

Business Strategy

Asset Formation Support Business

The Resona Group will provide customers with long-term asset formation assistance tailored to individual needs. By doing so, we will address people's concerns about the future, helping resolve one of the social issues arising from a super-aging society and prolonged low-interest rate environment. We will strive to become the best partner to as many customers as possible, winning their unparalleled trust in the areas of asset formation consulting and asset management services.

Resona's strengths

- A solid asset management track record in corporate pensions
- A lineup of products and services designed with an eye to fulfilling our fiduciary duties
- A robust customer base comprising 16.0 million individual customers

Main Products and Services

Investment trusts, insurance, fund wraps, individual defined contribution pension plans (iDeCo), foreign currency deposits, and money held in trust accounts



Settlement Business

The emergence of a digital society, in which all goods, activities and information are digitalized and connected via the Internet, is expected to prompt radical changes in the settlement field. Furthermore, the Japanese government's Growth Strategy 2018 specifies the promotion of fintech and a cashless society as one of its priority fields in order to resolve social issues such as labor shortages and the need for the revitalization of regional society and improvement of Japan's overall economic productivity. Through its settlement business, the Resona Group helps corporate customers resolve their management issues while providing individual customers with the convenient settlement services.

Resona's strengths

- A robust customer base comprising 500,000 corporate customers and 16 million individual customers
- A strategic business alliance independent of capital ties

Main Products and Services

Transfers, bank transfers and electronic banking, debit cards, credit cards, multi-digital wallets, and retail outlet services



In Japan, 52% of financial assets held by individuals are accounted for by cash and deposits. With this in mind, the future aging of society is expected to prompt a growing customer need for asset management and private pension plans. In response, the Resona Group will take advantage of its asset management capabilities backed by its track record in corporate pension asset management, rallying the Group's resources to deliver products and services designed to accurately meet the needs of customers.

As of March 31, 2019, the value of investment trust assets managed by Resona Asset Management amounted to ¥603.9 billion, showing steady growth.

Also, the balance of the "Resona Fund Wrap,"¹ which was released in February 2017, totaled approximately ¥350.0 billion as of March 31, 2019. More than half of the customers who opened these fund wrap accounts did not have a balance in any of the Resona Group's investment trusts. In addition, while around half of the customer funds used to purchase the product were from deposits in Resona Group accounts, approximately 40% were from external sources other than such accounts. These facts

indicate that the fund wrap is attracting new customers to the Group. Also, when global stock prices plunged toward the end of 2018, the fluctuations in the Resona Fund Wrap's standard prices remained relatively small. We are therefore confident that the product's medium- to long-term asset formation capabilities were well understood by our customers.

In addition, the number of customers who enrolled in iDeCo,² which focuses on assisting employed persons in their asset formation, stood at 99,000 as of March 31, 2019, representing year-on-year growth of 24,000.

Looking ahead, the Resona Group will consolidate pension asset management functions now under Resona Bank into Resona Asset Management. This move is intended to enable us to develop investment trusts that take advantage of the strong asset management capabilities formerly possessed by Resona Bank's trust divisions that have long positive track records in pension asset management. This functional consolidation will allow us to roll out products targeting investment professionals to retail customer segments by fully employing our asset management capabilities.

In Japan, the proportion of cashless settlements (approximately 20%), is relatively low compared with other industrialized nations. However, the Japanese government aims to raise this proportion to 40% by 2025 in conjunction with Expo 2025 Osaka, Kansai, Japan. In addition, consumption tax hikes scheduled for October 2019 are expected to result in the launch of a number of cashless transaction-related and other consumer benefit campaigns, serving as a tailwind to the expansion of the cashless market. Against this backdrop, the Resona Group will provide cutting-edge settlement functions to contribute to the reduction of social costs in addition to helping enhance the convenience and productivity of corporate and individual customers.

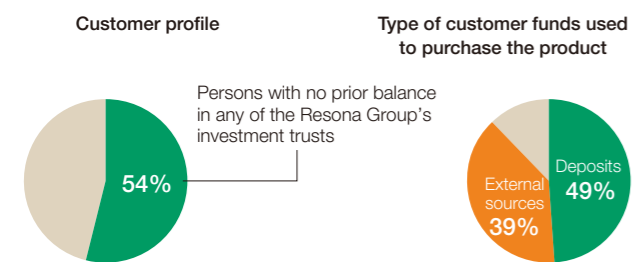
The Resona Cashless Platform (RCP), which was released in November 2018, garnered favorable reviews for its budget-friendliness in terms of initial costs and a versatility that allows multiple settlement methods to be handled through a single terminal. As of June 30, 2019, approximately

110 corporate customers have applied to RCP, and about 7,000 stores are planning to introduce it.

