

## Corporate Governance

### Cutting-Edge Corporate Governance Structure

In 2003, Resona Holdings became the first domestic banking group to adopt the company with a nominating committee system, aiming to secure management soundness and transparency. Upon the transition to the new system, Resona Holdings appointed individuals from outside the Group to the post of Chairman and six outside director seats. This ensured that a sufficient number of highly independent outside directors were assigned membership in the Board of Directors and the three committees (the Nominating, Audit and Compensation committees) so as to constitute a majority in all of these bodies. Since thus renewing its management structure, Resona Holdings has striven to upgrade its governance systems by, for example, promoting young individuals to executive officer positions and introducing a highly transparent and objective framework for the evaluation of director performance based on assessments and interviews conducted by a third-party agency.

In May 2015, the Company formulated the “Basic Corporate Governance Policy,” which defines Resona Holdings’ fundamental approach to, framework for and practice of corporate governance. This policy stipulates that “The Board of Directors shall consist of directors having diversified and extensive knowledge” and that “in principle, highly independent outside directors shall constitute a majority of the Board.” With regard to the Nominating and Compensation committees, the policy mandates that these bodies shall consist of, in principle, highly independent outside directors

and be chaired by outside directors. Similarly, the policy requires outside directors to constitute the majority of the Audit Committee, which, in principle, shall be chaired by an outside director.

Of the 10 directors currently constituting the Board of Directors, seven are independent outside directors, who together account for the majority and possess extensive knowledge and/or experience in corporate management. The Resona Group aims to avoid making decisions based solely on established norms within the banking industry. Instead, it seeks to incorporate external perspectives and engage in multifaceted discussions to reach the right conclusions through the exchange of a diverse range of opinions. By doing so, the Group strives to achieve sustainable growth and improvement in corporate value.

Resona Bank, Saitama Resona Bank and Kansai Mirai Financial Group (KMFG) have similarly secured clear separation between management supervision and business execution by adopting the company with an audit and supervisory committee system. All three of these companies have appointed to their boards multiple qualified individuals as highly independent outside directors.

Not content with establishing the governance systems described above, Resona Holdings strives to enhance its role and functions as a company with a nominating committee, to this end taking advantage of such input as findings from the annual evaluation of the Board of Directors’ effectiveness.

### Overview of Upgrading of Resona Holdings’ Corporate Governance Structure

2003 – 2022	
Form of governance structure	<p>2003 Became the first in the domestic banking industry to transition to a company with a nominating committee</p> <p>2015 Formulated a Basic Corporate Governance Policy</p>
Board of Directors	<p>2003 Independent outside directors formed majority in the Board of Directors</p> <p>2020 Appointed Chairman of the Board of Directors from among non-executive directors</p> <p>2022 Appointed Chairman of the Board of Directors from among independent outside directors</p>
Nominating Committee	<p>2006 Established “Standards for Electing Director Candidates” for the selection of outside director candidates</p> <p>2007 Introduced a succession plan</p> <p>2012 Committee members consist solely of independent outside directors</p>
Compensation Committee	<p>2004 The directors’ retirement benefit system was abolished, and the Board of Directors introduced a performance-based compensation system</p> <p>2010 Introduced a share-based compensation system</p> <p>2012 Committee members consist solely of independent outside directors</p> <p>2017 Introduced Performance Share Units (PSUs)</p> <p>2020 Introduced a Share Benefit Trust as an incentive for executive officers</p>
Audit Committee	<p>2016 Established a dual-reporting line system that designates the Audit Committee as the primary body to receive reporting from the internal audit divisions</p>
Other	<p>2005 Presidents of Group banks began concurrently serving as executive officers at Resona Holdings</p> <p>2015 Named a “Winner Company” under the Corporate Governance of the Year program sponsored by the Japan Association of Corporate Directors</p> <p>2019 Resona Bank and Saitama Resona Bank adopted the company with an audit and supervisory committee system</p>

