

Accelerating SDG-Oriented Management

Toward the Creation of a Sustainable Society

Roles to Be Fulfilled by the Resona Group

- Assist customers, mainly in the retail field to promote sustainability transformation (SX) through its financial services
- Effect a significant movement toward SX for society as a whole by supporting corporate and individual customers undertaking initiatives

Our Vision

- In striving to update the Group's business model, we help customers embrace new lifestyle norms so that we can together adapt to change.
- We aim to become the most significant contributor to customer success in SX.

Our Recognition of the Business Environment and Role to Be Fulfilled by the Resona Group

Today, our economic system is being called on to shift from an "economy supported by the natural environment and society" to an "economy supporting the natural environment and society" for the sake of future generations as well as the current generation. This shift is becoming more imperative than ever in step with a growing trend toward the creation of a sustainable society that is genuinely prosperous and strengthened by a spirit of mutual support. To properly adapt to this major structural change, businesses are being challenged to incorporate their responses to environmental and social issues into their business strategies and align the direction and time frames of such strategies with the ongoing SX affecting society at large.

Looking at the structure of Japan's industrial sector, small and

medium-sized enterprises (SMEs) make up more than 99% of businesses, with their employees accounting for more than 70% of the working population. Also, more than half of the added value produced by domestic businesses is attributable to these SMEs. Accordingly, for society to be sustainable, SX must be undertaken not only by large corporations but also by SMEs.

As Japan's largest retail/commercial banking group with full-line trust banking capabilities, the Resona Group is clearly aware of its role and determined to assist its customers, mainly in the retail field to promote sustainability transformation (SX) through its financial services" and "effect a significant movement toward SX for society as a whole by supporting corporate and individual customers undertaking initiatives."

Our Vision and Long-Term Sustainability Targets

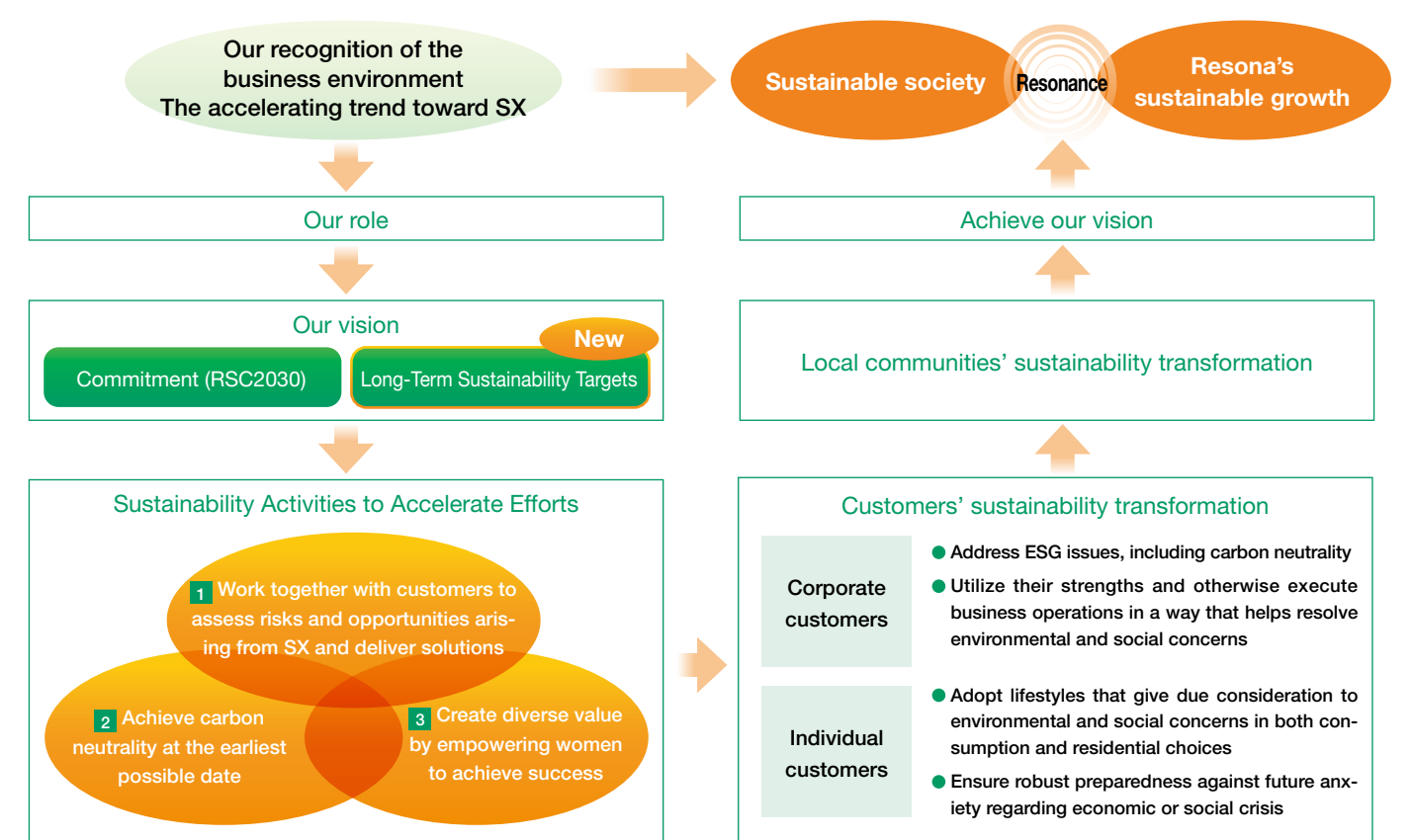
In line with its management vision, the Group is simultaneously pursuing the creation of a sustainable society and sustainable corporate growth, ensuring "resonance" between these two endeavors. This means that, in striving to update the Group's business model, we are also helping customers embrace new lifestyle norms so that we can together adapt to change. In this regard, we also aim to become the most significant contributor to customer success in SX.

To realize this vision, in June 2021 the Resona Group formulated Long-Term Sustainability Targets covering three categories as the first step in defining the time frame of its SX initiatives, with

FY2030 set as the target year. These Sustainability Targets are built on the "Resona Sustainability Challenge 2030" (RSC2030), which was announced in November 2018 with the intention of clarifying the direction of its business strategies.

Although these are challenging targets, our primary objective is not merely the achievement of numerical targets. Rather, we aim to rally the strength of the entire Group in line with a shared commitment to moving forward in the same direction in the same time frame in our effort to achieve SX. To this end, we will maintain in-depth dialogue with customers and strive to overcome challenges one by one, thereby realizing our vision.

Overview of the Group's Sustainability Transformation



Resona Sustainability Challenge 2030 (RSC2030)

Priority Themes

Local Communities
(Revitalization of Local Economies)



Low Birthrate and Aging Society
(Elimination of Anxiety Triggered by Low Birthrate and Aging Society)



Environment
(Response to Global Warming and Climate Change)



Human Rights
(Diversity & Inclusion)



Long-Term Sustainability Targets

1 Retail Transition Financing Target

2 Carbon Neutrality Target

3 Targets for the Empowerment and Promotion of Women

► For more details, please also refer to pages 38 to 40.

The Resona Group's Sustainability Solutions

Financing			
Four Group banks		Resona Asset Management	
Investment and financing aimed at supporting SX efforts undertaken by customers and local communities		Development and provision of asset management products related to ESG and SDGs	ESG investment
Consulting			
Resona Research Institute		Four Group banks	
Consulting for business response to SDGs Consulting for supply chain risk mitigation		Consulting for carbon neutrality SDG-related business seminars and business negotiation meetings	Business matching service Staffing agency service
Other Solutions for Addressing Social Issues			
Four Group banks			
Financial and economic education Provide asset formation assistance products	SDG-related business incubation Provide digital platform	Digitalized and cashless operations adoption assistance Provide digital banking services	Assist government-private collaboration projects Assist business succession assistance
Asset Management Products			
Resona Asset Management		Four Group banks	

1 Retail Transition Financing Target ▶ In-Depth Customer Engagement and Enhanced Solutions

Cumulative total of transition financing from FY2021 to FY2030: **¥10 trillion**

Priority Themes	Local Communities	Low Birthrate and Aging Society	Environment	Human Rights (Diversity & Inclusion)
Financing Coverage	Financing aimed at helping retail customers update their awareness, transform their modes of behavior and stably move forward from their current situation. (Including financing for such green projects as renewable energy generation, as well as large corporate financing involving third-party verification)			

Through supply chains, our retail customers are being affected by spillover from the efforts of large corporations striving to accelerate SX initiatives like the pursuit of carbon neutrality. Also, the status of sustainability efforts undertaken by SMEs and the management resources they can afford to allocate to such efforts vary greatly by company. Accordingly, we recognize that our solution lineup must be diverse and capable of assisting each SME seeking to push ahead with sustainability initiatives according to their current situation.

The Resona Group maintains robust transactions with both large

corporations and retail customers, while Resona Asset Management, a subsidiary functioning as an institutional investor and undertaking stewardship initiatives for many years, lends specialist strength to the Group. Drawing on these business assets, we will strive to engage in in-depth dialogue with retail customers with regard to the possible risks and opportunities they are exposed to due to the accelerating trend toward SX. In these ways, we will step up the provision of solutions designed to help these customers stably move forward toward the resolution of issues they are currently confronting.

Corporate

Step up the provision of diverse SX solutions designed in light of the varying needs of SMEs to help them stably transition

Engage in in-depth customer “dialogue”

Develop communication tools designed to ensure a shared understanding of issues customers are now confronting and methods for assessing the degree of their commitment to addressing ESG issues through businesses



Step up the provision of “solutions”

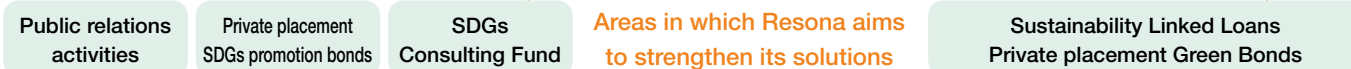
Expand the lineup of consulting services available via the SDGs Consulting Fund. Provide CO₂ emissions volume assessment services, extend loans allowing borrowers to enjoy preferential conditions via the accomplishment of ESG targets, etc.

Customer phase in terms of SX



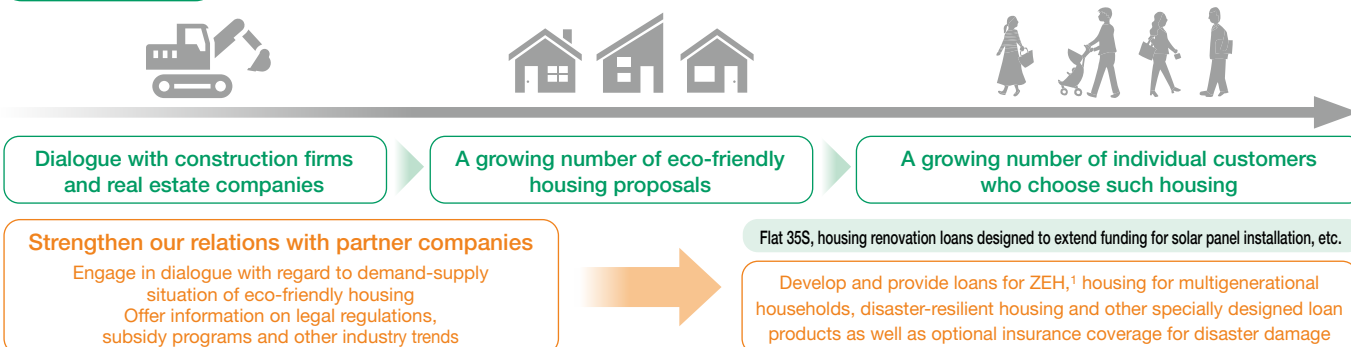
Resona's unique initiatives

Conforming with various international principles



Housing loans

Step up efforts to popularize eco-friendly housing by taking advantage of our solid relations with partner companies



1 Net zero energy housing

2 Carbon Neutrality Target ▶ Contribution to Carbon Neutrality and the Popularization of Renewable Energy in the Regional Communities in Which We Operate

Reduce CO₂ emissions¹ attributable to energy used by the Group to net zero by the end of FY2030 via the proactive switchover to renewable energy

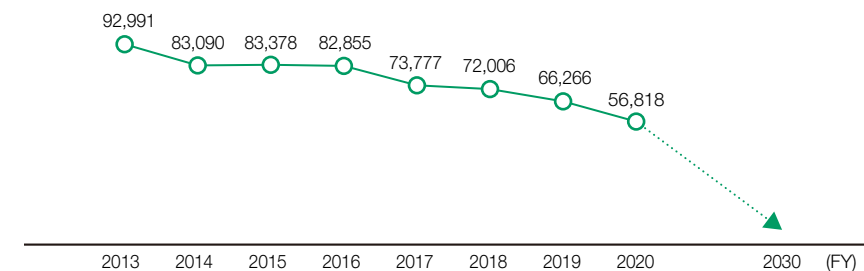
Priority Theme	Environment
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As Japan's national target of achieving carbon neutrality by the end of 2050 requires across-the-board efforts involving both the private and public sectors, it is expected that in regions nationwide, businesses and municipalities will act in close collaboration to help achieve this target in accordance with the May 2021 enforcement of the revised Act on Promotion of Global Warming Countermeasures.

As a member of society, the Resona Group will strive for the earlier realization of carbon neutrality in terms of emissions attributable to its operations, with the intention of contributing to the realization of carbon neutrality and the popularization of renewable energy in the regional communities in which it operates.