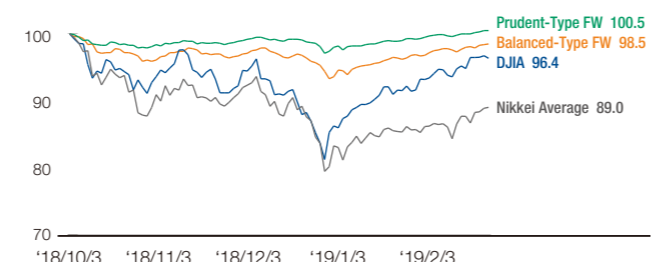
Meanwhile, Resona Wallet App, which was released in February 2019, empowers users to undertake payment via various settlement methods without needing to access other apps or devices. The app also offers prepaid, direct debit, deferred payment, and other functions. Moreover, the Partner Wallet App incorporates member card and point card functions for corporate customers in the retail and service sectors looking to target individual customers. We are thus striving to offer more convenient services that benefit customers by enhancing the availability of cashless settlement.

Also, customers who open new bank accounts are granted debit cards equipped with contactless settlement functions in conformity with global standards. Today, the number of such debit cards issued amounts to 1,490,000, and the volume of transactions via these cards grew 1.3 times in fiscal 2018 compared with the previous fiscal year.

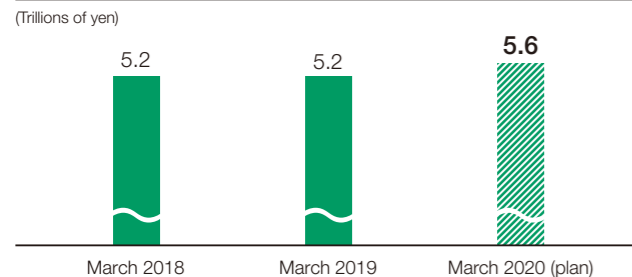
Fund Wrap



Standard Fund Wrap (FW) Prices/Japan and U.S. Stock Prices

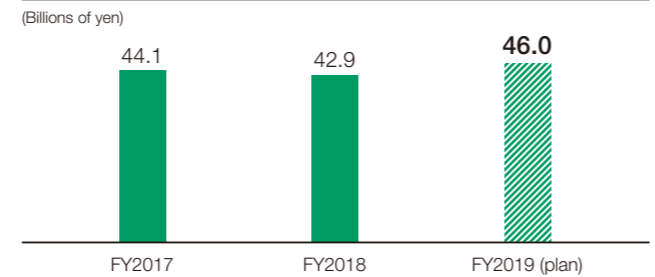


Balance of Asset Formation Support Products for Individual Customers



Note: Figure as of March 2018 is based on the sum of five Group banks and provided for reference purposes only.

Revenues from Asset Formation Support Products and Services



Note: Figure as of FY2017 is based on the sum of five Group banks and provided for reference purposes only.

Resona Cashless Platform (RCP): Installation Planned for Approx. 7,000 Stores (As of June 30, 2019)

- Resolving management issues confronting corporate customers

Merchant service	Partner wallet services
(Offer settlement terminals free of charge)	(Provide the app as a white-label service)

Benefits

- Reduce settlement costs
- A shorter cash receipt cycle
- More efficient cash register operations
- More powerful sales promotions

Note: 110 corporations are planning to install RCP (as of June 2019) ⇒ Resona aims to raise this number to 500 by March 31, 2020

Debit Card

- Accompanies all new account openings, issued at the bank counter immediately
- Integrated debit card with cash card
- Visa payWave: Global standard NFC

<Debit card for individual customers>

Number issued	Usage amount	Number handled:
Approx. 1.49 million	x1.3 increase (YoY)	x1.4 increase (YoY)

<Business debit card (Apr. 2018->>

Number issued: Approx. 22,000

(As of March 31, 2019 or FY2018)

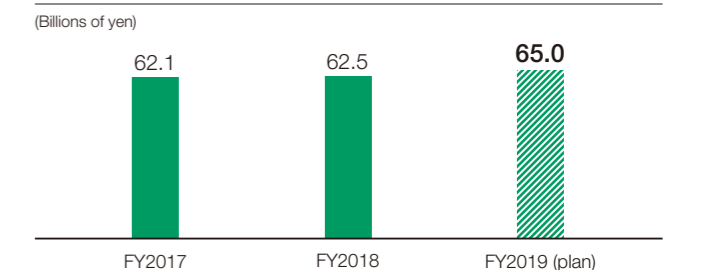
- Provide individual customers with more convenient services/lower fees

[Resona customers]	[Store customers]
Resona wallet app	Partner wallet app
<ul style="list-style-type: none"> • QR payment • point/coupon function 	<ul style="list-style-type: none"> • Membership card function

Benefits

- Convenient! Pay with your smartphone
- Discounts! Points and coupons

Settlement-Related Revenues



Note: Figure as of FY2017 is based on the sum of five Group banks and provided for reference purposes only.