### 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.

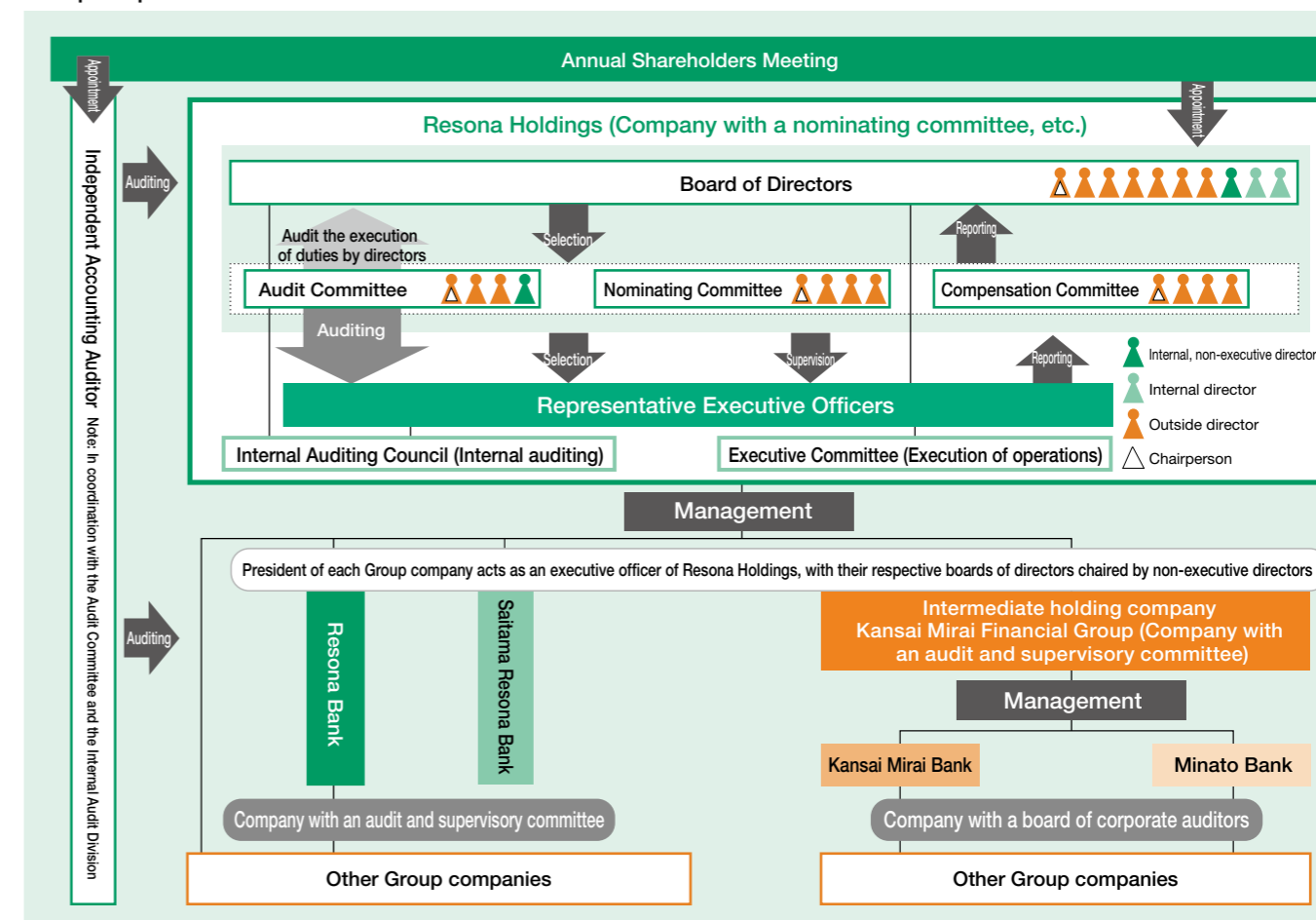
### The Company’s Corporate Governance System

- 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 ensuring 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.

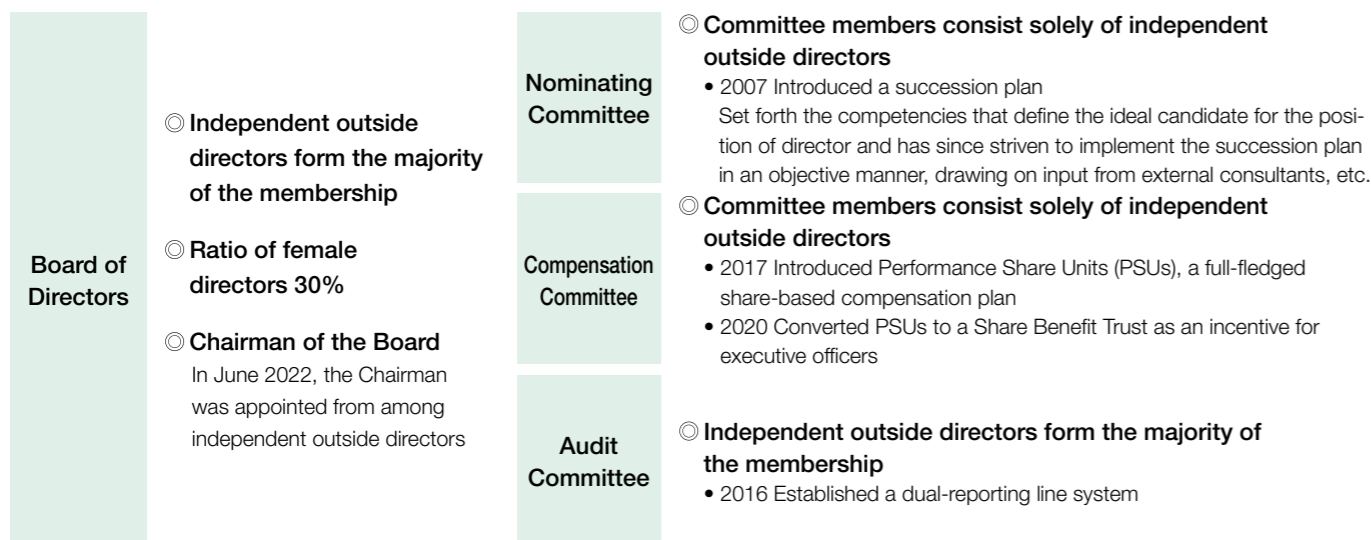
- The Company shall ensure the autonomy of its subsidiaries and instruct the subsidiaries to manage their business activities based on the aforementioned basic approach to corporate governance so that the Group will grow together with regional communities.

