

Mechanisms Supporting Sustainable Growth

Resona Holdings Directors

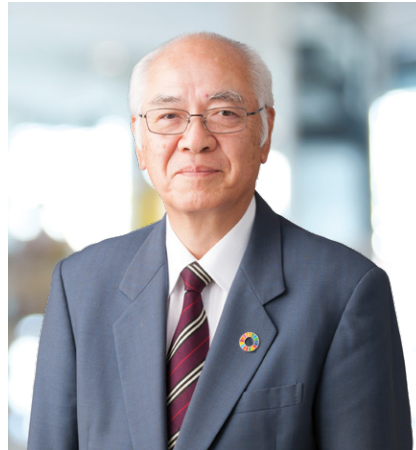
Outside Directors (6 members)



Outside Director, Chairperson of Nominating Committee and Chairperson of Compensation Committee

Tadamitsu Matsui Number of Resona Holdings shares held
Common stock: 32,400 shares

Joined THE SEIYU Co., Ltd. in 1973. Assumed the office of Director of Ryohin Keikaku Co., Ltd. in 1993, and then President and Representative Director in 2001. Assumed the office of President and Representative Director of MATSUI Office Corporation in 2010 (incumbent), and then the current position of Outside Director of the Company in 2014.



Outside Director, Member of Nominating Committee and Member of Audit Committee

Hidehiko Sato Number of Resona Holdings shares held
Common stock: 10,400 shares

Joined National Police Agency in 1968. Assumed the office of Commissioner General of National Police Agency in 2002. Registered as Attorney-at-law in 2011 and currently belongs to Hibiki Law Office (incumbent). Joined the Company as Outside Director in 2015, up to the present.



Outside Director and Chairperson of Audit Committee

Chiharu Baba Number of Resona Holdings shares held
Common stock: 14,400 shares

Joined The Industrial Bank of Japan, Limited in 1973. Assumed the office of Deputy President and Representative Director of Mizuho Trust & Banking Co., Ltd. in 2005. Assumed the current position of Outside Director of the Company in 2017.



Outside Director, Member of Nominating Committee and Member of Compensation Committee

Kimie Iwata Number of Resona Holdings shares held
Common stock: 5,600 shares

Joined the Ministry of Labour in 1971. Assumed the office of Representative Director, Executive Vice President of Shiseido Company, Limited in 2008. Assumed the current position of Outside Director of the Company in 2019.



Outside Director, Member of Nominating Committee and Member of Compensation Committee

Setsuko Egami Number of Resona Holdings shares held
Common stock: 5,400 shares

Became the chief editor of *Travail*, a job magazine issued by Recruit Co., Ltd., in 1983. Became Professor at Faculty of Sociology of Musashi University in 2009. Assumed the current position of Outside Director of the Company in 2020.



Outside Director, Member of Nominating Committee and Member of Audit Committee

Fumihiko Ike Number of Resona Holdings shares held
Common stock: 10,000 shares

Joined Honda Motor Co., Ltd. in 1982. Assumed the position of Chairman and Representative Director in 2013. Assumed the current position of Outside Director of the Company in 2021.

Internal Directors (4 members)



Chairman of the Board

Kazuhiro Higashi Number of Resona Holdings shares held
Common stock: 142,600 shares

Assumed the position of Executive Officer and General Manager of Financial Accounting Division of the Company in 2003, and then Director, Deputy President and Executive Officer in 2009. Assumed the position of Director, President and Representative Executive Officer in 2013. Stepped aside from the position of President to assume the current position of Chairman of the Board in 2020. (Concurrently serves as Chairman of the Board of Resona Bank)



Director, President and Representative Executive Officer

Masahiro Minami Number of Resona Holdings shares held
Common stock: 27,400 shares

Assumed the position of Executive Officer and General Manager of Omni-Channel Strategy Division and Group Strategy Division of the Company in 2017. Assumed the position of Director and Executive Officer in 2019. Assumed the current position of Director, President and Representative Executive Officer in 2020. (Concurrently serves as Director of Resona Bank)



Director and Executive Officer

Mikio Noguchi Number of Resona Holdings shares held
Common stock: 14,500 shares

Assumed the position of Executive Officer in charge of Information Technology Planning Division of the Company in 2017. Assumed the current position of Director and Executive Officer in charge of DX Planning Division, Information Technology Planning Division and Group Strategy Division (System Reform) in 2021. (Concurrently serves as Senior Managing Executive Officer of Resona Bank)



Director and Member of Audit Committee

Takahiro Kawashima Number of Resona Holdings shares held
Common stock: 27,510 shares

Assumed the position of Executive Officer in charge of Tokyo Metropolitan Area (East Block) of Resona Bank in 2012. Assumed the position of Audit & Supervisory Board Member of Resona Bank in 2018. Assumed the position of Director and Audit & Supervisory Committee Member of Resona Bank in 2019. Assumed the current position of Director of the Company in 2020.

Roles, Skills and Specialties of Directors

The basic policy for corporate governance provides that the Board of Directors shall consist of Directors possessing diversified and extensive knowledge. The Company considers that ensuring diversity and active discussion that hears from the different experience or specialties of each Director will lead to enhanced supervisory and decision-making functions of the Board of Directors.

The experience, skills and specialties of each candidate for Director are as described below.

Outside Directors

| | Company management/Operation | Public administration | Finance business | General affairs/HR | Legal/Risk management | Finance/Accounting | Marketing | ESG | Innovation | IT | Internationality |
|------------------|------------------------------|-----------------------|------------------|--------------------|-----------------------|--------------------|-----------|-----|------------|----|------------------|
| Tadamitsu Matsui | ○ | | | ○ | | | ○ | | | | |
| Hidehiko Sato | ○ | ○ | | | ○ | | | | | | |
| Chiharu Baba | ○ | | ○ | | ○ | ○ | | | | | |
| Kimie Iwata | ○ | ○ | | | | | | ○ | | | |
| Setsuko Egami | | | | ○ | | | ○ | | ○ | | |
| Fumihiko Ike | ○ | | | | | | | | | ○ | ○ |

Internal Directors

| | Management and planning | IT/DX | Compliance Risk management |
|--------------------|-------------------------|-------|----------------------------|
| Kazuhiro Higashi | ○ | ○ | ○ |
| Masahiro Minami | ○ | ○ | ○ |
| Mikio Noguchi | ○ | ○ | |
| Takahiro Kawashima | ○ | | ○ |

Corporate Governance

Basic Approach to Corporate Governance

Resona Holdings (hereinafter the “Company”) has established the “Basic Corporate Governance Policy” to facilitate the sustained growth and improvement of the corporate value of the Resona Group (hereinafter the “Group”) over the medium and long term.

- The Company, as the holding company of the financial services group, including Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group (KMFG) shall maximize the corporate value of the Group.
- The Company shall respect all stakeholders, including shareholders, and aim at achieving excellent corporate governance so that the Company can make decisions rapidly and decisively in response to environmental changes, including economic and social changes.
- The Company shall establish the “Corporate Mission (Resona Group Management Philosophy),” a general philosophy of management of the Group, and the “Resona Way (Resona Group Corporate Promises),” a specific form of the philosophy, under which the Group shall implement business operations in a concerted manner.