Succession Business

In Japan, approximately 65% of household financial assets, amounting to around ¥1,830 trillion, are disproportionately held by people in their 60s or older. Furthermore, around half of small and medium-sized enterprise (SME) managers in their 60s or older are confronting a lack of successors. In addition, the 2015 revision of inheritance tax laws doubled the scope of taxable individuals. Amid these circumstances, the Resona Group is assisting a broad range of customers with their smooth asset and business successions via the provision of various solutions that take full advantage of its strengths as a commercial banking group equipped with full-line trust banking capabilities.

Resona's strengths

- A variety of solutions to address asset and business succession needs
- A robust customer base comprising 500,000 corporate customers and 16 million individual customers

Main Products and Services

Will trusts, estate division, asset succession, trusts for transfer of own company stock, M&A, and real estate brokerage



SME business

Today, a growing number of SMEs, an essential component of the Japanese economy, are facing a serious labor shortage. At the same time, more than 60% of SMEs continue to seek capital expenditure opportunities. In addition, 80% of SMEs with less than 100 employees have yet to introduce corporate pension plans. Increasingly, SMEs will need to address the important management issue of securing and retaining human resources; thus, the further enhancement of their employee benefit programs is essential. Moreover, SMEs are also hearing a growing call to play their part in facilitating the realization of SDGs.

Resona's strengths

- A robust customer base comprising 500,000 corporate customers
- Access to Resona's network spanning the Tokyo metropolitan and Kansai areas
- Trust-related solutions
- Cutting-edge initiatives for SDGs

Main Products and Services

Financing, fund management support, support for business start-ups, business turnaround and business restructuring, business matching, human resource solutions, and support for overseas expansion



SMEs account for approximately 99% of domestic corporations, with SME employees constituting approximately 70% of the total Japanese workforce. Today, a number of SMEs are facing problems arising from the aging of their corporate managers. Accordingly, ensuring smooth business succession is a social issue of critical importance in terms of securing employment, maintaining the sustainable development of regional industries and passing down technologies and services of superior quality to future generations.

The Resona Group provides a one-stop service aimed at delivering asset and business succession solutions by taking full advantage of its strengths as a commercial banking group equipped with Japan's leading branch network and full-line trust banking capabilities. Currently, the Group is striving to increase the number of its Trust Offices, a type of sales office manned with professional trust specialists. The Group is also reinforcing staffing for M&A services while maintaining an M&A Platform run by Resona Bank to secure a framework for M&A-related intelligence

coordination with regional financial institutions. As of June 2019, 36 institutions were participants in this platform.

In the course of trust services, we engage with customers who use our succession products and offer a variety of consulting and proposals to bring solutions finely tuned to characteristics of their assets. For example, we can help customers better prepare for future inheritance by proposing insurance. We can also offer solutions associated with real estate, for example, proposing methods for utilizing idle land, and when customers need to exchange inherited real estate for cash, we can help them with our brokerage services.

From the previous fiscal year, these trust functions have been available to an even broader range of customers via Kansai Mirai Financial Group (KMFG). As a result, the number of new asset succession-related contracts achieved a record high. Going forward, we will strive to deliver a variety of solutions to customers.

The Resona Group provides SME customers with a variety of solutions aimed at helping them adapt to an evolving business environment.

In the course of accommodating customers' capital expenditure needs, the balance of loans furnished in FY2018 for capital expenditure (excluding those for the real estate industry and the sum of Resona Bank and Saitama Resona Bank) grew 5.4% year on year, representing solid growth.

In the same fiscal year, we opened Business Plaza Saitama and Business Plaza Tokyo to help create new businesses and, to this end, provide business matching assistance employing an extensive network of approximately 500,000 corporate customers. The resulting number of business matches increased by a robust 34% on an adjusted year-on-year basis.

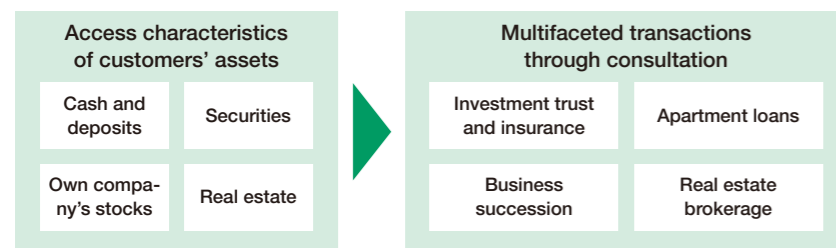
In May 2018, the "iDeCo+" system was launched. Under this system, those who enroll in iDeCo, an individual-type defined contribution pension plan, benefit from matching contributions by their employers. The Resona

Group is proactively promoting the iDeCo+ system as part of its efforts to help corporate customers improve their employee benefit programs. Of the approximately 300 domestic corporations that introduced this system as of March 2019, approximately 80 corporations have received the Resona Group's introductory assistance.