### Group Corporate Governance Framework

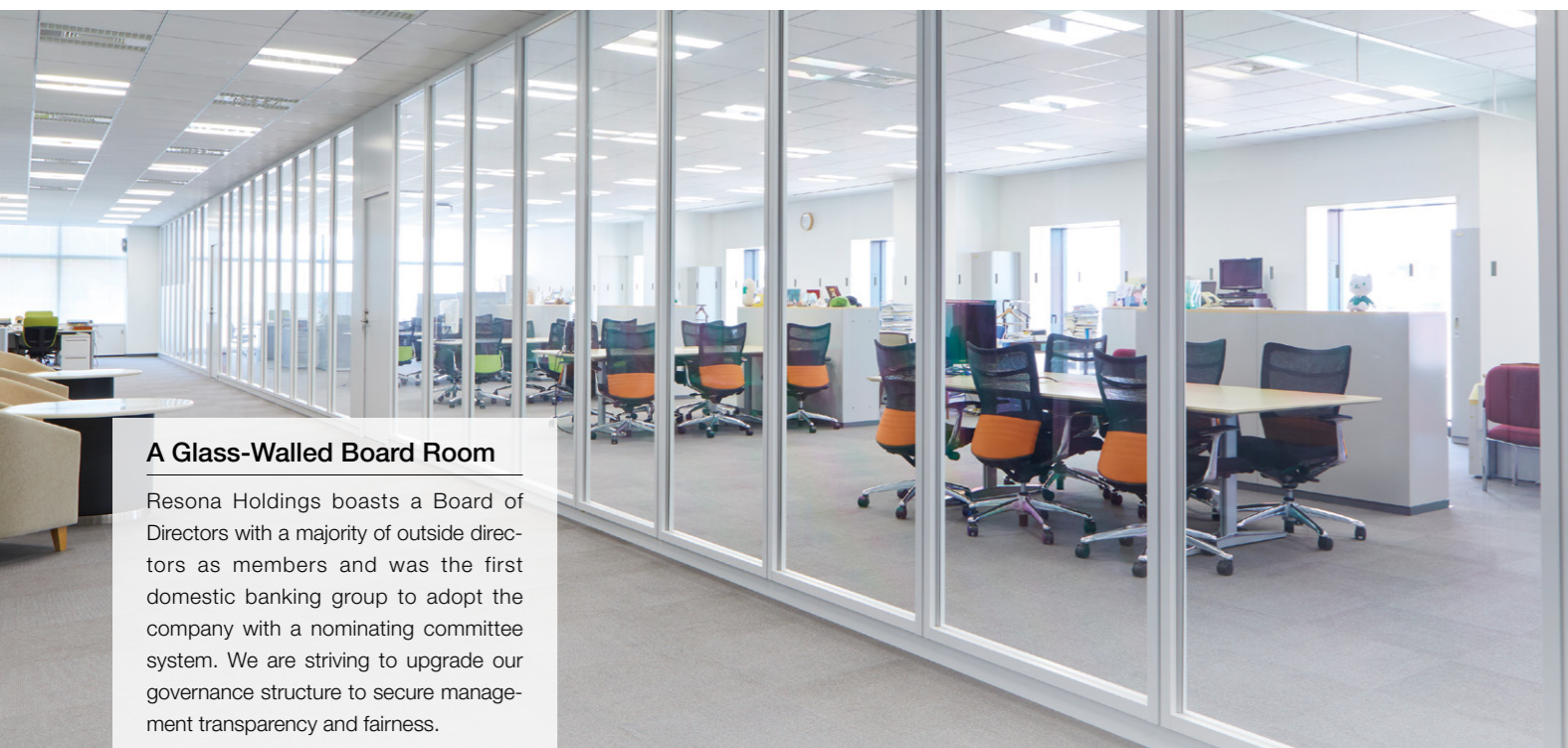
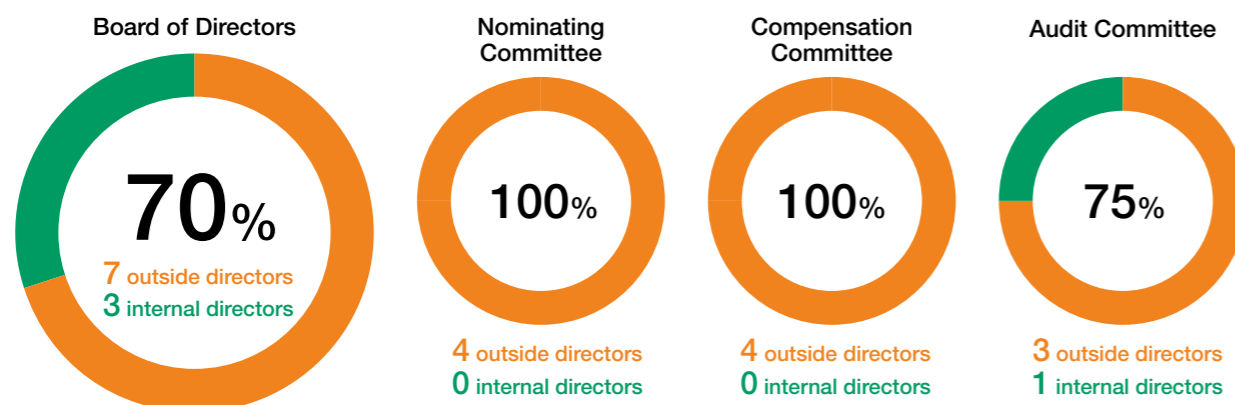


## Supervisory Structure

Chairman of the Board and Chairpersons of each committee are appointed from among independent outside directors



## Ratio of Outside Directors



### A Glass-Walled Board Room

Resona Holdings boasts a Board of Directors with a majority of outside directors as members and was the first domestic banking group to adopt the company with a nominating committee system. We are striving to upgrade our governance structure to secure management transparency and fairness.

