

# Roadmap to Sustainable Profit Growth

New Earnings Pillars

## Integrate Digital and Face-to-Face Channels

### Provide Customers with a Variety of Options and New Value

The Resona Group aims to provide customers with a variety of options and new value through the realization of the "Omni-Channel," the product of enhanced coordination between and the integration of digital and face-to-face channels.

One of our digital channels, Resona Group App, which was released in February 2018, recorded more than 5 million downloads as of March 31, 2022, surpassing our target under the medium-term management plan (MMP) a year ahead of schedule. Meanwhile, since March 2021 a banking app developed using functions offered by Resona has been made available to customers of Ashikaga Bank and Joyo Bank, both of which are subsidiaries of the Mebuki Financial Group. As of March 31, 2022, this banking app had recorded 690,000 downloads. Having identified a new target of achieving 10 million downloads, including downloads via partners outside the Group, we are striving to further expand our digitally-connected

customer base. These apps have garnered highly favorable customer reviews for their operability thanks to the thorough application of the user perspective in the course of development. Similarly, their ability to facilitate hassle-free transactions anytime, anywhere is highly appreciated. Looking ahead, we aim to make our apps a daily staple for customers and to win over more long-term customers to this form of banking transaction.

At the same time, we are endeavoring to improve the added value delivered only via face-to-face services backed by our manned branches, the largest such network in Japan. In line with the fundamental concept of "branches serve as an essential contact point with customers," we are striving to integrate consulting services and banking procedures via the use of tablets while optimizing Group channels, with the aim of achieving enhanced customer convenience and low-cost operations.

Currently, our contact points with customers are expanding through digital channels. Looking at users by channel, the number of app users now surpasses the number of ATM users, indicating that Group App has steadily become our customers' largest transactional channel. The number of frequent app users is similarly growing considerably. For example, the number of those who use the app at least three times a month increased 61% over the course of two years since March 2020 to March 2022.

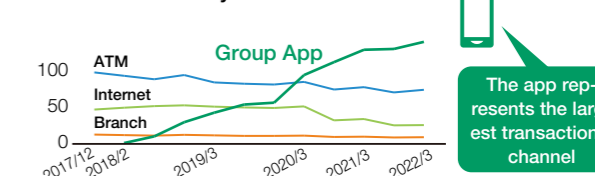


### Expanding customer contact points

**Number of Group App downloads<sup>1</sup>: 5.02 million (+1.34 million from March 31, 2021)**

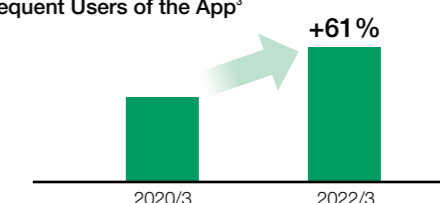
- Rolling the app out at Group companies (Minato Bank) as well as partners outside the Group (Mebuki FG, etc.)
- Achieved our target ahead of schedule (the MMP target of 5 million downloads ⇒ Achieved in March 2022)

### Number of Users by Channel<sup>2</sup>



### Steady growth in the number of frequent users of the app

#### Frequent Users of the App<sup>3</sup>



We often benefit from customers' frequent use of the app in terms of securing multifaceted transactions with them. Based on the analysis of our transactional data, we have found gross operating profit from transactions with customers who use the app at least three times a month to be approximately 2.2 times higher than transactions with less-frequent app users. This tendency has been confirmed regarding all customer groups irrespective of age.

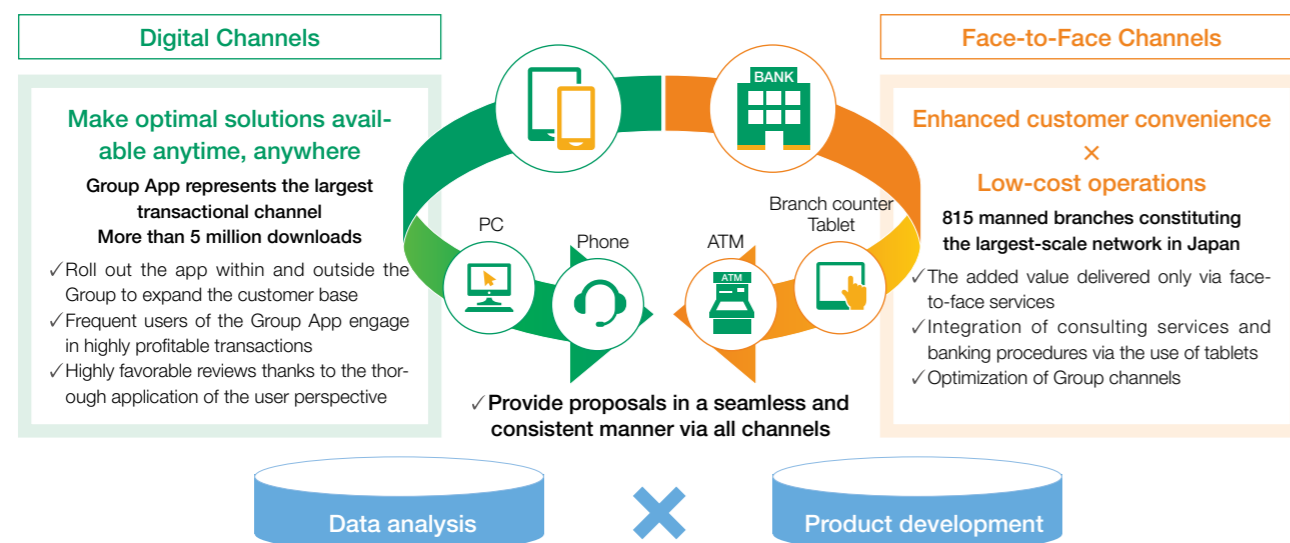
The analysis of our data regarding the app usage rate also suggests that the app has high affinity with transfer, debit card settlement and other daily banking transactions. Simultaneously, our data on the savings account dropout rate indicates that customers who are frequent users of the app are more likely to maintain consistent transactional relationships with the Resona Group than other customers.

Growth in the number of customers engaged in digital transactions also helps us promote cost structure reforms. For example, enabling customers to complete various

transactional procedures via the app not only furnishes them with an innovative banking experience but also leads to a reduction in the volume of time-consuming back-office operations, which require large numbers of personnel and the use of numerous paper forms. Thus, the above initiatives are also helping us cut back on investment in existing branch systems and promote reallocations of management resources.

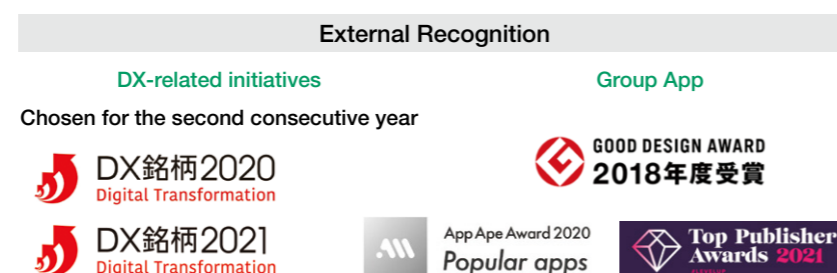
Going forward, we will continue to focus on delivering new value to customers via the digital-driven upgrading of banking experience

### Realize the Omni-Channel



Furthermore, we are promoting data-driven coordination between digital and face-to-face channels to ensure that we can provide optimal proposals in a seamless and consistent manner via all channels. Our efforts to create innovative services employing both face-to-face and

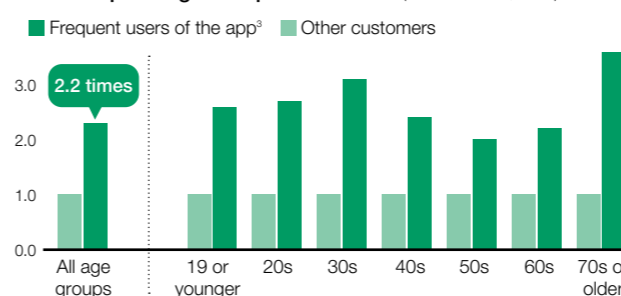
digital channels also help us earn external recognition, with Resona Holdings being chosen by the Ministry of Economy, Trade and Industry (METI) as well as the Tokyo Stock Exchange to be included in the DX Stock selection for the second consecutive year.