Meanwhile, a number of large corporations are stepping up their involvement in the realization of SDGs. However, SMEs lacking abundant management and human resources are often unable to implement robust measures in this field. In response, we are developing and popularizing financing products aimed at assisting their SDG-related initiatives while engaging in customer dialogue themed on environmental and social issues. In these ways, we are assisting SMEs in a way the Resona Group can fully take advantage of its strengths.

Trust Products That can Lead to Multilateral Transactions

- Our trust service users often opt for utilizing a greater diversity of products and services to meet their needs

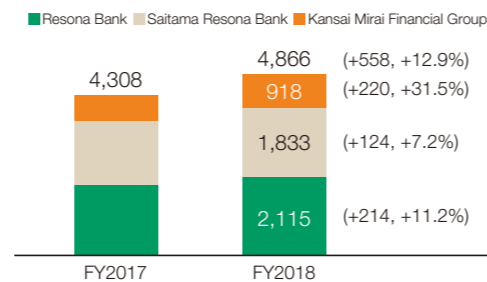


- Develop a more robust structure

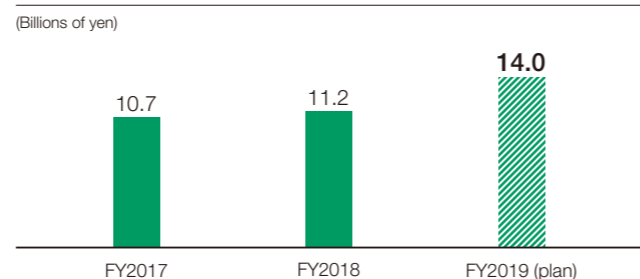
Specialists assigned to sales offices	
Trust Office	Mar. 31, 2017: 8 → Mar. 31, 2018: 55 → Mar. 31, 2019: 88
Increase M&A personnel	
Corporate Advisory Office (Resona Bank)	Sep. 30, 2017: 24 → Mar. 31, 2018: 35 → Mar. 31, 2019: 42

An Even Broader Range of Customers

- Number of new asset succession-related contracts achieved a record-high

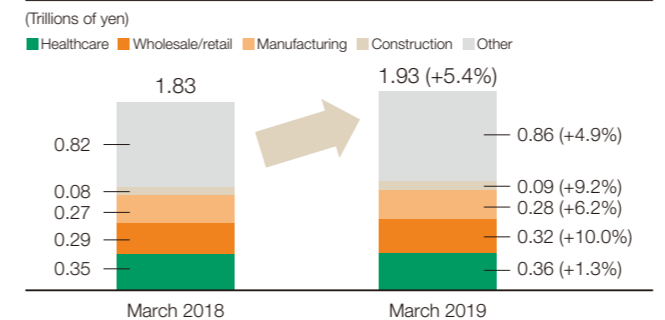


Succession-related revenues



Note: Figure as of FY2017 is based on the sum of five Group banks and provided for the reference purpose.

Capital Expenditure-related Loans* (Resona Bank and Saitama Resona Bank)

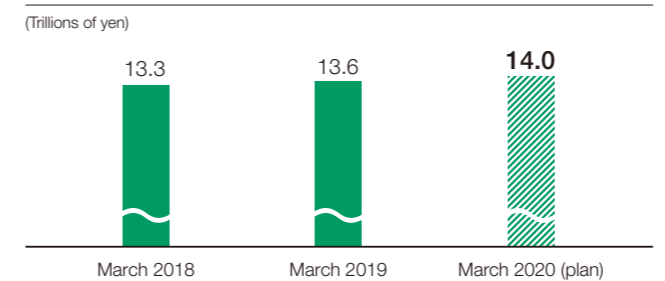


* Excluding loans to individuals, non-residents, local governments, and the real estate industry

- Established Business Plazas in Tokyo, Osaka, and Saitama

- Number of business matches achieved: 22,078 in FY2018 (Up 34% on an adjusted year-on-year basis)

