

Basic Approach to CSR Management

Relationship between Corporate Mission, Corporate Promises and CSR Policy

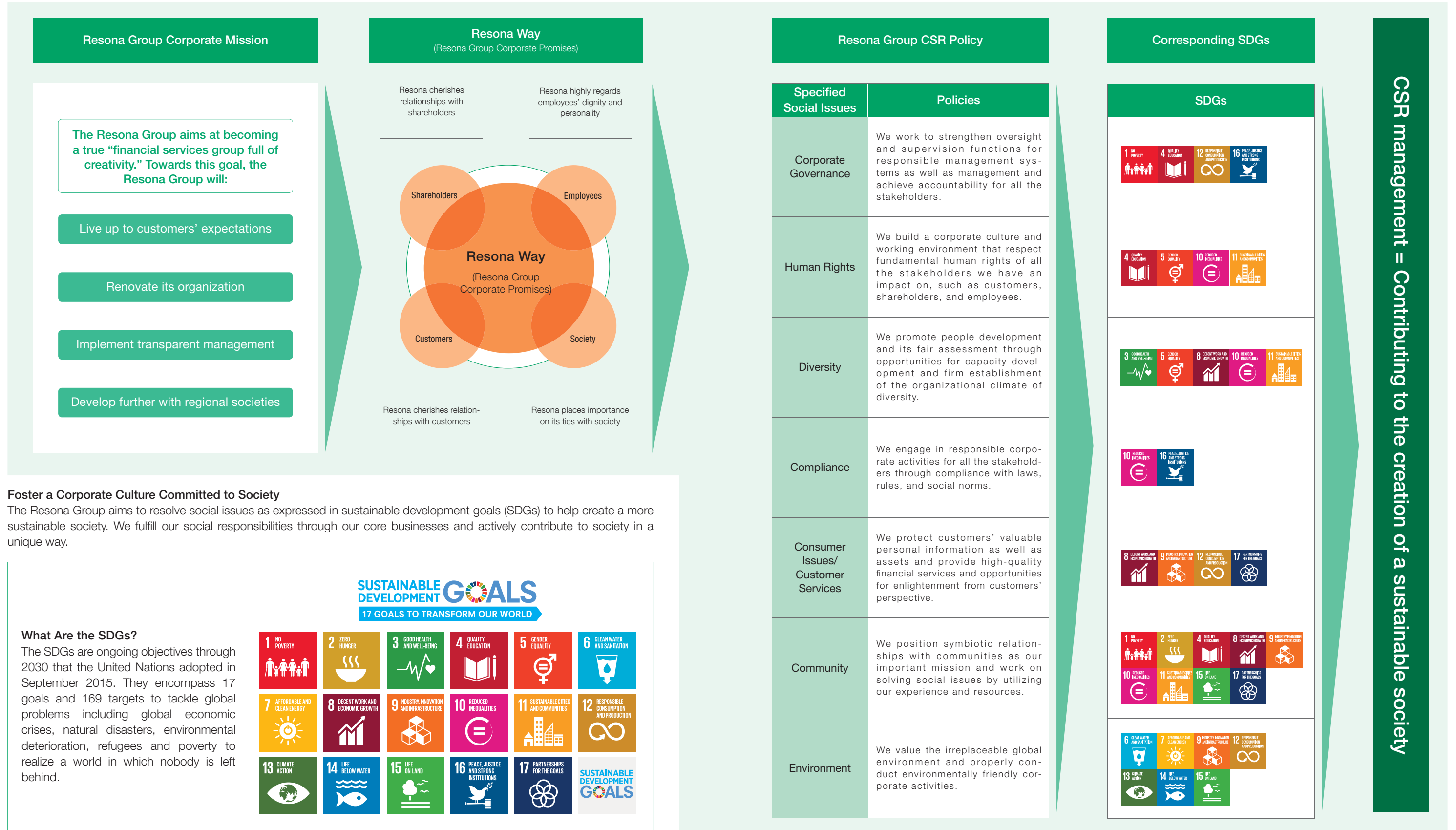
The Resona Group sees CSR management as contributing to the creation of a sustainable society. The Group's Corporate Mission embodies the orientation of all officers and

employees and expresses the values we should share. The Resona Way (Resona Group Corporate Promises) shapes our fundamental ideals (please refer to page 3). Our Corporate Mission and Corporate Promises represent our stance toward corporate social responsibility (CSR). The Group

defines its CSR Policy in line with the core precepts of the international standard ISO 26000 in seven clearly specified social issues.