### Features of frequent users of the Group App

- Tendency to engage in highly profitable transactions (all age groups)

#### Gross Operating Profit per Customer<sup>4</sup> (as of March 31, 2022)

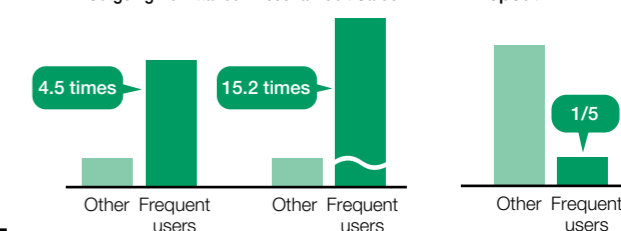


1 As of March 31, 2022 (Resona Group App and Minato de Group App)  
2 The daily number of Resona Bank ATM users in December 2017 = 100

### High usage rate for each type of transaction

Usage Rate for Outgoing Remittance

Usage Rate for Resona Debit Cards



### Offering end-to-end digital transactional procedures via the app also helps promote cost reductions

3 Customers who use the app at least three times a month (Resona Bank, Saitama Resona Bank and Kansai Mirai Bank)

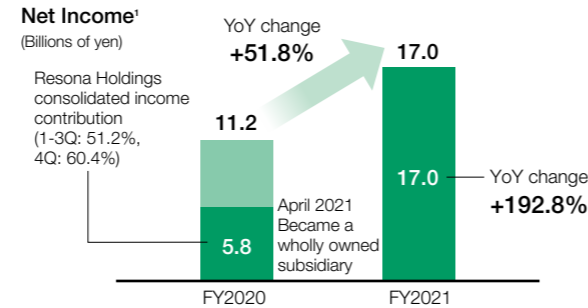
4 Annualized gross operating profit per customer (categorized in "Other") = 1

New Earnings Pillars

## Further Evolution of the Kansai Mirai Financial Group

### KMFG's Earnings Holding Strong

In FY2021, Kansai Mirai Financial Group (KMFG) generated net income of ¥17.0 billion, an increase of 51.8% year on year, with synergies in both top-line income and costs. The turning of KMFG into a wholly owned subsidiary in April 2021 thus increased its contribution to Resona Holdings' consolidated earnings from ¥5.8 billion in FY2020 to ¥17.0 billion (up roughly three times).

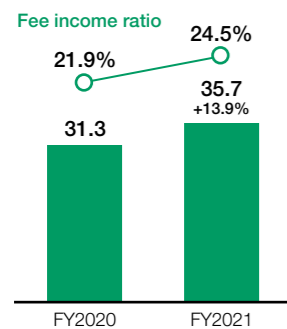


### Steadily Generate Group Synergies by Accelerating PMI<sup>2</sup>

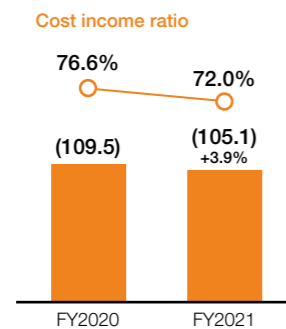
KMFG's consolidated fee income ratio was 24.5%, up 2.6 percentage points year on year, thanks primarily to the introduction of Resona Group products and services. The cost income ratio was down 4.5 percentage points to 72.0%, reflecting a steady decline in costs from the optimization of management resources. By turning KMFG into a wholly owned subsidiary, the Resona Group is now free of previous restrictions on allocations of management resources and able to act more quickly in this regard.

The yield from Group synergies increased to ¥20.8 billion in FY2021 compared with the FY2018 level, and are projected to increase to ¥25.0 billion in FY2022. We anticipate ¥9.5 billion in top-line synergies through the further rolling out of Resona's unique products and services, and ¥15.5 billion in cost synergies from the shared use of systems, channel optimization and the optimal allocation of human resources throughout the Group in FY2022. This represents an increase of ¥2.0 billion from our previous target of ¥23.0 billion.

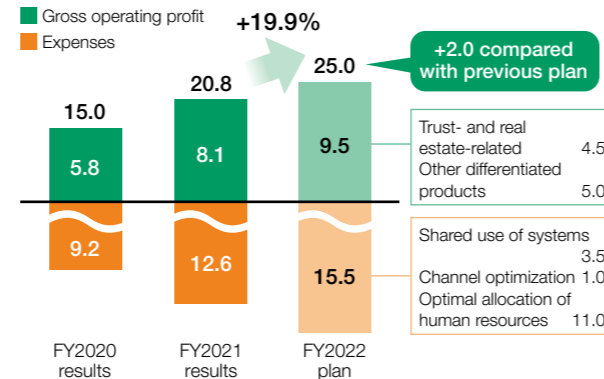
#### Fee Income<sup>1</sup> (Billions of yen)



#### Expenses<sup>1</sup> (Billions of yen)



#### Group Synergies (compared with FY2018 level) (Billions of yen)



### Development of Resona Group's Products and Services

#### KMFG's FY2021 Results

- Number of app setups (cumulative) +53.6%<sup>3</sup>
- Number of debit cards issued (cumulative) +41.0%<sup>3</sup>
- Number of trust and fund wrap product customers: 211,000 +4.8%<sup>3</sup>
- Balance of fund wrap (including corporations) ¥112.6 billion +69.2%<sup>3</sup>

### Cost Controls Through Optimization of Management Resources

#### KMFG's FY2021 Results

- Consolidated cost income ratio (OHR) 72.0% (-4.5%, year on year)
- Branch clerical work volume: 42% reduction (compared with FY2019)
  - ➔ Plan to introduce new branch system in FY2022 (Kansai Mirai Bank)
- BinB locations (cumulative) 88 locations (+44 from end of Mar. 2021)

### Rolling out Resona Group's Products and Services at an Ever-Faster Pace

We have been horizontally rolling out Resona Group's unique products and know-how in line with our outlook.

At Kansai Mirai Bank and Minato Bank, opportunities are increasing to provide solutions through trust banking and real estate functions. These Group banks are seeing a steady increase in the usage of products and services well-suited but previously unavailable to KMFG's retail customers, like the Resona Fund Wrap, a product that leverages the pension management expertise Resona has accumulated over half a century, in addition to banking apps and debit cards.

Minato Bank began offering the Minato de Group App,

Resona Debit Card and Resona Business Debit Card in February 2022, and then Resona Cashless Platform in March 2022. We expect use of Group products and services to expand further at KMFG.



### Products and Services That Minato Bank Started Offering in FY2021



Minato de Group App



Resona Debit Card  
Resona Business Debit Card



Resona Cashless Platform (RCP)

To better serve the Resona Group's more than 500,000 corporate customers, we provide business matching services through Business Plazas, five business creation bases operated by the Group in western and eastern Japan (Tokyo, Osaka, Saitama, Kobe, and Shiga). As such, we are making the Group's network in Japan and overseas available to these customers to support their active business development efforts.