The Company’s Corporate Governance System

- Based on the aforementioned basic approach to corporate governance, the Company shall clearly separate the management supervision function from the business execution function and adopt the form of a “company with a nominating committee, etc.” as a corporate governance system because the Company determines that this system can enhance the supervision and decision-making functions of the Board of Directors.
- The Company shall fully utilize external views in its business management and secure transparency and fairness in management by making the Board of Directors, on which highly independent outside directors constitute a majority, and the three committees (Nominating Committee, Compensation Committee and Audit Committee) fulfill their functions.
- The Company shall ensure the autonomy of its subsidiaries and instruct the subsidiaries to manage their business activities based on the aforementioned basic approach to corporate governance so that the Group will grow together with regional communities.

Operations of the Board of Directors

In FY2020, Resona Holdings made it a rule to assign the position of Chairman to an internal director holding no concurrent position as an executive officer of the Company, with the aim of securing even clearer functional separation between management supervision and business execution.

In addition to directors, Board meetings are attended by the presidents of Resona Bank, Saitama Resona Bank and KMFG as observers to ensure the effective management of Group operations, which leads to active discussions at Board meetings.

Also, sufficient time is allocated to question and answer sessions. In FY2020, the Board of Directors met 16 times, with an average attendance rate among the directors of 98.7%. The average meeting length was two hours and one minute, and the average number of agenda items discussed per meeting amounted to 6.9.

Prior to each Board of Directors meeting, outside directors receive briefings on the outline and points of agenda items. Questions, opinions, and other feedback from outside directors are shared among all directors and relevant departments, helping spur discussion by the Board of Directors.

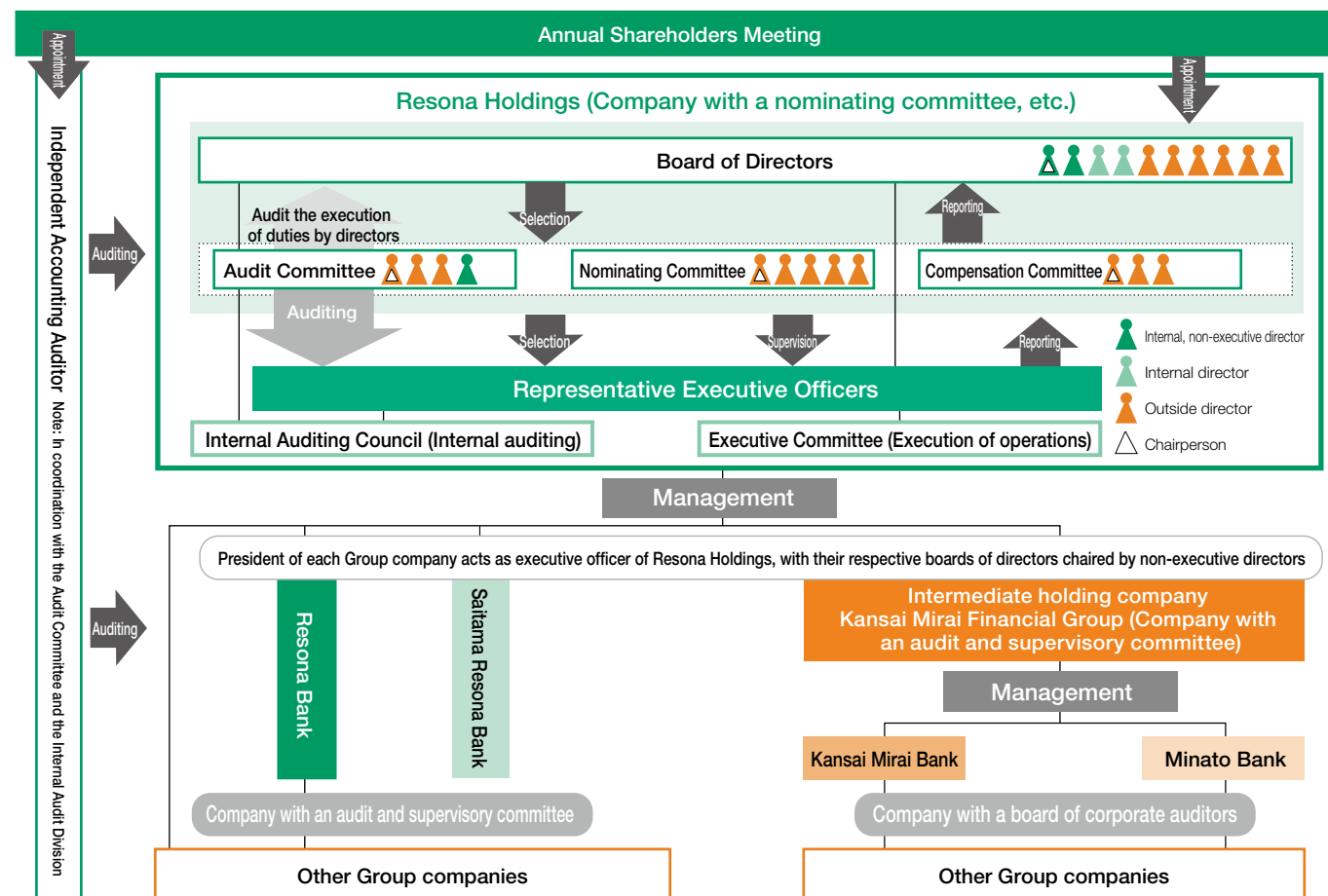
Fiscal 2020 Initiatives

In FY2020, the Board of Directors completed the formulation of a new medium-term management plan (MMP) via intensive discussion that built on the results of free discussion sessions held from FY2019 onward.

Moreover, initiatives undertaken by the Board of Directors to address issues identified in the course of the FY2019 self-evaluation are as listed below.

- ① Maintaining even more effective discussion vis-à-vis the Resona Group’s overall strategies
 - As variety of business initiatives were launched in FY2020, the first year of the MMP, in its role as the decision-making body of the Group’s holding company the Board of Directors focused on monitoring these initiatives while engaging in in-depth discussion regarding the Group’s overall strategies aimed at achieving the goals of the MMP.
 - The Board of Directors began inviting outside directors at subsidiary banks to attend free discussion sessions focused on the “Evolution of the Omni Strategy,” which constitutes a part of the MMP initiatives. In this way, the Board incorporated input from a broad range of individuals in a way that transcends boundaries between Group entities and keeps discussions lively.
- ② Further enhancement of the quality of discussion addressing each agenda item
 - To clarify matters to be discussed by the Board of Directors, the Board strove to share key points of agenda items among its members and ensure that issues being addressed by divisions in charge of business execution are understood by all. The Board also worked to review and reorganize agenda items with the aim of further enhancing the quality of its discussion.