Linkage between the Resona Group CSR Policy and the SDGs

We examined the Resona Group CSR Policy from the perspective of the SDGs and reaffirmed the direction the Resona Group should take.



Priority CSR Issues (Materiality)

Priority CSR Issues for the Resona Group

We identified and began implementing initiatives unique to the Resona Group in four priority areas – Community, Next Generation, Diversity and Environment – to meet society’s expectations for CSR, helping to create a sustainable society and increasing corporate value.



Community

Bringing communities and people together



Next Generation

Nurturing the next generation for the future



Diversity

Respecting diverse beliefs

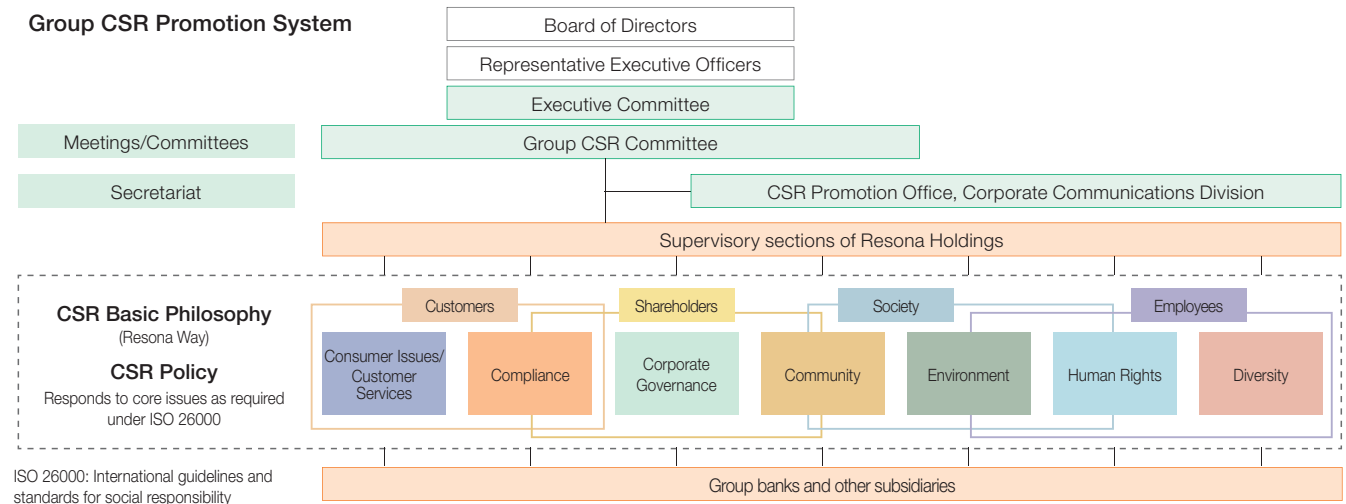
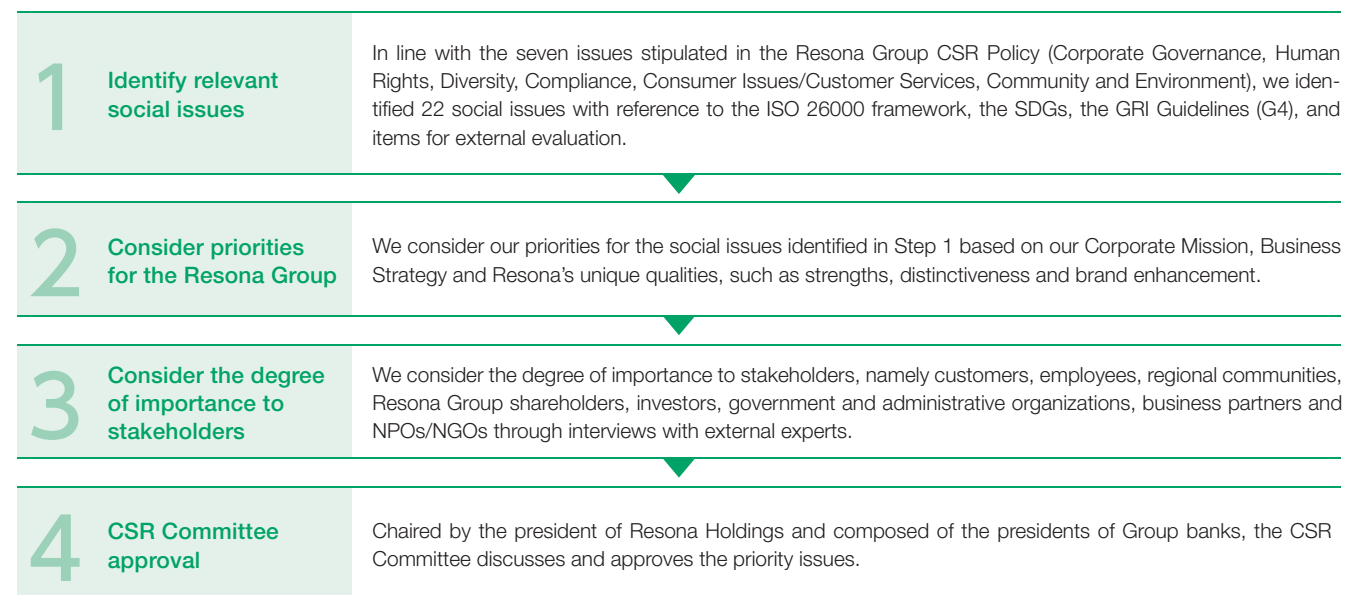