## 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. Furthermore, in June 2022, the Company appointed an independent outside director as Chairman.

In addition to directors, Board meetings are attended by the presidents of Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group (KMFG), Kansai Mirai Bank and Minato Bank 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 FY2021, the Board of Directors met 18 times, with an average attendance rate among the directors of 97.1%. The average meeting length was one hour and 11 minutes, and the average number of agenda items discussed per meeting amounted to 5.6.

From April 2021 onward, joint explanation meetings have been held prior to each Board of Directors meeting, with representatives from departments in charge of relevant matters directly providing outside directors with briefings on the outline and points of agenda items. These briefings also address questions, opinions, and other feedback gleaned from outside directors in advance, with the aim of helping spur discussion by the Board of Directors.

## Fiscal 2021 Initiatives

In FY2021, the Board of Directors implemented the following initiatives to enhance the effectiveness of its operations.

### (1) Determining themes to be addressed by the Board of Directors throughout the year

- To clarify the direction of the Board of Directors' discussion, the Board identified themes to be addressed throughout the year in order to strengthen supervisory functions over various strategies by taking the Groupwide viewpoint into account.
- Furthermore, the Board continued to hold free discussion sessions to facilitate deliberations on strategic matters requiring a long-term perspective.

### (2) Stepping up initiatives to ensure the deeper understanding of agenda items

- To enhance their understanding of initiatives undertaken by divisions in charge of business execution and the operating environment surrounding the Group, each outside director is given opportunities to exchange opinions with representatives from these divisions in addition to attending study sessions.
- The method of providing prior briefings on agenda items for outside directors was reorganized into joint prior explanation meetings in which representatives from departments in charge of relevant matters directly provide briefings. Moreover, the secretariat conducted follow-up briefings for each individual. By this action, the Company strove to better enable its Board of Directors to engage in in-depth discussions of agenda items.

## Main Initiatives (FY2021)

<b>Free discussion sessions</b>	Conducted deliberations on strategic matters requiring a long-term perspective
<b>Opinion exchange meetings</b>	Held meetings involving representatives of divisions in charge of business execution to provide outside directors with essential knowledge of and timely updates regarding matters addressed by the Board of Directors to ensure meaningful discussions
<b>Onsite tours</b>	Facilitate understanding of the Resona Group's business operations via visits to business bases as well as dialogue with frontline employees
<b>Interaction meetings for outside directors</b>	With the aim of further enhancing the Board of Directors' effectiveness, held meetings to help outside directors interact with their peers at Group banks and deliberated on the roles listed companies are called on to fulfill from the perspective of addressing ESG issues

2021/Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2022/Jan.	Feb.	Mar.
SDGs (long-term vision and targets toward the realization of SX)	Determination of agenda items to be addressed by the Board throughout the year		DX strategy	Resona Bank Interaction meeting for outside directors	Outline and direction of DX strategy	Recognition of issues associated with international business strategy	Status of response to climate change risks and policies for activities going forward	Information Technology Planning Div.	Reduction plan for policy-oriented stockholdings	Progress in the MMP	Status of CFT activities
				Saitama Resona Bank Interaction meeting for outside directors	Human Resources Div.	Treasury Planning Div.	Resona Bank Azabu Branch (next-generation branch system)	Resona Bank Osaka Operations Support Office (a base supporting frontline sales activities)	Resona Bank Trust Business Planning Div., Pension Business Div.	Efforts to enhance Resona's brand capabilities	
							KMFG Interaction meeting for outside directors				

## 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 2021 self-evaluation was conducted through questionnaires targeting each director and 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 2020 self-evaluation (the need to allocate more time to deliberations that take into account Groupwide and medium- to long-term perspectives and step up initiatives to ensure the deeper understanding of agenda items).

