

# Toward the Creation of a Sustainable Society Beyond Finance, for a Brighter Future.

## Retail No. 1

The “Solution Group” most supported by customers and regional societies as it walks with them into a brighter future together

### Promoting Sustainability Transformation (SX)

A corporation can maintain and expand its business only when it delivers value to customers and society as a whole.

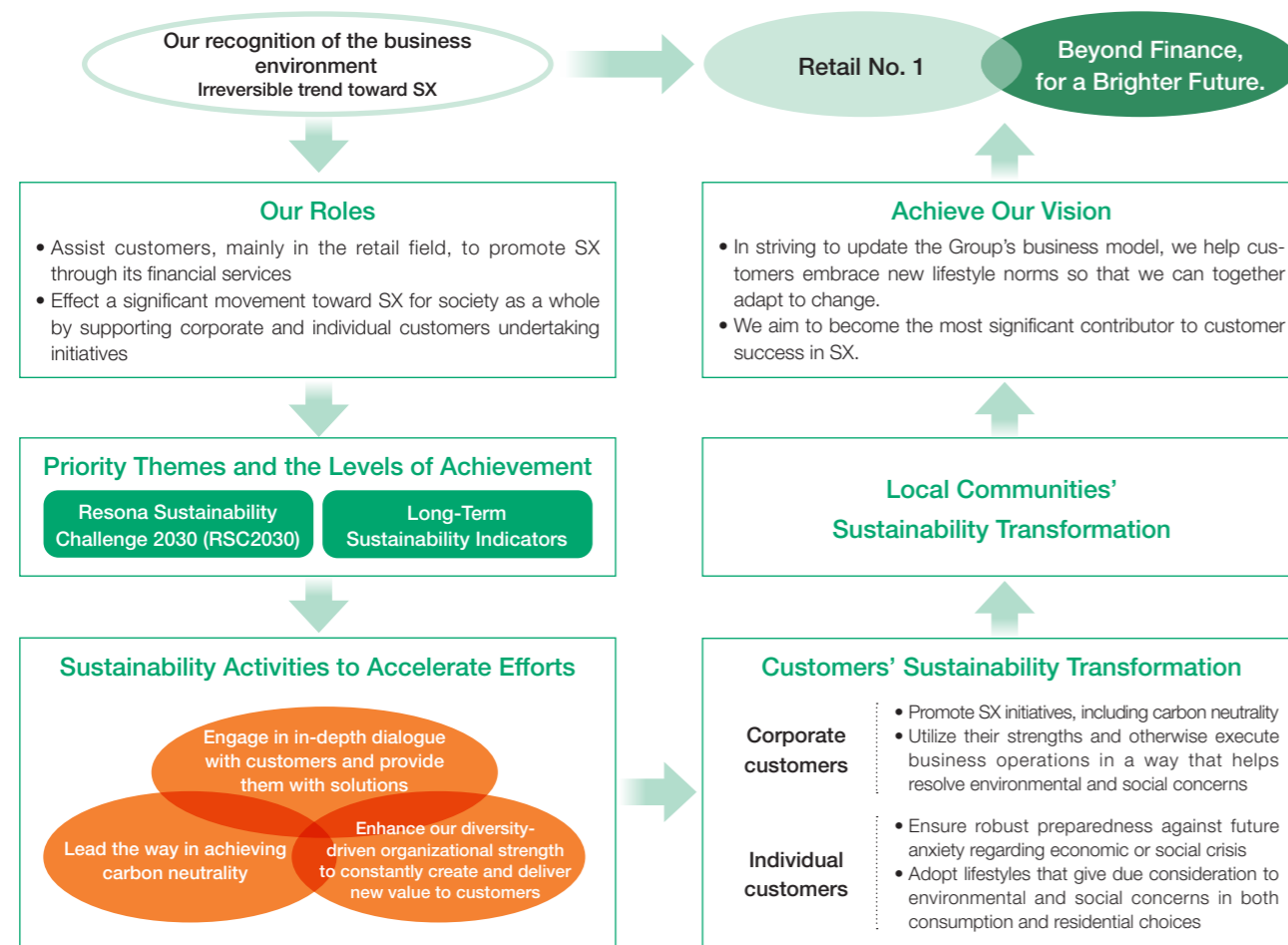
Today, we are seeing major changes, such as those associated with sustainability transformation (SX) and digital transformation (DX), transpiring in society and gradually altering people's value systems. Amid this environment, the Resona Group is being called upon to drastically rethink how it delivers value.

To secure sustainable growth it is therefore essential for the Group to extrapolate a future beyond the constantly evolving present and learn to adapt itself to these major changes.

The Resona Group has always achieved growth in tandem

with regional societies and customers. In order for the Resona Group to sustainably improve its corporate value going forward, it must promote SX. This means we need to assist our customers, the Group's principal supporters to date, in their efforts to respond to the tides of change and adapt to the trend toward the realization of a sustainable society.

With this in mind, the Resona Group is promoting SX based on the framework described below in order to ensure that its policies for SX-related initiatives are practiced by all Group members and to accelerate the pace of such initiatives.



### RSC2030 (Priority Themes)

**Local Communities**  
(Revitalization of Local Economies)



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



**Environment**  
(Response to Global Warming and Climate Change)



**Human Rights**  
(Diversity & Inclusion)



### Long-Term Sustainability Indicators

To accelerate the initiatives to achieve sustainable improvement in social and corporate value, in May 2023 we updated the Long-Term Sustainability Targets announced in June 2021 by incorporating additional long-term indicators.

We will continue to address issues our customers and society as a whole are confronting to become a company capable of contributing to the enhancement of diverse value for multiple stakeholder groups.

		FY2022 (results)	FY2030 (target levels)
Value for customers and society	<b>NEW</b> Value Creation Capability Indicator Number of cases where solutions are provided	10.5 million cases	20 million cases
	Retail Transition Financing Target	Cumulative total: ¥1.865 trillion	¥10 trillion
Environmental value	<b>NEW</b> Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio	—	(2050: Net zero)
	<b>NEW</b> Interim target for the energy sector (Portfolio carbon intensity)	139 gCO <sub>2</sub> e/kWh (FY2021)	100–130gCO <sub>2</sub> e/kWh
	Carbon Neutrality Target (Scopes 1 & 2)	vs FY2013 (56)%	Net zero
Social value	Targets for the Empowerment and Promotion of Women Ratio of female directors and executive officers (Resona Holdings) Ratio of female senior managers (6 Group companies <sup>1</sup> ) Ratio of female line managers (6 Group companies <sup>1</sup> )	15.3%	30% or more
		13.4%	20% or more
		31.4%	40% or more
Value for employees	<b>NEW</b> Well-Being Indicator Ratio of positive responses in questionnaires regarding a sense of fulfillment felt in work and private life as part of employee surveys	69.3%	Increase the ratio of positive responses

### About the New Indicators

**Value Creation Capability Indicator**  
The Value Creation Capability Indicator has been devised to measure our degree of success in the creation and provision of solutions designed to help resolve the increasingly diverse issues requiring ever more sophisticated expertise that our customers and society as a whole are confronting. We aim to double our score under this indicator over the long term. In this way, we will facilitate initiatives to enhance diverse value for customers and society.

**Well-Being Indicator**  
Our pursuit of value creation and the development of next-generation management platforms hinge on the dedication of Resona Group employees. Accordingly, we recognize that it is essential to help them enjoy a sense of fulfillment in both work and private lives. We have thus identified and are striving to improve the Well-Being Indicator as one of our Long-Term Sustainability Indicators, with the aim of facilitating initiatives to enhance value for employees.

**Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio / Interim Target for the Energy Sector**  
We have declared our intention to reduce greenhouse gas (GHG) emissions from our investment and financing portfolio to net zero by 2050 in addition to continuously pursuing the Carbon Neutrality Target we have already identified. We have also identified the interim target for the energy sector as a milestone to be achieved in FY2030 in the course of our efforts to live up to this declaration.

The energy sector is an infrastructure component supporting all industries as well as people's daily lives. Accordingly, pursuing the decarbonization of this sector is essential to facilitating decarbonization among our retail customers, who account for a major portion of the Group's investment and financing portfolio. Therefore, we will strive for the popularization of renewable energy while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we will contribute to the realization of carbon neutrality in the regional societies in which the Resona Group's business foundations lie.

<sup>1</sup> Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

# 1 Retail Transition Financing Target **Promote In-Depth Dialogue with Customers and Strengthen Our Solutions**

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

**Financing Coverage** Financing aimed at helping retail customers update their awareness, transform their modes of behavior and stably move forward from their current situation  
(Including financing for such green projects as renewable energy generation, as well as large-scale corporate financing involving third-party verification)

**FY2022 results: Approximately ¥1,019.8 billion** (of this, ¥303.5 billion for environment-related fields)

**Breakdown of Financing**

**Investment and financing aimed at supporting or facilitating initiatives to promote social or business sustainability**  
Investment and financing requiring recipients to use such funds for the resolution of social issues  
(Main examples)

- Sustainability Linked Loans, Resona SX Framework Loans and SME loans with conditions linked to ESG target accomplishments
- Financing for social infrastructure development, regional vitalization, etc.
- SDGs Consulting Fund and private placement SDGs promotion bonds
- SDGs- and ESG-related funds<sup>1</sup>

**Financing in environment-related fields**

**Investment and financing aimed at supporting or facilitating initiatives to address environmental issues**  
(Main examples)

- Financing for renewable energy power generation businesses, including project finance and private placement Green Bonds
- Sustainability Linked Loans, Resona SX Framework Loans, SME loans with conditions linked to ESG target accomplishments (setting targets in environment-related fields)
- Housing loans with conditions linked to conformity with prescribed energy-saving standards
- SDGs- and ESG-related funds<sup>1</sup> (to help tackle environmental issues)

## Review of FY2022 Accomplishments and Future Initiatives

In FY2022, we focused the Group's overall strength on promoting in-depth dialogue with customers and delivering or upgrading solutions to match the stages of their initiatives.

As a result, we extended a consolidated total of ¥1,019.8 billion (up 20% year on year) in transition financing, bringing the cumulative total amount extended over the course of two years to approximately ¥1,865.0 billion. This represents a progress ratio of 18.6% against our target of ¥10 trillion.

Looking at a breakdown of the financing, funds extended to support or facilitate initiatives to address environmental issues totaled ¥303.5 billion (up 53% year on year), accounting for 30% of the overall balance. In addition, the total balance of funds extended as financing in conformity with external sustainability standards, such as the Green Loan Principles and Sustainability Linked Loan Principles, stood at ¥447.0 billion (up 55% year on year). As such, the balance of financing in this area indicates a higher growth rate.

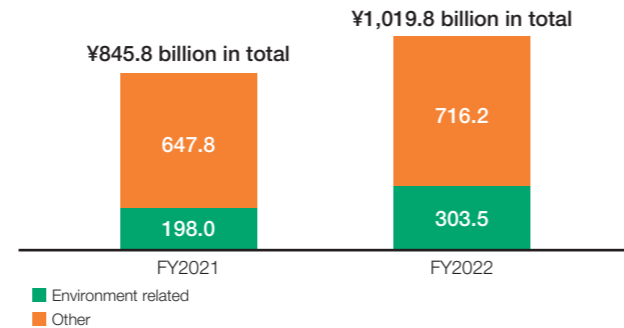
In addition, the number of cases in which solutions were delivered to corporate customers<sup>2</sup> amounted to approximately 7,000, about three times as much as the number recorded in the previous fiscal year.

These year-on-year improvements in extending transition finance to retail customers demonstrate the effectiveness of in-depth customer dialogue and the provision of enhanced solutions in helping customers update their awareness and transform their behavior.

On the other hand, we have discovered that there are a number of retail customers who are stalled midway through initiating tangible SX initiatives.

In FY2023, we will focus on helping customers systematically assess and visualize their current situation by employing an overarching perspective. We will also further enhance our capabilities to deliver optimal solutions that empower customers to steadily move forward based on a shared recognition of the management challenges they need to tackle to increase their business sustainability. In these ways, we will achieve our vision, namely, "In striving to update the Group's business model, we help customers embrace new lifestyle norms so that we can together adapt to change" and "We aim to become the most significant contributor to customer success in SX."

**Balance of Transition Financing Extended**  
(Billions of yen)



## Promoting In-Depth Dialogue and Enhancing Solutions

The questionnaires conducted in FY2021 targeting approximately 31,000 SME customers revealed that around 80% of the respondents were facing such issues as "lack of employee understanding and insufficient employee awareness" or "No idea what to do."

With this in mind, in FY2022 we launched ESG-focused business potential assessment, with the aim of helping SME customers visualize various risks and opportunities confronting them from the aspect of sustainability so that they can maintain and enhance business continuity and profitability. At the same time, we focused on delivering such solutions as loan products with conditions linked to ESG target accomplishment and a simplified, charge-free CO<sub>2</sub> emission calculation service.

**In-Depth Customer Dialogue (FY2021)**

- Number of corporate customers interviewed by the Group on SX topics: Approx. 31,000

**Enhanced Solutions (FY2022)**

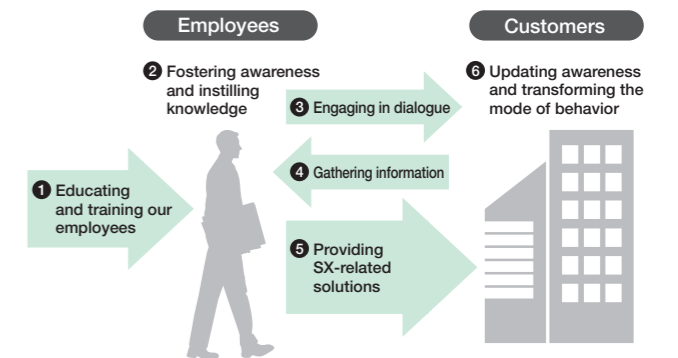
- Number of cases in which SX-related financing<sup>3</sup> was delivered: Approx. 4,400 (+90% year on year)
- Number of cases in which the simplified CO<sub>2</sub> emission calculation service was delivered: Approx. 2,600 (new)
- Number of cases in which fee-based SX-related consulting was provided: Approx. 85 (+90% year on year)

## Steps of Our Response Aimed at Helping Customers Update Their Awareness and Transform Their Modes of Behavior

We have taken the various types of organizational action we are able to take to help customers update their awareness and transform their modes of behavior and arranged them as six steps as illustrated in the diagram on the right. Every year, we specify a step for particular focus.

In FY2022, the corporate division positioned "engaging in dialogue" (step ③) as its focus and worked to encourage customers to transform their behavior and utilize the solutions we offer. In line with this positioning, we rallied the Group's overall strength to promote the initiatives specified in this step.

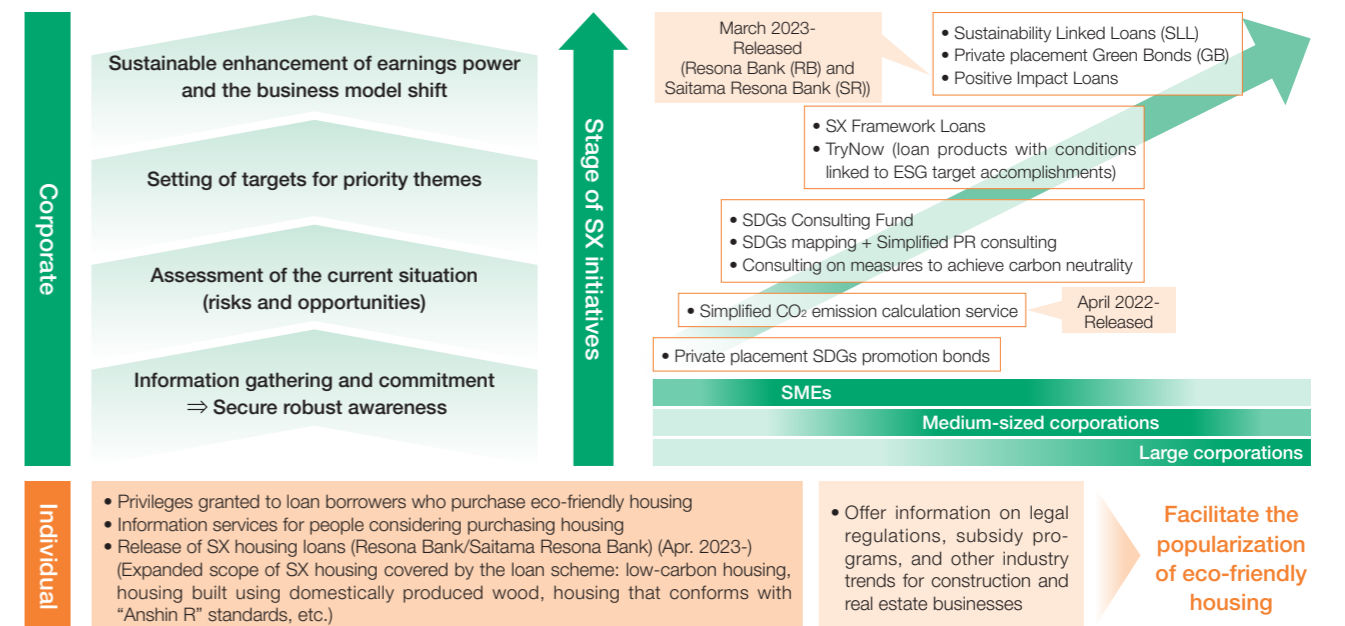
For FY2023, the two steps we are focusing on are "gathering information" (step ④), i.e., helping customers systematically assess their current situation via the use of a broader perspective, and "providing SX-related solutions" (step ⑤).



## Delivering SX-Related Solutions Appropriate to the Stages of Customer Initiatives

The status of sustainability efforts undertaken by SMEs and the management resources they can afford to allocate to such efforts vary greatly by company. Accordingly, we deliver and continually work to upgrade our diverse solution lineup to best assist each SME seeking to push ahead with sustainability initiatives appropriate to their current situation. For individual customers, we

released "Resona SX Housing Loans," which cover an even broader scope of housing than previous similar loans. Based on the updated definition of eco-friendly housing, borrowers who purchase such housing are eligible to receive a variety of peripheral services under the SX Housing Loan scheme.