Environment

Creating a pleasant environment for people and the planet

Identifying Priority Issues

The Resona Group used the following four steps to identify its priority issues. We also periodically review our priorities and their order of precedence in line with changes in society and our business strategies.



Priority Issue 1



Bringing communities and people together

We contribute to communities and people by providing funds and financial services through our core businesses and Group network.

Contribution to Revitalizing Regional Economies

The Resona Group follows its Corporate Mission – To Develop Further with Regional Societies – by consistently providing capital and high-quality financial services to regional customers. The Group also uses its network to conduct seminars, fairs and other events that create new business opportunities and employment.

“Meet Up Kansai” helps young people build the future with their ideas
(Resona Bank, Kinki Osaka Bank)



We use the fresh ideas of young people to solve the social problems that local companies and governments face in creating new business in the Kansai area.

“Thailand Economic Seminar”
(Saitama Resona Bank)



We are building connections between Southeast Asian and local businesses to provide more opportunities for overseas growth.

“Fundamentals of Entrepreneurship”
(Kinki Osaka Bank)



We provide solid support for developing the talent who will create new industries through regular and expanded entrepreneurship classes.

Employee Participation in Community Building

Employees voluntarily participate in community events and volunteer activities in line with the issues and circumstances specific to each region. These activities also create organizational solidarity and a greater sense of unity among employees.

“Re: Heart Club,” the Group volunteer organization run by employees (Resona Group)



“Re: Heart Club” has conducted a variety of community, environmental and other volunteer activities since its establishment in 2012.

“Buy and Support! Kumamoto Support Project”

“The Buy and Support! Kumamoto Support Project” resulted from the goodwill of employees to support producers affected by the Kumamoto Earthquake. The project helped support reconstruction through purchases of products made in Kumamoto Prefecture, and 805 Group employees participated.



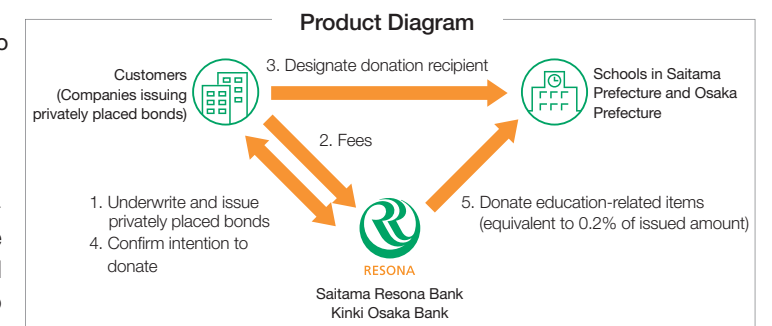
Producers in Kumamoto Prefecture

Social Contribution through Our Core Businesses

We use our financial products to help our customers more easily contribute to the community.

