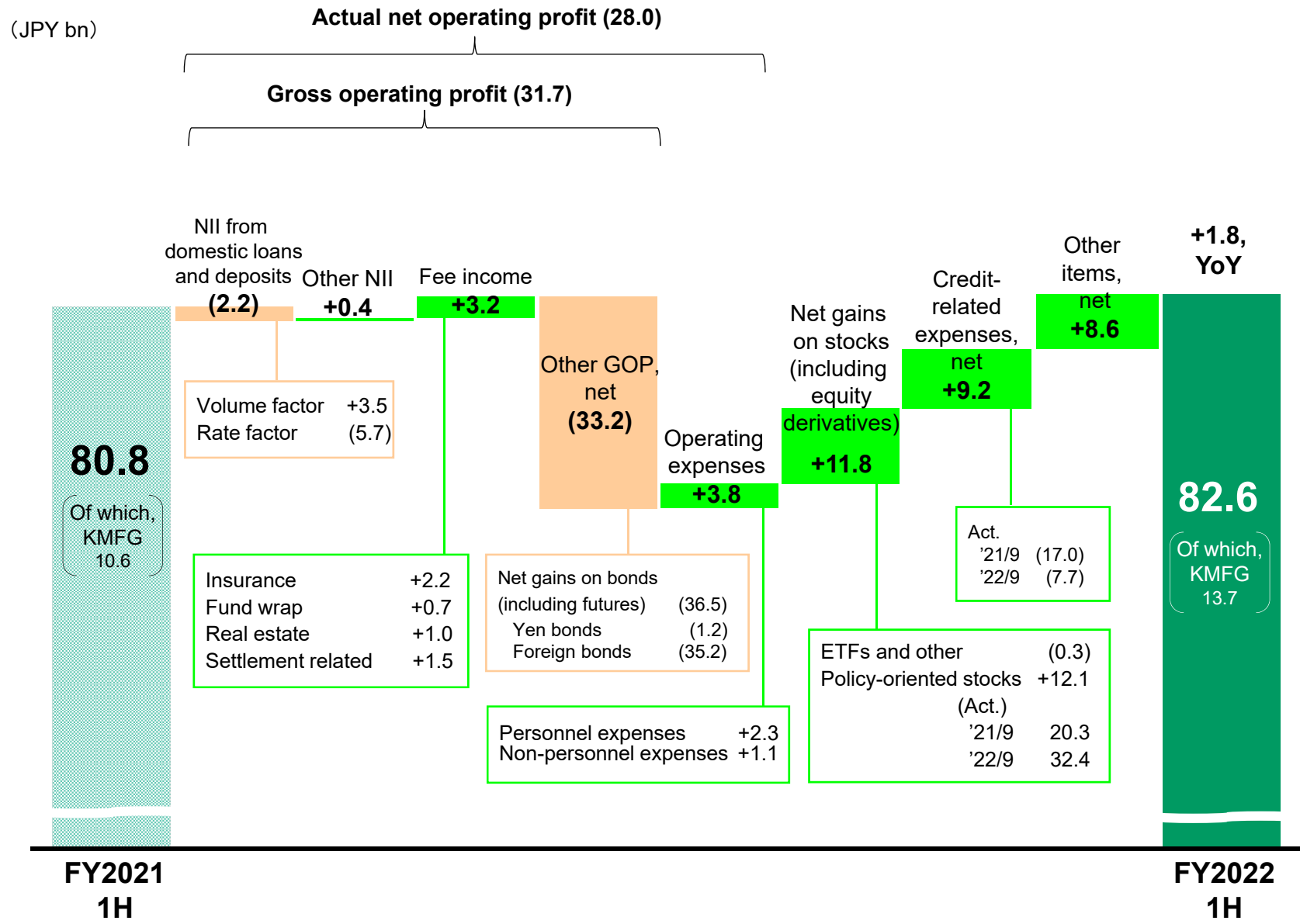
1H of FY'22(SR/MB): Losses on cancellation of investment trusts: JPY(0.8) bn, dividends from investment trusts: + JPY0.6 bn → net amount: JPY(0.2) bn

\*2. Exclude goodwill amortization by KMB, JPY(0.3) bn, related to acquisition of former Biwako Bank

\*3. Actual net operating profit - Gains on cancellation of investment trusts - Net gains on bonds

# Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD Consolidated





# Trend of Loans and Deposits (Domestic Account)

Total of Group Banks

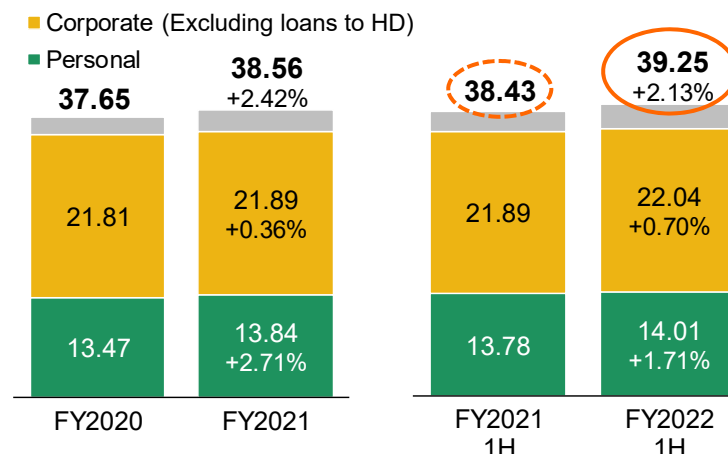
## Average loan / deposit balance, rates and spread

- 1H of FY'22 (YoY)
  - Average loan balance : +2.13%, Loan rate : (3) bps
  - [Excluding loans to the Japanese government and others]
  - Average loan balance : +1.63%, Loan rate : (3) bps
  - => Full year (Revised plan) +1.79% (2) bps

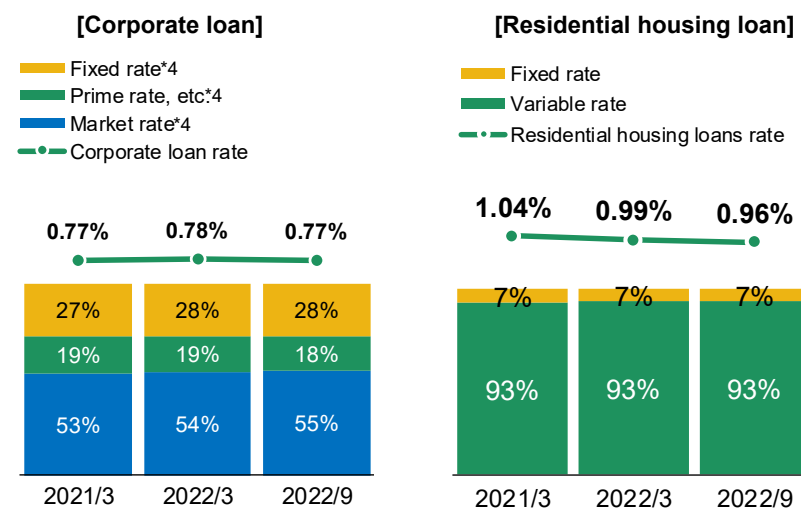
Avg. bal : Trillion Yen Income/Cost : Billion Yen		1H		FY2022	
		Act. (a)	YoY <sup>*3</sup> (b)	Revised plan (c)	YoY <sup>*3</sup> [vs. initial plan] (d)
Loans	Avg. Bal. (1)	39.25	+2.13%	39.65	+2.81% +1.33%
	Rate (2)	0.86%	(0.03)%	0.85%	(0.03)% (0.00)%
	Income (3)	169.4	(2.8)	338.5	(4.0) +0.9
Corporate banking business unit <sup>*1</sup>	Avg. Bal. (4)	22.04	+0.70%	22.16	+1.24% +0.56%
	Rate (5)	0.82%	(0.01)%	0.81%	(0.01)%
Corporate Loan	Avg. Bal. (6)	18.75	+1.59%	18.88	+2.12% +0.83%
	Rate (7)	0.77%	(0.00)%	0.77%	(0.01)%
Personal banking business unit <sup>*2</sup>	Avg. Bal. (8)	14.01	+1.71%	14.09	+1.80% (0.28)%
	Rate (9)	1.08%	(0.04)%	1.07%	(0.04)%
Deposits (Including NCDs)	Avg. Bal. (10)	61.02	+3.47%	61.12	+3.17% +2.30%
	Rate (11)	0.00%	(0.00)%	0.00%	(0.00)%
	Cost (12)	(1.8)	+0.5	(3.9)	+0.6 +0.1
Loan-to-deposit	Spread (13)	0.85%	(0.03)%	0.84%	(0.03)% (0.00)%
	Net interest income (14)	167.5	(2.2)	334.6	(3.3) +1.1

## Trend of average loan balance

[Average loan balance (JPY tn)] % represents YoY change



## Loan rate on a stock basis and composition by interest rate type



\*1. Corporate Banking Business Unit : Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose  
 \*2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are for internal administration purpose  
 \*3. Average balance : rate of change \*4. Corporate banking business unit (excluding apartment loans) + public corporation, etc.

# Term-end Balance of Loans and Deposits

Total of Group Banks

## Term-end loan balance

## Term-end deposit balance

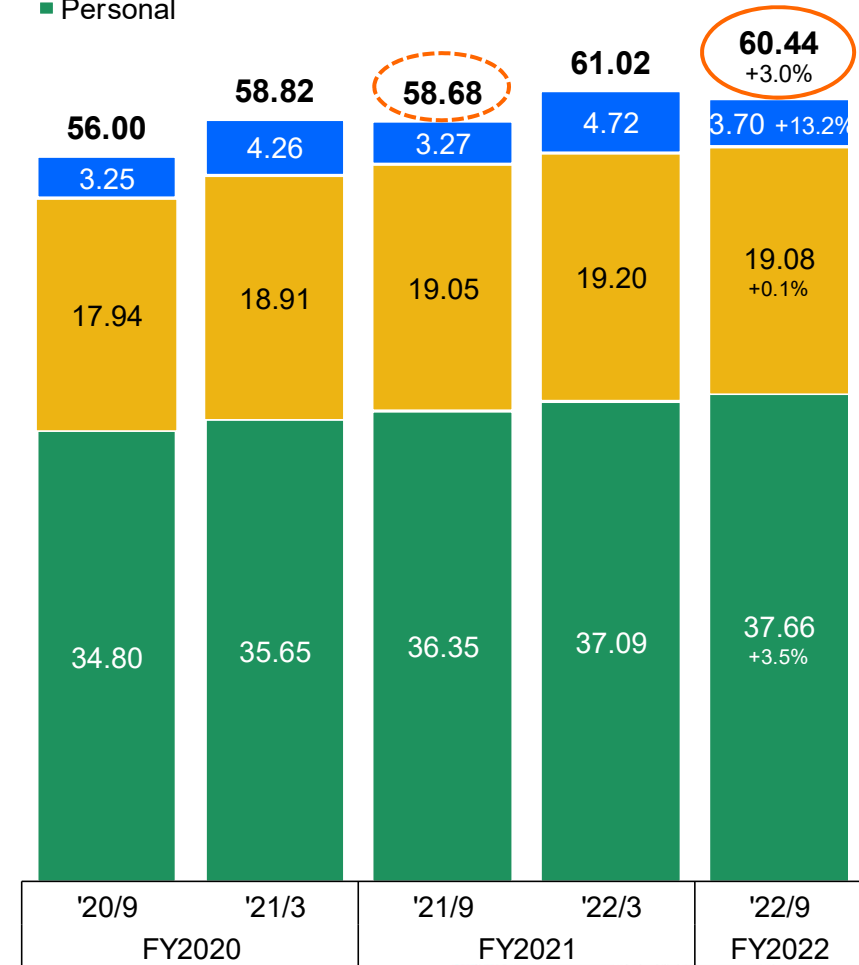
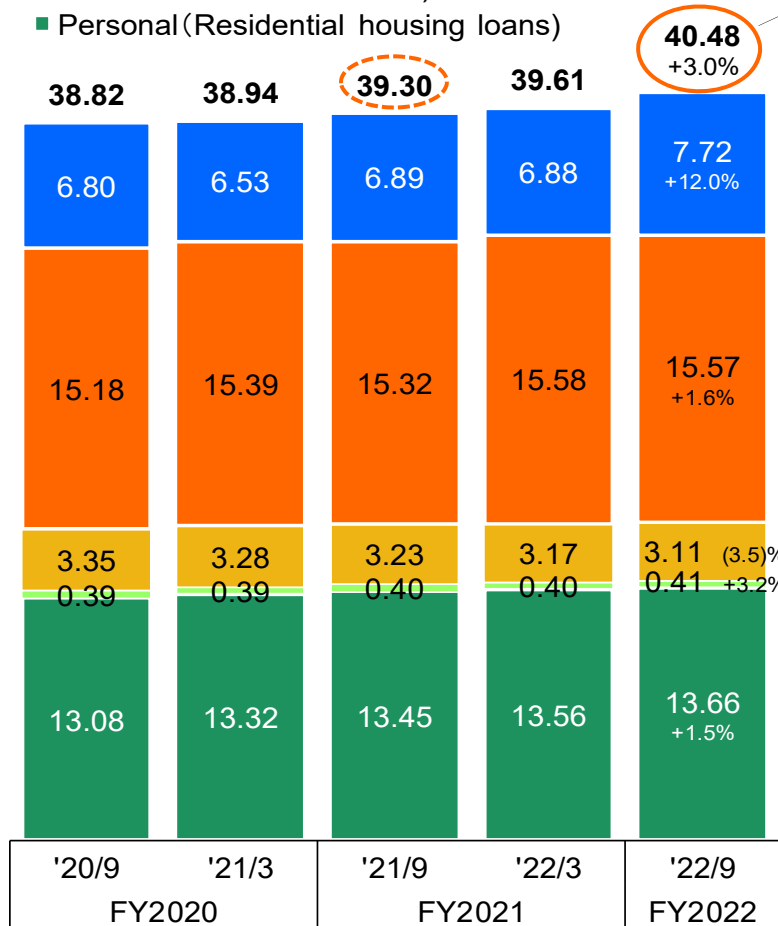
[ JPY tn, % represents YoY change ]

[ JPY tn, % represents YoY change ]

- Corporate (Large companies and other)
- Corporate (SMEs)
- Corporate (Apartment loans)
- Personal (Consumer loans)
- Personal (Residential housing loans)

Of which, excluding loans to the Japanese gov. and others [1.90 tn] +1.8%

- Other
- Corporate
- Personal

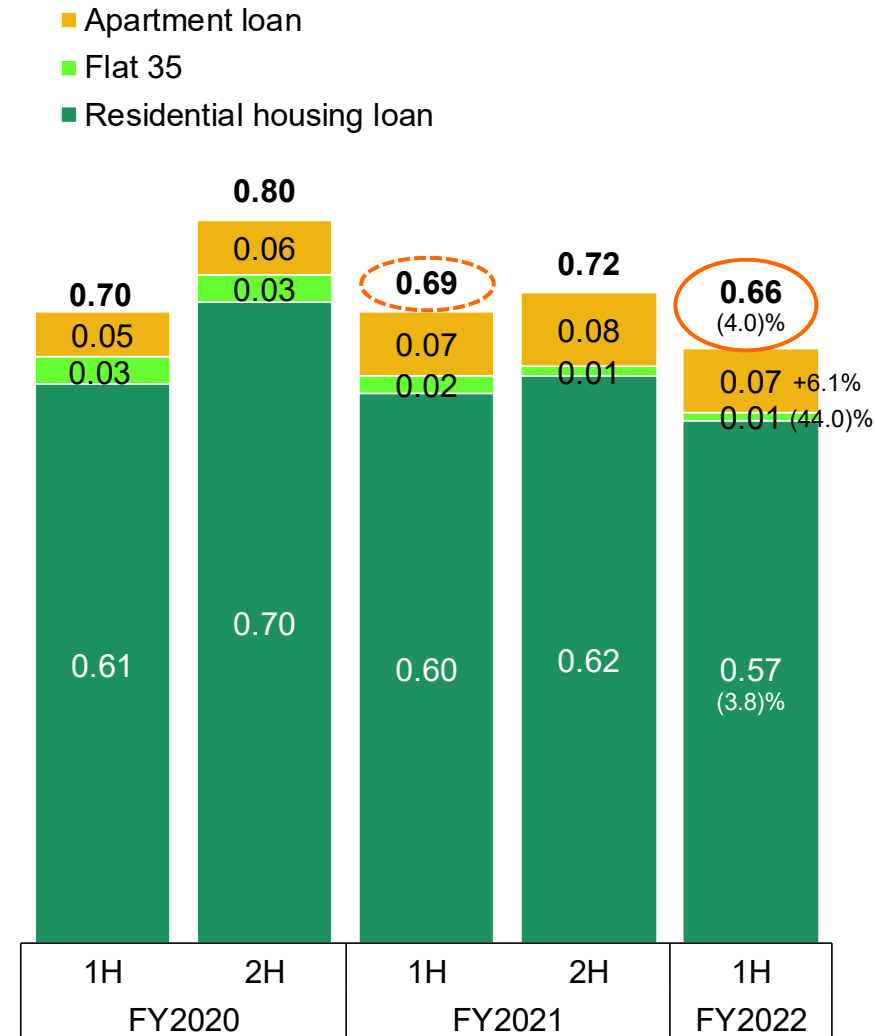


# Housing Loan Business

Total of Group Banks

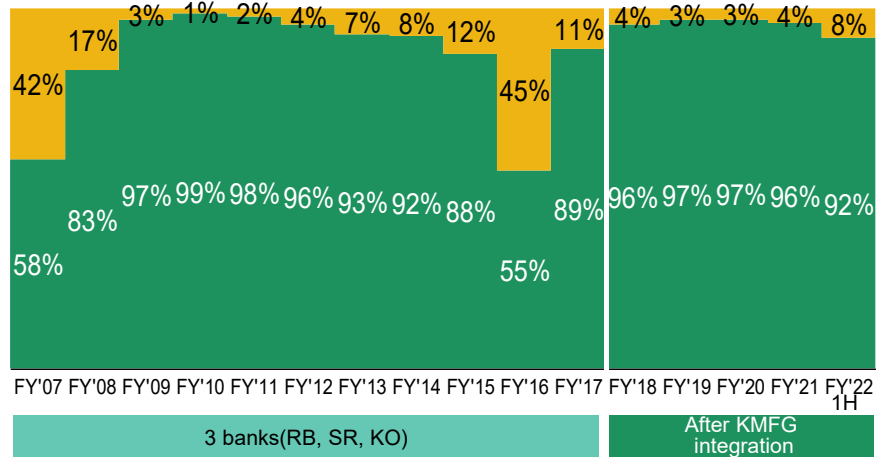
## New housing loan origination

[ JPY tn, % represents YoY change ]

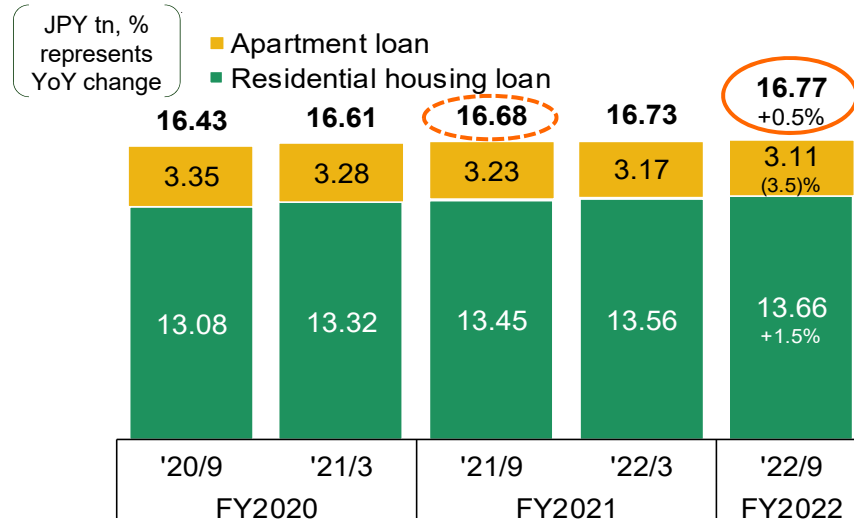


## Composition of newly originated residential housing loans by interest rate type

- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans



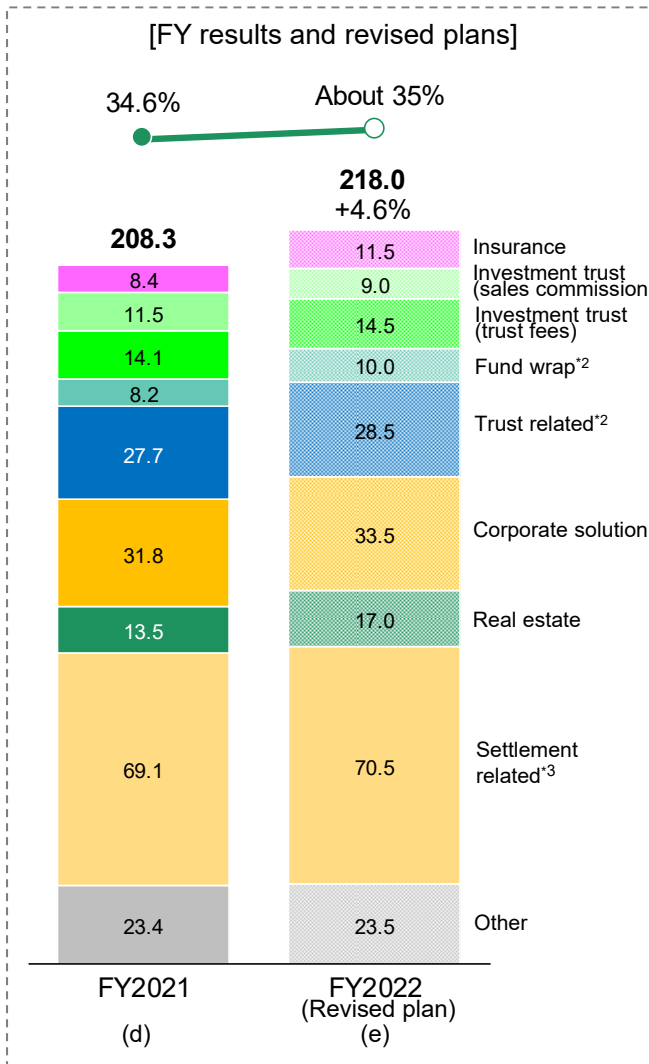
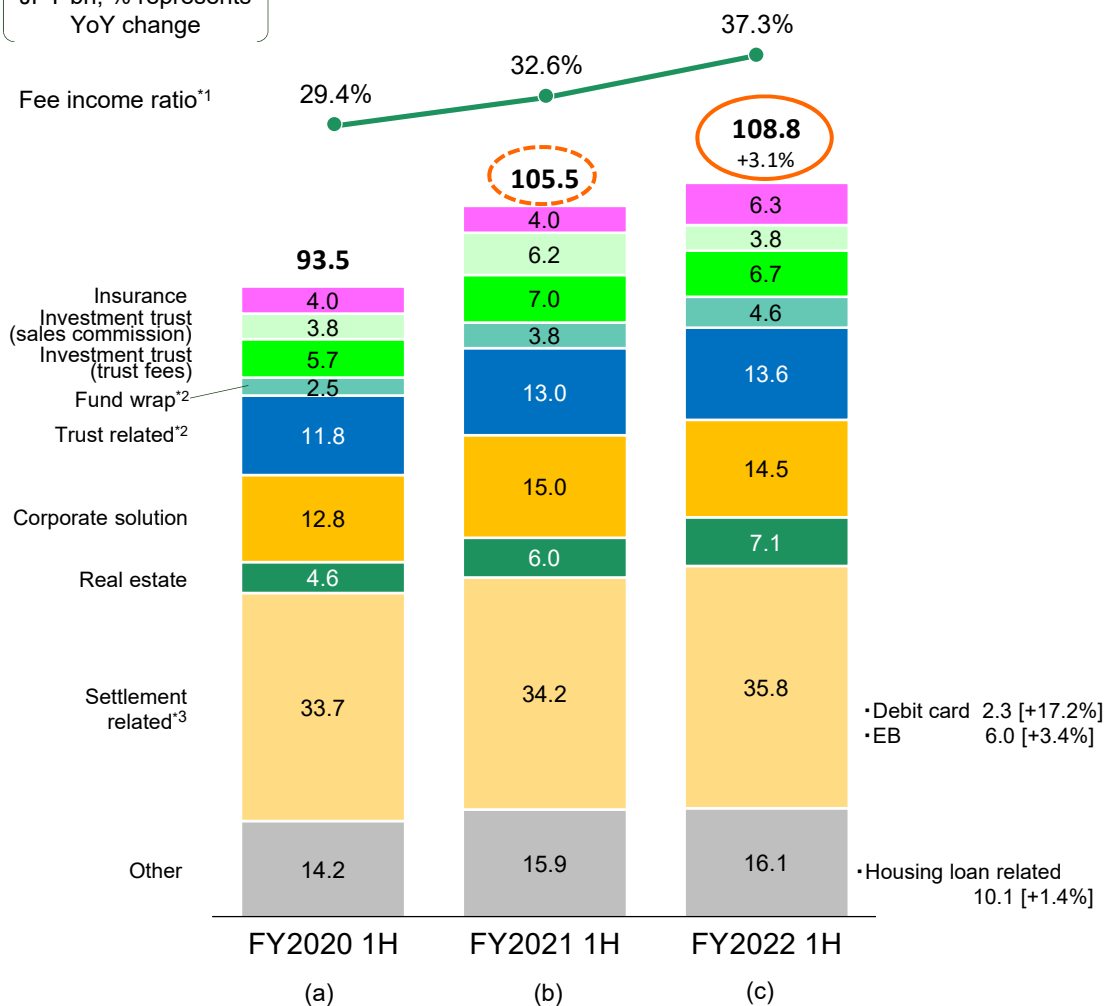
## Term-end housing loan balance



# Fee Income

- Consolidated fee income ratio\*1 : 37.3%
- Increased driven by growth in insurance (+2.2 bn, +55.9%, YoY) and succession-related (asset and business succession related trust / real estate / M&A) (+1.7 bn, +16.5%, YoY), etc.