Balance of SME Loans

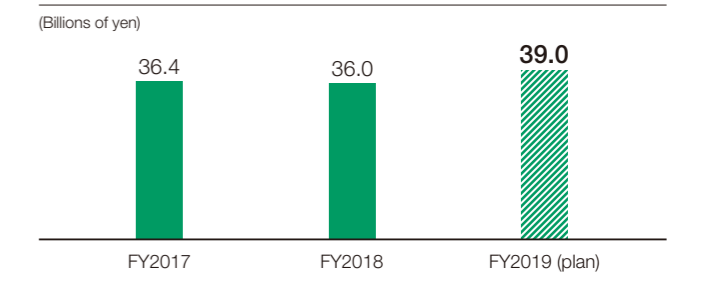


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- Assist SMEs in their efforts to achieve SDGs

- SDGs Consulting Fund (Resona Bank and Saitama Resona Bank) FY2018: extending ¥24.5 billion for 151 projects → SDG consulting by Resona Research Institute
- Nationwide Private Placement CSR Bonds (Dec. 2017 – Mar. 2019): extending ¥143.3 billion to 1,242 projects → Part of the proceeds from placement is donated to SDG advocacy groups: Donated amount now totals approx. ¥100 million
- Private placement SDGs promotion bonds (Jun. 2019–) → Regularly handle these bonds without limiting total amount or placement period

Revenues from Corporate Solutions and International Business



Note: Figure as of FY2017 is based on the sum of five Group banks and provided only for reference purposes.

International Business

The Resona Group is expanding its overseas network with a particular focus on Asia while securing an organizational structure that can provide overseas support finely tuned to meet the needs of SMEs.

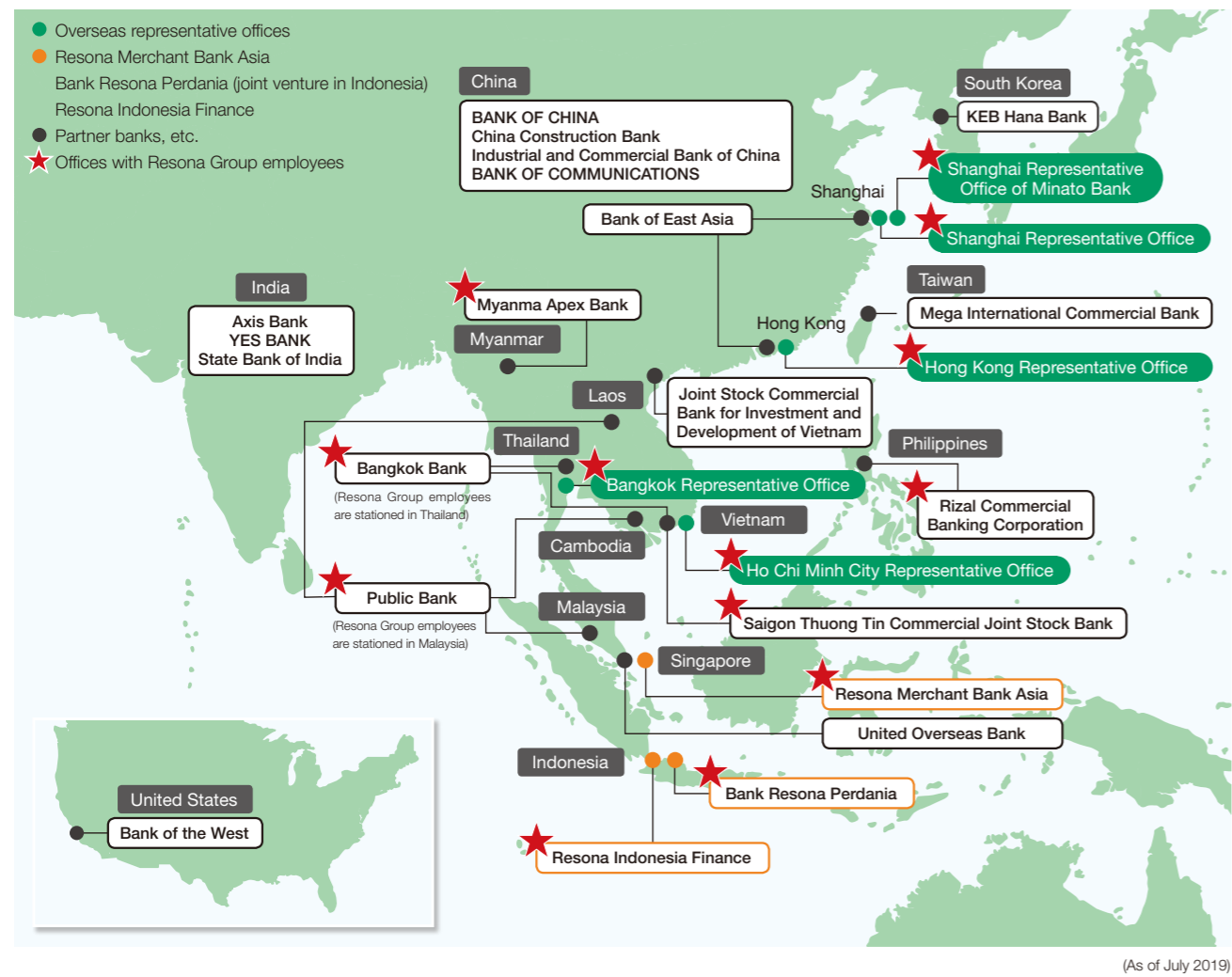
In October 2018, we commenced business cooperation with The Bank of Yokohama, Ltd. and Daido Life Insurance Company. This move is aimed at facilitating the mutual utilization of international business functions, such as overseas offices, and strengthening our capabilities to assist customers with their overseas expansion and trade transactions.