Volume of CO₂ Emissions from the Resona Group's Operations

CO₂ emissions volume² (t-CO₂)



Breakdown of FY2020 emissions (provisional)

SCOPE 1	5,428
SCOPE 2	51,390
Emissions from energy sources	50,181

Renewable Energy Introduction Status

Considering that most CO₂ emissions from the Resona Group's operations are attributable to its energy use, the Group intends to introduce renewable energy for use at key facilities run by Group companies in FY2021.

In light of these initiatives, we expect the Group's annual volume of

CO₂ emissions to decrease by 4,331 tons.

Looking ahead, we will work to introduce renewable energy from carbon-free sources and otherwise procure carbon-free energy, with priority on energy-intensive facilities.

Facilities introducing renewable energy	Osaka Head Office of Resona Group	Head Office of Saitama Resona Bank	Biwako Building of Kansai Mirai Bank	Head Office of Minato Bank
Estimated reduction in CO ₂ emissions volume/year	-2,325 t-CO ₂	-1,300 t-CO ₂	-146 t-CO ₂	-560 t-CO ₂
Timing of introduction	Aug. 2021	Jun. 2021	Jun. 2021	Aug. 2021

Other Initiatives Scheduled Thus Far

- Expand the scope of cashless and digitalized operations while going paperless in the provision of products and services
- Reduce energy consumption at each business base
- Cut back on the number of company-owned internal combustion engine (ICE) vehicles while expanding the use of EVs in a phased manner
- Step up purchasing focused on reducing environmental burden
- Participate in local initiatives aimed at protecting the natural environment and biodiversity

1 SCOPE 1 and SCOPE 2

2 Calculated by retrospectively incorporating CO₂ emissions from precursors of KMFG and its subsidiaries prior to management integration and aggregating SCOPE 1 and 2 CO₂ emissions from Group banks based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. CO₂ emissions attributable to fuel consumption by Company-owned cars are determined via a simplified calculation method using the Group's annual fuel costs and publicized figures for the annual and national average price of gasoline and the emissions coefficient.

3 Targets for the Empowerment and Promotion of Women

▶ Creating New Value on Diverse Fronts to Achieve Our Vision

Achieve the below presented ratios for the representation of women in various positions, an increase of 10% or more from the current levels, by the end of FY2030

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

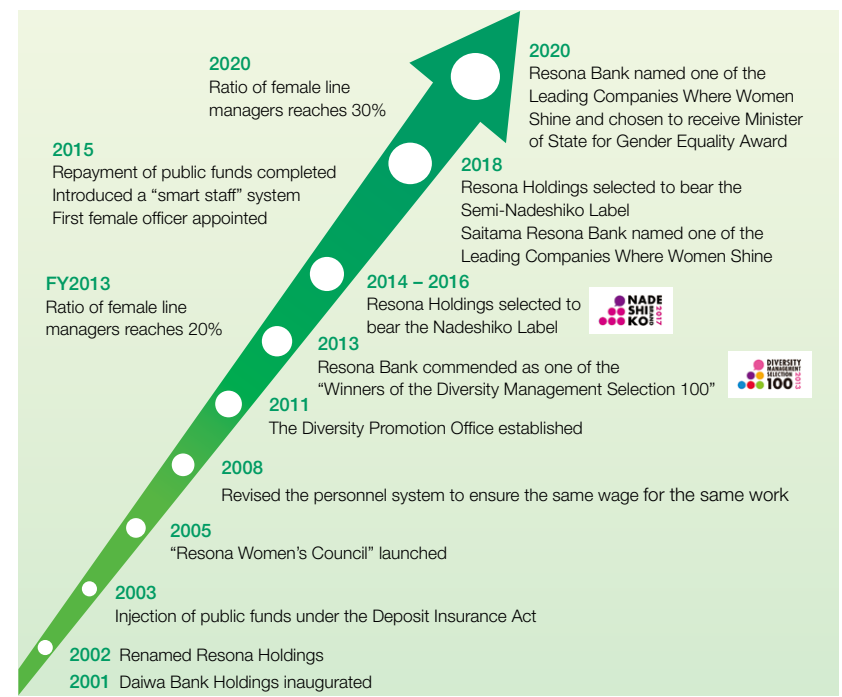


The Group's ongoing efforts related to the empowerment and promotion of women began with a strong belief held by deceased former Chairman Eiji Hosoya that "Diversity is an important element of a sound organization. New ideas often come from an encounter between individuals with differing values."

The Resona Group aims to deliver new value on an ongoing basis to customers seeking to achieve SX in the wake of a progressing structural change toward the realization of a sustainable society. Accordingly, we deem it important to constantly take on the challenge

of innovation that questions past experience and conventional norms. Having made Kansai Mirai Financial Group (KMFG) a wholly owned subsidiary in April 2021, the Resona Group has placed ever stronger focus on empowering women to serve as a driving force of value creation. Building on the outcomes of our empowerment efforts thus far, which have proven effective in terms of equipping the Group with new strength, we will promote innovation via the incorporation of unconventional ideas. We will thus work to create new value on diverse fronts, with the aim of realizing our vision.

Timeline of the Resona Group's Empowerment Efforts



Create corporate value by drawing on diversity
Ensure employees find their job rewarding

Ratio of women	2021	FY2030
Directors and executive officers (Resona Holdings)	19.2%	30% or more
Line managers (six Group companies ¹)	Approx. 30%	40% or more
Senior managers (six Group companies ¹)	Approx. 10%	20% or more

Main initiatives to be undertaken going forward

- Enhance training menu for nurturing candidates for management or higher positions while upgrading a mentoring system
- Promote staff allocation in a planned manner to facilitate human resource exchange and help candidates acquire knowledge of management strategies and other essential subjects
- Step up recruiting of diverse human resources

Other Initiatives Scheduled Thus Far

We will also promote the initiatives listed to the right to help diverse human resources achieve career success in addition to supporting diverse work styles and an optimal work-life balance.

- Help the elderly and people with disabilities serve as key workforce components
- Promote the understanding of and equality for members of the LGBT community
- Raise the ratio of eligible male employees who take childcare leave while increasing the average percentage of annual paid leave utilized
- Expand the scope of employees allowed to work from home, etc.

¹ Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

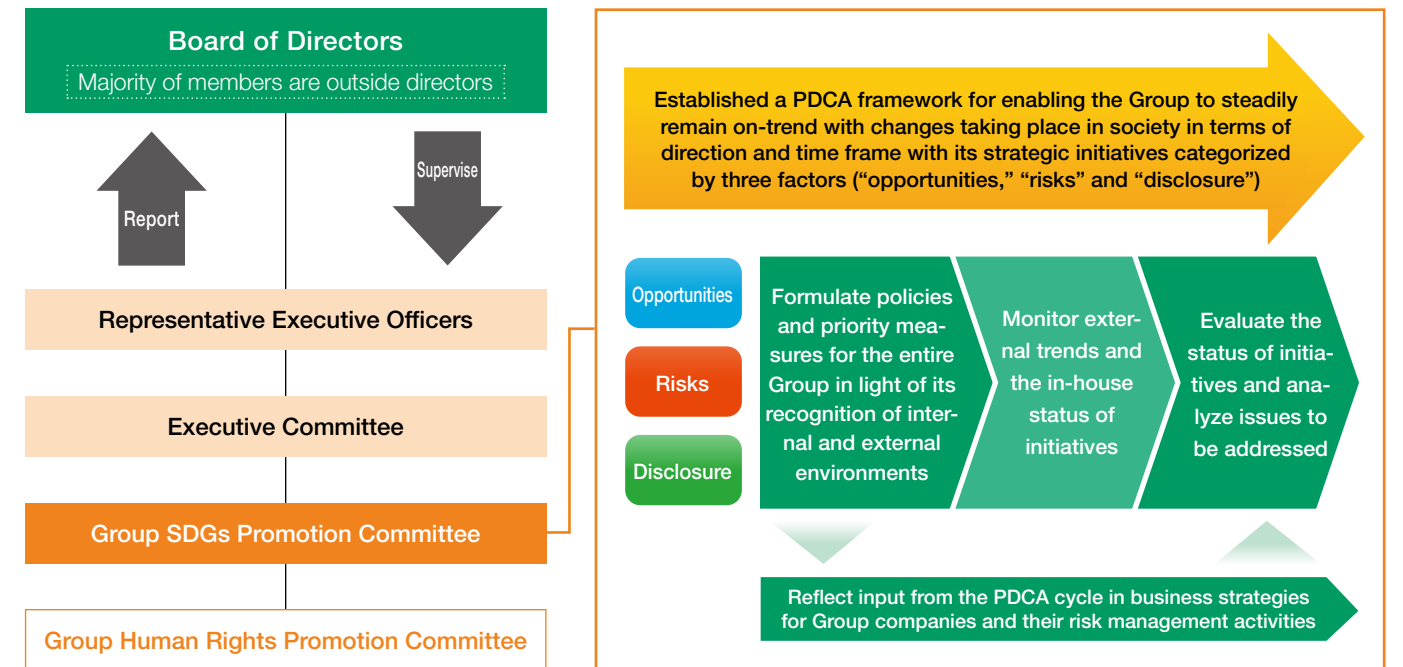
Governance

The status of the Group's SX initiatives is reported to the Board of Directors at least once a year, ensuring that the Board exercises robust supervision over these matters. With outside directors constituting its majority, the Board of Directors engages in multifaceted discussion and reflects its conclusions in the Group's business strategy, risk management and information disclosure. In addition, the Group SDGs Promotion Committee, chaired by the president of Resona Holdings, is tasked with exercising consolidated supervision of specific issues associated with sustainability and deemed important. Members of this committee include presidents of Group banks and the heads of the Corporate Administration Division and risk management divisions as well as officers in charge of corporate and retail banking and the heads of KMFG's departments charged with promoting SDGs.²

Moreover, the Group Human Rights Promotion Committee, a sub-committee under the Group SDGs Promotion Committee, is charged with the consolidated management of important matters associated with human rights promotion among all Group employees.

In FY2020, the Board of Directors discussed such matters as the status of the RSC2030, the evaluation of RSC2030's implementation structure and what must be done going forward.

The above discussion led to the formulation of the Group's Long-Term Sustainability Targets announced in June 2021. The content, direction and levels of these targets were also determined via intensive discussion at the Board of Directors following deliberations by the Group SDGs Promotion Committee and the Executive Committee.



Main Content of Relevant Agenda Items Submitted to the Board of Directors (April 2020 to June 2021)

- Swift response to issues society is confronting in light of the COVID-19 pandemic
- Revision of the "Basic Stance on Lending"
- Status of initiatives aimed at ensuring the Company's ongoing inclusion into the four ESG indices selected by the GPIF, a Key Performance Indicator under the medium-term management plan, and issues to be addressed going forward
- Enhancement of the Group's involvement in ESG-themed dialogue with institutional investors
- Status of the Group's response to climate change (initiatives related to the TCFD recommendations) and issues to be addressed going forward (the upgrading of methods used for climate change scenario analysis, etc.)
- Status of employee awareness regarding SDGs and issues to be addressed going forward
- Formulation of the Resona Group's Long-Term Sustainability Targets

Process for Determining Compensation for Executive Officers in Step with the Evaluation of Their Sustainability-Related Achievements

Compensation for executive officers is determined based on a draft prepared by Resona Holdings' president in which each individual's accomplishments are evaluated in terms of medium- to long-term initiatives and annual goals associated with operations under his/her supervision, with the Compensation Committee chaired by an outside

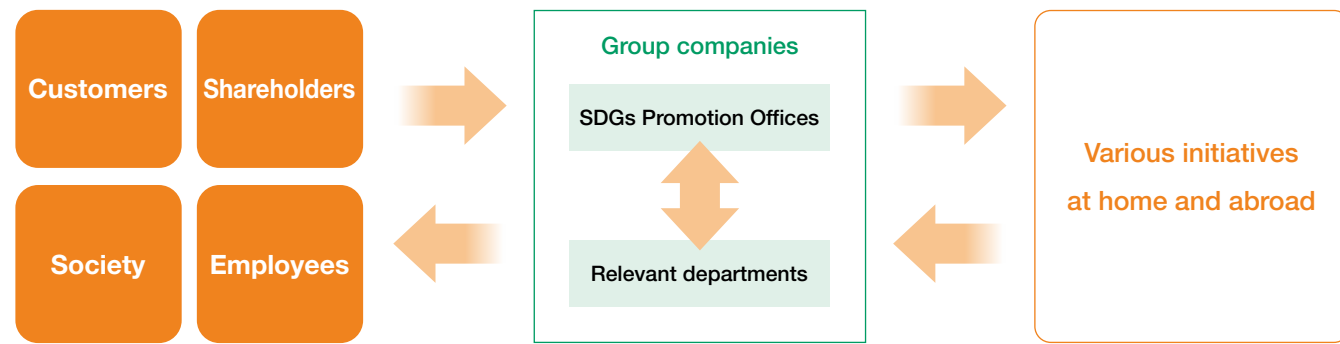
director finalizing such evaluation. The status of medium- to long-term initiatives is also assessed by taking into account the degree of each individual's contribution to the RSC2030, the Group's commitment to realizing the United Nations Sustainable Development Goals (SDGs). (See also page 64 for more details.)