( JPY bn, % represents  
YoY change )



\*1. (Fees and commission income + trust fees) / Consolidated gross operating profit

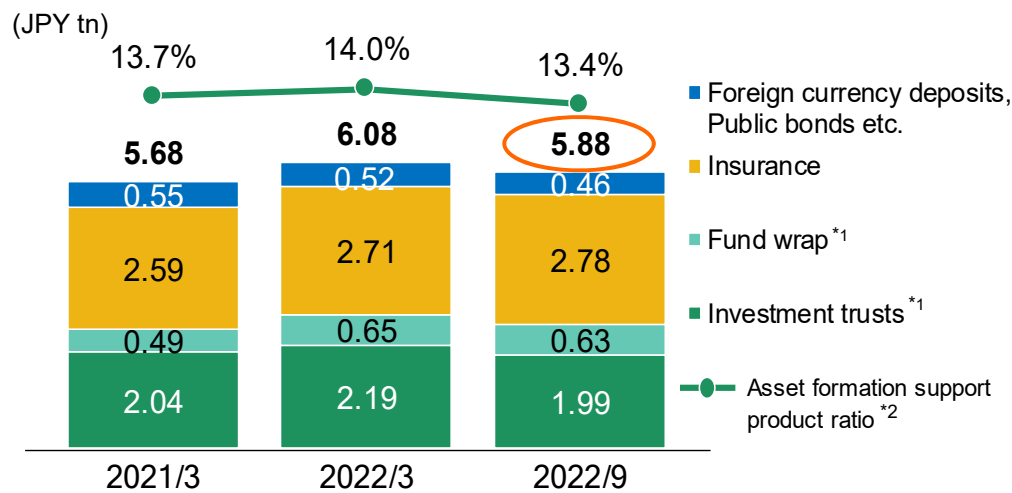
\*2. Including fee income earned by Resona Asset Management

\*3. Fees and commission from domestic exchange, account transfer, EB, debit card and fee income earned by Resona Kessai Service and Resona Card

# Major Fee Businesses(1) (Asset Formation Support Business)

HD  
Consolidated

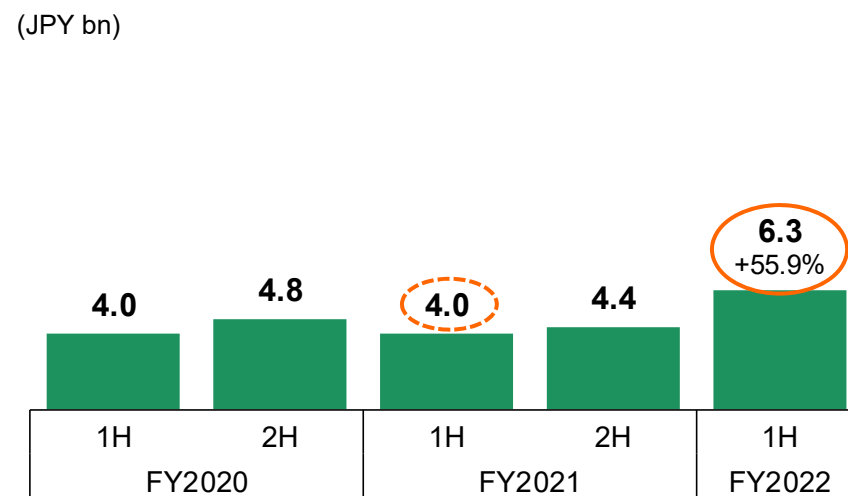
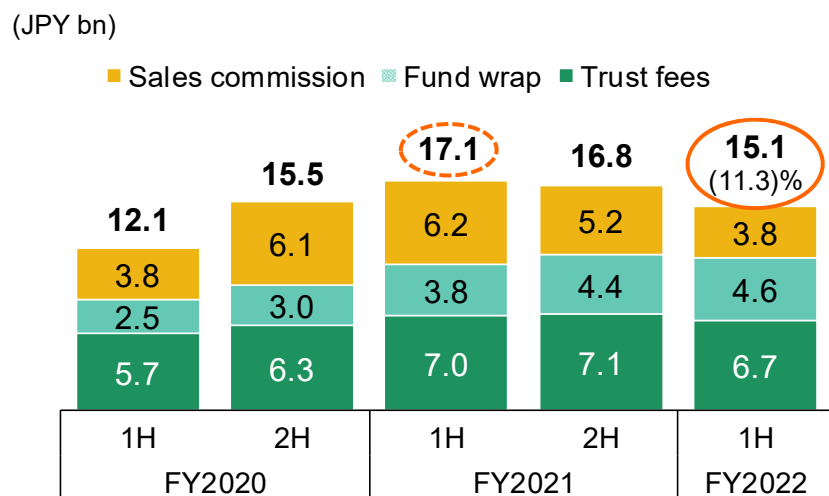
## Balance of asset formation support products sold to individuals



- **Balance of fund wrap\*1:** '22/9 JPY745.1 bn (including corporation\*3)
- **Change in balance of investment trust and fund wrap: 1H of FY'22 Approx. JPY(210.0) bn**
  - Net inflow (new purchase – withdrawal and redemption): Approx. +JPY12.0 bn
- **Number of individual customers having investment trust, fund wrap and insurance products : '22/9 969 thousand, +13 thousand, YoY**
- **iDeCo participants\*4: '22/9 163 thousand , +14.6%, YoY**

## Investment trust and fund wrap income

## Insurance income



\*1. Based on market value  
 \*2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals)  
 \*3. Including balance of fund wrap in banks other than group banks  
 \*4. iDeCo participants + members giving investment instructions

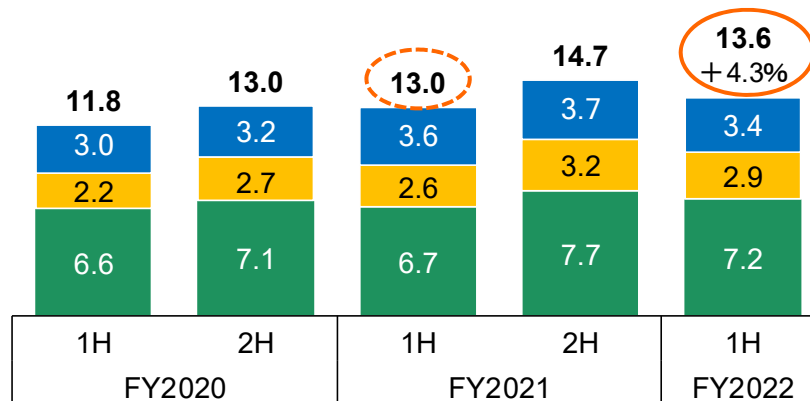
# Major Fee Businesses(2) (Trust, Corporate Solution, Real Estate Business)

HD  
Consolidated

## Trust-related business income

(JPY bn)

- Resona Asset Management
- Trust solution offered for asset and business succession
- Pension/Securities trust



### Asset and business succession

# of succession trusts (stock)

	'21/3	'22/3	'22/9
# of succession trusts (stock)	34.3 thousand	39.3 thousand	41.3 thousand

### Securities trust

Total assets in custody

	'21/3	'22/3	'22/9
Total assets in custody	JPY39.11 tn	JPY40.91 tn	JPY41.17 tn

### Pension trust

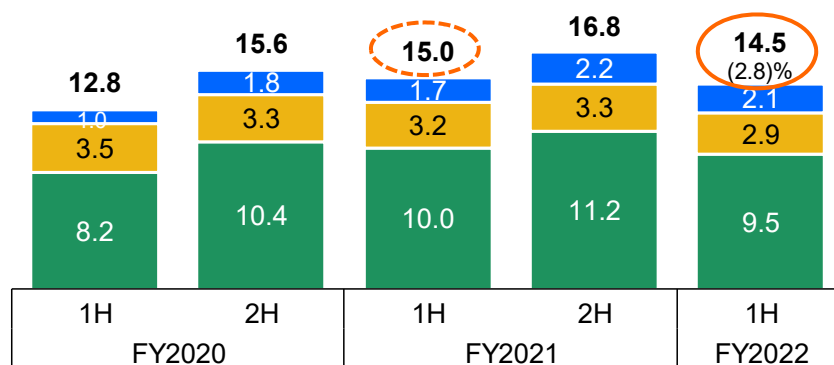
Total assets entrusted

	'21/3	'22/3	'22/9
Total assets entrusted	JPY5.59 tn	JPY5.43 tn	JPY5.55 tn

## Corporate solutions business income

(JPY bn)

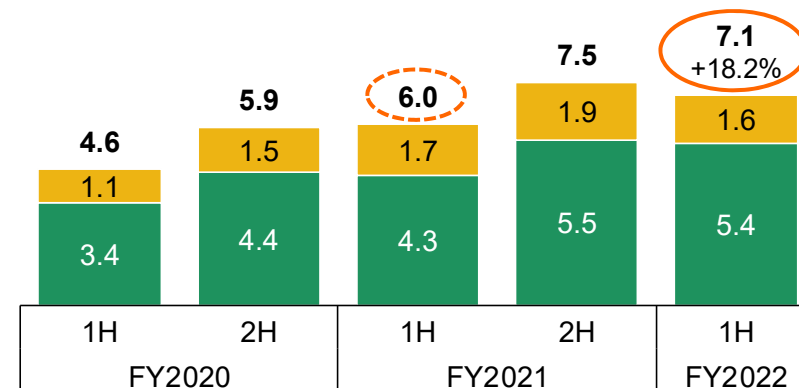
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



## Real estate business income\*1

(JPY bn)

- Corporate
- Individual



\*1. Excluding gains from investments in real estate funds

# Credit Costs and NPL

HD Consolidated  
Total of Group Banks

## Credit costs

(JPY bn)	FY2020 (a)	FY2021		FY2022	
		1H (b)	(c)	1H (d)	Plan (e)
<b>Net credit cost (HD consolidated)</b> (1)	(57.4)	(17.0)	(58.7)	(7.7)	(38.0)

(JPY bn)	FY2020 (2)	FY2021 (3)	FY2022 (4)	FY2022 (5)	FY2022 (6)
<b>Net credit cost (Total of group banks)</b> (2)	(52.3)	(14.9)	(61.2)	(7.0)	(31.0)
General reserve (3)	(15.9)	(4.9)	(7.2)	2.7	
Specific reserve and other items (4)	(36.3)	(10.0)	(53.9)	(9.8)	
New bankruptcy, downward migration (5)	(45.0)	(13.7)	(66.0)	(15.3)	
Collection/ upward migration (6)	8.7	3.7	12.0	5.4	

(JPY bn)	FY2020 (7)	FY2021 (8)	FY2022 (9)	FY2022 (10)	FY2022 (11)
<b>Difference (1) - (2)</b> (7)	(5.1)	(2.0)	2.4	(0.6)	(7.0)
HL guarantee subsidiaries (8)	(0.5)	0.2	6.5	0.7	
Resona Card (9)	(1.5)	(0.7)	(1.4)	(0.8)	

<Credit cost ratio>

(bps)

	FY2020 (10)	FY2021 (11)	FY2022 (12)	FY2022 (13)	FY2022 (14)
HD consolidated <sup>*1</sup> (10)	(15.0)	(8.5)	(14.8)	(3.8)	(9.4)
Total of group banks <sup>*2</sup> (11)	(13.4)	(7.4)	(15.1)	(3.4)	(7.5)

\*(Note) Positive figures represent reversal gains

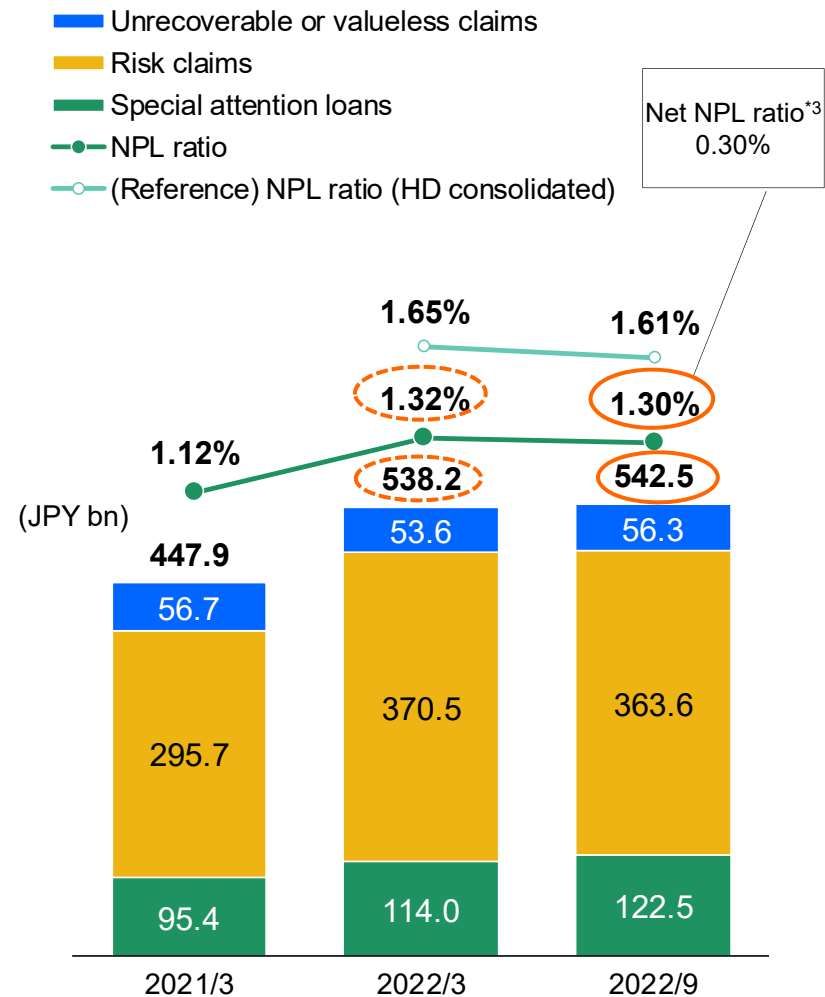
\*1. Credit cost / (Loans and bills discounted + acceptances and guarantees)  
(Simple average of the balances at the beginning and end of the term)

\*2. Credit cost / total credits defined under the Financial Reconstruction Act  
(Simple average of the balances at the beginning and end of the term)

\*3. Net of collateral, guarantees and loan loss reserves

## NPL balance and ratio (Total of group banks)

(Financial Reconstruction Act criteria)



## Securities portfolio\*1

(JPY bn)	2021/3	2022/3	2022/9	Unrealized gains/(losses)
	(a)	(b)	(c)	
Available-for-sale securities (1)	4,480.7	4,159.5	4,199.7	411.4
Stocks (2)	325.2	305.9	292.0	535.9
Bonds (3)	2,586.4	2,940.1	2,828.8	(55.5)
JGBs (4)	925.7	1,137.3	1,044.3	(40.8)
Average duration (years) (5)	13.1	9.3	10.6	-
Basis point value (BPV) (6)	(1.21)	(1.15)	(1.09)	-
Local government and corporate bonds (7)	1,660.6	1,802.8	1,784.5	(14.6)
Other (8)	1,569.0	913.3	1,078.7	(69.0)
Foreign bonds (9)	904.8	562.5	565.2	(53.1)
Average duration (years) (10)	6.3	6.2	6.0	-
Basis point value (BPV) (11)	(0.51)	(0.26)	(0.26)	-
Investment trusts (Domestic) (12)	658.4	346.8	509.3	(17.9)
Net unrealized gain (13)	615.3	521.2	411.4	
Bonds held to maturity (14)	1,942.2	2,934.7	3,341.2	(87.6)
JGBs (15)	1,035.6	1,856.1	2,061.6	(74.3)
Net unrealized gain (16)	11.5	(30.3)	(87.6)	

■ CLO : Zero

\*1. Acquisition cost basis. The presented figures include marketable securities only

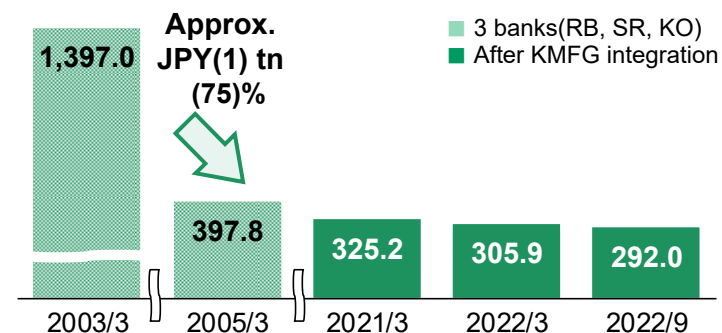
\*2. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding.

Of these, (i) policy investment stocks are targeted for reduction of the balance.

All listed shares held by group banks are (i) policy investment stocks

## Status of policy-oriented stocks held\*2

- **Balance of listed stocks disposed in 1H of FY2022**  
(acquisition cost basis): JPY13.8 bn,  
Net gain on sale: JPY33.1 bn (HD consolidated: JPY32.9 bn)  
Breakeven Nikkei average: Approx. 7,500 yen
- **Policy for holding policy-oriented stocks**
  - Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
  - The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.
- **Plan to reduce JPY80.0 bn level in 4 years from Apr. '22**  
【Stock holdings】 (JPY bn)





# Capital Adequacy Ratio

HD  
Consolidated

- CAR (Domestic std.) and CET1 ratio (International std.) as of Sep. 30, 2022 were 12.40% and 13.68%, respectively, maintaining sound capital adequacy level

## Domestic standard

( JPY bn )	2022/3	2022/9	Change
<b>Capital adequacy ratio (1)</b>	<b>11.82%</b>	<b>12.40%</b>	<b>+0.58%</b>
Total capital (2)	2,027.7	2,075.9	+48.1
Core Capital: instruments and reserves (3)	2,103.1	2,151.8	+48.7
Stockholders' equity (4)	2,018.9	2,077.1	+58.1
Adjusted non-controlling interests (5)	7.8	8.8	+0.9
Reserves included in Core Capital (6)	60.7	47.2	(13.5)
Subordinated loans and bonds subject to transitional arrangement (7)	34.7	31.1	(3.6)
Core Capital: regulatory adjustments (8)	75.3	75.9	+0.5
Risk weighted assets (9)	17,150.2	16,736.9	(413.2)

- Change in total capital
  - Stockholders' equity +58.1 bn
    - Net income attributable to owners of parent +82.6 bn
    - Interim dividend (25.4) bn

## ■ Group banks, Bank holding company

Domestic standard	Resona (Consolidated)	Saitama Resona (Consolidated)	KMFG (Consolidated)
<b>Capital adequacy ratio</b>	<b>11.87%</b>	<b>15.43%</b>	<b>9.08%</b>

## (Reference) International standard

( JPY bn )	2022/3	2022/9	Change
<b>Common Equity Tier1 capital ratio (10)</b>	<b>13.43%</b>	<b>13.68%</b>	<b>+0.25%</b>
Excluding net unrealized gains on available-for-sale securities (11)	<b>11.26%</b>	<b>11.92%</b>	<b>+0.66%</b>
Tier1 capital ratio (12)	<b>13.45%</b>	<b>13.70%</b>	<b>+0.25%</b>
Total capital ratio (13)	<b>13.81%</b>	<b>13.99%</b>	<b>+0.18%</b>

Common Equity Tier1 capital (14)	2,343.8	2,330.1	(13.7)
Instruments and reserves (15)	2,420.8	2,405.1	(15.7)
Stockholders' equity (16)	2,018.9	2,077.1	+58.1
Net unrealized gains on available-for-sale securities (17)	378.5	300.4	(78.0)
Adjusted non-controlling interests (18)	3.6	4.1	+0.5
Regulatory adjustments (19)	76.9	74.9	(1.9)
Other Tier1 capital (20)	2.6	2.7	+0.1
Tier1 capital (21)	2,346.5	2,332.8	(13.6)
Tier2 capital (22)	62.3	48.9	(13.4)
Total capital (Tier1+Tier2) (23)	2,408.8	2,381.8	(27.0)
Risk weighted assets (24)	17,442.3	17,021.5	(420.7)

## (Reference)

- Trial calculation based on the finalization of Basel 3  
CET1 ratio: Approx. 9.9%\*  
(Excluding net unrealized gains on available-for-sale securities)

\*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel 3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sales securities as of Sep. 30, 2022 reported as (11) in the above table

# Earnings Targets for FY2022

HD Consolidated  
Total of Group Banks

## HD consolidated

(JPY bn)		Full-year	Change from original target	YoY change
Net income attributable to owners of parent	(1)	150.0	—	+40.1
KMFG consolidated	(2)	20.0	—	+3.0
Difference	(3)	14.5	—	(3.9)

## Common DPS

		DPS	YoY change
Common stock (annual)	(4)	21.0 yen	-
Interim dividend	(5)	10.5 yen	-

## Total of group banks

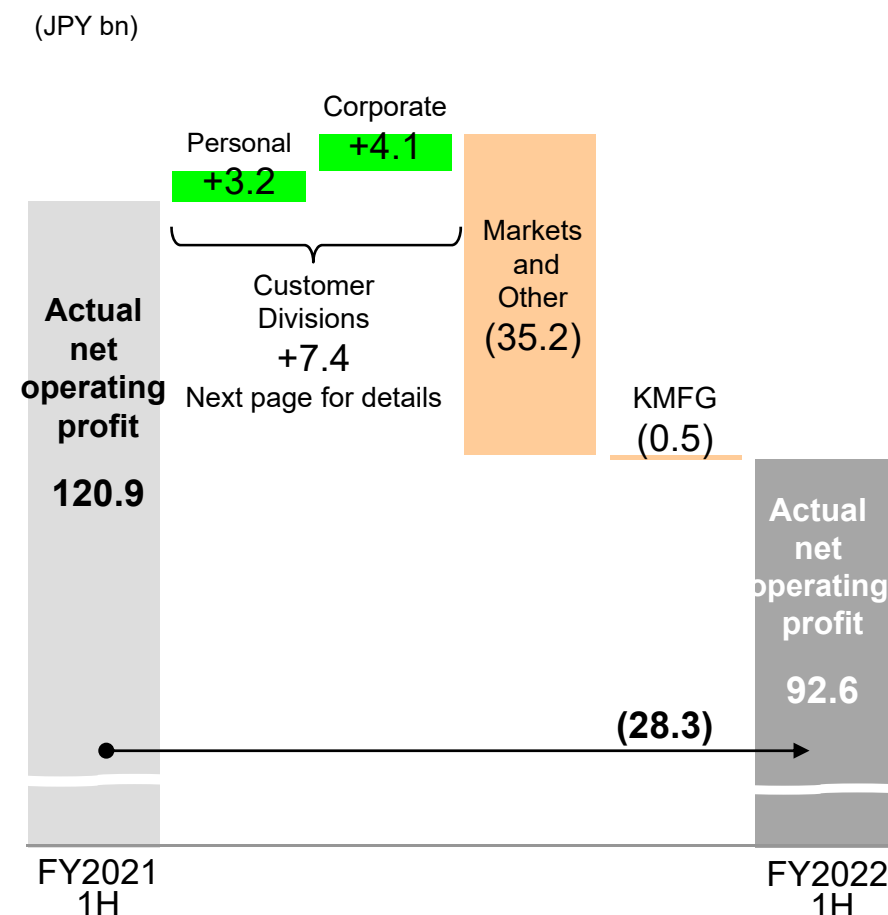
(JPY bn)		Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
		Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target
Gross operating profit	(6)	565.0	(12.5)	316.0	(9.5)	110.0	(1.5)	139.0	(1.5)
Operating expenses	(7)	(380.5)	+1.0	(206.0)	(0.5)	(74.0)	-	(100.5)	+1.5
Actual net operating profit	(8)	184.5	(11.5)	110.0	(10.0)	36.0	(1.5)	38.5	-
Net gains on stocks (including equity derivatives)	(9)	46.5	+10.5	39.0	+9.0	5.0	+1.5	2.5	-
Credit related expenses, net	(10)	(31.0)	-	(17.0)	-	(6.0)	-	(8.0)	-
Income before income taxes	(11)	190.0	-	131.0	-	32.0	-	27.0	-
Net income	(12)	134.5	-	93.0	-	22.5	-	19.0	-
Core income *1	(13)	121.5	-						

\*1. Net interest income from domestic loans and deposits + Fee income + Operating expenses

# (Reference) Outline of Financial Results of Each Segment

HD Consolidated

(JPY bn)		FY2022 1H	YoY Change
<b>Customer Divisions</b>	Gross operating profit (1)	236.2	+7.5
	Operating expense (2)	(150.2)	(0.0)
	Actual net operating profit (3)	86.0	+7.4
<b>Personal Banking</b>	Gross operating profit (4)	94.9	+2.3
	Operating expense (5)	(75.6)	+0.9
	Actual net operating profit (6)	19.3	+3.2
<b>Corporate Banking</b>	Gross operating profit (7)	141.3	+5.2
	Operating expense (8)	(74.5)	(0.9)
	Actual net operating profit (9)	66.7	+4.1
<b>Markets and Other</b>	Gross operating profit (10)	(13.4)	(37.9)
	Operating expense (11)	(1.4)	+2.7
	Actual net operating profit (12)	(14.6)	(35.2)
<b>KMFG</b>	Gross operating profit (13)	72.3	(1.6)
	Operating expense (14)	(51.1)	+1.1
	Actual net operating profit (15)	21.2	(0.5)
<b>Total</b>	Gross operating profit (16)	295.2	(32.1)
	Operating expense (17)	(202.8)	+3.8
	Actual net operating profit (18)	92.6	(28.3)



## Definition of management accounting

1. "Customer Divisions" and "Markets and Other" segment refer to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/losses on stocks. "Other" segment refers to the divisions in charge of management and business administration.

# (Reference) Outline of Financial Results of Customer Divisions

HD Consolidated  
(exclude KMFG)

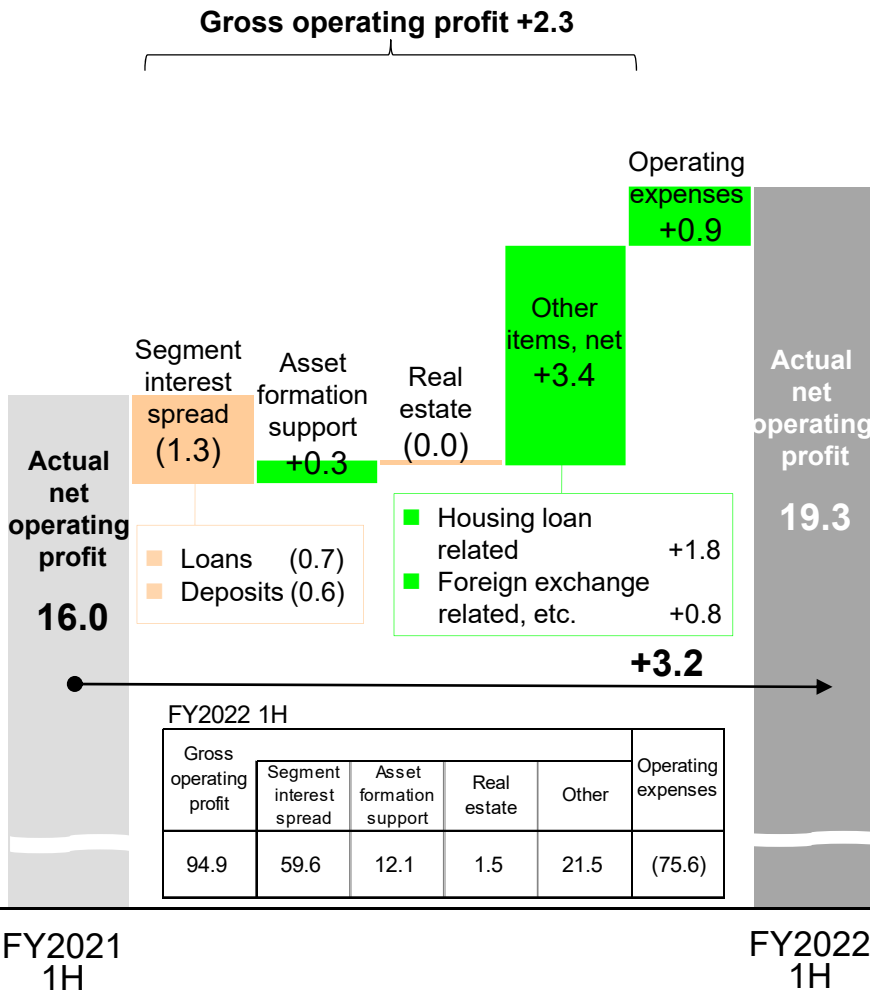
## Personal banking segment

## Corporate banking segment

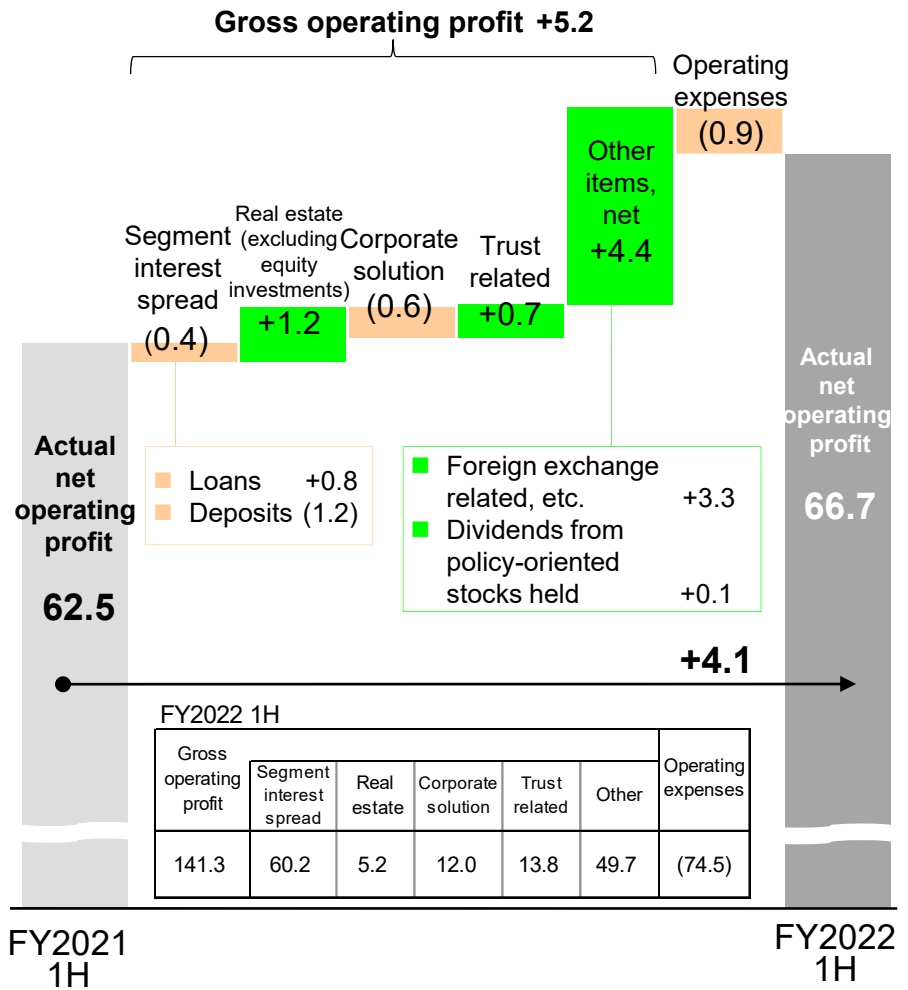
Actual net operating profit : Up JPY3.2 bn, YoY

Actual net operating profit : Up JPY4.1 bn, YoY

(JPY bn)



(JPY bn)