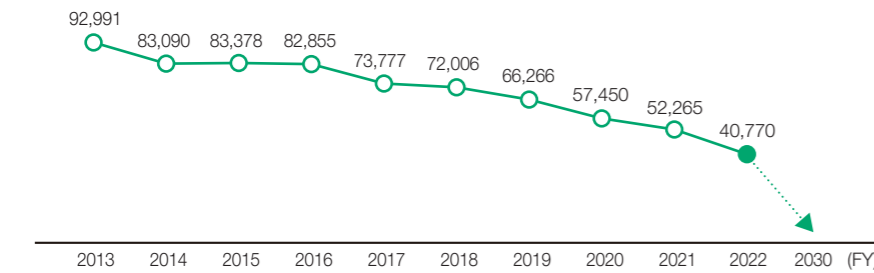
1 Investment trusts and investment advisory services run by Resona Asset Management  
2 Number of cases in which relevant financing, a charge-free, simplified CO<sub>2</sub> emission calculation service and/or fee-based consulting was provided  
3 Private placement SDGs promotion bonds, SDGs Consulting Fund, loan products with conditions linked to ESG target accomplishments, SX Framework Loan, SLL, Green Loans, etc.

## 2 Carbon Neutrality Target ▶ Contribute to the Popularization of Energy-Saving Measures and the Realization of Carbon Neutrality in Regional Societies

Reduce CO<sub>2</sub> emissions<sup>1</sup> attributable to energy used by the Group to net zero by the end of FY2030 via a proactive switchover to renewable energy

FY2022 results: **56%** reduction from the FY2013 level (a year-on-year decrease of **11,495 t-CO<sub>2</sub>**)

CO<sub>2</sub> Emissions Volume<sup>2</sup>  
(t-CO<sub>2</sub>)



Breakdown of FY2022 Emissions (Provisional)

Scope 1	5,079
Scope 2	35,691
Emissions from energy sources	34,446
<b>Total</b>	<b>40,770</b>

Since approximately 90% of CO<sub>2</sub> emissions from Group operations are attributable to energy use, we initiated a phased switchover to energy procured from renewable energy sources in FY2021, starting with energy-intensive facilities.

In FY2022, we implemented energy-saving activities on a Groupwide basis in light of public concerns regarding the possible worsening of energy demand-supply balance in summer and winter, to this end visualizing the status of energy consumption volumes at each base. Simultaneously, we promoted the introduction of renewable energy at each Group company facility.

As a result, the volume of CO<sub>2</sub> emissions attributable to the Resona Group's operations in FY2022 decreased by 56%

(provisional basis) compared with the FY2013 level. This also represented a year-on-year decrease of 11,495 t-CO<sub>2</sub>.

In FY2023, we became a member of the "GX League" promoted by the Ministry of Economy, Trade and Industry. In line with the GX League concept, we intend to formulate interim emission reduction targets for FY2030.

Going forward, we will continue to promote energy-saving activities across the board to curb the financial impact of the current surge in energy prices and offset costs associated with the switchover to renewable energy to ensure that we can lead the way in the energy transition of our own operations.

### Facilities That Introduced Renewable Energy

FY2021	FY2022	
<ul style="list-style-type: none"> <li>Osaka Head Office of Resona Group</li> <li>Head Office of Saitama Resona Bank</li> <li>Biwako Building of Kansai Mirai Bank</li> <li>Head Office of Minato Bank</li> <li>Chichibu and Fukaya branches of Saitama Resona Bank</li> </ul>	<ul style="list-style-type: none"> <li>Shinsaibashi Main Office of Kansai Mirai Bank</li> <li>Seishin Building of Minato Bank</li> <li>System Center (West Japan)</li> <li>Shimane Customer Center</li> <li>49 branches of Kansai Mirai Bank</li> <li>2 branches of Saitama Resona Bank</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 19% of annual total energy consumption was replaced by renewable energy in FY2022</li> <li>Aiming for the 100% switchover of energy procured by the Resona Group's own properties to renewable energy, etc., by FY2025</li> </ul>

### Obtaining a Third-Party Assurance

Every year since FY2020, our data regarding the volume of CO<sub>2</sub> emissions (Scopes 1 and 2) has been verified by an independent third-party assurance organization.

Continuing this process, we plan to obtain a third-party assurance for data regarding the volume of CO<sub>2</sub> emissions in FY2022.

ESG Data  
<https://www.resona-gr.co.jp/holdings/english/sustainability/data/esg/index.html>

<sup>1</sup> Sum of Scope 1 and Scope 2

<sup>2</sup> Calculated by retrospectively incorporating CO<sub>2</sub> emissions from the precursors of Kansai Mirai Financial Group and its subsidiaries prior to management integration. Scope 1 and Scope 2 CO<sub>2</sub> emissions attributable to Group banks are calculated based on methods stipulated by Japan's Energy Saving Act for statutory periodic reporting. Figures for FY2019 and earlier are calculated by multiplying emissions volumes by the basic emission factors of each electricity supplier. Figures for FY2020 and later are calculated by multiplying emissions volumes by the adjusted emission factors of each electricity supplier. CO<sub>2</sub> emissions attributable to fuel consumption by Company-owned cars are determined via a simplified calculation method using the Group's annual fuel costs and publicized figures for the annual and national average price of gasoline and the emissions coefficient.

<sup>3</sup> The Company's sector classification consists of Energy, Real estate / Construction, Automotive / Transportation, Material, Agriculture / Food, Pulp / Forestry products, and Banking / Life Insurance.

<sup>4</sup> Calculated with reference to methods developed by the PCAF

<sup>5</sup> Comparison with the 2030 carbon emission intensity (165g CO<sub>2</sub>e/kWh) envisioned in the NZE2050(WEO2022)

<sup>6</sup> Coverage ratio by sector, a lending-balance basis

<sup>7</sup> Data quality score defined by the PCAF

## Initiatives to Reduce the Volume of Greenhouse Gas (GHG) Emissions from Our Investment and Financing Portfolio (Scope 3, Category 15)

In May 2023, we declared our intention to reduce the volume of GHG emissions attributable to our investment and financing portfolio (Scope 3, Category 15) to net zero by 2050. At the same time, we announced interim reduction targets for the energy sector.

Going forward, we will regularly disclose results of financed emissions associated with the energy sector, including our investees in the power generation industry, while assessing financed emissions from and formulating interim targets for other sectors.

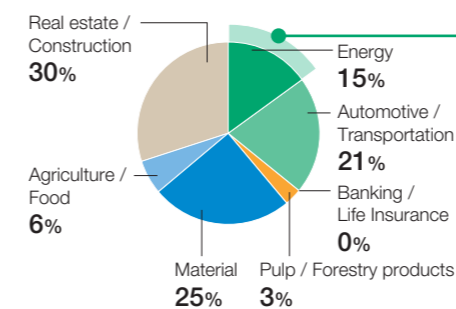
### Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio

The Resona Group will strive to reduce the volume of GHG emissions from its investment and financing portfolio to net zero by 2050.

#### About the interim target for the energy sector

Initiatives being undertaken thus far	New initiatives (identification of interim target)
<ul style="list-style-type: none"> <li>Identified "Real estate / Construction," "Automotive / Transportation" and "Energy" as priority sectors in light of such factors as the potential impact of climate change on carbon-related sectors specified by the TCFD,<sup>3</sup> the size of our portfolio, and a sector-based analysis of financed emissions determined using simple calculation methods.</li> <li>Further analyses, including quantitative risk assessments, were also conducted.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the assessment and analysis of financed emissions, emphasizing the energy sector over other priority sectors as it has already seen advances in the development of measurement methods and data accumulation</li> <li>Measurements of three sector components were conducted<sup>4</sup>: "Energy (electric power)," "Oil / Gas" and "Coal."</li> </ul>

#### Sector-Based Breakdown of Financed Emissions



#### Financed Emissions from the Energy Sector

	Scope subject to GHG emission calculation	Indicator	Results (Mar. 31, 2022)	Amount of investment and financing
Energy (electric power)	Power generation Scope1	Physical carbon emission intensity	139 gCO <sub>2</sub> e/kWh	¥276.0 billion
Oil / Gas	Mining Scopes 1 to 3	Absolute volume	0.17 MtCO <sub>2</sub> e	¥7.4 billion
Coal	Mining Scopes 1 to 3	Absolute volume	—	(Not applicable)

#### Taking the above factors into account, we have identified an interim target for the energy sector (targets have not been set for "Oil / Gas" and "Coal" as the number of customers in these fields is very low)

Concepts behind target setting for the energy sector	<ul style="list-style-type: none"> <li>The current carbon emission intensity, which amounts to 139gCO<sub>2</sub>e/kWh, falls short of the standard for 2030 envisioned in the 1.5°C scenario (NZE2050),<sup>5</sup> due mainly to the general termination of new project financing for coal-fired power generation businesses and proactive lending to domestic borrowers engaged in renewable energy-related businesses.</li> <li>On the other hand, the energy sector is an infrastructure component supporting all industries as well as people's daily lives. Accordingly, pursuing the decarbonization of this sector is essential to helping retail customers achieve decarbonization.</li> <li>Therefore, we will strive for the popularization of renewable energy, which is integral to nationwide decarbonization, while supporting power generation businesses endeavoring to achieve transition and technological innovation. In these ways, we aim to reduce emissions from the energy sector to a level that is substantially lower than the global standard stipulated in the 1.5°C target.</li> </ul>
The interim target	Carbon emission intensity in FY2030: <b>100 to 130gCO<sub>2</sub>e/kWh</b>

#### Basis for the calculation of financed emissions

The volume of GHG emissions from each investee/borrower corporation is multiplied by the attribution factor (Balance of investment and financing / Sum of assets and liabilities) and the resulting numerical values for all investee/borrower corporations are aggregated

	Formula	Coverage ratio <sup>6</sup>	Data quality score <sup>7</sup>
Energy	$\sum \left( \text{Carbon emission intensity of investees/borrowers (gCO}_2\text{e/kWh)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Total value of investment/financing by the Company for all investees/borrowers subject to calculation}} \right)$	85%	2.1
Oil/Gas	$\sum \left( \text{Volume of emissions from investees/borrowers (MtCO}_2\text{e)} \times \frac{\text{Value of investment/financing by the Company for investees/borrowers}}{\text{Sum of borrowings and capital held by investees/borrowers}} \right)$	100%	3.0

**3** Targets for the Empowerment and Promotion of Women ▶ Create New Value on Diverse Fronts to Achieve Our Vision of Realizing “Retail No. 1”

Achieve the below presented ratios for the representation of women in various positions, an increase of 10% or more from the levels at the beginning of FY2021 (by the end of FY2030)

- Ratio of female directors and executive officers at Resona Holdings: 30% or more
- Ratio of female senior managers at six Group companies: 20% or more<sup>1</sup>
- Ratio of female line managers at six Group companies: 40% or more<sup>1</sup>

Ratio of women	2021 <sup>2</sup>	2023 <sup>2</sup>	FY2030 targets
Directors and executive officers (Resona Holdings)	19.2%	<b>10.3%</b> <sup>3</sup>	30% or more
Senior managers (6 Group companies <sup>1</sup> )	10.5%	<b>13.4%</b>	20% or more
Line managers (6 Group companies <sup>1</sup> )	29.7%	<b>31.4%</b>	40% or more

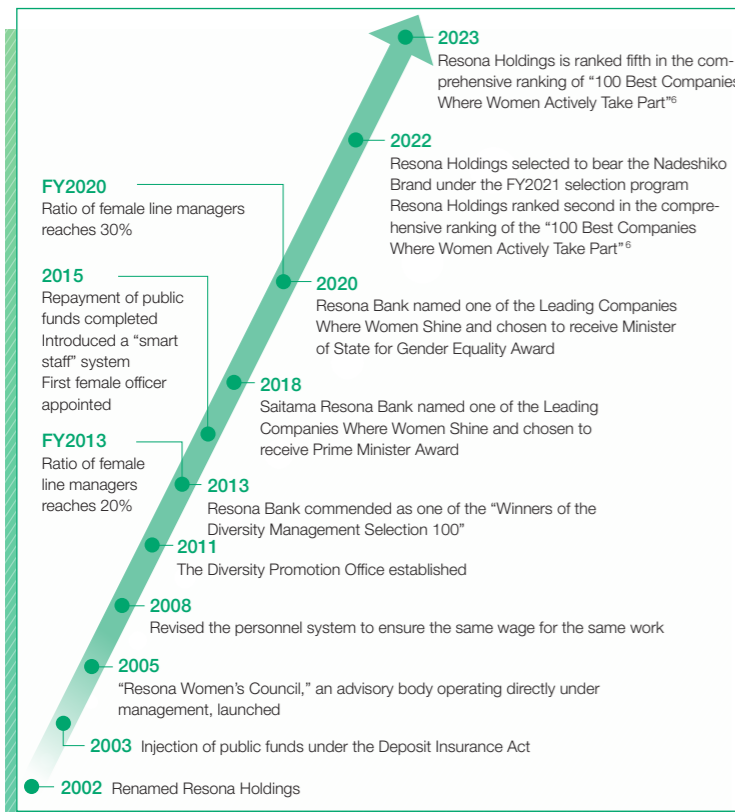
As presented above, the ratio of women among senior managers and line managers rose in FY2022, with the ratio of female line managers steadily growing for the 11th consecutive year.

On the other hand, the ratio of women in executive officer positions at Resona Holdings dropped from the level at the beginning of FY2021 due to an increase in the overall number of executive officers at Resona Holdings as well as the appointment to Resona Bank and Saitama Resona Bank of internal female officers to serve as directors. Reflecting this move, the ratio of female directors at Resona Bank and Saitama Resona Bank rose from 9% and 15% at the beginning of FY2021 to 27% and 23%, respectively. Also, as of June 30, 2023, the ratio of female directors at Resona Holdings is 25%.

In FY2022, we introduced a branch-manager trainee system<sup>4</sup> as part of measures to enable female employees to gain

experience in an even broader range of operations and equip them to assume higher-ranking positions at branches specializing in individual customer transactions. This system was created in response to opinions voiced by female employees. Also, to encourage male employees to play greater roles in child rearing and homemaking, we have newly established a system that allows eligible male employees to opt for cessation from work upon childbirth (nicknamed “postnatal paternity childcare leave”)<sup>5</sup> and decided that the first 14 days of cessation shall be paid leave.

In FY2023, we will focus on nurturing candidates for all managerial ranks, including officers, senior managers and line managers, by, for example, providing many female employees with opportunities to gain experience in a diverse range of operations.



**External Recognitions**

- “Gold” rating under the Pride Index for the sixth consecutive year** (Resona Holdings)
- work with Pride Gold 2022**
- “Platina Kurumin” certification** (Four Group banks)
- “Eruboshi” certification** (Four Group banks)
- Certified under the 2023 Certified Health and Productivity Management Organization** Recognition Program (Resona Holdings and Kansai Mirai Financial Group)
- 2023 Health and productivity** (健康経営優良法人)

1 Sum of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank  
2 The ratio of female directors and executive officers is as of June 30, 2023; the ratios of female senior managers and line managers in 2021 and 2023 are as of April 1 and March 31, respectively.

3 Due to the increase in the overall number of executive officers and the appointment of female internal officers to serve as directors at Resona Bank and Saitama Resona Bank  
4 A trainee system designed to enable female employees who have been mainly engaged in branch-counter clerical work to acquire the skills necessary to assume branch manager positions at branches specializing in individual customer transactions.  
5 Please refer to page 72 for details.  
6 Survey of Workplace Opportunities for Female Workers undertaken by Nikkei WOMAN

**Activities of the “Resona Women’s Council”**

Since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration, our human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age or job category. We stepped up this approach, aiming to become a workplace of choice for women across society while striving to remove any barriers that may cause them to give up on lasting career development. To that end, in April 2005 we established the “Resona Women’s Council,” an advisory body operating directly under top management, based on a belief that updating how we manage business from the perspective of women, who account for a half of population, is essential.

The membership of the “Resona Women’s Council” consists of more than a dozen female employees selected from Group companies, including non-bank affiliates. With the aim

of creating a company that attracts women’s support, the council is engaged in deliberations covering a variety of measures, such as those aimed at developing a better working environment and supporting women’s career development. Every year, the council concludes its annual activities by holding a final reporting session in which members deliver proposals to the presidents of Group companies.

These proposals have resulted in a number of measures being implemented at the Resona Group. In sum, the council’s activities are now seen as a symbol of women’s empowerment.

Moreover, female employees who had taken part in the council are currently acting as key players at various workplaces within the Group, with their involvement in the process of developing tangible measures based on their own proposals causing them to grow their aspirations to take on leadership positions and pursue long-lasting careers with a sense of job fulfillment.



A final reporting session hosted by council members chosen via the 12th round of member selection

Examples of Tangible Measures Developed Based on Proposals from Female Employees, Including Resona Women’s Council Members	
<b>Mentoring system</b>	A system in which female employees who are selected as senior managerial candidates are assisted via mentoring by officers, branch managers and individuals other than their immediate supervisors
<b>My Career Training</b>	A training program designed to empower female employees to develop a stronger awareness of their ability to become candidates for managers and senior managers
<b>Introductory Parenting Seminar</b>	A streaming-based seminar designed to provide employees who are expecting a child with explanations of helpful support systems, procedures to follow and advice on such topics as how to strike a balance between work and child rearing
<b>Working Mothers Assistance Seminar</b>	A seminar aimed at supporting mothers reinstated after childcare leave through the provision of lectures focused on time management and other tips that help smooth the transition to post-reinstatement workstyles
<b>Housing loans for women “lin”</b>	Housing loans specifically designed for women that offer lower interest rates and other privileged conditions to accommodate needs arising from the growing trend toward women’s participation in the workforce and the diversification of their lifestyles

**Roundtable Talk among Resona Women’s Council Members (chosen via the 12th selection, with the period of their activities spanning April 2022 to March 2023)**



(From left)  
Resona Research Institute  
Yoko Iwai  
Resona Bank  
Saori Tanikita  
Saitama Resona Bank  
Marie Tsutsumi

**— Please share your impressions regarding council activities over the past year.**

**Iwai:** First off, we had to identify issues, examine possible solutions and schedule our activities all by ourselves. Moreover, since the council consisted of members with diverse backgrounds, it was rare for us to quickly reach a consensus on any subject. Accordingly, we spent a great amount of time in discussion at every meeting.

**Tanikita:** Although I have on many occasions thought about Resona Bank, I had never thought deeply about other Group companies. I was able to acquire a number of new insights through participation in the council over the past year.

**Tsutsumi:** I was prompted to think more deeply about the Company’s future as well as my own. Although I had hardly pondered these matters previously, I came to realize, through my involvement in the council, that it is up to me to transform my behavior.