² The president of KMFG, KMFG's officer in charge of the Corporate Administration Division and the president of Resona Asset Management have joined the committee since FY2021

Stakeholder Dialogue and Collaboration

We practice stakeholder engagement on three fronts: (1) Relevant departments in place at each Group company directly engage with key stakeholder groups to address specific themes; (2) SDGs Promotion Offices and other relevant departments in place at each Group company conduct intragroup engagement based on input

gleaned via dialogue with stakeholders and ESG evaluation agencies; and (3) Relevant departments in place at each Group company participate in and declare support for various initiatives. Taking advantage of a variety of methods, we are striving to enhance the quality and quantity of engagement initiatives, thereby improving our corporate value.



Dialogue and Collaboration with Key Stakeholder Groups

The Resona Group has established the Resona Way (the Resona Group Corporate Promises), which translates its Corporate Mission into a basic stance toward each stakeholder group. With the aim of simulta-

neously achieving a sustainable society and sustainable growth for the Group, relevant departments at each Group company work to engage in constructive stakeholder dialogue in line with the Resona Way.

Resona Way (Resona Group Corporate Promises)

Customers	Shareholders	Society	Employees
Resona cherishes relationships with customers.	Resona cherishes relationships with shareholders.	Resona places importance on its ties with society.	Resona highly regards employees' dignity and personality.
We strive to deliver ever better services and solutions by drawing on feedback gleaned in the course of customer communications via multilateral channels, including bank counters, sales staff, call centers and our corporate website.	We work to achieve sustainable growth for the Group and medium- to long-term improvement in corporate value by maintaining in-depth and constructive dialogue with shareholders and investors via the General Meeting of Shareholders, shareholder seminars and other IR activities.	We endeavor to help realize a sustainable society by engaging in social contribution activities, providing financial and economic education and participating in government-private collaboration aimed at vitalizing regional communities.	We work to develop and ensure an employee-friendly workplace environment via awareness surveys targeting the entire workforce and the direct exchange of opinions between management and employees, with the aim of becoming a model bank for future generations.

Collaboration with Local Communities

Each Group bank is promoting collaboration with local communities to help realize SDGs.

For example, Saitama Resona Bank was included in Saitama Prefecture's list of entities registered as an SDG partner under the first round of its prefectural partnership program. Targeting entities maintaining head offices or local bases in Saitama, this program is intended to certify SDG partners from among those engaged in SDG-related initiatives and information disclosure regarding such initiatives.



Intragroup Engagement and Collaboration

Based on input gleaned via engagement with stakeholders and ESG evaluation agencies, SDGs Promotion Offices and other relevant departments at Group companies engage in dialogue themed on ESG issues in an effort to push ahead further with their initiatives and

enhance the content of information disclosure. The status of progress and improvement in these initiatives is reported to the Group SDGs Promotion Committee, the Executive Committee and the Board of Directors

Main Initiatives Undertaken Thus Far (April 2020 to June 2021)

Themes	Focus of engagement	Action taken based on results of engagement
Updating of the "Basic Stance on Lending"	Sharing of relevant issues and policies for response	Revision of the "Basic Stance on Lending" (See below for the outline of revisions)
Realization of SX		Formulation of Long-Term Sustainability Targets
Tax initiatives	Response to recommendations from ESG evaluation agencies with regard to issues that must be addressed	Enhancement of ESG-related information disclosure
Relationship between social contribution activities and business strategies		
Human resource development		
Risk management		

Outline of Revision of the "Basic Stance on Lending"

This document has been revised by incorporating a policy of not extending new loans to projects deemed to possibly exert a major negative impact on the natural environment, such as coal mining

employing specific mining methods. We also reorganized its structure into such sections: "Stance on Lending to the entire Businesses or Sectors" and "Stance on Lending to Specific Businesses or Sectors."

Stance on lending	Entire businesses or sectors		Specific businesses or sectors					
	Prohibition of lending	Cautious stance toward lending	Manufacture of nuclear weapon or cluster bombs, etc.	Coal-fired thermal power generation	Large-scale hydroelectric power generation	Coal mining	Palm oil farm development	Oil and gas extraction and pipeline construction
	<ul style="list-style-type: none"> Businesses associated with child labor, forced labor, human trafficking or other practices that violate human rights Businesses that exert a seriously negative impact on wetland sites designated by the Ramsar Convention or the World Heritage Sites designated by UNESCO Businesses that violate the Washington Convention 	<ul style="list-style-type: none"> Businesses that negatively affect indigenous local communities and other areas of high conservation value Businesses that entail the involuntary resettlement of residents 						

Participation in Initiatives

In light of requests from international society and our role as a financial institution, we promote across-the-board efforts to realize a sustainable

society and, to this end, participate in and declare our support of various initiatives at home and abroad.

Declaring Support of Various Initiatives at Home and Abroad

WE SUPPORT UN GLOBAL COMPACT	Principles for Responsible Investment	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
Climate Action 100+ Global Investors Driving Business Transition	30% Club GROWTH THROUGH DIVERSITY	Principles for Financial Action for the 21st Century

Our Response to Global Warming and Climate Change (initiatives related to the TCFD recommendations)

The Resona Group has identified responding to global warming and climate change as an environmental and social priority issue that it should tackle as a group. With the announcement of the “Resona Sustainability Challenge 2030 (RSC2030)” in November 2018, we have declared our intention to proactively take on the reduction of environmental burdens deriving from

society as a whole to help create a low-carbon, recycling-oriented society.

Moreover, the Group’s Long-Term Sustainability Targets (see also pages 36 - 40) announced in June 2021 are aimed at accelerating its initiatives to help realize a carbon neutral society, with their target year set at FY2030.

Governance

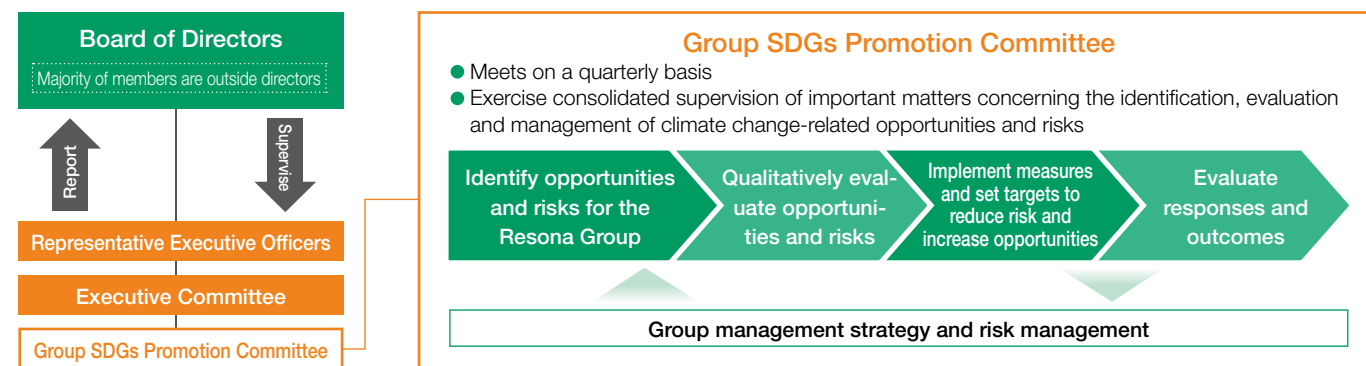
The Board of Directors receives periodic (at least once a year) reporting on the status of Group initiatives to counter climate change, with the aim of ensuring that these initiatives receive robust supervision (see also page 41).

With outside directors making up the majority of its membership, the Board of Directors engages in multifaceted discussion and reflects its conclusions in the Group’s management strategy and risk management.

Also, the Group SDGs Promotion Committee chaired by the president of Resona Holdings meets on a quarterly basis to exercise consolidated supervision of important matters concerning the identification, evaluation, and management of

climate change-related opportunities and risks. Members of this committee include presidents of subsidiary banks and the heads of the Corporate Administration Division and risk management divisions as well as officers in charge of corporate and retail banking sales and KMFG’s heads of departments charged with promoting SDGs.¹

This committee strives to identify and assess climate change-related opportunities and risks while discussing policies on and targets for the Group’s measures to reduce risks and increase opportunities. Conclusions reached by this committee are reflected in the Group’s management strategy and risk management.



Main Content of Relevant Agenda Items Submitted to the Board of Directors (April 2020 to June 2021)

- Revision of the “Basic Stance on Lending”
- Status of the Group’s response to climate change (initiatives related to TCFD recommendations) and issues to be addressed going forward (the upgrading of methods used for climate change scenario analysis, etc.)
- Status of employee awareness regarding SDGs and issues to be addressed going forward
- Status of top risks selected for the FY2021 annual plan period in light of growing climate change-related risks recognized as major impactors affecting the business environment

Governance of Socially Responsible Loan and Investment

Loan Business

The Group Credit Policy was established by the Board of Directors to provide fundamental principles for credit risk management.

This policy clarifies the Group’s intention to give due consideration to its social responsibilities and environmental concerns. In line with this policy, the Group has developed structures and procedures for appropriately identifying and assessing the environmental impact of major projects and evaluating environmental initiatives undertaken by customers.

Investment

Status reports on the exercise of voting rights and other responsible investment activities associated with trust assets managed by Resona Asset Management are submitted to the Board of Directors as necessary. This ensures that the Board of Directors is in position to take a top-down approach and that Resona Bank’s responsible investment activities are constantly enhanced.

Moreover, the Group has in place the Responsible Investment Verification Council chaired by an outside director of Resona Holdings, to verify the appropriateness of its stewardship activities, including the exercise of voting rights, from a third-party viewpoint.

Management Strategy

Business Opportunities and Risks Arising from Climate Change

To measure the impact of climate change, which is highly unpredictable, we have undertaken the qualitative evaluation of opportunities and risks based on two different scenarios involving, respectively, a 2°C and a 4°C rise in global temperatures.

The purpose of this evaluation includes the assessment of estimated impact in the short-, medium- and long-terms,

which are defined as approximately 5-, 15- and 35-year periods, respectively.

Referenced scenarios

- IEA Energy Technology Perspectives 2°C Scenario
- IPCC Representative Concentration Pathways 8.5
- Japan’s Intended Nationally Determined Contribution (INDC), etc.

● Outline of the Resona Group’s 2°C Scenario

		Projected developments	Impact on the financial industry	Time frame
		<ul style="list-style-type: none"> GHG emissions from businesses are severely restricted by government-led policies and laws. Advances in and the popularization of low-carbon technologies enhance the availability of low-carbon alternatives to existing products and services. Frequency of sudden occurrences of abnormal weather remains virtually unchanged. 	Financing streams will be ever more focused on measures to alleviate climate change impact.	Short to long term
Projected financial impact				
Opportunities	Product and service markets	Growing funding needs among businesses for the development of low-carbon products and services and capital expenditure aimed at reducing their GHG emissions Increased opportunities for the Group to offer financial services due to growing public awareness of climate change		
	Resource efficiency, energy sources, and market resilience	Reduction in business costs due to enhanced resource and energy efficiency Shift to low-carbon energy sources and the resulting alleviation of the future impact of carbon price surge Growth in the Group’s corporate value due to the implementation of a sustainability-focused business model		
Risks	Transition risks	Policy and legal	Introduction of stringent government-led policies and regulations negatively affecting the operations of corporate customers and reducing the value of the Group’ loan assets	
		Technology and market	Advances in low-carbon technologies and changes in consumer preferences prompting a shift to alternative products and services and negatively affecting the operating results of corporate customers, resulting in a reduction in the value of the Group’s loan assets	
	Physical risks	Reputation	A decline in Resona Holdings’ share price due to inconsistencies between strategy and actions or insufficient disclosure of information about climate change	
		Acute	Virtually unchanged frequency of sudden occurrences of abnormal weather (hence, no major financial impact is expected)	
	Chronic	No chronic and irreversible climate change (hence, no major financial impact is expected)		

● Outline of the Resona Group’s 4°C Scenario

		Projected developments	Impact on the financial industry	Time frame
		<ul style="list-style-type: none"> Without notable breakthroughs in climate change countermeasures, the volume of overall GHG emissions continues to grow at the current pace. Due to an increase in the number of sudden occurrences of abnormal weather, society suffers even more significant damage. Chronic and irreversible changes, such as a sea level rise, affect economic activities undertaken by businesses and individuals. 	Financing streams will be ever more focused on measures to adapt to climate change effects.	Short to long term
Projected financial impact				
Opportunities	Product and service markets	Growing demand for funding for public projects and capital expenditure aimed at alleviating physical damage attributable to abnormal weather		
	Resource efficiency, energy sources, and market resilience	Reduction in business costs due to enhanced resource and energy efficiency		
Risks	Transition risks		No significant breakthroughs in climate change countermeasures (hence, no major financial impact is expected)	
	Physical risks	Acute	Reduction in the value of the Group’s loan assets due to the impact of climate change, such as the suspension of business induced by damage to corporate customers’ facilities, the absence of such customers’ employees due to damage to their homes, or a decline in the value of collateral assets due to such damage	
		Chronic	Suspension of the Group’s operations due to damage to its facilities or to its employees affected by a disaster	

Status of Carbon-Related Assets (as of March 31, 2021)

Ratio² of lending to energy and utility sectors in the entire portfolio (based on definitions under the Task Force on Climate-related Financial Disclosures (TCFD) recommendations)	1.2%
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1 The president of KMFG, KMFG’s officer in charge of the Corporate Administration Division and the president of Resona Asset Management have joined the committee since FY2021.

