

June 1, 2023

To whom it may concern

Resona Holdings, Inc.

Our views on the ISS reports

Resona Holdings, Inc. (President and Representative Executive Officer: Masahiro Minami, hereinafter the “Company”) has posted a “Notice of Convention” on the Company's website on May 26, 2023, regarding the Agenda “Election of Twelve (12) Directors: Candidate No. 1, Masahiro Minami” at the 22nd Annual General Meeting of Shareholders scheduled to be held on June 23, 2023. The Company obtained information that the proxy advisory firm, Institutional Shareholder Services, Inc. (hereinafter “ISS”), recommends voting against the Agenda.

We would like to present our views on ISS's recommendation to vote against the proposal as set out below. We would appreciate if our shareholders could read the Notice of Convention of the Ordinary General Meeting of Shareholders of the Company together with this release to be better informed about our proposal.

1. Details of the ISS recommendation to vote against the proposal

ISS has established quantitative guidelines stating that it recommends voting against the election of the top management as directors if the value of the cross shareholdings by the company concerned amounts to 20% or more of the consolidated net assets. In this particular case, ISS is recommending against the election of Masahiro Minami, a candidate for director, because the cross shareholding ratio of the Company conflicted with the abovementioned quantitative guidelines.

2. Our views

Masahiro Minami has wealth of business experience at corporate administration divisions and others as well as managerial experience as the head of the omni channel strategy divisions of the Company and Resona Bank, Ltd. The Company proposes him as a candidate for director, expecting that he will continue to contribute to continuous growth of the group

and increase in corporate value on a medium- to long-term basis as the person with ultimate responsibility over business operations, and to receive the continued benefit of his experience and expertise in supervising the operation of the Company.

ISS has recommended to vote against the proposal because of the high ratio of our holdings of the policy-oriented stocks. However, our basic policy is to continue to reduce the balance of the policy-oriented stocks, taking into account changes to the business environment such as the Corporate Governance Code. Resona group has been negotiating with customers, trying to reduce the balance of the policy-oriented stocks, and has made efforts to lessen the risk of price volatility.

More specifically, as part of the financial reforms since the injection of public funds in 2003, the Company has reduced the policy-oriented stocks by approximately 1 trillion yen thereby making efforts to lessen the risk of price volatility ahead of other companies.

In recent years, the Company proceeded with further reductions of balances. In May 2022, the Company announced the current reduction plan (20.0 billion yen per year in the amount of reduction), accelerating the pace of reduction from the second preceding reduction plan (7.0 billion yen per year in the amount of reduction) and the preceding reduction plan (10.0 billion yen per year in the amount of reduction). The current plan aims to reduce 80.0 billion yen during four years from April 2022 to March 2026.

The amount of reduction during the fiscal year ended March 2023, which is the first year under the current plan, was 22.0 billion yen which marks 27.5% of the amount under the plan for four years. That amount also represents 110.1% of the 20.0 billion yen which is the average of four years for reduction. The balance at the end of March 2023 has decreased to 283.8 billion yen, less than 300.0 billion yen. The Company will make further efforts to reduce the balance.

Since assuming the office of President and Representative Executive Officer of Resona Holdings, Masahiro Minami has led the group toward the reduction of the policy-oriented stocks and achieved the previous reduction plan ahead of the schedule. In May 2022, the Company formulated and announced the current reduction plan that doubles the pace of reduction. We recognize that the current pace of reduction achieved in the plan exceeds the expectations as a result of the Group's concerted efforts under his strong leadership. In addition, the persistent dialogue with the issuers of the policy-oriented stocks has helped to foster awareness and understanding toward reduction, such as by responding to the Corporate Governance Code, etc., and we are making progress in reducing the balance.

It is common understanding of the group management and the board of directors of the Company that it is necessary to continue such efforts in the future.

*Details of the measures to reduce policy-oriented stocks can be found in the pages 13 to 17 of the “Business Report for the 22nd Term” (the following link). Please refer to the report for “(a) Policies on Policy-oriented Stocks”, “(b) Verification Process for Value of Holding of Policy-oriented Stocks”, “(c) Basic Concepts on Exercise of Voting Rights” and “(d) Status of Reduction in Policy-oriented Stocks”.

<https://www.resona-gr.co.jp/holdings/english/investors/stock/meeting/pdf/report20230526.pdf>

[Reference information] Composition of the board of directors, etc.

The Company continues to have a governance system centered on highly independent outside directors. For reference, the composition of the board of directors is described below.

Of the total 12 candidates for directors, 8 are independent outside directors and 4 are internal directors, and the ratio of outside directors is 66.6 percent. Also, 9 are male and 3 are female, and the ratio of female candidates is 25 percent.

In addition, Fumihiko Ike (Candidate No. 8), an independent outside director, is expected to continue to be appointed as chairperson of the board of directors.

* The materials related to the 22nd Ordinary General Meeting of Shareholders are posted on the following website:

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

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