## KPIs under the MMP

	FY'20		FY'21		FY'22 (Target)		FY'22 (MMP)
	1H of FY'20		1H of FY'21		1H of FY'22		
<b>Net income attributable to owners of parent</b>	JPY56.3 bn	JPY124.4 bn	JPY80.8 bn	JPY109.9 bn	JPY82.6 bn	JPY150.0 bn	JPY160.0 bn
<b>KMFG</b>	JPY5.3 bn	JPY11.2 bn	JPY10.6 bn	JPY17.0 bn	JPY13.7 bn	JPY20.0 bn	JPY20.0 bn
<b>[Of which contribution to HD consolidated income]</b>	[JPY2.7 bn]	[JPY5.8 bn]	[JPY10.6 bn]	[JPY17.0 bn]	[JPY13.7 bn]	[JPY20.0 bn]	[JPY20.0 bn]
<b>Consolidated fee income ratio</b>	29.4%	29.9%	32.6%	34.6%	37.3%	35% level	Over 35%
<b>Consolidated cost income ratio</b>	65.0%	65.0%	63.9%	69.1%	69.5%	Lower half of the 60%	60% level
<b>ROE*1</b>	6.34%	6.88%	8.23%	5.63%	7.95%	Middle 7%	8% level
<b>CET1 ratio*2</b>	Approx. 9.1%	Approx. 9.0%	Approx. 9.3%	Approx. 9.3%	Approx. 9.9%	Higher half of the 9%	10% level
<b>ESG index selected by GPIF (domestic stock)*3</b>	Aim to be adopted for all indices						Aim to be adopted for all indices

\*1. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

\*2. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

\*3. FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index and S&P/JPX Carbon Efficient Index series

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**Outline of Business Results for 1H of FY2022  
and Updates on Major Businesses**

**Efforts for Sustainable Growth**

**Capital Management**

**ESG Initiatives**

**Reference Material**

# Our Vision / Realizing the “Retail No. 1”

## Practice through sustainability management

< Our vision >

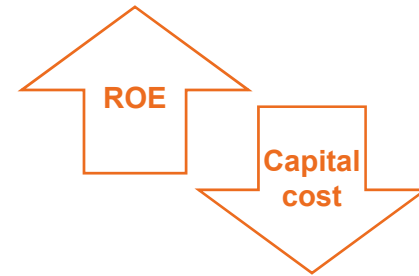


**Current MMP (FY'20 - FY'22)**  
 Establish “Resonance Model”  
 • Further development  
 • New challenges  
 • Rebuilding our foundations

**Previous MMP (FY'17 - FY'19)**  
 • Omni-channel  
 • Omni-advisor  
 • Omni-regional



**Realize income and cost structure reforms**  
**Fee income > Cost**



**Financial services group that contributes most to SX of retail customers**

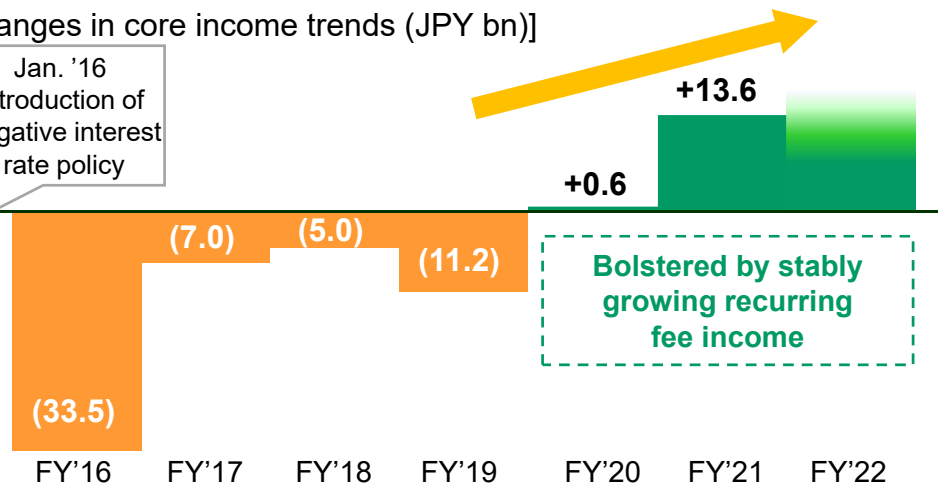


# Progress of Income and Cost Structure Reforms

- Core income [Net interest income from loans and deposits + Fee income + Operating expenses] to increase for 3 consecutive years

[Changes in core income trends (JPY bn)]

Jan. '16  
Introduction of  
negative interest  
rate policy



(JPY bn)

Sustainable growth of fee income		
FY'16	FY'21	FY'22 (1H)
(8.0)	+16.8	+3.2

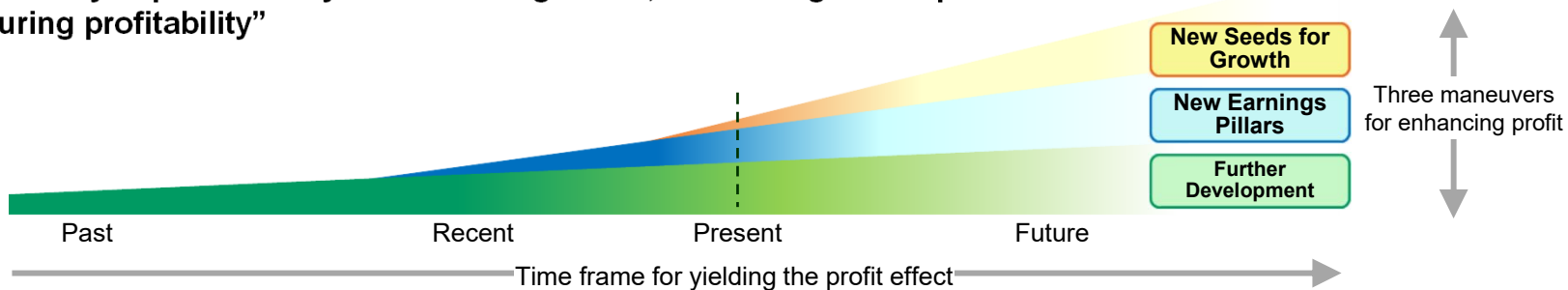
  

Improvement in net interest income		
FY'16	FY'21	FY'22 (1H)
(25.0)	(2.3)	(2.2)

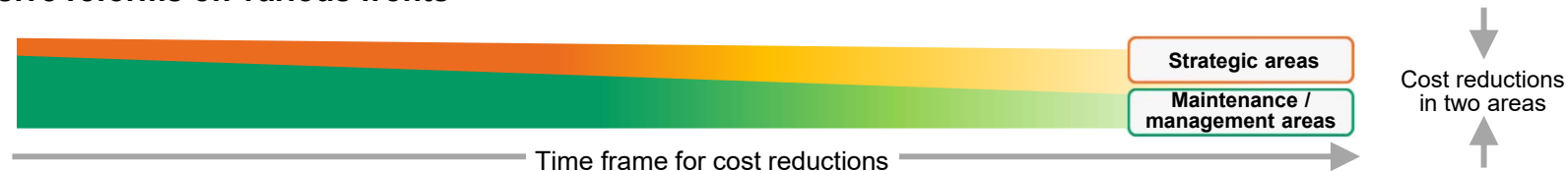
  

Continuous cost control		
FY'16	FY'21	FY'22 (1H)
(0.4)	(0.8)	+3.8

- Ceaselessly implement a cycle of “sowing seeds,” “ensuring buds sprout” and “securing profitability”



- Decisive reforms on various fronts





# Integrate Face-to-face and Digital Channel

Provide diverse value through omni-channel

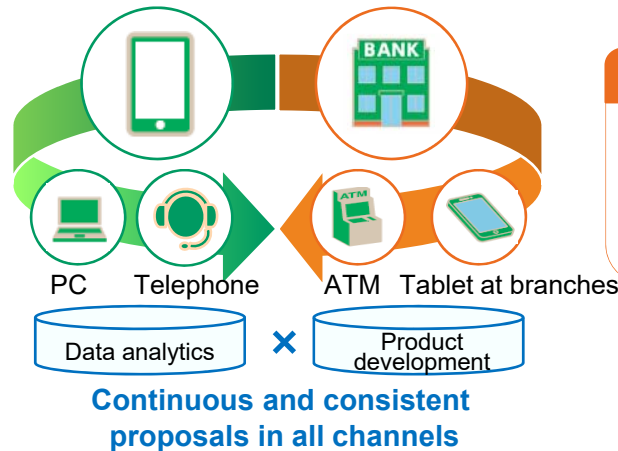
## Achieve omni-channel

**Digital channel**

- ✓ App 5.83 million DLs
- ✓ Anytime, anywhere, easy and convenient to use

Promote digitization to support the creation of new customer value

Next page for details



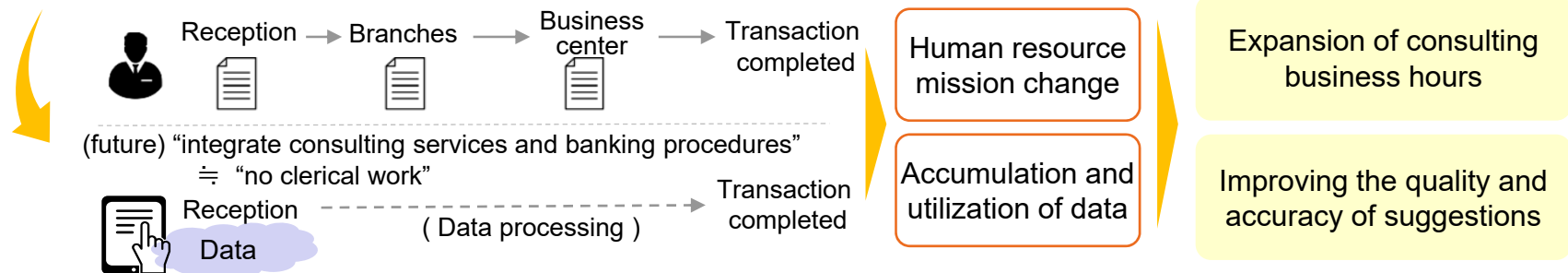
**Face-to-face channel**

- ✓ Largest scale in Japan Manned branches 816
- ✓ Low-cost operation through digitalization

Provide values through face-to-face services

## Shifting branch mission from clerical work to the provision of solutions

(past) “Workflows premised on the use of physical media (paper forms)”  
 ≙ “Excessive workload comprising manual clerical operations and logistics operations”



## Expansion of DX human resources and organizational structure

- Co-creation with external companies and human resources (IBM, Team Lab, Brainpad, etc.)
- Reorganize and strengthen the DX department on Apr. '21
  - Planning: DX Planning Division, Offering: Customer Success Division, Analysis: Data Science Division

## High external evaluation


“Only in the banking industry”  
 for the two consecutive years




# Promote Digitization to Support the Creation of New Customer Value


## Optimal solutions anytime, anywhere

**Resona Group App**





Link to service introduction page



Broader × Longer × Thin and wide

Quantitative and qualitative growth in the volume of customer transactions

### Digital-driven expansion of our customer base

**5.83 million DLs\*1** (+1.51 million, YoY)  
Achieve the plan (5 mil DL) ahead of schedule in Mar. '22

- App represents the largest transactional channel
- Roll out the App across the group (MB) as well as outside the group (Mebuki FG, etc.)
- Steady increase of the App frequent users

[Frequent users of the App\*2]



### Our thorough focus on enhancing customer convenience helps increase transactional continuity

- # of updates / items improved **approx. 150 times / over 1,000 items** Agile development
- App continuous use rate (month) **70%**
- Average # of accesses (month) **9 times**
- Savings account dropout rate of App frequent user\*2 **1/6**

### A growing volume of “in-depth” transactions based on the App

- Relatively high profitability of App frequent users\*2

#### [Comparison with “Other user” (Sep. '22)]

Gross operating profit per person	+2.1x
Average number of products in transactions	+1.6x
Remittance utilization rate	+4.3x
Debit card utilization rate	+17.3x

- Acceleration of the digital shift in a diverse range of transactions

#### [Percentage of transactions via the App and IB]

	2018/3	2022/9
Installment time deposits (account opening)	33%	87%
Foreign currency deposits (account opening)	16%	95%
Investment trust (purchase)	54%	80%
Card loan (application)	—	75%

\*1. As of Sep. '22    \*2. Customers who use the services 3 times or more per month (RB, SR, KMB)

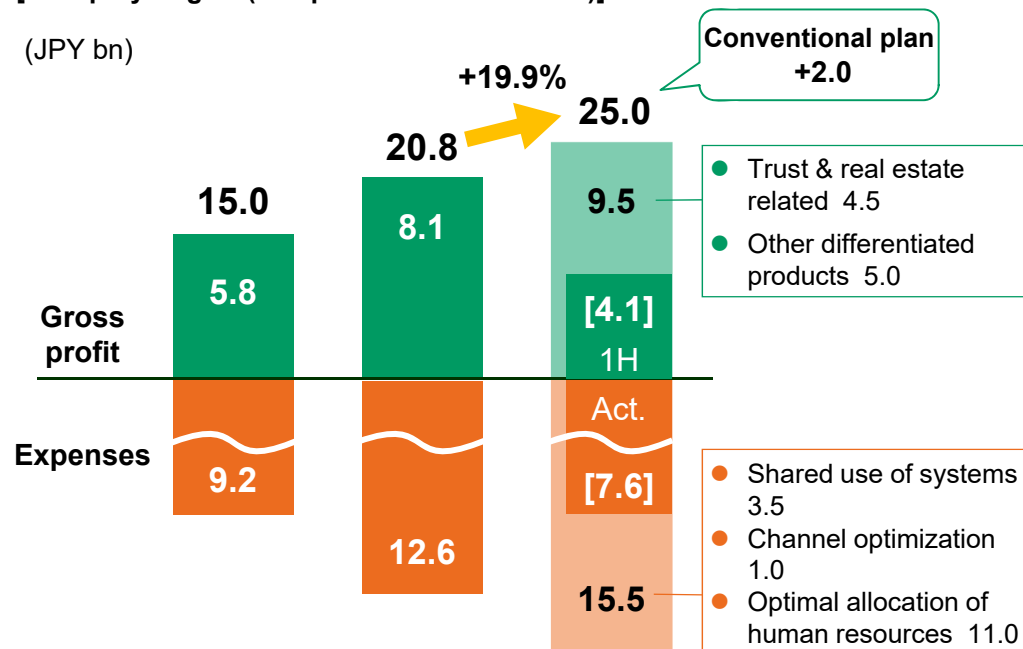
# Further Evolution of KMFG

Aim to realize synergies of JPY25.0 bn (vs FY'18) in FY2022

- Maximizing sales synergies through rolling out Resona group's products and services with our strength at an ever-faster pace
- Expanding cost synergies via the optimal allocation of human resources and shared use of systems, etc.

[Group Synergies (compared with FY'18 level)]

(JPY bn)



KMFG Consolidated	FY'20 Act.	FY'21 Act.	FY'22 Plan (YoY)
Net income	11.2	17.0	20.0 (+16.9%)
[Of which contribution to HD income]	[5.8]	[17.0]	[20.0]

Became a wholly owned subsidiary in Apr. '21

1H of FY'22 JPY13.7 bn (+28%, YoY)  
Progress rate against the guidance 68.7%

Develop Resona Group's products and services

<KMFG 1H of FY'22 results>

- Number of Group App setup +56.2%, YoY
- Number of debit card issued +46.5%, YoY
- Number of individual customers having investment trust and FW 214 thousands, or +3.2%, YoY
- Balance of fund wrap (including corporation) JPY113.6 bn, or +22.3%, YoY
- # of new will trust contracts Approx. 350 (Top class among regional banks)

Control expenses via the optimization of management resources

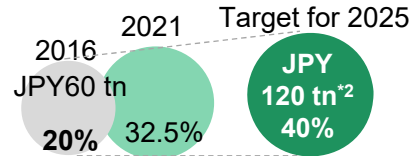
<KMFG 1H of FY'22 results>

- Volume of clerical work handled by branches 46% reduction (compared with FY'19 level)
  - Introduction a new branch system completed (KMB)
- BinB location (total) 99 locations (+31, YoY)
- Total number of the employees (11)%, YoY

**New Earnings Pillars**

# Settlement Business

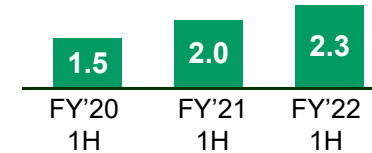
**[Cashless market-size\*1]**



**[Revision of legal systems]**

- ✓ Revision of the Electronic Book Storage Act enforced in Jan. '22
- ✓ Introduction of the Eligible Invoice Storage System (Invoice System) scheduled to start in Oct. '23

**[Debit card income of Resona (JPY bn)]**



## Support for individual and corporate customers' digitalization

**BtoB**

- Streamlining (fund management and expense settlement)
- Legal compliance
- Enjoying convenience and discounts

**BtoC**

- Compatible with diverse payment methods
- Enjoying convenience and discounts

### Resona One-Stop Payment

**■ Help make bill-paying more efficient**

- Made available at RB in Jul. '22
- Plans call for make available at SR and KMB in 2H of FY'22

Bills reading	✓ Capable of handling bills in any format
Payment	✓ Automatically prepare data for bank transfer upon the receipt of bills
Store electronic data	✓ Compliant with the Electronic Book Storage Act

Integrated service of this kind is available only from Resona

### Resona Cashless Platform (RCP)

**■ With an all-in-1 terminal, responding to diverse payment needs**

- Introduction (planned):  
 Sep. '22 Approx. 3,200 corporate customers (Approx. +14% from Mar. '22),  
 14,000 stores (Approx. +8% from Mar. '22)

### Debit card

**Increase in # of debit card issued**

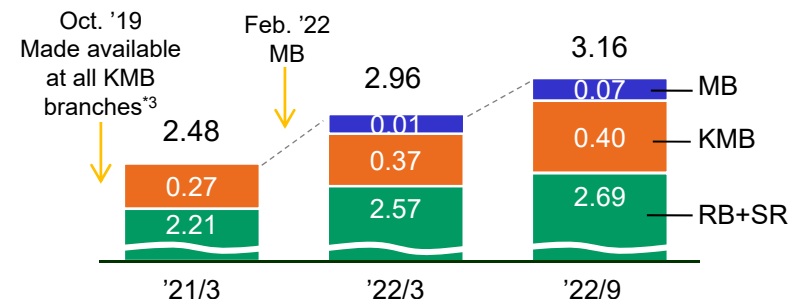
- ✓ Equipped as standard in the deposit account
- ✓ Instantly issued at all branches
- ✓ Expansion to Group

**Increase in frequency of use**

- ✓ High affinity with Group App
- ✓ Touch settlement support
- ✓ Link with Club Point

**Amount of transactions using debit cards +27.1%, YoY**

**[# of debit card issued (million)]**



\*1. Prepared by Resona HD based on documents issued by the Ministry of Economy, Trade and Industry (METI) \*2. Assuming private consumption to stay at the 2016 level, based on data publicized by METI \*3. Began handling former KU in addition to the former KO

**New Earnings Pillars**

**Further Development**

# Asset Formation Support Business

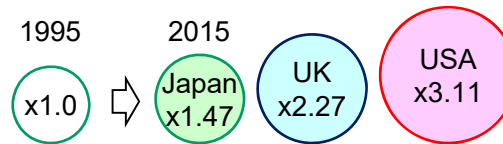
“Doubling Asset-based Incomes Plan”

The 100-Year Life Era

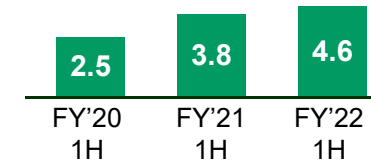
Price hike

**Acceleration to shift from savings to asset formation**

[Trend in household financial assets\*1]



[Fund wrap income of Resona (JPY bn)]



**Long-term support to eliminate issues customers are confronting about the future**

Investment capabilities cultivated through over 50 years of pension investment

**DX**

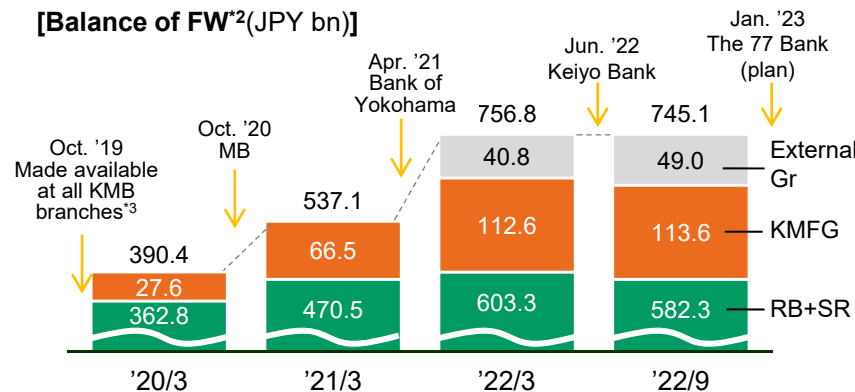
**Human Resources**

**Apply investment know-how for professionals to retail customers**

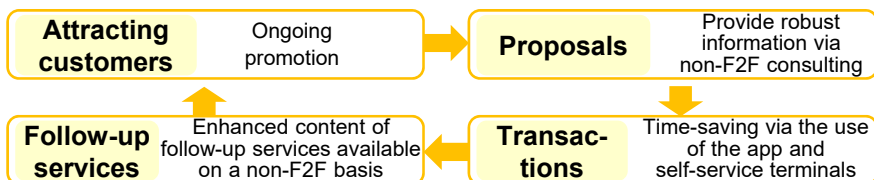
■ **Resona FW '22/9 balance JPY745.1 bn\*2(+10.9%, YoY)**

- Designing products that are highly compatible with bank customers
  - 50% of anticipated source of new FW contracts are deposits
- Roll out outside the Group

[Balance of FW\*2(JPY bn)]



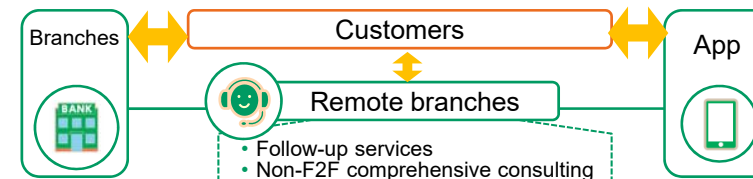
**Provide meticulous support by digital channel x face-to-face channel**



■ **Shifting branch mission from clerical work to the provision of solutions(⇒P24,35)**

■ **Remote branches (SR)**

- Open on Oct. '21, full-scale start on Oct. '22 and support for all SR branches



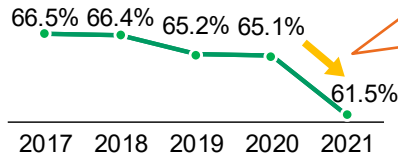
■ **Nature professionals continuously by Resona Academy**

- # of staffs finished the course (including plan): Approx. 330 staffs (Jul. '19 1st course – Dec. '22 6th course)

\*1. Source: Financial Services Agency “The 1st round of Specialist Council on Stable Asset Building for Households” (Appendix 3)  
 \*2. Including corporation and including balance of fund wrap in banks other than group banks  
 \*3. Began handling former KU in addition to the former KO

# Asset and Business Succession

[Changes in ratio of business owners without successors\*1]

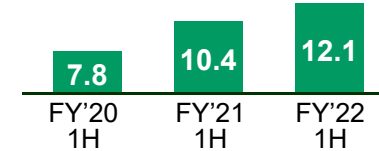


Surfacing business succession needs

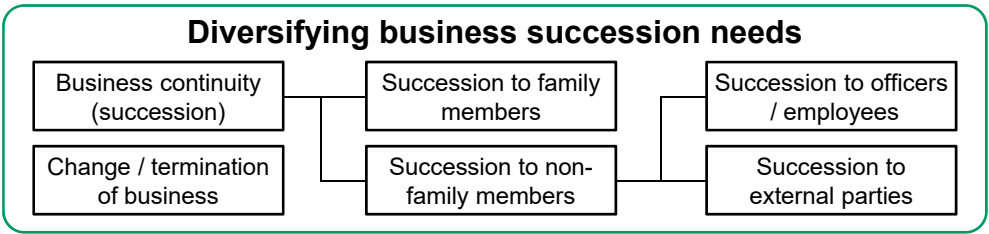
[Ratio of business owners without successors by prefecture\*1]

Tokyo:	61.6%	Saitama:	64.1%
Kanagawa:	70.4%	Osaka:	63.9%
Hyogo:	57.9%	Shiga:	64.3%

[Succession-related income of Resona (JPY bn)]

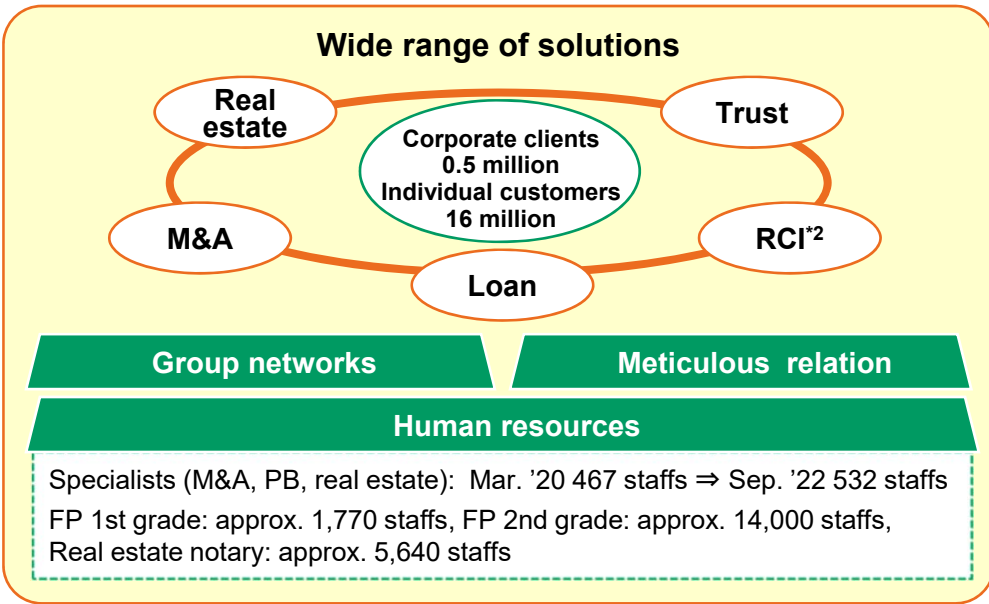


**One-stop solutions backed by our strength as Japan's largest commercial banking group equipped with full-line trust banking capabilities**

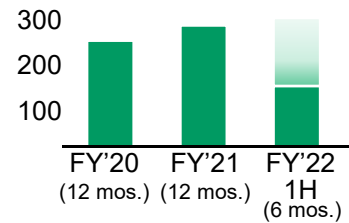


■ Surfacing business succession needs

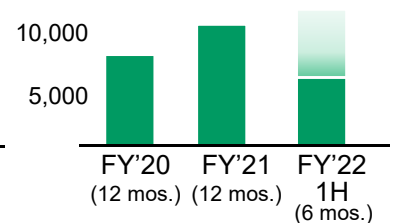
- M&A income: 1H of FY'22 JPY2.1 bn, or +20.8%, YoY
- Real estate income: 1H of FY'22 JPY7.1 bn, or +18.2%, YoY



[M&A / # of advisory deals signed]



[# of leads for real estate-related deals\*3 (Sell+Buy)]



■ Accompanying-type support by Resona

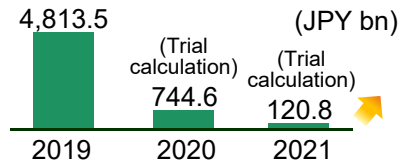
**Corporate Investment (Established in Jan. '21)**

- Acquire majority stakes in SMEs
- The second deal concluded in Aug. '22
- Cumulative number of consultations (- Sep. '22) : 780
- Prospect to invest in about 50 companies by FY'32

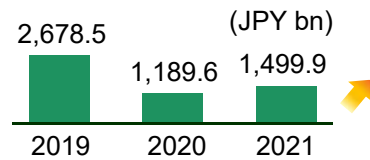
\*1. TEIKOKU DATABANK \*2. Resona Corporate Investment \*3. RB

# Business for SMEs

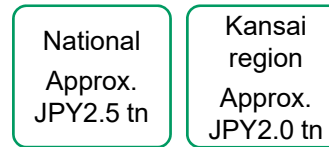
[Annual value of personal consumption by foreign tourists visiting Japan\*1]



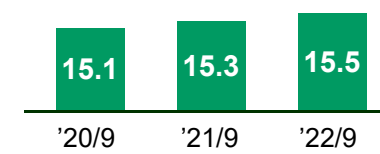
[Estimated market scale of the event industry\*2]



[Economic effect of Osaka-Kansai World Expo\*3]



[Loans to SMEs of Resona] (JPY tn)

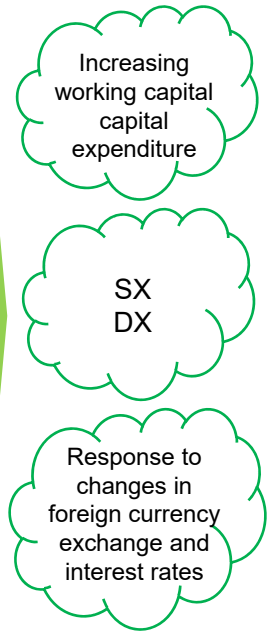


Provide optimal solutions through our relational assets amid changing times and an evolving environment

Expected growth in needs in step with changes in the environment

Act as a “running partner” for customers and, to this end, provide solutions that start with addressing issues they are confronting

<b>The COVID-19 pandemic</b>	<ul style="list-style-type: none"> <li>Stabilize fundraising</li> <li>Strengthen financial base</li> </ul>
<b>Economic resumption</b>	<ul style="list-style-type: none"> <li>Inbound tourist consumption</li> <li>Reinstatement of large events</li> <li>Capital expenditure</li> </ul>
<b>Social trends</b>	<ul style="list-style-type: none"> <li>SX</li> <li>DX</li> <li>Business succession</li> </ul>
<b>Macro economy</b>	<ul style="list-style-type: none"> <li>Depreciation of the yen</li> <li>Surging prices</li> <li>Interest rate hikes</li> </ul>



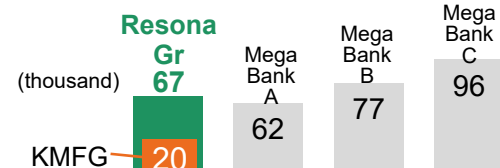
**Diverse solutions**

- ✓ SX (⇒ P45)      ✓ DX (⇒ P27, 34)
- ✓ One-stop solutions supported by a combination of trust and commercial banking functions (⇒ P29)
- ✓ Enhance non face-to-face businesses  
⇒ Account opening via web, web-complete loans etc.