Group Corporate Governance Framework



Main Themes (FY2020)

| Themes | 2020/April | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | 2021/Jan. | Feb. | March |
|-----------------------------------|----------------------------|--|------|--|--|--|---------------------------|---|---|----------------------------------|--|-------------|
| MMP and financial results related | Formulation of the new MMP | | | Financial results related | | MMP related | Financial results related | | | Financial results related | | MMP related |
| Free discussion sessions | | Determination of agenda items to be addressed by the Board throughout the year | | Status of Cross-Functional Team (CFT) activities | Joint sessions to which Group bank directors are invited: Evolution of the Omni Strategy | Strategic direction of Group companies | | Issues to be addressed to enhance brand capabilities and the direction of initiatives to this end | Enhancement of KMFG’s management capabilities | Status of CFT activities | Progress in the MMP and FY2021 direction for the Group | |
| | | | | Allocations of resource management (staffing) | | | | | | Management status of Minato Bank | | |

Other sessions (held on an as-necessary basis)

| | | |
|---|--|--|
| Outside directors’ meetings <ul style="list-style-type: none"> • Outside directors hold discussions on the results of the self-evaluation of the Board of Directors’ operations and the identification of future candidates for Chairman of the Board, to enhance its effectiveness | Study sessions <ul style="list-style-type: none"> • Provide outside directors with essential knowledge of and timely updates regarding matters addressed by the Board of Directors to ensure meaningful discussions • Examples of themes <ul style="list-style-type: none"> - Response to the international accounting standard - Future vision for the banking system structure | Onsite tours <ul style="list-style-type: none"> • Facilitate understanding of the Resona Group’s business operations via visits to business bases as well as dialogue with frontline employees • Recent visits <ul style="list-style-type: none"> - Resona Garage (base for CFT activities) |
|---|--|--|

Overview of Three Committees

| | Roles | Composition | Number of meetings held in FY2020 (average attendance rate) |
|------------------------|---|--|--|
| Nominating Committee | The Nominating Committee makes decisions regarding proposals for the selection and dismissal of directors that are submitted to the annual general meeting of shareholders, based on the specific qualities that the Group should seek in its directors as well as the “Standards for Electing Director Candidates,” both of which have been discussed and decided on at the committee’s meetings. Furthermore, the committee decides on matters necessary to ensure the succession of roles and responsibilities of officers, such as the presidents of Resona Holdings, KMFG and their subsidiary banks, to this end deliberating the content of the succession plan. | <ul style="list-style-type: none"> • In general, membership consists only of three or more outside directors who are highly independent from management • The chairperson is selected from among the outside directors | <ul style="list-style-type: none"> ○ Tadimitsu Matsui ○ Hidehiko Sato ○ Kimie Iwata ○ Setsuko Egami ○ Fumihiko Ike 11 (95.1%) |
| Audit Committee | The Audit Committee makes decisions regarding proposals for the selection and dismissal of independent accounting auditors in addition to auditing the execution of operations by executive officers and directors. | <ul style="list-style-type: none"> • The committee consists of three or more members, including outside directors who make up the majority • In general, a chairperson is selected from among the outside directors | <ul style="list-style-type: none"> ○ Hidehiko Sato ○ Chiharu Baba ○ Fumihiko Ike ○ Takahiro Kawashima (internal) 13 (96.2%) |
| Compensation Committee | The committee makes decisions regarding policies for the compensation and other benefits for individual directors and executive officers as well as the compensation and other benefits for specific individuals. It also discusses such matters as compensation systems that should be adopted to help enhance corporate value of the Resona Group. | <ul style="list-style-type: none"> • In general, membership consists only of three or more outside directors who are highly independent from management • A chairperson is selected from among the outside directors | <ul style="list-style-type: none"> ○ Tadimitsu Matsui ○ Kimie Iwata ○ Setsuko Egami 7 (100%) |

Self-Evaluation of the Board of Directors

The Company's Board of Directors conducts an annual analysis and evaluation of its effectiveness as a whole based on the opinions of each director with regard to their assessment of the operations and functionality of the Board as well as matters discussed at the Board of Directors meetings.

The fiscal 2020 self-evaluation involved director interviews conducted by a third-party evaluation agency in addition to questionnaires targeting each individual.

The results of the fiscal 2020 self-evaluation indicated that the Board deserved high evaluations for most key items associated with its role, composition and effectiveness. The self-evaluation also confirmed that the Board's initiatives yielded a certain level of improvement regarding issues identified via the fiscal 2019 self-evaluation (the need for even more effective discussion vis-à-vis the Resona Group's

overall strategies and the further enhancement of the quality of the Board's discussion).

Taking these findings into account, the evaluation thus concluded that the overall functions of the Board were robust and its operations remain highly effective. On the other hand, the self-evaluation suggested that the Board should allocate more time to deliberations that take into account Groupwide and medium- to long-term perspectives. It was also recommended that, going forward, the Board should work to improve such matters as the selection of agenda items and the content of the materials describing them. The Company's Board of Directors will address these and other issues while enhancing the content of discussions through the improvement of its operations based on such input as the opinions of individual directors.

Resona Succession Plan

Aiming for sustained improvements in corporate value, Resona Holdings, KMFG and their subsidiary banks introduced succession plans in June 2007 that serve as a mechanism to ensure the successions of the top management roles and responsibilities at these Group entities and secure the transparency of the process of selecting and nurturing directors.

The scope of the succession plans covers various candidates for the Company, KMFG and their subsidiary banks, ranging from those who are presidents to those who are new candidates for executive officer positions. The process of selecting and nurturing successors is carried out at a measured pace according to a schedule, with qualified candidates matched to the appropriate rank. The Group ensures the objectivity of this process by drawing on the advice of external consultants. Evaluations of candidates undergoing the process are reported to the Nominating Committee. In addition to receiving

reports on candidate evaluations, members of the Nominating Committee come into direct contact with candidates as part of the process, evaluating candidates' characters from various aspects. The activities of the Nominating Committee are reported to the Board of Directors, of which outside directors are the majority, and are discussed from diverse perspectives. Through the entire process, which is highly transparent, each potential director's capabilities and competencies are closely studied and enhanced where appropriate.

In addition, Resona Holdings has set forth seven competencies that define the ideal candidate for the position of director. By ensuring that the directors in the Nominating Committee as well as the other directors share common ideals regarding candidates, the Company clarifies standards for the evaluation and nurturing of successors and thereby aims to realize impartiality during the entire process.

Compensation for Directors and Executive Officers

Overview of Compensation Policy

The Company's compensation policy is determined by the Compensation Committee consisting solely of independent outside directors. The current compensation policy is as outlined below.