**— What are your takeaways from interactions among members from different generations and different specializations?**

**Tsutsumi:** I found out that one of members was a branch general manager, but she addressed me casually. I was able to frankly communicate my opinions and tell her what I really think.

**Iwai:** Despite the differences among us in terms of standpoints and working environments, we were all equally serious about making the Resona

Group’s future, as well as our own, even brighter. It was genuinely amazing to engage in the uncompromising discussions among these members. I hope that some of us will again come into contact with each other in the course of regular duties.

**Tanikita:** With members working at locations in Kanto and Kansai areas, our activities were often separated to cover the eastern and western parts of the network of Group bases. However, whenever important matters were tabled for discussions, we strove to get together in one place to engage in robust discussions.

**— Please describe how your participation in the council transformed your awareness regarding work and careers.**

**Tsutsumi:** Before joining the council, I was preoccupied with daily operations and not able to think so much about developing my own career. However, in the course of discussions at the council, I have heard from a peer about her aspirations to increase the number of employees capable of acting spontaneously. This prompted me to apply for an in-house job posting during the period of council activities. As a result, I was promoted to manager. In summary, I was inspired by a proactive stance another member was taking toward her careers.

**Iwai:** Engaging in discussions with members whom I hadn’t been in contact with previously, I was able to understand the status of the entire Group, including challenges confronting it. Although my present job is to secure coordination among four Group banks, I would like to expand the scope of my duties to handling coordination with other Group companies.

**Tanikita:** At the final reporting session, we received feedback from outside directors even as we provided the presidents of Group companies with our proposals face to face based on the conclusions reached in our discussions. This was a valuable opportunity to develop a sense of familiarity with top management. As I am working at a headquarters department, I would like to plan and advocate for initiatives to empower those who face difficulties in developing their careers or skills to take a step forward toward their goals.



## Governance

The Resona Group Sustainability Policy and other important policies related to sustainability are determined by the Board of Directors.

The status of initiatives undertaken based on these policies provided by the Board of Directors is reported to and discussed by the Board at least once a year, while matters deemed particularly important are addressed by it on an as necessary basis. In this way, we have secured a robust structure that ensures proper supervision over sustainability initiatives.

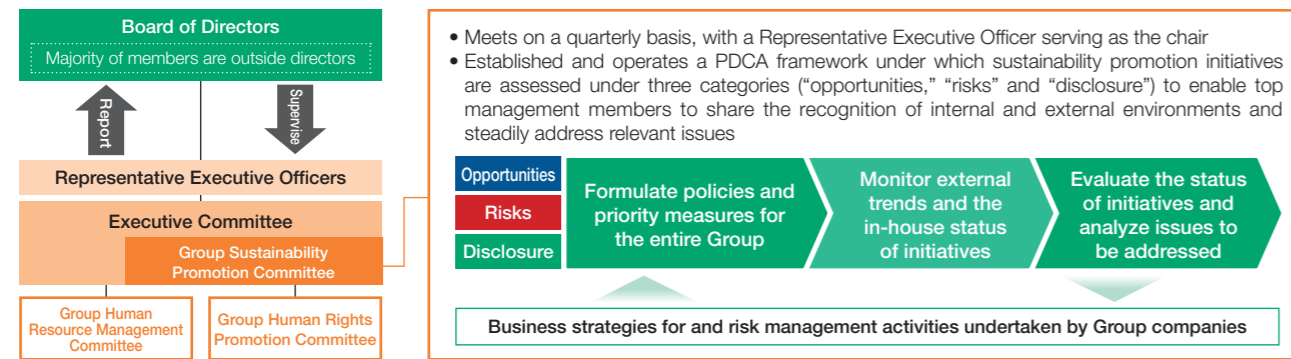
With outside directors constituting its majority, the Board of Directors engages in multifaceted discussion and reflects its conclusions in the Group's business strategy, risk management and other undertakings.

In addition, the Group Sustainability Promotion Committee, chaired by the president of Resona Holdings, is tasked with exercising the consolidated supervision of and spearheading

measures to address specific issues associated with sustainability and deemed important. Members of this committee include the presidents of Kansai Mirai Financial Group, Group banks and Resona Asset Management as well as the heads of the Corporate Administration Division and risk management divisions in addition to officers in charge of corporate and retail banking.

This committee also invites external specialists to contribute their opinions on diverse subjects, such as the direction and pace of the Group's initiatives. These inputs are reflected in discussions undertaken by top management.

Moreover, the Group Human Resource Management Committee and the Group Human Rights Promotion Committee are charged with the consolidated management of important matters associated with human capital management as well as human rights promotion among all Group employees.



## Main Content of Relevant Agenda Items Submitted to and Other Subjects Discussed by the Board of Directors (July 2022 to June 2023)

- Establishment of the Group's Purpose
- Outcomes of FY2022 sustainability initiatives and issues to be addressed going forward
- Top risks to be addressed during the course of the new medium-term management plan (MMP) (climate change-related risks positioned among top risks)
- Formulation of reduction targets for greenhouse gas (GHG) emissions from the investment and financing portfolio (Scope 3, Category 15)
- Enhancement of stakeholder dialogue in the shareholder relations (SR) field, with ESG issues considered priority subjects

### Main Opinions Contributed by Board Members on Outcomes of FY2022 Sustainability Initiatives and Issues to Be Addressed Going Forward

#### Main Achievements

- Made progress in initiatives to achieve each component of the Long-Term Sustainability Targets, while there were further positive changes in employee awareness and behavior
- Formulated reduction targets for Scope 3 emissions
- Began carrying out ESG-focused business potential assessment, established a human rights due diligence process and otherwise ensured that systems developed in FY2021 are operating on an ongoing basis
- Maintained the Group's inclusion in ESG indexes selected by the GPIF, etc.

#### Issues That Must Be Addressed Going Forward and Priority Measures

- Develop a framework for helping customers systematically assess and visualize their current situation in terms of SX via the use of an overarching perspective and strengthen frontline employee capabilities to conduct dialogue and provide solutions
- Step up collaboration with external organizations, local governments and other partners
- Enhance initiatives to promote social inclusion, such as providing financial literacy education for all ages and extending financial assistance to help resolve children's poverty
- Respond to the need to preserve biodiversity, etc.

#### Main Opinions Voiced by Outside Directors

- It is necessary to make it possible to measure the degree of improvement in the environmental and social value of corporate customers via Resona's initiatives
- The Group needs to provide internal and external stakeholders with an even clearer message that it will responsibly assist SME customers in their transition while disclosing its strategies to this end in a more tangible manner
- It is necessary to accelerate initiatives to reduce Scope 3 (Category 15) emissions to net zero
- With regard to the empowerment of women, the Group is called upon to not only monitor various indicators but also take heed of opinions voiced by employees in order to stay attuned to changes in employee mindset and awareness.

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

The Company's policies for the determination of compensation for directors and executive officers are determined by the Compensation Committee, whose membership consists exclusively of independent outside directors. The compensation system in place for executive officers takes into account ESG indicators designed to provide objective evaluations to determine the content of medium- to long-term incentives via

the use of an external perspective. In addition, evaluation criteria for determining the content of annual incentive paid under this system include the annual results of initiatives to achieve Long-Term Sustainability Targets. As such, compensation for executive officers is linked to evaluations granted to the recipients in terms of sustainability initiatives. (▶ p. 81)

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

The Group has identified responding to global warming and climate change as an environmental and social priority issue. Accordingly, we have declared our intention to proactively take on the reduction of environmental burdens deriving from society as a whole.

Moreover, the Group has identified reduction targets for the volume of GHG emissions from its energy use and those from its investment and financing portfolio.

## Governance

The Board of Directors exercises robust supervision over the Group's response to climate change, positioning this response as an essential component of sustainability initiatives.

For details on the status of supervision, please also refer to the article titled "Governance" on the left-hand page.

## Management Strategy

### Business Opportunities and Risks Arising from Climate Change

To measure the impact of climate change, which is highly unpredictable, we have undertaken qualitative and quantitative evaluations of opportunities and risks based on two different scenarios involving, respectively, a 1.5°C and a 4°C rise in

global temperatures.

This evaluation includes the assessment of estimated impact in the short-, medium- and long-terms, which are defined as approximately 5-, 15- and 35-year periods, respectively.

#### 1.5°C scenario (reference: IEA Net-Zero Emissions by 2050, IPCC RCP2.6 and other publicly approved scenarios)

Projected developments	Impact on the financial industry	Time frame
<ul style="list-style-type: none"> <li>• GHG emissions from businesses are severely restricted by government-led policies and laws.</li> <li>• Advances in and the popularization of low-carbon technologies enhances the availability of low-carbon alternatives to existing products and services.</li> <li>• Frequency of sudden occurrences of abnormal weather remains virtually unchanged.</li> </ul>	Financing streams will be ever more focused on measures to alleviate climate change impact.	Short to long term

#### Projected financial impact

Category	Item	Description	
Opportunities	Product and service markets	Growing funding needs among businesses for the development of low-carbon products and services and capital expenditure aimed at reducing their GHG emissions Increased opportunities for the Group to offer financial services due to growing public awareness of climate change	
	Resource efficiency, energy sources, and market resilience	Reduction in business costs due to enhanced resource and energy efficiency Shift to low-carbon energy sources and the resulting alleviation of the future impact of carbon price surge Growth in the Group's corporate value due to the implementation of a sustainability-focused business model	
Risks	Transition risks	Policy and legal	Introduction of stringent government-led policies and regulations negatively affecting the operations of corporate customers and reducing the value of the Group's loan assets
		Technology and market	Advances in low-carbon technologies and changes in consumer preferences prompting a shift to alternative products and services and negatively affecting the operating results of corporate customers, resulting in a reduction in the value of the Group's loan assets
	Reputation	A decline in Resona Holdings' share price due to inconsistencies between strategy and actions or insufficient disclosure of information about climate change	
	Physical risks	Acute	Virtually unchanged frequency of sudden occurrences of abnormal weather (hence, no major financial impact is expected)
Chronic		No chronic and irreversible climate change (hence, no major financial impact is expected)	

#### 4°C scenario (reference: IPCC RCP8.5 and other publicly approved scenarios)

Projected developments	Impact on the financial industry	Time frame
<ul style="list-style-type: none"> <li>• Without notable breakthroughs in climate change countermeasures, the volume of overall GHG emissions continues to grow at the current pace.</li> <li>• Due to an increase in the number of sudden occurrences of abnormal weather, society suffers even more significant damage.</li> <li>• Chronic and irreversible changes, such as a sea level rise, affect economic activities undertaken by businesses and individuals.</li> </ul>	Financing streams will be ever more focused on measures to adapt to climate change effects.	Short to long term

#### Projected financial impact

Category	Item	Description
Opportunities	Product and service markets	Growing demand for funding for public projects and capital expenditure aimed at alleviating physical damage attributable to abnormal weather
	Resource efficiency, energy sources, and market resilience	Reduction in business costs due to enhanced resource and energy efficiency
Risks	Transition risks	No significant breakthroughs in climate change countermeasures (hence, no major financial impact is expected)
	Physical risks	Acute: Reduction in the value of the Group's loan assets due to the impact of climate change, such as the suspension of business induced by damage to corporate customers' facilities, the absence of such customers' employees due to damage to their homes, or a decline in the value of collateral assets due to such damage Chronic: Suspension of the Group's operations due to damage to its facilities or injuries to its employees because of a disaster

#### Ratio\* of lending to energy and utility sectors in the entire portfolio (based on definitions under the Task Force on Climate-related Financial Disclosures (TCFD) recommendations)

As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
1.3%	1.2%	1.2%	1.3%

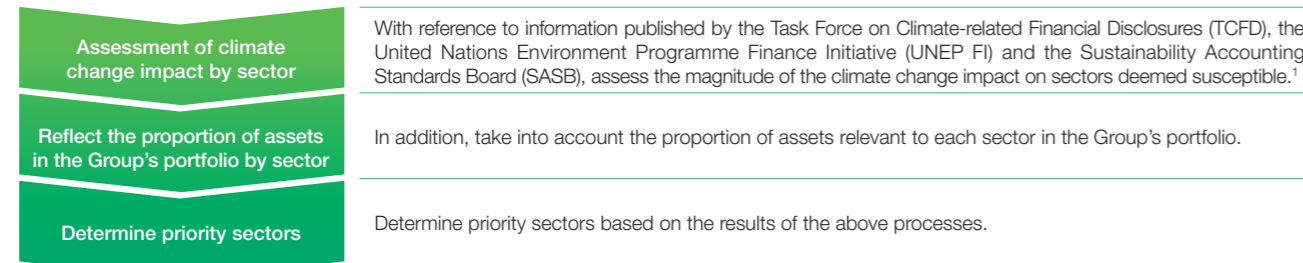
\* Total of loans and bills discounted, acceptances and guarantees, foreign exchange, etc. (sum of Resona Bank, Saitama Resona Bank, Kansai Mirai Bank and Minato Bank)

### In-Depth Qualitative Analysis of Climate Change Scenarios

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

In light of these factors, we have identified priority sectors deemed particularly susceptible<sup>1</sup> to climate change-related impact based on assessments of the potential magnitude of such impact while taking into account the proportion of relevant assets in the Group's portfolio. Targeting these sectors, we conducted an in-depth qualitative analysis of our existing climate change scenarios.

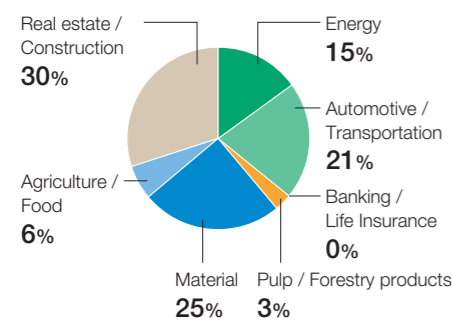
#### ● Process used to select priority sectors



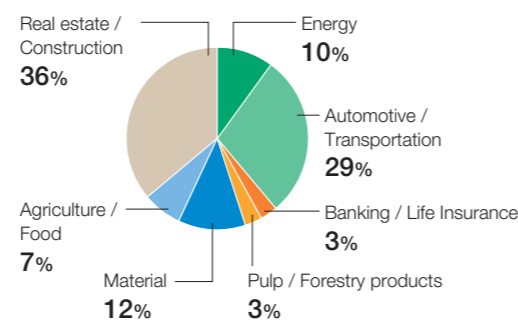
Sector	Climate change impact	Portfolio size <sup>2</sup>	Selection results
Real estate / Construction	Medium	High	Selected as a priority sector
Automotive / Transportation	High	Medium	Selected as a priority sector
Energy	High	Small	Selected as a priority sector
Material	High	Small	Not selected <sup>3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

● We have confirmed that the above results coincide with results of sector-based analysis of financed emissions calculated with reference to methods stipulated by the PCAF standards.<sup>4</sup>

#### Breakdown of Financed Emissions by Sector

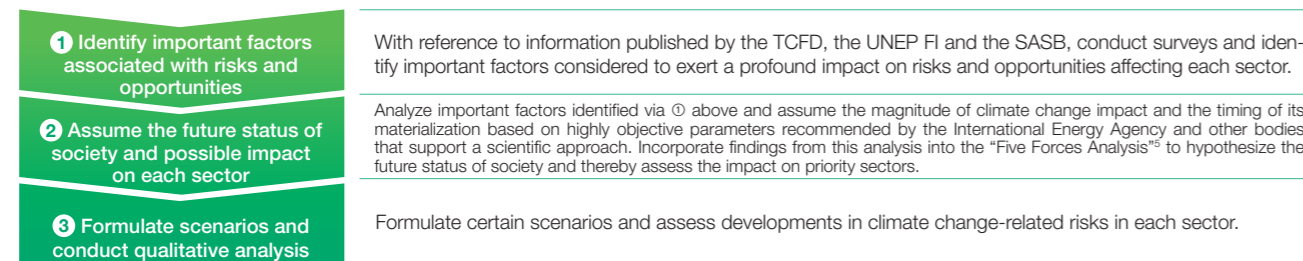


#### Balance of Financing by Sector



#### ● Formulation of scenarios for each priority sector and the qualitative analysis of developments in climate change-related risks

Targeting each priority sector, we formulated scenarios and conducted a qualitative analysis regarding the magnitude of climate change impact and the timing of its materialization.



### ① Important Factors Associated with Risks and Opportunities in Each Sector

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

### ② The Future Status of Society and Possible Impact on Each Sector

		Future status of society	Impact on sector
Real estate / Construction	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the enforcement of carbon taxation, the introduction of building materials with low carbon footprint and the growing popularization of renewable energy	The construction of facilities designed to reduce environmental burden progresses at an ever-faster pace
	4°C	Rising physical risks lead to growing demand for buildings with greater disaster resilience	While the construction of facilities equipped with greater resilience against flooding and other disasters progresses, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
Automotive / Transportation	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax, the popularization of renewable energy and EVs and the acceleration of modal shift in the transportation sector	Toward carbon neutrality, the use of eco-friendly vehicles and rail cars gains growing popularity, resulting in the acceleration of modal shift
	4°C	Physical risks rise as the transition to a low carbon society fails to gain further momentum	While the market environment remains unchanged, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs
Energy	1.5°C	Initiatives aimed at achieving carbon neutrality advance significantly, leading to the introduction of a carbon tax and the growing popularization of renewable energy	The use of renewable energy gains popularity at an ever-faster pace with the move toward carbon neutrality
	4°C	Ongoing dependence on fossil fuel results in higher physical risks	While fossil fuel demand grows solidly, the sector is affected by frequent occurrences of damage arising from abnormal weather and surging disaster countermeasure costs

### ③ Developments in Climate Change-Related Risks

■ Low risk ■ Medium risk ■ High risk

Priority sectors	Transition risks: 1.5°C Scenario					Physical risks: 4°C Scenario						
	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
Real estate / Construction	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Automotive / Transportation	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Energy	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

Priority sectors	Transition risks: 1.5°C Scenario	Physical risks: 4°C Scenario
Real estate / Construction	Risk remains low based on an assumption that an increase in costs attributable to the need to lower energy consumption intensity will be offset by growing revenue backed by rising demand for net-zero energy buildings (ZEB) in 2040	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%
Automotive / Transportation	Risk remains medium based on an assumption that demand for vehicles with internal combustion engines (ICEs) will significantly decline in 2030 due to carbon taxation and the enforcement of stricter regulations on such vehicles However, risk becomes constantly high from 2035 onward due to the enforcement of domestic regulations on the marketing of new ICE vehicles in the 2030s, provided that falling demand is not compensated for by demand for eco-friendly vehicles	Risk rises to and remains medium from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%
Energy	Risk becomes constantly high from 2030 onward based on an assumption that the use of fossil fuel will decrease due to the enforcement of carbon taxation, across-the-board efforts to achieve carbon emission reduction targets and changes in the energy mix	Risk becomes constantly high from 2030 onward based on an assumption that monetary damage arising from flooding will increase approximately 20%, and then subsides to medium in line with an assumed increase in crude oil prices (approximately 30%) in 2040 and resulting growth in revenue

1 The Resona Group's sector classification: Energy, Automotive / Transportation, Material, Pulp / Forestry products, Agriculture / Food, Real estate / Construction, and Banking / Life insurance  
 2 Portfolio size classification is as follows: Large: More than ¥5 trillion; Medium: ¥1 trillion to ¥5 trillion; Small: Less than ¥1 trillion  
 3 Not selected, as risk characteristics vary largely by type of material and, therefore, the sector's impact on the Group's portfolio is dispersed  
 4 Analysis results obtained via the FY2021 Portfolio Carbon Analysis Pilot Program Assistance Project led by the Ministry of the Environment  
 5 A method for sector analysis in light of impacts attributable to sellers, buyers, newcomers and alternatives, with policies considered as an element affecting all the other factors

## In-Depth Quantitative Analysis of Climate Change Scenarios

Based on the qualitative analysis, we conducted a quantitative analysis of the impact on the Group's financial performance of transition and physical risks.