**Promote in-depth dialogue**

- Group networks centered on Tokyo metropolitan area and Kansai region
- Questionnaires regarding SDGs / SX: Approx. 31 thousands companies (Oct. '21 - Mar. '22)
- Questionnaires regarding DX: Approx. 11 thousands companies (RB and SR, Apr. '22 - Sep. '22)
- Sales activities in collaboration with headquarters via the use of SFA
- One of Japan's top banks in terms of number of companies naming the Resona Group as their main bank

[# of companies as their main bank\*4]



[The Resona Group's ranking by prefecture\*5]

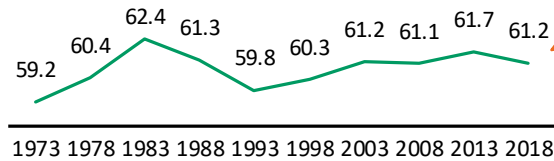
Saitama	1st	Osaka	1st
Hyogo	2nd	Shiga	2nd
Nara	4th		

\*1. Based on Japan Tourism Agency “Travel and Tourism Consumption Trend Survey”

\*2. Based on Japan Association for the Promotion of Creative Events “2021 Estimate of the Market Scale of the Event Industry” \*3. From Asia Pacific Institute of Research “Kansai Economic White Paper 2022” \*4. TEIKOKU DATABANK (2021) \*5. TEIKOKU DATABANK (2019-2021)

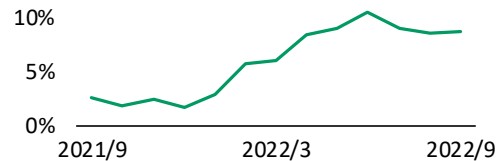
# Loans for Individuals

[Homeownership rate\*1 (%)]

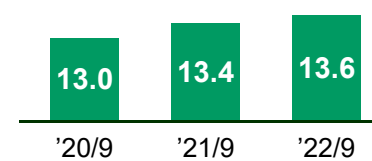


Robust funding needs associated with housing acquisition

[Proportion of Resona housing loans with fixed interest rates\*2]



[Balance of housing loans of Resona (JPY tn)]



Accumulated a portfolio of good quality loans backed by robust funding needs associated with housing acquisition

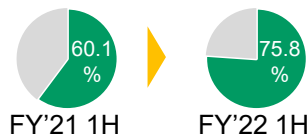
## Resona's strengths as a front-runner in housing loans

- No.1 in Japan balance of housing loans\*3: Sep. 30, '22 JPY13.6 tn

### Historical strengths X DX

- Strong relationships with real-estate businesses
- Economies of scale from JPY1 tn of loan origination per year
- Improvement customer convenience and cost advantages via digitalization

[# of E-contracts]



- Deliver app-based proposals in a timely manner  
Ratio of housing loan borrowers who installed the app at the time of application is approx. 90%

### Unique high-value-added products

- Danshin Kakumei: Provide coverage for 3 major diseases as well as 16 type of other diseases in addition to injuries and conditions requiring nursing care
- A privileged special plan for borrowers who intend to purchase eco-friendly housing\*4
- Loans for women "Rin Next"



- Multifaceted transactions originating from housing loans

[Average number of products in transactions]



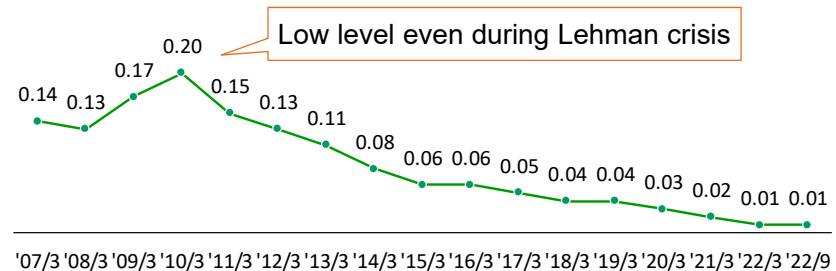
[Top-line income per customer]



※Indexed to average top-line income per client for No HL = 1

- Relatively low RW: 1H of FY'22 10.67%\*6

- Low subrogation payment ratio\*7: 1H of FY'22 0.01%



\*1. Source: Ministry of Land, Infrastructure, Transport and Tourism \*2. RB, origination basis \*3. As of Mar. 31, '22 \*4. ZEH (Net Zero Energy House), certified long-life quality or with solar panels \*5. Comparison with potential II and III (as of Sep. 30, '22, RB+SR+KMB) \*6. RB, as of Sep. 30, '22, non-default \*7. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans



New Seeds  
for Growth

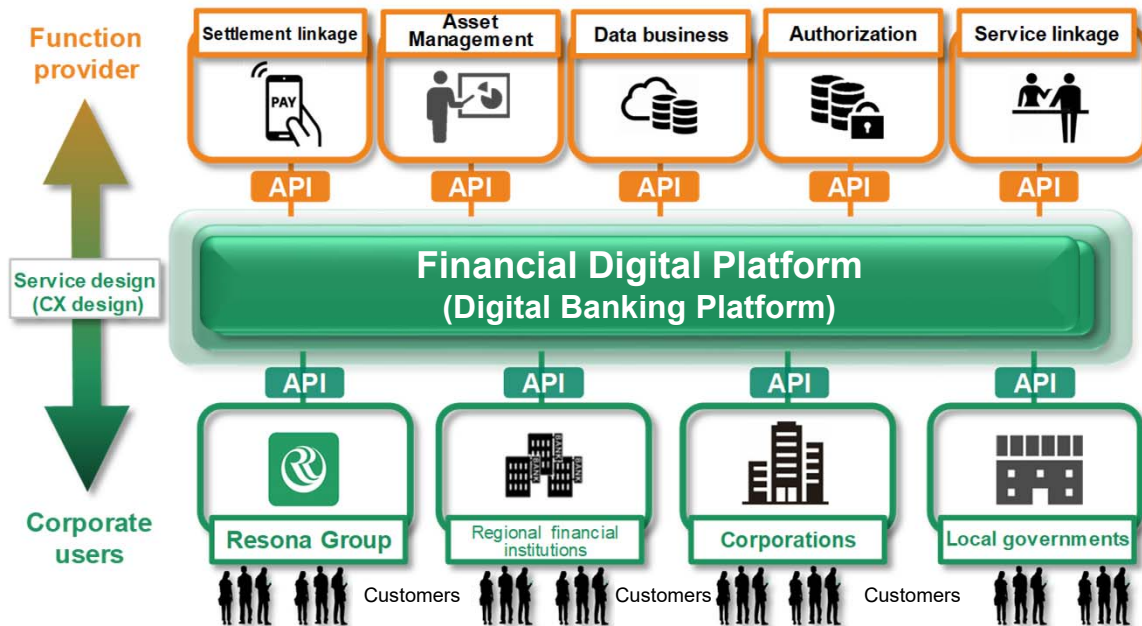
# Financial Digital Platform(1)

Develop and expand an ecosystem that ensures win-win relationships for all platform (PF) participants

“# of functions” X “# of users” X “# of transaction” +α (Synergies)

Maximize profits

[Overview]



< The path to maximize profits >

**Extend # of providing functions and services**

⇒ fees and other income arising from services provided via the PF

**Expand # of corporate users and customers**

⇒ fees and other income arising from services provided via the PF

**Expand # of transactions and AUM**

⇒ Recurring fee-centered income model (e.g. # of transactions x unit price, AUM x rate)

**Expand synergies upon growth in the number of platform participants**

⇒ Expanding income (utilizing data, etc.)  
⇒ Cost sharing (cutting back on development costs, etc.)

## Financial Digital Platform(2)

Co-creation through wide-ranging external collaboration that transcends the conventional framework

### Financial Digital Platform (Digital Banking Platform)

- Establishment of FinBASE (Apr. '22) *FinBASE*
  - Joint venture of Resona HD, NTT Data and IBM Japan
  - Engaging in the cultivation of platform participants, information gathering and market research, etc.

#### Extending functions provided

- Capital and business alliance with BrainPad Inc. (Feb. '22)
  - Strengthen the development of novel, data-driven services
  - Look into the possibility of data-driven services to be offered to regional financial institutions, etc.

- Multi-channel platform for individual authorization
  - Four companies\*1 established a consortium to realize the shared vision for the platform (Dec. '21)
    - Exchange and discuss among participant companies actual cases of and know-how for the use of the platform
    - Participants comprise 30 companies from diverse sectors
  - Verification testing has finished at Resona HD's HO. Full-scale introduction is under consideration based on the points to be improved.

#### Expanding corporate users

- <Banking App>
- Joyo Bank and Ashikaga Bank (started handling from Mar. '21)
  - Hyakujushi Bank (scheduled to be handled in FY '22)
  - Keiyo Bank (scheduled to be handled in the future)
- <Fund wrap>
- Bank of Yokohama (started handling from Apr. '21)
  - Keiyo Bank (started handling from Jun. '22)
  - Conclusion of a basic agreement of fund wrap with The 77 Bank (Aug. '22)
    - Scheduled to be handled from Jan. '23

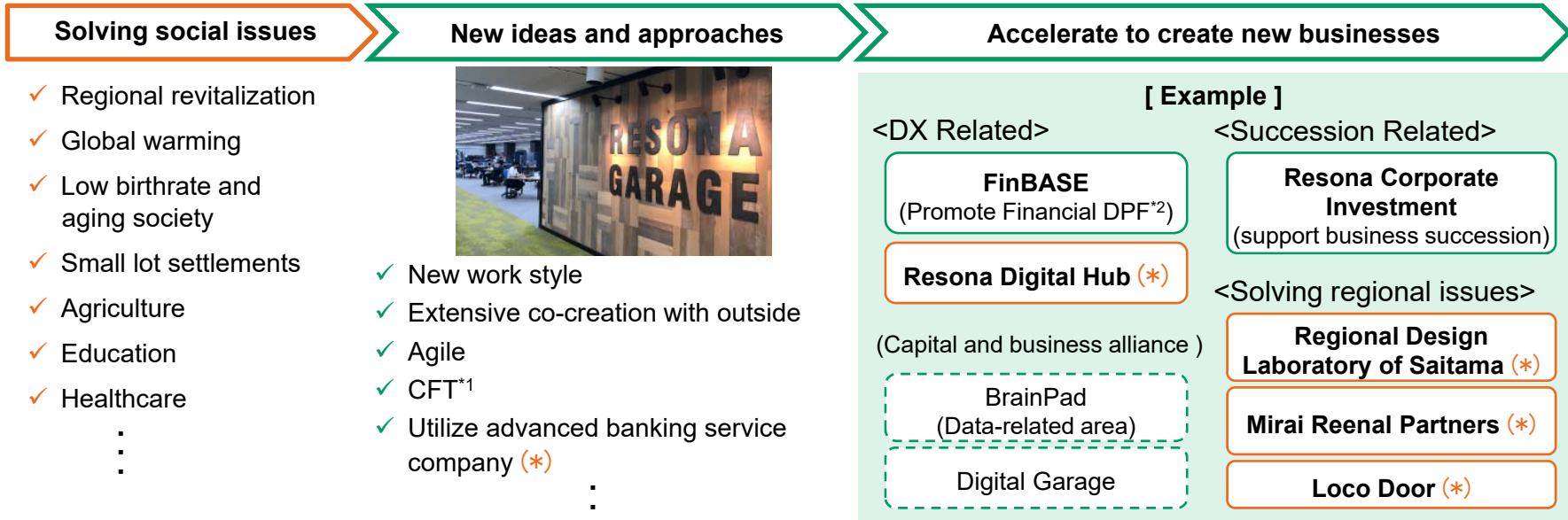
As of Sep. 30, '22 (vs Sep. 30, '21)

	Banking App	Fund wrap
	# of DL	Balance*2
Internal group	5.83 mil (+1.51 mil)	JPY696.0 bn (+50.9 bn)
External group	0.90 mil (+0.45 mil)	JPY49.0 bn (+22.4 bn)
<b>Total</b>	<b>6.73 mil (+1.97 mil)</b> (+41.3%)	<b>JPY745.1 bn (+73.4 bn)</b> (+10.9%)

\*1. Resona HD, JCB, Dai Nippon Printing and Panasonic Connect \*2. Based on market value, including corporation

# New Businesses that Break Away from the Bank Model

New value creation supported by three drivers: “Digital & Data,” “Design-based thinking” and “Open”



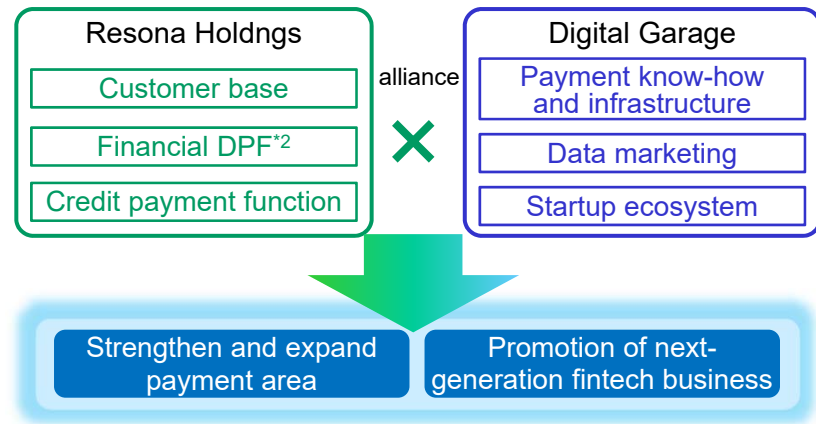
■ **Establishment of Resona Digital Hub (Apr. '22)**  
(advanced banking service company)

- One-stop support for DX of SME and others
  - Partnerships with over 20 IT vendors and consulting firms
  - Provide multifaceted solutions proposals based on an accurate understanding of the customer's future vision
  - Structure for providing meticulous support to customers as their “running partner”

[Current status\*3] Collect questionnaires regarding DX: about **11,000 companies**

[Target] DX support contract: about **1,500 companies** by FY2027

■ **Capital and business alliance with Digital Garage (Nov. '22)**



\*1. Cross functional team    \*2. Financial Digital Platform    \*3. RB and SR, as of Sep. 2022

# Reform of Sales Styles and Channel Networks

Simultaneous enhancement of customer convenience and operational efficiency

## ■ Create a new business styles

**[Vision]**

**Business content** No clerical work  
Integrate consulting and banking procedures

**Human resources** Professionals capable of identifying and delivering solutions to issues confronting customers

**Data** Data linkage with other channels  
Data utilization

Location free



[Group tablet]

- ✓ Completed introduction to all branches<sup>\*1</sup>
- ✓ Same UI and UX as the Group App  
Consultations and procedures can be completed on a tablet

No back office space(Consolidate clerical work)

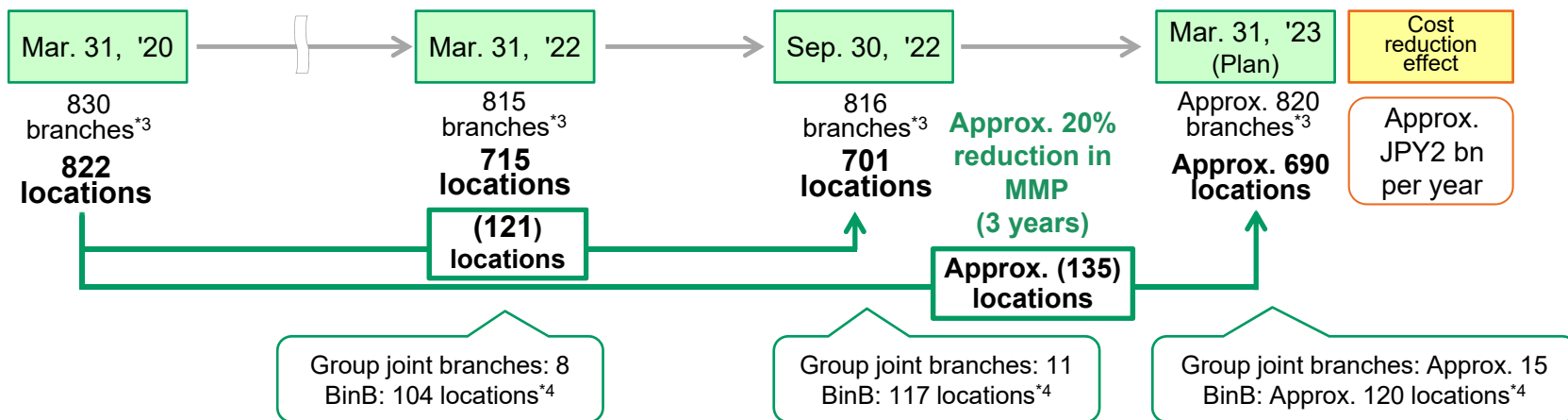


[Teleconference terminal]

- ✓ Scheduled to be introduced in all branches<sup>\*1</sup> during this term
- ✓ Specialist staff of DSO<sup>\*2</sup> accommodate customer requests

## ■ Maintain customer contact points and low-cost operations through channel optimization

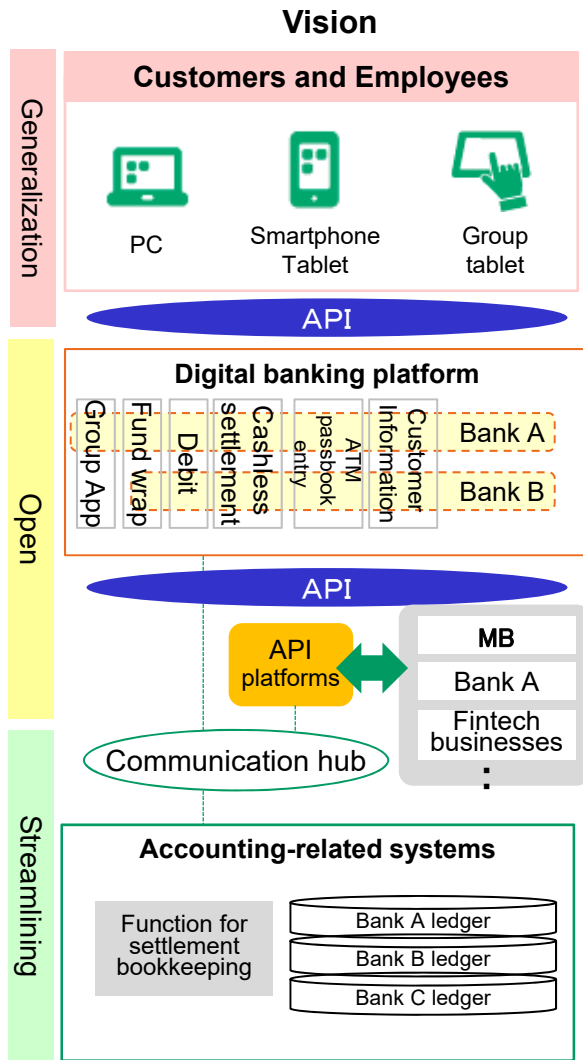
[Number of manned branches and locations (Total of Group Banks)]



\*1. RB and SR \*2. Digital service office \*3. Some seven days plazas and other of RB are not included  
\*4. KMFG's BinBs include integration of KMB's plazas(representative offices)

# System Structure Reform ~ Resona NEXT ~

Downsize our legacy systems while accelerating the transition to next-generation/open systems via the use of the API



## Status of efforts

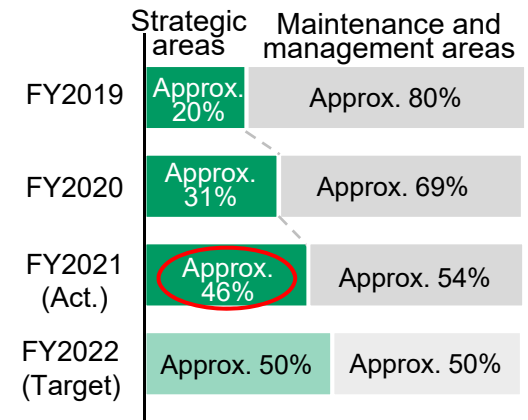
- Break away from dependence on dedicated terminals for banks**
  - ✓ Introduce a group tablet to all branches\*1
  - ✓ Halve the number of dedicated terminals used solely by financial institutions\*2 about 6,900 → about 3,200
  - ✓ Develop the API without dependence on accounting systems
- Accelerate open platform systems**
  - ✓ Build a agile development system
  - ✓ Roll out a unified set of Group offerings (App, Debit, FW etc.) at MB using the API prior to system integration
  - ✓ Expand services to regional financial institutions (APP and FW etc.)
- Structural reforms to open systems from legacy systems**
  - ✓ New branch system RB, SR, KMB (Completed system installation) MB (Scheduled to be introduced at the time of clerical work and system integration in '25)
  - ✓ Shift the pension and trust system to an open system

## [Enhance the pool of digital specialists]

- ✓ The “IT Brain Enhancement Program” for all employees
- Number of IT passport holders
- '20/3 about 450  
⇒ '22/9 about 4,300 (+9.5 times)

## [System-related investment ratio]

- ✓ Accelerate shift to strategic areas
- ✓ Base cost of system renewal (21)% (FY'21) (⇒P37)

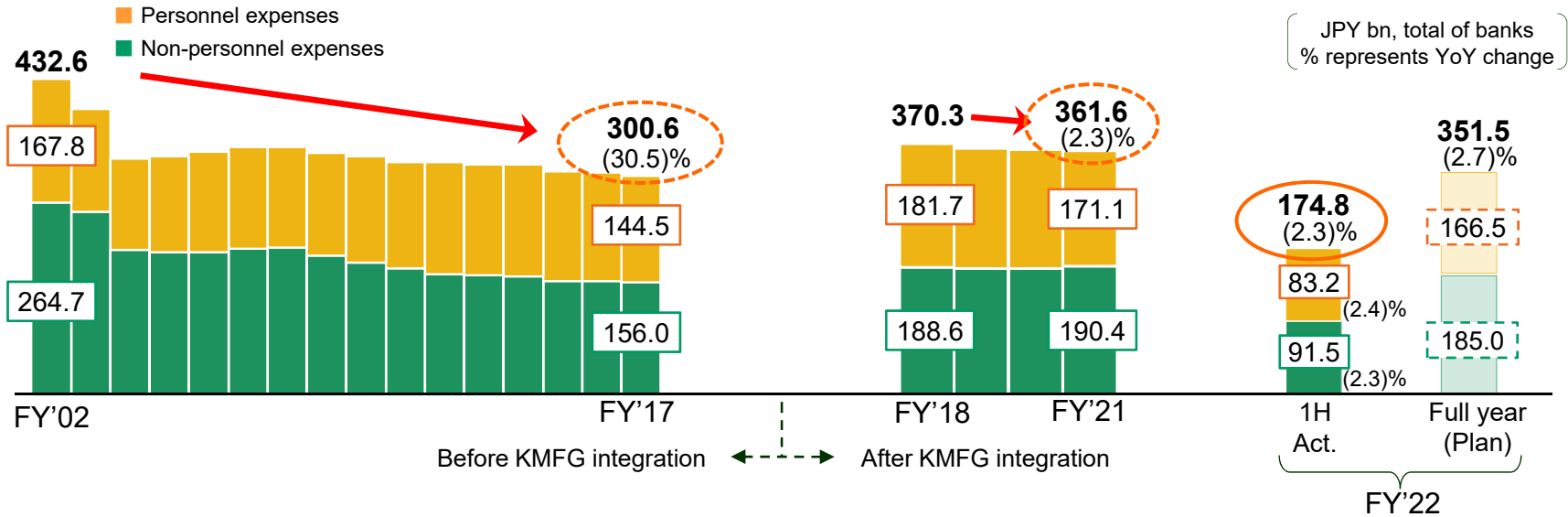


\*1. RB and SR \*2. Comparison of '20/9(before introducing the new branch system) and '21/12(after system introduction), RB and SR

# Cost Structure Reform

Pursue cost structure reforms to overcome a cost-intensive nature inherent to retail operations

- Establish a low-cost business structure via operational reforms while securing a further momentum for cost structure reforms via DX

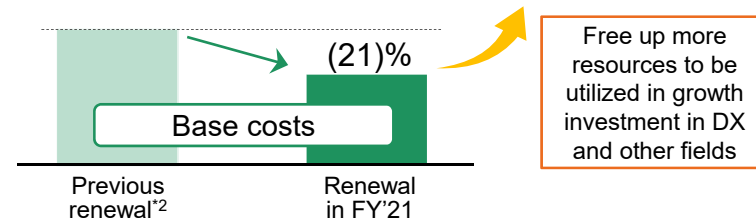


- Personnel expenses have been decreased, however income level of employees have improved
  - While personnel expenses have been reduced by controlling the total number of employees, treatment per employee has steadily improved
  - The introduction of a new personnel system (Apr. '21-) promotes ability-based promotion and treatment regardless of age

### Curb “base costs” related to systems

- Cut back on base costs to be incurred at the time of system renewal (targeting approx. 30% reduction)
- Aim to robustly control total system costs by reducing base costs while expanding investment in DX and other strategic fields

[System-related costs incurred via renewal\*1]

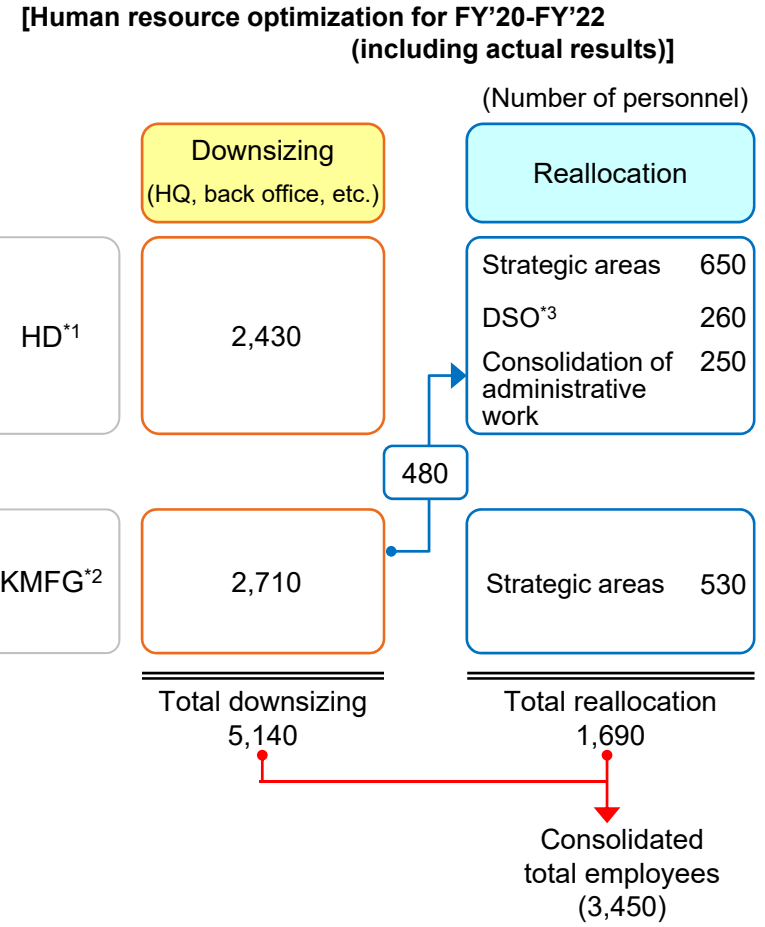
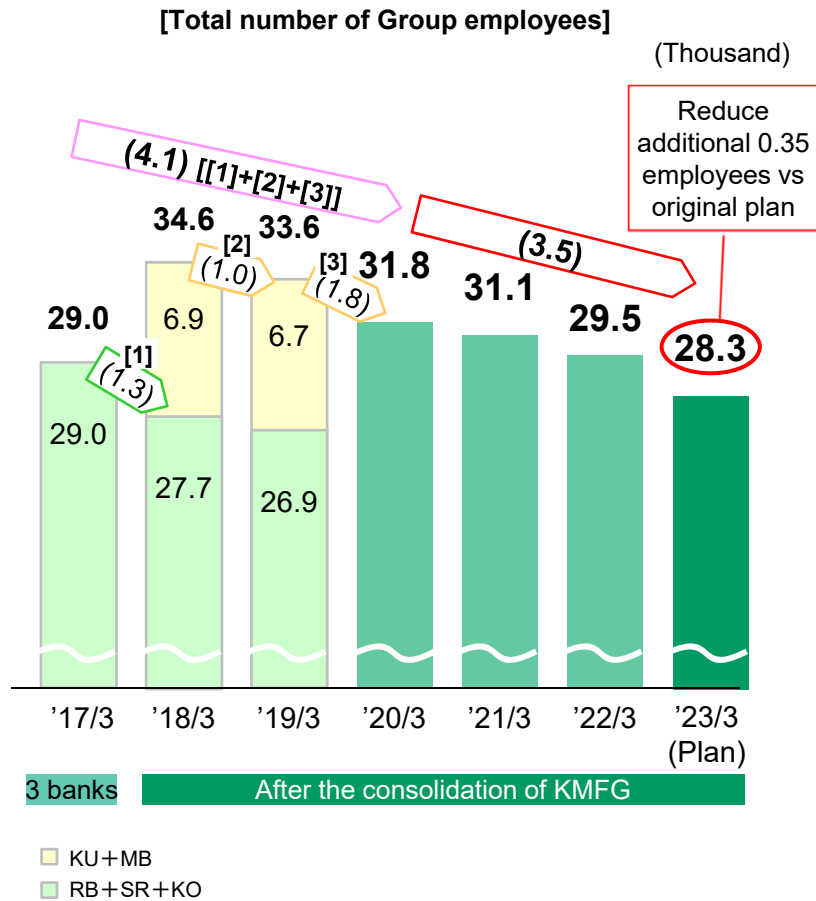