- **Passport to Tomorrow:** Privately placed bonds to nurture the next generation (Saitama Resona Bank)
- **MyDo:** Privately placed CSR bonds (Kinki Osaka Bank)

We help customers raise money and simultaneously support the community by using a portion of the fees received by Group banks to issue privately placed bonds to purchase school supplies and donate them to local schools.



Priority Issue 2



Nurturing the next generation for the future

We are taking approaches unique to a financial services company in nurturing the next generation, including passing on assets to the next generation through financial products and services, and the dissemination of financial knowledge.

Contributing to Improving Financial Literacy

Acquiring sound financial knowledge and the ability to make appropriate financial decisions are increasingly important for young people given the growing sophistication and complexity of personal finance options. The Resona Group empowers young people to be more independent, reassured and affluent in their daily lives by leveraging its strengths and resources to provide financial and economic education through programs such as “Resona Kids, Money Academy,” “Economics Koshien, Workplace Experience,” and “School Visit.”

“Resona Kids’ Money Academy” is a financial and economic education activity for children. (Resona Bank, Saitama Resona Bank, Kinki Osaka Bank)



Over 29,000 students have participated in this program since its launch in 2005.

“Resona Kids’ Money Academy” has received external recognition.

This activity, which has been nurturing children in cooperation with communities for twelve years, received several awards in 2016.

- 14th Corporate Philanthropy Award, sponsored by the Japan Philanthropic Association
- Award for Companies Promoting Experience-based Learning Activities for Youth, sponsored by the Ministry of Education, Culture, Sports, Science and Technology



Supporting Children in Making Their Dreams Come True

We help children reach their full potential and achieve their dreams.

“Resona Day Camp” (“Resona Foundation for Future”)



We established the “Resona Foundation for Future” so that the children responsible for the next generation will not give up on their dreams due to economic reasons. “Resona Day Camp” encouraged interaction among volunteers and the parents and children of single-parent families.

Award ceremony and exhibition of All Japan Culture Festival for Schools for the Disabled (Resona Group)



Resona Holdings holds an award ceremony at its Tokyo head office, and exhibits works at the head offices of each Group bank in Tokyo, Osaka and Saitama.

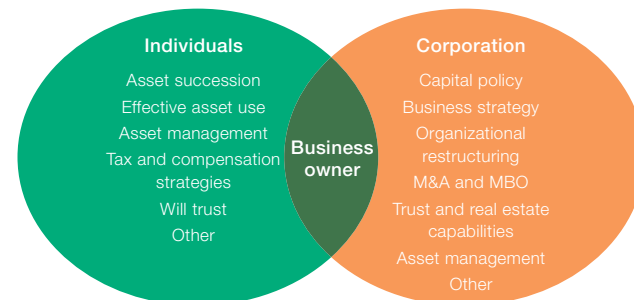
Support for the Succession of Assets and Businesses to the Next Generation

With the social issue of inter-generational succession of assets and businesses coming to the fore because of Japan’s super-aging society, the Group provides meticulous support by leveraging its financial and trust banking capabilities to create a social environment that enables smooth and steady succession.

Asset Succession Trust “My Trust Mirai Anshin Zu” (My Trust for Future Peace of Mind)



This trust helps protect funds and secure the future for our customers and their loved ones.



Resona business succession consulting (Resona Bank, Saitama Resona Bank, Kinki Osaka Bank)

We provide trust products such as trust for transfer of own company stock and leverage many years of experience and expertise in real estate brokerage business to give advice so that succession is smooth.

Priority Issue 3



Respecting diverse beliefs

We promote diversity within the Group and also help create a society where diverse people can excel in ways such as supporting human resource deployment for our corporate customers.

Projects Led by Female Employees

Female employees lead projects to help the Resona Group be the financial services company most supported by customers.