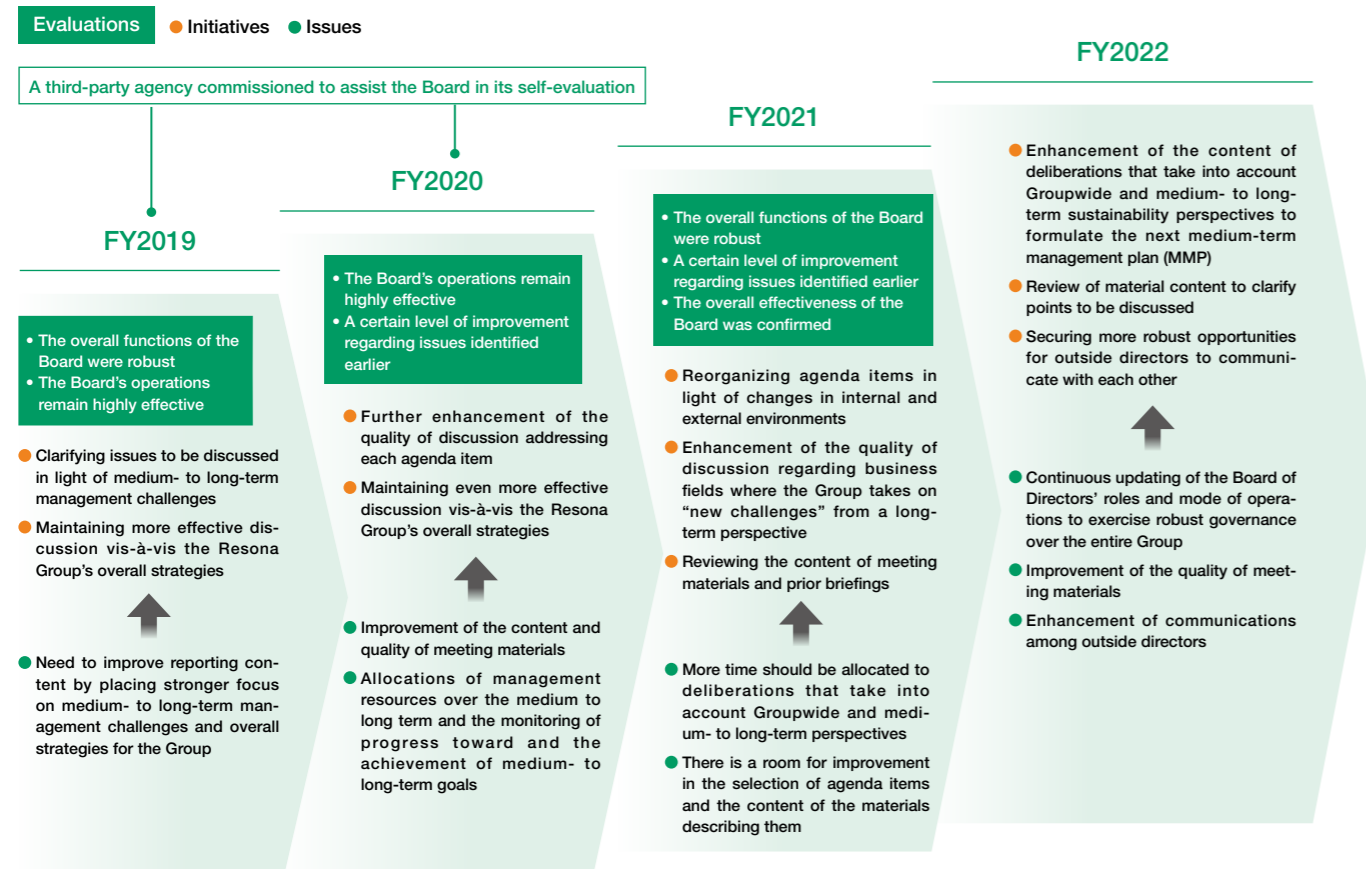
Taking these findings into account, the evaluation thus concluded that the overall functions of the Board were robust and its operations remain highly effective. On the other hand, the self-evaluation suggested that in order for the Board of Directors to exercise robust governance over the entire Group, the Board should continue to update its roles and its mode of operations. Accordingly, it was recommended that the Board should enhance the content of deliberations that take into account Groupwide and medium- to long-term perspectives. The self-evaluation also determined that the Board should work to improve the quality of meeting materials in addition to upgrading measures to facilitate communications among outside directors and otherwise support robust discussions at the Board room. 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.

### Self-Evaluation of the Board of Directors Effectiveness

In 2015, the Company's Board of Directors began conducting a self-evaluation of its effectiveness, building on the conventional practice of distributing questionnaires to outside directors to find out what they want to say about its operations. Targeting all members of the Board, this self-evaluation confirms feedback from each individual with regard to such matters as the role and functions of the Board, the status of operations, response to issues identified via the last year's self-evaluation and the operational status of the three committees.

The results of the self-evaluations submitted by each individual are reported to and deliberated on by the Board of Directors.

In addition, over a two-year course from fiscal 2019, the Board of Directors reviewed the entirety of items included in the questionnaire and otherwise strove to upgrade its self-evaluation framework, commissioning a third-party agency to support these endeavors. The final results of this self-evaluation and the status of initiatives undertaken by the Board thus far are as outlined below.



### Resona Succession Plan

Aiming for sustained improvements in corporate value, the Company, 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. 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, the Company 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

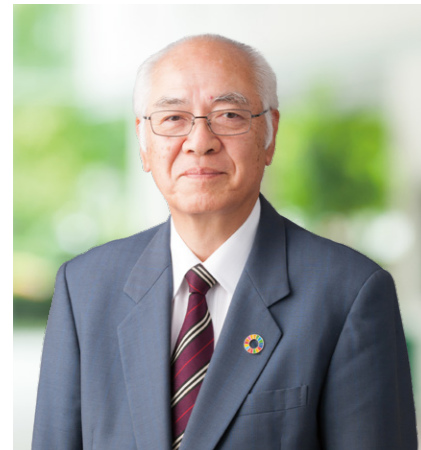
Name	Content and payment method, etc.	
Position-based compensation	Position-based compensation (fixed-amount cash compensation) ● Determined based on the significance of responsibilities associated with the recipient's position and duties.	Paid monthly
Duty-based additional compensation	Duty-based additional 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;">Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers)</td> <td style="text-align: center;">Consolidated ROE (based on shareholders' equity)</td> </tr> </table>	Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers)	Consolidated ROE (based on shareholders' equity)	Paid once every three years (Upon the closure of the MMP period)								
Relative TSR (dividend-adjusted stock price index in comparison with banking industry peers)	Consolidated ROE (based on shareholders' equity)											

## Resona Holdings Directors

### Outside Directors (7 members)



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

**Hidehiko Sato** Number of Resona Holdings shares held  
Common stock: 11,700 shares



Outside Director, Chairperson of Audit Committee and Member of Compensation Committee

**Chiharu Baba** Number of Resona Holdings shares held  
Common stock: 17,000 shares



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

**Kimie Iwata** Number of Resona Holdings shares held  
Common stock: 8,200 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.