\*1. Five-year total including one-time expenses and recurring expenses (e.g., personnel expenses and outsourcing costs)  
 \*2. Previous system renewal projects similar to those undertaken in FY'21

# Human Resources Management

## Downsizing and reallocating human resources to focus areas

- Group total personnel headcount will decrease to below the level prior to KMFG integration
  - Accelerate downsizing and reallocation of human resources on a group-wide basis by making KMFG a wholly owned subsidiary
  - Improve productivity through channel reforms and branch DX



\*1. Including RB and SR   \*2. Including KMB and MB   \*3. Digital service office










# Investment in Human Resources Capable of Supporting Sustainable Growth

## Developing a personnel system designed to empower diverse human resources to achieve success

- 2008 : Incorporated the concept of **equal pay for equal work**, taking a pioneering approach to empower diverse individuals to achieve success
- 2019 : Instituted a post-retirement **reemployment system in every job category for those aged 70 or younger**
- 2021 : Introduced a new personnel system  
 ⇒ **Began to offer an option of delayed retirement (up to age 65) , Multi-path personnel system (19 distinct job categories)**

## Accelerating companywide human resource development efforts

- Upon the introduction of the new personnel system, the pace of efforts to develop human resources sped up further in line with the shared slogan “people grow at Resona.”
- Developing a structure to provide comprehensive career development assistance to every employee in their pursuit of personal career goals

Want to learn about available career options			Want to seek consultation on my career			Want to realize my career goals		
Career Guidebook 	Videos showcasing possible career paths 	Career College 	Support extended by business unit managers 	Career advisors 	Training sessions, seminars, etc. 	Assistance for self-motivated learning 	Training systems by course 	Trainee system 

## Results of training and education programs

- In FY2021, training programs for leadership and career development were prioritized and enhanced
- Strove to help employees gain specialist skills by developing an environment supportive of individual learning while offering hybrid training programs (a combination of face-to-face and online sessions)

*Sum of HD, RB and SR		FY2019		FY2020		FY2021	
Item	Example of subjects	Cumulative number of individuals who completed programs	Overall hours of training provided	Cumulative number of individuals who completed programs	Overall hours of training provided	Cumulative number of individuals who completed programs	Overall hours of training provided
Overall	All training sessions except for in-house e-learning programs	13,637	213 thousand hours	15,405	157 thousand hours	22,353	208 thousand hours
Leadership development	Training for individuals newly appointed as departmental or branch managers, etc.	1,050	21 thousand hours	2,492	25 thousand hours	2,856	27 thousand hours
Career development	Career design seminars, etc.	699	9 thousand hours	1,626	9 thousand hours	2,929	20 thousand hours
Specialist skills	Extending credit, handling of financial instruments, etc.	11,705	181 thousand hours	9,744	110 thousand hours	14,847	151 thousand hours



# Initiatives to Assist Employees in Autonomous Career Development

## Learn about career options

### Career College



\* HD • RB • SR

- Provide briefings on our human resource system with a multi-path personnel system (a total of 19 courses) and career options available via each course
- Through Career College, twice a year we introduce more than 30 career examples to attendees and also hold roundtable meetings over the course of three weeks, along with distributing educational video programs



- ✓ The Career College has proven to be an insightful experience as I was able to learn about what colleagues at frontlines really think and came to fully understand that the tasks they handle are far more significant than I ever imagined. (Female, 20s)
- ✓ Having learned about the Career Challenge System, an in-house job-posting system, I now intend to proactively choose my career path and take on challenges. (Male, 20s)

## Think about careers

### Training sessions, seminars, etc.



- Career design seminars are provided to employees who have reached their third or fifth year, or age of 35, 48, 57 or another milestone
- These events include training in the form of a “business school” in which every attendee is encouraged to proactively play their part



- ✓ The training session has provided me with not only ideas about actual assignments but also an overview of the life-planning options available. It has enabled me to ponder these matters as my own issues. (Male, 30s, attending career design training for employees age 35)
- ✓ Through the session, I was nudged to recall moments and the type of tasks that gave me a sense of job fulfillment. Thanks to this, I was able to rediscover my areas of strength and interest. (Female, 40s, attending career design training in a business school form)

## Realize career goals

### Job-posting system Trainee system



- “Career Challenge” in-house job-posting system enabled more than 100 employees per year to be transferred to their desired courses
- “Career Challenge” also offers an option in which employees engage in in-house internship as short-term trainees



- ✓ Transferred from a branch to a DX-related department, achieving transition to a new career (Female in 30s and male in 20s, etc.)
- ✓ Applications from those aged 40 or older are similarly accepted, enabling them to realize their desired careers, for example, assignments at departments related to will testament services and business rehabilitation through which they can leverage their experience as seasoned businesspeople (Female in 50s and male in 40s, etc.)
- ✓ Some branch staff from KMB and MB have applied for transfer to real estate-related departments at RB and have thus turned into contributors to the realization of synergies through intra-Group secondment (Male in 20s, female in 30s, etc.)

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**Outline of Business Results for 1H of FY2022  
and Updates on Major Businesses**

**Efforts for Sustainable Growth**

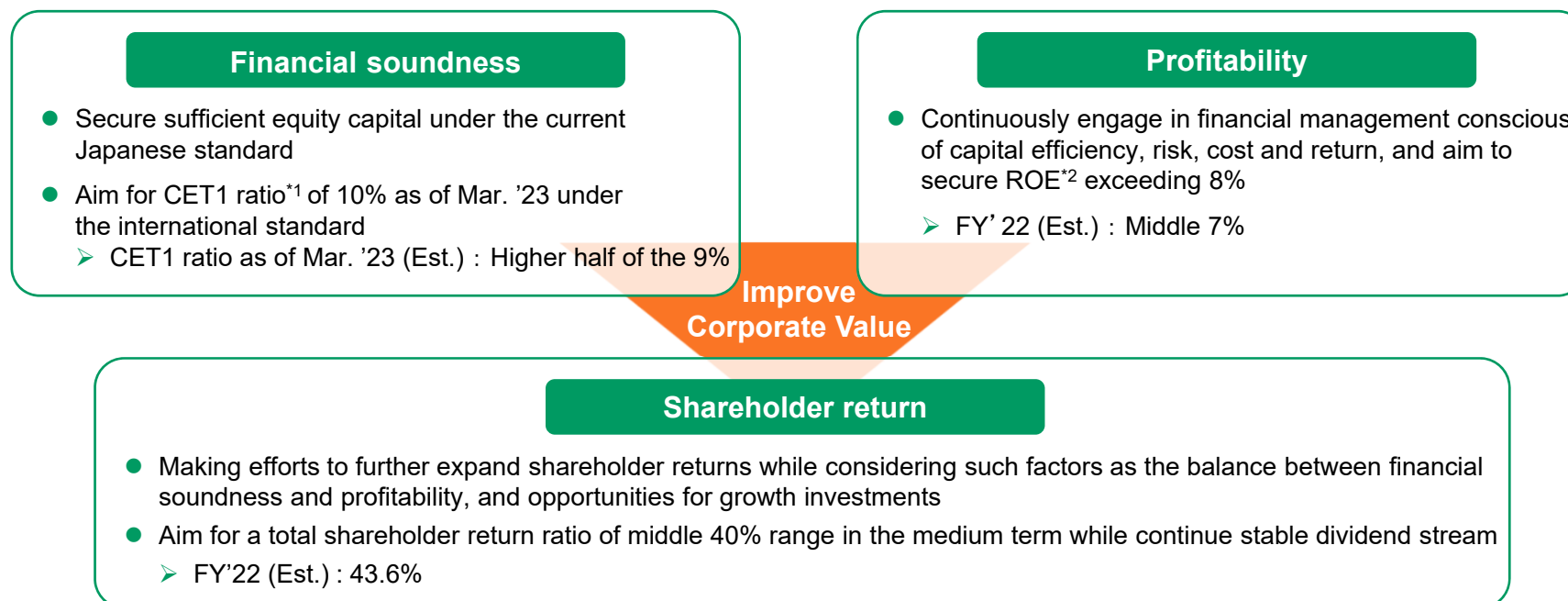
**Capital Management**

**ESG Initiatives**

**Reference Material**

# Capital Management

- Making efforts to further expand shareholder returns as our basic policy is to strike an optimal balance between financial soundness, profitability and shareholder return



- Nov. '22 Implement share buyback up to JPY15.0 bn (Plan to cancel all of the treasury shares to be acquired)

- Action based on the following issues
  - Steady progress in interim results
    - Net income attributable to owners of parent : JPY82.6 bn (Progress rate against the full year target : 55.1%)
    - CET1 ratio\*1 : Approx. 9.9% (Up 0.6% from Mar. '22)
  - The path to achieving the total shareholder return ratio target
    - Forecast of total shareholder return ratio FY'22 (After the acquisition) : **43.6% (Dividend: 33.6% + Share buyback: 10%)**
  - The current share price

\*1. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

\*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

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**Outline of Business Results for 1H of FY2022  
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# Long-term Sustainability Targets

	Retail Transition Finance*1	Carbon Neutrality	Empowerment and Promotion of Women
Targets	Cumulative total of JPY10 trillion (FY2021 to FY2030)	Net zero CO2 emissions (By the end of FY2030, Scope 1 & 2*2)	Achieve the below presented ratios for the representation of women in various positions, an increase of 10% or more from the levels at the beginning of FY2021 (by the end of FY2030) Ratio of female directors and executive officers: 30% or more*3 Ratio of female senior managers: 20% or more*4 Ratio of female line managers: 40% or more*4
Results	(End of Sep. '22) Cumulative total of transition financing: JPY1,258.5 bn	(FY2021) 43% reduction from the FY2013 level (a year-on-year decrease of 4,293 t-CO2)	(2022*5) Ratio of female directors and executive officers: 15.3%*3 Ratio of female senior managers: 12.8%*4 Ratio of female line managers: 31.2%*4  (Reference) Ratio of female directors: 30%*3

\*1. Financing aimed at supporting customers' SX efforts \*2. CO2 emissions attributable to energy used by the Group \*3. Resona HD  
\*4. Sum of six group companies (HD, RB, SR, KMFG, KMB and MB) \*5. The ratio of female directors and executive officers is as of June 30, '22; the ratio of female senior managers and line managers is at the beginning of FY'22

# E (Environment): Retail Transition Finance

Helping retail customers update their awareness, transform their modes of behavior and thereby achieve steady transition

Transaction volume: FY'21 JPY845.8 bn (cumulative) ⇒ 1H of FY'22 JPY1,258.5 bn (cumulative)  
 (Target for FY2021 to FY2030: Cumulative total of JPY10 tn)

## ■ SMEs play an essential role in the nationwide realization of SDGs and SX

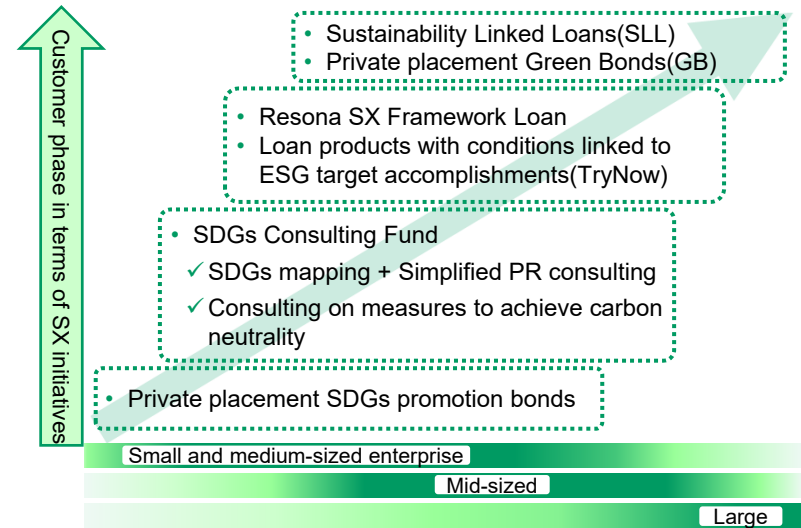
# of companies Approx. 99.7%*1	# of employees Approx. 70%*1	Added value created Approx. 53%*1
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**<Resona's mission>**  
 Translate each customer initiative into value of social impact

## ■ SX solutions designed to meet differing needs among customers based on the phase of their initiatives

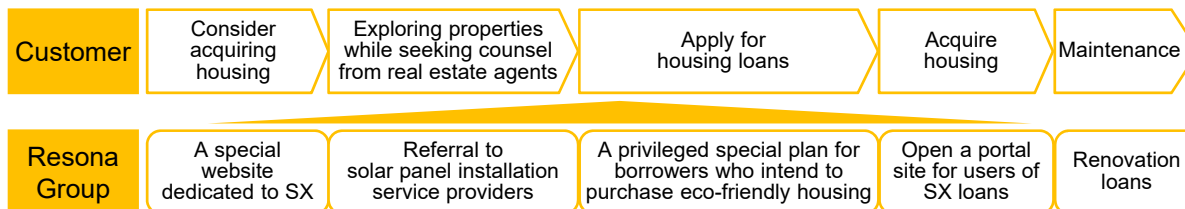
Corporate field

- Promote in-depth dialogue  
 ⇒ # of corporate customers interviewed by the Group on SX topics: Approximately 31,000
  - Approx. 80% of interviewees were found to have been facing such issues below
    - “Lack of employee understanding and insufficient employee awareness”
    - “No idea what to do”
  - Promote a customer-assistant approach in which we act as a “running partner”
    - “ESG-focused business potential assessment” (Apr. '22 -)
    - Initiated a simplified CO2 emission calculation service
      - ✓ Provided by Resona Research Institute to members free of charge (Apr. '22 -)
      - ✓ Customers of Group banks are also eligible to the service on a free-of-charge basis (Jul. '22 -)



## ■ Initiative of SX for individuals loans field

Personal field



## ■ Strengthen our relations with construction and real-estate businesses

- Offer information on legal regulations, subsidy programs and other industry trends

\*1. 2022 White Paper on Small and Medium Enterprises in Japan

# E (Environment): Carbon Neutrality

## The Resona Group is acting as a pioneer in terms of reducing environmental burden

### Measures to achieve our target (reducing the volume of CO2 emissions\*1 from the Resona Group to net zero by FY2030)

- Place the utmost priority on reducing emissions associated with “energy,” which constitutes 90% of emission sources, to this end introducing renewable energy and other solutions

[Breakdown of FY'21 emissions]

Scope1	5,082 t-CO2
Scope2	47,569 t-CO2
Emissions from energy sources	46,367 t-CO2

[Progress in the introduction of renewable energy at key Resona Group facilities]

Facilities introducing	Osaka HO of Resona Gr	HO of SR	Biwako bldg. of KMB	HO of MB	Shinsai-bashi HO of KMB	49 branches of KMB (high voltage power)	Seishin bldg. of MB	Senri Training Center	Shimane Customers Center
Reduction in CO2 emissions volume*	(1,358) t-CO2	(964) t-CO2	(144) t-CO2	(988) t-CO2	(902) t-CO2	(1,216) t-CO2	(994) t-CO2	(2,000) t-CO2	(85) t-CO2
Timing of introduction	Aug. '21	Jun. '21	Jun. '21	Aug. '21	Jun. '22	Jun. '22	Jun. '22	Aug. '22	Aug. '22

Continue

- To expand introduction bases
- To promote energy saving across the board

(\*Annual reduction. Figures for FY2021 are actual results, while figures for FY2022 are estimates.)

### Future direction

- Formulate a net-zero target encompassing Scope 3 emissions
  - Began offering a simplified CO2 emission calculation service (free of charge) to assist retail customers in the assessment of the volume of their CO2 emissions (Apr. '22 -)
  - Upgrade our methods for portfolio carbon analysis as well as the measurement of transition and physical risks

[Flow of calculation]

**(1) Portfolio subject to calculation**

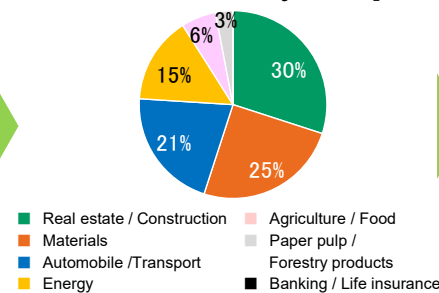
Seven carbon-related sectors defined by the TCFD: “Real estate / Construction,” “Materials,” “Automobile / Transport,” “Energy,” “Agriculture / Food,” “Paper pulp / Forestry products,” and “Banking /Life insurance”

**(2) Calculation method**

PCAF\*2 standard:  
A representative method in terms of the calculation of financed emissions\*3

[Calculation results]

[Breakdown of financed emissions by sector]



[Assessment]

- “Energy,” “Transport,” “Materials” and “Real estate / Construction” together constitute a large proportion of the Resona Group’s portfolio. The above sectors, excluding “Materials,” coincide with “priority sectors”<sup>4</sup> defined by the Group.
- The “Materials” sector comprises a mix of various businesses with a broad range of risk characteristics.
- Implement quantitative analysis of transition risks (based on the 1.5°C Scenario) associated with priority sectors while conducting physical risk analysis for business corporations in general (based on the 4°C Scenario)

\*1. Scope1、Scope2 \*2. Partnership for Carbon Accounting Financials (an organization aimed at formulating standards for calculating carbon footprint associated with investment and financing) \*3. The volume of CO2 emissions attributable to the investment and financing portfolios of financial institutions; financed emissions are calculated based on the value of investment and financing extended by these institutions to their corporate customers \*4. “Real estate / Construction,” “Automotive / Transportation,” and “Energy”

# E (Environment): Our Response to Global Warming & Climate Change

**Board of Directors proactively pursue Resona Sustainability Challenge 2030 and step up climate change countermeasures**



**Reflect outcomes of discussions on risks and opportunities from climate change in the Group strategies and risk management**

- **Impact on our largest asset class, loans**
- **Help corporate and individual customers mitigate and adapt to climate change through financial services**

Minimize the risks	Loan initiatives	<ul style="list-style-type: none"> <li>● Proactively engage with corporate customers who have yet to fully commit to environmental issues, encouraging them to step up their initiatives</li> <li>● Clarify our stance on lending to businesses that may exert a seriously negative impact on the environment, such as enforcing general rule of abstaining from extending new loans to coal-fired thermal-generation projects and extending new loans to coal mining projects (MTR method*1), etc.</li> </ul>	<p>[CDP scores*2]</p> <table border="1"> <tr> <td><b>Resona HD</b></td> <td><b>B</b></td> </tr> <tr> <td>SMFG</td> <td>B</td> </tr> <tr> <td>MUFG</td> <td>B</td> </tr> <tr> <td>Mizuho FG</td> <td>A-</td> </tr> <tr> <td>SMTH</td> <td>C</td> </tr> </table>	<b>Resona HD</b>	<b>B</b>	SMFG	B	MUFG	B	Mizuho FG	A-	SMTH	C
	<b>Resona HD</b>	<b>B</b>											
SMFG	B												
MUFG	B												
Mizuho FG	A-												
SMTH	C												
	Investment initiatives	<ul style="list-style-type: none"> <li>● Incorporate an ESG-oriented viewpoint into investment decision-making process</li> <li>● Maintain constructive dialogue and engagement with investees</li> </ul>											
Expand the opportunities	Conserving the environment through our products and services	[Individual customers]	[Corporate clients]	<p>The ratio of lending for the energy and utility sector*3 to the entire portfolio</p> <p><b>1.2%</b> (As of Mar. 31, '22)</p>									
		<ul style="list-style-type: none"> <li>✓ <i>Nihon-no-Mirai</i> (investment trust)</li> <li>✓ Offer benefits to loan customers who purchase eco-friendly housing (housing loans)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Simplified CO2 emissions calculation service</li> <li>✓ Loan products with conditions linked to ESG target accomplishments (TryNow)</li> <li>✓ SX Framework Loan</li> </ul>										

\*1. A method used for the surface mining of coal seams in mountain areas. The use of the MTR method entails deforestation, and soil from the mountain top is usually dumped in valleys, rivers and other nearby locations.

\*2. CDP Report 2021    \*3. Lending to energy and utility sectors based on definitions under TCFD recommendations



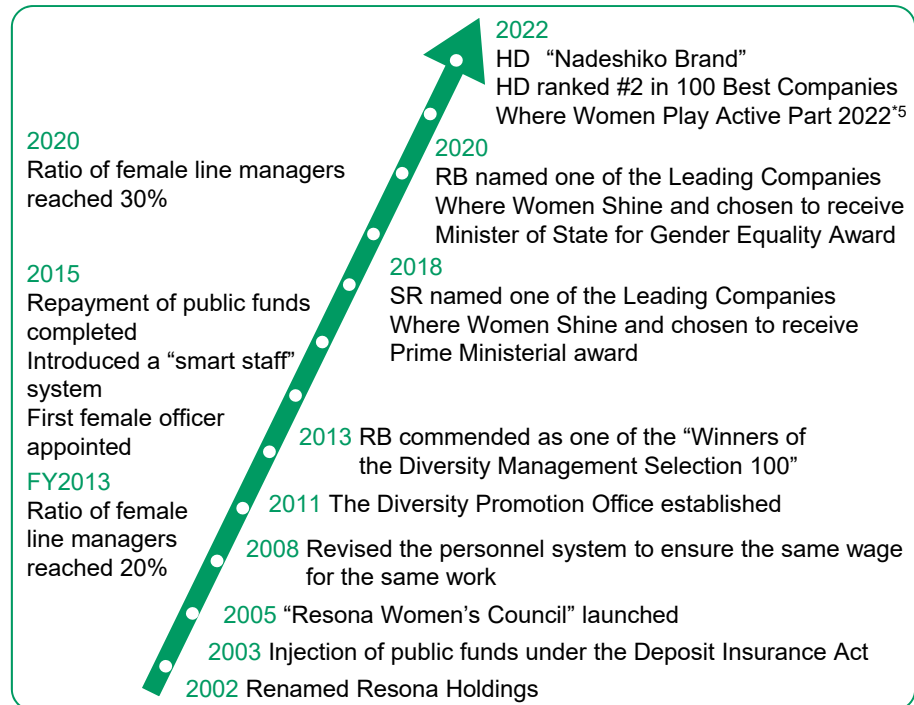
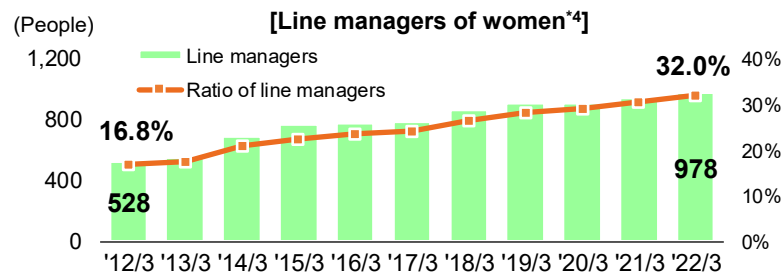
# S (Society): Diversity & Inclusion (1)

## Creating corporate value by drawing on diversity

- Step up the empowerment of women, to date a source of strength for the Group, ensuring that they serve as a driving force of value creation

Ratio of women	2022*1	FY2030 Target
Directors and executive officers (HD)	15.3%	30% or more
Senior managers (six Group companies*2)	12.8%	20% or more
Line managers (six Group companies*2)	31.2%	40% or more

(Reference) The ratio of female managers nationwide\*3:  
 General manager or equivalent positions 7.8%  
 Manager or equivalent positions 10.7%



### External evaluation



Leading companies where women shine 2020 Winning the Minister of State for Gender Equality Award (RB)



Ranked #2 in 100 Best Companies Where Women Play Active Part 2022\*5 (HD)

Awarded the excellent health and productivity management corporation 2022 (HD)



Obtained Platinum Kurumin (all group banks)



Awarded the highest gold rating in the PRIDE Index (for 6 consecutive years) (HD)



\*1. The ratio of female directors and executive officers is as of June 30, '22; the ratio of female senior managers and line managers is at the beginning of FY'22

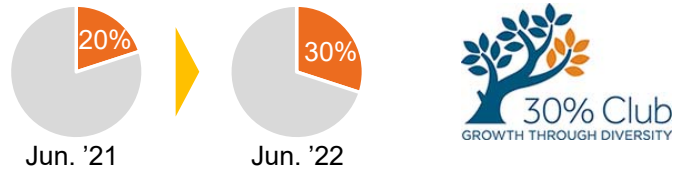
\*2. Sum of HD, RB, SR, KMFG, KMB and MB \*3. Ministry of Health, Labour and Welfare, 2022.7.29 Press Release \*4. RB+SR

\*5. Based on a Survey 2022 of Workplace Opportunities for Female Workers undertaken by Nikkei WOMAN

# S (Society): Diversity & Inclusion (2)

## Main initiatives under way in FY2022 and the status of their progress

### Ratio of female directors: 30%



### 12th Resona Women's Council (Apr. '22-Mar. '23)

- Members: 20 people from group banks and companies
  - Members consist of diverse individuals (in terms of rank, age, etc.) from a range of Group companies and serving terms spanning one year who regularly meet on a monthly basis
  - Engage in bottom-up activities, i.e., delivering proposals on women's networking, the enhancement of women's career awareness, the revision of various personnel systems, the implementation of operational improvement measures and the planning of new products

**[Main achievements deriving from Resona Women's Council]**

- Enhancement of childcare leave-related programs
- Institution of a mentoring system
- Introduction of a reinstatement support program
- Establishment of the Job Return System
- Launch of a system enabling transition from full-time to partner employee status and vice versa\*1

### Expand the scope of employees eligible for the mentoring system for female manager candidates

- The mentoring system for newly appointed female department or branch managers has been in place since 2012
- In FY'22, women who have been newly appointed as manager candidates and assigned to positions immediately below department or general managers, are now included in the scope of eligibility to the system

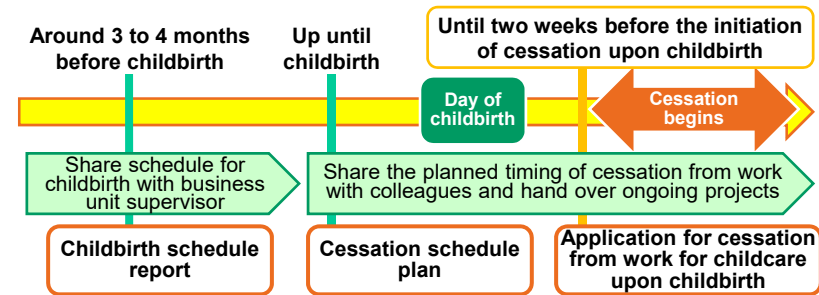
### Step up initiatives to encourage male employees to play greater roles in child rearing

- Established a framework allowing cessation from work for childcare upon childbirth in line with the revision of relevant laws in Oct. '22

< The Resona Group's Response >

- The first 14 days of cessation from work for childcare upon childbirth shall be paid leave

#### [Flow of cessation from work for childcare upon childbirth]



- Hold seminars focused on facilitating cessation from work for childcare over the course of a period spanning Aug. to Sep. '22

- Scope: All business unit supervisors of Group banks
- Total number of participants: Around 1,000

#### [Male employees' status of childcare-related leave]

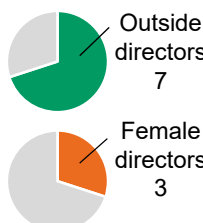
FY	2016	2017	2018	2019	2020	2021
Ratio of employees who took childbirth leave upon the spouse's childbirth	57.2%	100%	100%	100%	100%	100%
Ratio of male employees who opted for cessation from work for childcare	-	-	-	-	-	80.3%

\*1. Upgraded from the "smart staff" system, which was introduced in 2015 to enable applicants to work shorter working hours or be assigned more limited jobs compared with full-time employees






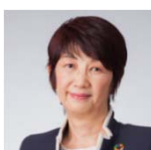



# G (Corporate Governance): Sophisticated Corporate Governance System

The first Japanese banking group which adopted a committee-based corporate governance structure in 2003 for management transparency and objectivity

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Majority of the Board members are independent outside directors [% of companies listed on TSE*1] 9.2%</li> </ul>	 <p>Outside directors 7 Female directors 3</p>	<b>Nominating Committee</b>	<ul style="list-style-type: none"> <li>Independent outside directors only</li> <li>Introduced succession plan in 2007 and ensure objectivity by drawing on the advice of outside consultants</li> </ul>
	<ul style="list-style-type: none"> <li>Ratio of female directors: 30% [Avg. % of companies listed on TSE*2] 11.0%</li> </ul>		<b>Compensation Committee</b>	<ul style="list-style-type: none"> <li>Independent outside directors only</li> <li>Introduced share benefit trust as performance based stock compensation program for officers in 2020</li> </ul>
	<ul style="list-style-type: none"> <li>Chairperson of the Board of Directors Independent outside director appointed for chairperson from Jun. '22 [% of companies listed on TSE Prime*3] 3.6%</li> </ul>		<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Majority of independent outside directors</li> <li>Introduced double report line system in 2016</li> </ul>

## Outside directors

 <p><b>Hidehiko Sato</b> Chairperson, Nominating Committee Member, Audit Committee <small>Attorney-at-law (Hibiki Law Office) (Former National Police Agency Commissioner)</small></p>	 <p><b>Chiharu Baba</b> Chairperson, Audit Committee Member, Compensation Committee <small>(Former Deputy President of Mizuho Trust &amp; Banking)</small></p>	 <p><b>Kimie Iwata</b> Chairperson, Compensation Committee Member, Nominating Committee <small>(Former Deputy Director-General Human Resource Development Bureau Ministry of Labor, Former Director &amp; Executive Vice President of Shiseido)</small></p>	 <p><b>Setsuko Egami</b> Member, Nominating Committee Member, Compensation Committee <small>(Former Professor, Faculty of Sociology, Musashi University)</small></p>
 <p><b>Fumihiko Ike</b> Chairperson of the Board of Directors Member, Nominating Committee <small>(Former Chairperson of Honda Motor)</small></p>	 <p><b>Sawako Nohara</b> Member, Compensation Committee <small>President of IPSe Marketing</small></p>	 <p><b>Masaki Yamauchi</b> Member, Audit Committee <small>Chairperson of Yamato Holdings</small></p>	

## Internal directors

 <p><b>Masahiro Minami</b> President and Representative Executive Officer</p>	 <p><b>Mikio Noguchi</b> Executive Officer</p>	 <p><b>Hisahiko Oikawa</b> Member, Audit Committee</p>
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\*1. Source: Tokyo Stock Exchange    \*2. Source: 2021 Nadeshiko Brand Report    \*3. Source: Dai-ichi Life Research Institute

# G (Corporate Governance): Roles, Skills, and Expertise Required to Directors

**Strengthening supervisory and decision-making functions  
through active discussions at Board of Directors meetings, which are rich in diversity**

- The skills (experience / knowledge) especially expected of nominees for directors are defined as follows. Candidates were discussed and decided by the nominating committee.