Resona’s “My Strength Project” (Resona Group)



“Cannael,” a loan for women that supports their aspirations for the future



“Body Revolution,” a new health insurance product based on Healthy Life Expectancy Guidelines

We embrace the power of women as consumers, creators and economic influencers by providing original financial products and information from a unique Resona perspective.

Resona Women’s Council, an advisory body directly reporting to management (Resona Group)



Since it was organized in April 2005, the Resona Women’s Council has made suggestions to top management regarding the creation of work environments in which everyone can have a long career and support for career development. This had led to institutional reform.

Helping Corporate Customers Promote Diversity

As lifestyles evolve and the world becomes increasingly borderless, we are tasked with developing talent and creating a working environment that benefits from diverse beliefs and creativity. The Group is implementing various initiatives to push forward with the creation of such an environment.

“Re: Woman’s Meeting 2017” (Resona Bank, Saitama Resona Bank, Kinki Osaka Bank, Resona Research Institute)



We held a seminar to support the career development of women and an event to support product development at SMEs incorporating the views of female focus groups at the same time.

Monitoring event for inbound tourists (Resona Bank, Saitama Resona Bank, Kinki Osaka Bank)



This event provided a valuable opportunity for companies to listen to foreign consumers, and for foreigners to directly experience Japanese corporate culture.

External Recognition of Diversity (Year ended March 2017)

Acquired L Star certification based on the Act of Promotion of Women’s Participation and Advancement in the Workplace

Certified companies: Resona Bank, Saitama Resona Bank and Kinki Osaka Bank



L Star certification is based on the Act of Promotion of Women’s Participation and Advancement in the Workplace and certifies that the recipient company has created a work environment that enables women to excel. Resona Bank and Saitama Resona Bank have acquired Level 3 certification, and Osaka Kinki Bank has acquired Level 2 certification.

Selected as a Nadeshiko Brand

(Ministry of Economy, Trade and Industry/Tokyo Stock Exchange)



The Nadeshiko Brand project selects and recognizes leading companies in terms of providing opportunities for women to work in different ways and providing support for realizing work-life balance. The Resona Group has been selected in the Banking category for three consecutive years.



Creating a pleasant environment for people and the planet

We support environmentally conscious customers by providing environmentally friendly products and services, as well as our employees who actively volunteer for environmental programs.

Initiatives to Use Financial Functions to Reduce Environmental Burden

Our investment and loan decision-making process and mindset take environmental impact into account. We provide environmentally friendly products and cooperate with governments on environmental issues to actively help customers who wish to protect the environment.

Resona's "Eco-Vision Diversity Company" loans (Resona Bank)



We cooperate with Osaka Prefecture to provide loans to support SMEs that are working on environmental and diversity issues.

Saitama "Resilience" residential housing loans (Saitama Resona Bank)



This product helps customers buying a new or existing home with a low environmental burden in the Urawa-Misono area and customers who are also considering the purchase of items such as an electric vehicle (EV), fuel cell vehicle (FCV), and energy-saving household appliances.

"Kinki Osaka Midori no Kaze Michi Building Project" (Kinki Osaka Bank)



Osaka Prefecture makes grants available for specified greenery projects within designated promotion areas, and Kinki Osaka Bank and Osaka Prefecture have concluded agreements covering issues such as providing information to promote this greenery project.

Environmental Management to Reduce Environmental Burden

We have established a Group environmental policy to clarify our approach to the environment and appropriately conduct environmentally friendly corporate activities. We also set annual Group environmental targets and have an environmental management system that uses the PDCA cycle to achieve those targets.

Setting environmental management goals (Resona Group)



Each department of the Group sets and works to achieve its own environmental targets in areas such as new product development and customer and in-house educational activities.

Saving energy and preventing global warming (Resona Group)



We are reducing power consumption with a summer dress code and leave-the-office-early days. We also reduce gasoline consumption by switching to hybrid vehicles and introducing power-assisted bicycles.

Initiatives to Protect the Local Environment

We fulfill our role as a good corporate citizen that cooperates with society through various social contribution activities related to the conservation of the natural environment and biodiversity.