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.

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.

### Internal Directors (3 members)



Director, President and Representative Executive Officer

**Masahiro Minami** Number of Resona Holdings shares held  
Common stock: 37,600 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: 16,600 shares

Assumed the current position of Director and Executive Officer in charge of DX Planning Division, Information Technology Planning Division, IT Security Planning Division and Group Strategy Division (System Reform) in 2022. (Concurrently serves as Senior Managing Executive Officer of Resona Bank)



Director and Member of Audit Committee

**Hisahiko Oikawa** Number of Resona Holdings shares held  
Common stock: 12,700 shares

Assumed the position of Executive Officer in charge of Compliance Division in 2018. Assumed the current position of Director and member of Audit Committee in 2022. (Concurrently serves as Director of Resona Bank)



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

**Setsuko Egami** Number of Resona Holdings shares held  
Common stock: 10,600 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, Chairman of the Board and Member of Nominating 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.



Outside Director and Member of Compensation Committee

**Sawako Nohara** Number of Resona Holdings shares held  
Common stock: 0 shares

Joined Mitsubishi Petrochemical Co., Ltd. in 1980. Assumed the position of Representative Director and President of IPSe Marketing, Inc. in December 2001 (incumbent). Assumed the current position of Outside Director of the Company in 2022.



Outside Director and Member of Audit Committee

**Masaki Yamauchi** Number of Resona Holdings shares held  
Common stock: 0 shares

Joined Yamato Transport Co., Ltd. in 1984. Assumed the position of Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. in 2011 and Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd. in 2015. Assumed the current position of Outside Director of the Company in 2022.

### Skills Expected of Directors

The basic policy for corporate governance provides that the Board of Directors shall consist of Directors possessing diversified and extensive knowledge.

In line with this policy, the Company has defined the skills, experience and knowledge expected of each candidate for Director as described below.

		Organizational management	Legal/ Compliance/ Risk management	Finance/ Accounting	Areas of focus in terms of the pursuit of the "Retail No. 1" financial services group				
					Breaking free of the bank model	IT/Digital	Sustainability	Diversity & Inclusion	Globalization
Masahiro Minami		●	●	●	●	●	●	●	●
Mikio Noguchi					●	●			
Hisahiko Oikawa			●						
Hidehiko Sato	Outside Director	●	●		●			●	
Chiharu Baba	Outside Director	●	●	●	●				●
Kimie Iwata	Outside Director	●			●		●	●	
Setsuko Egami	Outside Director		●		●		●	●	
Fumihiko Ike	Outside Director	●	●		●	●			●
Sawako Nohara	Outside Director		●		●	●		●	
Masaki Yamauchi	Outside Director	●			●		●		

## 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 in which it actively takes risks in line with its role in solving the issues confronting its customers and society with reference to the results of analyses 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

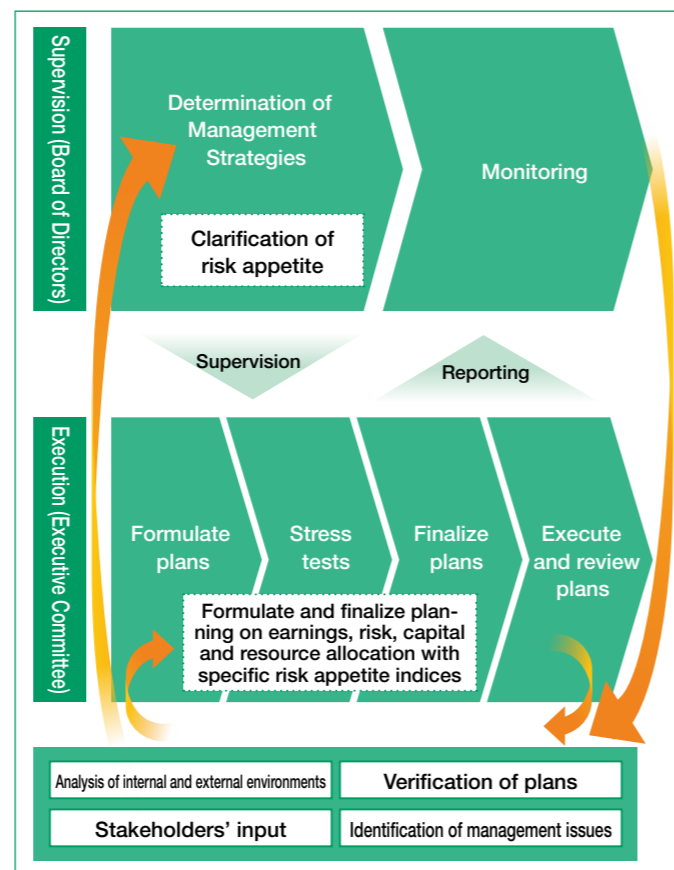
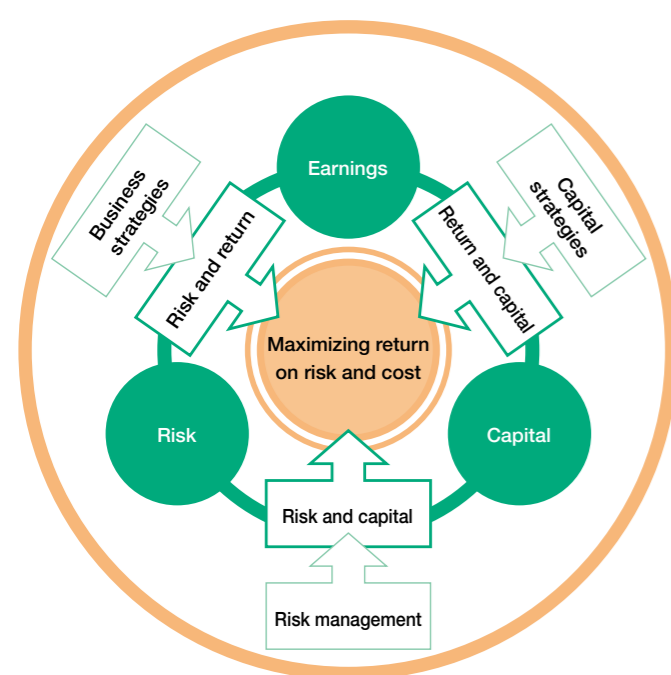
Progress under these plans is regularly reported to the Board of Directors. In an effort to realize management strategies, the Board of Directors then engages in in-depth discussion of these plans.