		Organizational management	Legal Compliance Risk management	Finance Accounting	Priority field for the “Retail No. 1” Financial Services Group				
					Breaking free of the bank model	IT Digital	Sustainability	Diversity & Inclusion	Global
Masahiro Minami		●	●	●	●	●	●	●	●
Mikio Noguchi					●	●			
Hisahiko Oikawa			●						
Hidehiko Sato	Outside directors	●	●		●			●	
Chiharu Baba	Outside directors	●	●	●	●				●
Kimie Iwata	Outside directors	●			●		●	●	
Setsuko Egami	Outside directors		●		●		●	●	
Fumihiko Ike	Outside directors	●	●		●	●			●
Sawako Nohara	Outside directors		●		●	●		●	
Masaki Yamauchi	Outside directors	●			●		●		

# G (Corporate Governance): Initiatives for Corporate Governance Evolution

## Our initiatives to improve the effectiveness of the Board of Directors' operations

### Outside directors' meetings

- ✓ Outside directors conducted meetings on evaluation of the Board of Directors. Actively discussed to further improve the effectiveness of the Board of Directors.
- ✓ Interacted and held meetings with outside directors of RB, SR, and KMFG

### Free discussion sessions

- ✓ Utilize input from outside directors into such key activities as strategies in a timely manner
- ✓ Free discussions were held on themes based on changes in the internal and external environment, such as the DX Strategy, the International Strategy, and the Climate Change Risk

### Study sessions and onsite tours

- ✓ Facilitate understanding of the Resona Group's business operations  
Opinion Exchange Meeting: Held meetings with officers and employees in each division to promote understanding of operating divisions (FY'21 5 meetings)  
Tours: Visited "Resona Bank Azabu Branch" and "OBP Office" (FY'21)

## Succession Plan (introduced in Jun. '07)

- Our mechanism for ensuring the succession of roles and responsibilities to be borne by executive officers
- The scope of the plan covers various candidates for HD, KMFG and group banks, ranging from those who are presidents to those who are new candidates for executive officers
- Candidates are classified by job rank and systematically undergo selection and training programs

### Selection process

- Advice from external consultants
- Nominating Committee members attend each program
- Secure a structure for transparent and fair selection

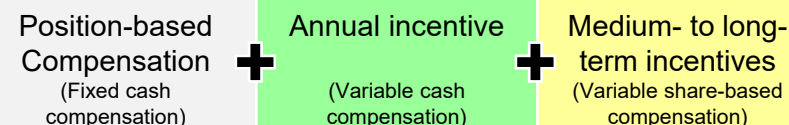
### Training process

Nurture individuals who embody Resona's distinctive strength

Ideal traits of executive officer candidates

## Remuneration for directors and executive officers

### ■ Compensation system for executive officers



### Annual incentive

Annually examine the status of specific key indices in terms of consistency with MMP targets

#### Corporate performance

Net income attributable to owners of parent

Fee income ratio

Cost income ratio

CET1 ratio

#### Individual achievements

✓ Evaluate the status of initiatives aimed at helping realize SDGs

✓ Evaluate the status of medium- to long-term initiatives and the degree of accomplishment of annual targets

### Medium-to long-term incentives

- ✓ Enhance linkage with shareholder value
- ✓ Encourage efforts employing medium- to long-term perspectives to improve corporate value

#### "Matrix-based Evaluation" based on two indices

Relative TSR (Relative to peers in the banking industry)  
Consolidated ROE (Based on shareholders' equity)

#### "Board Benefit Trust"


- ✓ Utilize a trust scheme
- ✓ Grant shares
- ✓ Enhance linkage with performance

# ESG-Based Recognitions and Initiatives


## Status of inclusion into ESG-based stock indices

**[ESG indexes selected by GPIF (domestic stock)]**

Aim to be included in all indices below during the current MMP period




FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



S&P/JPX  
Carbon  
Efficient  
Index



### ESG-related external evaluations

**MSCI**  
(Seven-grade system  
from AAA to CCC)  
**AA**

**FTSE**  
(Full score is set at 5)  
**3.5**

**MSCI (WIN)**  
(Full score is set at 10)  
**8.8**

**S&P**  
(Decile ranking system)  
**7**  
(Carbon Efficient Index)

### Our support for ESG-related initiatives at home and abroad



\*1. Please refer to our corporate website for details⇒ <https://www.resona-gr.co.jp/holdings/english/sustainability/award/index.html>

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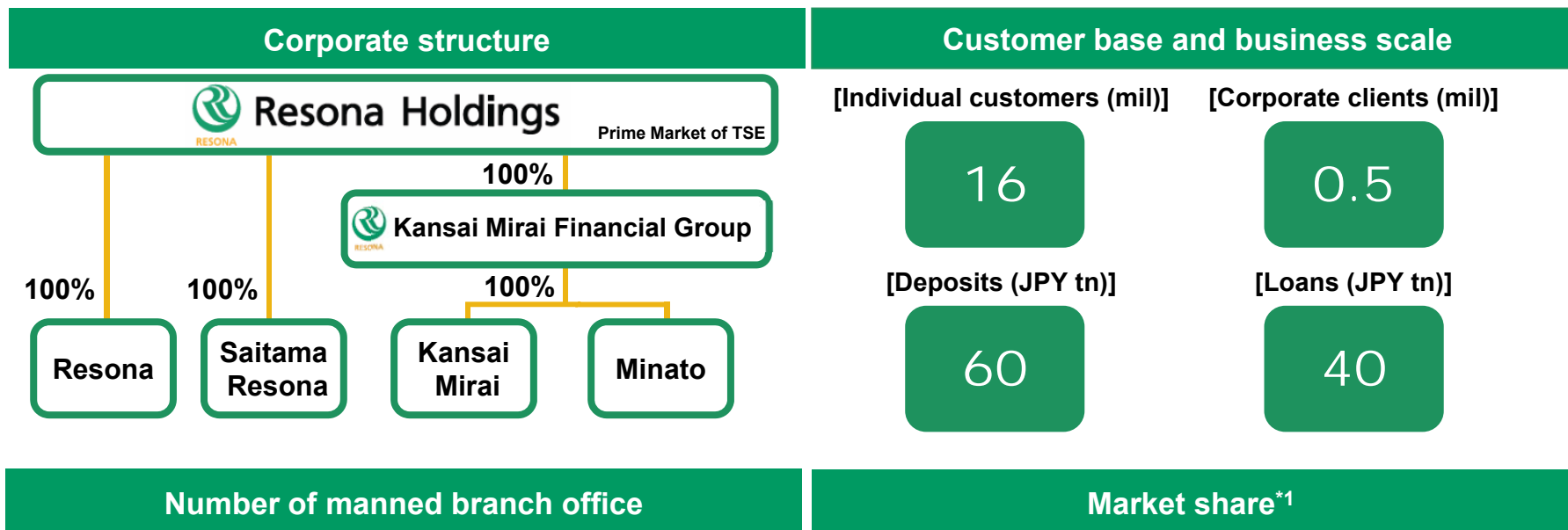
**ESG Initiatives**

**Reference Material**



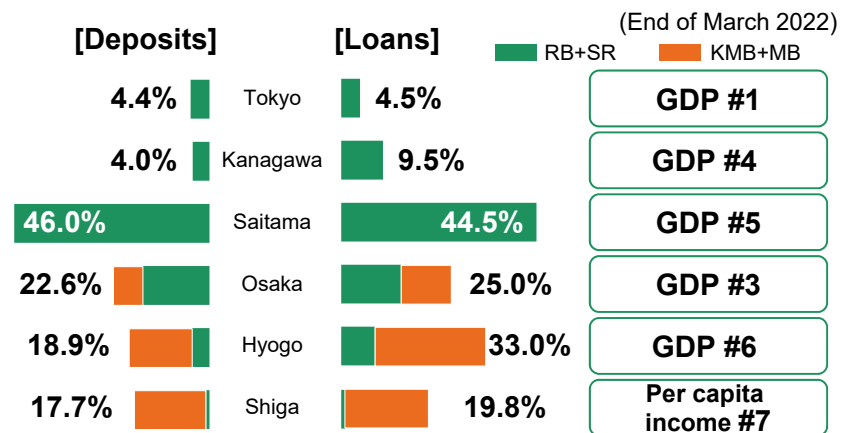
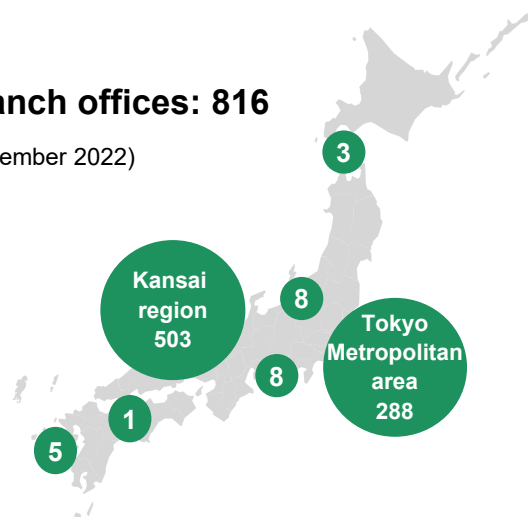
# Resona Group at a Glance

- Resona focuses management resources on Tokyo and Kansai metropolitan areas and retail banking business
- Resona Group is the largest retail-focused bank with full-line trust capabilities in Japan with a well-established customer base especially in Kansai Region due to creation of KMFG



**Number of manned branch offices: 816**

(End of September 2022)



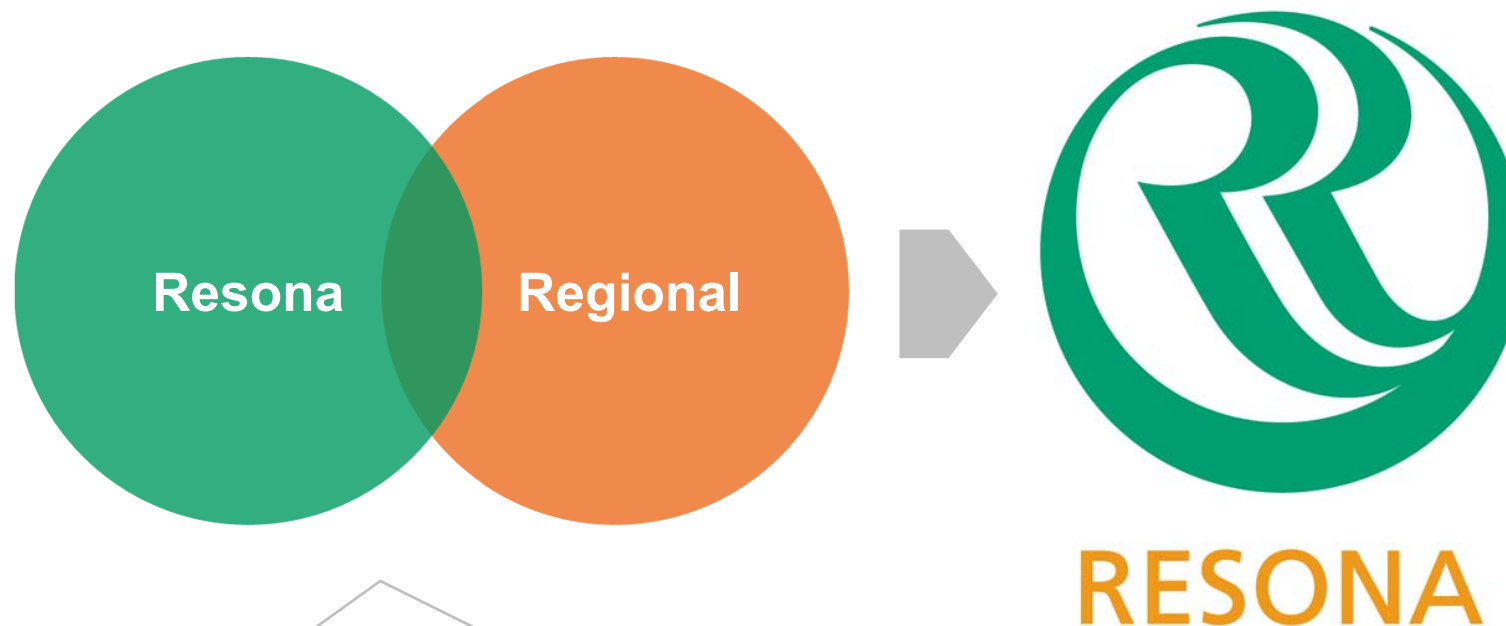
\*1. Total of group banks, market share based on deposits, and loans and bills discounted by prefecture (domestically licensed banks from BOJ) Resona Holdings, Inc.

## Resona Group's Brand Identity

The Resona Group's corporate name is derived from the Latin word (*resonus*) meaning "resonate" or "resound" in English

We aim to establish "Resonance Model" by resonance between sustainable society and Resona Group's sustainable growth

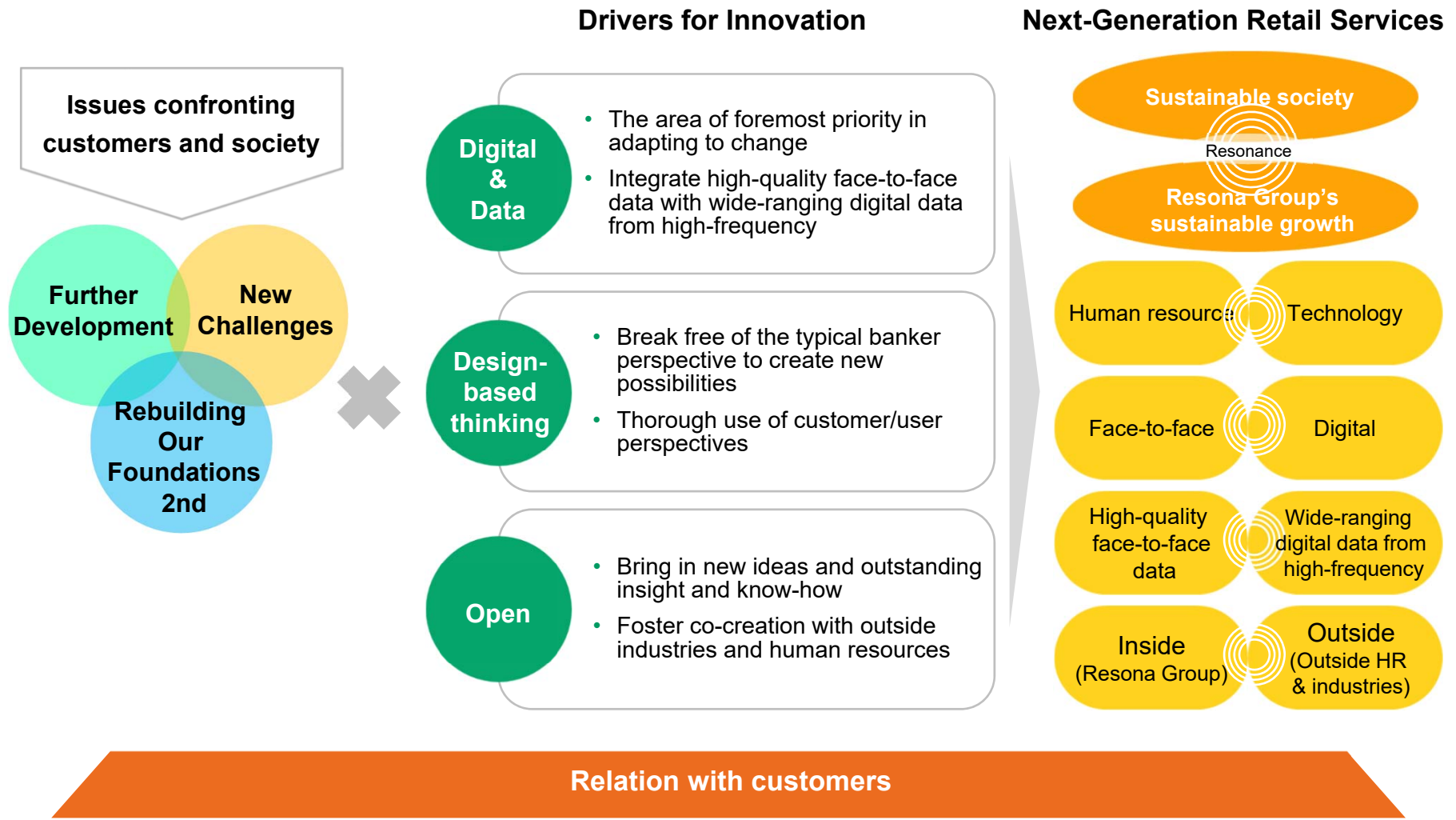
We attach great importance to customers' voice. By adopting the corporate name Resona, we want to express our desire to build stronger ties with communities and customers by "resonating" or "resounding" with them.



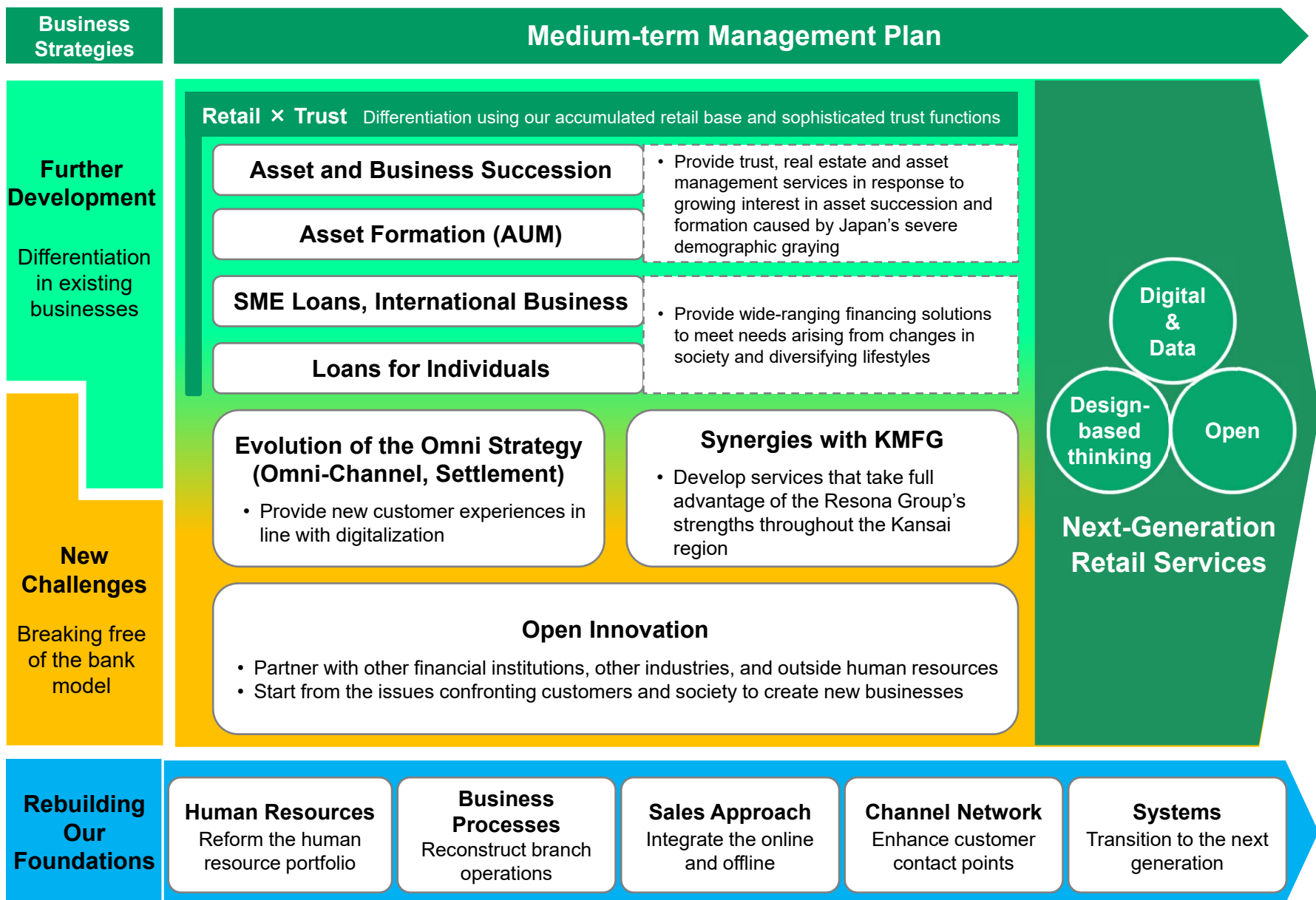
Group Logo expresses the resonance between the "R" in Resona and the "R" in the Group's key word "Regional."

# Establish “Resonance Model”





We will provide new value to customers, starting from the issues confronting customers and society, by moving beyond conventional banking frameworks through diverse resonance generated by new ideas and wide-ranging connections



# Business Strategy and Rebuild Foundations (Overview)



# Points of Focus in the Medium-term Management Plan toward the 2030 Realization of SDGs

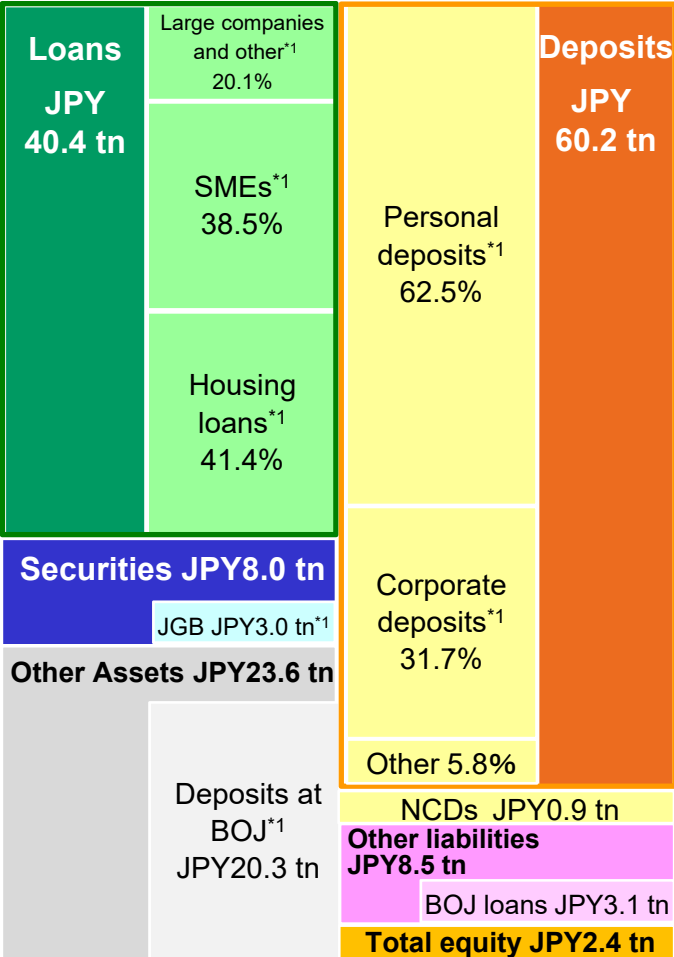
Theme	Expected issues customers will face in the next 10 years	Key policies under the new medium-term management plan
<p><b>Local Communities</b></p>  <p>All 17 goals</p>	<ul style="list-style-type: none"> <li>■ Adapt to a digitalized and global society                             <ul style="list-style-type: none"> <li>● Widespread use of cashless settlement</li> <li>● Rapid advance of digitalization</li> <li>● Need for supply chain maintenance</li> </ul> </li> </ul>	<p>Settlement</p> <p>Omni-Channel</p>
<p><b>Low Birthrate and Aging Society</b></p> 	<ul style="list-style-type: none"> <li>■ Adapt to the low birth rate and graying society                             <ul style="list-style-type: none"> <li>● Need for ensuring smooth succession of assets and businesses as well as securing funds for life after retirement</li> <li>● Human resource shortages</li> </ul> </li> </ul>	<p>Succession</p> <p>Asset formation</p>
<p><b>Environment</b></p> 	<ul style="list-style-type: none"> <li>■ Respond to climate change risks                             <ul style="list-style-type: none"> <li>● Rising living expenses and housing costs</li> <li>● Need for de-carbonization and preparation for natural disasters</li> </ul> </li> </ul>	<p>Provide support for de-carbonization</p> <p>Green finance</p> <p>Loan exemptions for those hit by natural disasters</p>
<p><b>Human Rights</b></p> 	<ul style="list-style-type: none"> <li>■ Adapt to diversifying value systems and working styles                             <ul style="list-style-type: none"> <li>● Need to meet higher skill requirements and develop second careers</li> <li>● Need to expand hiring of foreigners and elderly people</li> </ul> </li> </ul>	<p>Measures for diversity &amp; inclusion</p> <p>Develop human resources capable of meeting diversifying customer needs for sophisticated solutions</p>