2 Total of loans and bills discounted, acceptances and guarantees, foreign exchange, etc. (sum of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank)

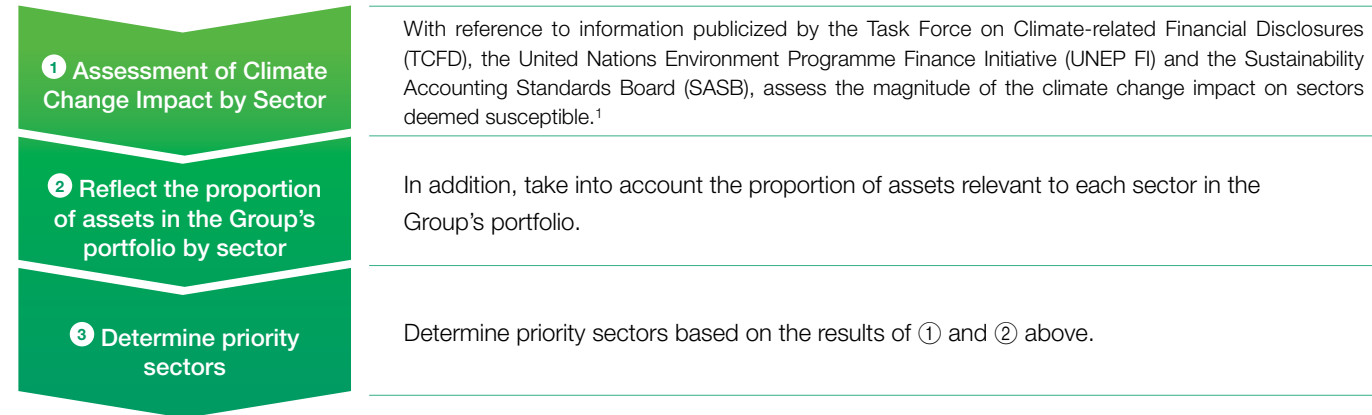
In-Depth Analysis of Our Qualitative Climate Change Scenarios

The proportion of carbon-related assets in the Group's entire portfolio is not considered significant. Nevertheless, we must assume that the possible impact of climate change-related risks on a broad range of sectors could be profound. Also, the form of such impact and the timing of its materialization may differ largely by sector.

In light of these factors, we have identified priority sectors

deemed particularly susceptible¹ to climate change-related impact based on assessments of the potential magnitude of such impact while taking into account the proportion of relevant assets in the Group's portfolio. Targeting these sectors, we conducted an in-depth qualitative analysis of our existing climate change scenarios.

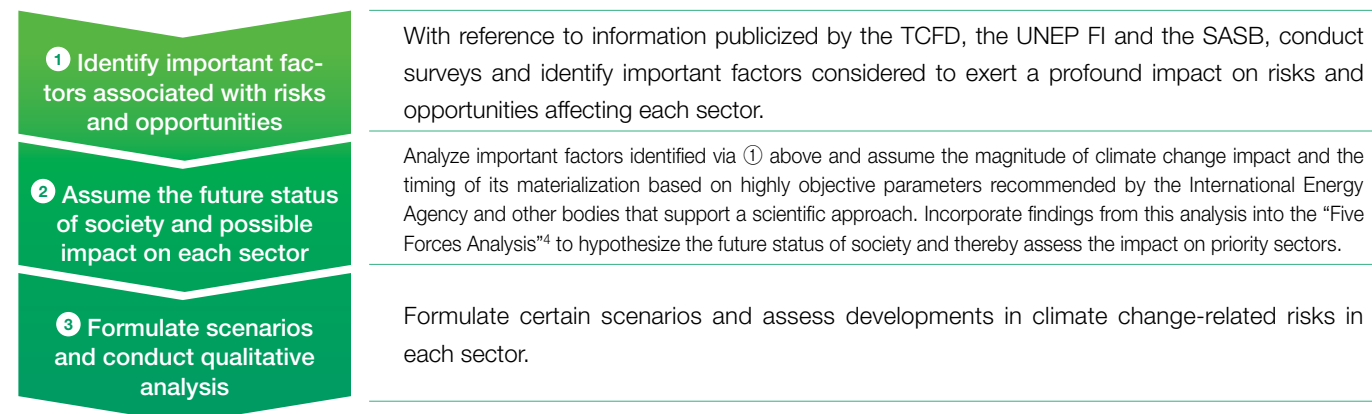
Process Used to Select Priority Sectors



Sector	Climate change impact	Portfolio size ²	Selection results
Real estate / Construction	Medium	Large	Selected as a priority sector
Automotive / Transportation	High	Medium	Selected as a priority sector
Energy	High	Small	Selected as a priority sector
Material	High	Small	Not selected ³
Agriculture / Food	Medium	Small	Not selected
Pulp / Forestry products	High	Small	Not selected
Banking / Life Insurance	Medium	Small	Not selected

Formulation of Scenarios for Each Priority Sector and the Qualitative Analysis of Developments in Climate Change-related Risks

Targeting each priority sector, we formulated scenarios and conducted a qualitative analysis regarding the magnitude of climate change impact and the timing of its materialization. Looking ahead, we intend to utilize results of this analysis to conduct a quantitative analysis of the financial impact of climate change-related risk on the Group's operations.



1 Important factors associated with risks and opportunities in each sector

	Real estate / Construction	Automotive / Transportation	Energy
Policy	Introduction and/or heightening of carbon tax	Introduction and/or heightening of carbon tax	Introduction and/or heightening of carbon tax
Legal	Strengthening of environment-related building regulations	Tightening of GHG emission regulations	Tightening of GHG emission regulations
Market	Shift in customer needs to buildings with higher environmental performance	Rising energy prices	Popularization of renewable energy
Acute	Increasingly frequent occurrences of flooding and other natural disaster damage	Technology: Transition to electric vehicles Acute: Operational impact of a catastrophic disaster Chronic: Damage to railroads due to heat expansion and rising air conditioning expenses (transportation)	Reputational: Higher customer awareness regarding the need to address environmental concerns Acute: Surging expenses for the reinforcement of disaster countermeasures and the emergence of physical damage

2 The future status of society and possible impact on each sector

		Future status of society	Impact on sector
Real estate / Construction	2°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the enforcement of carbon taxation, the introduction of building materials with low carbon footprint and the growing popularization of renewable energy	The construction of facilities designed to reduce environmental burden progresses at an ever-faster pace
	4°C	Rising physical risks lead to growing demand for buildings with greater disaster resilience	While the construction of facilities equipped with greater resilience against flooding and other disasters progresses, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
Automotive / Transportation	2°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax, the popularization of renewable energy and EVs and the acceleration of modal shift in the transportation sector	Toward carbon neutrality, the use of eco-friendly vehicles and rail cars gains growing popularity, resulting in the acceleration of modal shift
	4°C	Physical risks rise as the transition to a low carbon society fails to gain further momentum	While the market environment remains unchanged, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
Energy	2°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax and the growing popularization of renewable energy	The use of renewable energy gains popularity at an ever-faster pace toward carbon neutrality
	4°C	Ongoing dependence on fossil fuel results in higher physical risks	While fossil fuel demand grows solidly, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs

3 Developments in climate change-related risks

■ Low risk ■ Medium risk ■ High risk

Priority sectors	Transition risks: 2°C Scenario						Physical risks: 4°C Scenario					
	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
Real estate / construction	Low	Low	Low	Low	Low	Low	High	High	High	High	High	High
Automotive / transportation	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Energy	Low	Low	Low	Low	Low	Low	High	High	High	High	High	High

Priority sectors	Transition risks: 2°C Scenario	Physical risks: 4°C Scenario
Real estate / Construction	Risk remains low based on an assumption that an increase in costs attributable to the need to lower energy consumption intensity will be offset by growing revenue backed by rising demand for net-zero energy buildings (ZEB) in 2040	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%
Automotive / Transportation	Risk remains medium based on an assumption that demand for vehicles with internal combustion engines (ICEs) will significantly decline in 2030 due to carbon taxation and the enforcement of stricter regulations on such vehicles However, risk becomes constantly high from 2035 onward due to the enforcement of domestic regulations on the marketing of new ICE vehicles in the 2030s, provided that falling demand is not compensated for by PHV or ZEV ⁵ demand	Risk rises to and remains at medium from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%
Energy	Risk becomes constantly high from 2030 onward based on an assumption that the use of fossil fuel will decrease due to the enforcement of carbon taxation, across-the-board efforts to achieve carbon emission reduction targets and changes in the energy mix	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%, and then subsides to medium in line with an assumed increase in crude oil prices (approximately 30%) in 2040 and resulting growth in revenue

1 The Resona Group's sector classification: Energy, Automotive / Transportation, Material, Pulp / Forestry products, Agriculture / Food, Real estate / Construction, and Banking / Life insurance
 2 Portfolio size classification is as follows: Large: More than ¥5 trillion; Medium: ¥1 trillion to ¥5 trillion; Small: Less than ¥1 trillion
 3 Not selected, as risk characteristics vary largely by type of material and, therefore, the sector's impact on the Group's portfolio is dispersed
 4 A method for sector analysis in light of impacts attributable to sellers, buyers, newcomers and alternatives, with policies considered as an element affecting all the other factors
 5 PHV: Plug-in Hybrid Vehicle (a type of hybrid vehicle that can be charged by plugging into an external power source); ZEV: Zero Emission Vehicle (an electric vehicle or fuel cell vehicle that emits no exhaust gas)

Our Management Strategies and Initiatives

The Resona Group anticipates that climate change is highly likely to have a financial impact on its loan assets, the largest category of assets in the Group's possession. Accordingly, the Group recognizes that the opportunities and risks its customers face will directly affect the Group through these loans.

The majority of the Group's loan assets are accounted for by loans furnished to individual and SME customers, suggesting that climate change-related lending risks are dispersed. However, compared with large corporations, SMEs are typically in a disadvantageous position. For example, they have few opportunities to study how climate change and other social issues may impact their operations while lacking sufficient resources to plan and execute countermeasures.

With this in mind, the Resona Group helps its individual and

SME customers, first to expand their knowledge of social issues, including climate change (1st Stage), and then encouraging them to join efforts to resolve such issues (2nd Stage). The Group also helps customers identify latent related issues in order to resolve their anxiety about the future (3rd Stage). Our service lineup is designed to deal with varying customer needs arising from these actions.

In line with the newly formulated Retail Transition Financing Target (see also page 38), we will push ahead with in-depth dialogue with customers and the strengthening of our solution capabilities to help them identify latent related issues in order to resolve their anxiety about the future. At the same time, we will strategically reallocate our management resources over the long term in line with this target.

1st Stage

● Initiatives to Help Customers Expand Their Knowledge of Climate Change and Other Social Issues

An Introductory Booklet on SDGs

An easy-to-read booklet explaining the importance of tackling environmental and social issues and an overview of the SDGs and the Resona Group's relevant initiatives. This booklet is available at branches and distributed to customers.



The Significant Impact of SDGs on Businesses

Targeting SME customers, this booklet is utilized in the course of business activities to facilitate dialogue and call attention to the impact of environmental and social issues, including those specified by SDGs, on businesses and the risk of being excluded from supply chains by failing to address them.



2nd Stage

● Encouraging Customers to Join Efforts to Address Social Issues

Mirai E-us Project "Mirai Earth"

This investment trust product is aimed at supporting eco-friendly tech companies worldwide via the purchase of relevant stocks or green bonds.

Also, a portion of proceeds earned by the Group is donated to the Resona Foundation for Future and the Minato Bank Scholarship Society with the aim of assisting children in their pursuit of higher education and thereby nurturing future leaders.



Private Placement SDGs Promotion Bonds

Products in which a portion of the proceeds from commission fees Group banks receive upon the issuance of private placement corporate bonds is donated to a fund that supports organizations pursuing SDG-related causes on behalf of corporate customers who agree with our aspirations to resolve environmental and social concerns.



3rd Stage

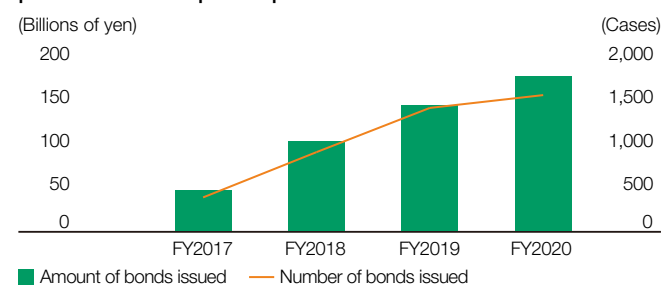
● Initiatives to Help Customers Identify and Resolve Latent Issues

Sustainability Linked Loans (SLL)

The SLL scheme offers loans with interest rates and other lending conditions linked to the achievement status of the borrower's targets vis-à-vis its sustainability strategy, which takes into account the environmental, social and economic impact of its business operations.

The Group's first SLL loan was extended in March 2021.

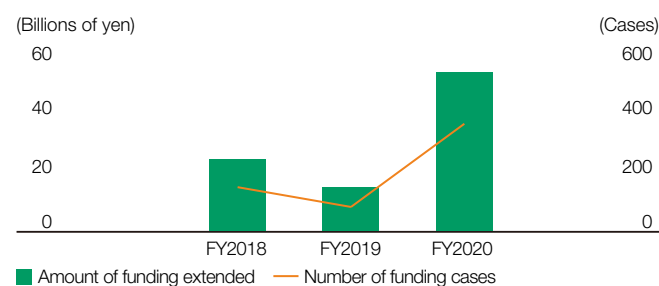
Amount of private placement SDGs promotion bonds and pandemic-related private placement bonds issued



SDGs Consulting Fund

This product involves on-the-spot consulting with Resona Research Institute free of charge, with its consulting menu encompassing such subjects as how to foster an SDG-oriented corporate culture, how to draw a map indicating relationships between the client's businesses and SDGs and how to implement supply chain risk countermeasures.