"Resona no Kizuna" tree-planting program in disaster-affected areas



Since March 2013, we have been involved in protective coastal forest regeneration activities in areas that were significantly affected by the Great East Japan Earthquake.

"Nagatoro-machi Saitama Resona Flower Bed" flower-planting activities (Saitama Resona Bank)



We contribute to an environment that supports living things and parks where people can have fun.

"Kinki Osaka Bank Forest" tree-planting activities (Kinki Osaka Bank)



We are engaged in afforestation activities that contribute to the conservation of socio-ecological production landscapes (*satoyama*) and biodiversity.

Basic Agreement Concerning a Business Integration between Minato Bank, Kansai Urban Banking Corporation and Kinki Osaka Bank

On March 3, 2017, Resona Holdings, Sumitomo Mitsui Financial Group, Minato Bank, Kansai Urban Banking Corporation and Kinki Osaka Bank agreed to proceed with discussion and consideration for the purpose of a business integration of three banks: Minato, Kansai Urban and Kinki Osaka.

The integrated Group will structure a new retail financial services model that is in step with the future of the Kansai region, based on the following fundamental policies:



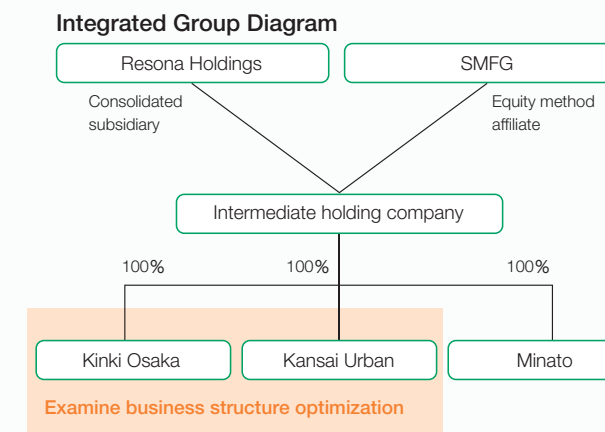
Basic Policies of the Integrated Group

- Create a new retail financial services model that is in step with the future of the Kansai region and beyond the reach of existing regional banks, while trying to further contribute to the Kansai area's customers and regional communities
- Improve productivity and enhance the capital foundation of the integrated Group through the business integration
- Develop a new corporate culture

A summary of and details for the basic agreement are as follows:

Structure of the Business Integration

- We are planning to integrate Minato, Kansai Urban and Kinki Osaka through a holding company structure whereby these banks will become wholly owned subsidiaries of the intermediate holding company to be incorporated under the umbrella of Resona Holdings.



Summary of the Integrated Group

- The Integrated Group will be one of the leading regional financial groups in Japan with a competitive and full-scale branch network (379 branches) that can be a platform for providing services to customers (mainly in Osaka, Hyogo and Shiga prefectures) in a cohesive manner. The total assets of the Integrated Group amount to ¥11.6 trillion, loans and bills discounted amount to ¥8.7 trillion, gross banking profit amounts to ¥148.2 billion and net income amounts to ¥28.1 billion.

Summary of the Integrated Group (Fiscal year ended March 31, 2017) (Billions of yen)

	Minato	Kansai Urban	Kinki Osaka	Total
Total assets (on a consolidated basis)	3,506.6	4,603.7	3,540.8	11,651.2
Loans and bills discounted (on a consolidated basis)	2,497.8	3,850.5	2,441.9	8,790.3
Deposits (on a consolidated basis)	3,140.3	4,032.3	3,229.3	10,402.0
Gross banking profit (on a non-consolidated basis)	44.1	60.7	43.3	148.2
Net income (on a non-consolidated basis)	6.6	14.0	7.5	28.1
Number of branches (including sub-branches)	106	155	118	379

Business Integration Timetable

By around the end of September 2017 (Scheduled)	Execution of the Definitive Agreement
By around the end of November 2017 (Scheduled)	Extraordinary Meeting of Shareholders for the Approval of the Business Integration
Around April 2018 (Scheduled)	<ul style="list-style-type: none"> • Delisting date from Tokyo Stock Exchange (Minato and Kansai Urban) • Completion date of the Business Integration • Listing date of the Holding Company