# (Reference) Outline of Balance Sheet (Sep. 30, 2022)

Total assets JPY72.1 tn

**Sound loan portfolio**

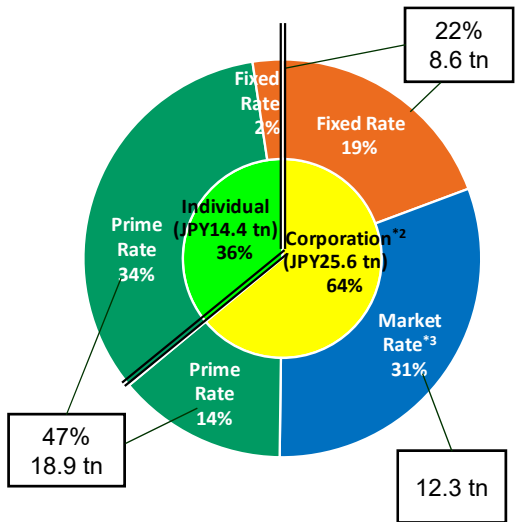
- Consists mostly of housing loans and small-lot loans to SMEs
- Sound housing loans portfolio based on the strict screening model



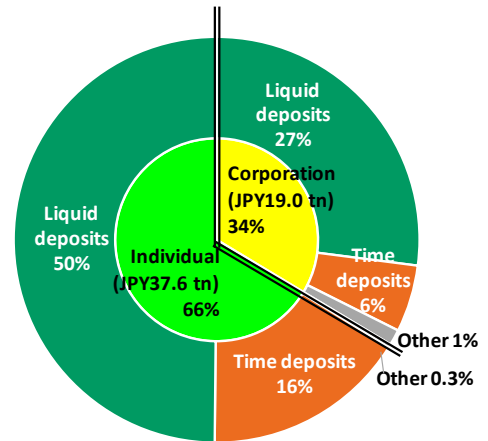
**Stable funding structure**

- Strong deposit base supporting low-cost funding
  - Ratio of personal deposits to total deposits: 62%
  - Avg. cost of deposits: 0.006%
  - Ratio of loans and bills discounted to total deposits: Approx. 67%

**Composition of loan portfolio**



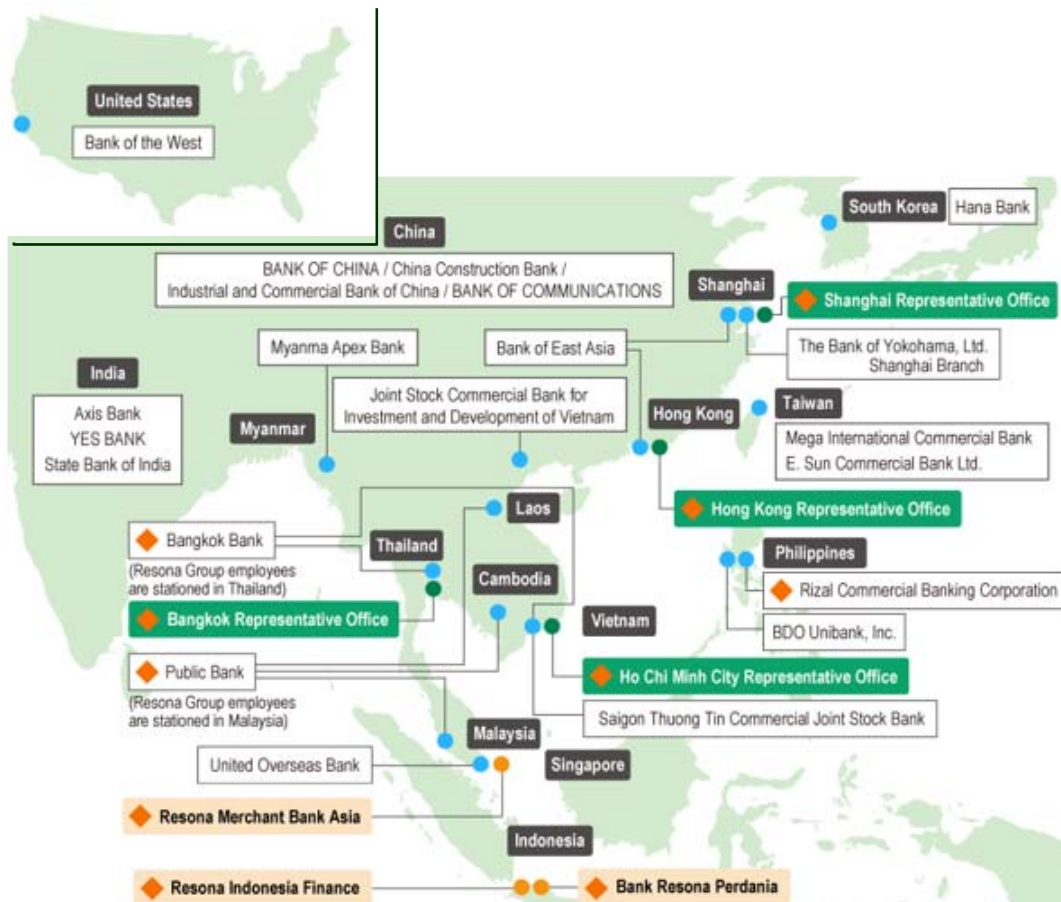
**Composition of deposits\*4**



\*1. Total of group banks    \*2. Including apartment loans    \*3. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year    \*4. Domestic individual deposits + Domestic corporate deposits

## Overall support for customers' overseas expansion with a focus on Asia via overseas bases and partner banks

- Station Japanese-speaking Resona staff in 10 locations to provide meticulous services
- Provide a wide range of consultations concerning overseas expansion, financing, etc.



As of Sep. 30, 2022

- Provide solutions via local subsidiaries

- Bank Resona Perdania (Indonesia)
  - Boasting a business track record spanning more than 60 years and full-fledged banking functions serving locals
- Resona Merchant Bank Asia (Singapore)
  - Lending, M&A assistance, consulting, etc. in ASEAN, Hong Kong and India

- Strengthen the customer support by expanding overseas network

- Began offering loans denominated in Chinese yuan to local corporations in China\*1 (Jul. '22) **NEW**
  - Avoid foreign exchange risks via the handling of local currencies while providing stable funding
- One individual from Resona is now being seconded to Fair Consulting Shanghai, a consulting firm based in China (Sep. '22) **NEW**

- Overseas representative offices
- Resona Merchant Bank Asia
- Bank Resona Perdania
- Resona Indonesia Finance
- Partner banks, etc.
- Offices with Resona Group employees

\*1. RB

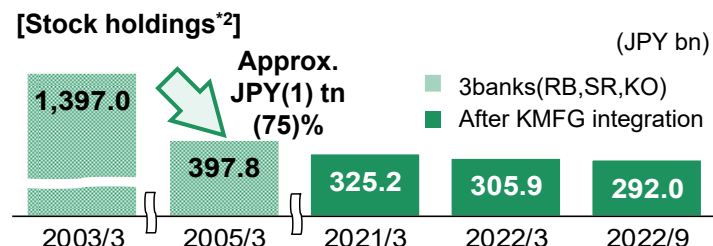
# Initiatives to Reduction of Policy-Oriented Stock Holdings

## Policy for holding policy-oriented stocks\*1

- Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
- The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.

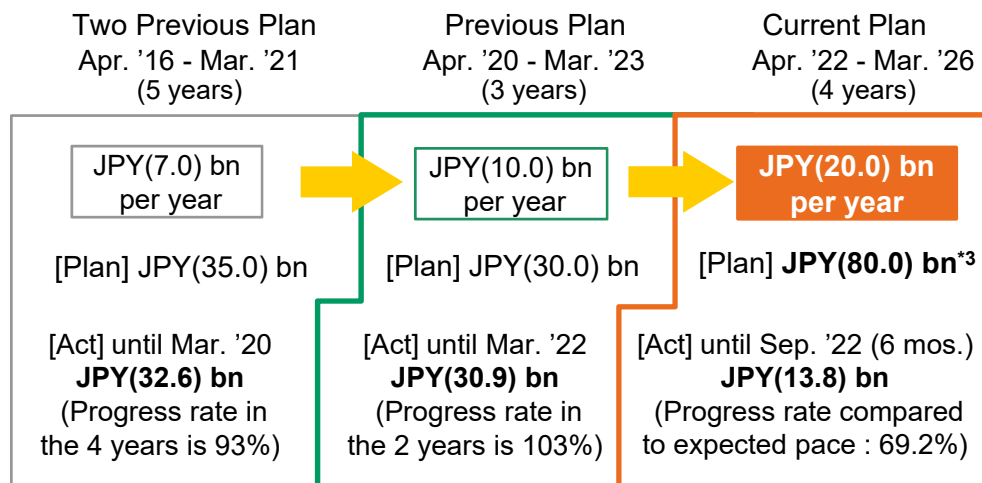
### ■ Balance of listed stocks disposed in 1H of FY2022

(acquisition cost basis): JPY13.8 bn,  
 Net gain on sale: JPY33.1 bn (HD consolidated: JPY32.9 bn)  
 Breakeven Nikkei average: Approx. 7,500 yen

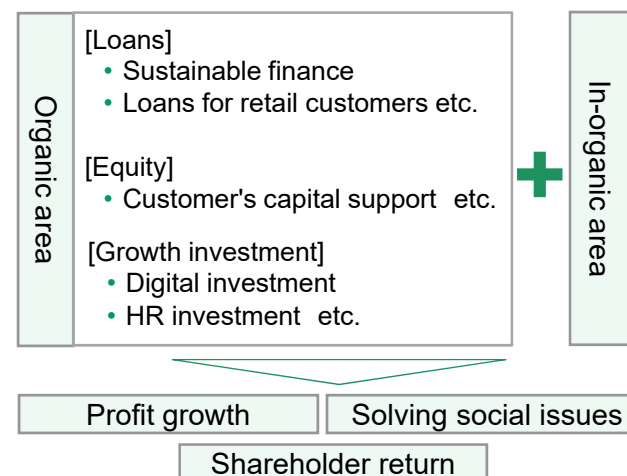


### ■ Released the new plan that doubled the pace of reduction (May '22)

- Achieved the previous plan one year ahead of schedule



- Utilized in fields that contribute to solving social and customer issues

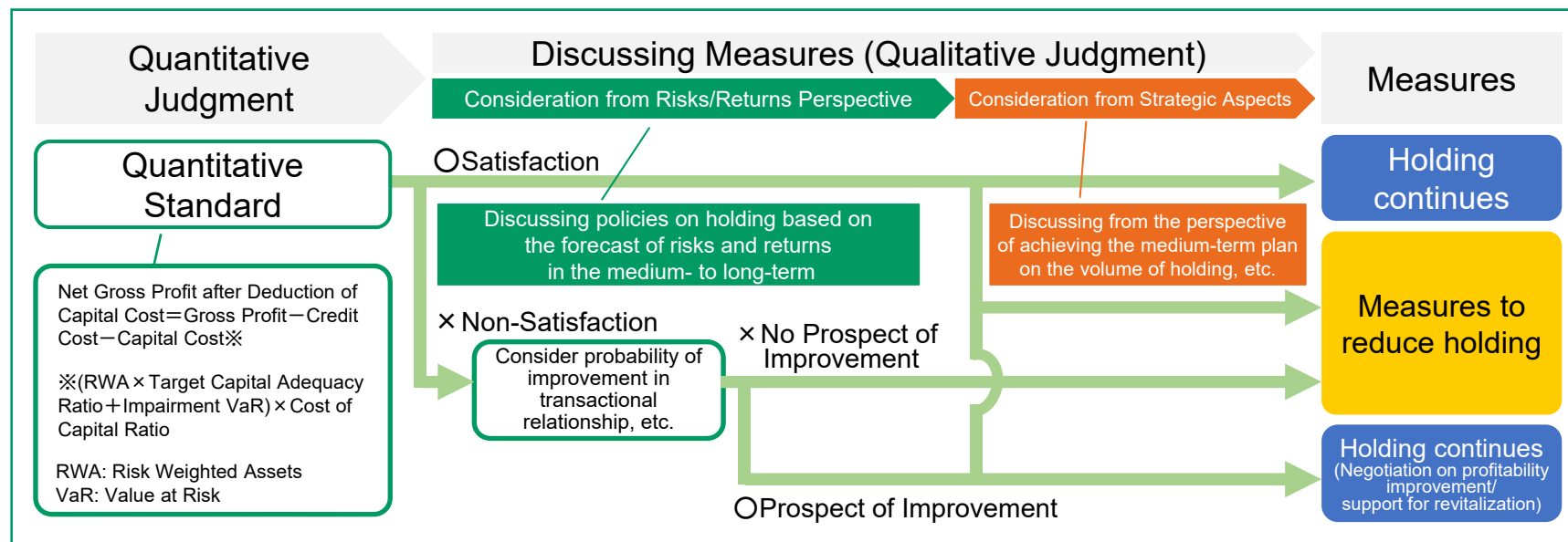


\*1. Policy-oriented stocks are classified into (1) policy investment stocks and (2) strategic investment stocks, according to the purpose of holding. Of these, (1) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (1) policy investment stocks  
 \*2. Total of group banks, acquisition cost basis, marketable securities and policy investment stocks only  
 \*3. Reference: Market value of about JPY250 bn (Estimated based on the market value of the policy-oriented stock as of Mar. '22)



# Policy-Oriented Stocks : Verification Process, Standards for the Exercise of Voting Rights

## ■ Verification process for value of holding of policy-oriented stocks



## ■ Resona group has established the “Policy for the Voting Right Exercise Standards of Holding Policy-Oriented Stocks” in relation to exercise the voting rights of policy-oriented stocks. We have built a process to individually judge and verify the approval or disapproval of all proposals.

- Fundamental concepts on the exercise of voting rights (Discribed in “Standards for the Exercise of Voting Rights of Policy-Oriented Stocks”)

The Resona Group will exercise voting rights of policy-oriented stocks based on the following policy:

1. Irrespective of interests of transactions with clients, make an effort to vote yes or no on an individual basis from the viewpoint of sustainably improving corporate value;
2. Not to exercise voting rights in a manner to resolve certain political or social problems; and
3. If any scandal or an anti social act is committed by a company or corporate manager, etc., exercise voting rights with the intention of contributing to the improvement of corporate governance.

# Measures to Build Multifaceted Business Relationships with Customers

Total of Two Banks (RB, SR)

Visible progress has been made through the increase in the number of “Resona Loyal Customers”

Customer segments based on the depth of transactions with Resona Group banks	Number of Customers (thousands)			Top-line Income Per Customer *	Avg. # of Products Cross-sold [YoY change]
	2017/9	2022/9	Change		
<b>Premier</b> AUM or Apartment loan exceeding JPY50 million (1)	53.5	67.3	+ 13.8	72.4	7.76 [(0.00)]
<b>Housing Loan</b> With housing loan for own home (2)	514.6	542.0	+ 27.3	28.4	4.91 [+0.06]
<b>Asset Management</b> AUM exceeding JPY10 million (3)	657.4	811.8	+ 154.4	5.6	4.75 [+0.00]
<b>Potential I</b> AUM exceeding JPY5 million (4)	709.3	803.0	+ 93.7	1.6	3.60 [+0.03]
<b>Potential II</b> AUM below JPY 5 million/ 3 or more products sold (5)	4,451.3	4,647.1	+ 195.7	* 1	4.08 [+0.04]
<b>Resona Loyal Customers (RLCs)</b> (6)	6,386.3	6,871.5	+ 485.1	4.4	4.20 [+0.04]
<b>Potential III</b> AUM below JPY 5 million/ 2 or fewer products sold (7)	4,855.0	4,253.6	(601.3)	0.1	1.66 [+0.00]

**Increase life-time profits by upgrading customer segments and by increasing the number of products**

**Profit Matrix by Customer Segment and Number of Products sold (Illustrative)**

Upgrade Segments

Number of Products Sold

Higher Profit

Lower Profit

\* Indexed to average top-line income per client for Potential II segment = 1

# Business Results by Major Group Business Segments

## Management accounting by major group business lines (1H of FY2022)

(JPY bn, %)

Resona Group Business Segments	Profitability			Soundness	Net operating profit after a deduction of credit cost										
	Net profit after a deduction of cost on capital	Risk-adjusted return on capital	Cost to income ratio	Internal CAR	Actual net operating profit								Credit cost		
	RVA <sup>*1</sup>	RAROC	OHR		YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	
				Gross operating profit											Operating expense
Customer Divisions (1)	23.8	14.7%	63.5%	10.1%	79.4	+13.1	86.0	+7.4	236.2	+7.5	(150.2)	(0.0)	(6.6)	+5.6	
Personal Banking (2)	9.3	20.6%	79.6%	10.2%	18.5	+3.0	19.3	+3.2	94.9	+2.3	(75.6)	+0.9	(0.7)	(0.1)	
Corporate Banking (3)	14.4	13.5%	52.7%	10.1%	60.8	+10.0	66.7	+4.1	141.3	+5.2	(74.5)	(0.9)	(5.8)	+5.8	
Markets (4)	(18.5)	(29.7)%	(35.4)%	24.9%	(13.8)	(34.8)	(13.8)	(34.8)	(10.1)	(36.9)	(3.6)	+2.1	-	-	
KMFG (5)	(4.7)	8.3%	70.6%	8.9%	19.9	+3.0	21.2	(0.5)	72.3	(1.6)	(51.1)	+1.1	(1.2)	+3.5	
Total <sup>*2</sup> (6)	(19.2)	8.3%	68.6%	10.2%	84.8	(19.0)	92.6	(28.3)	295.2	(32.1)	(202.8)	+3.8	(7.7)	+9.2	

\*1. RVA: Resona Value Added (Net profit after a deduction of cost on internally allocated capital)

\*2. Numbers reported above refer to 2 Resona Group banks and consolidated subsidiaries

# Consolidated Subsidiaries and Affiliated Companies (1)

## Major consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
Resona Guarantee (1)	Credit guarantee (Mainly mortgage loan)	Japan's highest class of residential housing loan guarantee balances	Resona Holdings 100%	FY'22 (Sep.30 2022)	5.6	(0.3)
Kansai Mirai Guarantee (2)			Kansai Mirai Bank 100%	FY'22 (Sep.30 2022)	0.4	(0.0)
Kansai Sogo Shinyo (3)			Kansai Mirai Bank 100%	FY'22 (Sep.30 2022)	0.5	+0.1
Minato Guarantee (4)			Minato Bank 100%	FY'22 (Sep.30 2022)	0.6	+0.2
Resona Card (5)	Credit card Credit guarantee	1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY'22 (Sep.30 2022)	0.6	+0.3
Minato Card (6)	Credit card	Provide local customers with settlement solutions	Minato Bank 100%	FY'22 (Sep.30 2022)	0.4	(0.5)
Resona Kessai Service (7)	Collection service Factoring	Collection services with 50 million cases annually	Resona Holdings 100%	FY'22 (Sep.30 2022)	0.3	+0.0
Resona Research Institute (8)	Business consulting service	Management consulting with 1,100 project annually	Resona Holdings 100%	FY'22 (Sep.30 2022)	0.1	+0.1
Resona Capital (9)	Venture capital	IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY'22 (Sep.30 2022)	0.0	(0.0)
Minato Capital (10)	Operation and management of investment funds	Support for agriculture and tourism related business, growing company, business succession	Minato Bank 100%	FY'22 (Sep.30 2022)	0.0	+0.0
Resona Corporate Investment (11)	Private equity	SME business succession support through share acquisition	Resona Holdings 99.95%	FY'22 (Sep.30 2022)	0.0	+0.0
Resona Business Service (12)	Back office work Employment agency	Practices quick and accurate operations	Resona Holdings 100%	FY'22 (Sep.30 2022)	0.0	+0.0
Resona Asset Management (13)	Investment management business	Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	FY'22 (Sep.30 2022)	1.6	(0.0)

## Consolidated Subsidiaries and Affiliated Companies (2)

### Major consolidated domestic subsidiaries (excluding group banks)(Continued)

(JPY bn)

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
Kansai Mirai Leasing (14)	Leasing business Providing regional customers with solutions utilizing leasing functions	Kansai Mirai Bank 100%	FY'22 (Sep.30 2022)	0.1	+0.0
Minato Leasing (15)		Minato Bank 100%	FY'22 (Sep.30 2022)	0.0	(0.1)
Resona Mi Rise (16)	Bank assistance business Providing opportunities for a wide range of human resources to thrive	Resona Group 100%	FY'22 (Sep.30 2022)	0.0	+0.0
Regional Design Laboratory of Saitama (17)	Assist in the resolution of region-specific issues Driving in line with the development of "wide, deep, and long" customers, involving local communities	Saitama Resona Bank 100%	FY'22 (Sep.30 2022)	(0.0)	-
Mirai Reenal Partners (18)	Consulting Crowdfunding Solving customer problems together	Kansai Mirai Financial Group 100%	FY'22 (Sep.30 2022)	(0.0)	-
Resona Digital Hub (19)	Assist in the promotion of DX Support for driving-type DX toward the "vision" of customers	Resona Holdings 85%	FY'22 (Sep.30 2022)	(0.1)	-
FinBASE (20)	Financial Digital Platform Promoting an open platform for financial services	Resona Holdings 80%	FY'22 (Sep.30 2022)	0.0	-
Loco Door (21)	Assist in the regional vitalization Achieving regional vitalization by combining education and agriculture	Resona Holdings 100%	FY'22 (Sep.30 2022)	(0.0)	-
Total				10.5	(0.5)

## Consolidated Subsidiaries and Affiliated Companies (3)

### Major consolidated overseas subsidiaries

(JPY bn)

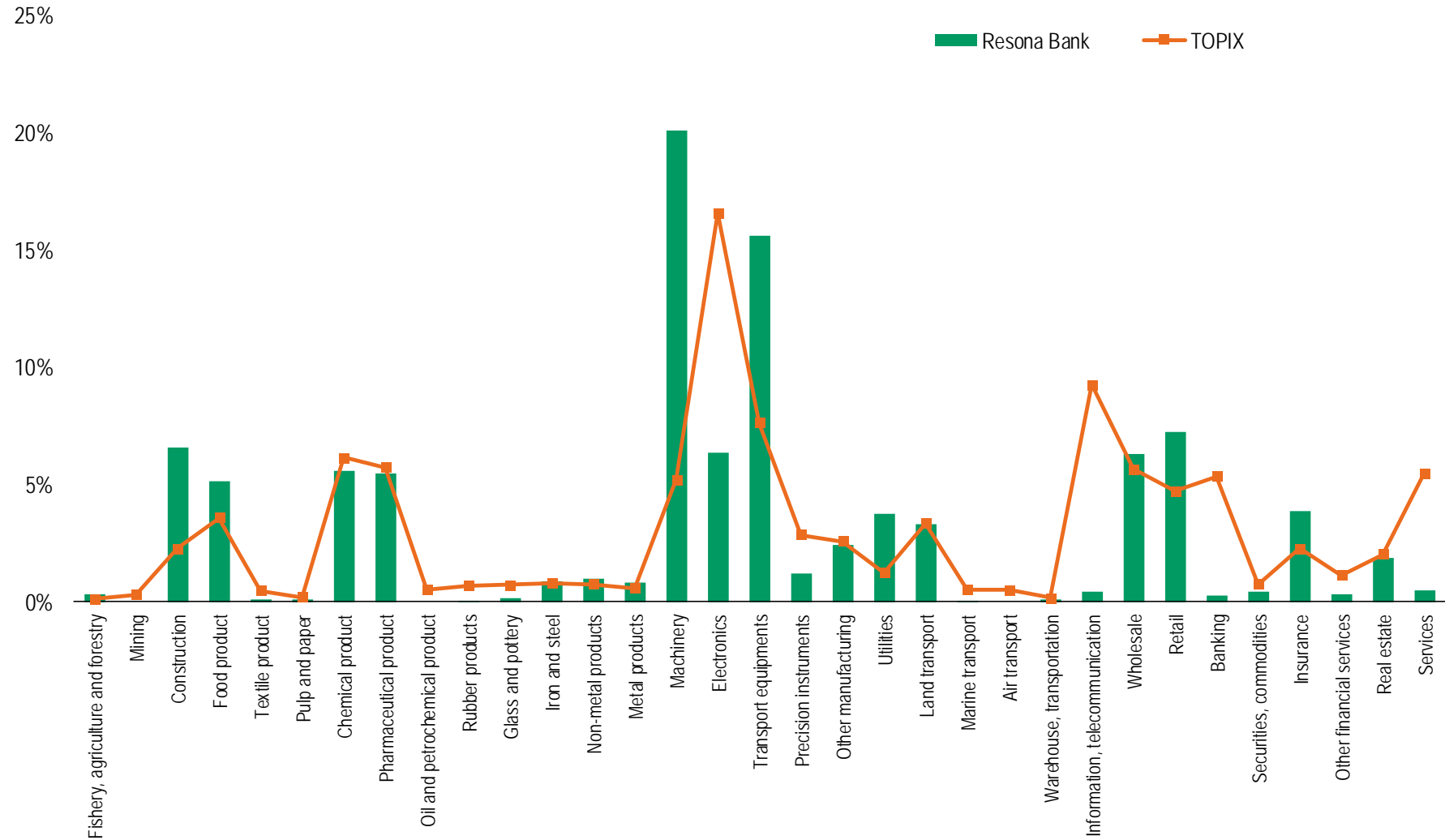
Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
P.T. Bank Resona Perdania (22)	Banking business (Indonesia)	Oldest Japan-affiliated bank in Indonesia	Resona Group 48.4% (Effective control approach)	FY'22 (Jun.30 2022)	0.0	(0.4)
P.T. Resona Indonesia Finance (23)	Leasing business (Indonesia)		Resona Group 100%	FY'22 (Jun.30 2022)	0.0	(0.0)
Resona Merchant Bank Asia (24)	Finance, M&A (Singapore)	Became consolidated subsidiary Jul. 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	FY'22 (Jun.30 2022)	0.0	(0.0)
Total					0.0	(0.4)

### Major affiliated companies accounted for by the equity method

Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
Custody Bank of Japan (25)	Trust banking business (Mainly asset administration)	One of the largest asset size in Japan	Resona Group 16.6% Sumitomo Mitsui Trust HD 33.3%	FY'22 (Sep.30 2022)	0.4	(0.1)
NTT Data Sofia (26)	IT system development	Became affiliated company accounted for by the equity method in Oct. 2017; responsible for the system development of the group	Resona Holdings 15% NTT Data 85%	FY'22 (Sep.30 2022)	0.0	(0.0)
Resona Digital I (27)			Resona Holdings 49% IBM Japan 51%	FY'22 (Jun.30 2022)	0.0	(0.0)
DACS (28)	IT system development	Became affiliated company accounted for by the equity method in Jul. 2022; DX support for Resona group and our customers	Resona Holdings 30% NTT Data 70%	FY'22 (Sep.30 2022)	0.0	-
Shutoken Leasing (29)	Leasing business	Became affiliated company accounted for by the equity method in Jul. 2018; responsible for the leasing business of the group	Resona Holdings 20.26% Mitsubishi HC Capital 70.71%	FY'22 (Sep.30 2022)	0.8	+0.0
DFL Lease (30)			Resona Holdings 20% Mitsubishi HC Capital 80%	FY'22 (Sep.30 2022)	0.3	+0.0
Total					1.8	(0.1)

\*1. Fiscal year end of the overseas subsidiaries (22)-(24) and Resona Digital I (27) are December 31. HD's consolidated business results reflect the accounts of these subsidiaries settled on Jun. 30.