Amount of funding extended via SDGs Consulting Fund



Risk Management

Based on its own definitions of risk categories (see also page 67), such as credit risk, operational risk and reputational risk, the Group strives to address climate change-related risks via periodic Group SDGs Promotion Committee sessions aimed at identifying and evaluating the status of such risks, and renews the content of relevant risk management methods on a quarterly basis.

Having identified climate change-related risks as contributing to uncertainty, the Group began to update its existing risk

management process to incorporate issues arising from such risks into risk management methods in each risk category.

Furthermore, the Resona Group aims to mitigate risks that may affect it, its customers and society as a whole by, for example, introducing Initiatives to Promote Socially Responsible Loans and Investments. In these ways, we are implementing a stepped-up corporate management approach aimed at helping realize a carbon neutral society via the use of our financial functions.

Initiatives for Socially Responsible Investing and Lending

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

Loan Business

In line with the Group Credit Policy adopted based on a Board of Directors resolution, the "Basic Stance on Lending" clarifies the Group's intention to maintain a dialogue with customers who have not yet fully committed to addressing social and environmental issues with the purpose of encouraging their involvement. In addition, it explains the Group policy of abstaining from financing projects associated with coal-fired thermal power generation, except when it finds compelling reasons for financing such projects, such as to realize economic restoration following a disaster. The Group is engaged in the screening and selection of candidate projects accordingly.

In December 2020, we updated the above document to include a policy of not extending new loans to projects deemed to possibly exert a major negative impact on the environment, such as coal mining employing specific mining methods.

Investment

In connection with trust assets managed by Resona Asset Management, the "Responsible Investment Policy" mandates that, in addition to assessing investees' financial performance, the Group exercise due diligence in confirming their non-financial performance, for example, the sufficiency of their initiatives aimed at addressing ESG issues to help them enhance corporate value and achieve sustainable growth from a medium- to long-term perspective. Through such endeavors, the Group is increasing the value of trust assets.

Furthermore, the Responsible Investment Committee strives to ensure the appropriateness of the Group's investment initiatives by consolidating insights offered by committee members, including officers in charge of trust asset management divisions.

Metrics and Targets

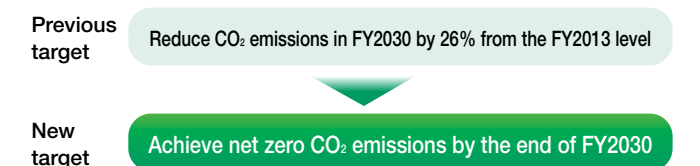
Working in Tandem with Customers to Reduce Climate Change-related Risks and Create Opportunities

In line with the Long-Term Sustainability Targets (see also page 38: Retail Transition Financing Target) and the RSC2030 action plans, the Resona Group has formulated metrics and targets in an effort to help as many customers as possible understand the significance of climate change response and support their initiatives. Progress in these action plans is annually evaluated via the operation of a PDCA framework.

The Resona Group's Reduction Target for CO₂ Emissions Attributable to Its Operations

Aware of the pressing need to strive for Japan's national target of achieving carbon neutrality by 2050, the Group established a new reduction target (see also page 39: Carbon Neutrality Target) with regard to CO₂ emissions attributable to its energy use as part of Long-Term Sustainability Targets announced in June 2021.

Results of our efforts to reduce CO₂ emissions thus far are also presented on page 39.



FY2021 Action Plans (environment related)

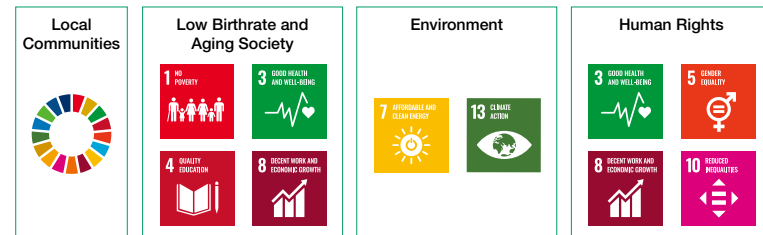
- Promote constructive dialogue in line with customers' status regarding their response to SDGs and ESG issues
- Support the popularization of buildings with higher environmental value
- Promote the use of renewable energy in local communities
- Help expand the use of cashless and digitalized transactions while going paperless in the provision of products and services
- Participate in local initiatives aimed at protecting the natural environment and biodiversity

FY2021 Action Plans (environment related)

- Strive to raise employee awareness regarding the reduction of energy use
- Introduce renewable energy for use by key facilities
- Cut back on the number of company-owned ICE vehicles while expanding the use of EVs in a phased manner
- Ask suppliers to address environmental concerns in addition to helping raise their environmental awareness

Further Development Life Design Support

Anticipating the coming 100-year life era, we offer comprehensive solutions designed to support savings, asset building, asset protection and succession in a way consistent with customer needs as they evolve according to life stage.



Being Japan's largest retail commercial banking group with full-line trust banking capabilities is one of the Resona Group's distinctive strength. Taking advantage of our extensive commercial banking network, we provide a broad range of retail customers with one-stop solutions, including unique products and services finely tuned to meet their needs and backed by our full-line trust banking functions.

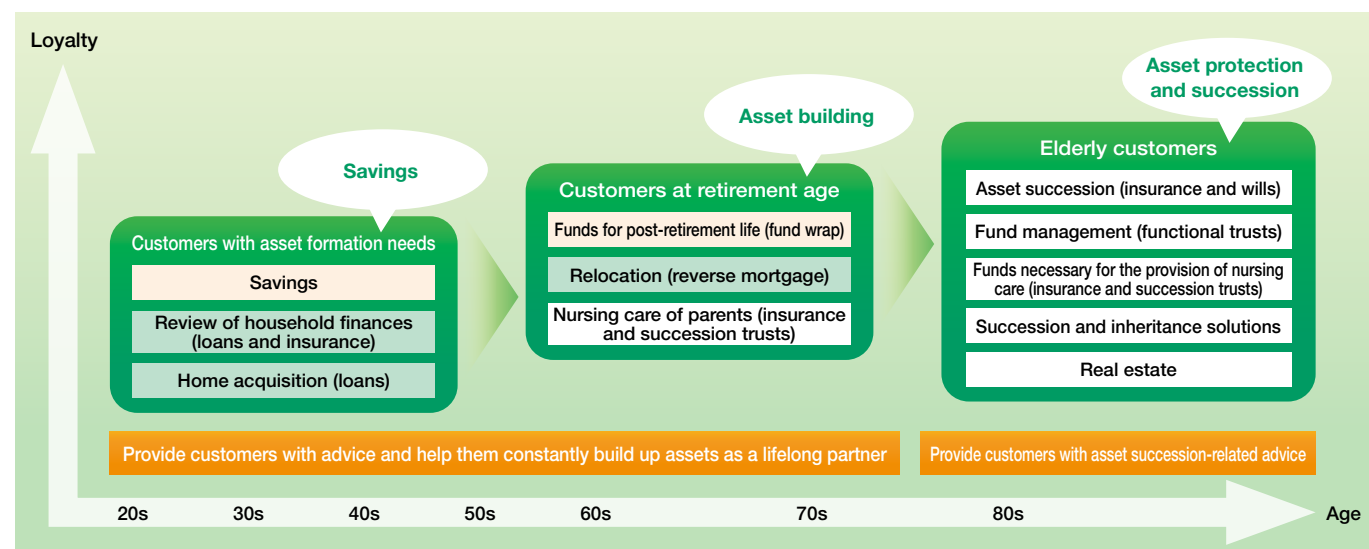
We aim to become capable of offering life design support services that help customers seamlessly navigate the 100-year life era, with all employees serving as Omni-advisors who think and act in the best interests of customers.

Today, customer needs associated with savings, asset building, asset protection and succession are ever more diverse, reflecting the diversification of their backgrounds, changes due to life events and

evolving norms in terms of the lifestyle designs they choose. With the aim of securing a robust structure that will enable us to offer comprehensive consulting services and act as our customers' lifelong partner, in April 2021 we integrated Resona Bank's Consumer Business Planning Division, which had been mainly tasked with asset formation and succession services, and its Consumer Loan Business Division, which had been mainly tasked with housing loans and other loans for individuals. The Life Design Support Planning Division has thus been established.

Looking ahead, the Resona Group will help customers enjoy abundant lives via the timely provision of products and services best tailored to their lifestyle needs over the course of our long-lasting relationships with them.

Life design support services that seamlessly help individual customers navigate their lives in the 100-year life era



Further Development Asset Formation Support Business

We strive to provide retail customers with access to the asset management know-how we have nurtured through corporate pension asset management.



In the face of the accelerating aging of Japan's society, the Resona Group provides retail customers with access to asset management know-how it has nurtured in the course of pension asset management over more than half a century, with the aim of helping each customer achieve their desired goals for asset formation.

In January 2020, Resona Asset Management took over asset management functions previously executed by the trust division of Resona Bank. The move equipped Resona Asset Management with an even more robust business structure.

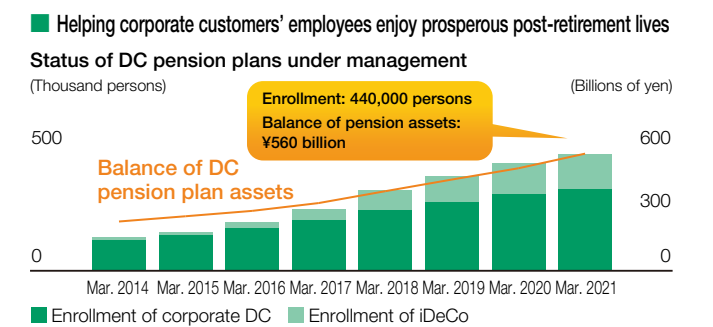
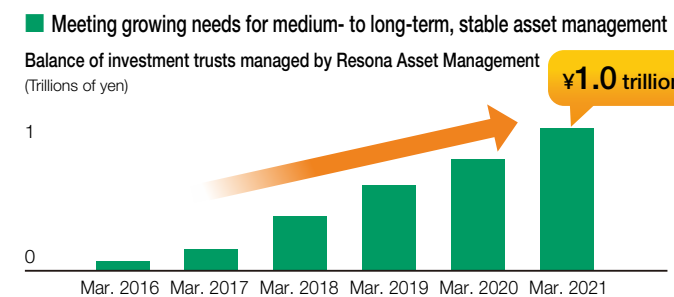
Also, the balance of our "Resona Fund Wrap"¹—a flagship product that offers a semi tailor-made investment scheme aimed at achieving long-term, stable returns—surpassed approximately ¥530 billion (as of March 31, 2021), showing steady growth since its February 2017 release. In addition to built-in features designed to appeal to bank customers, such as discretionary contracts with professionals executing a stable asset management approach, convenient asset administration functions and the industry's lowest level of necessary costs, the Fund Wrap has been constantly upgraded to enable cus-

tomers to periodically receive returns and use proxy agent functions. Approximately 60% of the customers who have opened fund wrap accounts did not have a balance in any of the Resona Group's investment trusts when they entered into the contract. In addition, while around half the customer funds used to purchase the product were from deposits in Resona Group accounts, approximately 30% were from other, external sources. These facts indicate that the fund wrap is helping facilitate a shift from savings to asset formation while attracting new customers to the Group. Moreover, the product was made available to customers of Kansai Mirai Bank in October 2019, customers of Minato Bank in October 2020, and customers of Bank of Yokohama in April 2021, respectively, garnering favorable reviews.

Furthermore, we assist customers in their pursuit of long-term asset formation via the management of such pension plans as corporate defined contribution (DC) pension plans and iDeCo. As of March 31, 2021, the balance of pension assets under our management for these plans grew to ¥560 billion, with the enrollment of 440,000 individuals.

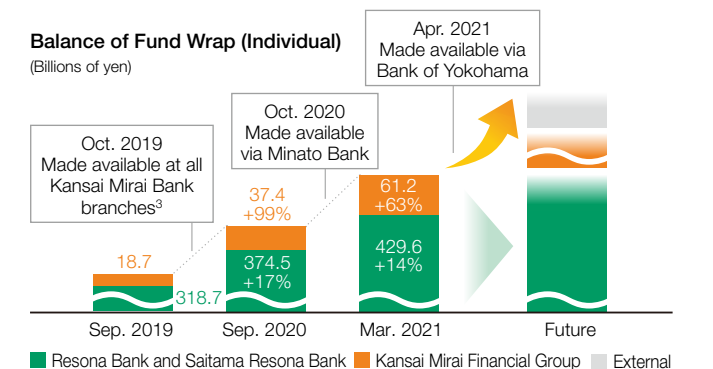
KPI Mar. 31, 2023 (vs. Mar. 31 2020) Balance of AUM² ¥24 trillion (+ Approx. ¥1.4 trillion) Mar. 31, 2021: ¥33.5 trillion

Provide retail customers with access to the asset management know-how we have nurtured through corporate pension asset management



Supporting asset building by Fund Wrap as a key offering

- A product designed to meet bank customers' needs
 - Stable asset management approach with a discretionary contract
 - Convenient asset administration functions
 - Industry's lowest level of costs
- Periodic receipt service (May 2019-)
- Proxy agent function (scheduled for release in 2H of FY2021)

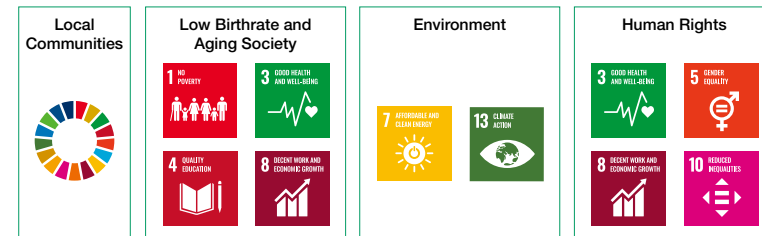


1 A fund wrap account is a comprehensive investment management product in which a financial institution, acting in alignment with a discretionary investment contract, confirms the purpose and policies of various investments for each customer, allocates assets and invests in funds, reporting to the customer on investment performance.