### ● Transition Risks (1.5°C Scenario)

The characteristics and magnitude of transition risks' financial impact vary by sector. Also, these factors may be altered going forward by measures undertaken by businesses pursuing carbon neutrality. Accordingly, our qualitative analysis has targeted priority sectors selected via qualitative analysis.

In addition, we have positioned "introduction and/or heightening of carbon tax" as an important risk factor to be used as

an assumption for our scenario in light of the universal impact of such taxation on each sector. Moreover, in reference to publicly approved scenarios, we have assumed a 1.5°C rise in global temperature to assess the resulting future impact on our clients. In this way, we estimated our exposure to credit risks that may emerge during the period leading up to 2050.

<b>Target Sectors</b>	All the priority sectors (Real estate / Construction, Automotive / Transportation and Energy)
<b>Assumptions for the Scenario</b>	The assumed impact on the Group's credit risk exposure is based on additional expenses that would be incurred by clients due to the introduction and/or heightening of carbon tax as well as future business responses to the growing public call for carbon neutrality
<b>Reference Scenarios</b>	IEA Net-Zero Emissions by 2050 and IPCC 2.6
<b>Analysis Period</b>	Present to 2050
<b>Risk Indicator</b>	Estimated increase in credit-related expenses
<b>Analysis Results</b>	Credit-related expenses could increase during the period leading up to 2050 by a maximum of around ¥81.0 billion

### ● Physical Risks (4°C Scenario)

Physical risks are considered to have a differing degree of impact on clients depending on the locations of both their businesses and real estate properties pledged as collateral for loans in addition to sector-specific characteristics of their operations. Taking this into account, our quantitative analysis targeted business corporations in general.

Due to restrictions in data available for analysis, we have positioned flood damage resulting from the materialization of

acute risk as an important factor to be used as an assumption for our scenario. In reference to publicly approved scenarios, we have thus estimated the impact of a 4°C rise in global temperature on the business performance of our clients and real estate properties pledged as collateral for loans, determining its impact on the Group's credit risk exposure during the period leading up to 2050.

<b>Target Sectors</b>	Business Corporations in General
<b>Assumptions for the Scenario</b>	Based on analyses of hazard maps and natural disaster models, we have estimated the frequency of flooding arising from the materialization of acute risk and resulting growth in flood damage. Having assessed the impact of the above factors on the business performance of clients and their real estate properties pledged as collateral for loans, we have thus determined the extent to which the Group's credit exposure would be affected.
<b>Reference Scenarios</b>	IPCC RCP8.5
<b>Analysis Period</b>	Present to 2050
<b>Risk Indicator</b>	Estimated increase in credit-related expenses
<b>Analysis Results</b>	Credit-related expenses could increase during the period leading up to 2050 by a maximum cumulative total of around ¥18.0 billion

### ● Issues to be Addressed Going Forward

Results of the above analysis suggest that the impact of transition and physical risks on credit-related expenses is considered to be limited. However, we believe that these results do not indicate that the impact on the Group's overall risk exposure is limited as the above analysis has taken into account only a portion of risk factors while using various assumptions in the course of damage estimation.

The analysis of climate change impact requires the study of a diverse range of risk factors and intertwining relationships between them. Moreover, the spillover effect of climate change-related risks could take differing courses depending on various underlying factors. Therefore, we will continue to research diverse analytic methods while enhancing the content of data for use in analysis.

At the same time, even though we are in the process of developing more precise analysis methods, we are convinced that climate change is highly likely to have a financial impact on

our loan assets, the largest category of assets in the Group's possession. Accordingly, we clearly recognize that the opportunities and risks our clients face will directly affect the Group.

The majority of the Group's loan assets are accounted for by loans furnished to individual and SME customers. This suggests that climate change-related lending risks are dispersed throughout our overall portfolio. However, it was confirmed that, compared with large corporations, the status of SMEs' climate change responses varies widely by company, indicating a diverse range of underlying issues confronting this customer group.

Looking ahead, we will continue striving to assess and reduce the volume of financed emissions from our entire portfolio even as we engage in in-depth customer dialogue and enhance our diverse solution lineup designed to meet the needs of customers facing differing situations and issues. We will thus assist customers in their pursuit of carbon neutrality by acting as their "running partner."

## Risk Management

The Resona Group has positioned climate change-related risks as top risks that are deemed to possess a high possibility of impacting heavily on its operations. In line with this positioning, we have developed a consistent risk management structure placing the foremost emphasis on managing these risks.

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.

Having identified climate change-related risks as contributing to uncertainty, the Group is operating a risk management framework (▶ p. 85) based on its own definitions of risk categories, such as credit risk, operational risk and reputational risk, determined in line with the characteristics of such risks.

To address credit risk, which is considered to have a particularly strong impact on the Group's operations, we are working to step up risk management via, for example, "Initiatives for Socially Responsible Investing and Lending" described below. Simultaneously, we are developing a structure enabling us to help realize a carbon-neutral society through our financial functions.

### Initiatives for Socially Responsible Investing and Lending

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

#### Loan Business

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

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

#### Investment

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

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

### ● Overview of the "Basic Stance on Lending"

	Policy	Business description
Stance on Lending Across Sectors	Prohibition of lending to the following borrowers	• Those involved in child or forced labor or human trafficking, etc.
	Prohibition of lending to the following projects or businesses	• Businesses that exert a seriously negative impact on wetland sites designated by the Ramsar Convention, the World Heritage Sites designated by UNESCO • Businesses in violation of the Washington Convention
	Due consideration given to environmental and social impacts in the course of lending to the following businesses	• Businesses that negatively affect indigenous local communities and other areas of high conservation value • Businesses that entail the involuntary resettlement of residents resulting from the appropriation of land
Stance on Lending to Specific Sectors	Prohibition of lending to the following borrowers	• Those involved in the development, etc., of weapons of mass destruction, such as nuclear weapons, chemical weapons and biological weapons, and / or inhumane weapons such as cluster bombs
	Prohibition of lending to the following projects or businesses	• Coal-fired power generation (except where there are compelling reasons, such as to realize restoration following a disaster) • Coal mining projects employing the Mountain Top Removal (MTR) method • Palm oil farm development projects involving illegal practices or lacking sufficient improvement measures
	Due consideration given to environmental and social impacts in the course of lending to the following businesses	• Large-scale hydroelectric power generation

## Metrics and Targets

The Resona Group established the following targets for its long-term initiatives aimed at mitigating climate change-related risks and increasing opportunities.

The details of each target, progress thus far in initiatives to achieve it and our relevant future action plans are featured on preceding pages.

#### Retail Transition Financing Target

• The mitigation of climate change-related risks and the discovery of new business opportunities in tandem with customers through in-depth dialogue and the enhancement of our solutions (▶ pp. 46–47)

#### Declaration of Net-zero Greenhouse Gas Emissions in the Investment and Financing Portfolio Interim target for 2030 for the energy sector

The reduction of GHG emissions from our investment and financing portfolio (▶ p. 49)

#### Carbon Neutrality Target (Scopes 1 & 2)

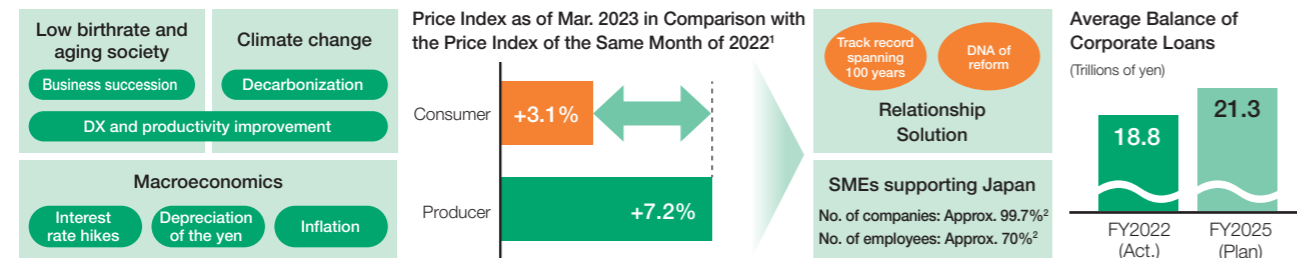
• The reduction of GHG emissions from our own energy use (▶ p. 48)

# Medium-term Management Plan (MMP) – Strengthening of Value Creation Capabilities

## Business for SMEs

### Strengthen Our Ability to Accommodate Funding Demand That Emerges with Changes in the Environment

#### Diverse and complex issues



The business environment surrounding SMEs is now undergoing radical changes. Specifically, these businesses are now facing the emergence of new needs and customer issues due to such evolving mega trends as SX and DX as well as the progressing aging of the population and other shifts in social and industrial structure. Furthermore, the current macroeconomic environment is expected to give rise to new fundraising needs as economies pick up with the termination of COVID-19 pandemic-related restrictions in addition to the depreciation of the yen and a divergence between the growth rate of the producer price index and that of the consumer price index.

Amidst these circumstances, the Resona Group is acting as a “running partner” for customers, working to deliver diverse solutions while taking full advantage of its strengths backed by networks and relationships developed over the course of more than 100 years of specialization in the retail business. This approach now constitutes a distinctive feature of our business operations. Under the new MMP, we will strive to further upgrade these and other features that set us apart from others through the qualitative and quantitative enhancement of our consulting and financing capabilities.

To this end, we plan to additionally allocate approximately

200 staffs to the corporate lending field over the course of three years leading up to March 31, 2026, with the aim of further strengthening our face-to-face consulting sales capabilities. Meanwhile, the number of SMEs undertaking SX and DX initiatives remains fewer than the number of large corporations engaged in such initiatives. Aware of this situation, we will continuously step up dialogue with SME customers to help them understand the necessity of such initiatives and how relevant they are to business operations.

We have positioned transitioning to a new phase of capital utilization as a key endeavor under the new MMP and, accordingly, plan to significantly increase the balance of general lending. This pursuit will be at the core of our organic growth investment (▶ p. 25). In addition to meeting funding demand via the use of existing solutions, we will promote the further development and expansion of risk-taking endeavors, such as extending financial assistance to venture startups and taking on new types of structured financing.

Through these and other endeavors, we aim to raise the balance of general lending to ¥21.3 trillion in FY2025, achieving an increase of approximately ¥2.5 trillion from the FY2022 level.

### Act as a “running partner” for customers at various stages, to this end raising our ability to provide them with assistance via the allocation of human resources and the proactive utilization of capital

#### Strengthen our consulting and financing capabilities in terms of both quality and quantity

- Increase staffing for corporate lending  
➢ FY2022: Approx. 3,150 staffs → FY2025 (plan): Approx. 3,350 staffs
- Promote in-depth dialogue  
➢ No. of corporate customers interviewed by the Group on SX topics: Approx. 31,000 (FY2021)

#### Cumulative Total of Retail Transition Finance

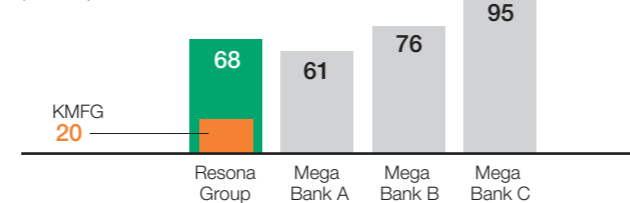


- Collect questionnaires regarding DX: About 13,000 companies (FY'22)
- Further development and expansion of business fields in which we engage in risk-taking endeavors in a way that aligns with changes in the environment
- Establish an organization specializing in venture incubation
- Take on the challenge of providing a novel type of structured financing

#### Our Group network centered on two major metropolitan areas

#### The number of companies naming the Resona Group as their main bank places us among the top banks in Japan

Number of Companies that Name a Major Bank as Their Main Bank<sup>3</sup> (Thousand)



#### Resona Group's Ranking by Prefecture<sup>3</sup>

Saitama 1st Osaka 1st  
Hyogo 2nd Shiga 2nd

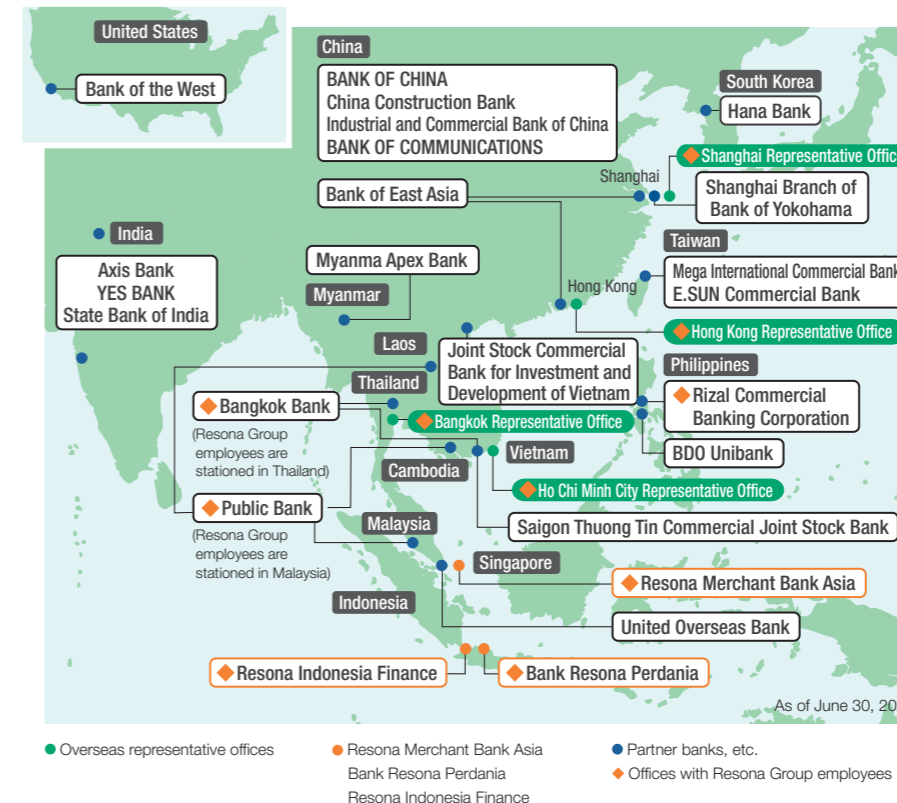
1 Consumer: MIC “Consumer Price Index 2020-Base Consumer Price Index (Mar. 2023),” Producer: BOJ “Monthly Report on the Corporate Goods Price Index (Preliminary Figures for Mar. 2023)”

2 The Small and Medium Enterprise Agency “2023 White Paper on Small and Medium Enterprises in Japan”

3 TEIKOKU DATABANK (2022)

## International Business

### Help Customers Align with Changes in the Business Environment via the Use of Our Overseas Network



The Resona Group maintains 10 overseas bases in which its expatriates are stationed. With this network focused on the entire Asian region as well as the United States, we accommodate a broad range of customer needs for global expansion assistance, fundraising and other undertakings.

In Indonesia, Bank Resona Perdania, which boasts a business track record spanning more than 65 years, offers full-line banking services, while the Singapore-based Resona Merchant Bank Asia strives to meet needs for fundraising, M&A and other solutions among customers in ASEAN nations, Hong Kong and India.

Going forward, we will upgrade our structure for supporting customers by upgrading our overseas network and enhancing our capabilities to deliver international business solutions.

## 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, aligning their services with the different growth phases of customers.

### Support during the Startup and Growth Phases

When engaging with customers in the startup phase, we look at both their financial status and potential for business growth, taking a proactive approach when extending financing and operational support. During the growth phase, we also provide a diverse array of loan products and various solutions, including business matching, global expansion assistance and other support to advance their development.

### Support during the Maturity and Transition Phases

We are capable of delivering a diverse range of solutions, including those supporting business and asset succession as well as human resource referrals and DX assistance, to enable customers in the maturity and transition phases to move forward toward a next stage. To this end, we start by closely understanding the owner's vision for the business and thoughts about succession. We then identify optimal solutions and countermeasures.

### Turnaround Support

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

### Initiatives to Revitalize Communities

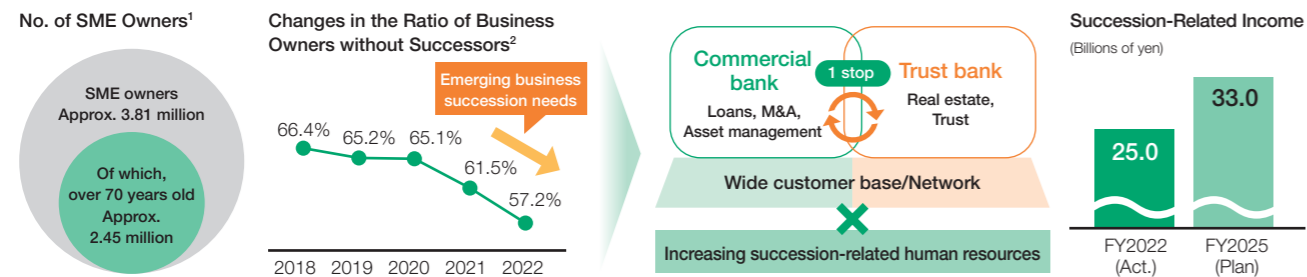
With a corporate mission that affirms our commitment to the further development of regional communities, we energetically support the management of SME customers and the revitalization of regional economies. As part of these efforts, we have entered into comprehensive partnership agreements with prefectural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

solutions. First, we provide business matching that takes advantage of the Group's network of approximately 500,000 corporate customers to support the expansion of customers' marketing channels. Second, we offer startup assistance to newly launched corporations. Third, we propose solutions for various human resource-related issues. Thus, we act as an information intermediary to help customers resolve issues they are confronting.