Business seminar

Business Plazas

### Expansion of Cost Synergies

While aiming to maintain and enhance convenience for customers, we are keen to strengthen our solution capabilities and expand cost synergies through more efficient branch operations and the optimal allocation of human resources.

We are improving productivity and reforming channels through digital transformation (DX) projects. In FY2021, the volume of clerical work at KMFG's branches fell 42%

compared with FY2019. Meanwhile, Resona Bank and Saitama Resona Bank introduced a new branch system in FY2021. Kansai Mirai Bank plans to install the same system in FY2022. In this way, the Group aims to further increase the efficiency of branch operations.

As of March 2022, we have expanded the number of BinB locations at KMFG to 88 and, during FY2022, plan to bring this number to 120.

1 Kansai Mirai Financial Group consolidated  
2 Post-merger integration (management integration process after M&A)  
3 From end of March 2021

New Earnings Pillars

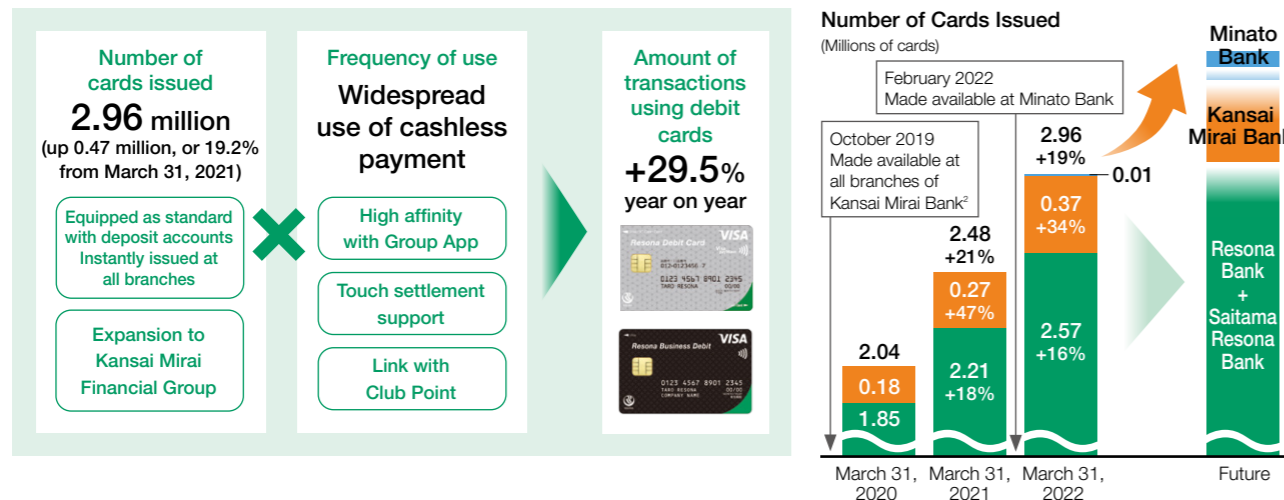
## Widespread Use of Cashless Payments

### Improve Convenience for Individual Customers / Support for Corporate Customers' Going Cashless and Digitalization

Japan has a lower ratio of cashless payments than many other countries. During the COVID-19 pandemic, however, the need for such options have increased, and efforts to go digital are accelerating in both the public and private sectors. We have issued a total of 2.96 million Resona debit cards as of March 31, 2022 (up 470,000 cards, or 19.2%, year on year). The Resona debit card is equipped

as standard with deposit accounts<sup>1</sup> and instantly issued at all branches in Japan.<sup>1</sup> Our debit cards work well with the Resona Group App, usage of which has increased significantly, and are compatible with touch payments. With usage frequency on the rise, the value of debit card-based transactions has expanded 29.5% year on year.

#### Debit Cards



Launched in November 2018, the Resona Cashless Platform (RCP) has garnered a solid reputation, steadily gaining popularity as it can be introduced at low cost, and a single terminal is compatible with diverse settlement methods, including non-contact payments. As of March 2022, approximately 2,800 corporations with a total of 13,000 stores have introduced or have decided to introduce RCP. We aim to bring the number of corporate

RCP users to 4,000 by the end of March 2023. In July 2022, we began accepting applications for Resona One- Stop Payment, a service that helps our corporate customers increase the efficiency of bill processing and payment operations. Through our diverse products and services, we support the digitalization initiatives of our SME customers.

#### Resona Cashless Platform (RCP)

- Acquiring service (B2C)
  - Number of customers that adopted or decided to adopt RCP: End of March 2022 Approx. 2,800 corporations (Approx. +17% from end of September 2021) 13,000 stores (Approx. +18% from end of September 2021) End of March 2023 (target): 4,000 corporations
  - March 2022 Made available via Minato Bank

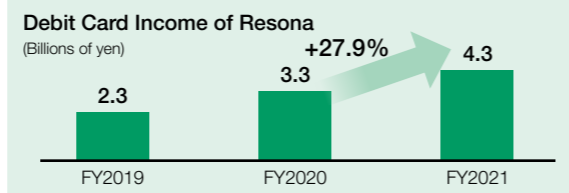


With an all-in-1 terminal, responding to diverse payment needs

#### Resona One- Stop Payment (the receipt of applications commenced in July 2022)

- Help make bill-paying more efficient
  - Upload bills
  - Prepare data for bank transfer
  - Execute transfer
  - Store electronic data

A one-stop system encompassing the above services



<sup>1</sup> Only debit cards for individual customers can be issued on the spot and come as standard with ordinary deposit accounts  
<sup>2</sup> Handling began at former Kansai Urban Banking Corporation in addition to the former Kinki Osaka Bank

New Earnings Pillars

Further Development

## Asset Formation in the 100-Year Life

### Asset Management Know-How Has Been Nurtured Through Corporate Pension Asset Management → Provide Such Know-How to a Broad Range of Retail Customers Outside the Group's Customer Base

The majority of individual financial assets in Japan still comprises cash and deposits. In an era where people are living to 100 years old, investment needs are increasingly likely to change from cash deposits to asset formation. The Resona Group is providing retail customers with access to asset management know-how for professional investors that it has accumulated through more than half a century of corporate pension fund management. In this way, we strive to help all our customers realize their desired goals for asset formation.

The balance of our "Resona Fund Wrap"—a flagship product that offers a semi tailor-made investment scheme aimed at achieving long-term, stable returns—surpassed ¥750 billion (as of March 31, 2022), showing steady growth since its February 2017 release and suggesting that its balance may well expand to ¥1 trillion in near future. 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 customers to periodically receive returns and use proxy agent functions.

Within the Group, Kansai Mirai Bank and Minato Bank began offering the Resona Fund Wrap from October 2019 and October 2020, respectively. Outside the Group, Bank of Yokohama started offering the Resona Fund Wrap in April 2021 and Keiyo Bank in June 2022, and joint research with 77 Bank has begun with an eye on sales. About half of the funds invested by customers in the fund wrap comes from existing cash deposits and approximately 30% comes from external assets. These facts indicate that the fund wrap is attracting transactions with new customers. The Resona Fund Wrap's share has been expanding steadily, while, in FY2021, income from this product grew by a strong 47% year on year.

Through iDeCo (individual defined contribution pensions), we have expanded our support for the long-term asset formation of our customers. As of March 31, 2022, the number of iDeCo subscribers reached 153,000, and the Resona Group's share of iDeCo increased to 4.8%.