2 Balance of assets managed by Resona Asset Management based on fair value as of end of the month
3 The product was also made available via the former Kansai Urban Banking Corporation in addition to the then Kinki Osaka Bank

Further Development Loans for Individuals

We will assist customers in their pursuit of asset formation by leveraging our strength as a top runner in the field of housing loans.



Historically, the Resona Group has been particularly strong in the field of housing loans, with its outstanding housing loan balance making it a domestic industry leader. In FY2020, we continued to offer diverse loan lineups and to leverage our product and service structure supporting customer convenience in addition to meeting emerging funding needs among those seeking to acquire single-family houses in suburban areas on the back of fallout from the COVID-19 pandemic. As a result, the annual amount of residential housing loans origination remained high at ¥1.3 trillion.

Our lineup includes *Danshin Kakumei*¹, a housing loan product equipped with wide-ranging coverage for risks arising from diseases and injuries. We also offer housing loans with "natural disaster support options" that exempt borrowers who have suffered damage due to a natural disaster, such as an earthquake or typhoon, from a portion of repayments. We provide these and other products boasting unique features designed to help customers secure preparedness against contingencies. Also, in April 2021 we released housing loan products that enable borrowers to complete necessary procedures solely via smartphone apps² in response to the growing need for non face-to-face, no-physical contact services and hassle-free procedures in light of the COVID-19 pandemic.

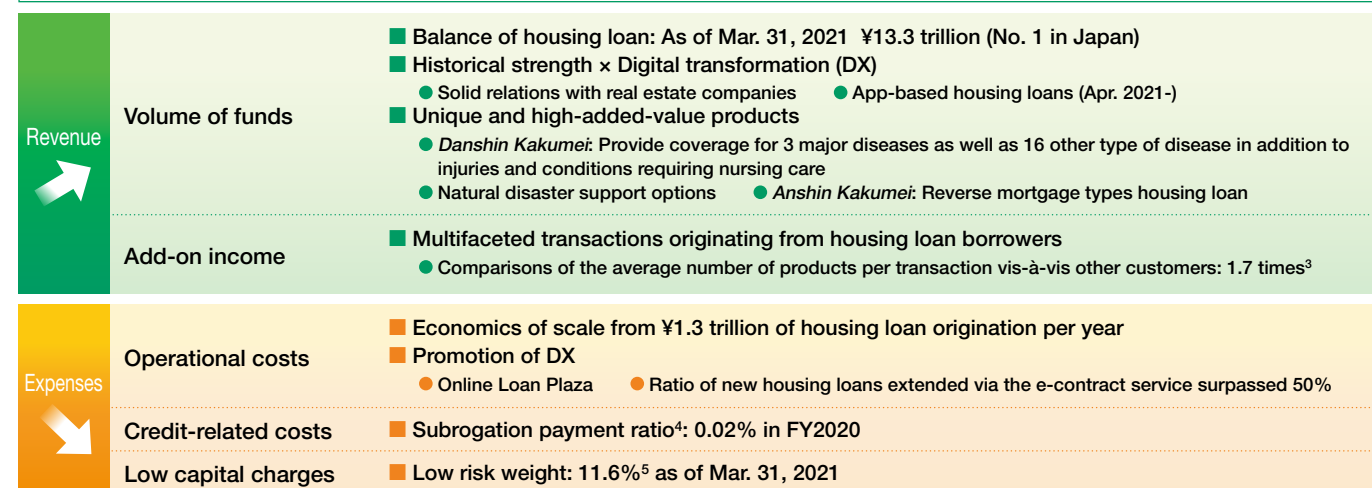
Housing loan borrowers often keep their accounts at the bank that furnished said loans to them as their main banking account. Because of this, housing loans help us secure opportunities for multifaceted transactions throughout a borrowers' lifespan. With this in mind, we offer insurance products for customers who seek to review their household finances upon the purchase of housing while extending educational loans for customers with growing children. Furthermore, we can provide asset formation products to customers who have made progress in loan repayments. In this way, we secure a variety of transactional opportunities even as we strive to meet the varied needs of customers at different life stages.

Most recently, more than half of the new housing loans we extended were provided via an e-contract service released in April 2018 to enable customers to complete all housing loan contractual procedures without a branch visit. Our efforts to go paperless and digitalize our loan-related back-office operations are intended to relieve our customers of bothersome paperwork while improving the productivity of and curbing environmental load attributable to our banking operations.

The Group's housing loans constitute a high-quality portfolio boasting such features as cost competitiveness afforded by merits of scale, a stably small eventual default ratio and low capital charges. Looking ahead, we will strive to extend these loans to as many customers as possible.

KPI Mar. 31, 2023 (vs. Mar. 31, 2020) Balance of Housing Loans **¥13.8 trillion** (+ Approx. ¥0.9 trillion) Mar. 31, 2021: ¥13.3 trillion

A high-quality portfolio × Initiatives to maintain and improve profitability



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 cases, the customer is also eligible for complete debt forgiveness.
² There are various conditions; for example, funds must be used for the purchase of second-hand condominiums, and the amount of lending is limited to ¥50 million or less.
³ Comparison between housing loan borrowers and potential II & III customers (as of Mar. 31, 2021; sum of Resona Bank, Saitama Resona Bank and Kansai Mirai Bank)
⁴ Housing loans guarantee subsidiaries' subrogation ratio x (1 - collection after subrogation); sum of residential housing loans and apartment loans
⁵ Resona Bank as of Mar. 31, 2021, non-default

Further Development Asset and Business Succession

We will deliver one-stop solutions to meet diverse succession needs by taking advantage of the unique strength afforded us by a combination of retail and trust banking functions.



To meet customer needs attributable to the rapid aging of society, the Resona Group provides its corporate and individual customers with one-stop solutions designed to enable smooth asset and business succession through taking full advantage of its strengths as a retail commercial banking group equipped with Japan's leading branch network and full-line trust banking capabilities.

In FY2020, our operations were negatively affected by restrictions on face-to-face business activities due to the COVID-19 pandemic. On the other hand, customer needs for succession solutions, which previously had been largely latent, seem to have grown stronger. With this in mind, we have been building up a robust pool of specialist human resources. As a result, the number of ongoing deals involving M&A and real estate brokerage solutions for SMEs as of March 31, 2021, grew solidly, expanding approximately 1.5 times and 1.3 times, respectively, from March, 31, 2020.

In January 2021, we established Resona Corporate Investment, a subsidiary specializing in investment aimed at accommodating the need for business succession solutions among SMEs. Aiming to achieve medium- to long-term improvement in SMEs' corporate value via fund management, Resona Corporate Investment employs a

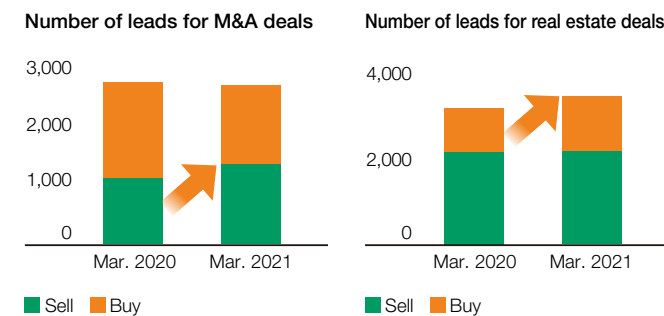
hands-on approach to engagement with investees (e.g., in general, seeking direct involvement in business management via the acquisition of majority voting rights).

Meanwhile, there is a growing sense of anxiety among individual customers regarding issues associated with asset administration for their families and themselves. For example, many are worried about the rise in financial crimes involving the victimization of the elderly while feeling a pressing need to prepare for the future provision of proper nursing care. In response, we offer a variety of succession trust products designed to help protect and pass down assets to future generations that only by a full-line trust bank could furnish. For example, our *Heart Trust* package enables customers to start from a trust unit of ¥500,000, while *My Trust*, a tailor-made trust product, is available at a minimum unit of ¥10 million. Both succession trust products have garnered favorable reviews. In FY2020, the number of new succession-related contracts signed for these products increased nearly 40% year on year. In particular, the number of such products handled by Kansai Mirai Financial Group doubled, clearly indicating the positive effect of an integrated management approach employing Group synergies.

KPI FY2022 (vs. FY2019) Succession-related Income **¥39.0 billion** (+ Approx. ¥19.0 billion) FY2020: ¥18.4 billion

Assist SME customers in their pursuit of smooth succession

Meeting growing solution needs



Number of ongoing M&A deals
Mar. 2020 → Mar. 2021
Approx. 1.5 times

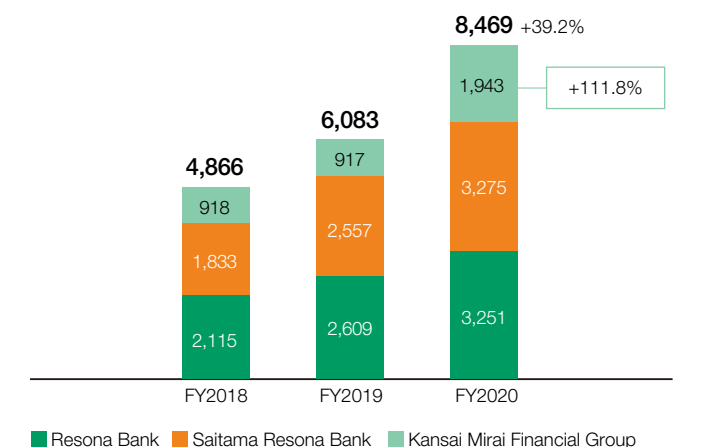
Number of ongoing real estate deals
Mar. 2020 → Mar. 2021
Approx. 1.3 times

Support individual customers via the provision of asset protection and succession solutions

Initiatives to align our products with changes in issues customers and society are confronting

- Functional upgrading of *My Trust* and *Heart Trust*
- Released a real estate repair fund trust as part of the *My Trust* package (Oct. 2020-)

Accelerating the product rollout throughout the Group



Establishing Resona Corporate Investment (Jan. 2021)

- An investment subsidiary specializing in buyout fund management
- Formed a fund worth approx. ¥10 billion
- Acquire majority stake in SMEs to enable smooth business succession

Further Development SME Loans Business

We offer a variety of solutions to help our approximately 500,000 SME customers address issues arising from and in the aftermath of the COVID-19 pandemic.



Amid rapid changes in the business environment surrounding SMEs and the resulting diversification of challenges confronting them, the Resona Group strives to provide a variety of solutions tailored to meet their needs according to their growth stage.

For those in the startup phase, we offer a Startup Support Package that provides them with privileged user status vis-à-vis “Electronic Banking” (EB), corporate card and other services centered on settlement functions in addition to offering online loan products and other non face-to-face services. For those in the growth, maturity or transition phase, our specialist human resources provide sophisticated and multifaceted solutions.

In FY2020, the number of corporate borrowers increased a robust 4.9% year on year, reflecting significant growth in demand for stable fundraising amid the fallout from the COVID-19 pandemic, which led to having secured transactions with an even broader range of customers. The Resona Group has also confirmed via periodic

customer surveys that more than 60% of its corporate customers are potentially amenable to capital investment despite the presently unclear business environment. Moreover, there is an accelerating trend toward DX-related investment in both the public and private sectors. Looking ahead, we expect novel funding needs to emerge in anticipation of the post-pandemic period.

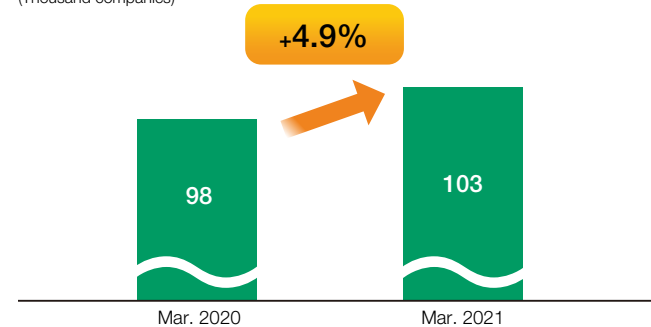
With regard to business response to the SDGs, although the majority of large corporations are already actively promoting relevant initiatives, it will be necessary for SMEs to address this issue going forward even though their management resources are relatively limited. We will therefore proactively engage in customer dialogue themed on environmental and social issues while promoting the development and popularization of loan products designed to assist SMEs in their SDG-related initiatives from multilateral perspectives. Taking full advantage of the Resona Group’s strengths, we will thus support the SME pursuit of sustainability.