## Business and Asset Succession

Accommodate Emerging Needs Associated with Succession via the Provision of Diverse Solutions Backed by Our Strength as a Retail Commercial Bank Equipped with Full-line Trust Banking Capabilities



With the aging of a growing number of SME business owners, the ratio of SMEs lacking management successors has long remained high. In the wake of the COVID-19 pandemic, however, this ratio has declined somewhat. Also, our data suggests the emergence of growing needs for business and asset succession.

On the other hand, the succession-related issues our customers are confronting differ largely by said customers' individual desires and circumstances. It is thus essential to provide face-to-face, in-depth consulting to resolve these issues and, where needed, deliver tailored solutions, including those leveraging our lending, trust and real estate functions, M&A deals that draw on our network and those backed by asset management.

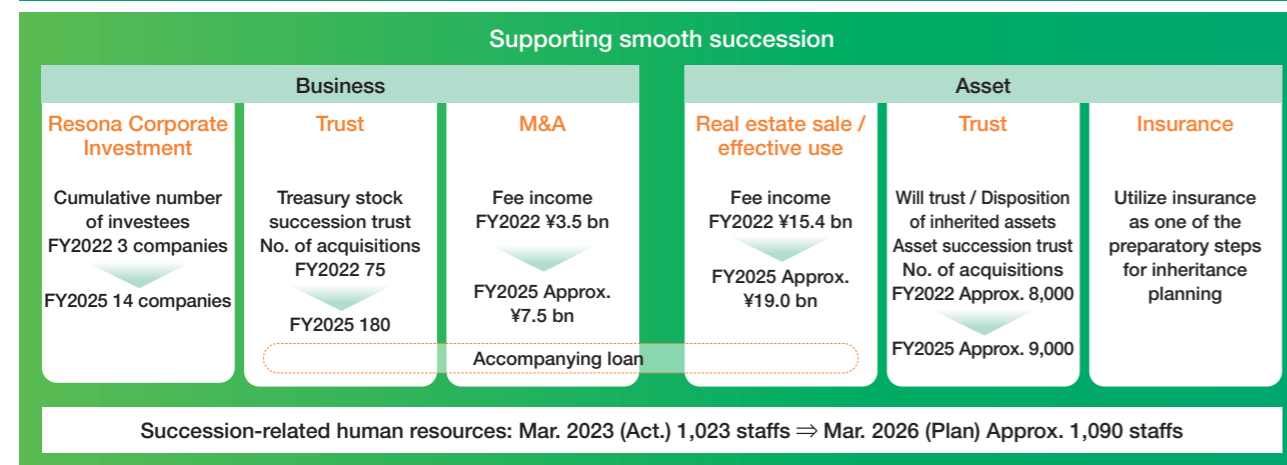
The Resona Group boasts unique strengths as a retail/commercial bank equipped with full-line trust banking capabilities. These strengths enable us to deliver one-stop solutions designed to address diverse issues. We also began employing such new methods as acquiring majority stakes in customer SMEs through Resona Corporate Investment, a subsidiary established in January 2021. This subsidiary had already invested in three SMEs by the end of FY2022 while receiving a

growing number of inquiries.

Against this backdrop, our staff dealing with succession-related issues totaled 1,023 as of March 31, 2023, and plans call for the additional allocation of around 70 employees to this area over the course of three years of the new MMP. In these and other ways, we are continuously allocating our management resources to business and asset succession to take advantage of the major growth potential of these operations. In FY2022, succession-related income amounted to ¥25.0 billion, an increase of ¥4.7 billion compared with FY2019. In FY2025, this income is expected to grow to ¥33.0 billion, an additional increase of ¥8.0 billion.

Our succession-related businesses help resolve structural issues arising from the aging of SME business owners through the provision of solutions designed to support the smooth transition of businesses and assets. Furthermore, these operations enable the Resona Group to secure lasting, wide-ranging and in-depth transactional relationships with customers, including their successors, in a way that transcends generations.

Act as a "running partner" for as many customers as possible by further enhancing our portfolio of specialist human resources

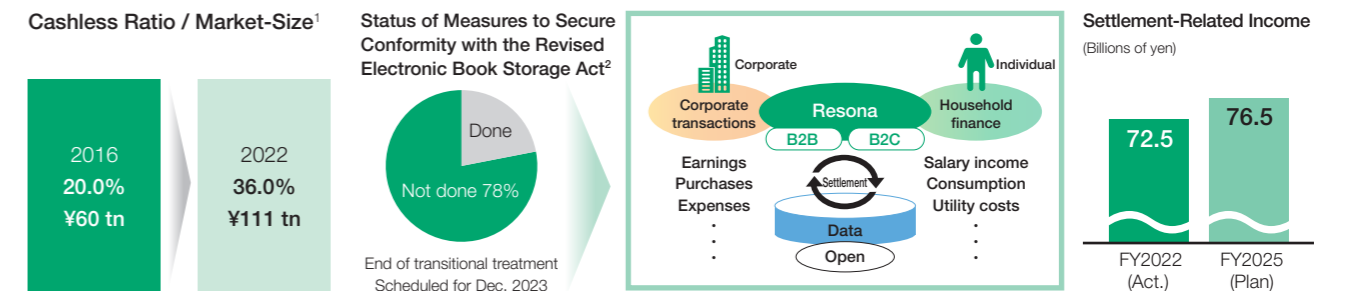


Continue to act as a "running partner" for customers to enable them to better navigate business activities/life events after succession

1 The Comprehensive Package of Measures for Supporting SMEs in Business Succession to Third Parties formulated by the Small and Medium Enterprise Agency  
2 Nationwide Trend Survey of the Ratio of Corporations Lacking Successors by TEIKOKU DATABANK (2022)

## Cashless and DX Solution

Offer Convenience for Household Finance and Corporate Transactions



The domestic cashless market is expanding at an ever-faster pace in the aftermath of the COVID-19 pandemic. At the same time, there is a growing need for digital transformation (DX) solutions that will update the mode of business-to-business (B2B) settlement and secure conformity with, for example, the revised Electronic Book Storage Act.

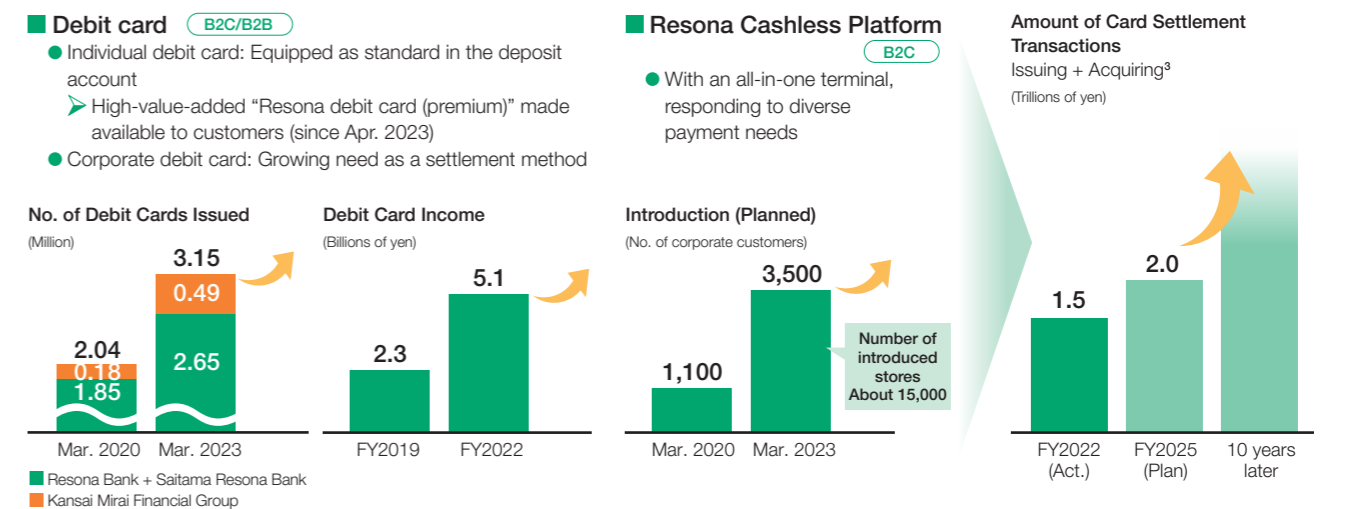
The Resona Group aims to accommodate needs for cashless and digitized solutions for use in diverse settlement processes for both individual household finance and corporate transactions. To this end, we deliver a variety of products and services while constantly enhancing contact points with customers, with the aim of delivering even better customer experience.

The use of debit cards, which are standard with individual deposit accounts, has gained significant popularity, with income from debit cards growing over the course of the previous MMP period from ¥2.3 billion in FY2019 to ¥5.1 billion in FY2022.

Having embarked on the new MMP period, we expect this income to grow further via the release of "Resona debit card (premium)" for individual customers and the enhancement of services for corporate customers. Moreover, we plan to raise the value of card settlement transactions which include transactions to be acquired by the Resona Cashless Platform (RCP), which provides retailers and other businesses with business-to-consumer (B2C) settlement solutions, by ¥0.5 trillion from ¥1.5 trillion in FY2022 to ¥2.0 trillion in FY2025.

In addition, we intend to resolve settlement-related issues confronting our customers through the provision of DX assistance that employs Resona One-Stop Payment, a B2B solution for corporate purchasing, etc., the enhancement of solutions backed by diverse functions and networks afforded by all Resona Group companies, and the expansion of co-creation initiatives in tandem with external partners.

Offer a diverse range of services to meet the need for cashless and digital operations



**Resona One-Stop Payment** (B2B)

- DX support to help bill-paying more efficient
- Offer a comprehensive set of services to meet needs for measures to secure conformity with the Electronic Book Storage Act and otherwise streamline operations (digitization of bills → online payment → storage of electronic data)

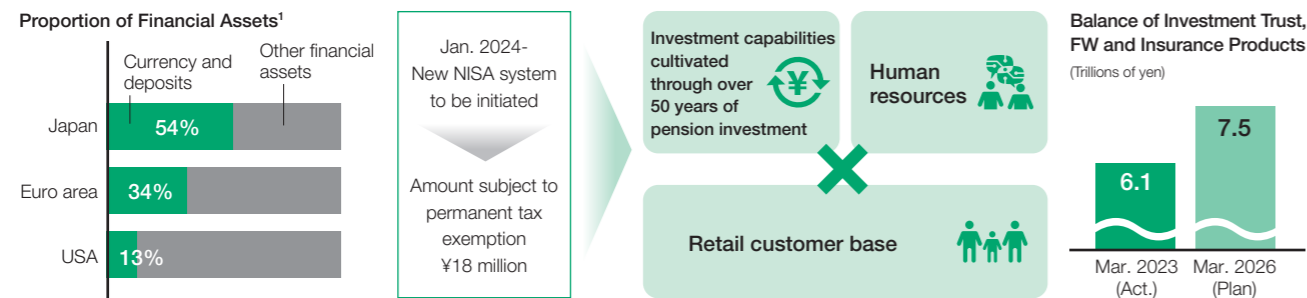
**Collaboration within and outside the Group** (Data/Open)

- Enhance the content of solutions to be delivered via the combination of all Resona Group members
- Deliver proposals on one-stop solutions backed by Group functions
- Rolling out Resona Group services to Kansai Mirai Financial Group
- Co-creation with external partners: Capital and business alliance with Digital Garage (Nov. 2022)

1 Ministry of Economy, Trade and Industry. News release dated April 6, 2023  
2 Research by RAKUS Co., Ltd. (As of Jan. 2023)  
3 Including group companies

## Asset Formation Support

### Help Customers Secure Economic Preparedness in the Coming Era of Centenarians via a Shift from Savings to Investment



The majority of individual financial assets in Japan still comprises cash and deposits. In an era where people are living to 100 years old, supporting a major shift from savings to investment is an integral part of our mission as a financial institution. Moreover, investment needs are expected to grow even stronger in anticipation of the introduction of the New NISA System in January 2024, with a significant expansion to ¥18 million in the amount subject to permanent tax exemption. Meanwhile, we are equipped with a robust retail customer base that has been developed by the Group banks over the course of their long history. With this in mind, we will deliver services backed by the corporate pension asset management know-how we have amassed over more than 50 years to best serve our customers and help them realize their individual desires for asset formation.

As of March 31, 2023, the balance of assets under management in form of investment trusts, the fund wrap (FW) and insurance amounted to ¥6.1 trillion. We plan to raise this balance by ¥1.4 trillion to ¥7.5 trillion by March 31, 2026.

By bringing to bear a combination of our asset management capabilities and leading-edge technologies, we also aim

to blaze a new trail in the field of asset formation.

More specifically, our plans call for newly incorporating an asset formation assistance tool into the Resona Group App. In this way, we will enhance digital-based contact points with customers in all age groups.

Meanwhile, the balance of the fund wrap handled by Group companies and external partners has been growing. In January 2023, the fund wrap was made available via The 77 Bank, Ltd., the third external partner bank that came forward to handle this product. Through the combination of asset management capabilities and technologies, we will aim for significant growth in both the fund wrap balance and the number of customers who use funded investment trusts.

In the field of corporate pension trusts, we will leverage our strength as a retail commercial bank equipped with full-line trust banking capabilities, which enable us to provide one-stop solutions for issues SMEs are now confronting. In this way, we will conduct meticulous consulting and thereby secure an increase in the balance of pension assets under our administration.

### Integrate our asset management capabilities, cultivated through corporate pension fund management, with technologies



### One-stop solutions backed by our strength as commercial bank equipped with full-line trust banking capabilities

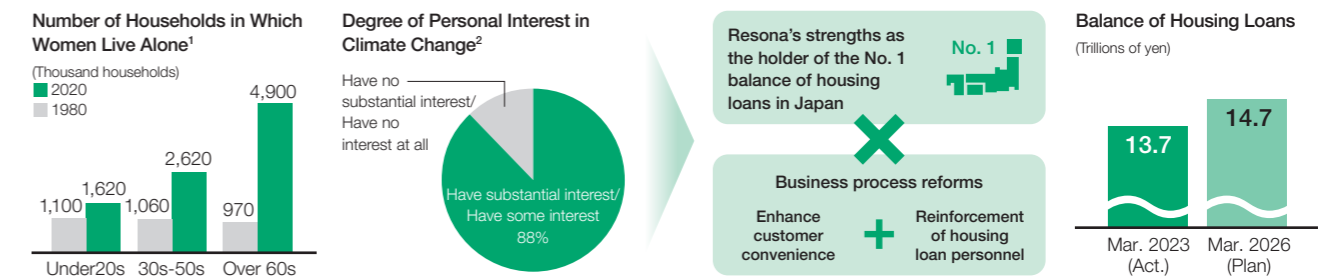


1 Prepared based on "Flow of Funds: Overview of Japan, the United States, and the Euro area" in Aug. 2022, Bank of Japan Research and Statistics Dept.

2 Including corporate FWs and including FW balance in banks other than Group banks

## Housing Loans

### Deliver Diverse Solutions Aligned with Changes in Customer Behavior



Historically, the Resona Group has been particularly strong in the field of housing loans, boasting the highest housing loan balance in Japan. On the other hand, we have seen the diversification of individual customer lifestyles, with a growing number of customers now developing a personal interest in climate change. Due to these and other factors, the business environment surrounding the loan business is evolving. Amid these circumstances, the Resona Group will align itself to accommodate these changes while taking full advantage of its competitiveness thanks to merits of scale, with the aim of meeting a diverse range of customer needs.

As of March 31, 2023, the balance of residential housing loans stood at ¥13.7 trillion. We plan to raise this balance by ¥1.0 trillion to ¥14.7 trillion by March 31, 2026.

In addition, we are taking on new challenges, such as expanding the volume of end-user transactions via online channels. With the introduction of a new housing loan system scheduled for the first half of FY2023, we expect to secure a framework that will enable customers to complete all housing loan procedures ranging from preliminary applications to the signing of contracts. Furthermore, we are accelerating the pace at which we develop new products and measures that set us apart from other banks by being better tailored to accommodate the diverse lifestyle needs of our customers. These products

include *Danshin Kakumei* housing loans that cover a wide range of risks related to illness and injuries, housing loans for women and housing loans taken out jointly requiring couples. Furthermore, we updated lending to customers who purchased eco-friendly housing to additionally include "purchasers of low-carbon housing with superior energy-saving performance, etc." into the definitions of borrowers eligible to privileges. Also, the number of customers who prefer loans with ultra-long-term fixed interest rates is now gradually growing on the back of signs of changes in monetary policies. Accordingly, we will robustly accommodate these changes in customer needs. While advancing business process reforms for housing loans, we will pursue improvement in both customer convenience and the efficiency of our banking operations.

Maintaining transactional relationships with customers once we have extended housing loans to them is a long-standing issue. Today, however, we are able to secure bidirectional communications with 90% of such customers through the Resona Group App.

Although our housing loans naturally position us to accumulate a robust volume of transactions with customers, we are convinced that, going forward, we can provide such customers with a greater diversity of solutions on a lifelong basis by meeting their various needs arising from a growing array of life events.