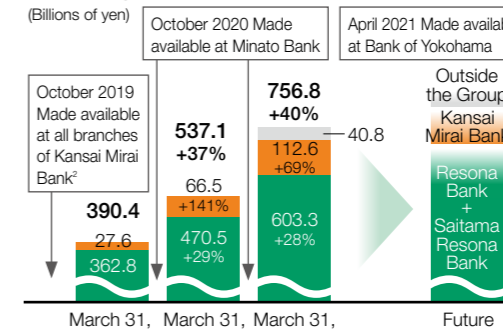
#### Fund Wrap (FW)

- Balance as of March 31, 2022: ¥756.8 billion (+40.9% from March 31, 2021)<sup>1</sup>
- Designing products that are highly compatible with bank customers
  - Stable asset management approach with a discretionary contract
  - Convenient asset administration functions
  - Low cost

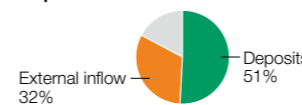
#### Roll out outside the Group

- Made available at Bank of Yokohama April 2021
- Made available at Keiyo Bank June 2022
- 77 Bank Under discussion

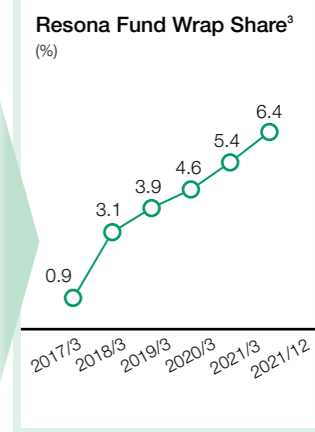
#### Fund Wrap Balance



#### Anticipated Source of New FW Contracts

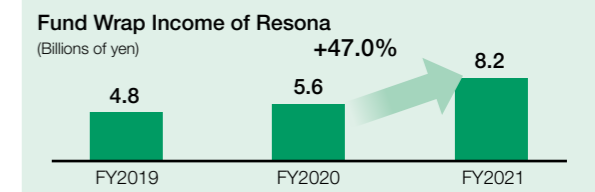


- Strive to secure longer contract periods by strengthening our follow-up service structure
  - Periodic receipt service (May 2019-)
  - Proxy agent function (January 2022-)



#### iDeCo

- Participants<sup>4</sup> as of March 31, 2022: 153,000 (+18,000 from March 31, 2021)



<sup>1</sup> Including corporation and including balance of fund wrap in banks other than group banks  
<sup>2</sup> Handling began at former Kansai Urban Banking Corporation in addition to the former Kinki Osaka Bank  
<sup>3</sup> Market share of Resona's FW in terms of the balance of similar FW products sold by seven major banks in Japan  
<sup>4</sup> Including firms engaged in the direction of iDeCo operations

Further Development

## Supporting Smooth Succession to the Next Generation

### One-Stop Solutions Backed by Our Strength as Japan's Largest Commercial Banking Group Equipped with Full-Line Trust Banking Capabilities

In Japan, roughly half of the SMEs led by individuals who are 60 years or older are facing a lack of successors. Business succession is thus an urgent issue facing management in an aging society. Smooth business succession is also essential to revitalizing Japan's regional economies.

At the Resona Group, we leverage our strengths as a retail commercial banking group equipped with full-line trust banking capabilities as well as Japan's largest branch network to provide one-stop solutions for the succession of businesses and assets.

#### Wide Customer Base of a Commercial Banking Group



#### Trust Banking and Real Estate-related Functions

After a period of suppression during the COVID-19 pandemic, customer needs for business and asset succession are emerging again. In FY2021, income from M&A and real estate increased a strong 38.9% and 27.9% year on year, respectively, surpassing the pre-pandemic levels of FY2019.

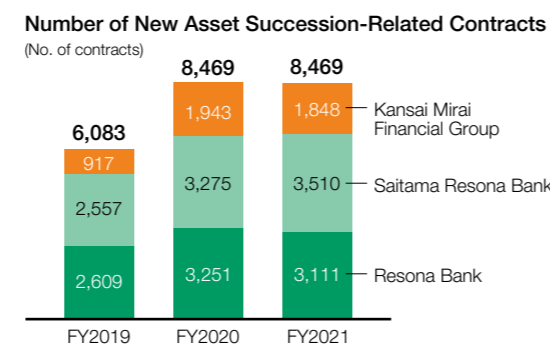
Issues related to business and asset succession are best resolved through face-to-face consultation with customers. Opportunities for deeper conversations with customers about these issues may also lead to ideas for new solutions, including fresh lending. Established in January

2021, Resona Corporate Investment supports business succession through various methods, including, for SME customers, the acquisition of a majority shareholding, and it has recently seen an increase in consulting projects.

#### ◎ Diverse solutions supporting business succession

- Facilitate dialogue ⇒ meet new opportunities to provide our solutions / lending
  - Resona Corporate Investment (established in January 2021)
    - Acquire majority stake in SMEs
    - No. of consultations (to March 2022): Approx. 400

#### ◎ Rolling out succession trust products



Specialists (M&A, private banking, real estate): 467 staff members as of March 31, 2020  
 → 538 staff members as of April 30, 2022

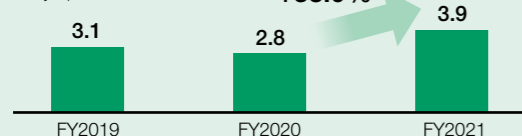
FP 1st grade: Approx. 1,780 staff members  
 FP 2nd grade: Approx. 14,160 staff members  
 Real estate notary: Approx. 5,740 staff members

Our succession trust products that protect the invaluable assets of individual customers are being steadily extended to the Kansai Mirai Financial Group and used by an increasingly large number of customers.

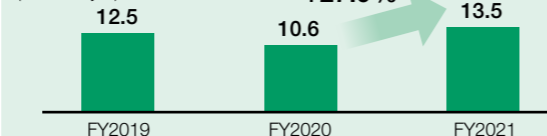
While leveraging its advantages as Japan's largest commercial banking group with full-line trust banking capabilities, Resona will aid customers in the protection and succession of their invaluable assets.



#### M&A Income of Resona (Billions of yen)



#### Real Estate Income of Resona (Billions of yen)



Further Development

## Loans for Individuals

### Support Customers' Asset Building Through Resona's Strengths as a Front-Runner in Housing Loans

Historically, the Resona Group has been particularly strong in the field of housing loans. As of March 31, 2022, its balance of housing loans stood at ¥13.5 trillion, the largest in Japan. As the lifestyles of individual customers diversify amid the pandemic and acceleration in digital technologies, the loan business environment has changed. The Resona Group is focusing on strengthening cost controls while enhancing the competitive edge of its products and services. In FY2021, 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 ¥1.2 trillion.

The Resona Group offers a diverse range of products, such as *Danshin Kakumei*<sup>1</sup> housing loans that cover a wide range of risks related to illness and injuries and *Anshin Kakumei* reverse mortgage type housing loans. Also, in April 2021 we released housing loan products that enable borrowers to complete necessary procedures solely via smartphone apps<sup>2</sup> 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 provide customers with a variety of products and services designed to meet their varied needs 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.

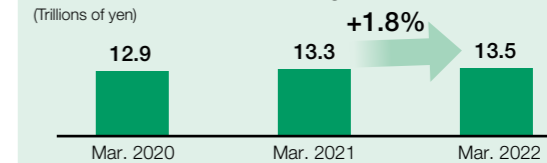
The Group's housing loans constitute a high-quality portfolio boasting such features as cost competitiveness afforded by merits of scale, a stably small eventual default ratio and low capital charges. Looking ahead, we will strive to extend these loans to as many customers as possible.