1. Basic Approach

- Remuneration for directors and executive officers is determined by the Compensation Committee following objective and transparent procedures.
- Compensation systems for directors are focused on rewarding the performance of their primary duty of providing sound supervision of executive officers and compensation itself consists of a position-based portion and a duty-based additional portion paid in cash.
- Compensation systems for executive officers are designed to maintain and boost their motivation to carry out their business execution duties, with the performance-based variable portion accounting for a significant proportion of their total compensation. In addition, with the aim of promoting the Group's sustainable growth and strengthening incentive systems for executive officers on a medium- to long-term basis to enhance shareholder value, these compensation systems include a medium- to long-term incentive in the form of performance-based stock compensation.

2. Policy for the Determination of the Composition of Compensation and Other Benefits for Individual Directors and Executive Officers

- ① Position-based compensation
The position-based portion is determined by the nature and scope of responsibilities held by each individual. The proportion of position-based compensation in total compensation received by each executive officer is as presented in "Compensation System for Executive Officers."
- ② Duty-based additional compensation
The duty-based additional portion is determined by the nature and scope of responsibilities held by each outside director who serves as a member of the Nominating Committee, Compensation Committee or Audit Committee.
- ③ Annual incentive and medium- to long-term incentive
Executive officers are offered both an annual incentive and a medium- to long-term incentive in line with the Group's performance and individual achievements. Under these incentives, the performance-based portion is more heavily weighted for individuals in higher positions than it is for those in lower positions. The proportion of annual incentive and medium- to long-term incentive in total compensation received by each executive officer is as presented in "Compensation System for Executive Officers."

Compensation System for Directors

| Name | Content and payment method, etc. | |
|------------------------------------|---|--------------|
| Position-based compensation | Position-based compensation (fixed-amount cash compensation) ● Determined based on the significance of responsibilities associated with the recipient's position and duties. | Paid monthly |
| Duty-based additional compensation | Duty-based additional compensation (fixed-amount cash compensation) ● Paid to outside directors serving as members of Nominating, Compensation and/or Audit committees. | Paid monthly |

Compensation System for Executive Officers

| Name | Content and payment method, etc. | | | | | | | | | | | |
|---|--|--|--|---|---|--|---|--------------------------------|--|------------|--|---------------|
| Position-based compensation 33%-54% | Position-based compensation (fixed-amount cash compensation) ● Determined based on the significance of responsibilities associated with the recipient's position and duties. | Paid monthly | | | | | | | | | | |
| Annual incentive 23%-33% | Annual incentive (performance-based cash compensation) ● Determined based on the Company's annual operating results and individual achievements in the previous fiscal year, with the allocable amount varying from as low as zero to as high as 1.7 times the standard amount. <table border="0"> <tr> <td style="text-align: center;">The Group's performance</td> <td style="text-align: center;">Individual achievements</td> </tr> <tr> <td>Net income attributable to owners of parent</td> <td>✓ Evaluation of the status of initiatives aimed at helping realize SDGs</td> </tr> <tr> <td>Consolidated fee income ratio</td> <td>✓ Evaluation of the status of medium- to long-term initiatives and annual goals</td> </tr> <tr> <td>Consolidated cost income ratio</td> <td></td> </tr> <tr> <td>CET1 ratio</td> <td></td> </tr> </table> | The Group's performance | Individual achievements | Net income attributable to owners of parent | ✓ Evaluation of the status of initiatives aimed at helping realize SDGs | Consolidated fee income ratio | ✓ Evaluation of the status of medium- to long-term initiatives and annual goals | Consolidated cost income ratio | | CET1 ratio | | Paid annually |
| The Group's performance | Individual achievements | | | | | | | | | | | |
| Net income attributable to owners of parent | ✓ Evaluation of the status of initiatives aimed at helping realize SDGs | | | | | | | | | | | |
| Consolidated fee income ratio | ✓ Evaluation of the status of medium- to long-term initiatives and annual goals | | | | | | | | | | | |
| Consolidated cost income ratio | | | | | | | | | | | | |
| CET1 ratio | | | | | | | | | | | | |
| Medium- to long-term incentive (performance-based stock compensation) 23%-33% | Medium- to long-term incentives (performance-based non-cash compensation) ● In fiscal 2020, the Group introduced a performance-based stock compensation program, incorporating a Share Benefit Trust scheme and stipulating that stock compensation be paid to individuals in executive positions in line with the evaluation of their achievements during the term of the medium-term management plan (MMP) (April 2020 to March 2023). ● The aim of the performance-based stock compensation program is to increase the incentive for recipients to realize the goals of the MMP while linking the compensation system itself more closely to shareholder value. The evaluation indices used are as presented below. <table border="0"> <tr> <td style="text-align: center;">Consolidated ROE (based on shareholders' equity)</td> <td style="text-align: center;">Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers)</td> </tr> </table> <table border="0"> <tr> <td> <ul style="list-style-type: none"> ✓ Utilize a trust scheme ✓ Provide shares ✓ Secure linkage with corporate performance </td> <td style="text-align: center;">"Share Benefit Trust"</td> </tr> </table> | Consolidated ROE (based on shareholders' equity) | Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers) | <ul style="list-style-type: none"> ✓ Utilize a trust scheme ✓ Provide shares ✓ Secure linkage with corporate performance | "Share Benefit Trust" | Paid once every three years (Upon the closure of the MMP period) | | | | | | |
| Consolidated ROE (based on shareholders' equity) | Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers) | | | | | | | | | | | |
| <ul style="list-style-type: none"> ✓ Utilize a trust scheme ✓ Provide shares ✓ Secure linkage with corporate performance | "Share Benefit Trust" | | | | | | | | | | | |

Basic Policy for Promoting Constructive Dialogue with Shareholders and Investors

The Resona Group has established the Basic Policy for Promoting Constructive Dialogue with Shareholders and Investors to proactively promote constructive dialogue with shareholders and investors from the perspectives of generating sustainable growth and increasing corporate value over the medium- to long-term. The key points of the policy are as follows.

[Purposes]

The Basic Policy for Promoting Constructive Dialogue with Shareholders and Investors, etc. (hereinafter "Shareholders") (hereinafter the "Basic Policy"), determines the policy concerning systems and initiatives of the Company for the following purposes:

1. Obtain the accurate understanding, confidence and fair evaluation of the Group's management strategy and financial condition from Shareholders; and
2. Facilitate the Group's sustained growth and improve corporate value over the medium- to long-term through constructive dialogue with Shareholders.

[Personnel Having Dialogue with Shareholders]

The President and Representative Executive Officer and the Executive Officer in charge of the Finance and Accounting Division shall supervise the overall dialogue with Shareholders and make every effort to ensure that it is constructive. In addition to the aforementioned persons engaging in shareholder dialogue themselves, they may appoint others to join in such dialogue when it is deemed appropriate and necessary to do so in order to properly address shareholders' requests and interests in light of subjects up for discussion.

[Internal Arrangements for Supporting Dialogue]

To make dialogue with Shareholders constructive, the Finance and Accounting Division shall support the persons having dialogue with Shareholders in coordination with various departments of each Group company so that such persons can provide Shareholders with accurate information based on their interests over the medium- to long-term.