The Board is currently engaged in vigorous discussion regarding initiatives to realize the Long-Term Sustainability Targets and the status of progress in and issues to be addressed in the course of income and cost structure reforms. Also, the Board is

particularly focused on how best to invest in and optimally allocate human resources to promote measures supporting “Rebuilding Our Foundations.”

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

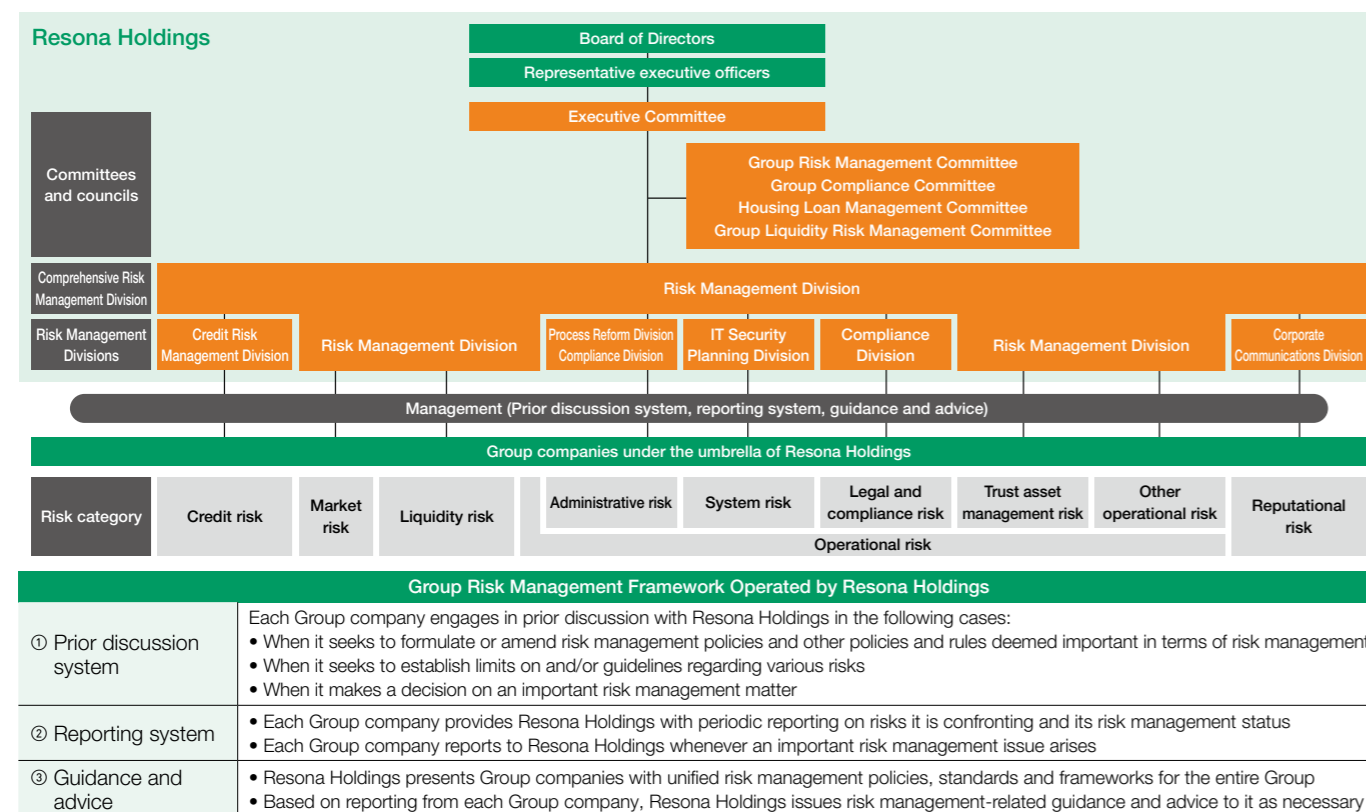
The Company and the Group banks have in place comprehensive risk management systems, as described later, with the aim of quantitatively assessing risks and controlling them within the tolerable limits.