#### ◎ Balance of housing loans: ¥13.5 trillion as of March 31, 2022 (No. 1 in Japan)

		Quality portfolio x Initiatives to maintain and further improve profitability	
Profit	Volume	◎ Historical strengths x Digital transformation (DX) <ul style="list-style-type: none"> <li>Solid relationships with real estate businesses</li> <li>App-based housing loans (April 2021-)</li> </ul>	◎ Unique and high-value-added products <ul style="list-style-type: none"> <li><i>Danshin Kakumei</i>: Provide coverage for the 3 major diseases, as well as 16 other types of disease in addition to injuries and conditions requiring nursing care</li> <li><i>Anshin Kakumei</i>: Reverse mortgage type housing loan</li> </ul>
	Add-on Income	◎ Multifaceted transactions originating from housing loan borrowers	Average Number of Products in Transactions: With housing loans 4.8 VS No housing loans <sup>3</sup> 2.8
Expenses	Operating cost	◎ Economies of scale from ¥1.2 trillion of housing loan origination per year ◎ Promote digitalization	
	Credit-related costs	◎ Subrogation payment ratio <sup>4</sup> : 0.01% in FY2021	
	Capital requirements	◎ Relatively low risk weight: 11.10% <sup>5</sup> in FY2021	



#### Balance of Residential Housing Loans (Trillions of yen)



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, 2022; 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 March 31, 2022, non-default

Further Development

## SME Loans Business

### Help Resolve the Increasingly Diverse and Complex Issues Confronting 500,000 SMEs Via Dialogue

The external business environment for our SME customers has been rapidly changing, and our customers, who are in various stages of development, are facing a variety of issues. As a “running partner” to its customers, the Resona Group aims to deepen dialogues with them and provide them with robust assistance, with our service lineup ranging from helping uncover hidden issues to delivering a variety of diverse solutions.

With the sustainability transformation (SX) movement gaining momentum, we conducted a questionnaire about SDGs and SX from October 2021, and have received answers from approximately 31,000 customers as of March 31, 2022 (▶ p. 37).

Today, new working styles as well as non-face-to-face and non-contact services increasingly become the new normal.

Also, DX projects, such as measures to ensure compliance with the Act on Special Provisions concerning Preservation Methods for Books and Documents Related to National Tax Prepared by Means of Computers and approved invoicing systems are gaining importance among corporate managements. Against this backdrop, we launched a DX questionnaire in April 2022.

We have also established a system through which the feedback we receive from our customers is quickly shared within the same branch, as well as with the head office and other branches, by utilizing SFA.<sup>1</sup> This sharing system has facilitated the delivery of diverse solutions through our extensive network of commercial banks while incorporating broad perspectives that include branch managers and specialized department heads.

#### ◎ Diverse solutions backed by Resona’s strengths

SX solutions	DX solutions
<p><b>One-stop solutions supported by a combination of trust and commercial banking functions</b></p> <ul style="list-style-type: none"> <li>✓ Real estate</li> <li>✓ Succession trust</li> <li>✓ M&amp;A</li> <li>✓ Corporate pensions</li> </ul>	<p><b>Utilize Group networks</b></p> <ul style="list-style-type: none"> <li>✓ Business matching</li> <li>• Five Business Plazas<sup>2</sup> in major cities of eastern and western Japan</li> <li>✓ Overseas business support</li> </ul>
<p><b>Enhance non face-to-face solutions</b></p> <ul style="list-style-type: none"> <li>✓ Account opening via web</li> <li>➔ Complete procedures via non face-to-face methods<sup>3</sup></li> <li>✓ Web-complete loans etc.</li> </ul>	

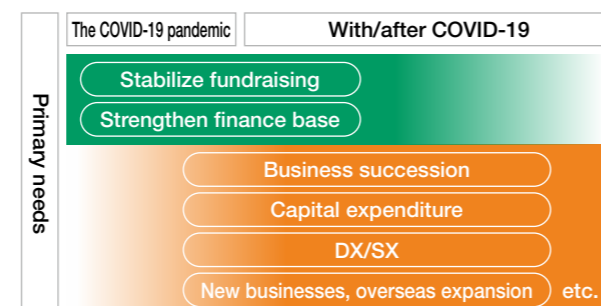
Our customer base of more than 500,000 SMEs is one of Resona’s strengths. The number of companies naming the Resona Group as their main bank places us among the top banks in Japan. Our customer base has been built over a history spanning more than 100 years, and, with the aim of expanding it further, we are creating a web-based account opening system and upgrading other non-face-to-face solutions, such as those for providing business loan products.

As of March 31, 2022, thanks to these initiatives, the Resona Group’s balance of loans to SMEs had increased ¥189.3 billion or 1.2% compared with a year earlier, maintaining an uptrend. Corporate solutions income (consolidated basis) also grew, rising ¥3.3 billion or 11.8%, year on year to ¥31.8 billion, driving overall growth in fee income.

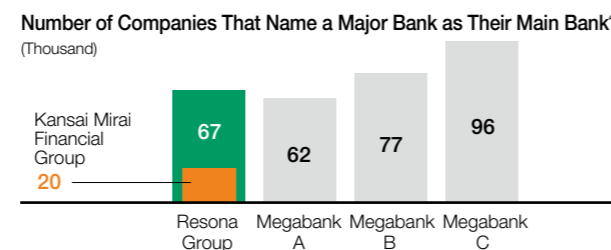


1 Sales force automation  
2 Tokyo, Osaka, Saitama, Kobe, Biwako (as of March 31, 2022)  
3 Available at 29 branches of Resona Bank. Plan to expand available branches.

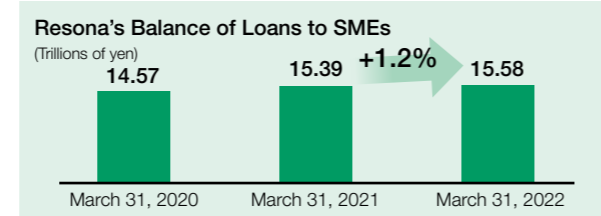
#### ◎ New fundraising demand expected to emerge in step with changes in the environment



#### One of Japan’s top banks in terms of number of companies naming the Resona Group as their main bank



**Resona Group’s Ranking by Prefecture<sup>5</sup>**  
**Saitama 1st Osaka 1st**  
**Hyogo 2nd Shiga 2nd Nara 4th**



4 TEIKOKU DATABANK (2021)  
5 TEIKOKU DATABANK (2019-2021)

Further Development

## International Business

### Overall Support for Customers’ Overseas Expansion with a Focus on Asia via Overseas Bases and Partner Banks



The Resona Group assists customers in their global expansion and fundraising efforts by employing its network of local subsidiaries, representative offices and partner banks.

In Indonesia, Bank Resona Perdana, 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.

Moreover, in December 2021, we entered into a business alliance with BDO Unibank, the largest private financial institution in the Philippines in terms of total assets and the number of branches. This move is expected to further strengthen our structure for supporting customers.