[Efforts to Diversify Forms of Dialogue]

Constructive dialogue with Shareholders shall be conducted in various forms, including general shareholders' meetings, individual interviews, financial results briefings, phone conferences concerning financial results briefings and shareholder seminars. Dialogue shall be conducted from diverse viewpoints to make it substantial in consideration of Shareholders' interests over the medium- to long-term.

[Feedback to the Company]

The Executive Officer in charge of the Finance and Accounting Division shall submit a report on Shareholders' opinions, interests and concerns to the Board of Directors on a regular and timely basis and in an appropriate manner. The Board of Directors may, at any time, ask the Executive Officer in charge of the Finance and Accounting Division to explain the details of its dialogue with Shareholders.

[Management of Insider Information]

On the occasion of dialogue with Shareholders, undisclosed important information shall not be disclosed to any specific persons in accordance with the "Information Disclosure Regulations" to be separately established.

Risk Appetite Framework

Framework for Formulating and Executing Strategies to Realize “Retail No. 1”

The Resona Group has defined the purpose of its risk appetite framework as maximizing returns on risk and cost via the optimal allocation of management resources. The Group has thus positioned this framework as an essential component of its governance and management structure supporting the formulation and execution of its strategies aimed at realizing “Retail No. 1.”

Formulation of Management Strategies and Plans

In formulating management strategies, the Group clarifies the business areas that actively take risks in line with its role in solving environmental and social issues and the analysis of internal and external environments as well as top risks.

Based on multifaceted and sufficient discussions, management strategies are decided at the Board of Directors meeting of Resona Holdings, the majority of which consists of outside directors.

The divisions in charge of business execution then act on such resolutions, formulating various plans associated with such matters as funding and earnings, investments and costs, staffing, risk limits and the capital adequacy ratio.

Before each plan is finalized, risk appetite indices are set to confirm that management resources are optimally allocated to maximize returns on risk and cost and that stress tests are sufficiently carried out to establish a rationale for risk taking and the feasibility of risk control.

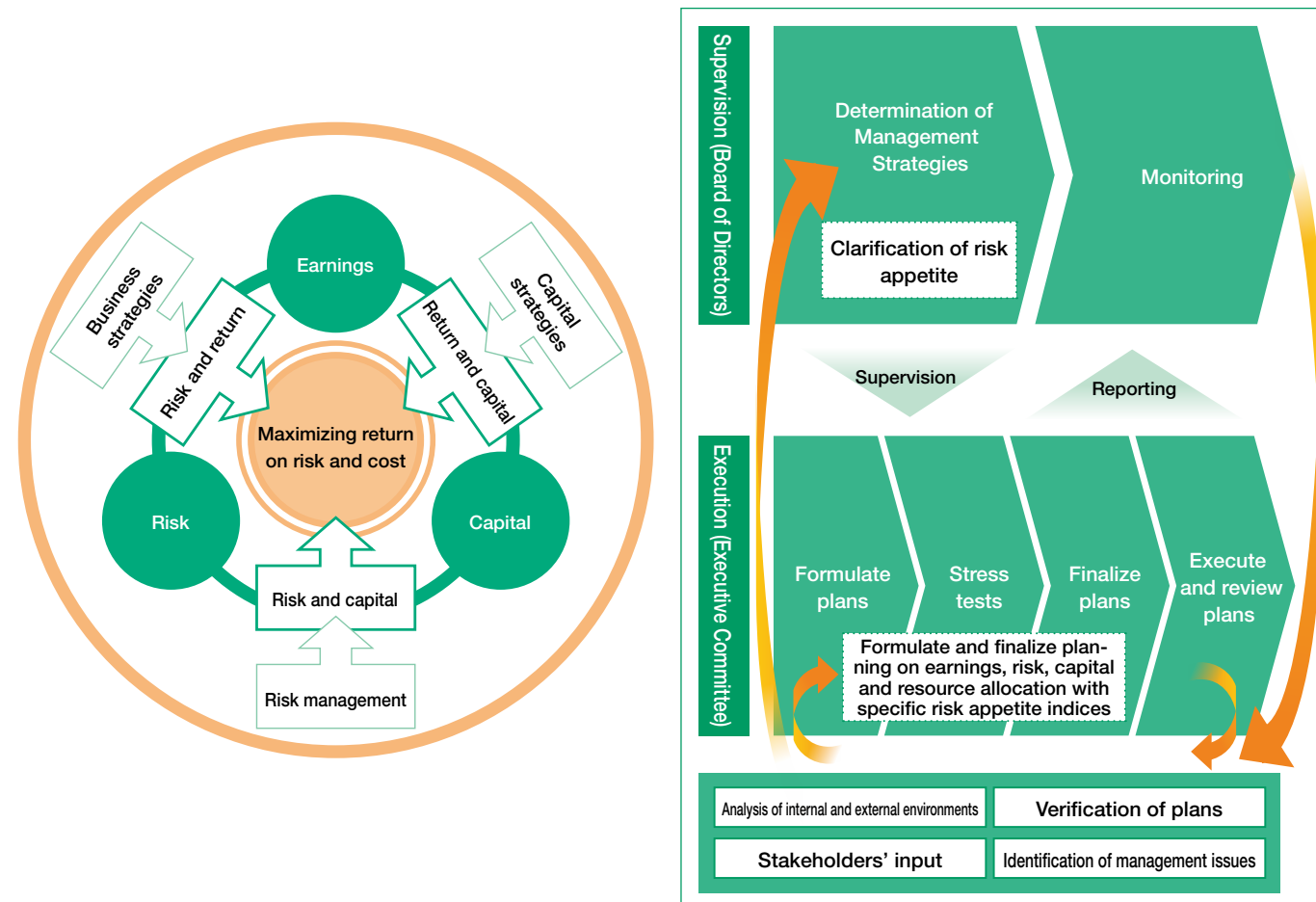
Operation and Management of Plans

Progress under these plans is regularly reported to the Board of Directors. In an effort to realize management strategies, the Board of Directors then engages in in-depth discussion of these plans.

In particular, regarding “Rebuilding Our Foundations” as laid out in the medium-term management plan, the Board is currently engaged in vigorous discussion of the utilization and optimal allocation of human resources in light of a DX strategy, diversity & inclusion and Kansai Mirai Financial Group (KMFG) becoming a wholly owned subsidiary.

To enhance the feasibility of the strategies, the results of discussions are reflected in flexible reviews of risk appetite and operational management during the period.

Operational Process of the Risk Appetite Framework



Risk Management

Risk Management System

Basic Approach to Risk Management

We deeply regret the serious concern and inconvenience that the application for an injection of public funds in May 2003 caused the people of Japan, our customers and other stakeholders. Consequently, we have established the three risk management principles shown below to enhance our risk management systems and methods as well as risk control. The Resona Group conducts its risk management activities with an eye to securing the soundness of operations and enhancing profitability.