### Strengthen our approach in both online and face-to-face channels

#### Our online approach to end users



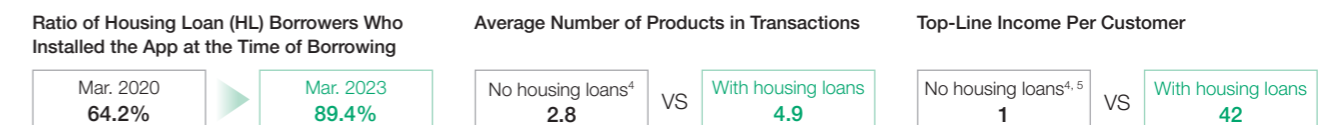
#### Relationships with real estate companies

- Loan Plaza replacement and personnel reallocation according to market

#### Products and measures to be released to accommodate customer needs and set us apart from other banks

- *Danshin Kakumei* (Providing coverage for 3 major diseases as well as 16 type of other diseases in addition to injuries and conditions requiring nursing care), Loans for women, Housing loans taken out jointly by couples, A privileged special plan for borrowers who intend to purchase eco-friendly housing<sup>3</sup>
- Increased sophistication of risk pricing
- Accommodate need for long-term fixed interest rates in light of the interest rate outlook held by customers

### Bidirectional communications afforded by Resona Group App ⇒ Deliver solutions aligned with customer life events



1 Prepared based on White Paper on Gender Equality 2022 issued by the Cabinet Office

2 Prepared based on a 2020 opinion poll undertaken by the Cabinet Office regarding climate change

3 ZEH (Net Zero Energy House), certified long-life quality or with solar panels

4 Comparison with potential II and III (as of Mar. 31, 2023, Resona Bank + Saitama Resona Bank + Kansai Mirai Bank)

5 Indexed to average top-line income per client for No housing loans = 1

## Financial Digital Platform

### Co-Creation through Wide-Ranging External Collaboration That Transcends the Conventional Framework

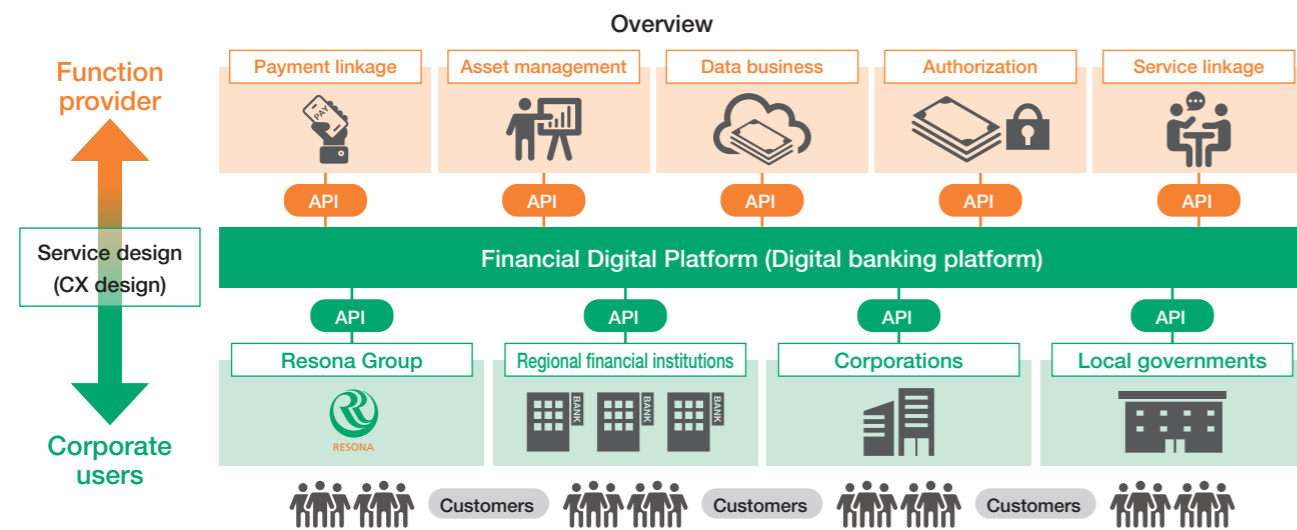
Our financial digital platform (PF) is aimed at developing and expanding an ecosystem in which all PF participants can enjoy win-win relationships through wide-ranging external collaboration that transcends the conventional framework.

For example, “corporate users,” including such participants as regional financial institutions and private business corporations, can easily utilize a variety of functions available on the PF. Currently, our banking app and fund wrap are made available to six partner regional banks (of five corporate groups) and, therefore, can be utilized by their own customers.

Meanwhile, as we act as a “function provider” ourselves, we are now looking into the possibility of new businesses

through co-creation with partners from different sectors. The most recent examples include a capital and business alliance with BrainPad in the field of data utilization, a similar alliance with Digital Garage in the settlement field, and the establishment of a consortium to handle facial recognition-based individual authorization.

Moving forward, we will push ahead with co-creation through external collaboration and expand the scope of alliance partners while enhancing the menu of functions to be offered to participants. In these ways, we will expand the volume of PF-based transactions.



Make diverse functions and services available to as many regional financial institutions as possible irrespective of capital relationships

#### Current Status of the Menu Delivered

As of Mar. 31, 2023 or FY2022 [vs previous year]

	Banking App No. of DL	Fund wrap balance <sup>1</sup>
Within the Group	6.52 mil [+1.50 mil]	¥688.1 bn [¥(27.8) bn]
Outside the Group	1.12 mil [+0.42 mil]	¥56.1 bn [+¥15.2 bn]
Total	7.65 mil [+1.93 mil]	¥744.2 bn [¥(12.6) bn]

→ Fund wrap income: ¥9.0 bn [+¥0.8 bn]

Aim for further expansion within and outside the Group

Targets for Mar. 31, 2026

Banking App No. of DL	Fund wrap balance <sup>1</sup>
10 mil	¥1.4 tn

<sup>1</sup> Based on market value, including corporation

<sup>2</sup> Resona HD, JCB, Dai Nippon Printing and Panasonic Connect

Look into the possibility of new businesses via co-creation in tandem with partners from different sectors

#### Examples of New Endeavors Now Being Considered

- Data**
  - **Brain Pad (Capital and business alliance)**
    - Consider developing and delivering new services to regional financial institutions
    - Consider business development involving financial × non-financial functions (advertising, marketing, etc.)
- Settlement**
  - **Digital Garage (Capital and business alliance)**
    - Strengthen collaboration in the settlement field while promoting next-generation fintech business
- Individual authorization**
  - **Multi-channel platform for individual authorization**
    - Four companies<sup>2</sup> established a consortium
    - 30 participants companies
    - Exchange and discuss among participant companies actual cases of and know-how for the use of the platform
    - Consider providing individual authorization services to partners outside the platform in the future

## Inorganic Strategy

### Step up Inorganic Investment as We Enter a Phase of Capital Utilization

To date, the Resona Group has promoted inorganic growth strategies on various fronts by, for example, making Kansai Mirai Financial Group (KMFG) a wholly owned subsidiary as part of the pursuit of Group synergies and entering into capital and business alliances with partners related to DX and SX fields under the banner of open innovation.

We consider our transition to a new phase of capital utilization under the new MMP to be a major change in the internal environment. Therefore, the positioning of inorganic strategy is expected to become more important than before.

The formulation of the Resona Group’s inorganic strategy starts with asking ourselves a question of “What value can we offer customers?” and, accordingly, is centered on three perspectives described below.

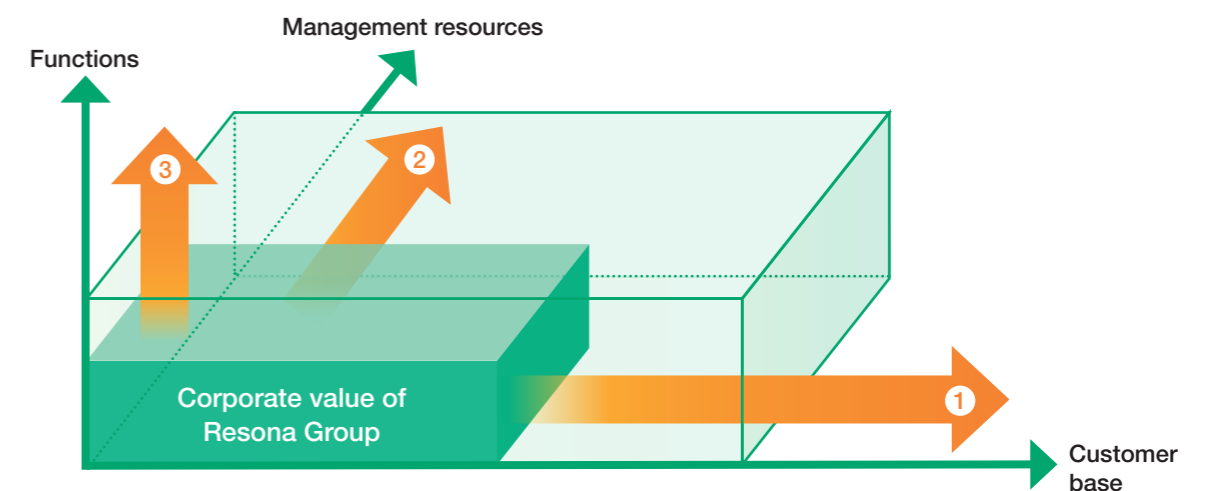
First, we aim to expand our customer base by reaching out

to a growing scope of customers who had never been in contact with Resona.

Second, we strive to secure management resources, including human resources equipped with outstanding professional skills.

Third, we endeavor to acquire new functions, which not only include those having strong affinity with our existing operations but also encompass those transcending the scope of the conventional framework and enabling us to deliver new value to customers and society as a whole.

Based on these perspectives, we will examine a broad range of partner candidates without setting limitations while choosing optimal methods for inorganic growth from options aligned with each deal, from strategic alliance without capital relationships to M&A.



#### Results for the Previous MMP Period

Company	Date	Details
KMFG	Apr. 2021	Making a wholly owned subsidiary
BrainPad	Feb. 2022	Capital and business alliance
Digital Garage	Nov. 2022	Capital and business alliance
Wastebbox	Mar. 2023	Capital and business alliance
Resona Digital I	Jan. 2021	Raised our equity stake
DACS	Jul. 2022	Raised our equity stake

# Medium-term Management Plan (MMP) – Development of Next-Generation Management Platforms

## Human Resources

### Human Resource Strategies Aimed at Supporting Our Pursuit of Value Creation as well as Employee Well-Being

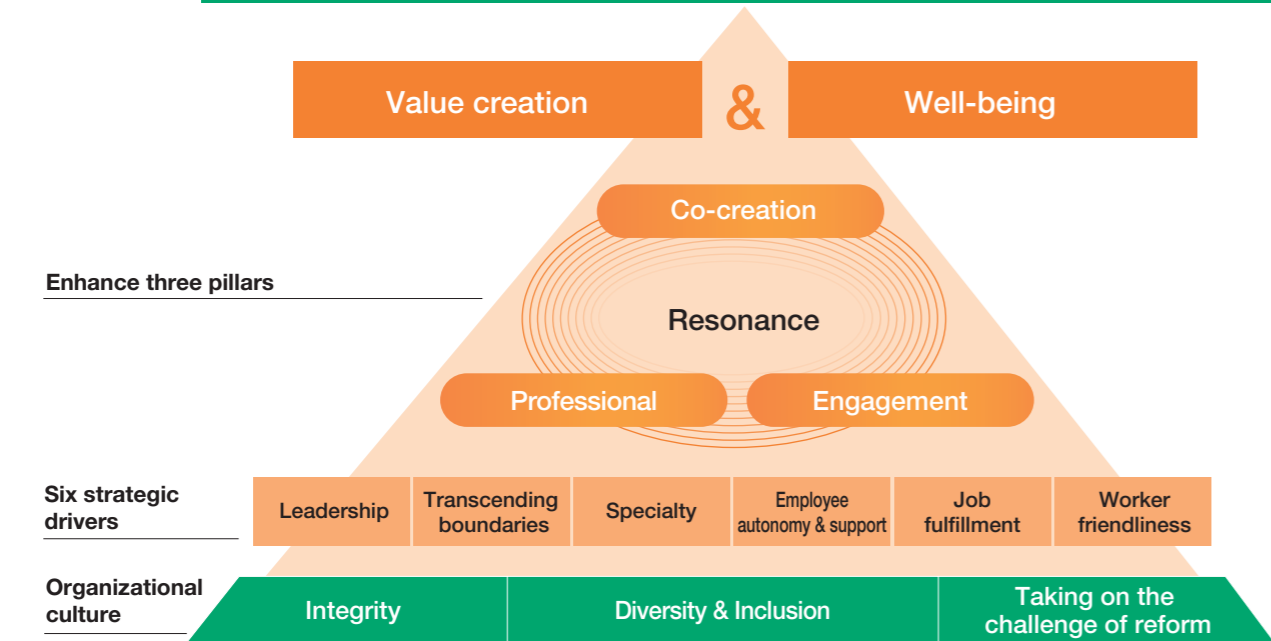
Ever since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration, our human resource management has been focused on practicing diversity management that empowers each and every employee to serve as a key workforce component regardless of their gender, age, job category, etc. In conjunction with the establishment of the Purpose, we have formulated new human resource strategies to underpin our efforts to embody this Purpose, as well as our Corporate Mission, with the aim of realizing our Long-Term Vision “Retail No. 1.”

These strategies target facilitating (1) resonance between employees and the Company to improve employee engagement, (2) resonance among professionals to create synergies from the combination of their expertise in various fields of specialty and (3) resonance between the Company and external

partners to promote co-creation. With these three types of resonance as pillars of our human resource strategies, we aim to realize a virtuous cycle of promoting value creation and enhancing employee well-being.

The Resona Group’s long-cherished organizational culture values integrity, promotes diversity & inclusion and embraces the challenge of reform. Building on this foundation and taking into consideration the constant evolution of management strategies and people’s perception of work, we have identified the six strategic drivers that will ensure that our culture is always up to date and relevant into the future. These drivers are (1) Leadership, (2) Transcending boundaries, (3) Specialty, (4) Employee autonomy & support, (5) Job fulfillment and (6) Worker friendliness. We have set goals for each of these drivers and are currently promoting initiatives accordingly.

Overview of Human Resource (HR) Strategies



### Goals We Aim to Achieve through the Power of Six Drivers

Drivers	Goals	Initiatives
Leadership	<ul style="list-style-type: none"> <li>Push ahead further with D&amp;I to promote co-creation involving diverse human resources within and outside the Group</li> <li>Nurture and secure leaders with diverse value systems and experience</li> </ul>	<ul style="list-style-type: none"> <li>Assistance programs aimed at empowering women</li> <li>Step up the hiring of mid-career employees</li> <li>Job rank-based training for selected candidates</li> </ul> <p>p. 68</p>
Transcending boundaries	<ul style="list-style-type: none"> <li>Facilitate career building and networking that transcends organizational boundaries to help individual employees achieve personal growth and to enhance teamwork capabilities</li> <li>Empower employees to attain further growth in a way that goes beyond finance by allowing them to spontaneously gain experience in working with partners from different cultures</li> </ul>	<ul style="list-style-type: none"> <li>Dispatch employees to external training or second them to external entities</li> <li>Employee secondment among Group companies</li> <li>Alumni and referral recruitment</li> </ul> <p>p. 68</p>
Specialty	<ul style="list-style-type: none"> <li>Enable all employees to develop as professional human resources<sup>1</sup></li> <li>Enhance our solution capabilities through collaboration and coordination among human resources equipped with strengths in various fields of specialty</li> </ul>	<ul style="list-style-type: none"> <li>Multi-path personnel system</li> <li>Step up investment in human resource development</li> <li>Enhance the content of support programs for those seeking to acquire skill certification</li> </ul> <p>p. 69</p>
Employee autonomy & support	<ul style="list-style-type: none"> <li>Foster an organizational culture that encourages individuals who spontaneously think, learn and take on challenges</li> <li>Secure growth for both the Company and employees by providing an environment supportive of those pursuing personal growth and offering career development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>In-house job-posting system</li> <li>Comprehensive career support system</li> <li>Introduce LMS and TMS<sup>2</sup></li> </ul> <p>p. 70</p>
Job fulfillment	<ul style="list-style-type: none"> <li>Ensure that all Group workplaces allow employees to work with confidence and able to express what makes them unique</li> <li>Employees are able to understand the significance of their jobs in terms of contribution to the Company and society as a whole and achieve tangible personal growth and career fulfillment</li> </ul>	<ul style="list-style-type: none"> <li>Secure psychological safety</li> <li>Invigorate communications (via one-on-one meetings, etc.)</li> <li>Improve wages</li> </ul> <p>p. 71</p>
Worker friendliness	<ul style="list-style-type: none"> <li>Enable each employee to strike a work-life balance</li> <li>At the Resona Group, each employee is assured of a workplace that will support their emotional and physical health over the long term</li> </ul>	<ul style="list-style-type: none"> <li>Work style reforms</li> <li>Help employees engaging in child rearing or nursing care as well as those battling diseases, etc., strike a balance between work and private lives</li> <li>Health management</li> </ul> <p>p. 72</p>

### Indicators and Targets<sup>3</sup>

Drivers	Non-financial targets	FY2021	FY2022	Targets		Strengthening three pillars	Value creation
				FY2025	FY2030		
Leadership	▶ Ratio of female line managers	30.5%	31.4%	33%	40%	Co-creation	Professional
	▶ Ratio of mid-career employees to the overall number of managers	9.5%	10.2%	13%	18%		
Transcending boundaries	▶ Ratio of mid-career employees to the number of newly appointed senior managers, including those from different sectors <sup>4</sup>	32%	42%	60%	100%	Engagement	Well-being
Specialty	▶ No. of human resources with highly specialized expertise <sup>5</sup>	2,438	2,481	2,650	3,000		
Employee autonomy & support	▶ Cumulative total number of individuals selected via in-house job postings (FY2021 – FY2030)	366	684	1,750	4,000		
Job fulfillment	▶ Ratio of positive responses in employee awareness surveys	68%	66%	↗	↗		
	(i) A sense of fulfillment in work (ii) Openness of workplace communications	79%	79%				
Worker friendliness	▶ Ratio of annual paid leave utilized	76.4%	77.6%	85%	88%		

1 Individuals equipped with strong specialist skills enabling the resolution of issues customers are confronting and with a personal dedication to enhancing customer happiness  
 2 LMS: Learning Management System; TMS: Talent Management System  
 3 Of companies in the scope of consolidation, applicable to Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

4 Individuals in overseas assignments or dispatched or seconded to external entities  
 5 Number of individuals with high-ranking certification acquired via in-house specialist training courses or similar certification

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

Human Resource Strategies (Six Drivers)

Leadership: Nurturing Diverse Leaders

We are striving to secure a diverse portfolio of human resources who can serve as leaders and, to this end, nurturing candidates with varying attributes in terms of, for example, gender, experience and age. These endeavors are aimed at facilitating a greater degree of entrenchment of diversity & inclusion (D&I) in our workforce and promoting the co-creation of value among diverse human resources from within and outside the Group.