### 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	Support during the Maturity and Transition Phases
<p>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.</p>	<p>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.</p>
<p><b>Turnaround Support</b></p> <p>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.</p>	

#### 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.

New Seeds for Growth

# Financial Digital Platform

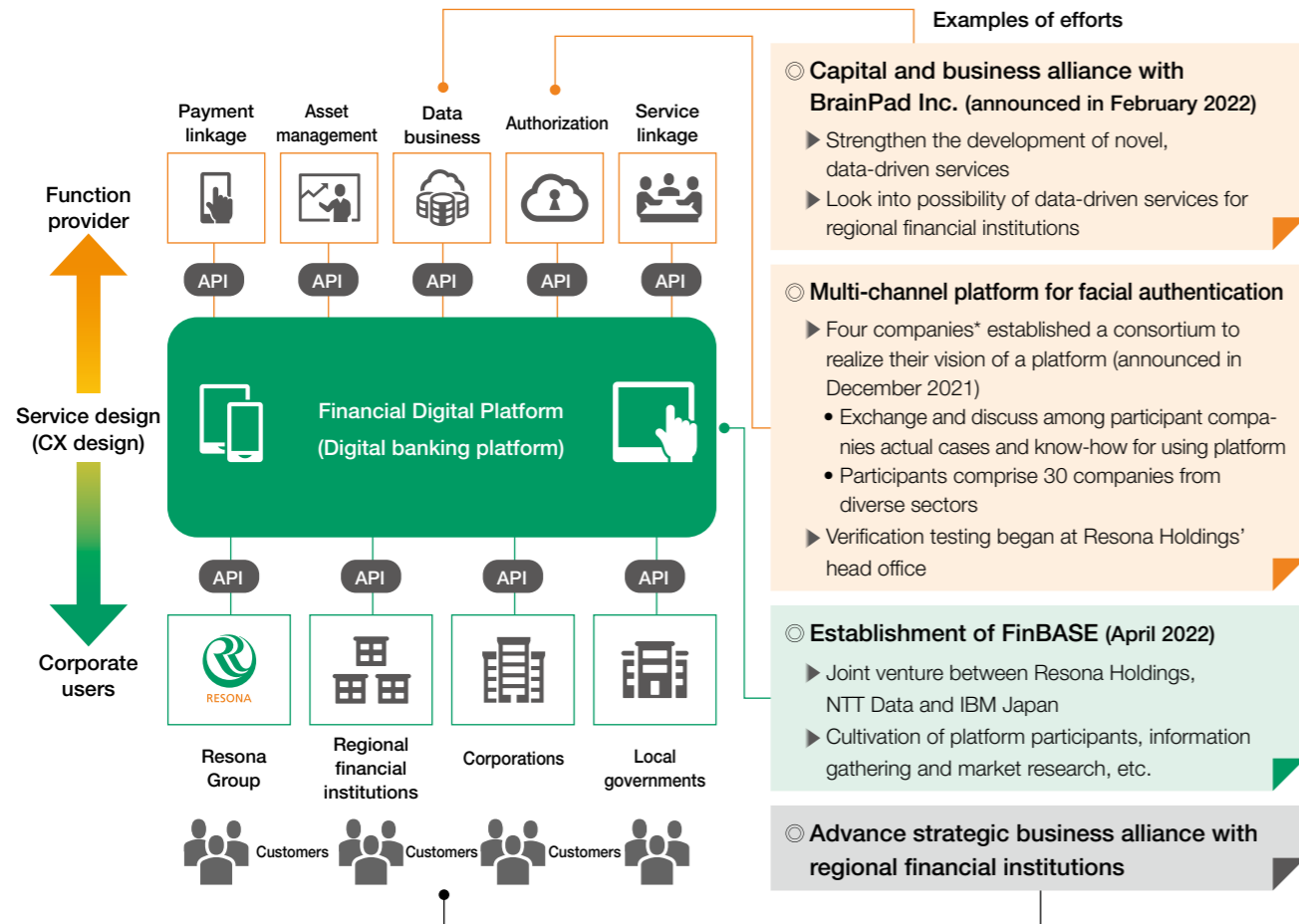
## Co-Creation Through Wide-Ranging External Collaboration That Transcends Traditional Frameworks

The Resona Group intends its financial digital platform to transcend traditional frameworks and function as an open platform that can be used by various companies. In the illustration shown here, “function provider” is at the top of the diagram and encompasses fintech firms and other companies from different sectors that provide their functions and services on the platform, enabling the delivery of their services across all of Japan through a wide range of participants, such as regional financial institutions. At the bottom of the diagram, “corporate user” includes regional financial institutions, corporations and other participants that are able to smoothly utilize the diverse and far-ranging services of companies with innovative technologies. The platform features a selection of linked menus. Through the use of APIs, platform participants can rapidly introduce a variety of functions and services without having to integrate systems.

With the intention of expanding platform functions and participants, in April 2022, Resona Holdings, NTT Data and IBM Japan established FinBASE as a joint venture. Along with NTT Data and IBM Japan, which have helped regional financial institutions build their systems, Resona Holdings will work to deliver new functions and services that emphasize the customer experience, while further expanding the number of corporate users.

As a recent example of our initiatives, as a “function provider” we moved to strengthen the development of new data-driven services through a capital and business alliance with BrainPad Inc., and established a consortium to realize the concept of a “multi-channel platform for facial authentication.” For the “corporate user,” we broadened collaboration with regional financial institutions that utilize banking apps and Fund Wrap services offered by the Resona Group.

### Financial digital platform that connects regional financial institutions, companies from different sectors and local governments



\* Resona Holdings, JCB, Dai Nippon Printing and Panasonic Connect



Verification Testing at Resona Group Head Office (payment at retail stores using facial authentication)

## Creation and Expansion of Ecosystem That Ensures Win-Win Relationships among All Platform Participants

On the financial digital platform, we aim to create and expand an ecosystem that fosters win-win relationships among all platform participants. Customers (end users) can access a variety of advanced services through transactions with the financial institutions they regularly use. Corporate users are able to reduce development costs while smoothly utilizing the functions and services they need without having to individually negotiate with each function provider. Function

providers are able to offer their functions and services to a broader audience without having to engage in negotiations with corporate users while also reducing their development costs. In addition to these benefits for both corporate users and function providers, as the platform operator, Resona receives income from service fees and the like, and gains insight into new businesses from the use of data.

### Platform participants and users

### Anticipated benefits

	<b>Customers (end users)</b>	<ul style="list-style-type: none"> <li>✓ Access a variety of financial and non-financial services at banks, businesses, municipal offices and other facilities often visited</li> </ul>
	<b>Corporate users</b>	<ul style="list-style-type: none"> <li>✓ Smoothly utilize a diverse range of innovative services while delivering services to end users</li> <li>✓ Choose necessary functions and services from options offered via a cafeteria system</li> <li>✓ Mitigate burdens from individual negotiations with function providers and reduce development costs</li> </ul>
	<b>Function providers</b>	<ul style="list-style-type: none"> <li>✓ Provide a wider range of functions and services and secure a path to profitability</li> <li>✓ Mitigate burdens from individual negotiations with corporate users and reduce development costs</li> </ul>
	<b>Resona Group</b>	<p>In addition to providing corporate users and function providers with the above benefits, Resona can enjoy the following benefits as the platform provider:</p> <ul style="list-style-type: none"> <li>✓ Receive fees and other income from services provided via the platform</li> <li>✓ Utilize data and discover new businesses</li> </ul>

## Provide More Customers with Resona's Unique Products and Services

From the standpoint of function providers, we have been able to accelerate the rollout of banking apps and the fund wrap, both of which are now available through the platform, to participants outside the Group. For example, Joyo Bank and Ashikaga Bank have already begun offering banking apps, and The Hyakujushi Bank and Keiyo Bank plan to deploy similar apps. The fund wrap became available at Bank of Yokohama from April 2021 and at Keiyo Bank from June 2022, and 77 Bank has started to consider the introduction of this product as well.