Three Risk Management Principles

1. We will not assume levels of risk in excess of our economic capital.
2. We will deal promptly with losses that we have incurred or expect to incur.
3. We will take risks appropriate for our earnings power

Risk Management Policies and Systems

The Resona Group is exposed to various types of risk, including those associated with business strategies, the violation of laws and regulations and systems failures as well as those related to business outsourcing (e.g., suspensions of operations and information leaks involving vendors).

As it aims to appropriately handle these risks in adherence to the three risk management principles, Resona Holdings has established the Group Risk Management Policy. This policy is intended to clarify

types and definitions of risks to be managed and the organizational structure for risk management as well as the fundamental risk management framework, with the aim of developing a robust risk management system for the Group.

Specifically, the policy classifies risks as shown in the table below, and stipulates that risk management divisions specializing in each risk category must be in place in addition to divisions tasked with comprehensively managing enterprise risks (comprehensive risk management divisions), ensuring that optimal risk management methods are used by these divisions in light of risk characteristics.

As stipulated by the Group Risk Management Policy, Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group and its group banks (the “Group banks”) have established risk management policies that are tailored to their operations, unique characteristics and the risks they must address while maintaining risk management divisions handling risks in each risk category as well as comprehensive risk management divisions.

Principal Group companies, other than the banks have also established risk management policies that are tailored to their own operations, special characteristics and risks. These policies establish guidelines for avoiding risks outside their fundamental business areas. These Group companies have also established risk management departments for managing different categories of risk and risk management divisions for comprehensive risk management.

Primary Risk Category, Definition and Management Methods

| Risk Category | Definition | Risk Management Methods |
|-------------------|--|--|
| | | Comprehensive risk management (setting risk limits, assessing risk, allocation of risk capital, stress tests, etc.) |
| Credit risk | Risk of losses that arises when the value of assets (including off-balance sheet assets) declines or is destroyed as a result of the deterioration of the financial position of obligors | Setting risk limits, credit rating system, portfolio management, credit analysis and management, etc. |
| Market risk | Risk of losses that may occur when the prices of assets and liabilities (including off-balance sheet assets and liabilities) change because of fluctuations in market risk factors, including interest rates, foreign currency exchange rates and stock prices | Setting risk limits, setting loss limits, setting position limits, etc. |
| Liquidity risk | Risk of losses that may occur when a party has difficulty in raising the necessary funds or is forced to raise such funds at higher than normal rates | Recognition of liquidity emergencies, response system for emergencies, guidelines for liquidity risk management indicators, etc. |
| Operational risk | Risk of losses that may occur when internal processes, personnel and/or systems function improperly or fail to function and when external factors result in such losses | Control self-assessments (CSAs), analysis of loss data, risk indicators, etc. |
| Reputational risk | Risk of losses that may occur when the media reports rumors, false information or unfounded assertions have a detrimental effect on a company’s reputation | Dissemination of timely and appropriate information, monitoring of media, etc., preparation of crisis management systems |

Group Management by Resona Holdings

Qualitative Risk Management

The Company provides Group banks and other Group companies (hereinafter collectively "Group companies") with direction and suggestions regarding risk management policies standards and systems that must be shared by all Group members.

When making decisions on important matters related to risk management, Group companies confer with the Company in advance and base their decisions on those consultations or decide matters through the exchange of opinions, and report those decisions to the Company as necessary.

Based on the framework described above, the Company maintains a firm grip on risk management policies, standards and systems in place at each Group company, thereby ensuring qualitative risk management for the Group.

Quantitative Risk Management

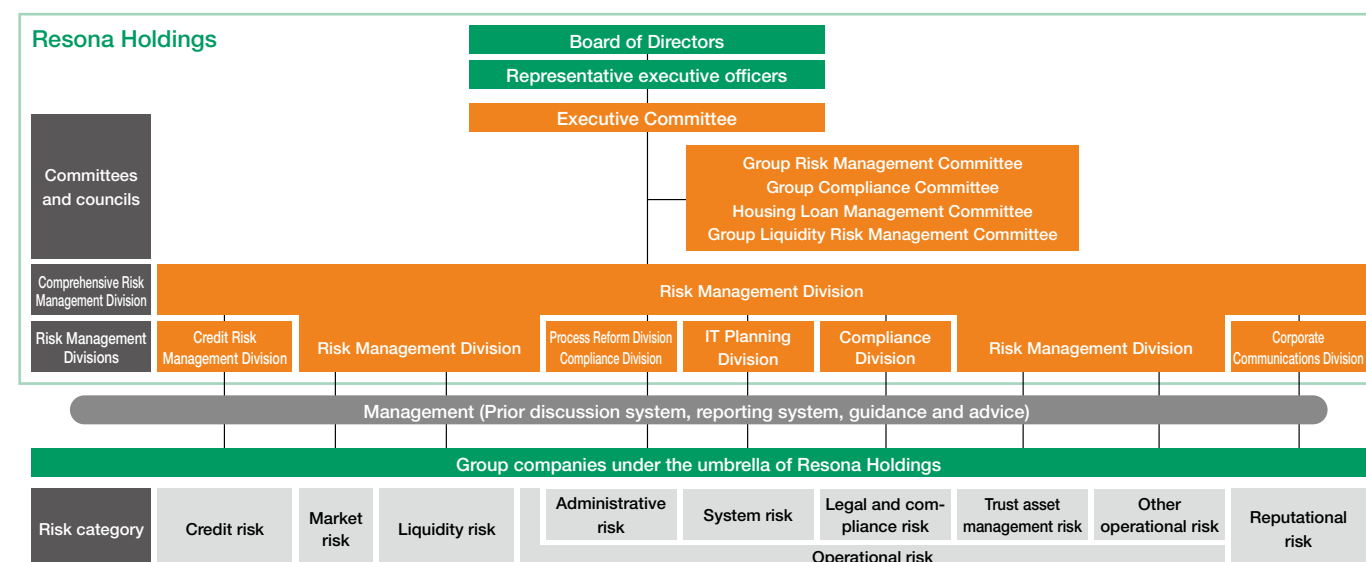
The Company and the Group banks have in place comprehensive risk management systems with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

Furthermore, the Company maintains the quantitative management of risks each Group company is handling through prior consultation on limits and guidelines or through the exchange of opinions.

Group companies must report to the Company regarding the risk conditions and their management on a regular and as-needed basis so that the holding company can provide guidance and advice as necessary.

As shown by the figure below, we have formed risk management divisions by risk category within the Company for managing each type of risk on a Group-wide basis.

Group Risk Management System



| Group Risk Management Framework Operated by Resona Holdings | |
|---|---|
| ① Prior discussion system | Each Group company engages in prior discussion with Resona Holdings in the following cases: <ul style="list-style-type: none"> When it seeks to formulate or amend risk management policies and other policies and rules deemed important in terms of risk management When it seeks to establish limits on and/or guidelines regarding various risks When it makes a decision on an important risk management matter |
| ② Reporting system | <ul style="list-style-type: none"> Each Group company provides Resona Holdings with periodic reporting on risks it is confronting and its risk management status Each Group company reports to Resona Holdings whenever an important risk management issue arises |
| ③ Guidance and advice | <ul style="list-style-type: none"> Resona Holdings presents Group companies with unified risk management policies, standards and frameworks for the entire Group Based on reporting from each Group company, Resona Holdings issues risk management-related guidance and advice to it as necessary |

Top Risk

The Company has positioned risks that are deemed to possess a high possibility of impacting heavily on the Resona Group as top risks in order to develop a consistent risk management structure placing the foremost emphasis on managing these risks.