Today, a number of our SME customers are expanding into countries abroad, especially in Asia. This, in turn, has prompted an increase in overseas funding needs, positioning banks to meet growing business opportunities.

In response, the Resona Group will reinforce its customer support structure by employing its network of local subsidiaries, representative offices and partner banks.

The Resona Group's Overseas Network

- Overseas offices and partner banks cover all of Asia and the United States
- Japanese staff provide meticulous support (at representative offices and via Japanese-language desks at partner banks)
- In Indonesia, Bank Resona Perdania offers full-line banking services including deposits, loans and foreign exchange, while Resona Indonesia Finance engages in the lease business
- In Singapore, Resona Merchant Bank Asia serves Japanese corporations seeking to expand into the country or other ASEAN nations or to penetrate the Hong Kong or Indian markets by extending loans and other financial services and offering M&A and business matching services.



Management Support Initiatives for SME Customers

The Resona Group provides management support to customers. The branches of Group banks, head offices and companies cooperate with each other and collaborate with other financial institutions and external professionals to precisely address various needs aligned with the growth phase of customers, from the start-up phase and growth phase to the maturity phase and transition phase.

Support during the Startup and Growth Phases

When engaging with customers in the startup phase, we look at both their financial status and potential for business growth, taking a proactive approach when extending financing and operational support.

During the growth phase, we also provide a diverse array of loan products and various solutions, including business matching, support for advancing overseas, and other services.



Support during Maturity and Transition Phases

We address customer business succession needs based on the owner's vision for the company and thoughts about succession. We then identify optimal solutions and measures to provide comprehensive support for smooth business and asset succession.

Turnaround Support

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

Topic Launching SDGs Consulting Fund (Resona Bank and Saitama Resona Bank)

In September 2018, the Resona Group launched the SDGs Consulting Fund managed by Resona Bank and Saitama Resona Bank. Customers who have registered for funding are also eligible to receive on-the-spot consulting with Resona Research Institute with regard to CSR procurement and other SDG-related issues. As of March 2019, we extended a total of approximately ¥24.5 billion through this fund. Looking ahead, we will continue to create new products and services designed to provide SME customers with management assistance.

Topic Establishing a New Loan Scheme to Assist Business Revitalization

In November 2018, Resona Bank established a new loan scheme aimed at assisting customers with business revitalization. Not only does this scheme extend funding, it involves Resona engaging in face-to-face dialogue with customers to identify the management issues they are confronting with reference to a benchmarking sheet. Based on said dialogue, Resona Bank proposes measures to address customers' issues and make improvements. Notable features of this scheme include a downward revision of interest rates provided that financial targets set at the signing of loan contracts are met by customers. The Resona Group will continue to help customers achieve business growth by paying close attention to the true potential of their businesses.

Initiatives to Revitalize Communities

Under our corporate mission that affirms our commitment to the further development of regional communities, we energetically support the management of SME customers and the revitalization of regional economies.

We also strive to develop a framework for collaboration aimed at revitalizing regional communities by signing comprehensive partnership agreements with prefectural and other local governments and entering industrial-academia collaboration with universities.

Furthermore, in February 2019 we established Business Plaza Tokyo. We are now equipped with Business Plaza facilities in three locations, including Osaka and Saitama. Through these facilities, we offer the following

three key solutions. First, we provide business matching that takes advantage of the Group's network of approximately 500,000 corporate customers to support the expansion of customers' marketing channels. Second, we offer startup assistance to newly launched corporations. Third, we engage in solution proposals to address the various human resource-related issues customers are now facing. Going forward, we will strive to help resolve a variety of issues confronting regional communities and local SME customers by offering a range of intelligence. In this way, we will assist in their business growth.

Individual Loan Business

The Resona Group is alert to changes in its loan business operating environment, including the effects of prolonged ultra-low interest rates, the diversification of personal lifestyles, and rapidly advancing digitalization. Keeping on-trend with these changes, the Group is implementing unique strategies that enhance its competitive advantages with regard to aspects of services, products, and costs.