# Stocks Held by Industry (September 30, 2022)



(Balance sheet amount)

# Swap Positions by Remaining Periods

- Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

(JPY bn)

		Sep. 30, 2022				Mar. 31, 2022			
		Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	(1)	400.0	580.0	300.0	1,280.0	150.0	830.0	200.0	1,180.0
Receive floating rate/ Pay fixed rate	(2)	32.0	499.7	72.3	604.1	22.5	429.8	174.4	626.9
Net position to receive fixed rate	(3)	367.9	80.2	227.6	675.8	127.4	400.1	25.5	553.0



# Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of  
Two Banks  
(RB, SR)

## Loans and bills discounted

[End of March 2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (1)		0.8%	0.9%	6.3%	14.6%	22.8%
Prime rate-based (2)		42.7%	0.0%			42.7%
Market rate-based (3)		32.8%	1.4%			34.3%
Total (4)		<b>76.5%</b>	<b>2.4%</b>	6.3%	14.6%	100.0%

Loans maturing  
within 1 year

79.0%

[End of September 2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (5)		0.9%	0.8%	6.3%	14.4%	22.6%
Prime rate-based (6)		42.1%	0.0%			42.1%
Market rate-based (7)		33.5%	1.6%			35.2%
Total (8)		<b>76.6%</b>	<b>2.5%</b>	6.3%	14.4%	100.0%

Loans maturing  
within 1 year

79.2%

[Change in 1H of FY2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (9)		+0.0%	(0.1)%	(0.0)%	(0.2)%	(0.2)%
Prime rate-based (10)		(0.6)%	+0.0%			(0.6)%
Market rate-based (11)		+0.6%	+0.2%			+0.8%
Total (12)		<b>+0.1%</b>	<b>+0.1%</b>	(0.0)%	(0.2)%	-

Loans maturing  
within 1 year

+0.2%

## Deposits

[End of March 2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits (1)</b>		42.8%	2.0%	8.0%	28.0%	<b>80.9%</b>
Time deposits (2)		9.0%	5.6%	3.7%	0.6%	19.0%
Total (3)		51.8%	7.6%	11.8%	28.6%	100.0%

[End of September 2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits (4)</b>		47.3%	1.7%	7.1%	24.5%	<b>80.8%</b>
Time deposits (5)		9.6%	5.2%	3.5%	0.7%	19.1%
Total (6)		56.9%	7.0%	10.6%	25.3%	100.0%

[Change in 1H of FY2022]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
<b>Liquid deposits (7)</b>		+4.5%	(0.2)%	(0.9)%	(3.4)%	<b>(0.1)%</b>
Time deposits (8)		+0.5%	(0.4)%	(0.1)%	+0.0%	+0.1%
Total (9)		+5.1%	(0.6)%	(1.1)%	(3.3)%	-

# Migrations of Borrowers (1H of FY2022)

■ Exposure amount basis\*1

		End of September 2022									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Potentially Bankrupt	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2022	Normal	98.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	-	0.7%
	Other Watch	9.4%	85.2%	1.4%	1.9%	0.0%	0.1%	2.0%	2.0%	0.0%	9.4%	3.5%
	Special Attention	0.7%	2.3%	82.4%	10.5%	0.7%	0.0%	3.4%	3.4%	0.0%	3.0%	11.2%
	Potentially Bankrupt	0.5%	3.6%	3.1%	87.6%	2.8%	0.6%	1.9%	1.9%	0.0%	7.2%	3.4%
	Effectively Bankrupt	0.4%	0.0%	0.0%	0.4%	86.7%	9.0%	3.4%	2.9%	0.5%	0.8%	9.0%
	Bankrupt	0.1%	0.0%	0.0%	1.7%	0.0%	86.4%	11.8%	0.7%	11.1%	1.8%	-

\*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2022 migrated to a new category as of the end of September 2022. Percentage points are calculated based on exposure amounts as of the end of March 2022. New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account. "Other" as of the end of September 2022 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

## List of Subordinated Bonds (September 30, 2022)

RB

Amount outstanding	Issue date	Maturity	Dividend rate
JPY20.0 bn	December 22, 2011	December 22, 2026	2.442%
JPY16.0 bn	March 14, 2012	March 15, 2027	2.464%

# Responses to the Ongoing International Discussion over Further Tightening of Financial Regulation

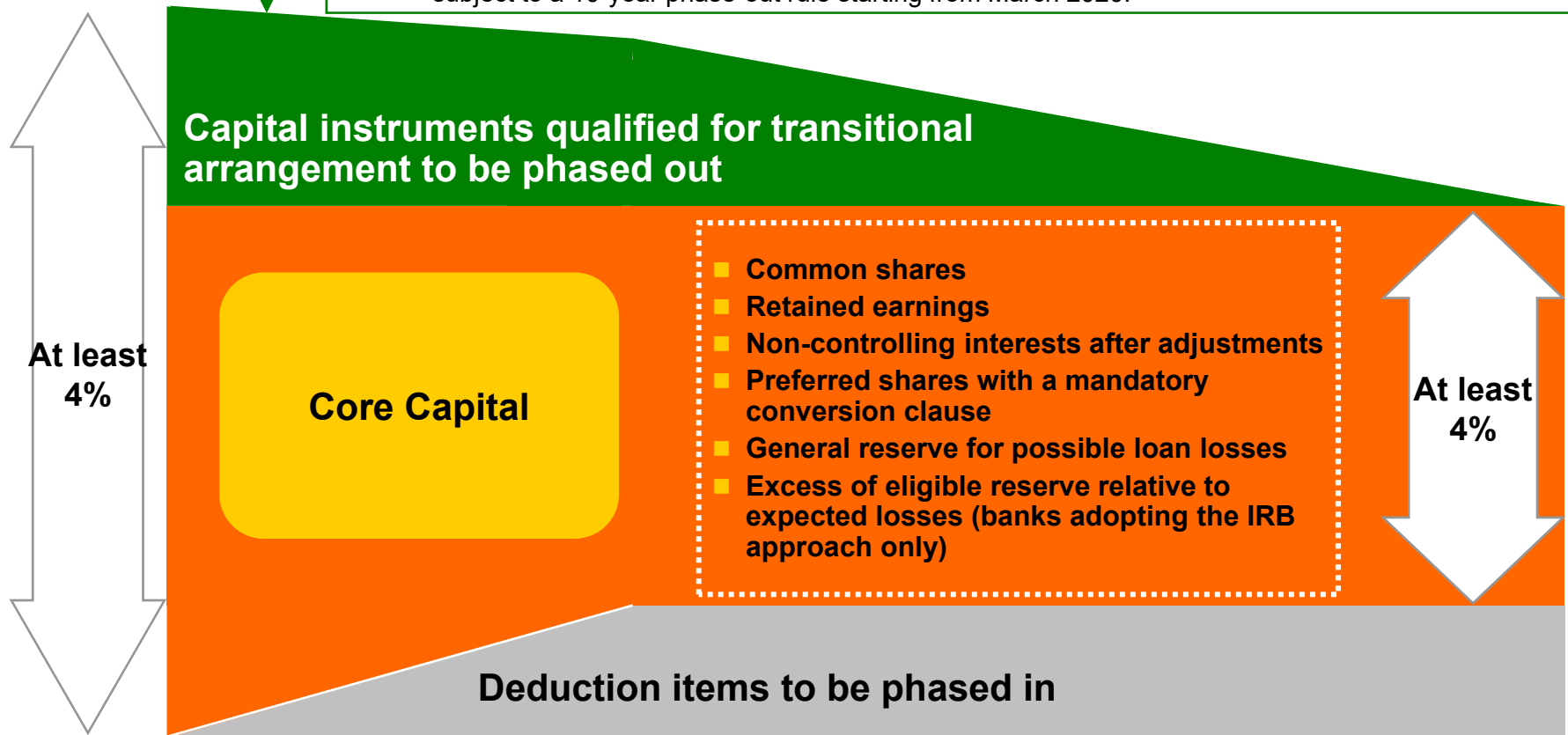
## Major items of financial regulation being discussed internationally / Impact on Resona

- There are no regulations that have a significant impact on us, including the finalization of Basel 3, and we are steadily preparing for the application of each of these regulations.

Major regulatory items	Outline of regulation	Important updates
Finalization of Basel 3 <ul style="list-style-type: none"> <li>• Review of Standardized Approach (SA) (Credit and operational risks)</li> <li>• Review of IRB approach</li> <li>• Capital floor based on SA</li> </ul>	Reviewing credit risk calculation method to enhance the risks sensitivity and improve comparability. Reviewing operational risk calculation method to reflect loss data. New capital floor rule requiring a reference to the SA (final output floor calibration : 72.5%).	<ul style="list-style-type: none"> <li>• Impact of Basel 3 finalization has already been factored into each strategy.</li> <li>• Common Equity Tier 1 (CET1) capital ratio based on finalized Basel 3 (excluding net unrealized gains on available-for-sale securities) is around 9.9%※</li> </ul> ※Trial calculation to CET1 capital ratio of 11.92% as of Sep. 30, 2022 by only taking in consideration the estimated increase in RWAs due to the finalization of Basel 3 (SA and capital floor revisions, fully phased-in basis).
Liquidity regulations (LCR/NSFR)	[LCR] Requiring banks to hold high-quality liquid assets to prepare for significant outflow of funds under a severe stress. [NSFR] Requiring banks to hold certain capital and liabilities for the risk of having illiquid assets.	<ul style="list-style-type: none"> <li>• Minimum requirements are applicable to banks subject to the International standard.</li> </ul>
Leverage ratio	Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.	
IRRBB (Interest rate risk in the banking book)	To strengthen the interest rate risk management by measuring the decline in economic value of equity ( $\Delta$ EVE) and net interest income ( $\Delta$ NI) under certain interest rate shock scenarios.	<ul style="list-style-type: none"> <li>• Pillar 2 regulation. The threshold of <math>\Delta</math>EVE is set at within 15% of Tier 1 capital (in case of domestic standard banks, within 20% of Total capital), the figures are within the threshold.</li> </ul>
Derivatives-related (Margin requirements, SA-CCR, CVA, etc.)	Requiring banks to pay/receive margins for OTC derivatives not to be cleared by CCP, reviewing the calculation method of derivatives exposure and CVA.	<ul style="list-style-type: none"> <li>• Resona is subject to variable margin requirements from Mar. 2017. Initial margin requirements are introduced from Sep. 2022.</li> <li>• Adoption of SA-CCR (Standardized Approach) and regulatory accounting CVA is under preparation for introduction.</li> </ul>
Various capital buffers G-SIBs/D-SIBs, TLAC	Capital buffer requirements include capital conservation buffer, counter-cyclical buffer and SIBs' buffer. TLAC requires banks to hold additional capacity to absorb loss.	<ul style="list-style-type: none"> <li>• Capital buffers are applicable to G-SIBs/D-SIBs, and banks subject to the International standard. TLAC is applicable to G-SIBs and other.</li> </ul>
Discontinuation of LIBOR (London Interbank Offered Rate)	Major tenors in the U.S. dollar LIBOR will be discontinued at the end of Jun. 2023, and other LIBOR will be discontinued at the end of Dec. 2021.	<ul style="list-style-type: none"> <li>• We are proceeding with the transition from LIBOR, such as contract changes with customers, etc.</li> </ul>

# Outline of Eligible Capital under the Japanese Domestic Std.

- **Subordinated debts, preferred securities and non-convertible preferred shares**
  - Subordinated debts and preferred securities issued under the Basel 2 can be fully included in Core Capital as of the end of March 2014. These grandfathering items are subject to a 10-year phase-out rule starting from March 2015.
  - Non-convertible preferred shares\*1 can be fully included in Core Capital until March 2019 and will be subject to a 10-year phase-out rule starting from March 2020.



- **Investments in other financial institutions, DTA, intangibles, retirement benefit-related assets, etc.**  
(No deduction as of March 2014 and thereafter subject to a 5-year phase-in rule)

Mar. 2014

Mar. 2019

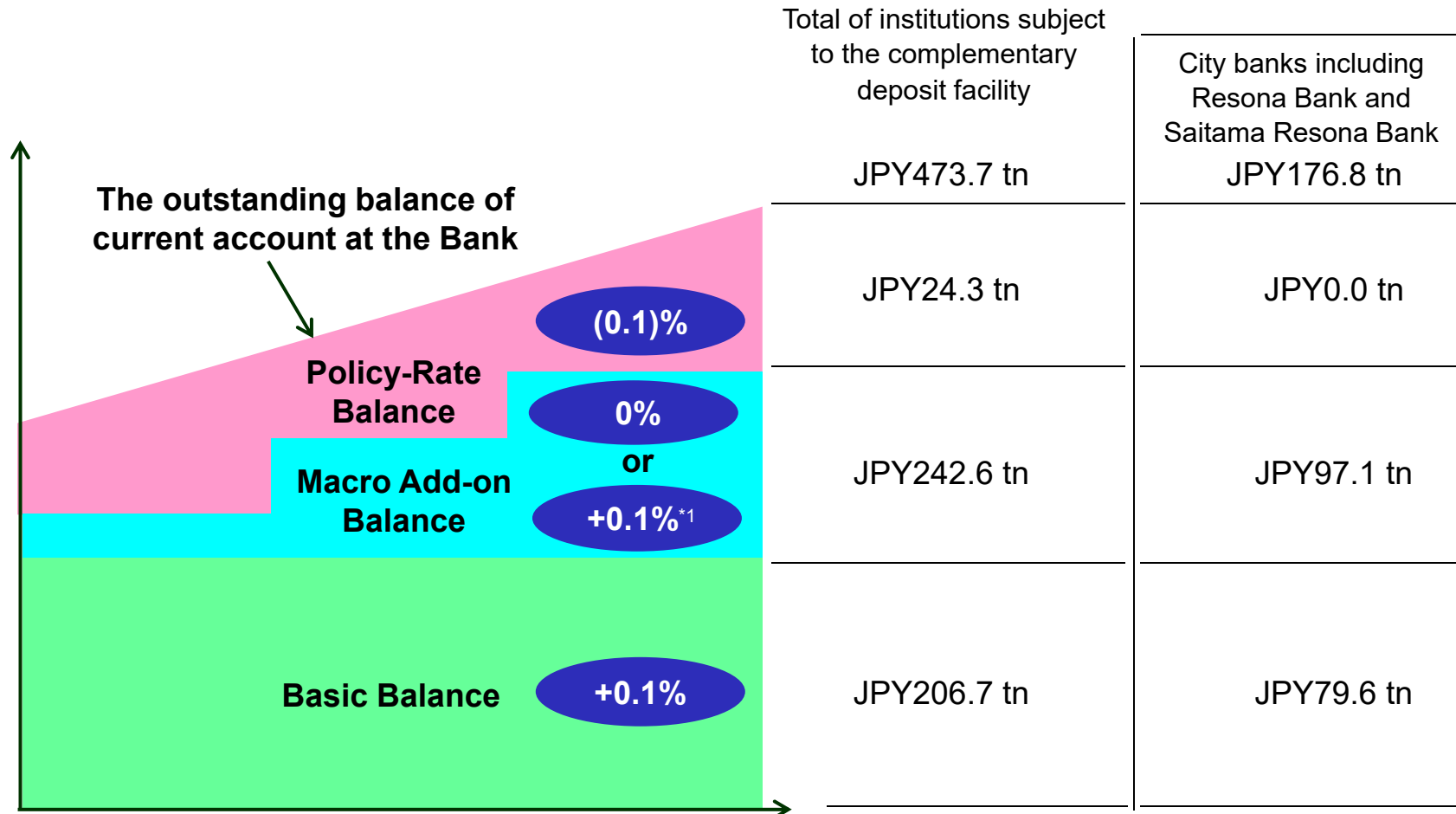
Mar. 2024

Mar. 2029

\*1. Non-cumulative preferred shares other than those with a mandatory conversion feature

# BOJ Current Account Balances

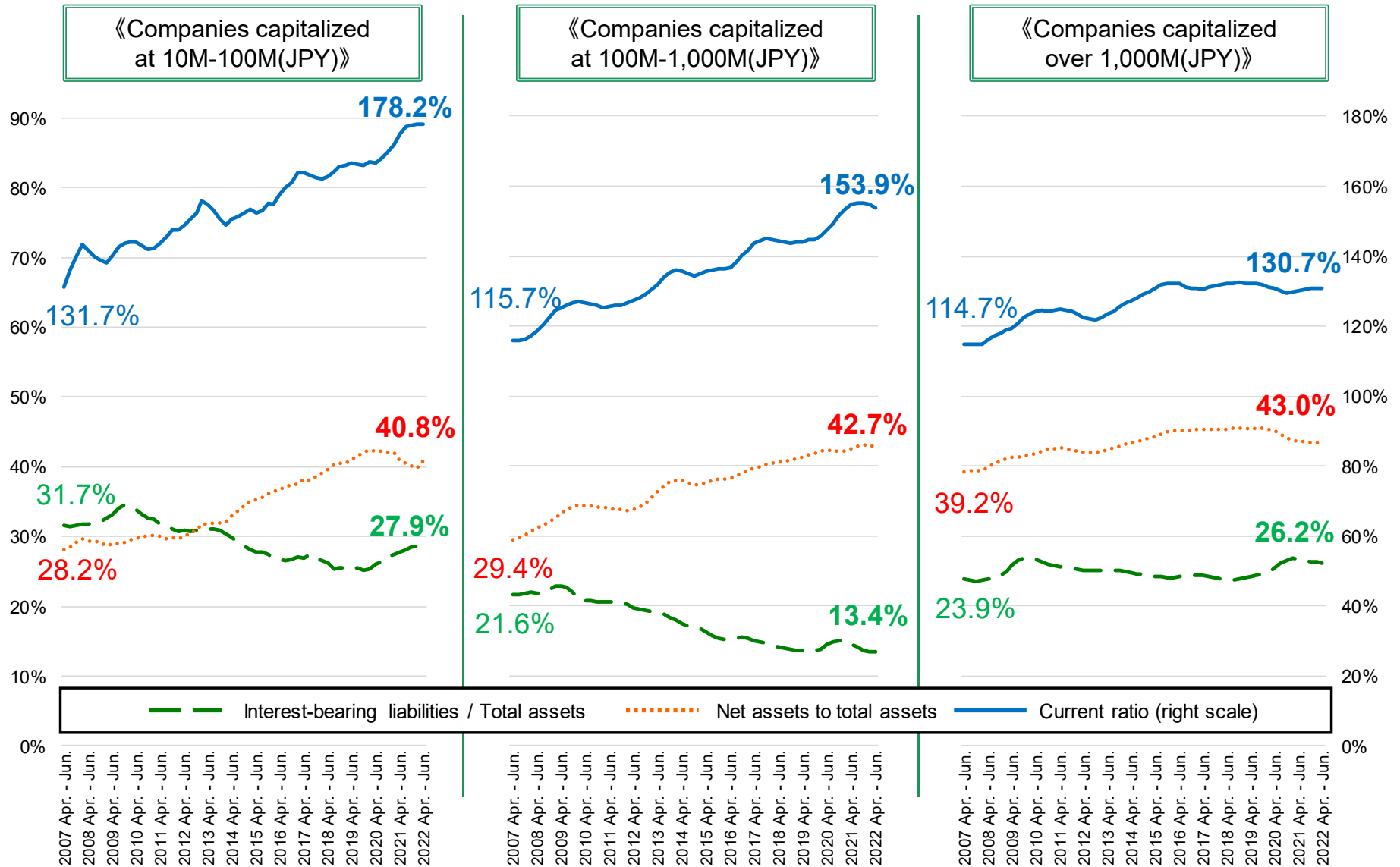
Monthly average balance of BOJ current account  
(16 September -15 October)



\*1. A part corresponding to the amounts outstanding of loans from BOJ provided through special funds-supplying operations to facilitate financing in response to the novel coronavirus \*2. Source: Bank of Japan

# Stability Ratios of Japanese Companies

## Trends in stability ratios of Japanese companies\*1



\*1. Financial Statements Statistics of Corporation (4 quarters moving average)

# Long Term Business Results

		3 banks (RB,SR,KO)					After KMFG integration						
		(JPY bn)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019	FY2020	FY2021
PL	Consolidated	Gross operating profit	637.1	608.5	632.4	619.5	563.1	552.5	661.3	644.1	658.6	639.1	<b>601.9</b>
		Net interest income	443.0	430.0	425.9	401.3	377.9	368.3	454.2	435.9	431.1	417.4	<b>429.1</b>
		Fee incomes <sup>*1</sup>	150.6	158.7	169.2	168.7	160.6	168.0	187.7	193.8	190.2	191.4	<b>208.3</b>
		Operating expenses	(361.6)	(348.4)	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)	(426.5)	(425.8)	<b>(427.2)</b>
		Net gains/(losses) on stocks	(7.5)	22.6	44.5	(6.5)	25.1	16.7	21.4	10.1	0.5	46.9	<b>45.5</b>
		Credit related expenses	13.0	26.4	22.3	(25.8)	17.4	14.7	10.1	(1.3)	(22.9)	(57.4)	<b>(58.7)</b>
		Net income attributable to owners of parent	275.1	220.6	211.4	183.8	161.4	236.2	244.2	175.1	152.4	124.4	<b>109.9</b>
BS	Total of group banks	Term end loan balance	26,682.1	26,986.0	27,755.5	27,932.1	28,412.0	28,992.1	35,478.5	36,282.9	36,738.2	38,942.3	<b>39,617.0</b>
		Loans to SMEs and individuals	22,659.5	22,912.6	23,454.9	23,645.8	24,163.8	24,728.4	30,473.3	31,161.3	31,318.9	32,407.7	<b>32,730.0</b>
		Housing loans <sup>*2</sup>	12,651.9	12,918.3	13,125.0	13,188.0	13,356.3	13,331.6	15,968.5	16,223.1	16,342.6	16,610.7	<b>16,735.4</b>
		Residential housing loans	9,441.3	9,705.2	9,905.1	10,015.1	10,218.6	10,267.5	12,374.7	12,683.6	12,912.2	13,321.5	<b>13,562.2</b>
		NPL ratio	2.06%	1.74%	1.51%	1.51%	1.35%	1.18%	1.26%	1.18%	1.14%	1.12%	<b>1.32%</b>
		Stocks (Acquisition amount basis)	336.9	331.6	330.6	351.5	348.3	343.8	365.4	353.8	336.9	325.2	<b>305.9</b>
		Unrealized gains/(losses) on available-for-sale securities	257.5	332.8	573.1	460.1	555.4	649.4	672.8	598.3	420.7	615.3	<b>521.2</b>
Business	Total of group banks	Balance of Investment products sold to individuals	3,492.5	3,538.9	3,791.5	3,751.7	3,645.7	3,618.6	4,569.7	4,762.3	4,585.8	5,128.7	<b>5,564.5</b>
		Investment trust/ Fund wrap	1,951.9	1,915.3	2,070.9	1,871.1	1,759.3	1,733.7	2,178.4	2,222.4	2,017.0	2,533.1	<b>2,845.7</b>
		Insurance	1,540.6	1,623.5	1,720.6	1,880.6	1,886.3	1,884.9	2,391.2	2,539.8	2,568.7	2,595.6	<b>2,718.7</b>
		Housing loan <sup>*2</sup>	1,559.5	1,478.6	1,352.9	1,292.7	1,481.4	1,174.9	1,418.4	1,577.7	1,506.3	1,506.0	<b>1,421.2</b>
		Residential housing loans	1,225.5	1,162.3	1,042.2	1,011.7	1,198.7	939.0	986.6	1,225.5	1,232.7	1,314.1	<b>1,225.3</b>
		Real estate business (Excluding equity)	7.8	8.3	11.2	13.5	13.7	13.1	13.1	13.3	12.5	10.6	<b>13.5</b>
Remaining public fund balance			871.6	356.0	128.0	Fully repaid in June 2015							

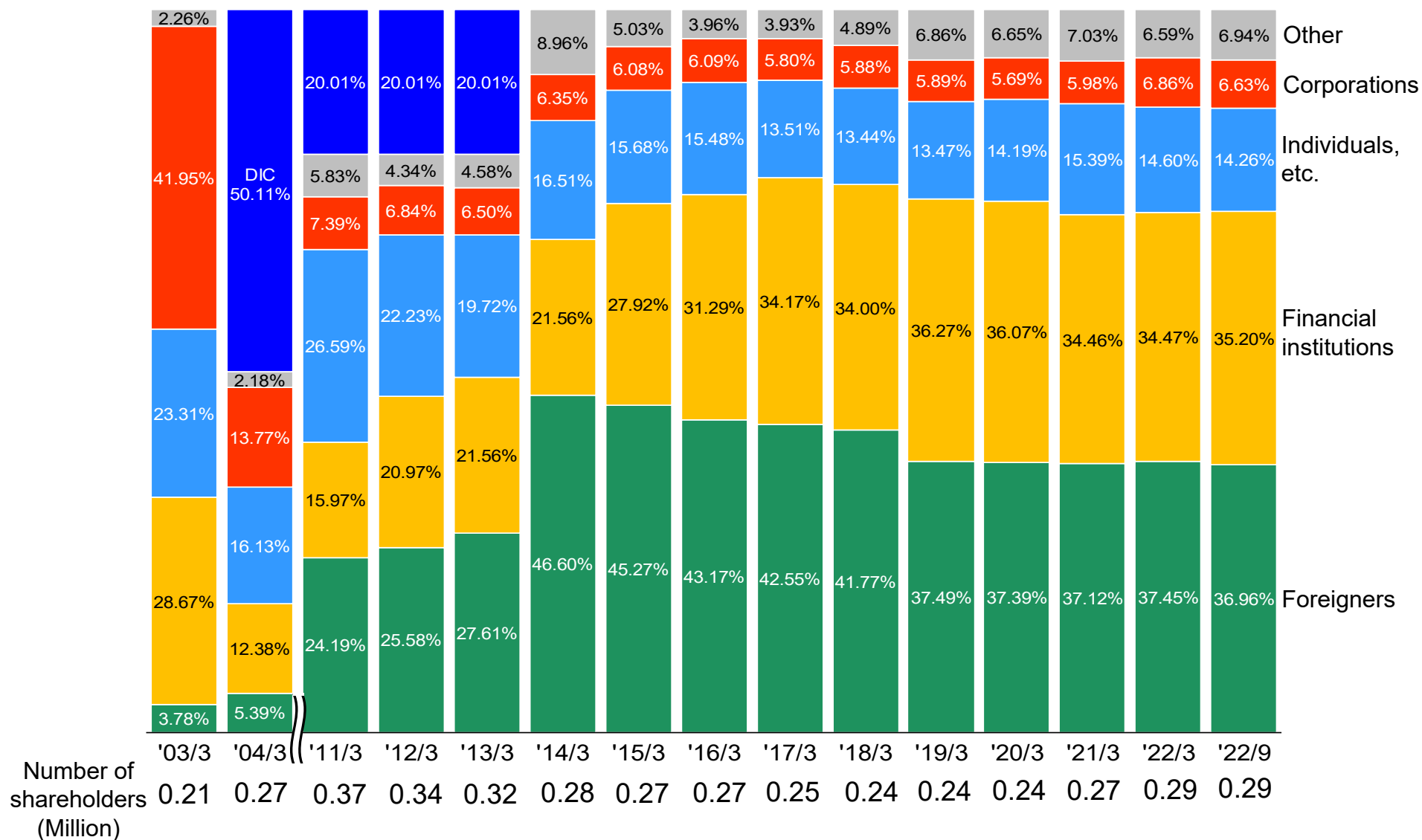
\*1. Fees and commissions income plus trust fees \*2. Includes apartment loans (Origination includes Flat35)



## Credit Rating Information (Long Term)

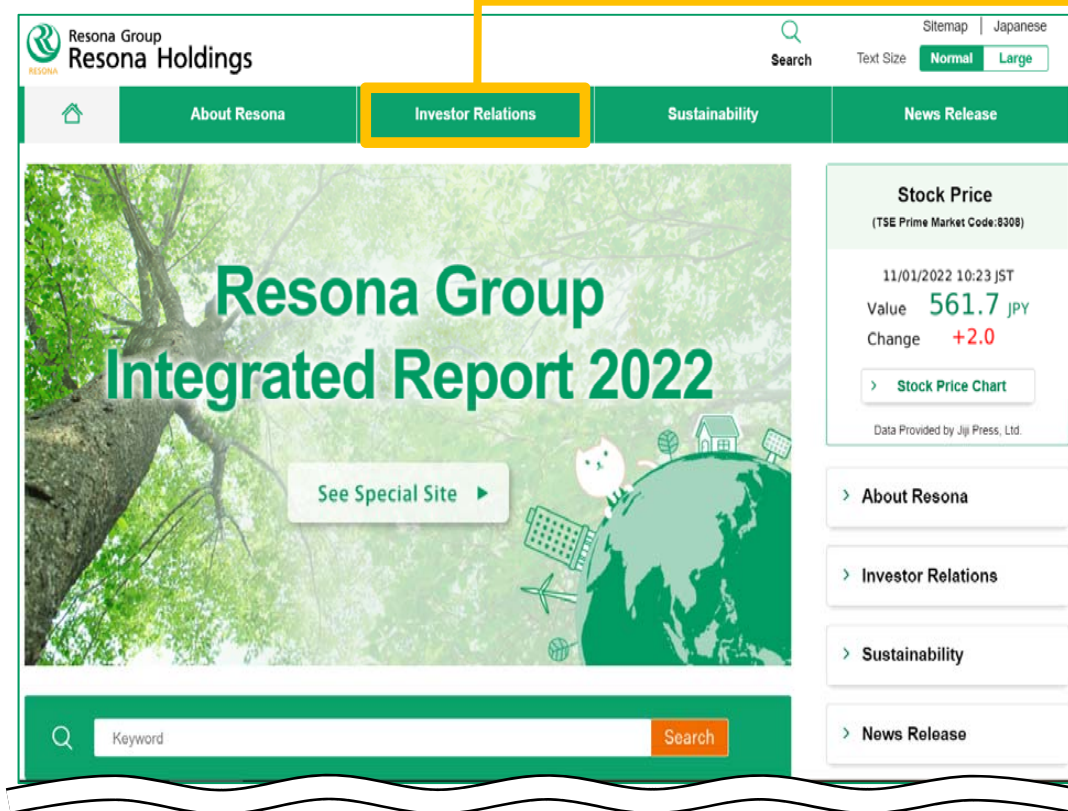
	Moody's	S&P	R&I	JCR
<b>Resona Holdings</b>	-	-	A	-
<b>Resona Bank</b>	A2	A	A+	AA-
<b>Saitama Resona Bank</b>	A2	-	A+	AA-
<b>Kansai Mirai Bank</b>	-	-	-	AA-
<b>Minato Bank</b>	-	-	-	AA-

# Composition of Resona HD's Common Shareholders



# Proactively Communicating with Our Shareholders and Investors

## Resona Group Website



### [Investor Relations]

- View IR presentation materials from here



**Usability and sufficiency of information of IR site are highly evaluated**



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