Among this category are "risks that could have a grave impact on the Resona Group's operations and are highly likely to materialize or are expected to gain a high possibility of materialization within a period of approximately one year going forward." In addition to quantifiable risks,

top risks include risks arising from the execution of strategies, deterioration in the Group's reputation and other factors. In line with these definitions, top risks are determined via discussion at the Executive Committee, the Board of Directors and other important bodies.

Through top risk management, the Company helps Group members share risk recognition while striving to enhance risk governance, prevent the emergence of significant risks, ensure swift response to risk materialization and curb the spread of risk repercussions.

Top Risks for the Resona Group

| Top risks | Risk scenarios |
|---|---|
| Changes in the competitive environment (social and industrial structures) | Changes in social and industrial structures in the face of rapid advances in technological innovation, etc., the nullification of the effect of strategic investment due to evolving conditions in the competitive environment and a lack of human resources to support the execution of business strategies |
| Changes in regulations, laws and other legal frameworks as well as government policies | Changes in the earnings structure and deterioration in profitability due to the introduction or revision of laws, regulations and accounting standards and the prolongation of monetary easing policies |
| Increase in credit-related expenses | Deterioration in the corporate performance of major clients to which the Group extends credit, the deterioration of performance in sectors to which the Group extends massive credit and the resulting negative repercussions on the performance of those in supply chains associated with these clients or sectors due to such factors as the resurgence of the COVID-19 pandemic and/or the expiration of positive economic effects arising from pandemic-related stimulus packages |
| Deterioration in unrealized gains on available-for-sale securities | Deterioration in unrealized gains on available-for-sale securities due to economic deceleration, turmoil in financial markets or the materialization of geopolitical risk leading to stock price plunges and interest rate hikes |
| Destabilization of foreign currency funding | Increase in costs associated with foreign currency funding and other detrimental financing conditions arising from turmoil in financial markets, the materialization of geopolitical risks, unexpected cash outflows, the deterioration of market liquidity, etc. |
| Occurrence of major systems-related incidents resulting in service suspension or other serious consequences | Major systems failures, including those induced by cyberattacks, suffered by the Group or third parties handling its systems and resulting in the suspension of settlement and other services or the leakage of customer information |
| Operational suspension due to the violation of laws and regulations and compliance-related failure, etc. | <ul style="list-style-type: none"> Cancellation of contracts and the need to pay fines due to flaws in the Group's countermeasures aimed at preventing money laundering and funding for terrorism Deterioration of the Group's reputation due to the violation of social ethics |
| Occurrence of natural disasters that lead to operational suspension, etc. | Operational suspension or other serious consequences, including a threat to human life, due to a major natural disaster, such as an earthquake, massive wind or flooding, or a pandemic |

Comprehensive Risk Management and Capital Allocation

Comprehensive risk management divisions have been formed within the Company and the Group banks, and these divisions are each responsible for the comprehensive risk management of their respective Group company or bank.

Each Group bank measures the volume of credit risk, market risk and operational risk using the risk management indicator value at risk (VaR*) and establishes risk limits (makes risk capital allocations) on these types of risk. Risk management is conducted to control risk within these established limits.

When the Group banks set their risk limits, the Company verifies the details of the limits to be established to confirm the soundness of the Group as a whole. In addition, the Company receives periodic reports from the Group banks regarding the status of risk management and confirms the status of comprehensive risk management of the Group.

In addition, although the Company is constantly working to improve the quality of risk measurement through various means, including the application of the VaR method, there are risks that cannot be quantified by statistical risk management methods. The Group strives to study and understand the incompleteness and specific weak points of the VaR method, thereby assessing and recognizing the impact of such limitations on risk measurement. For risks that cannot be identified

or quantified by the VaR method, the Company and the Group banks conduct qualitative assessment through various stress testing and the use of risk-assessment mapping. In this way, the Group aims to enhance the quality of its comprehensive risk management.

Stress Tests

The Group carries out a variety of stress tests, each assuming a massive economic deceleration, turmoil in financial markets or other similar scenarios aimed at confirming its resilience against and capital adequacy in a stressful environment and thereby verifying the appropriateness of its management plan and assessing the impact of differing risk factors on its operations.

Stress tests being carried out in the course of formulating a management plan employ multiple stress scenarios, including some deemed highly likely to materialize and some that would gravely impact the Group's operations. In this way, the Group measures the possibility of an increase in losses associated with its risk-weighted assets and fluctuations in profit due to deterioration in revenues over a period spanning multiple fiscal years. Stress tests are utilized to evaluate the stability of the Group's revenues, assess how its capital adequacy would be impacted by the assumed stresses and prevent excessive risk-taking.

* VaR, or value at risk, is a risk management indicator that is calculated using statistical methods to measure the maximum loss that may occur within a specified confidence interval (probability) and over a specified period.

Compliance

Basic Activities

The Resona Group defines compliance as the strict observance not only of laws and regulations, but also of social norms, and it has positioned compliance as a key management issue.

As basic activities to put compliance into practice, the Resona Group has established its Corporate Mission/Kansai Mirai Financial Group Management Principles, which forms the basis for the judgments of directors and employees; the Resona Way (Resona Group Corporate Promises)/Kansai Mirai Way (Kansai Mirai Financial Group

Corporate Promises), which outlines the basic stance, based on the Corporate Mission, that directors and employees should take toward all Group stakeholders; and the Resona Standards (Resona Group's Behavior Guidelines)/Kansai Mirai Standards (Kansai Mirai Financial Group's Behavior Guidelines), specific guidelines about the behavior expected from directors and employees under the aforementioned mission and way.

Group Management System

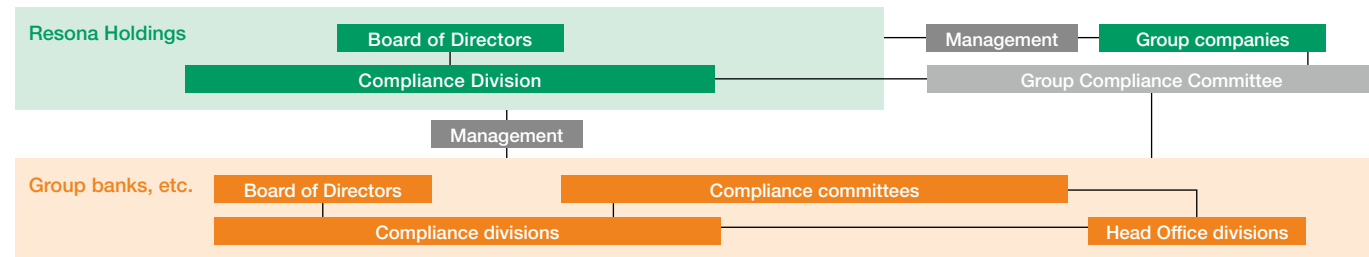
Group Compliance Management System

The Compliance Division at Resona Holdings controls Group compliance and works with compliance divisions at Group companies to strengthen compliance systems Group-wide. In addition, the Group has secured a robust structure for discussing and evaluating all issues related to Group compliance by, for example, forming the Group Compliance Committee.