Specifically, we provide job rank-based training programs designed to help employees enhance their management and leadership skills as well as similar programs for selected candidates. We also enable employees to work in tandem or interact with those with different cultures through secondment and external training. Moreover, we conduct 360-degree feedback sessions that provide multifaceted assessments aimed at improving employees' self-awareness and updating their perception of their duties. In these ways, we offer a diverse range of training opportunities in a way that gives due consideration to each employee's competencies and aptitudes.

Also, as part of efforts to secure specialist human resources and promote D&I, we are focusing on recruiting mid-career hires. As a result, we have seen a steady increase in the number of mid-career hires who leverage their skills and experience accumulated at external corporations to play active roles as managers. Going forward, we will strive to empower these human resources to find even greater success at the Resona Group by upgrading the content of onboarding programs and otherwise developing an environment that allows them to assume leadership roles.

In addition, our targets for the development and promotion of female leaders are included in our Long-Term Sustainability Indicators. We consider women's empowerment a matter of particular importance and therefore provide female workers with ongoing career development assistance.

Our specific initiatives to this end include a mentoring system

through which female employees who have been newly appointed as senior managers are given appropriate support touching on aspects of their duties and emotional health. We also offer leadership training to foster our female employees' career awareness. Furthermore, we introduced a trainee system designed to prepare them for the challenge of handling unfamiliar operations.

Meanwhile, the "Resona Women's Council," has been active since 2005 as an advisory body operating directly under management. This council consists of female employees chosen from business units across the Group. Each of the council's members has taken the lead in developing workplace environments, assisting women's career development and otherwise proposing a variety of measures. The council is now considered a symbol of women's empowerment at Resona Group. (➡ p. 51)

Results of and Plan for the Recruitment of Mid-Career Hires

FY2020	FY2021	FY2022	FY2023 (Plan)
30 persons	72 persons	135 persons	360 persons



Transcending Boundaries: Familiarizing Employees with Diverse Value Systems and Developing Interpersonal Networks

We aim to enable employees to acquire fresh perspectives and expand their openness to different cultures while helping them develop diverse interpersonal networks that promote co-creation. Accordingly, we offer them opportunities to gain experience that transcends boundaries of the business units they belong to and interact with peers within and outside the Group.

For example, we implement secondment programs that place employees at external corporations and government agencies or enroll them in university graduate schools in addition to conducting co-creation activities involving collaboration between Resona Group employees and human resources from different sectors to help them gain experience in the development of new businesses. When determining where we will send an employee, we take into account that employee's competencies and aptitudes. In addition, as part of efforts to assist employees in their pursuit of self-motivated learning, we introduced an in-house posting program that sends employees to external business schools. These and other programs are intended to offer opportunities for employees to autonomously interact with people from external corporations.

Furthermore, a growing number of Group employees are now seconded to Group companies other than those they initially joined. Through the robust exchange of human resources, we are giving employees opportunities to gain new experience and achieve personal growth even as we strengthen the integrated management of the Group.

In summary, we encourage employees to proactively take on new challenges outside the Group to help them achieve professional growth that goes beyond the framework of finance. In addition to enabling them to gain new experience and interact with an even more diverse range of external human resources, we are currently planning to introduce measures to facilitate the in-house sharing of such employees' takeaways from participation in boundary-transcending activities via roundtable talk events attended by individuals who can serve as role models and otherwise expand the scope of our initiatives in this area.



Specialty: Nurturing and Securing Professional Human Resources Capable of Addressing Diverse Issues

The Resona Group is striving to enable all employees to become professional human resources, namely, individuals equipped with strong specialist skills enabling the resolution of diverse issues customers are confronting and with a personal dedication to enhancing customer happiness. To that end, we maintain a multi-path personnel system consisting of 20 distinct career courses and have established training systems aligned with each course to help employees enhance their strengths in their fields of specialty via On-the-Job (OJT) training and other in-house and external training programs. These initiatives are annually reviewed and updated to ensure that they dovetail with our management strategies and other initiatives to address organizational issues.

In addition, we assist employees in their efforts to acquire certification, especially that recommended to employees in light of skills expected of them due to their chosen career course. In FY2022, we expanded the scope of such assistance available to employees in order to support their pursuit of further professional growth.

Also, as we aim to help them acquire necessary skills to

align their mode of operations with changes of the time, we implement various initiatives to support reskilling. Currently, we strive to enable employees to obtain DX, SX and AML knowledge as well as to raise their practical capabilities to handle these matters. At the same time, we provide them with learning and training content on liberal arts.

We believe that genuine professionals need to have not only business knowledge and skills but also the ability to build relationships of trust with customers, deeply understand the issues they are confronting and propose solutions to such issues. Based on this belief, we offer a program that involves in-house posting and that provides selected employees with a broad range of cultural literacy education. In these and other ways, we strive to help employees raise their social skills.

Along with the initiatives described above, we have been expanding the number of mid-career hires as well as new graduates earmarked for specific specialist courses, with the aim of raising the proportion of these specialist human resources to 30% of overall hiring. By doing so, we aim to secure a diverse range of human resources even from the hiring stage.

20 Courses Offered Under the Multi-Path Personnel System

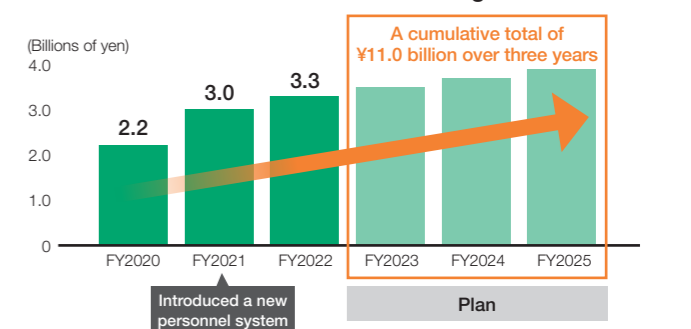
Established a Structure Encompassing 20 Career Courses to Empower All Employees to Develop as Professionals

Client relations/ Lending and FX	Services	Business turnaround	Private banking	Corporate solutions	Management consulting	Real estate	Trust/ Pension
Corporate planning	Asset management	Markets	Risk management	Finance	Data scientist	DX specialist	IT specialist
Facility management	Legal affairs	Audit	AML/CFT specialist	← Applied since April 2023			

Stepping up Investment in Human Resource Development

We are stepping up investment in human resource development from the perspectives of supporting value creation and enhancing employee well-being. This investment includes that aimed at empowering employees to develop as professional human resources via, for example, the expansion of the content of learning programs involving boundary-transcending activities, the proactive utilization of external insights, the enhancement of career development support extended to individuals who take on the challenge of pursuing self-determined career goals, personal growth and career fulfillment. Looking ahead, we will strengthen investment in human resource development to enhance the corporate value of the Resona Group.

Funds Invested in Education and Training



Note: Figures show the sum of actual investment and opportunity costs (personnel expenses incurred in connection with hours spent on education or training); total of Resona Holdings, Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Mirai Bank and Minato Bank

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

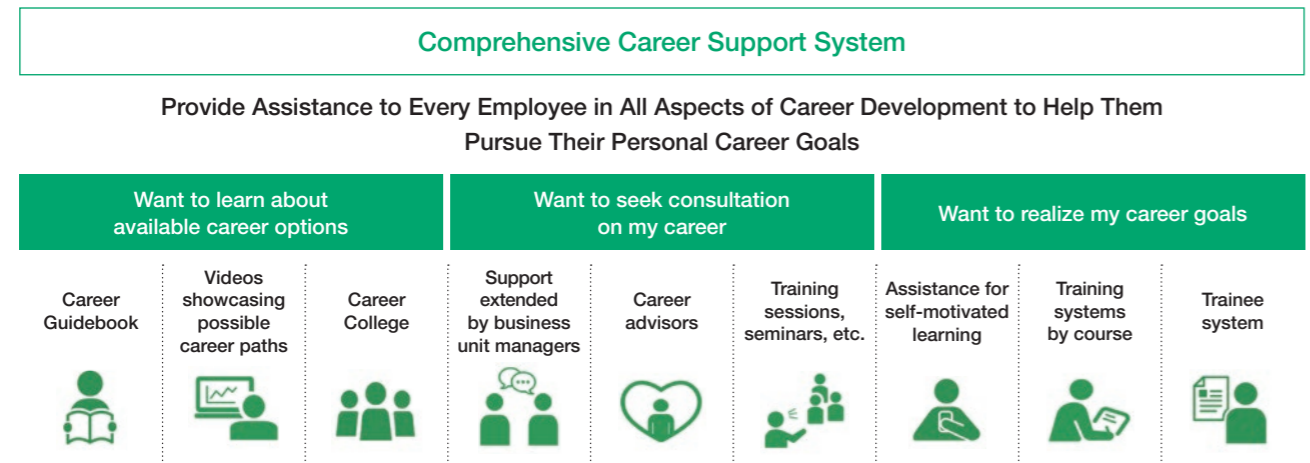
**Employee Autonomy & Support: Assisting Every Employee in Their Autonomous Pursuit of Career Development**

To encourage employees to autonomously pursue career development, we instituted a comprehensive career support system in conjunction with the 2021 introduction of the multi-path personnel system. This career support system aims to help employees navigate through various career development processes (learning about available career options, seeking consultation on career development and taking action to realize career goals). To accommodate the needs of those who want to learn about available career options, we host biannual Career College programs. As part of each round of these programs, roundtable talk events and workshops are held by more than 30 departments, and, over the course of FY2021 and FY2022, a cumulative total of approximately 3,000 employees participated. For those seeking consultation on career development, we provide career design training, while business unit managers and other supervisors stand ready to provide support. In fact, all employees in supervisor positions undergo training to enhance their career counseling capabilities. For employees about to take action to realize their career goals, we have developed career course-based training systems and organized the means of acquiring the necessary skills and certification for each course. Employees engaged in this process are thus able to assess gaps in their current status vis-à-vis

their goals and formulate their own skills development plans that, in turn, are shared with their supervisors and will inform their career development initiatives thereafter. We have also made available tools that support employees' self-motivated learning efforts and have instituted a trainee system. In these and other ways, we assist employees in their autonomous pursuit of personal growth.

In FY2021, we renovated our in-house job-posting system and updated it to create a Career Challenge System through which employees can apply for transfer to their desired career courses. Thus, in addition to extending career development assistance through the aforementioned comprehensive career support system, we offer abundant opportunities to pursue autonomous personal growth as well as diverse career options in order to provide employees with an environment in which they can spontaneously take on the challenge of career development.

Empowering every employee to pursue autonomous career development and work with a sense of fulfillment is key to securing sustainable improvement in corporate value. We will continue to enhance the content of the career development assistance available, provide even more abundant opportunities to take on new challenges and otherwise step up efforts to empower our employees to realize their own career visions.



An In-House Job-Posting System to Support Autonomous Career Development	
<b>Career Challenge System</b>	This system allows each employee to spontaneously apply for transfer between each career course, with the aim of supporting their autonomous career choices.
<b>Trainee System</b>	This system provides applicants with opportunities to receive about three to 12 months of on-the-job training in line with their desired career courses, thereby helping them acquire necessary professional skills.
<b>Post-Challenge System</b>	This system proactively offers career advancement opportunities to ambitious individuals by assisting them in the pursuit of graduate school education aimed at acquiring an MBA, promoting them to managerial positions, entrusting them with the launch of new projects and allowing them to apply for specific positions.
<b>Free Agent (FA) System</b>	Under this system, individuals whose performance is outstanding or who have otherwise earned high evaluations are given the opportunity to request a transfer to their desired type of assignment or department, with the aim of helping them achieve career fulfillment.

**Job Fulfillment: Securing an Open-Minded Workplace Environment That Allows Employees to Thrive in Their Jobs while Discovering a Sense of Fulfillment**

**Enabling Each Employee to Spontaneously Choose from among Career Options and Take on the Challenge of Career Development**

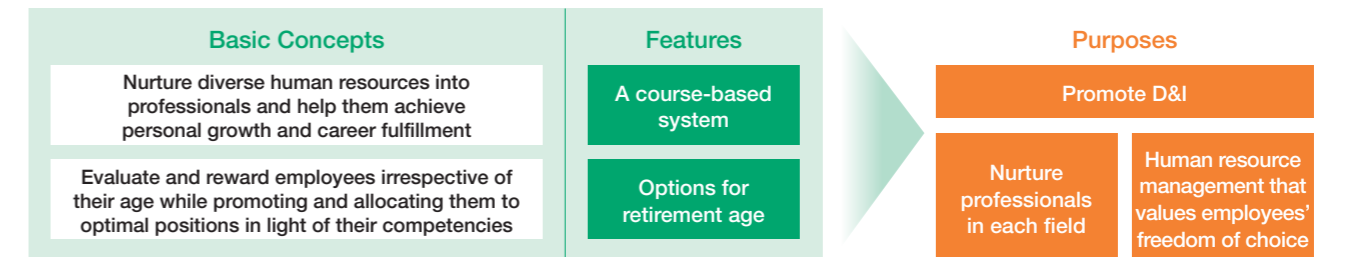
The business environment surrounding banks is expected to evolve radically going forward. Cognizant of this, the Resona Group revised its human resource system in April 2021 in line with its aim of securing an environment in which all employees are empowered to realize their full potential irrespective of their gender, age, job category or other attributes. This revision was also intended to develop a system designed to enable each employee to develop as a professional.

As a result, a multi-path personnel system has been instituted, with 20 career courses now available to employees to promote the transition to a human resource portfolio with a greater focus on securing diverse workers boasting strengths in their areas of specialty. At the same time, we are encouraging employees to take on the challenge of career development in a way that leverages their unique strengths, to this end enabling them to make spontaneous choices regarding career options. Moreover, a number of the individuals recruited as mid-career hires and new graduates are earmarked for specific career courses. In this way, we strive to develop an environment in which individuals can fully

leverage their competencies and strengths in their areas of specialty and earn success in their chosen business fields.

Furthermore, we are providing employees with options regarding retirement age, which can range between 60 and 65, and have made available a “senior smart employee” system that allows individuals in this age group to cut back on their working hours and days. By doing so, we ensure that each employee can spontaneously select their work style in their 60s. In October 2019, we also decided to allow those past retirement age to continue working until they are 70. We are thus striving to empower employees to remain active members of the workforce over the long term.

In addition to offering equal opportunities for employees regardless of gender, age, job category, etc., the revised human resource system is aimed at better positioning our diverse human resources to pursue business success. This is one way the Resona Group promotes D&I and enhances its corporate value via the incorporation of diverse thoughts and ideas while ensuring that individual employees find their jobs rewarding.



**Developing a Workplace Environment That Respects Diversity and Ensures a Robust Sense of Psychological Safety**

To ensure a diverse workforce of active and engaged employees, it is essential to develop a workplace environment in which they respect each other's diversity even as they feel a robust sense of psychological safety. Such an environment will, in

turn, enhance organizational resilience, facilitate vigorous discussion and create a culture supportive of individuals taking on challenges, thereby improving corporate value.

**Advocating for the Understanding of Diversity and Respect for Human Rights**

Every year, we implement various training programs for all employees to facilitate mutual understanding among employees and create an open-minded workplace environment. In FY2022, these programs were focused on countering unconscious biases and ensuring respect for human rights, with heads of each workplace unit serving as lecturers to help

employees gain a deeper understanding of these topics.

We also provide all employees with annual e-learning program aimed at preventing the occurrence of sexual harassment and power harassment and teaching how, if such an incident were to emerge, to correctly handle the situation before it escalates and provide remedy for the victim.

**Invigorating Communications**

We introduced one-on-one meetings to create an open-minded workplace through the further invigoration of communication between managers and their staff and to assist the latter in their autonomous pursuit of personal growth.

meetings provide opportunities to ensure that employees and top management share the same vector while encouraging the former to develop a sense of ownership regarding business management and otherwise acquire new perspectives.

In FY2022, we also provided training for managers looking to enhance the quality of one-on-one meetings as well as improve employee engagement among their staff and better motivate them to pursue personal growth. Furthermore, since 2003 we have hosted town hall meetings in which employees and members of top management exchange opinions. These

Meanwhile, Kansai Mirai Financial Group (KMFG) introduced the new communication tool “Mecha!” in April 2023 as part of its efforts to create an organizational culture that encourages employees to commend one another and to foster an atmosphere that ensures psychological safety.

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

**Worker Friendliness: Developing an Environment in Which Employees Can Work with Confidence and Strike a Work-Life Balance while Promoting Health Management**

As part of efforts to create an environment in which employees can work with confidence, we are providing them with diverse work style options aligned with their lifestyles and life stages

while promoting initiatives to help them improve their emotional and physical health.

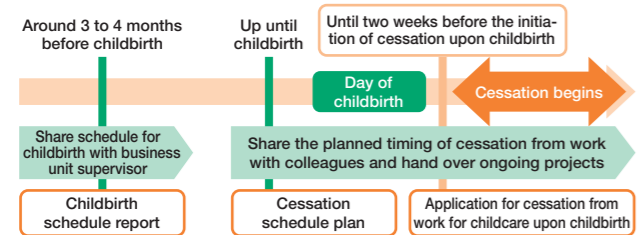
**Helping Employees Strike a Balance between Work and Family Duties**

To develop an environment supportive of employees striving to strike a balance between work and child rearing, we maintain childcare-related leave programs while enabling eligible employees to opt for cessation from work or to shorten their working hours for child rearing. At the same time, to aid in the smooth reinstatement into the workforce of employees returning from childcare leave we have introduced a program that includes various seminars. Also, in FY2022 we introduced a childbirth support programs to help employees undergoing infertility treatment strike a balance between work and treatment. Simultaneously, we established a postnatal paternity childcare leave system to step up our efforts to encourage male employees to play a greater role in child rearing.

In addition to designating the first 14 days of postnatal

paternity childcare leave as paid leave, we formulated a “cessation schedule plan” document format designed to lay out the timing of relevant leave and the content of tasks to be handed over to other employees. Through the use of this format, employees who are about to take paternity leave are able to share these details with their immediate supervisors. The format also serves as a helpful guide when discussing the respective roles they will take regarding child rearing and homemaking with their spouses. Today, the ratio of eligible male employees who have opted for cessation from work for child rearing rose to 98.2% as a result of our efforts to develop an environment that makes it easier to choose this option and to raise employee awareness regarding the importance of a balance between work and child rearing.