### Speedy development without having to integrate systems, thanks to use of APIs

#### Digital field

#### Banking App

- ✓ Joyo Bank / Ashikaga Bank (started offering from March 2021)
- ✓ The Hyakujushi Bank (plans to start offering in FY2022)
- ✓ Keiyo Bank (scheduled to be handled in the future)

#### Solutions field

#### Fund Wrap

- ✓ Bank of Yokohama (started offering from April 2021)
- ✓ Keiyo Bank (started offering from June 2022)
- ✓ 77 Bank (under negotiation)

New Seeds for Growth

## New Business Development That Breaks Free of the Bank Model

### New Value Creation through New Ideas and Approaches

The Resona Group aims to develop new businesses that transcend the traditional framework for banks with new ideas and approaches from the starting point of solving issues confronting customers and society.

We aim to move forward by proactively introducing agile concept building and development systems that transcend the boundaries of companies and organizations and by using the Cross Functional Teams (CFT)\* to advance reforms with an emphasis on speed and effectiveness.

Furthermore, we are taking on the challenge of creating new value based on agile thinking and novel ideas by leveraging Resona Garage, an open innovation facility established

in September 2020 to facilitate co-creation. At this facility, employees are allowed to adopt a relaxed dress code and engage in innovative work styles, taking full advantage of its expansive, unpartitioned work spaces within which fixed-line phones have been abolished.

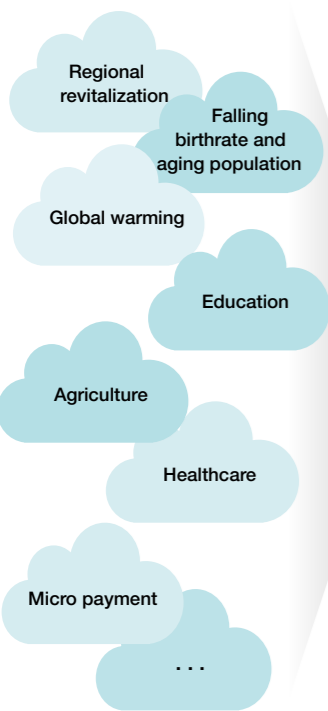
Lately, we have taken on the challenge of entering new fields while utilizing the framework of an “advanced banking service company” under the Banking Act, for example, setting up several new companies to support customers with digital transformation (DX) and help solve region-specific issues. We will continue to create new businesses in a wide range of fields.



Aiming to Resolve Social Issues

New Ideas and Approaches

Accelerate Creation of New Businesses



Utilization of CFT

Agile concept



Innovative work styles



Pursue co-creation by employing wide-ranging connections

Financial Digital Platform

FinBASE  
(Established in April 2022)

Data utilization

BrainPad Inc.  
(Capital and business alliance in February 2022)

Assist in promotion of DX

Resona Digital Hub  
(Established in April 2022)

- ✓ Provide SME customers with one-stop support for their DX
- ✓ Collaborate with more than 20 external companies, including system integrators and IT vendors

Utilize “advanced banking service company” under the Banking Act

Help resolve region-specific issues

Regional Design Laboratory of Saitama  
(Established in October 2021)

Help resolve region-specific issues

Mirai Reenal Partners  
(Established in March 2022)

\* Cross-organizational teams dedicated to the creation of new businesses, further development of existing businesses and rebuilding of operations

Rebuilding Our Foundations

## Reforms of Sales Styles, Business Processes and Channel Networks

### Simultaneous Pursuit of Enhanced Customer Convenience and Low-Cost Banking Operations

Based on the idea that branches constitute an essential contact point with customers, we are advancing reforms to our sales styles, business processes and channel networks. Specifically, in order to shift the branch mission from clerical work to the provision of solutions, we are promoting DX-driven reforms of business processes. At branches, we

have introduced Group tablets with the same UI and UX as the Group app, enabling the easy and quick completion of all steps from consultation to procedures without regard to location. For more advanced consultations and complicated procedures, specialist staff at headquarters can help customers via teleconferencing.

Shifting branch missions from clerical work to the provision of solutions

- Aiming to “integrate consulting services and banking procedures” and to achieve “no clerical work” by utilizing DX

Location free x Easy operation

Speedy procedure with the same UI and UX as the Resona Group App



Consultation services and banking procedures completed via the use of tablets



No back-office space (consolidation of clerical work)

Headquarters specialist staff accommodate customer requests via teleconferencing (DSO<sup>1</sup>)



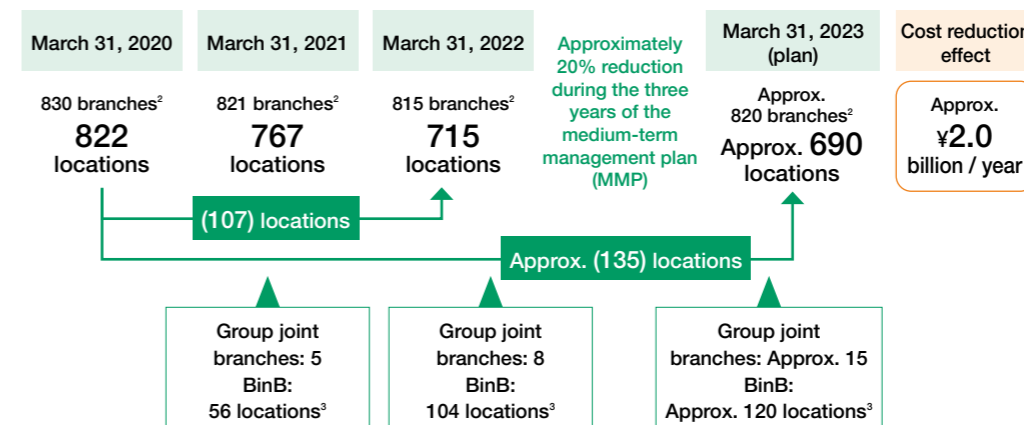
The Resona Group has advanced reforms to its channel network by turning Kansai Mirai Financial Group (KMFG) into a wholly owned subsidiary. In addition to a “branch-in-branch” (BinB) method, where branches formerly located near each other share the same facilities, we are utilizing a “bank-in-bank” method, where Group bank branches previously located in proximity now operate within the same building, with plans

to reduce the number of locations by 20% (approximately 135 locations) from March 31, 2020, to March 31, 2023. We have been making steady progress toward this target.

While reforming business processes through DX, we are simultaneously pursuing improved customer convenience and low-cost operations, to this end downsizing and replacing branches as well as optimizing channels.

Maintain robust customer contact points and low-cost operations at the same time through channel optimization

Number of Manned Branch Offices and Locations (bank total)



A joint branch that houses Resona Bank's Kakogawa Branch and Minato Bank's Kakogawa Branch



A joint branch that houses Resona Bank's Shijonawate Branch and Kansai Mirai Bank's Shijonawate Branch

1 Digital service office  
2 Some Seven Days Plazas and other of Resona Bank are not included  
3 KMFG's BinB includes mergers with Kansai Mirai Bank Plazas (sub-branches)

Rebuilding Our Foundations

## System Structure Reforms

### System Structure Reform with an Eye on Technological Evolution

The Resona Group is reforming its system structure for the next generation with an eye on the evolution of technology. We are accelerating systems development with an agile development structure, augmenting our open platform for providing regional financial institutions with Resona's products and services via APIs without the need for systems

integration, breaking away from dedicated terminals used solely by financial institutions and streamlining existing systems. We refer to these initiatives involving generalization, openness and streamlining as Resona NEXT. Using Cross Functional Teams (CFTs), we are rolling these initiatives out across organizational boundaries.