Resona's strengths

- A robust customer base comprising 16 million individual customers
- The Resona network stretching across the Tokyo metropolitan and Kansai areas
- The capability to develop unique housing loan products and services backed by a long track record in this field

Main Products and Services

Housing loans, housing renovation loans, education loans, auto loans, card loans and personal loans



Cost Structure Reforms

Halved administrative workload through operational reforms; aiming to halve it again through digitalization

Enhance customer convenience and improve productivity at the same time



We consider the Tokyo metropolitan and Kansai areas, where the Resona Group maintains its core network, to continue to be promising markets despite the impact of an aging society and the low birth rate, due to the areas' concentration of and robust growth in the number of households.

In the fiscal year ended March 31, 2019, the Group originated new housing loans totaling ¥1.3 trillion (up 18% on an adjusted year-on-year basis). Among these housing loans, our lineup of high-value-added, unique products garnered favorable reviews. These included *Danshin Kakumei*,¹ a product designed to provide coverage for a broad range of disease and injury risks, and "commission fee-type" loans,² which were released in February 2017 targeting those who seek low interest-rate, long-term financing solutions that allow them to curb monthly repayment amounts. We are currently strengthening our service structure associated with the second-hand housing loans to accommodate evolving customer needs due to hikes in new housing prices.

Through the provision of housing loans, a bank is able to position itself to nurture long-term relationships with individual customers on various fronts. Employing this relationship, we are able to enter multifaceted transactions with customers and meet needs that vary by life stage. For example, we offer insurance products for customers who seek to review their household finances upon the purchase of housing while extending educational loans for customers whose children are growing.

Furthermore, we handle asset management products tailored to customers' loan repayment status.

The Resona Group is also striving to enhance the user convenience of its housing loans. Today, the number of Housing Loan Plazas, which operate even on holidays, totals 73. These facilities accommodate busy customers who cannot visit a bank on weekdays and allow plenty of time for them when they do come in to take advantage of our consulting services. Also, in April 2018 we initiated an e-contract service that makes it possible to complete housing loan contract procedures without physically visiting a branch.

In addition to enhancing customer convenience, these initiatives are expected to facilitate a switchover to paperless, digitalized back office procedures for housing loans and improve the productivity of banking operations.

Looking ahead, we will endeavor to enhance our product and service lineup to enable the extension of housing loans that are even more convenient to customers.

- 1 In addition to the conventional coverage provided by group credit life insurance with a rider for three specific diseases, *Danshin Kakumei* pays insurance claims when the customer matches one of 16 specific status points or has the designated status of "requiring long-term nursing care," even if he/she is in employment during treatment. In such case, the customer is also subject to complete debt forgiveness.
- 2 With guarantee fees being included in interest rates, these loans require the payment of commission fees only at the time the loans were furnished. These loans are not suited for advance repayment in the short term, but designed to bring benefits to customers planning to be paying off housing loans for a long period of time.

Value of Housing Loans Furnished: ¥1.3 trillion (up 18% on an adjusted year-on-year basis)

Unique, high-value-added products	Promotion structure to meet market needs
<i>Danshin Kakumei</i> (up 39% ³) Commission fee-type (up 92% ³)	Loans for acquiring used properties (up 37% ³)

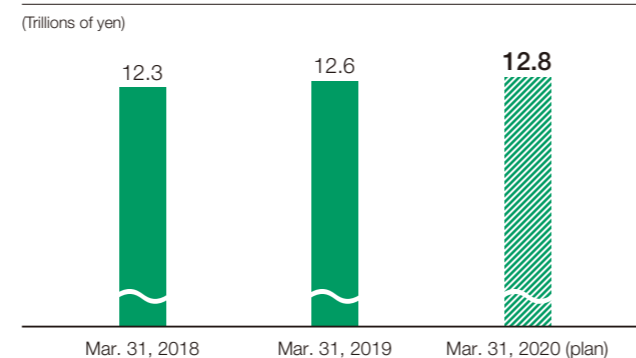


3 Sum of Resona Bank and Saitama Resona Bank

Enhance Customer Convenience and Bank Productivity

- E-contract service (Apr. 2018–)
- Loan plaza network: 82 bases (of these, 73 bases operate even on holidays)

Residential Housing Loan Balance



Note: Figure as of March 31, 2018 is based on the sum of five Group banks and provided for reference purposes only.