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



### 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)	<ul style="list-style-type: none"> <li>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</li> <li>Deterioration of corporate value due to delays in response to climate change, etc.</li> </ul>
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	<ul style="list-style-type: none"> <li>Deterioration in the corporate performance of major transactional clients, the deterioration of performance in sectors to which the Group extends massive credit and the resulting negative repercussions on the performance of corporate customers associated with these clients or sectors due to supply chain disruptions resulting from the resurgence of the COVID-19 pandemic, the emergence of international conflicts, the materialization of geopolitical risk, etc.</li> <li>Deterioration in the corporate value of corporate customers lagging behind their peers in terms of response to climate change</li> </ul>
Deterioration in unrealized gains on available-for-sale securities	<ul style="list-style-type: none"> <li>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</li> <li>Deterioration in unrealized gains on the Group's policy-oriented stockholdings associated with corporate customers lagging behind their peers in terms of response to climate change</li> </ul>
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"> <li>The receipt of operational suspension order and/or the need to pay fines due to flaws in the Group's countermeasures aimed at preventing money laundering; ensuring compliance with economic sanctions; or involvement in corruption or bribery</li> <li>Deterioration of the Group's reputation due to the violation of social ethics or the improper handling of human rights-related issues</li> </ul>
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.

### 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 thoroughly implemented the measures required of financial institutions to ensure that domestic and international legal regulations, including Japan's Act on Prevention of Transfer of Criminal Proceeds, are upheld and that compliance with

economic sanctions and other international protocols is secured. The Group constantly strives to ensure its ability to deliver safe and secure financial services to its customers through tireless and Groupwide endeavors to strengthen measures to prevent money laundering and financing for terrorism.

### 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.

### Initiatives to Prevent Corruption

Having clarified its approach to the prevention of corruption as part of efforts to fulfill its corporate social responsibilities, the Resona Group established the Policy on the Prevention of Corruption to provide a set of action guidelines to be thoroughly observed by all Group members.

The Resona Standards/ The Kansai Mirai Standards stipulate such precepts as "Do not misuse your position or authority for personal gain or advantage" (III-2), "Refrain from offering gifts or

entertainment that could possibly induce public distrust or draw suspicion" (VII-2) and "Maintain transparent and clean relationships with politicians and government officials" (VII-3) in addition to featuring specific examples of desirable ways of thinking and situations that require caution. As such, the Group is striving to ensure that its prohibition against any form of corrupt act, including the provision or receipt of bribes, is upheld by all.

## 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.

In September 2021, Resona Holdings was chosen by the Institute of Internal Auditors (IIA)—Japan to receive the 35th IIA Japan Chairman's Award (Internal Audit Excellence Award).

The winning of this award reflects high ratings granted by the IIA Japan's review committee regarding the Company's enthusiastic initiatives to upgrade its internal audit system as part of efforts to strengthen corporate governance, backed by its keen awareness of the importance of internal audits as a component of essential governance functions. At the same time, this is a testament to IIA Japan's growing expectations regarding the Company's future initiatives in light of the current circumstances surrounding Japan's business community in which corporations are being called upon to assign more significant roles to their internal audit functions in securing robust corporate governance.

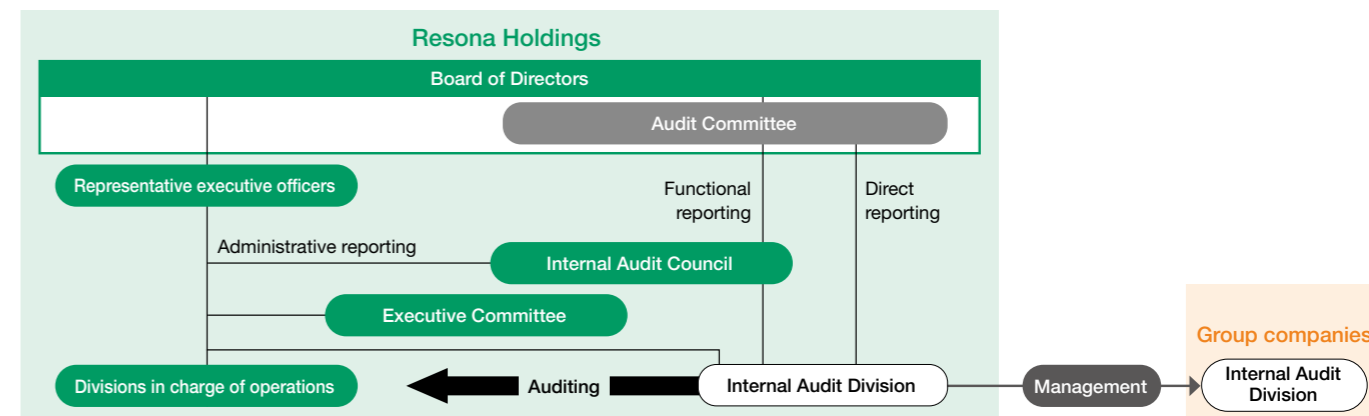
### Organization

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 the internal audits of the Company are reported to the Board of Directors and representative executive officers. The results of the internal audits of Group companies are reported to their respective boards of directors 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.