#### System Structure Reforms: Resona NEXT

- Secure the capacity to respond to increased strategic investment by drastically streamlining systems and taking an agile development approach
- Provide regional financial institutions with Resona's products and services via APIs without the need for system integration
- Collaborate with fintech firms and companies in other sectors through open APIs and digital platforms

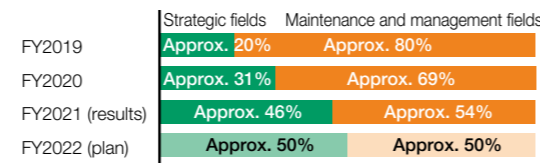
Accelerate systems development speed

Accelerate the shift to open platforms

The Resona Group is increasing the ratio of systems-related investments in DX and other strategic domains. For FY2022, Resona is targeting investment ratios of 50% in strategic fields and 50% in systems maintenance and management. In FY2021, the ratio of investments in strategic fields was approximately 46%, demonstrating our steady shift toward more investment in DX.

#### Ratio of Systems-Related Investment

Shift to investment in DX in line with system structure reforms



#### Status of Initiatives

Break away from dedicated terminals used solely by financial institutions

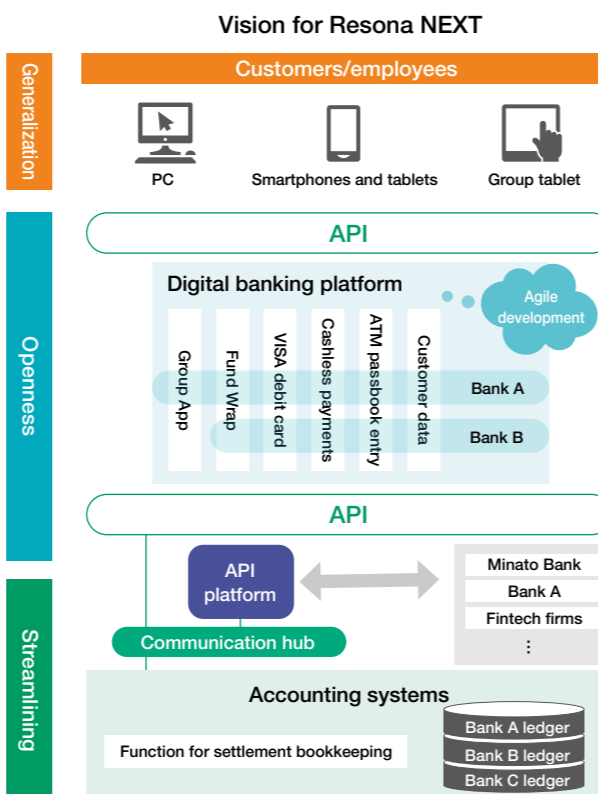
- Introduction of Group tablet,<sup>1</sup> etc.

Accelerate the shift to open platforms

- Build an agile development structure
- Roll out products to Minato Bank (apps, debit cards, etc.)
- Roll out apps and fund wrap services for regional banks, etc.

Transition from legacy systems to open systems

- Streamline existing systems
- Introduce new branch system,<sup>2</sup> etc.



<sup>1</sup> Rollout to all branches of Resona Bank and Saitama Resona Bank (from January 2022)

<sup>2</sup> Introduced to all branches of Resona Bank and Saitama Resona Bank by December 2021, plan to roll out to Kansai Mirai Bank ahead of schedule in FY2022

Rebuilding Our Foundations

## Cost Structure Reforms

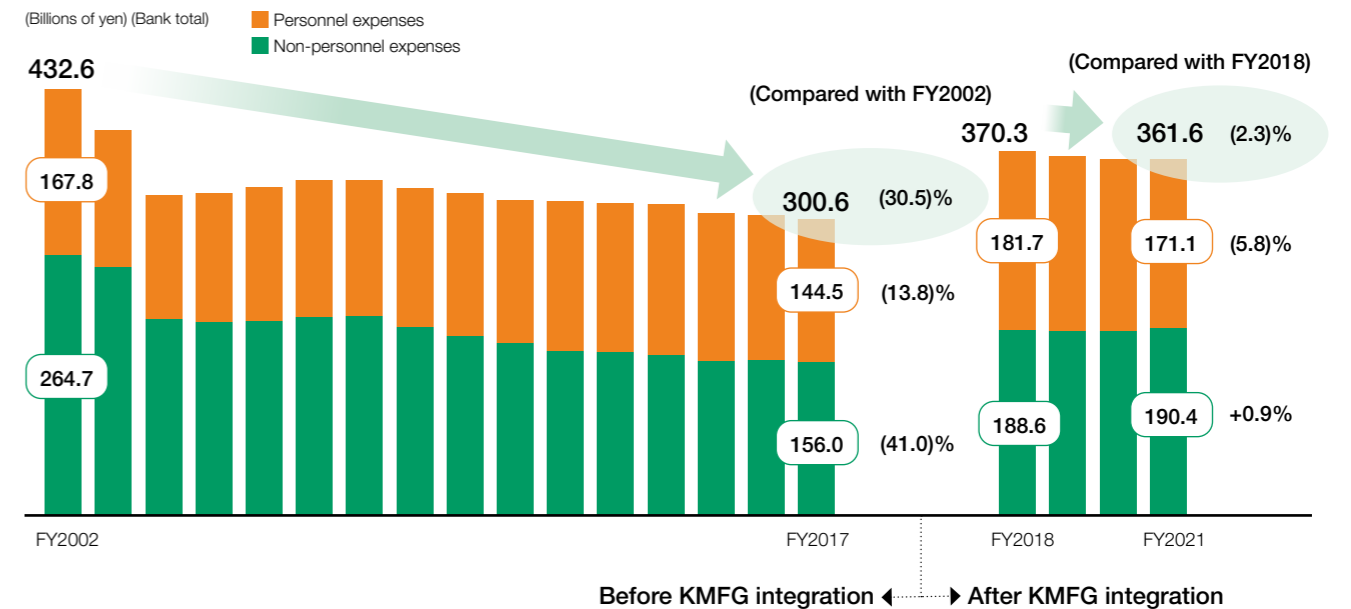
### Break Away from the Inherently Cost-Intensive Nature of Retail Operations through Cost Structure Reforms

In order to break away from the inherently cost-intensive nature of retail bank operations, we have been reforming the cost structure from a medium- to long-term perspective. Since 2003, when Resona received an injection of public funds, we have built a thoroughly low-cost business structure through initiatives formulated to help us break away from common banking practices by making decisive operational reforms. As a result, compared with FY2002, Resona had cut personnel and non-personnel expenses by approximately 30% as of FY2017, before the integration with Kansai Mirai

Financial Group (KMFG).

Since the integration with KMFG, personnel and non-personnel expenses increased on a consolidated basis. By FY2021, however, expenses had been cut by 2.3% compared with shortly after the integration with KMFG in FY2018, thanks to Group synergies that helped reduce personnel expenses in particular. Looking ahead, we intend to roll out Resona's operational reform know-how to KMFG and deploy DX to reduce costs even further.

#### Establish a low-cost business structure via operational reforms while accelerating reforms to the cost structure through DX



As an example of recent initiatives, we have created a framework for reducing systems-related costs, which account for approximately 40% of non-personnel expenses. We intend to invest in growth fields, such as DX, by the amount of expenses saved, to this end we are striving to cut base costs by 30% for system-related upgrades, compared with the previous round of upgrades. In the previous fiscal year, base costs were cut by approximately 21% for system-related upgrade projects.



<sup>1</sup> Five-year total including one-time expenses and recurring expenses (e.g., personnel expenses and outsourcing costs)

<sup>2</sup> Previous system upgrade projects similar to those undertaken in FY2021

#### Reduce base costs related to systems

- Cut back on base costs at the time of system upgrades (target a approximately 30% reduction)
- Aim to control total costs by reducing base costs while expanding strategic investment in DX, for example

#### System-Related Upgrade Costs<sup>1</sup>