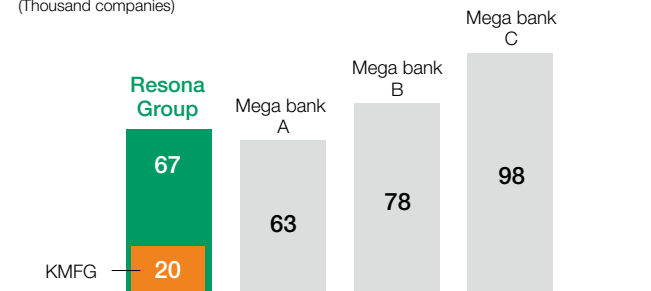
KPI Mar. 31, 2023 (vs. Mar. 31, 2020) Balance of Loans to SMEs ¥14.6 trillion (+Approx. ¥0.8 trillion) Mar. 31, 2021 ¥14.6 trillion

Expanding our customer base by acting as a “running partner” for SMEs

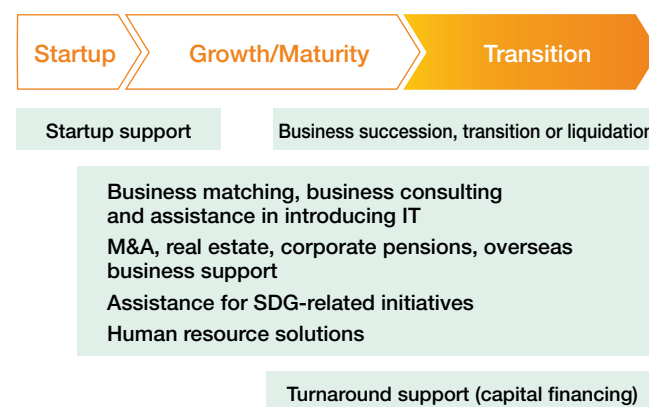
Number of corporate borrowers¹
(Thousand companies)



Number of companies that name a major bank as their main bank²
(Thousand companies)



Providing a variety of solutions tailored to SME growth stage



Assist SMEs in their efforts to achieve SDGs

- Private placement SDGs promotion bonds
Cumulative total from Dec. 2017 to Mar. 2021: ¥382.9 billion
- SDGs Consulting Fund
Cumulative total from Sep. 2018 to Mar. 2021: ¥92.0 billion
- Private placement Green Bonds, Sustainability Linked Loans, etc.

Future prospects of recovery in capital investment in the post-pandemic period

- More than 60% of customers are potentially amenable to capital investment³

1 Sum of Group banks
2 Source: Teikoku Data Bank (2020)
3 Based on results of surveys targeting corporate customers who hold accounts at Group banks (Dec. 2020 to Feb. 2021; the number of respondents: Approx. 25,000)

Management Support Initiatives for SME Customers

The Resona Group provides management support for customers. To this end, the Group companies cooperate with each other and collaborate with other financial institutions and external professionals to precisely address various needs aligned with the different growth phases of customers.

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, global expansion assistance and other support to advance their development.

Support during the Maturity and Transition Phases

We address customer business succession needs based on the owner’s vision for the business 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 the repayment terms of loans, to overhauling management, revitalizing businesses and restructuring operations.

Initiatives to Revitalize Communities

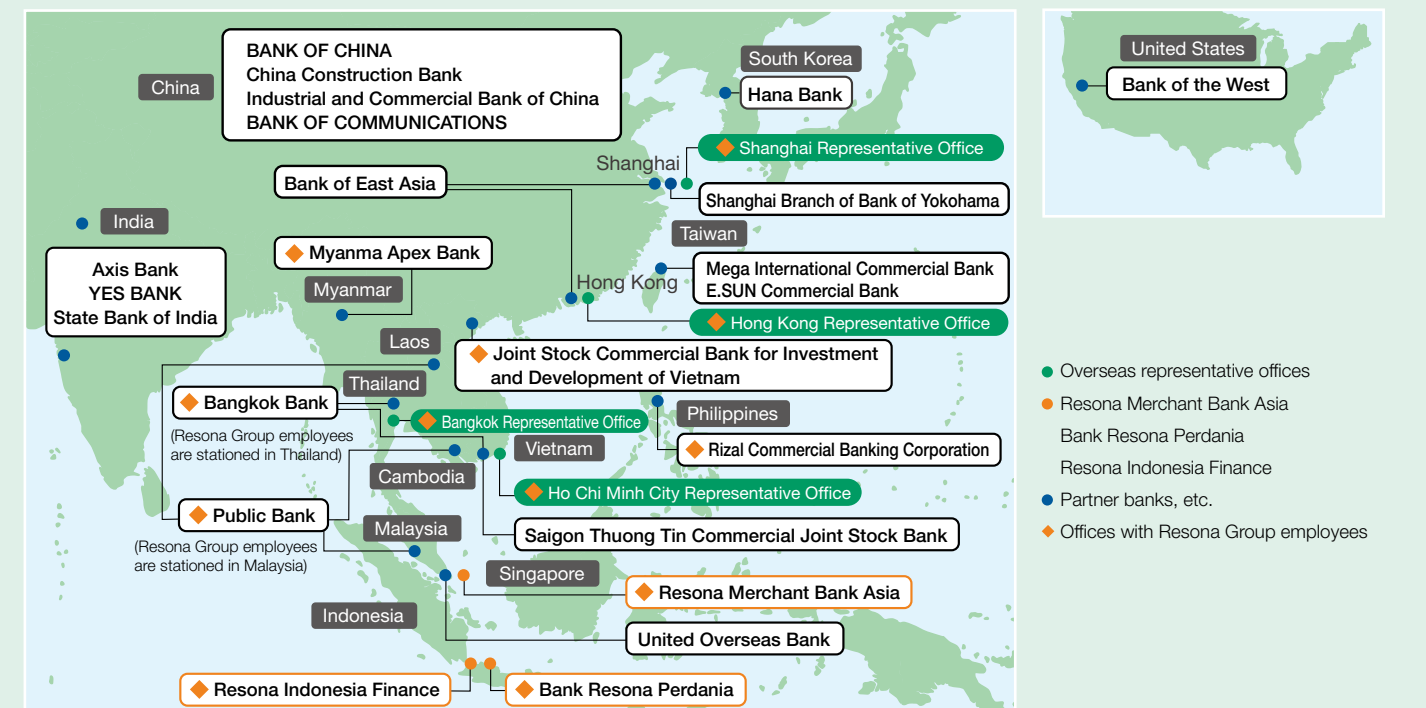
With a corporate mission that affirms our commitment to the further development of regional communities, we energetically support the management of SME customers and the revitalization of regional economies. As part of these efforts, we have entered into comprehensive partnership agreements with prefectural and other local governments while acting as a proactive participant in industry-academia collaboration with local educational institutions.

Moreover, our Business Plazas 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 propose solutions for various human resource-related issues. Thus, we act as an information intermediary to help customers resolve issues they are confronting.

The Resona Group’s Overseas Network

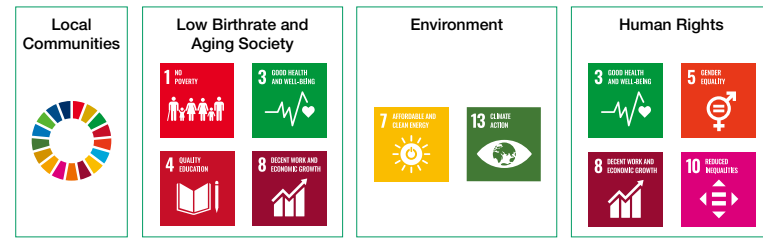
The Resona Group assists customers in their global expansion and fundraising efforts by employing its network of local subsidiaries, representative offices and partner banks. Even in the face of the COVID-19 pandemic, we have continued to provide meticulous support via the use of non face-to-face communication tools.

In Indonesia, Bank Resona Perdania, which boasts a business track record spanning more than 60 years, offers full-line banking services, while the Singapore-based Resona Merchant Bank Asia strives to meet the funding needs of customers in ASEAN nations, Hong Kong and India for fundraising and M&A solutions as well as consulting services.



Further Development × **New Challenges** **DX Strategy**

Through the pursuit of digital transformation (DX), we deliver diverse options and new value to our customers.



The Resona Group is pushing ahead with ongoing DX initiatives to achieve structural business process reforms and realize an innovative business model.

In June 2021, Resona Holdings was chosen by the Ministry of Economy, Trade and Industry (METI) as well as the Tokyo Stock

Exchange to be included in the DX Stock 2021, which consists of 28 companies, in recognition of its efforts to create innovative services employing both face-to-face and digital channels. For the second consecutive year since 2020, the Company is the only bank to be chosen for this stock.

Resona's goal for DX

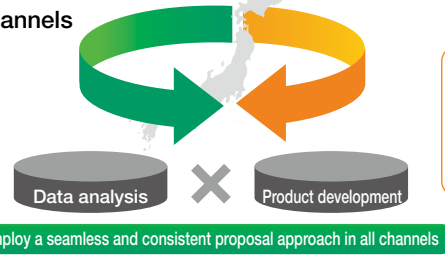
- Employ digital technologies to achieve structural business process reforms while creating an innovative business model

Only bank to be included in: **DX銘柄2021 Digital Transformation**
 First in the banking industry to be certified as: **Digital Transformation Certification**

Integration of face-to-face and digital channels

Digital channels

- Group App: 3.67 million downloads¹
- ➔ Aim for 5 million downloads
- Thoroughgoing user perspective



Face-to-face channels

- Largest scale customer contact points in Japan
- Utilization of digital technologies enhances the efficiency

Unique added value delivered only via face-to-face services

Simple transactions can be completed solely via the app

Employ a seamless and consistent proposal approach in all channels

The Omni-Channel Strategy is a strategy to provide as many customers as possible with optimal solutions anytime, anywhere. To this end, we are strengthening our digital and face-to-face channels while updating our services in a way that takes advantage of both channels in a coordinated and integrated manner.

One of our digital channels, Resona Group App recorded 3,670,000 downloads as of March 31, 2021, growing into the key channel used most frequently by customers since its February 2018 release. The app was made available to customers of all Kansai Mirai Bank branches in October 2019 as well as to customers of Ashikaga Bank and Joyo Bank, both of which are subsidiaries of Mebuki Financial Group, in March 2021. Our plans now call for making it available via Minato Bank by the end of FY2021. Notably, the Group App is winning the support of customers in their 20s and 30s, a group that has been relatively hard to reach for banks. As such, the app is helping us expand contact points with new customers. In addition, the app boasts a high utilization ratio of approximately 80%. Leveraging these strengths, we are striving to win over an even more diverse range of long-term frequent users.

Also, we are working to upgrade our face-to-face channels. Based on a fundamental belief that our branches serve as an essential contact point with customers, we endeavor to improve the added value delivered only via face-to-face services while thoroughly pursuing low-cost operations. By thereby securing the ability to offer optimal proposals via all channels we aim to enhance customer convenience

while achieving highly efficient operations in a framework that integrates banking procedures and consulting services.

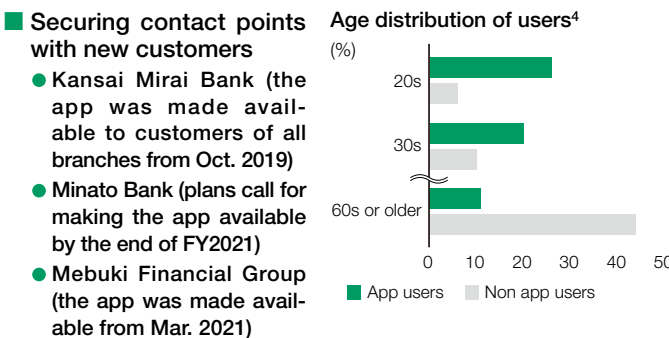
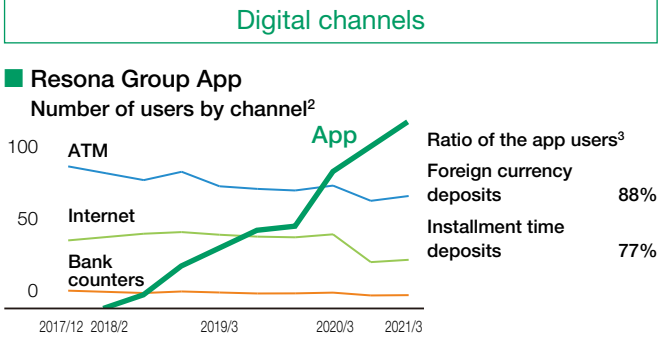
In the face of fallout from the COVID-19 pandemic, the need for cashless settlement is stronger than ever, even as both the public and private sectors undertake DX efforts at a quickening pace. Against this background, the number of cash cards issued by the Resona Group with the incorporation of debit card functions as standard with new accounts, rose to 2,430,000 as of March 31, 2021.

In terms of assisting corporate customers in their efforts to introduce IT, the Resona Cashless Platform (RCP) has been adopted by a growing number of businesses since its release in November 2018. As of March 31, 2021, a total of approximately 2,000 corporations and 16,000 stores have introduced or have decided to introduce RCP thanks to the solid reputation it has garnered regarding superior cost competitiveness as well as its versatility, which enables users to handle diverse settlement methods with a single terminal. The growing number of RCP users include local governments, hospitals and pharmacies.

In addition, the need for digitalized settlement is notably growing among SME customers as they seek to streamline BtoB transactions. In response, the development of the Resona B2B Cashless Platform is currently under way, with the aim of supporting the IT- and digital-driven updating of business process via data coordination between ordering systems used by customers and our cashless platform. We aim to release this new platform by the end of FY2021.