**Flow of Cessation from Work for Childcare upon Childbirth**



**Male Employees' Status of Childcare-Related Leave**

	2017	2018	2019	2020	2021	2022
Ratio of male employees taking spousal paternity leave	100%	100%	100%	100%	100%	100%
Ratio of male employees taking childcare leave	—	—	—	—	80.3%	98.2%

**Work Style Reform Initiatives**

With the aim of securing a broad range of options that meet the needs of employees for optimal work-life balance, the Resona Group maintains smart employee positions. Smart employee positions allow employees to cut back on working hours or limit the scope of their assigned tasks while ensuring long-term employment comparable to that offered with full-time positions. Currently, the Company's smart employee roster comprises individuals who have transitioned from full-time positions due to their need to engage in childrearing or nursing

care along with those who have been promoted from partner employee positions.

Moreover, we promote flexible work styles in terms of when and where employees work, for example, by allowing them to work remotely or utilize satellite offices as well as to, under certain circumstances, opt to work under a discretionary labor or flextime system. Along with encouraging the utilization of annual paid leave, we are thus striving to help employees improve their work-life balance and raise productivity.

**Health Management**

The Resona Group has established the Health Management Policy, which informs initiatives aimed at helping employees maintain and improve their emotional and physical health and at creating a comfortable and hygienic workplace environment. In addition to appointing industrial physicians, we assign staff specializing in industrial health and tasked with patrolling and visiting each department and branch to provide health guidance, confirm the status of workplace environments and, if necessary, give instruction on addressing shortfalls. Such personnel work in collaboration with health supervisors at each department and branch to improve the working environment

and make it even more employee friendly.

With regard to health checkups, we not only implement legally mandated periodic checkups but also provide comprehensive medical checkups at Company-designated healthcare facilities to employees in their 35th year and, in years when their age is an even number, to those over 40. Moreover, we conduct stress checks, host various mental health-related seminars and otherwise support employees' health management efforts.

In addition, from April 2020, a smoking ban has been enforced during working hours to encourage all employees to strive to improve their health.

**Supporting Employees' Financial Wellness**

We also aim to help employees resolve anxieties regarding their finances and livelihoods and ensure an environment in which they can work at the Resona Group over the long term with confidence, believing that doing so will contribute to both their well-being and higher productivity. Based on this belief, we have introduced systems to support their asset formation efforts and encourage them to appropriately utilize such systems, empowering them to gain robust financial literacy and otherwise supporting their asset management efforts.

Asset formation support	Pension (corporate DB/DC + matching contribution) Employees shareholding association (ESOP trust and subsidies) Asset formation savings
Asset management support (education)	Implement sessions on various asset formation support measures as part of new recruit training Implement annual investment education for all employees (e-learning)

Note: Other measures include providing loan conversion assistance to help employees secure financial stability as well as making various welfare programs available to them in step with life events

**Resona's Human Resources Working in Various Fields**

**In-house job posting X Specialty**

- Introduced a human resource system with a multi-path structure focused on securing a pool of diverse employees with specialist strengths and launched the Career Challenge System, which is built on an in-house job-posting system via the incorporation of in-house internship options in Apr. 2021
- ✓ Approx. 190 individuals were assigned to their desired positions (Cumulative total from FY2021 to FY2022)



**Ryo Ogura**  
Manager, Structured Finance Office

- Selected via in-house job posting under the first round of Career Challenge and assigned to the “real estate specialist course” as an intern
- Having gained experience in real estate financing, he is now tasked with taking a key role in the Structured Finance Office, a business unit established in 2022 after reorganization

**In-house job posting X Transcending boundaries**

- Further accelerate human resource exchanges aimed at pursuing Group synergies after making KMFG a wholly owned subsidiary in Apr. 2021
- ✓ No. of employees seconded to Group companies as of Mar. 31, 2023 (e.g., from KMFG to Resona Bank): Approx. 650 (Up approx. 500 compared to Mar. 31, 2020)



**Maiko Sakaguchi**  
Manager, Private Banking Office

- Applied and selected for transfer from Minato Bank to Resona Bank business unit handling succession business in 2021, thereby becoming a member of the Private Banking Office via intragroup secondment
- In 2022, while assigned to said office, she was promoted to a managerial position

**Alumni recruitment X Leadership**

- Established separate hiring systems for alumni recruitment and referral recruitment in 2020, which previously had not been clearly distinguished between
- ✓ Proactively approach ex-employees who have built successful careers at other companies or other human resources with personal connections to acting employees



**Shoichiro Futaba**  
General manager, Omiya-nishi Branch

- Joined the Resona Group as a new graduate in 1994
- Left the Group in 2001 to launch his own company
- Rehired by the Group under alumni recruitment in 2005
- Since then, has tackled an array of frontline tasks at branches by taking full advantage of his management capabilities backed by robust external experience

**Mid-career recruitment X Specialty**

- Reviewed our recruitment portfolio in conjunction with the revision of the human resource system; raised the proportion of mid-career hires and new graduates earmarked for specific specialist courses to 30% of overall hiring
- ✓ Results of mid-career recruitment (No. of personnel): 23 in FY2019 → 135 in FY2022 → 360 in FY2025 (plan)



**Toshiyuki Shimizu**  
Chief Manager,  
DX Planning Department

- Joined the Resona Group in 2021 as a mid-career hire after gaining experience in the credit card industry
- Amassed an extensive track record in cashless transaction-related and other initiatives by leveraging sophisticated expertise and industry networks
- Promoted to a senior management position (chief manager) in 2023

**Transition to a full-time position X Leadership**

- Began practicing diversity management as part of human resource management ahead of other banks since the 2003 “Resona Shock,” which struck the Group immediately after its inauguration
- ✓ No. of individuals transitioned from non-full-time to full-time positions: Approx. 70 per year (results) → Approx. 100 per year (FY2025 plan)



**Masayo Hiki**  
Operation and Administration Officer,  
Tanashi Branch

- Joined the Resona Group as a partner employee in 2004
- Transitioned to a full-time employee in 2007; gained experience in branch-counter sales and other operations involving direct contact with customers
- Promoted to a senior management position in 2022

**Mid-career recruitment X Transcending boundaries**

- Develop multiple new businesses that transcend the scope of the conventional bank model while utilizing the framework of an “advanced banking service company” under the Banking Act
- ✓ Established Regional Design Laboratory of Saitama in 2021, commercializing our endeavors to resolve region-specific issues



**Teppei Oyama**  
Advisor, Regional Design  
Laboratory of Saitama

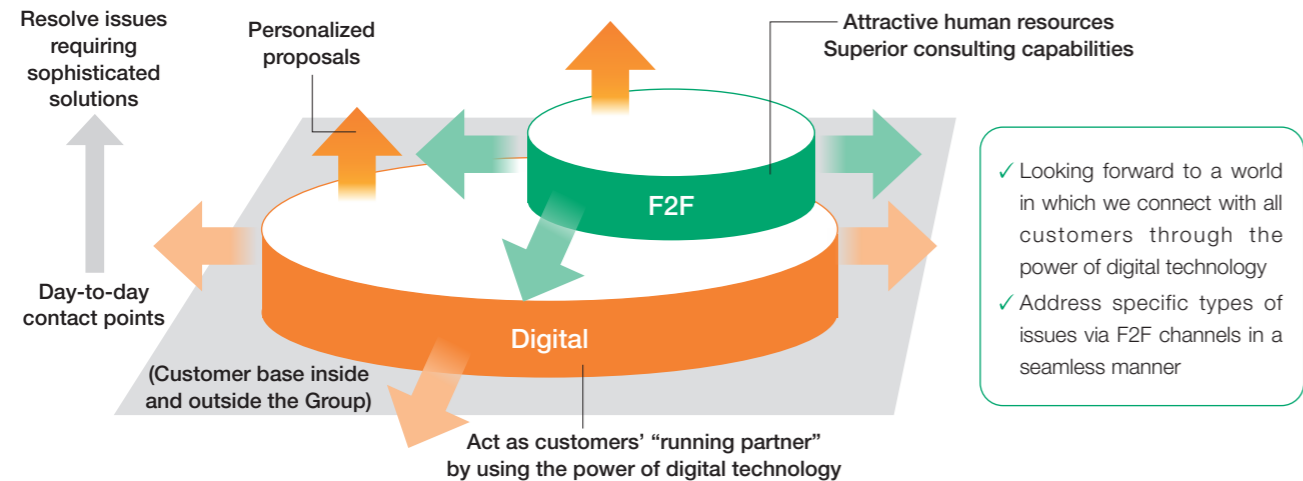
- Experienced the planning of new businesses, etc., at a major trust bank
- Joined the Resona Group in 2022 as a mid-career hire and is currently playing a key role as an advisor for the sale department of Regional Design Laboratory of Saitama

Medium-term Management Plan (MMP)—Development of Next-Generation Management Platforms

Integration of Real and Digital Channels

Deliver New Value via the Integration of Face-to-Face (F2F) and Digital Channels

Ideals for what we should look like over the medium to long term



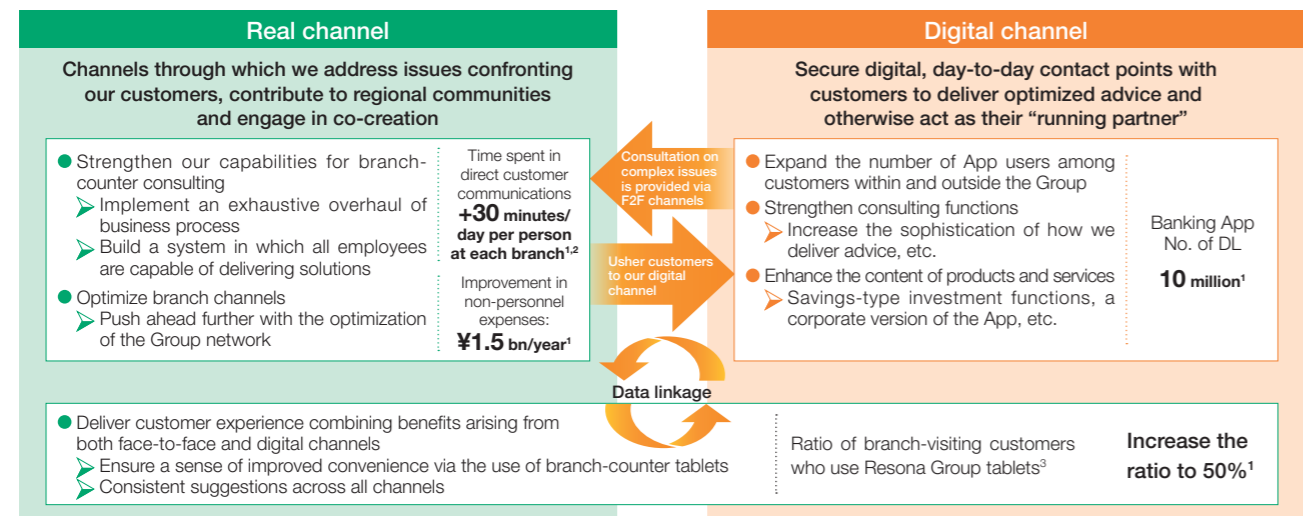
The Resona Group aims to deliver an innovative customer experience through data-driven coordination among and the integration of face-to-face and digital channels. Specifically, we are striving toward securing digital-based connections with all customers in order to accommodate their daily transactional needs while endeavoring to become capable of providing them in-depth, face-to-face consulting whenever they confront issues that require more sophisticated solutions, with our professional human resources equipped with robust specialist expertise engaging in such consulting. These are our ideals for what we should look like over the medium to long term.

With this in mind, we have defined branch counters as channels through which we address issues confronting our customers, contribute to regional communities and engage in co-creation. Based on this definition, our new medium-term management (MMP) initiatives to upgrade face-to-face channels

include overhauling business processes and strengthening our branch-counter consulting capabilities. Through these initiatives, we aim to increase the time spent in direct customer communication by each branch staff member who handles such duties by 30 minutes per day. At the same time, taking full advantage of the power of digital technology, we hope to improve the sense of convenience that customers experience and thus raise the ratio of branch-visiting customers who use Resona Group tablets to 50%.

With regard to digital channels, we will continue striving to expand the number of App users among customers within and outside the Group. To this end, we will increase the sophistication of how we deliver advice and push ahead with the installation of new functions, such as those related to savings-type investment. Through these efforts, we will strive to achieve the milestone of 10 million downloads.

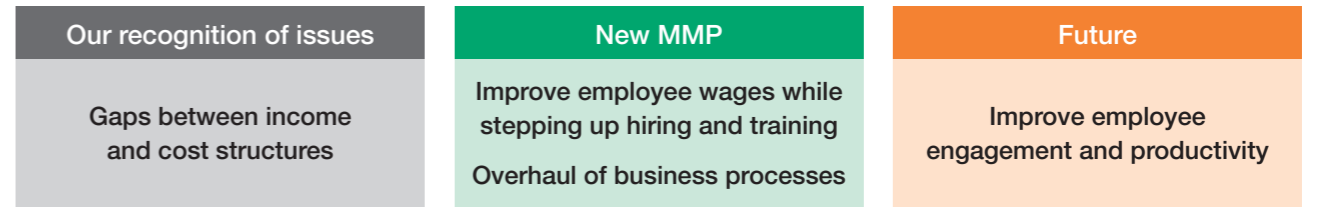
Initiatives to integrate face-to-face and digital channels



1 FY2025 target  
2 Enable approximately 5,000 employees charged with branch-counter services to dedicate the time they need to deliver solutions by, for example, consolidating back-office operations; three Group banks (Resona Bank, Saitama Resona Bank and Kansai Mirai Bank)  
3 Ratio of branch-counter transactions in which individual customers use Resona Group tablets to overall number of such transactions

Expand Forward-Looking Investment for Sustainable Growth

Greatly Expand Investment in Human Resources and IT



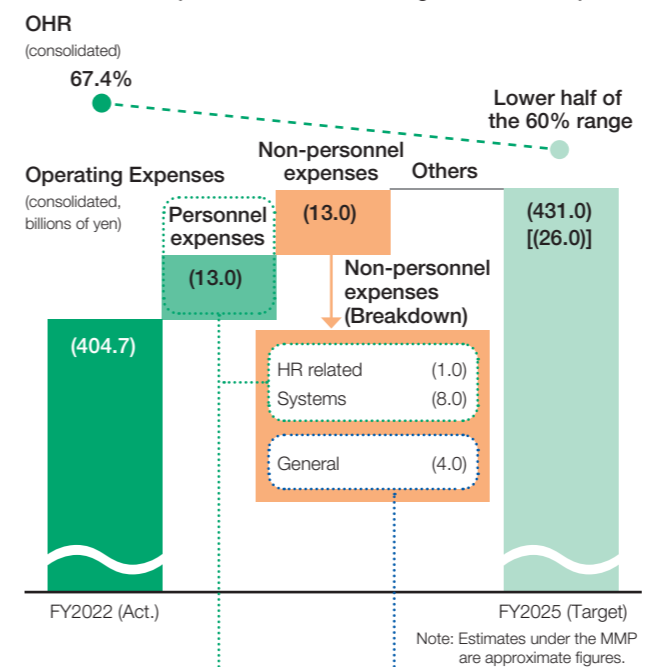
Amid radical changes in the external environment, the Resona Group is currently confronting gaps between its income structure and the operational structure supporting it, the latter of which has long defined its cost structure. We consider these gaps a priority challenge that must be overcome as soon as possible. Accordingly, we intend to further accelerate two initiatives aimed at enhancing employee engagement and productivity under the new MMP to secure foundations for future growth. Specifically, we will (1) improve wages and step up human resource development and recruitment while striving to (2) overhaul business processes. Although these initiatives are expected to result in growth amounting to approximately ¥26.0 billion in strategic costs and other expenses over the next three years, we are convinced that forward-looking investment in the development of human resources and next-generation management platforms is essential to the Group's sustainable growth and, therefore, must be done at this point in time.

With regard to investment in human resources, we are

planning an additional cumulative investment of around ¥33.0 billion over the next three years. As for the total headcount, our plans call for reducing the overall number of employees by approximately 700 via, for example, the streamlining and downsizing of branch-counter clerical operations even as we reinforce staffing in corporate sales, succession, DX and other fields of focus as well as risk governance-related fields. As a result, we will improve wages per employee and step up investment in human resource development while robustly controlling the total headcount.

With regard to IT investment, we have decided to set aside ¥121.0 billion. Under a three-year budget, this amount represents an increase of approximately ¥40.0 billion from ¥83.0 billion set aside under the previous MMP and will be used to underpin expanded investment in the development of lending-, loan-, trust- and pension-related systems as well as in the creation of new businesses and other strategic fields. In these ways, we aim to raise top-line income while advancing structural reforms.

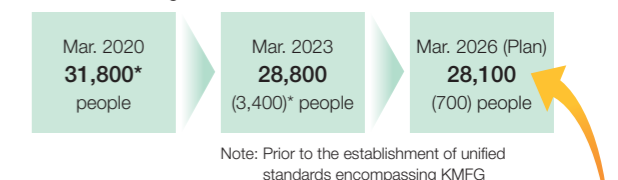
Estimated expenses to be used during the new MMP period



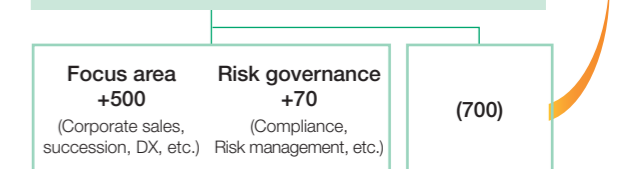
- Strategic costs (22.0)
- Base costs (4.0)
- Advance the expansion of investment in human resources and IT
- Expect increase due mainly to measures necessary to secure conformity with new legal systems and inflation even as we maintain stringent cost management

Investment in human resources

- +¥33.0 billion (Cumulative total for three years)
- Expand investment in training and improve wages per employee while controlling the total headcount



- Shift human resources to our fields of focus
- Streamlining and downsizing (1,270) (Back office, HQ, etc.)



Investment in IT

- +¥40.0 billion (Cumulative total for three years; compared with the previous MMP period)
- Expand strategic investment aimed at enhancing top-line income and supporting structural reforms

Amount of System Investment

	Previous MMP	New MMP
Cumulative total (billions of yen)	83.0	121.0
General investment	70.0	65.0
Strategic investment	13.0	56.0