For a retail bank, enhancing both service capabilities and cost competitiveness is extremely important as it engages in a vast number of transactions with individual and SME customers. The Resona Group implemented operational reforms over the course of approximately 10 years from April 2004, successfully halving the volume of clerical work by standardizing and consolidating relevant operations. This accomplishment also enabled the Group to significantly reduce the necessary clerical staff at each branch. As a result, Resona Bank brought the number of branches requiring 15 or more employees on the clerical staff down to approximately one fifth from March 2007 while doubling the number of branches that require only five to nine such employees. Thus, the Group made progress in establishing a platform that allows a relatively small staff to efficiently handle branch operations.

Looking ahead, we will promote digitalization at branches, head offices, centers and other locations, with the aim of once again halving the volume of clerical work by March 31, 2022. For example, the introduction of the new branch system is scheduled for FY2020 and preparatory efforts are now under way to enable a broader range of operations to be completed only via tablet terminals, a move that will empower bank staff to

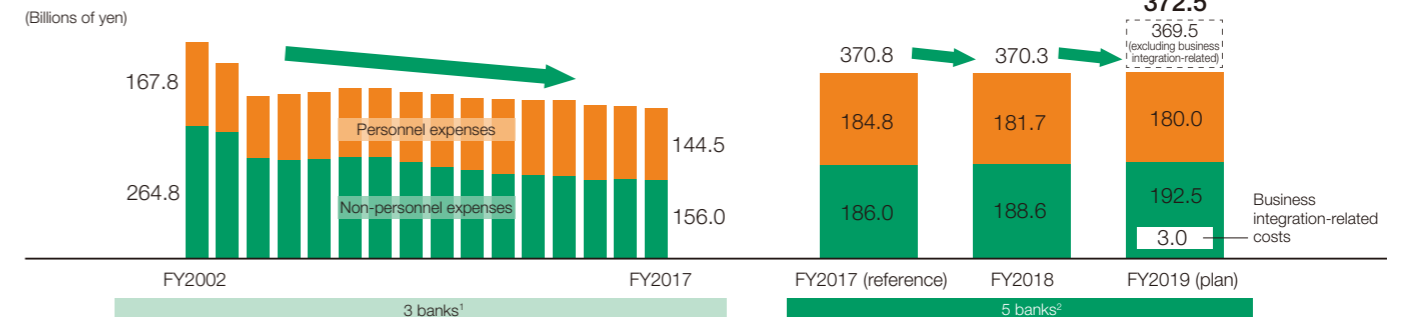
seamlessly handle both consulting and clerical procedures. Simultaneously, we are accelerating initiatives to improve productivity via the use of Robotic Process Automation (RPA), AI, and other technologies.

Furthermore, we will roll out our accumulated know-how of operational reforms to Kansai Mirai Financial Group (KMFG), helping KMFG enhance its operational efficiency. Also, plans call for integrating systems used at Kansai Mirai Bank and those used at The Minato Bank, Ltd. with Resona's systems in, respectively, October 2019 and the second half of fiscal 2021. By doing so, we will boost the Group's sales capabilities while facilitating low-cost operations.

In the short term, the Group is expected to see an increase in overall costs due mainly to one-off factors, including system integration costs. We will strive to maintain robust cost control and thereby ensure that, when the impacts of these factors are excluded, overall costs are steadily reduced. In addition, we made stable progress in staff downsizing, meeting milestones under the medium-term management plan due to natural attrition because of individuals leaving workforce at their retirement age.

Going forward, we will pursue low-cost operations to allocate greater resources to strategic investment aimed at enhancing customer convenience.

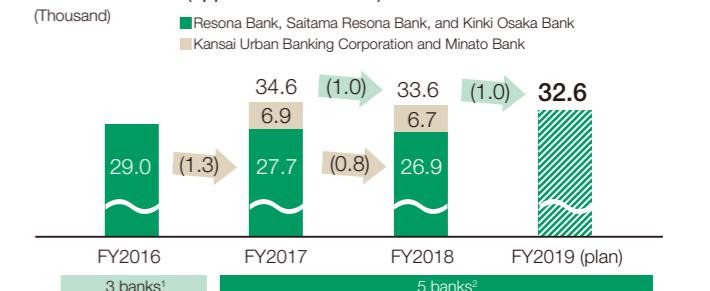
Establishing a Low-Cost Operational Framework and Continuously Reducing Personnel and Property Expenses (excluding business integration-related costs)



Staff Downsizing

- Cut 2,100 employees by the end of FY2018, achieving downsizing in excess of a milestone for our medium-term management plan target of cutting 3,000 (sum of the 3 banks) by the end of FY2019 compared with the FY2016 level
- Sharing Resona's know-how with KMFG

Total Headcount (approximate number)



1 Resona Bank, Saitama Resona Bank, and Kinki Osaka Bank
2 Resona Bank, Saitama Resona Bank, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank. Figures for FY2017 have been retrospectively adjusted as if the Resona Group included the 5 banks at that time.