Omni-Channel Strategy

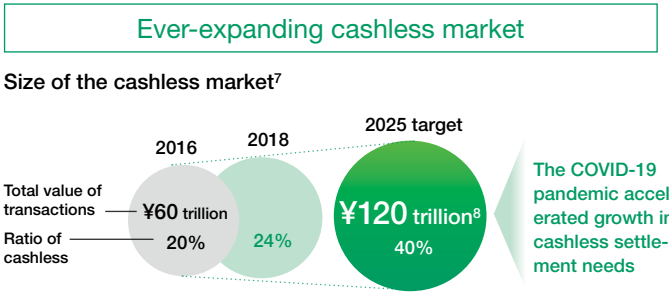
KPI Mar. 31, 2023 (vs. Mar. 31, 2020) Group App Downloads **5 million** (+ Approx. 2.8 million) Mar. 31, 2021 3.67 million



Utilization ratio of the app⁵ 80%

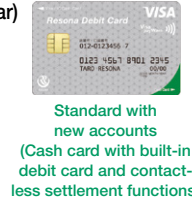
Settlement Business

KPI FY2022 (vs. FY2019) Settlement-related Income **¥80.0 billion** (+Approx. ¥14.0 billion) FY2020: ¥68.0 billion



Enhanced convenience for individual customers

- **Debit cards**
 - Number of cards issued: 2,430,000 (+420,000 from Mar. 31, 2020)
 - FY2020 income: ¥3.3 billion (+45.6% year on year)
 - Expansion to Kansai Mirai Financial Group
 - Kansai Mirai Bank (debit cards were made available at all branches from Oct. 2019)
 - Minato Bank (plans call for making debit cards available by the end of FY2021)



Standard with new accounts (Cash card with built-in debit card and contactless settlement functions)

Face-to-face channels

■ **Unique added value delivered only via face-to-face services x low-cost operations**

- Our branches serve as an essential contact point with customers

- Develop area operations and optimize branches' missions
- Downsizing and replacement
- A new sales style at branches

■ **Introducing a new sales style at branches**

- Same UI / UX as the Resona Group App
- Provide optimal proposals in all channels via data coordination



New branch terminals (Resona Group tablets⁶)
 Unified customer experience

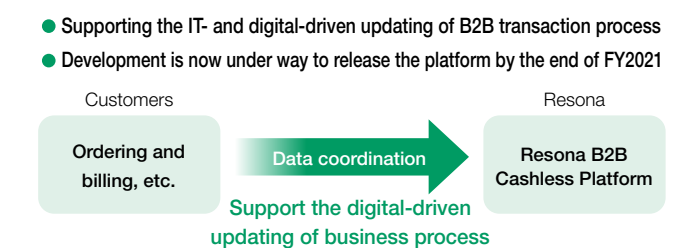
Assistance to customer efforts aimed at achieving digitalization

- **RCP**
 - Number of customers that adopted or decided to adopt RCP: Approx. 2,000 companies and 16,000 stores as of March 31, 2021
 - ➔ Target for March 31, 2023: 4,000 companies
 - Meeting cashless settlement needs among local governments (Osaka Prefecture and Saitama Prefecture's Hanno City, etc.) and healthcare-related institutions (hospitals and pharmacies, etc.)



Enabling users to handle diverse settlement methods with a single terminal

Resona B2B Cashless Platform

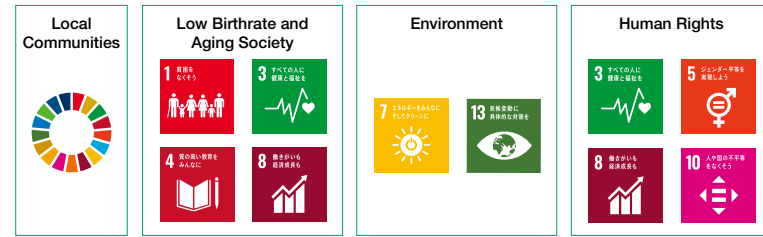


1 Number of downloads as of Mar. 31, 2021
 2 The daily number of Resona Bank ATM users in Dec. 2017 = 100
 3 Number of new account openings by channel as of Mar. 2021
 4 Ratio of app users by age group as of Mar. 2021
 5 Monthly active user rate (Mar. 2021)

6 Plans call for deploying these terminals at all Resona Bank and Saitama Resona Bank branches from FY2021 onward
 7 Based on data released by METI
 8 Assuming that private sector consumption is on par with 2016 (based on data released by METI)

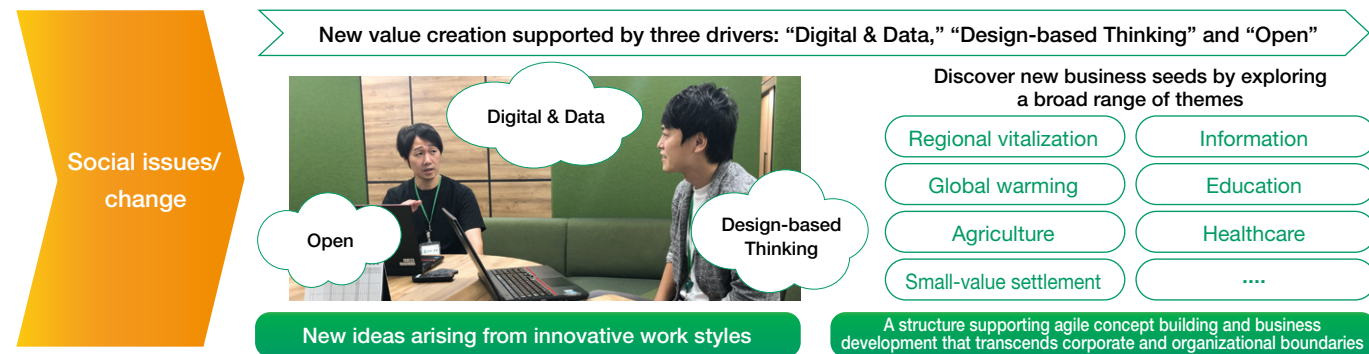
New Challenges Open Innovation Breaking Free of the Bank Model

We will take on the challenge of creating new businesses in fields in which Resona can take advantage of its strength while pursuing co-creation employing wide-ranging connections available via the open platform strategy.



Under the leadership of the Cross Functional Team (CFT) launched in April 2020, the Resona Group is striving to create new businesses to break free of the bank model. In October 2020, we opened Resona Garage, an open innovation facility designed to facilitate co-creation. This facility boasts unique floorplans featuring expansive, unpartitioned spaces within which fixed-line phones have been abolished

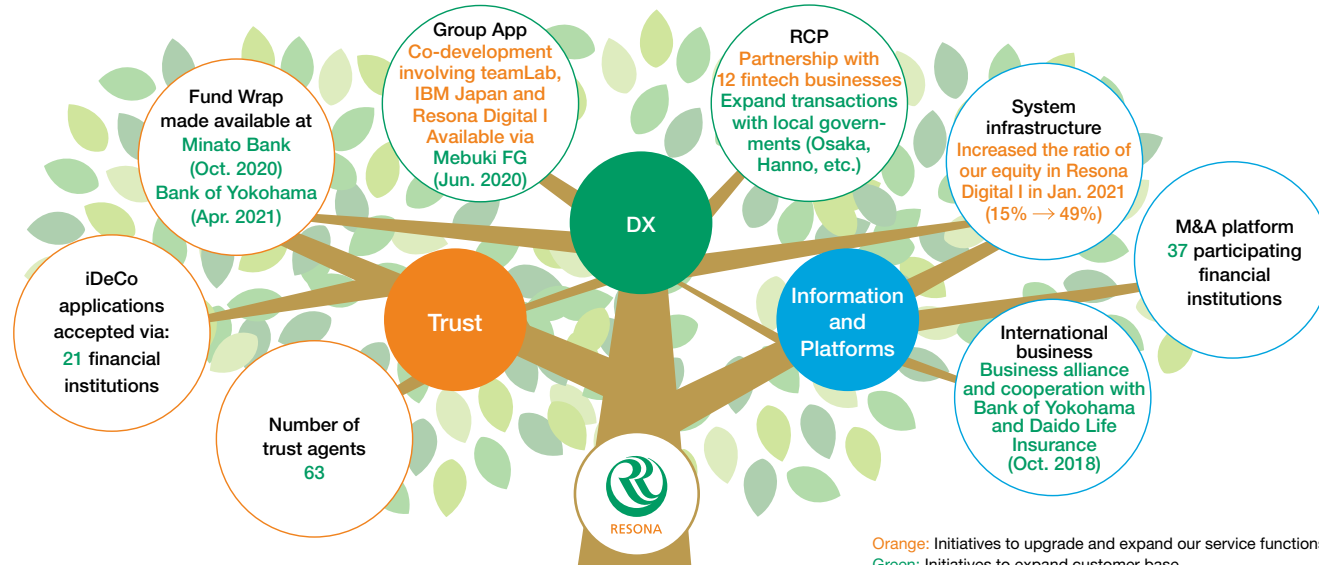
and employees engage in innovative work styles on a location-free basis with a relaxed dress code. Leveraging this facility, we are taking on the challenge of new value creation by encouraging employees to flexibly bring unconventional ideas to bear to break free of the traditional framework of the banking business.



Another key initiative we are employing to break free of the bank model is the open platform strategy. Specifically, we aim to make our unique products and services available to regional financial institutions, local government agencies and other organizations in the form of platforms. By doing so, we strive to establish a “win-win-win” relationship between the Resona Group, the above entities, and their customers. For example, our Group App was made available via Mebuki Financial Group while the Resona Fund Wrap is offered to customers of Bank of Yokohama. Moreover, Resona Cashless Platform (RCP)

has been adopted by Osaka Prefecture and Saitama Prefecture's Hanno City. Over the course of one year, we have succeeded in reaching out to a growing number of customers through the use of an open platform-based approach.

Aware of growing customer needs for more diverse, sophisticated and complex solutions, we are also engaged in co-creation in tandem with fintech businesses, partner companies from different sectors and external human resources to proactively incorporate external input. In this way, we will upgrade and expand our service functions.

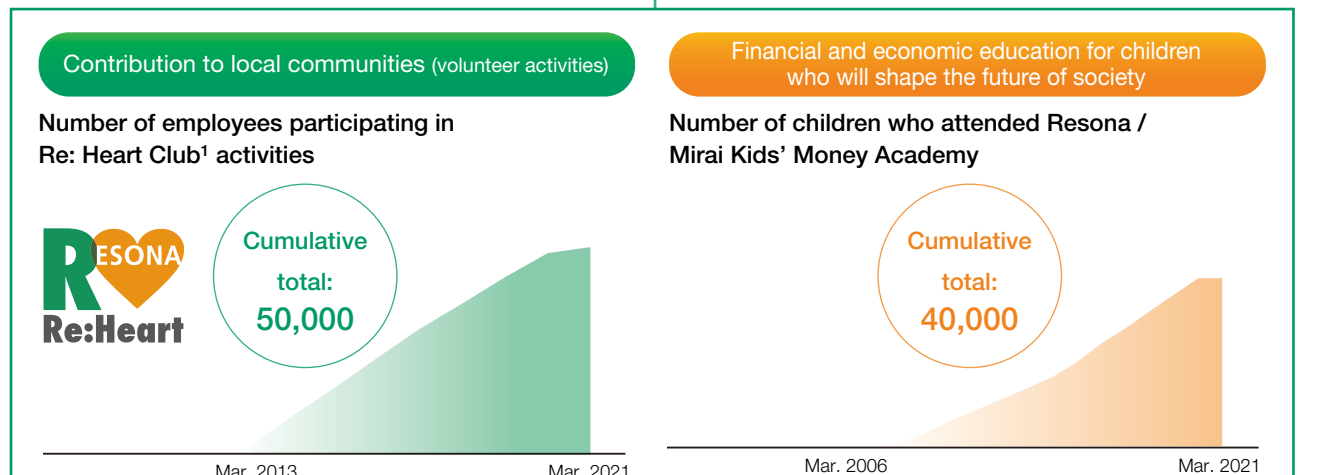


Orange: Initiatives to upgrade and expand our service functions
Green: Initiatives to expand customer base

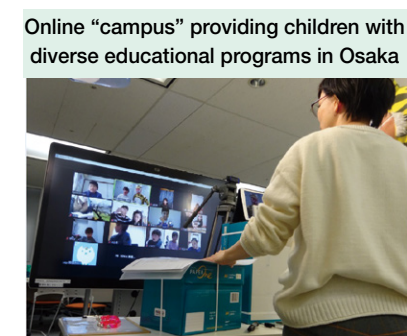
Initiatives for a Better Society

We will become Retail No. 1 through engagement in our financial services and social contribution activities.

Contribute to the sustainable development of local communities via the use of Resona's strength and management resources



Staff of a Minato Bank branch in Awajishima taking part in a large cleanup campaign along coastlines on three straits



A financial education event hosted online by Kansai Mirai Bank staff for elementary school students



Saitama Resona Bank employees donating food and other goods to assist a local NPO specializing in child support

The 27th All Japan Culture Festival for the Special Needs School² Art Exhibition

At the Tokyo Head Office of Resona Holdings, 52 prize-winning artistic projects were exhibited. Also, a total of 1,232 people submitted message cards commending the artists in response to our solicitation. With employee volunteers sorting these cards out, each prizewinner received a commemorative album featuring them.



1 A volunteer organization run by Resona Group employees
2 Sponsored by the Nationwide Special Needs School Alliance for Cultural Activities; the Resona Group has supported this event since its first round in 1994.