System for Protecting Group Customers

The Company, Group banks and other Group companies are working proactively to make improvements in the quality of explanations to customers, responses to customer inquiries and complaints, the management of customer information and the management of conflicting interests in banking transactions and other areas so that we can provide better responses and more convenience for customers. Specifically, we deliberate initiatives with responsible divisions and individuals in the Group Compliance Committee.

Group Compliance Management System



Management of Customer Information

The protection of customer information is one of the most important factors that enable customers to use the Group's services with peace of mind. We strive to properly manage customer information by publicizing the Promise to Protect Personal Information of All Group

Companies, establishing a framework for protecting against leakage or loss of personal information and conducting ongoing and thorough employee education.

Initiatives to Prevent Money Laundering and Other Financial Crimes

The Resona Group considers the prevention of money laundering and financing for terrorism to be important management issues. Accordingly, the Group has developed an effective operational structure aimed at confirming the identity of transactional counterparts,

preventing transactions with terrorists and other individuals subject to their assets being frozen and ensuring the systematic detection and reporting of suspicious transactions.

Elimination of Anti-Social Forces

The Resona Group believes that preventing and eradicating transactions with anti-social forces are critically important to its public mission and social responsibility as a financial institution. Our basic approach is to not engage in transactions with antisocial forces and to prevent them from intervening in transactions with customers through the corporate activities of Group companies. The Group has set specific

internal rules and regulations. It also provides ongoing training and education on these compliance issues for directors and employees. In addition, we have formed cooperative relationships with such law-enforcement agencies as the police to prevent and terminate transactions with anti-social forces.

Internal Auditing

Group Internal Auditing

We believe that the role of internal auditing is extremely important if we are to "live up to customers' expectations" and "implement transparent management" as set forth in the Resona Group's Corporate Mission. Accordingly, we have established internal audit divisions at Resona Holdings and at main Group companies.

In order to ensure sound and appropriate operations and to gain social trust in the business management systems established by the Company and Group companies, the internal audit divisions serve the essential function of facilitating improvements in corporate value by verifying and evaluating the systems from an independent standpoint

and promoting improvements as needed in all management activities. The Company's Internal Audit Division has introduced auditing methods in conformity with the Institute of Internal Auditors (IIA),* a leading international association in the field of internal audits, thereby practicing risk-based audits and ensuring that its peers at Group companies follow suit. In addition, the division monitors the activities of internal audit divisions at such companies while striving to improve the quality of internal audits by, for example, providing various information and training and supporting employees seeking qualification as certified internal auditors and/or to acquire other audit-related certification.

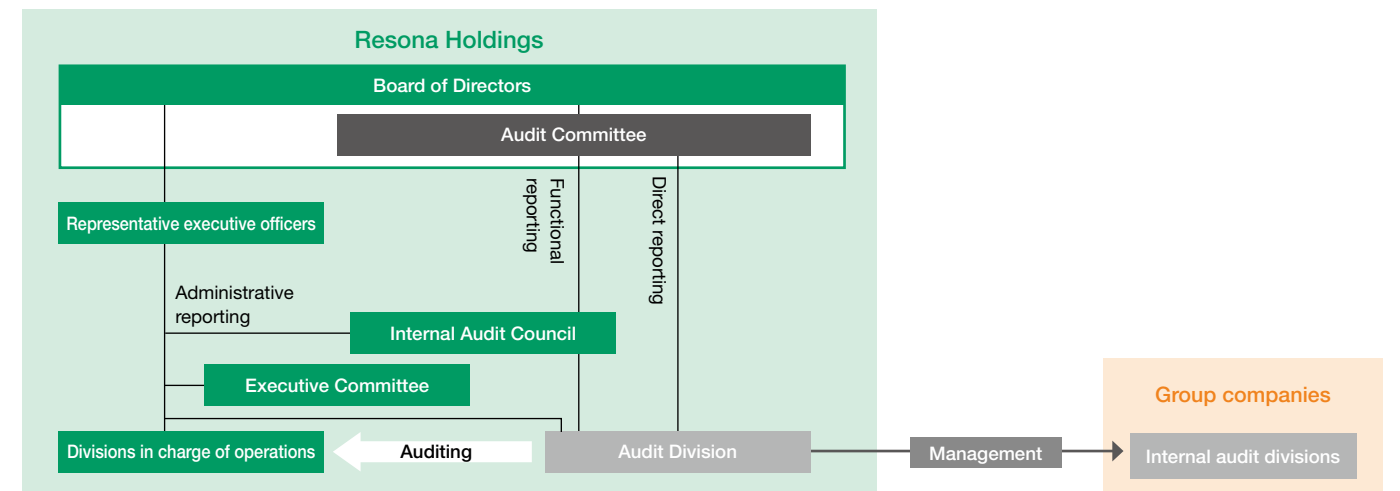
Organization

The Company and Group companies have established independent internal audit divisions and other bodies under each board of directors. Moreover, we have formed the Internal Audit Council, separate from the Executive Committee, to serve the Company and Group companies by discussing important matters related to internal auditing.

The Internal Audit Division of the Company reports to the Board of

Directors and the Audit Committee for its functions and to the representative executive officers for its administration. In addition, by ensuring a direct reporting line from the Audit Committee to the Internal Audit Division, we strengthen the monitoring and check and balance functions the Company exerts over the representative executive officers and representative directors of the Group companies.

Resona Holdings' Internal Auditing System



Functions and Roles

To guide the drawing up of plans for internal auditing, the Internal Audit Division of the Company formulates the Annual Internal Audit Basic Plan for the Company and the Group, including the Group's annual policies, the targets of auditing and key items, and secures the approval of the Board of Directors after discussion with the Audit Committee.

The internal audit division of each Group company formulates its Annual Internal Audit Basic Plan based on the business management policies of the Internal Audit Division of the Company and secures the approval of each respective board of directors.

The internal audit divisions at the Company and Group companies conduct audits based on the Annual Internal Audit Basic Plan. The results of internal audits of the Company are reported to the Board of Directors, the Audit Committee and representative executive officers. The results of internal audits of Group companies are reported to their respective boards of directors, audit & supervisory committees and representative directors as well as the Company.

*An organization that formulates professional standards for internal auditors, engages in the research of theories and practices associated with internal auditing and promotes other activities aimed at providing leadership for the global profession of internal auditing.